



**DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY  
250<sup>th</sup> MEETING OF THE BOARD OF DIRECTORS  
Thursday, February 7, 2019  
9:30 a.m.  
5000 Overlook Avenue, SW  
Room 407  
(Budget Workshop following Board meeting)**

- I. Call to Order (Acting Chairperson Bonnie Kirkland)**
- II. Roll Call (Linda Manley, Board Secretary)**
- III. Approval of January 3, 2019 Meeting Minutes**
- IV. Chairman's Overview**
- V. Committee Reports**
  1. Environmental Quality and Operations Committee (Howard Gibbs)
  2. DC Retail Water and Sewer Rates Committee (Ivan Frishberg)
  3. Audit Committee (Anthony Giancola)
  4. Finance and Budget Committee (Sarah Motsch)
  5. Governance Committee (Ellen Boardman)
  6. Human Resource and Labor Relations Committee (Ellen Boardman)
- VI. Issues of General Interest**
  - DC Water Stakeholder Alliance Presentation
- VII. CEO/General Manager's Report (David Gadis)**
- VIII. Summary of Contracts (FYI)**
- IX. Consent Items (Joint Use)**
  1. Approval to Exercise Option Year Three of Contract No. 17-PR-DOS-38, Allied Universal Security Services – Resolution No. 19-03 (Recommended by the Environmental Quality and Operations Committee 01/17/19)
  2. Approval to Execute Contract No. 18-PR-CFO-53, Selection of Investment Bankers - Resolution No. 19-04 (Recommended by the Finance and Budget Committee 01/24/19)
  3. Intent to Reimburse Capital Expenditures with Proceeds of a Water Infrastructure Finance and Innovation Act (WIFIA) Borrowing – Resolution No. 19-05 (Recommended by the Finance and Budget Committee 01/24/19)
  4. Approval for Financial Staff Augmentation Services – Resolution No. 19-06 (Recommended by the Finance and Budget Committee 01/24/19)

**X. Consent Item Non-Joint Use**

1. [Approval to Publish Notice of Final Rulemaking for Proposed New and Amendment Miscellaneous Fees & Charges – Resolution No. 19-07](#) (Recommended by the DC Retail Water and Sewer Rates Committee 01/22/19)

**XI. Executive Session**

**XII. Adjournment (Acting Chairperson Bonnie Kirkland)**

1 The DC Water Board of Directors may go into executive session at this meeting pursuant to the District of Columbia Open Meetings Act of 2010, if such action is approved by a majority vote of the Board members who constitute a quorum to discuss: matters prohibited from public disclosure pursuant to a court order or law under D.C. Official Code § 2-575(b)(1); contract negotiations under D.C. Official Code § 2-575(b)(2); legal, confidential or privileged matters under D.C. Official Code § 2-575(b)(4); collective bargaining negotiations under D.C. Official Code § 2-575(b)(5); facility security under D.C. Official Code § 2-575(b)(8); disciplinary matters under D.C. Official Code § 2-575(b)(9); personnel matters under D.C. Official Code § 2-575(b)(10); proprietary matters under D.C. Official Code § 2-575(b)(11); decision in an adjudication action under D.C. Official Code § 2-575(b)(13); civil or criminal matters where disclosure to the public may harm the investigation under D.C. Official Code § 2-575(b)(14), and other matters provided in the Act.

**Upcoming Committee Meetings**

- Environmental Quality and Operations Committee – Thursday, February 21, 2019 @ 9:30 a.m.
- DC Retail Water and Sewer Rates Committee – Tuesday, February 26, 2019 @ 9:30 a.m.
- Finance and Budget Committee – Thursday, February 28, 2019 @ 11:00 a.m.



**District of Columbia  
Water and Sewer Authority**

**Board of Directors**

**Environmental Quality and Operations  
Meeting**

*Thursday, January 17, 2019*

*9:31 a.m.*

**MEETING SUMMARY**

**Committee Members**

Howard Gibbs, Vice Chairperson  
Patty Bubar  
Jedd Ross  
Kendrick Curry  
David Franco (teleconference)  
Ivan Frishberg

**DC Water Staff Present**

David Gadis, Chief Executive Officer (CEO)  
Leonard Benson, SVP & Chief Engineer  
Linda Manley, Secretary to the Board  
Gregory Hope, Interim EVP, Legal Affairs

**I. ALL TO ORDER**

Mr. Gibbs called the meeting to order at 9:31 A.M.

**II. AWTP STATUS UPDATES**

**1. BPAWTP Performance**

Mr. Aklile Tesfaye, Vice President, Wastewater Operations, DC Water, noted that this month's status update includes a summary of the Blue Plains Advanced Treatment Plant's performance during November 2018. The one-month delay is necessary to allow sufficient time to verify the quality of data required to prepare the performance report and complete internal review. This revised timeline will be adopted in future reports. Mr. Tesfaye stated that the plant performance for November 2018 was excellent with all effluent parameters well below the NPDES permit requirements.

The Committee inquired as to what the CHP facility was capable of ultimately generating when operating in optimum conditions, and whether DC Water was utilizing all the assets at the Plant's disposal to maximize and optimize energy generation. Mr. Tesfaye replied that the CHP is designed to generate a theoretical maximum of 13.8 MW gross power, but actual electrical power generation is dependent on ambient temperature, parasitic load, the quantity of solids produced at the plant, the quantity and quality of digester gas produced, and reliability and efficiency of CHP systems and equipment. During the 2018 calendar year generation averaged 6.6 MW net power, higher than the 5.6 MW average during the 2017 calendar year, but was not at the 8 MW average net power anticipated. This was due to several contributing factors,

including lower solids throughput, lower digester gas production, and downtime of equipment for both proactive and corrective maintenance. The Committee requested DC Water provide an overall assessment of the CHP program with respect to its operating costs versus cost savings and revenue generated, and present to the Committee during a future meeting.

The Committee also inquired as to what the 'Bloom value dollar amounts' meant as used in the Bloom Reuse and Value Map, in the report. Mr. Tesfaye explained that the dollar amounts attributed to each jurisdiction indicated cost of nitrogen rich fertilizer that would have been borne by farmers had they not used Bloom products.

## II. WATER OPERATION UPDATES

Mr. Jason Hughes, Senior Director, Water Operations and Ms. Maureen Schmelling, Director, Water Quality, gave brief updates regarding winter preparedness, fire hydrant maintenance and water quality. Mr. Hughes highlighted some of the preparedness measure taken by the Authority during the winter period.

The Committee inquired if a correlation assessment has been done between pipeline age and number and location of main breaks. Mr. Hughes replied that annually, through the Small Diameter Water Main Replacement (SDWMR) Program, water main break analysis that considers system age, among other factors, is conducted.

Next, Mr. Hughes stated that of the 9,996 public service hydrants, 77 were out of service as of January 2, 2019. Of the 77 that are currently not operational, 46 were operationally defective while 31 were out of service because of either nearby water main repairs, non-DC Water construction activities or other hydrant obstructions.

Ms. Schmelling then gave a brief update regarding water quality monitoring activities, specifically, regarding total Coliform testing and Lead and Copper rule (LCR) testing. All testing showed the water distribution system to be performing exceptionally well.

## III. ACTION ITEMS

### JOINT USE

1. Contract No. 17-PR-DOS-38 – Protective Services, Allied Universal Security Services

Mr. Dan Bae, Director, Procurement, DC Water presented joint use Action Item 1.

**Action Item 1:** Request to execute Option Year 1 for the provision of protective services for all of DC Water's facilities and personnel.

The Committee inquired if the amount for the option year requested also factors in costs associated with protection services for the new headquarters. Mr. Bae responded in the affirmative. The Committee inquired if the reduction in contract value was indicative of a cancellation of certain services. Mr. Bae replied that DC Water is currently studying the implications of further reductions in service but assured the Committee that no reduction will be taken at the expense of essential security services. The Committee also inquired as to the role of

the subcontractor on this contract. Mr. Bae responded that the security work is divided among the prime and the subcontractor based on location and that the subcontractor provides similar protective services as the prime.

The Committee recommended the joint use Action Item to the full Board.

#### **IV. DC WATER IT STRATEGY – BOARD SUMMARY**

Mr. Thomas Kuczynski, Vice President, Information Technology, DC Water gave an update on the Authority's IT strategy for 2019 and beyond.

Mr. Kuczynski stated the department, headed by the Office of the Chief Information Officer (CIO), was grouped into five (5) service divisions; namely, Enterprise, Infrastructure, Data, Project & Portfolio and Security Services. This organization structure helps align IT effectively and efficiently with the products and services that it needs to deliver to support the Authority's essential business. The Committee inquired if the department required mandatory cyber security training for DC Water employees. Mr. Kuczynski replied in the affirmative.

Mr. Kuczynski also mentioned the importance of transforming into a Digital Utility, which is characterized by enabling capabilities that allow for proactive management of all aspects of the business. The existence of digital silos coupled with the absence of an enterprise data model and standard definition for core information assets prevents the organization from transitioning to a Digital Utility.

DC Water's Cloud First approach allows IT to adapt quickly to changing organizational needs. Focusing internal solutions on the core business allows IT to reduce risk and increase overall system reliability at a lower Total Cost of Ownership (TCO). He stated that one byproduct of a Cloud First policy was the advent of the mobile workforce that requires the tether to the desktop to be severed while preserving the experience and providing the same features, functions and performance that is expected. DC Water's Buy & Adopt (vs. Buy & Adapt/Build) policy provides the Authority a balance between capabilities and cost. Limiting customizations solely to those items that are regulated ensures the Authority can take advantage of industry's Best Practices more quickly as they become available. He also stated that IT's resource management optimizes resource pools (fixed and available) against resource requirements (predictable and variable) to achieve the necessary balance between cost and schedule. The Committee inquired as to how many full-time employees (FTEs) IT has. Mr. Kuczynski replied that there are 28 FTEs and an additional 22 contractor personnel.

Mr. Kuczynski concluded by stating that for DC Water to become a world-class water utility, it must achieve objectives across a wide range of strategies that are interdependent. The Committee requested DC Water provide a list of the members of the steering committee and an overview of the Committee's functions.

#### **III. OTHER BUSINESS/EMERGING ISSUES**

None.

#### **IV. ADJOURNMENT**

Meeting adjourned at 11:03 a.m.

**Follow-up Items**

1. Vice President, Wastewater Operations: Provide an overall assessment of the CHP program with respect to its operating costs versus cost savings and revenue generated and present to the Committee during a future meeting.
2. Vice President, Information Technology: Provide a list of the members of the steering committee and an overview of the Committee's functions.



**DISTRICT OF COLUMBIA  
WATER AND SEWER AUTHORITY**

**Board of Directors**

*DC Retail Water and Sewer Rates Committee*

Tuesday, January 22, 2019

9:30 a.m.

**MEETING MINUTES**

**Committee Members in Attendance**

Rachna Bhatt, Chairperson  
Tommy Wells, Chairman  
Ellen Boardman  
Howard Gibbs  
Jed Ross  
Krystal Brumfield  
Ivan Frishberg  
Emile Thompson

**Via Conference Call**

Anthony Giancola

**DC Water Staff**

Matthew Brown, CFO/EVP Finance & Procurement  
Gregory Hope, Interim EVP Office of Legal Affairs  
Linda Manley, Secretary to the Board

**Call to Order**

Chairperson Rachna Bhatt convened the meeting at 9:37 a.m.

**Miscellaneous Fees & Charges Cost of Service Study Update (Attachment A)**

Mr. Brown, CFO/EVP updated the committee on the Miscellaneous Fees and Charges Cost of Service Study (COS) and proposed action item. He stated that the COS was discussed with the Committee in October and in November the Board approved the Notice of Proposed Rulemaking (NPR) of the Miscellaneous Fees and Charges. He stated that he met in November with the District of Columbia Building Industry Association (DCBIA) and in January with the Apartment Office Building Association of Metropolitan Washington (AOBA) and their members, after the public comment period was closed, to discuss the impact of the new and adjusted Miscellaneous Fees & Charges and Clean Rivers Impervious Area Charge (CRIAC) on their monthly bills. Mr. Brown stated that based on the comments and feedback received during the comment period from the stakeholders he is proposing to extend the implementation of the new and adjusted Miscellaneous Fees & Charges from the originally proposed February 22<sup>nd</sup> date to June 3<sup>rd</sup>. He explained that this will give DC Water additional time to publicize the fees and ensure that those affected will know about them. He noted that the extension will also address the concerns raised by DCBIA regarding some of their projects that are already in the pipeline and might be negatively affected. He said the extension of the implementation will ensure enough time to still collect the fees and

the revenue assumptions will be reflected in the proposed budget that Mr. Gadis President/CEO will deliver in February. Ms. Boardman wanted clarity as to whether the extension is for all potential payers or just those who have current existing projects and if we should consider grandfathering the existing projects on a limited basis or if there are additional reasons as to why an extension makes sense. Mr. Brown, CFO/EVP responded that he has considered different options after receiving public comments and they included extending the implementation for a later period in the fiscal year, aligning the miscellaneous fees and charges with the beginning of the next fiscal year when the revenue will be reflected in the budget or implement the miscellaneous fees and charges more slowly. He stated that there are three different fees involved: a) Permit fees, b) New fees Fats Oil and Grease (FOG), and Cross Connection Back Flow Preventer (CC/BFP) and (c) Customer fees.

Mr. Brown, CFO/EVP reiterated that the purpose of the presentation was to seek the Committee's recommendation for the full Board to approve the miscellaneous fees and charges for implementation on June 3<sup>rd</sup>. He stated that Raftelis Consultants did the review which had not been updated since 2011. The scope of the study he said was to implement two new fees CC/BFP fees which applied to any building with a Back-Flow device including multi-family buildings and FOG which will apply primarily to restaurants, as well as updating the existing fees to better align with the cost of providing services. Mr. Brown, CFO/EVP stated that the two new fees will be billed monthly and anticipates annual revenues from FOG of \$775K with 4,700 participants and a monthly bill of \$13.70 and CC/BFP anticipated annual revenues of \$900K with an estimated number of assemblies of 11,088 and a monthly bill of \$6.70 per assembly. He stated that the current inspection costs are not self-supporting and are subsidized by other fees and charges within DC Water, and a dedicated FOG fee will end the cross subsidization. Mr. Gibbs wanted to know if there will be service outside of the inspection process. Mr. Brown, CFO/EVP replied that it is a program and will include educational and compliance efforts. Mr. Brown gave a breakdown of the other fee categories in the study including the largest increase which is the ground water fee. He stated that the reason for the projected increase in revenue requirement for the engineering fees, which went up from \$1.8 million to \$4.0 million is due to increases in demand from customers, and inflation. Mr. Brown, CFO/EVP highlighted the major assertions received from DCBIA regarding the System Availability Fee (SAF) rulemaking as well as the four case studies they provided regarding the impact of the increased miscellaneous fees & charges will have on their projects.

Next, Mr. McDermott, Director of Permits explained in detail the assumptions and logic in the four cases submitted by the DCBIA. He explained their conclusions and offered clarifications especially regarding ground water disposal cost which is a usage based rate and not a fee. He pointed that there were fee increases centered around permit review fees, changes in flat fees and miscellaneous fee changes. He stated that the logic for town-houses changed from individual projects to the number of billable connections, therefore increasing the fees to the developers, this he said is a result of setting up accounts and other logistical tasks. He stated that for Multi-family units the formula is still the same one building per one master meter connection. In response to Ms. Bhatt's question regarding the formula for calculating the cost of As-built fees, Mr. McDermott explained that DC Water uses a rate sheet which captures the logistics of the street infrastructure, and GIS mapping needs and charges based on cost per linear foot.

Mr. Brown, CFO/EVP responded to the final comment made by DCBIA raising concerns that the SAF, Metering fees, and CRIAC will place an economic disadvantage on developers in comparison to their neighbors. He stated that this charges are encountered by development throughout the country and cannot be easily benchmarked because of the unique way in which the fees are structured, and moreover DC Water is only trying to recover the cost of providing services.

Mr. Brown, CFO/EVP made a recommendation to move the Notice of Final Rulemaking (NOFR) of the Retail Customer Fees, Permitting Fees, and Additional Fees for implementation on June 3<sup>rd</sup>. Mr. Brown, CFO/EVP stated that AOBA requested a change regarding how the FOG fee is billed, which is currently based on the restaurant and not the owner with the connection. Mr. Ross proposed that DC Water should develop a communication tool which will serve as an advisory role for restaurants sharing the same



connection, especially during emergencies. Mr. Gibbs inquired about how DC Water will identify all the restaurant owners. Mr. Constant replied that restaurant owners will be identified through the Department of Consumer and Regulatory Affairs (DCRA) database which issues Food Safety Establishment (FSE) licenses to restaurants. In response to Mr. Frishberg question, Mr. Constance also stated that there is a flat fee of \$12.70 for all FSE license businesses and there is no cost differentiation irrespective of business size. Mr. Constance said the biggest cost driver of the program is the logistics of traffic, parking and the timely availability of the authorized person to authorize the inspection. He further stated that there is minimal inspection timing difference between the different sizes of restaurant. Mr. Frishberg inquired if any analysis was done by the DCBIA to back up their claim regarding being disadvantaged by the new fees in comparison to their neighbors. Mr. Brown, CFO/EVP replied no, and said we will be responsive to all our customers' needs and will report back to the Committee regarding how we plan to implement the concerns raised by DCBIA.

### **Action Item (Attachment B)**

Mr. Brown, CFO/EVP gave an overview of the action item approval of proposed Miscellaneous Fees & Charges.

Chairperson Bhatt asked the Committee to move action item 1 to the full Board. The Committee concurred to refer the item to the full Board.

- Approval of Proposed Miscellaneous Fees & Charges (Action Item 1)

### **DC Retail Water and Sewer Rates Committee Workplan (Attachment C)**

Mr. Brown, CFO/EVP informed the committee that the workplan lined up with the proposed budget presentation slated for February 7<sup>th</sup>. He stated that two presentations were planned for Thursday January 24<sup>th</sup>. Days of Cash on Hand and Public Financial Management (PFM) our asset management consultants will also present to give the Finance and Budget Committee an overview of the services they offer which includes management of our investments, tracking our returns of investments compared to other financial benchmarks and will be on hand to answer questions regarding our investment policies and returns on investments. Mr. Brown, CFO/EVP concluded that the proposed budget will address issues regarding our budget baseline, which underfunds our infrastructure and as well as a full asset management program and the impact it has on our rate payers. Chairman Wells advocated that we continue to work on cost savings.

### **Agenda for February 26, 2019 Committee Meeting (Attachment D)**

There was no discussion on the agenda for February 26<sup>th</sup>.

### **Other Business**

There was no discussion on other business.

### **Executive Session**

There was no executive session.

### **Adjournment**

Chairperson Bhatt adjourned the meeting at 10.32 a.m.

**FOLLOW-UP ITEMS – DC Retail Water and Sewer Rates Committee Meeting (January 22, 2019)**

There were no follow up items.



## DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

### Board of Directors

*Audit Committee*

*Thursday, January 24, 2019*

*9:30 a.m.*

*Meeting Minutes*

#### **COMMITTEE MEMBERS PRESENT**

Anthony Giancola, Chairman  
Howard Gibbs  
Bonnie Kirkland  
Rachna Butani Bhatt (by Phone)

#### **INTERNAL AUDIT STAFF PRESENT**

Dan Whelan, RSM US LLP  
Jill Reyes, RSM US LLP  
Charles Barley, RSM US LLP  
Sophie Tomeo, RSM US LLP  
Ethan Bickford, RSM US LLP  
David Luker, RSM US LLP

#### **DC WATER STAFF PRESENT**

David Gadis, CEO  
Biju George, EVP Ops & Engineering  
Gregory Hope, Interim EVP Legal  
Affairs  
Linda Manley, Secretary to the Board  
John Madrid, Controller  
George Spears, Labor Relations Manager  
Wayne Griffith, EVP Performance  
Matt Brown, EVP Finance &  
Procurement

#### **EXTERNAL AUDIT STAFF PRESENT**

Paul Geraty, KPMG  
Richard McLean, KPMG

#### **Call to Order (Item 1)**

Mr. Anthony Giancola called the Audit Committee meeting to order at 9:32 AM.

#### **FY 2018 Financial Statements (Item 2)**

Mr. John Madrid shared that the Authority's balance sheet remains strong with a total net position of \$2.1 billion, which is an increase of \$187.4 million (9.9%) from last fiscal year. Operating revenue increased by \$41.3 million (6.4%), while operating expenses increased by \$31.3 million (7.7%) over the prior year. However, total long-term debt increased by \$3.5 billion (9.5%).

Ms. Bonnie Kirkland inquired as to whether the continuous long-term debt that is accumulating is appropriate. Mr. Madrid responded by referencing the Anacostia Tunnel and Swirl Facility in which service was discontinued in FY 2018, resulting in a sunk cost

for the Authority. In addition, it is projected the Authority will take out an additional \$300 million in loans in FY 2019.

Mr. Madrid reported that Fitch Ratings upgraded DC Water's credit rating for senior lien revenue bonds from 'Stable Outlook' to 'Positive Outlook.' Additionally, Mr. Madrid reviewed the FY 2018 debt financing. The Authority issued \$100 million of 2018 Series A and \$200 million of 2018 Series B senior lien revenue bonds that mature in 2050 with fixed interest rates of 5%. The 2018 Series A bonds are being used to fund the Clean Rivers Project, while the 2018 Series B bonds are being used for general capital improvements.

Mr. Madrid added that the Authority's operating revenue remains well diversified and stable. Despite operating expenditures growth, there was a decrease in expenses on chemicals, supplies, and small equipment. The largest increases in operating expenditures can be attributed to personnel services and depreciation expenses. The Authority's net capital assets value has reached \$7 billion, with an increase by \$416.8 million (6.45%) in FY 2018. The Authority's net position increased by \$187.4 million (9.95%) to \$2.1 billion.

### **External Audit Update (Item 3)**

Mr. Paul Geraty gave an overview of the Authority's FY 2018 financial statements. He informed the Board that KPMG issued a clean, unmodified opinion on the Authority's FY 2018 financial statements. He stated that no material weaknesses or significant deficiencies were identified regarding internal controls over financial reporting. Mr. Geraty shared that a Management Letter was issued and that this letter details any control deficiencies that were identified, however, none reached the level of a significant deficiency or material weakness. Mr. Anthony Giancola requested to see a copy of the Management Letter. Mr. Geraty informed Mr. Giancola that the Management Letter would be issued to them the next day.

Mr. Geraty added that significant accounting policies were described in Note 2 of the financial statements, and noted that there were no significant changes to the Authority's policies in FY 2018. Mr. Giancola inquired about the pension program and if it was reviewed during the audit. Mr. Geraty ensured it was reviewed and explained that due to the type of plan (defined contribution) that is used, DC Water is not required to include a liability on the face of their financials, as they are only required to provide the annual match.

Mr. Geraty summarized the new GASB pronouncements implemented in the current period, none of which had a material impact on the Authority. In addition, he shared a summary of future GASB pronouncements to be implemented in the future. Mr. Geraty explained that GASB 89, which will come into effect in FY 2021, could have the most

impact on the Authority as it deals with accounting for interest cost incurred before the end of a construction period.

Mr. Geraty noted two audit misstatements that resulted in negligible change, deeming the errors insignificant overall with no material effect. There were no corrected misstatements necessary.

Mr. Richard McLean then reported on internal control related matters. Mr. McLean explained that no internal controls had a profound effect on the external audit. In addition, Mr. McLean reported that KPMG is currently auditing CFDA#99.UNK Combined Sewer Overflow under the Single Audit Act and the results will be presented to the Committee in April of 2019. KPMG expects to issue a clean opinion for this single audit with no material weaknesses or significant deficiencies.

#### **Internal Audit Update (Item 4)**

RSM Partner, Mr. Dan Whelan, presented the FY 2019 internal audit plan status update and the agenda. For FY 2019 there are 13 total audits to be completed by September 30<sup>th</sup>, 2019 (4 of these audits are currently in process). Mr. Whelan went through the timeline for each audit and the additional FY 2019 risk assessment interviews that have been completed since the October Audit Committee meeting due to the recent reorganization at the Authority. Mr. Whelan then presented the resulting seven projects added and the five projects removed from the FY 2019 audit plan. The Committee accepted the changes with no additional questions.

Ms. Sophie Tomeo presented the status of prior audit findings. For audit findings in FY 2015 and all years prior, Ms. Tomeo reported that all findings have been officially closed out. This includes Water Service – Distribution Maintenance Branch, GIS Mapping, and IT Vendor Management projects that still had open or pending testing prior audit findings at the time of the October Audit Committee meeting. FY 2016 follow-up testing shows 37 items closed, 8 pending testing, and 6 items remain open. FY 2016 follow-up testing shows 24 items closed, 5 pending testing, and 16 items remain open. Ms. Tomeo then presented the status of FY 2018 follow-up testing to the Committee for the first time. 17 of the 45 issues are pending testing, 9 of the issues have been closed out, and 19 remain open.

Ms. Tomeo then addressed the action deferred update items that are contingent on other action occurring and are not included in the prior audit findings. The action-deferred items include Comprehensive Safety Policies and Procedures handbook, Scrap Metal Policy, Personally Identifiable Information (PII) Policy, and Intellectual Property Personnel Policy. Ms. Tomeo reported that the Scrap Metal and Personally Identifiable Information (PII) policies have been finalized and are awaiting signature. The Comprehensive Safety Policies and Procedures handbook is pending hiring of a new Director of Occupational Safety and Health prior to finalization. In addition, Ms. Tomeo added that Intellectual

Property Personnel Policy is under review by management due to new strategic initiatives.

Mr. Giancola inquired about the status of the Comprehensive Safety Policies and Procedures handbook. Mr. George Spears reported that the Labor Relations team is reviewing protocols while the hiring of a new Director of Occupational Safety and Health is underway. Mr. Giancola also voiced concern that incorporating the review of a new Director may delay policy issuance by four to five months. Mr. David Gadis responded to this concern by explaining that safety is still a priority prior to policy issuance, and the new Director will come in with extensive industry experience. Ms. Tomeo reiterated the intention to move forward with the planned Safety audit and current processes as noted in the approved FY 2019 plan, which is in the planning phase.

Mr. David Luker then presented the results of the Integrated Work Order Management Internal Audit. This project covered three departments that leverage the IBM Maximo system: Department of Pumping Operations (DPO), Departments of Sewer Operations (DSO), and the Department of Water Operations (DWO). Mr. Luker explained that Maximo is a commonly used system in the industry and that RSM has identified similar issues in two other departments during a prior work order management audit in FY 2017. Mr. Luker noted that the scope included the use of Maximo in the work order management process including review and approval of work orders, capturing of costs, and monitoring key performance indicators related to work order management. Mr. Luker then stated that the upcoming planned Asset Management project would be a broader scale project to evaluate the overall strategy around the use of Maximo across the Authority and move from a work order-based system to an asset-based system and allow for more flexibility and accuracy in monitoring and forecasting.

Mr. Ethan Bickford then went on to discuss the results of the Integrated Work Order Management Internal audit. Mr. Bickford reported on the observation themes that were identified as high risk. The first is the inconsistent use and non-compliance of approved established workflow for all three departments, DPO, DSO, and DWO. Next, Mr. Bickford described the utilization of Maximo and data entry requirements of materials and labor costs as inconsistent for both DSO and DWO. In addition, Mr. Bickford noted insufficient key performance indicator (KPI) monitoring for both DSO and DWO.

Ms. Reyes then went on to report on the Mail Room Procedures Internal Audit that took place in December 2018 due to the two pieces of mail addressed to the Board Chairman that were not received as expected. Currently, the Authority only catalogues certified or otherwise barcoded mail. Ms. Reyes detailed the two high level recommendations to the committee. The first recommendation is to update the current Standard Operating Procedures (SOP) to include details regarding how mail is to be sorted and catalogued and who is responsible for the various tasks. Ms. Reyes also suggested this could include a list of higher profile senders / receivers, as desired. The second recommendation is to

separate higher profile items (such as those addressed to the Board, the CEO, or General Counsel), catalogue them, and then require sign off by the intended recipient party in order to track proper distribution and receipt of the mail contents. Ms. Reyes noted that the Authority has already begun to implement the QTrak system for mail scanning during FY 2019, which should aid in implementing these recommendations.

Ms. Reyes then went on to discuss the hotline update and its semi-annual analysis. Ms. Reyes reported the number of total calls in FY 2018 was 21 and the number of total calls in FY 2019 is 7 to this date. None of these calls required corrective action, notwithstanding the 4 calls currently under investigation. Since the prior Audit Committee meeting on October 25<sup>th</sup>, 2018, 6 calls have been received, 3 of which are fraud related and 3 related to other issues. As of January 25<sup>th</sup>, 2019, 4 calls remain open and are being investigated. Mr. Giancola pointed out that since FY 2016, 46 of the 94 calls have been directed towards the Department of Engineering and Technical Services (DETS) with 14 of those 45 calls being fraud related. Ms. Reyes noted that although a significant number of calls have been 'assigned' to DETS, only 4 of those have resulted in Corrective Action, out of the 9 total that have, and that given the Operating vs Capital budget split at the Authority, the concentration of calls within DETS should be somewhat expected, as the rest are across the operating departments. In addition, Ms. Reyes reported that 19 of the overall 94 closed hotline calls have been fraud related and only 1 of those that has been closed has resulted in corrective action taken. Ms. Reyes reported that overall, only 10% of the hotline calls have resulted in corrective action. Mr. Whelan noted that the hotline protocol is under review by management, since the intent of the hotline was to be for fraud-related issues, and a majority of the calls received are not fraud-related. Ms. Kirkland requested to discuss more details of the hotline in Executive Session.

Mr. Whelan then closed out the open session by suggesting more frequent updates between RSM and the Audit Committee, given the extent of information shared and the desire to connect with the Committee more frequently. The discussion between Mr. Whelan and the committee suggested a plan to increase the meetings to bi-monthly, but this matter will be discussed by the committee to vote on at a later date.

#### **Executive Session (Item 5)**

There was a motion to move into Executive Session by Mr. Gibbs to discuss legal, confidential, and privileged matters pursuant to Section 2-575(b)(11) of the D.C. Official Code. It was so moved and seconded, and motion carried. The room was cleared of non-Executive members and all public individuals. The Audit Committee went into Executive Session at 11:24 AM.

#### **Adjournment (Item 6)**

The Board moved back into public session. The Audit Committee meeting adjourned at approximately 12:07 AM.

**Follow-up Items**

The Audit Committee requested the following item:

- KPMG to provide Management Letter to the Committee





**DISTRICT OF COLUMBIA  
WATER AND SEWER AUTHORITY  
Board of Directors**

*Finance and Budget Committee*

*Thursday, January 24, 2019*

*1:00 p.m.*

**MEETING MINUTES**

**Committee Members**

Sarah Motsch, Vice Chairperson

**Other Board Members (via conference call)**

Jed Ross

**DC Water Staff**

David Gadis, CEO and General Manager  
Matthew T. Brown, CFO and Executive Vice-  
President, Finance and Procurement  
Gregory Hope, Interim Vice-President, Legal Affairs  
Linda Manley, Secretary to the Board  
Ivan Boykin, Director, Finance  
Carolyn Mackool, Director, Customer Service

**Other Presenters and Guests**

Nelson Bush, Public Financial Management-  
Asset Managers  
Kathleen Bowe, Public Financial Management-  
Asset Managers

**Call to Order**

Chairperson Sarah Motsch called the meeting to order at 1:01 p.m.

**December 2018 Financial Report**

Mr. Matthew Brown, CFO and Executive Vice-President for Finance and Procurement, presented the monthly financial report, noting that DC Water's revenues and expenditures are in favorable position, and in line with budgetary expectations in all categories in the first quarter of the fiscal year. With approximately 25 percent of the fiscal year completed, total operating revenues are at \$174.8 million, or 26.9 percent of budget, operating expenditures are at \$132.7 million, or 22.8 percent of budget, and capital disbursements are at \$130 million, or 29.6 percent of budget.

Mr. Brown informed the Committee that the Financial Statement audit is complete and that the auditors have informed the Audit Committee of DC Water's "clean opinion" with no significant deficiencies or material weaknesses. The single audit is approximately 99 percent complete with no issues identified to date and the Green Bond attestation is on schedule. He stated that the FY 2020 Proposed Budget will be presented during the Budget Workshop, after the February 7, 2019 Board meeting with various Committee reviews during the months of February and March, and Board approval anticipated in April. He further explained that if there are any rate changes, there will be a town hall and public hearing process to announce the new rates that would take effect in October. He also informed the Committee that the

District has enacted a Consumer Protection Amendment Act of 2018, that requires a 45-day notice before public hearings related to rates, are scheduled.

Next, Mr. Brown reported that the operating revenues did not reflect the second quarter's Federal payment made in January of \$10.5 million, which is short of the actual bill of \$16.5 million. The District Government also paid its November bill for \$1.9 million in January. Operations & maintenance expenditures were \$79.6 million, based on the YTD O&M budget of \$83.7 million, and has a favorable variance of \$4.1 million. He highlighted that the favorable variance in personnel services expenditures, which include wage increases, was due to the hiring freeze instituted by Mr. David Gadis, CEO and General Manager, where every position recruitment request is justified and reviewed by him. Mr. Brown also noted that capital disbursements has a favorable variance of \$29.4 million compared to the planned disbursements through this reporting period and that detailed project explanation will be provided by the Engineering Team in February.

### **Financial Policies Review**

Mr. Brown provided an overview of the current Board-adopted financial policies, which include;

- Maintaining financial practices and policies that will result in high-quality bond ratings
- Maintaining 120 days of cash or \$125 million / \$140 million (revised and Board approved)
- Using operating cash in excess of Board approved policy amount for capital financing or repayment of higher cost debt
- Securing and using the least costly type of financing for capital projects
- Matching the period of debt repayment with the lives of the assets financed (Century Bonds)
- Maintaining Senior Debt service coverage of 140 percent

Mr. Brown reminded the Committee about the recommendation presented in February 2018 to increase Operating Reserves from \$125 million to \$140 million, which is currently management's target. He also noted that DC Water's ability to maintain over 250 days-of-cash on hand is seen favorably by the credit rating agencies. Although DC Water reflects 259 days, it is at the lower end when compared to its peers with similar credit ratings. Mr. Brown indicated that this is of concern and would like to increase the days of cash. Activities that reduce the number of days of cash includes any withdrawal from the Rate Stabilization Fund – the Board authorized a withdrawal of \$6 million to assist with the Affordability Program for the current Fiscal Year 2019 and will reduce the days of cash on hand by about 7 days. As the operation and maintenance budgets increase annually, this impacts the number of days of cash, which will decrease from 259 days in FY 2017 to 199 days in FY 2023.

Currently, a day of cash on hand is about \$874,000 in FY 2019. FY 2018 ended favorably with 277 days of cash, however, FY 2019 is projected to end with 225 days of cash if no action is taken. To maintain the 250 days of cash, about \$22.2 million will be needed. As part of the FY 2020 Proposed Budget, there are considerations to: (a) transfer any year-end surplus to cash balance; and (b) to purposely include it in the financial plan either through operating savings, contributing less cash to the capital program or considering other sources. Mr. Brown plans to have a recommendation as part of the FY 2020 Proposed Budget when it is presented to the Board for adoption.

Ms. Sarah Motsch, Vice Chairperson, inquired if there was a strategy to trade off with the days of cash between the Discretionary Reserves and the Rate Stabilization Fund from FY 2015 to FY 2017. Mr. Brown responded that there are no correlations, but at the end of each fiscal year the Board decides whether to contribute the year-end operating surplus to either the Rate Stabilization Fund or to the capital program. For instance, at the end of FY 2018, the Board made the decision to contribute approximately \$18 million of the year-end operating surplus to support the higher spending in the capital.

Mr. Ross inquired if there were any forecast on the contribution to the Affordability Program as the presentation does not reflect any further contributions to the Rate Stabilization Fund after the reduction

of \$6 million to be used towards the program in FY 2019. In response, Mr. Brown informed that the Board previously had included a contribution to the Rate Stabilization Fund in the budget and collected rate payer funds for that purpose apart from the year-end allocations. But last year, as a part of the budget process, the Board voted to remove those contributions from the financial plan so any action to allocate funds to the Rate Stabilization Fund would require Board action. Mr. Ross further stated that any discussion about the allocation of year-end surplus would need to consider (a) allocation of operating surplus to the Rate Stabilization Fund; (b) customer affordability; and (c) addressing the aging infrastructure programs.

### **Short Term & Core Portfolio Review**

Mr. Nelson Bush and Ms. Kathleen Bove of Public Financial Management-Asset Managers (PFM-AM), provided an update on the investment market and performance of DC Water's investment portfolio. Ms. Bove stated the Gross Domestic Product (GDP) remained solid but was expected to soften in 2019. The third and fourth quarters of 2018 were the strongest and the economy continues to drive GDP growth. Interest rates are rising as the Federal Open Market Committee (The Feds) continues to raise rates. While the Feds have raised rates, the spread between the two-year treasury and the federal funds target have also shrunk.

Mr. Bush provided an overview of DC Water's portfolio and performance. As of December 31, 2018, DC Water's short term portfolio shows two operating reserve funds which are the same with two different weights. It also shows the Rate Stabilization Fund along with the Debt Service Reserve Fund. The long-term portfolio shows the 2018 construction funds along with commercial paper and the 2016 construction funds.

Ms. Bove provided the historical yields on the short term and core portfolio. The short term and the core yields are an aggregate total of the portfolios. As of December 2018, the short-term yields were 2.08 percent and core yields were 2.33 percent. She stated that DC Water captures securities at a cost value and not at market value. Therefore, the securities rates at the time of purchase will be much lower while the current benchmark continues to rise.

### **Water Infrastructure Finance & Innovation Act (WIFIA) – Loan Review**

Mr. Ivan Boykin, Director of Finance, provided an overview of the WIFIA program, requirements, financing terms and DC Water's letter of interest. He explained that the WIFIA program, modeled after the Transportation Infrastructure Finance and Innovation Act (TIFIA), was established by the EPA and provides low cost funding at the US Treasury rate. In 2017, WIFIA received 43 letters of interest (LOI) with 12 projects approved, totaling \$2.3 billion in loans. In 2018, the EPA received 62 LOIs at \$9.1 billion in loans vs \$5.5 billion in lending capacity.

The WIFIA program requirements included a minimum loan size of \$20 million for eligible water and wastewater projects, two bond ratings and dedicated revenue source. Some additional key terms were interest rates, lien priority, and security. Some of the benefits of WIFIA include rate lock, draw flexibility, and minimum premium long dated debt between 30-40 years. Also, there are flexible prepayment provisions. The WIFIA yield weighted average life debt vs the normal tax-exempt issuance could save DC Water significantly.

Mr. Boykin stated that DC Water's LOI included 20 projects, together called the DC Water Infrastructure Repair, Rehabilitation, and Replacement Project. Some of the 20 projects could be swapped with other CIP projects as needed and anticipate settlement to take place in late Fall. At the February meeting, the Board will be asked to adopt a reimbursement resolution confirming that DC Water intends to use proceeds of the WIFIA loan to reimburse itself for capital expenditures incurred between FY 2019 and FY

2024. DC Water retains the flexibility to refund the loan at a future date using tax-exempt funding. The recommendation is for the intent to reimburse with up to \$150 million in proceeds.

Mr. Ross inquired if new projects were considered because of this loan or if this new additional funding is to lower the upfront costs and potential long term costs with fixed rates. He also inquired if there were significant reporting and compliance requirements that management that needs to provide based on the loan obligation. He further inquired if there were costs shift to ensure compliance of the loan. Mr. Boykin informed that no new projects are included and only the original capital projects are included. He also reiterated that the loan is to reduce the cost of funding. Mr. Boykin further reported that there are significant reporting requirements needed to meet EPA compliance for the loan. DC Water's Treasury Office will work closely with the Engineering Department to ensure compliance. Mr. Ross applauded the Authority for diversifying the risk and reinforced the need to comply with the loan regulations so as not to embarrass the Authority for noncompliance.

### **Briefing on Credit Balance Write-Off**

Ms. Carolyn Mackool, Director of Customer Service, provided an overview of significantly aged customer accounts with credit balances and the need to write off the balances as it relates to operational cost effectiveness. She informed that DC Law Code § 34-2401.10 states in part, that if a customer does not apply for a refund within two years after payment, DC Water can transfer erroneous payments and customer account credits to its General Water Fund. She also informed that there is an account that is almost 40 years old. DC Water transitioned to a new system (V1), that requires the Authority to pay based on an on-going subscription basis for contract accounts. The cost is approximately \$1.15 cents per account per month. The system also provides detail and insight on all accounts and reported approximately 40,000 inactive accounts which will cost the Authority an additional \$325K - \$375K annually. Currently, there are approximately 15,731 accounts with credit balances totaling \$2.9 million for more than 2 years. The accounts requested for immediate write-off is 15,282 with credit balances of \$1.5 million. Approximately 13,000 of the 15,282 accounts will cost rate payers more to process a refund than to transfer the balance to the General Water Fund.

Ms. Mackool provided explanation of what causes credit balances on an account. These include: overpayments on final bills to ensure all charges were covered; payments for unassessed late fees; payments made in rounded dollar amounts; and account adjustments after closure – resulting in unbilled and subsequently unclaimed. To address this issue and prevent future occurrence, there will be new policies and procedures developed within the new system as it relates to adjustments, moveouts, estimates, and assessing fees on post account closures. The Customer Service Department is also establishing a formalized final collection process that will review lagging balances and institute a process for further reviews.

Mr. Ross requested for clarification about the interpretation of the two-year statute of limitation of the DC Law Code for customer refunds and timeline for activities on the inactive accounts. Ms. Mackool stated that this effort only affects accounts that do not have any activities for past 2 years. She also informed that a request for credit refund must be made within 2 years after the account overpayment occurred. Finally, Ms. Mackool informed that the Authority's website will be updated to communicate the new process to customers.

### **Action Items**

The Committee members reviewed and recommended that the following action items be moved to the full Board for consideration:

- A. Recommendation for Approval for Underwriter Services

- B. Intent to Reimburse WIFIA Loan
- C. Recommendation for Approval for Financial Staff Augmentation Services

**Adjournment**

Hearing no further business, Vice Chairperson Sarah Motsch adjourned the meeting at 2:36 p.m.



**DISTRICT OF COLUMBIA  
WATER AND SEWER AUTHORITY**

**Board of Directors**

*Governance Committee*

*Tuesday, January 29, 2019*

*9:00 a.m.*

**MEETING MINUTES**

**Committee Members**

Ellen O. Boardman, Chairperson  
Rachna Bhatt  
David Franco  
Anthony Giancola  
Bonnie Kirkland (by phone)  
Emile C. Thompson

**DC Water Staff**

David L. Gadis, CEO/General Manager  
Mustaafa Dozier, Chief of Staff  
Gregory Hope, Interim Executive Vice  
President, Office of Legal Affairs  
Korey Gray, Director, Enterprise Programs  
Alan Heymann, President, Blue Drop  
Linda Manley, Board Secretary

**Call to Order**

Chairperson Boardman called the meeting to order at 9:06 a.m.

**Agenda Item #1 – DC Water Works! FY 2018 Annual Report**

Korey Gray, DC Water’s Compliance Officer, presented Agenda Item #1 – DC Water Works (Water Works) FY 2018 Annual Review.

**Overview**

Mr. Gray began by reviewing the two program goals for which Water Works was established: 1) 51% of DC Water’s total contractor workforce will be local residents, and 2) 60% of those new opportunities created through procurements and contracts would be filled by local residents.

Mr. Gray reported that, between October 1, 2018 and September 30, 2019, ninety-nine (99) new DC Water contractor positions were filled. Of these, fifty-one (51) were sourced through Water Works’ referral process, and forty-eight (48) were filled directly by contractors. Ninety-two (92) of those positions were filled by residents of the User Jurisdiction, of whom sixty-seven (67) were DC residents. Seven (7) positions were filled by residents outside of the User Jurisdiction.

Mr. Gray next provided an update on the types of jobs filled, which includes: general laborers, skilled and technical positions (i.e. engineering) and special projects (skilled training program). In response to Chairperson Boardman's question regarding examples of skilled positions, Mr. Gray responded that examples include any position that requires a certification or special training (i.e. pipelaying).

Mr. Gray explained, now that Water Works is in its second full year of implementation, we can better understand the trends and demands which have helped it exceed its 60% goal since last year. He noted that part of the program's success is the collaborative effort of his team and the contracting partners to find talent and remove barriers that normally prevent employment. He added that he will provide the Board with a complete 3-year review of the program that will identify the trends. He further added that Water Works will provide a report at the end of this fiscal year of lessons learned and will receive recommendations for change and suggestions by the Board, at that time.

Committee Member Franco congratulated Mr. Gray on his achievement in exceeding the goal of 60%. Committee Member Franco asked Mr. Gray about the history behind the goal and how in the past few years, the program has measured up against that goal. Committee member Franco further asked what the goal for DC residents is, and Mr. Gray responded that there was not a separate goal established for DC residents; however, regarding the 60% goal, preference is given to DC residents, with a focus on Wards 7 and 8.

#### CDL Training Program

Mr. Gray next provided an update on the Commercial Driver's License (CDL) Training Program and reported there were no changes since the last report. Mr. Gray reviewed the program goals of the second cohort that began with thirteen (13) participants enrolled in the training program. Of these participants, eleven (11) completed the program, ten (10) are currently employed. During the program, two (2) participants dropped out of the program for medical and behavioral reasons, and one (1) was incarcerated.

In response to Chairperson Boardman's question regarding the number of cohorts completed, Mr. Gray responded that two (2) were completed within one (1) year. Mr. Gray also responded to Chairperson Boardman's inquiry regarding the next cohort, explaining that he is considering a date in April 2019 to coincide with available jobs and considered extending the program through late summer to ensure participants could be employed by the end of the program.

#### Facilities Summer Training Program

Mr. Gray also provided an update on the Department of Facilities Summer Training Program, which is subsidized by the District through the Elite and Project Empowerment, and provides DC residents with training in various facilities trades (e.g.,

CPR, OSHA 10, conflict resolution, and refrigerant and recovery). He explained that the program accepted nine (9) participants working in Buildings and Grounds. Of these participants, one (1) dropped out on the first day, one (1) was dismissed due to violations of the drug policy, and seven (7) are actively participating. He further explained that the program traditionally lasts six (6) months, however, the city extended the program for one (1) full year.

Chairperson Boardman asked if the strategic partnerships are similar to those identified previously. Mr. Gray responded in the affirmative, and explained that participants are referred to the program through an application process completed through DOES, Elite and Project Empowerment.

### Senior Community Service Program

Mr. Gray next discussed Water Works newest initiative, Senior Community Service Program, where the city recommends seniors looking to reenter the workforce and apply for part-time work. The program currently has one (1) participant working part-time (twenty (20) hours per week), as a Data Analyst in the DC Water's Materials Management Department.

Chairperson Boardman commended Mr. Gray on this undertaking and asked about the need and expected outcomes. Mr. Gray responded that in his initial discussions, participants are not looking for permanent work, but are more looking for experience. He further explained that while the program is limited in nature, the initiative will be used as a training tool for participants and good experience for Water Works when working with the senior community.

### Green Infrastructure Initiative

Mr. Gray next provided an update on Water Works Green Infrastructure (GI) Initiative. He reported that in FY '18 there were three (3) cohorts, with forty-six (46) participants enrolled. Of these, twenty-one (21) graduated, eighteen (18) are employed, nine (9) specifically work on GI projects with DCW contractors, four (4) work with other contractors on non-GI related projects, and five (5) were placed with contractors outside of DC Water's contractor network.

In response to Chairperson Boardman's inquiry regarding tracking individuals employed with contractors outside of the network, Mr. Gray responded that Water Works completes a monthly or quarterly check-in, at which time individuals self-identify current employment status.

In follow-up to recommendations by the committee to enhance certain aspects of the program, Mr. Gray reported: 1) participants now receive test results by the same day; 2) cohort sizes for training have been reduced based on job projections, similar to skills training program; 3) we interact with contractors through a survey to understand their needs and provide participants with employable skills based on available jobs that meet



the contractors' expectations; 4) we have strengthened the requirements for entrance into the program by requiring participants to obtain a valid driver's license prior to the start of the program, if a specialized training or skill is required for a specific job; 5) we offer additional trainings (OSHA 10, tool recognition and utility marking) for jobs requiring certification requirements (i.e. laborers, landscapers and utility marker positions); and 6) we created a strategic partnership through government agencies hiring for GI related positions.

Committee member Thompson then asked about Water Works ability to identify markers that will allow for selection of participants who will be able to complete the program. Mr. Gray stated their selection strategy which involves a two-step process: 1) the intake process – by finding the right candidates that are interested in the GI field and 2) matching additional skills (i.e. tool recognition and job specific training).

### Non-Major and Major Construction Projects

Finally, Mr. Gray provided an update on DC Water's Non-Major and Major Construction Projects' job creation and hiring statistics. He reported that for Non-Major construction projects, 72% of the jobs are filled by residents of the User Jurisdiction; and for Major construction projects, many of which predated the Water Works program, are filled by 47% of residents of the User Jurisdiction.

### Follow Up Items

- 1) In follow-up to the Board's requests at the meeting in September 2018 to provide an update to the kind of work the strategic partners are doing, Mr. Gray reported that he works with twenty-one (21) strategic partners, of which nine (9) have referred fifty-two (52) participants through the Green Infrastructure training program at the University of the District of Columbia (UDC) and DOES.

### Agenda Item #2 – Blue Drop Activity Update

Alan Heymann, DC Water's Chief Marketing Officer and President of Blue Drop, presented Agenda Item #2 – Blue Drop Activity Update.

#### Blue Drop's Makeup

Mr. Heymann began by introducing the Blue Drop team. First, Mr. Heymann introduced Blue Drop's full-time employees: Francesca Valente and Kim Marshall, and explained that Ms. Marshall is currently working on a project in New Orleans, with assistance from Matt Ries, DC Water's Director of Sustainability and Watershed Management, to provide support to the New Orleans Sewerage and Water Board. Mr. Heymann noted that Blue Drop is now entirely staffed by its own employees, except for Chris Peot, DC Water's Director of Resource Recovery, who interacts with Blue Drop on a lot of its business areas.

Mr. Heymann briefly discussed the makeup of Blue Drop's Board of Directors. Chairperson Boardman inquired about the number of out-of-town Board members, and Mr. Heymann responded that of the Board members, three (3) are out-of-towners located in Cincinnati, Toronto and New Jersey. Mr. Heymann noted that the out-of-town board members' participation level is a combination of both in-person and videoconferencing, which has not had an impact on the organization or completing business. Each member provides a wide array of experience and know-how in the industry.

Mr. Heymann reminded the Board that the size of the Blue Drop Board was previously expanded, and further changes can be easily accomplished within existing structure of Blue Drop governance, without receiving prior approval or authorization from the DC Water Board. Mr. Heymann also acknowledged DC Water's Board member, Rachna Bhatt, who continues to serve as a member of the Blue Drop Board.

#### Financial Update

Mr. Heymann discussed Blue Drop's financial status for end of FY '18 and the first Quarter of FY '19. For FY '19, Blue Drop is projecting \$1,005,000 in Revenue and \$928,476 in Expenses. For FY '18, Blue Drop's actual Revenue was \$385,366 and its actual Expenses were \$812,482. In response to Committee member Franco's question regarding Blue Drop's actual vs. budget in FY '18, Mr. Heymann responded that he would provide the committee a more accurate picture by the next committee meeting, but recalled being on target with projections.

Committee Member Franco inquired about the measures to determine if there is a meaningful scenario to provide relief to ratepayers as Blue Drop's intended purposes, based on FY '19 projections. Mr. Heymann agreed to provide the Board with a clear financial update to include a discussion of the projections for FY '20 at the next meeting.

#### Bloom Sales

Mr. Heymann next reviewed the economics of the Bloom program. He explained that sales projections for Bloom were significantly higher in FY '19, which accounts for the surge in projected revenue. Mr. Heymann further explained that the increase in sales of Bloom could be attributed to a change in the method for approaching customers and their capacity to buy Bloom, as well as the development of industry connections.

Committee Member Franco then inquired about the level of participation of staff towards the sale of Bloom product (i.e., marketing and sales). Mr. Heymann explained that the level of participation was good, but recently the sales director for Blue Drop resigned to return to a previous position. In response to Chairperson Boardman's inquiry regarding the departure of the sales director, Mr. Heymann explained that hiring a part-time contractor will be a more effective and faster solution than recruiting someone to fill the position full-time. Chairperson Boardman expressed her concern with lack of staffing in

the sales director position to successfully meet one of the intended goals, to market and sell Bloom.

Chairperson Boardman then asked Mr. Heymann about DDOT's use of Bloom, and Mr. Heymann responded that its participation is discretionary and is facilitated through several contractors on District projects. Mr. Heymann added that additional work with DDOT would be in soil specifications for construction contracts (i.e., restoration of landscaping following bridge reconstruction).

Committee member Giancola inquired about contact with the District of Columbia Department of Recreation and the District of Columbia Public School system that have landscaping requirements, and the results of any discussion. Mr. Heymann responded that all communication with District agencies have been directed through the District Department of General Services (DGS), which manages a lot of the District properties. Mr. Heymann characterized the discussions as in preliminary stages.

Committee member Bhatt added that DGS is now headed by a former DCW Board member, who previously headed the Department of Energy and Environment (DOEE) and the Department of Parks and Recreation (DPR), and would be an appropriate contact to communicate with to discuss such matters.

Chief Executive Officer Gadis confirmed that while communication with the Mayor's office is preliminary, all measures have been considered and other considerations for opportunities to increase the return on investment on cured Bloom have been taken. He also requested the Board's support and assistance on this endeavor.

Mr. Heymann added that Blue Drop is currently exploring that as an option with architects. He also reported that Blue Drop has experienced productive conversations with Montgomery County, Maryland and the Maryland State Highway Administration about soil specifications and use in facilities and on grounds.

Mr. Heymann also noted that as of December 2018, Blue Drop sold 1,074 tons of Bloom and added that Bloom sales are up 350%, year-to-date over last year; and while the December number is low, sales have increased from 2017, when no Bloom was sold in the cold winter months.

### Strategic Plan Update

Mr. Heymann began the strategic plan update by reviewing the original idea of Blue Drop during its three-year start-up period: 1) avoid costs on bio-solids disposal through the marketing and sale of Bloom, and 2) modest revenue. Mr. Heymann stated that the new idea is for Blue Drop to be 1) self-sustaining and 2) provide significant revenue growth. He noted that Blue Drop is currently self-sustaining and does not require regular support by DC Water.

Chairperson Boardman asked about expectations for significant revenue in the strategic Plan.

Mr. Heymann noted that Blue Drop's future success is directly connected to the new DC Water Blueprint. Mr. Heymann discussed the six (6) strategic priorities for Blue Drop under the new idea, which include:

1. Generating revenue from the marketing and sale of Bloom;
2. Generating revenue from the marketing and sale of excess capacity and energy generation at DC Water;
3. Generating revenue from the marketing and sale of DC Water innovations and technologies;
4. Generating revenue from the marketing and sale of consulting and coaching services;
5. Optimizing staffing for revenue generation; and
6. Maximizing Blue Drop Board's participation in strategic planning, business development and financial oversight.

Committee member Franco commented that the strategic priorities one (1) through five (5) are consistent with the original iteration of Blue Drop's strategic goals. Chairperson Boardman noted that the integration of the IP into Blue Drop's portfolio is new.

In response to Chairperson Boardman's inquiry, Mr. Heymann explained that inclusion of the Intellectual Property (IP) Monetization projects in Blue Drop's portfolio will help guide the transformation of Blue Drop from the small consulting company that sells a lot of bio-solids to an established and meaningful revenue center for DC Water.

Chairperson Boardman asked how consulting and coaching opportunities differ. Mr. Heymann explained the distinction between opportunities is that Blue Drop is the subject-matter expert on consulting projects and provides utility clients with solutions; whereas, coaching involves the client as the subject-matter expert with a need for support in leadership development.

Mr. Heymann further discussed dividing the Blue Drop Board members into working groups to focus on revenue generation, financial oversight and Bloom, to ensure Board members have a certain level of expertise to provide regular and frequent advice. In follow-up to Chairperson Boardman's inquiry on the progress of the working groups, Mr. Heymann responded that there are varying degrees of levels and willingness to participate, which has led to a review of the Board's composition and assessment of missing competencies.

### Follow Up

1. Chairperson Boardman requested a status update about current IP projects, their revenue generation and their integration into Blue Drop's portfolio.
2. Committee member Thompson requested a break-down of FY '19 projected revenue and expenses for Blue Drop activities and how they should change with different revenue estimates. Chairperson Boardman asked Mr. Heymann to provide a full comparative analysis of the entire three-year pilot program.

### **Agenda Item #3 – Conflict of Interest Policies**

Mustaafa Dozier, DC Water's Chief of Staff presented Agenda Item #3 – Conflict of Interest Policies.

#### Overview

Mr. Dozier introduced several members of DC Water's Executive Management team in attendance: George Spears, Manager of Labor Relations; Dan Bae, Vice President of Procurement and Compliance; and Roger Brown, Executive Vice President for People and Talent. He noted that Mr. Spears would provide the Committee with an update on DC Water's Human Resources Conflict of Interest Policy as it relates to employees and Dan Bae would provide an update on Procurement's Conflict of Interest Policy.

#### HR Conflict of Interest Policy Update

Mr. Spears provided a brief overview of the review process to update DC Water's Standards of Conduct and Confidential Disclosure Statement that was last updated in 2015. The new policy is modeled on District of Columbia BEGA requirements.

In response to Chairperson Boardman's inquiry as to the implementation of the policy in the past, Mr. Spears responded that the policy was not fully disseminated or enforced. He added that the new policy will be disseminated and enforced. The next steps will be to provide in-person training for senior leadership in February, and a subsequent online training module provided to all Authority employees.

Committee member Giancola asked how the policy is administered by the Office of People and Talent and the role of the Office of Legal Affairs, particularly the inclusion of an assigned ethics officer to address grey areas of conflict of interest and other issues. Mr. Spears explained that individuals could seek guidance from Human Resources (HR) and the Office of Legal Affairs, and these departments will work collaboratively to resolve any issues about application or interpretation of the policy. Interim Executive Vice President for the Office of Legal Affairs Hope explained that there has been staffing turnover in the Office of Legal Affairs so he is not able at this moment to identify the designated current ethics officer.

Mr. Spears further explained that employees will be required to respond to eighteen (18) questions with respect to Disclosure Statement, and any material changes will be identified and an annual disclosure period will occur.

In response to Committee member Kirkland's inquire regarding capturing disclosures that need to be filed, Mr. Spears responded that a manual tracking system has been implemented for employees newly onboarded to the Authority.

Chairperson Boardman inquired about the measures to determine best practices for disclosure requirements to track exclusions and compliance with an overall policy that is predicated in part, on self-identification. In response to Chairperson Boardman's inquiry about general disclosure requirements in the District for similarly situated groups, Mr. Spears agreed to follow-up with the Board following the meeting.

#### Procurement Conflict Policy Update

Mr. Bae summarized the proposed changes to the Procurement policy, process and form, to include the addition of three (3) disclosure requirements to the Procurement Manual. These proposed changes are consistent with DC Government. He also advised that simplified procurements under \$100,000 will be exempt from the policy.

Committee member Bhatt recommended addressing the need for both a DC Water employee and vendor to disclose any conflicts. Mr. Bae concurred. Mr. Dozier agreed to review the portions of the policy that govern disclosure to ensure both requirements, public financial and confidential disclosure, are incorporated into the policy.

Mr. Bae explained that that small procurements under \$100,000 are exempted from the process. Committee member Bhatt disagreed with this perspective. Mr. Bae will review best practices and the internal review process of other organizations to consider whether changes should be made to improve DC Water's current process and policy.

Finally, Mr. Bae informed the Board that policies and process discussed can be provided and implemented within one (1) week from the date of the Committee meeting. Mr. Bae noted that the implementation and execution will occur immediately on all new and existing vendor contracts.

Mr. Dozier suggested monitoring and auditing the process to ensure all gaps are cured.

There being no further business, Chairperson Boardman adjourned the meeting at 10:50 a.m.



**DISTRICT OF COLUMBIA  
WATER AND SEWER AUTHORITY**

**BOARD OF DIRECTORS**  
Human Resources and Labor Relations  
Committee  
Tuesday, January 29, 2019

***MEETING MINUTES***

**Committee Members Present**

Ellen Boardman, Vice Chairperson  
Tommy Wells, Board Chair  
Rachna Butani-Bhatt  
Anthony Giancola  
Krystal Brumfield  
Lavinia Baxter (Skype)

**DC Water Staff Present**

David Gadis, CEO/ General Manager  
Gregory Hope, Interim EVP, Legal Affairs  
Roger E. Brown Jr., EVP People and Talent  
Linda R. Manley, Secretary to the Board  
George E. Spears, Manager Labor Relations

**Union Presidents Present**

Barry Carey, AFSCME 2091  
Barbara Milton, AFGE 631  
Jonathan Shanks, AFGE 872  
Calvert Wilson, AFGE 2553

**A. Call to Order**

Vice Chairperson, Ellen Boardman, called the meeting to order at 11:05 a.m.

**B. Union Presidents' Topics**

Ms. Boardman extended the Union Presidents the opportunity to speak about any of their concerns or other issues.

**1. *AFGE Local 872***

Mr. Jonathan Shanks expressed concerns regarding rollover contracts that were promised to the Unions by DC Water management if they agreed to meet three conditions. Mr. Shanks stated that union members have complied with the request; however, only two of the five union presidents have received rollover contracts. Mr. Shanks asked if the Authority would honor the previous agreement and roll over all five union contracts. Vice Chairperson Ellen Boardman asked Mr. Shanks if the issues have been raised with DC Water CEO and General Manager David Gadis. Mr. Shanks stated

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Minutes for January 29, 2019  
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that the issues were explained to him. Mr. Gadis responded there are regularly scheduled labor management meetings and Mr. Shanks' concerns were discussed at the most recent meeting. Mr. Gadis applauded the Union presidents and DC Water management for resolving many of the issues that were previous agenda items. He then deferred to Mr. George Spears, Manager, Labor Relations, to address the specific concerns regarding contract rollovers. Mr. Spears stated that he is unaware of any contract rollover agreement as that predates his tenure with DC Water in this position. Mr. Spears advised that rolling over the remaining union contracts could be discussed after the Master Compensation Agreement negotiations are completed. Vice Chairperson Boardman encouraged Mr. Spears and the Union Presidents to continue their efforts to bring resolution to the issues mentioned and thanked them for their efforts thus far.

## **2. Other Presidents**

Ms. Boardman then invited the other Union Presidents to present any concerns or issues to the Committee. President Barbara Milton advised that she did not have any issues to discuss other than the proposed changes to the pension plans that are a scheduled topic of discussion later in today's meeting. She noted that she had given to each Committee member in advance of the meeting a written summary of her concerns with the proposed pension plan changes. She asked for the opportunity to present her concerns on the pension plans at that time. Ms. Boardman agreed.

Ms. Boardman then invited Presidents Barry Carey and Calvert Wilson to speak to any issues they wished. Both declined the invitation stating they had no issues to address.

## **C. Adoption of 457 (b) and 401 (a) Plan Changes**

Mr. Roger E. Brown Jr., Executive Vice President, People and Talent, presented the proposed 457 (b) and 401 (a) plan updates. Mr. Brown introduced via skype Ms. Susan Alford of Aon Consulting and Ms. Susan Risinger of Smith and Downey, both subject matter experts who were instrumental in identifying and updating portions of the plan documents for which compliance changes were needed. Mr. Brown explained that both outside and in-house counsel agreed that the proposed updates were enhancements and did not violate the current CBA and working conditions and thus no formal notifications to the unions were required.

Mr. Brown explained that the presentation highlighted the updates to the plans and that Ms. Alford and Ms. Risinger were available to answer questions as subject matter experts. Ms. Risinger started by stating the proposed changes were to bring the plan in line with recent regulatory guidelines, clarify ambiguous provisions, and align them with current plan administration practices. Ms. Risinger stated that language changes to the 457 (b) plan were necessary to provide clear guidance on newly eligible employee deferral elections. She said that the deadline to make contributions was removed



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because it was not required by law and removed any possible plan violations if the employee did not make an election by that deadline. Uniformed Services and Reemployment Rights Act (USERRA) provisions were added for participants who are on eligible active military leave. Ms. Risinger also noted that language for excess deferrals were added to be compliant with current laws and regulations.

Ms. Risinger moved on to discuss the proposed changes to the 401(a) plan. She said that the compensation provisions were clarified to exclude differential wage payments from Authority contributions. Ms. Boardman asked for the definition of a differential wage payment and if it was required by USERRA. Ms. Risinger responded. Ms. Boardman asked if any of the changes to this plan were inconsistent with the Collective Bargaining Agreements. Ms. Risinger stated that all the proposed changes were consistent with the Collective Bargaining Agreements. She explained the requirement to make contributions within 45 days following the end of each pay period was removed to avoid an inadvertent violation of the plan, just like the 457 (b) plan. Vice Chairperson Ellen Boardman questioned Mr. Brown about the current contribution deadlines. Mr. Brown replied that contributions are typically made within 72 hours. Ms. Boardman asked why it was necessary to remove the language if the contribution is made within 72 hours. Mr. Brown stated that since it wasn't a requirement of law, it was decided that it should be removed, but contributions would continue to be made within 72 hours. Mr. Brown agreed to reinstating the 45 day deadline. Board member Bhatt asked if the contributions to plan 457 (b) were being made in the same time frame, to which Mr. Brown replied in the affirmative. Ms. Risinger also advised that clarifications were provided to address the proper designation of a beneficiary. Ms. Risinger closed by explaining that a provision was added for the right to suspend loan payments for participants who were on active military leave.

Ms. Milton asked why an effective date was added for represented employees, but not for non-represented employees. Ms. Boardman asked that Ms. Milton compile a list of questions and provide them to DC Water management to answer. Mr. Gadis stated that it was discussed at the last labor management meeting that Ms. Milton would compile this list and answers would be provided as quickly as possible. Ms. Milton stated that she would also like the plan to be updated so that it provides a reason if a claim is denied. Currently, the proposed amendment would deem DC Water's failure to respond to a claim as a denial, regardless of whether a written denial were provided. Ms. Boardman said that the concerns would be considered and asked Mr. Brown to work diligently to answer those questions, so that the changes can be brought to the Board for consideration. Mr. Gadis explained that a letter to bargain over the changes was submitted by Ms. Milton and that the request to bargain needed to be answered before discussions can resume. Ms. Milton said that she would withdraw the request to bargain so that the discussion regarding changes could proceed expeditiously.

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**D. Executive Session**

Executive Session commenced at 12:30 p.m.

**E. Adjournment**

The meeting reconvened into open session and adjourned at 1:15 p.m.



# DC Water Stakeholder Alliance

DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY



DC Water Board of Directors Meeting  
February 7, 2019



# Background

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Formed in August 2018 to review scenarios for adjusting the Clean Rivers Impervious Area Charge. The DC Water Stakeholder Alliance (DCWSA) was structured to provide advice and information, from a community perspective concerning policy decisions.

## Purpose

- To provide independent advice and a diversity of viewpoints to DC Water Management on a variety of programs and policies.
- Increase customer education by providing DC Water with new opportunities for outreach.
- Propose to the Authority ways to continue effective and efficient long-term public involvement with improved communication tools.

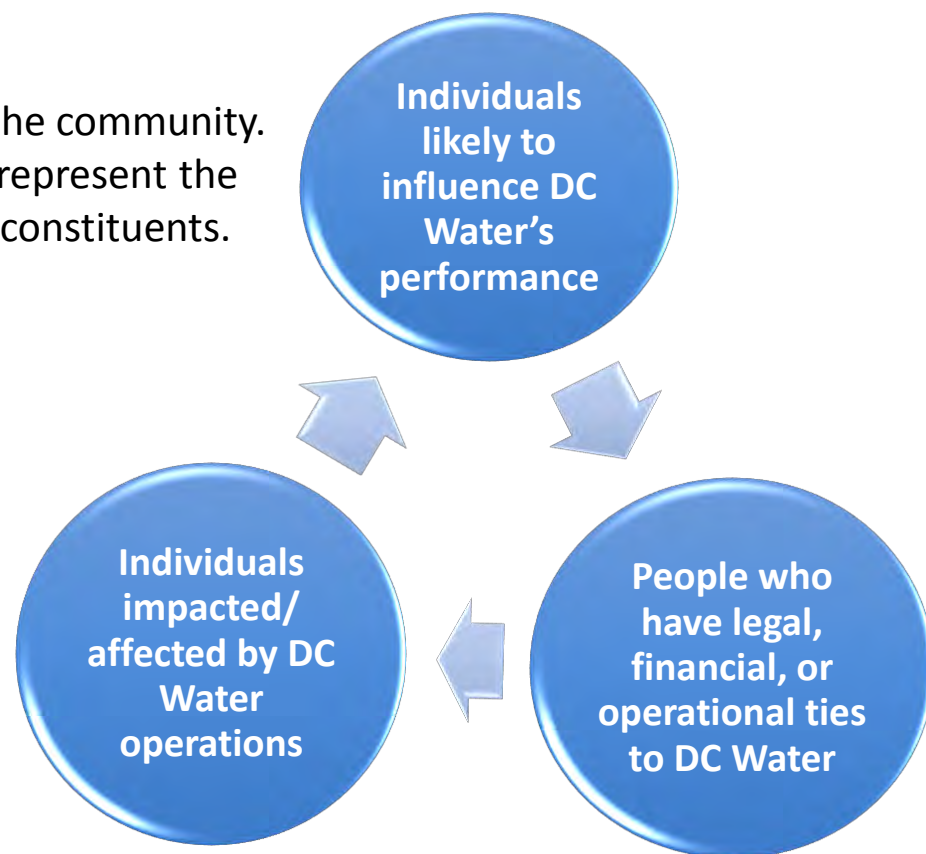


# Membership

The DCWSA is a membership of individual residents, representatives of trade and business associations, community organizations and religious groups, with differing expertise, strengths, resources and relationships who share their diverse opinions and interests, review and discuss presentations, and develop recommendations in a structured process in support of DC Water.

## Alliance Members:

- > Are Volunteers that serve as ambassadors in the community.
- > Are selected by DC Water and City Council to represent the community, non-profits and large rate paying constituents.
- > Serve for two year appointments.
- > There is a maximum of 21 members.





# Membership

Alliance Member	Affiliation	Subcommittee
Natalie Avery	Business Improvement District Council	Customer Service
Valerie Baron	Ward 1 Representative	Infrastructure
Lisa Barton	DC Water	Customer Service
Monte Edwards	Retired Pepco Executive	Finance & Operations
Jim Foster	Anacostia Watershed Society	Infrastructure
Brandon Gallas	St. Paul's Rock Creek Episcopal Church	Customer Service
Solomon Keene	Hotel Association of DC	Customer Service
Sally Kram	Consortium of Universities	Infrastructure
Eric Langenbacher	Ward 2 Representative	Infrastructure
Andrea Molod	Ward 3 Representative	Finance & Operations
Emeka Moneme	Federal City Council	Finance & Operations
Craig Muckle	Archdiocese of Washington	Finance & Operations
Justin Palmer	DC Hospital Association	Finance & Operations
Rob Robinson	DC Consumer Utility Board	Infrastructure
Trey Sherrard	Anacostia Riverkeeper	Finance & Operations
Randy Speck	Ward 4 Representative	Customer Service
Rev. Mike Thompson	Ward 5 Representative	Finance & Operations
Rev. Wanda Thompson	Ward 8 Representative	Customer Service
Satu Webb	Ward 6 Representative	Infrastructure
Kristen Williams	Apartment and Office Building Association	Finance & Operations
Rev. Willie Wilson	Ward 7 Representative	Finance & Operations



# Structure

The Stakeholder Alliance also comprises three (3) subcommittees to enable a more thorough review of specific issues.







# Structure

## DC Water Staff Support

DC Water staff support the work of the Stakeholder Alliance and maintain communications between DC Water.

- **Korey Gray**, DCWSA Staff Liaison
- **Debra Mathis**, DCWSA Logistics
- **Linda Fennell**, DCWSA Meeting Minutes Recorder
- **Monte Monash**, DCWSA Facilitator

DCWSA members communicate with DC Water staff through a dedicated email: [StakeholderAlliance@dcwater.com](mailto:StakeholderAlliance@dcwater.com)







# FY 19 Schedule

The DC Water Stakeholder Alliance (DCWSA) will meet as a full body quarterly on the 2<sup>nd</sup> Thursday starting at 6:00 PM.

- January 10, 2019
- April 11, 2019
- July 11, 2019
- October 10, 2019

DCWSA subcommittee meetings will be held three times per year (schedule to be determined).

The Committee and Subcommittees meet at DC Water's Main Office (H<sub>2</sub>O):  
DC Water  
1385 Canal St, SE  
Washington DC 20003





# FY 19 Schedule

## Sample Agenda

**Stakeholder Alliance Meeting**  
**125 O Street, SE – Building F**  
**January 10, 2019**  
**6:00 pm**

### **AGENDA**

- I. Welcome  
*Monte Monash, Facilitator*
  
- I. Review of December Meeting Minutes  
*Monte Monash, Facilitator*
  
- I. Open Items Related to Clean Rivers Impervious Area Charge (CRIAC)  
*Matt Brown, Executive Vice President Finance and Procurement, DC Water*
  
- I. Stakeholder Advocacy Discussion  
*Vince Morris, Manager Communication & Government Relations, DC Water*  
*Monte Monash, Facilitator*
  
- I. Closing Remarks  
*David Gadis, President and CEO, DC Water*
  
- I. Adjourn Meeting

**Next Scheduled Meeting: April 11, 2019**



# Highlights

August 2018

- DC Water CEO, David Gadis created the Stakeholder Alliance

September 20, 2018

First DCWSA meeting

- Presentations on Infrastructure Investment and CRIAC Charge

October 1, 2018

- Presentations on Customer Assistance Programs, Customer Service and CRIAC Charge

December 13, 2018

- Presentations on the Science Behind the CRIAC Math and CRIAC Charge (proposed options)

January 10, 2019

- Final discussion on CRIAC Charge Volumetric Option and DCWSA Advocacy Plan





**CEO and GENERAL MANAGER'S REPORT**

David L. Gadis – February 2019

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**Interpretation of Charts ..... A**

**Color Key**

<b>Red</b>	<b>Did not meet Target</b>
<b>Yellow</b>	<b>Missed Target but within acceptable range</b>
<b>Green</b>	<b>Met/Exceeded Target</b>
<b>Gray</b>	<b>Budget/Target Value</b>
<b>&lt;transparent&gt;</b>	<b>Green/Yellow/Red based on comparison</b>

## Message from the CEO/GM

### February CEO Report

#### Finance and Procurement

##### Financial Statement Audit

Financial Statements audit completed with unmodified “clean” opinion issued on December 20, 2018

##### Credit Rating Upgrades

Fitch ratings upgraded DC Water’s credit rating for senior lien revenue bonds from Stable Outlook to Positive Outlook

##### Stakeholder’s Alliance

Stakeholders Alliance meeting was held on January 10, 2019. During this meeting, ongoing conversations took place regarding the CRE-Act and how to provide relief to customers.

#### Fleet Management

##### Awards

Fleet is submitting for the following awards in 2019

- 100 Best Fleets in the Americas
- Green Fleet Award
- Leading Fleets – Government Fleet Magazine

##### Events

- Fleet has teamed with Water Services to test automated alerts for PM services
- Fleet has collaborated with departments in preparation for Winter Season, and stands at the ready to support operations.
- Fleet is in discussions to detect and report air borne pathogens via its telematics technology solutions with GeoTab
- Fleet along with EVP Maureen Holman met with senior staff from DOEE’s Air Quality and Urban Sustainability Administrations to discuss collaboration possibilities with mobile air quality testing, based on a successful pilot between DC Water, GeoTab and EDF on the use of fleet vehicles to gather air quality data. DOEE shared its approach to upcoming use of ground station transmissions and area mapping, and looks forward to sharing information and technical specifications in the future.

##### Leadership Update

Several accomplished leaders in the safety field have interviewed for the DOSH Director position, and DC Water looks to conduct a second round of final interviews and select a new Director for the department in February.

##### General Accomplishments

- Fleet has trained 5 DC Water employees who have successfully completed their CDL licenses

## Message from the CEO/GM

### Upcoming News

- WAVE training for Execs is now ongoing
- WAVE mobile app forms portal implementation has been pushed to February
- WAVE Parts In-house app, bar code scan and testing to begin January 10<sup>th</sup>

### Security

Security has been vital in implementing the new parking regime and traffic flow at the Main & O campus, and will continue to support HQO as well as Operations as we refine and optimize the campus for our personnel.

### EMERGENCY MANAGEMENT

- Final Draft of Hazard Mitigation Plan completed and is being sent to CEO for review and approval at the end of the month. This has been a significant Authority-wide effort that was in partnership with HSEMA and financially supported through a FEMA grant.
- All materials for full EMAP accreditation determination have been submitted and assessors are crafting finally findings for the Emergency Management Accreditation Program Commission which will meet in April.
- On 1/17/19, an after-action review conference of the Biltmore Repair was held to highlight successes and to identify improvement needs during repairs that require customers to be without sewer and water services for an extended period.
- The Incident Management Team activated to manage the January Snow Event on the 12<sup>th</sup>-14<sup>th</sup> which was the biggest snow event since January 2016. No injuries or vehicle accidents were reported during this event.
- DC Water's Multi-Year Training and Exercise Planning Workshop for emergency management needs will be held on Jan. 23<sup>rd</sup> to discuss and develop training and exercise topics and calendar.

### SAFETY

The Annual *Play It Safe* Video Contest—*Celebrating Five Years!* The theme for the 2019 video contest '**Safety is . . .**' allows participants to release their imaginations and showcase DC Water's enhanced safety culture in genuinely personal ways. Over the last five years, the 30+ entries (including bloopers), have covered many safety themes—from office housekeeping to driver/vehicle safety to active shooter training.

- The entries getting the most votes—*Team Blue's Choice*—will be presented with the coveted Oscar trophies at the annual Safety Oscars Awards Program and Party March 8, 2019 at the new DC Water headquarters.

The Safety staff successfully supported the January snow event, ensuring operations remained safe during the extended snowfall.

## Message from the CEO/GM

### Facilities

Facilities, in conjunction with IT and the project team from Skanska, completed the staff relocations into the 5<sup>th</sup> and 6<sup>th</sup> floors of HQO. The Board Secretary and staff from Bryant Street are the last remaining personnel to be shifted into the facility, which will host its first Board Committee meeting (EQ&SS) in February.

The Facilities staff successfully supported the January snow event, working throughout the weekend in collaboration with operations – especially Sewer Services – to maintain a safe working environment at Blue Plains and multiple DC Water locations.

### People and Talent

People and Talent has finished the Conflict of Interest /Standards of Conduct Policy, requisite forms for reporting and training that will be provided to all senior leadership and those who are identified as required to file.

### Our Community - Bread for Soul

We received donations of coats, gloves, hats, books, toys and a total of \$850 in cash, checks and gift cards. 100 families benefited.

### Water Services

Steady managing our way through our “busy” season. One general accomplishment worth noting is the we have installed pressure sensors in all the pressure zones for the first time. These additional data points have helped in evaluating operational anomalies and day-to-day activities.

### Information Technology - Completed Projects

- **Mobility Blue Plains (Completed 12/07/18)** - Project to implement mobile technologies that will enable plant crews to work in the field in a disconnected fashion eliminating paper based work orders.
- **Flow Consumption Dashboard (Completed 12/14/2018)** - The objective is to provide DCW the ability to visually observe, monitor and query real-time field data and consequently refine usage and flow models and employ predictive analytics capabilities to better understand how the distribution system operates.
- **Work Planning & Scheduling (Completed 12/20/2018)** - Utilizing Akwire planning, scheduling and dispatching, the project automates many of the current manual paper-based processes for identifying, planning and scheduling field work orders for Blue Plains in Maximo. Major features include: Intuitive visual navigation through work orders and tasks. Task and work dependency management. Auto scheduling of work based on task dependencies and work shifts. Manual or automated resource or crew assignment and dispatching.
- **Pipe Defects Analytics Implementation (Completed 12/28/2018)** – Neural network based AI solution that automates the detection and classification of pipe anomalies



## Message from the CEO/GM


reducing the current manual review time by almost 75%. DCW plans to license this technology to other interested parties which will generate additional revenue streams.

- **Interactive Maps (Completed 12/22/2018)** - This project was to address one of the findings coming out of the Boil water alert. New capabilities have been added to allow for quickly generating interactive on-line maps that can be posted to our website. Default maps for pressure zones, wards, zip codes and/or elevation are preconfigured and can be customized based on a specific impact area. The tool also automatically generates contact lists from the impact zones. The contact lists can then be imported into the Everbridge contact system to quickly contact customers using email, phone and/or text messages.
- **CAP Changes**– completed changes for CAP2, CAP3 and non-profit change in billing system

### Customer Service

- Celebrated the one year anniversary of the V1 implementation
- Developed payment agreement guidelines for the organization
- Established a write-off procedure
- Transitioned temporary staff to contractors
- Successfully reduced the temporary meter reading workforce from 15 to 7
- Analysis of credit inactive accounts completed, expectation at end of January is elimination of a \$1.4 million liability with a potential for an additional \$1.5 million in the following month

### Leadership Update

Employee	Name	Title	Dept. or Cluster	Effective Date	Summary
	Brent Christ	Director, Facilities	Administration	12/23/18	Brent initially joined DC Water in 2008 as Supervisor, Construction. He has led our Facilities team for a little more than a month and did a fine job in navigating our first snow event of the season. Congratulations on your promotion, Brent!

## Message from the CEO/GM

### Office of Marketing and Communications

**Finalized 2018 Annual Report and sent it to the printer** - The document captures the highlights from the past fiscal year, while looking forward and introducing our new strategic plan. We structured the contents within the primary elements of our new Vision statement: service, stewardship and ingenuity as well as communities and workforce. The report will be shared with the Mayor, Council and other stakeholders.

**Infrastructure Outreach** - We began outreach to educate stakeholders about our infrastructure needs and financial constraints. The Office of Marketing and Communications led successful tours for Council members Allen and Nadeau and the Council budget staff. OMAC also facilitated a brief meeting between the CEO and the Mayor at her 2<sup>nd</sup> term speech on January 15 and is working to set up more formal meetings with the Mayor and other city leaders. An interdepartmental team at DC Water is working on a strategy to optimize the effectiveness of our engagement and enlist the District's help with rising rates and ratepayer relief.

**Expanded CAP and Hardship Fund** - OMAC has been working with DOEE on plans for public outreach to publicize the new customer assistance programs for residential customers and non-profits. The outreach has already included website and social media posts by both agencies to share information about how to apply for assistance, and we will be adding an insert in customers' bills to share the same information with a wider audience.

**"Made in DC, but not without Tap" Social Media partnership with Department of Small & Local Business Development** - We created our first full length social media video for this campaign which will highlight and provide exposure to local businesses that heavily rely on water for their services and/or products. The goal of this campaign is to connect with our business customers, by providing them a platform to extend awareness and encourage our residential customers to support them in a fun and informative way. This campaign will be ongoing and we anticipate the engagement to be strong.

**Obtained verification status on our Instagram and Facebook accounts** - Obtaining verification status is sought after by many, if not all organizations because it improves brand awareness, authority and trust. Becoming verified now ensures our followers that they're getting updates directly from us rather than from a fan account or another unofficial source. (Anyone can set up a social media page and post information. The verification lets our customers know that this is really DC Water) If users want to talk with us and share complaints, or any other general customer service needs, they'll know they're in the right place.

### External Communications

#### Customer Newsletter

The December issue of what's on Tap featured a cover story introducing Armon Curd in the newly created position of Executive Vice President, Customer Experience. The CEO message

## Message from the CEO/GM

included information on the Strategic Alliance. Now that we have replaced more than 80,000 meters, we included messaging to encourage customers to keep their meters clear of objects so that their actual usage is accurately transmitted and recorded. Information about the new walk-in payment centers was included with a vanity url for additional details. The following three seasonal messages were also featured:

- Savor the gravy, save the pipes (protect your pipes from fats, oils and grease)
- Help others this holiday season (donate to SPLASH to provide emergency funds for those about to be disconnected)
- Avoid frozen pipes in winter

### Drinking Water Marketing and Communications

DC Water has expanded the “Made with DC Tap” campaign that features local business owners and customers showcasing how they use tap water in their services and products. OMAC met with the Department of Small and Local Business Development that administers the successful and well-recognized “Made in DC” campaign. OMAC interviewed and toured One Eight Distilling, a local distillery, and produced an [engaging profile for social media](#). The video was shared on both DC Water and Made in DC Instagram and Twitter profiles that have approximately 60,000 followers combined.

OMAC and WQ are working together with American University on a new study: “Equity Considerations for Lead Service Line Replacement in Washington, DC.” The study will data from DC Water’s Voluntary LSR program and partners of the Interagency Workgroup for Healthy Housing to examine the influence of variables on the rate and distribution of lead service line replacement. Proposed variables include household income, race/ethnicity, type of dwelling, and other demographic characteristics.

OMAC staff has assisted the Environmental Defense Fund in composing and publicizing [content](#) about the recently passed Lead Service Pipe Assistance and Disclosure Amendment Act. OMAC ensures that all reporting on DC Water’s historic and current replacement strategy is accurate.

### Tours

- 10 Adults from Chinese Visitors Forte International Exchange

### Media Relations

OMAC staff proactively pitched the Anacostia River Tunnel capture rates for 2018, the wettest year on record in the District. OMAC staff also responded to several inquiries regarding the government shutdown—customer assistance as well as the Feds unable to pay their full bill until the shutdown ends. An additional media topic this month was the announcement of CRIAC relief to nonprofits and low-income customers. OMAC also responded to general inquiries around water main breaks and the Biltmore repair.

## Message from the CEO/GM

### Press Releases

- January 14: DC Water Creates New Strategic Plan, Realignment
- January 9: Federal Water & Sewer Payment to DC Water
- January 9: DC Water Offers Assistance to Furloughed Workers
- January 7: DC Water's Anacostia River Tunnel saves river from 4.5 billion gallons of sewage overflow in 2018
- December 20: New Customer Service Program Will Assist DC Water Ratepayers
- December 20: DC Water Board Votes to Offer New Hardship Fund to Customers

### Media Results

[DC Water crews race to stabilize sewer line in Adams Morgan](#)

(WJLA-7 / December 20, 2018)

[Relief program to provide \\$13M for DC Water customers](#)

(WTOP / December 26, 2018)

[D.C. water rate relief proposed for churches, nonprofit groups](#)

(Catholic Standard / December 31, 2018)

[DC Water tunnel saves Anacostia River from 4.5 billion gallons of sewage overflow in 2018](#)

(WJLA-7 / January 7, 2019)

[DC water board jokes about shutting off water to White House amid shutdown](#)

(The Hill / January 8, 2019)

[D.C. area utilities offer help to furloughed federal employees during shutdown](#)

(Washington Post / January 11, 2019)

## ORGANIZATIONAL PERFORMANCE DASHBOARD (December 2018)

### Financial Highlights

Net Operating Cash		Operating Revenues		Operating Expenses		Capital Disbursements	
Actual	40,243	Actual	175	Actual	133	Actual	130
Target	20,406	Target	162	Target	146	Target	159
	(\$ thou)		(\$ mil)		(\$ mil)		(\$ mil)
Operating Cash Balance		Delinquent Account Receivables		Core Investments Yield		Short Term Investment Yield	
Actual	165	Actual	3	Actual	2.33	Actual	2.08
Target	126	Target	3	Target	2.55	Target	2.41
	(\$ mil)		(%)		(%)		(%)

### Customer Care and Operations Highlights

Call Center Performance		Command Center Performance		First Call Resolution		Emergency Response Time	
	85		85		75		90
	Dec 88		Dec 85		Dec 80		Dec 88
	(% of calls rec)		(% of calls rec)		(% of calls rec)		(% of calls rec)
Fire Hydrants out of Service		Fire Hydrant Insps. and Maint.		Fire Hydrants Replaced		Permit Processing within SLA	
	77		625		250		87
	Dec				Dec		
	(count)		(count)		(YTD count)		(%)

### Low Income Assistance Program

Splash Contributions		Customer Assistance Program	
Actual	21	Previous	59
Target	20	Current	44
	(\$ tho)		(\$ tho)

### Operational Highlights

Lead Concentration (ppb)		Total Coliform Rule (%)		Biosolids Production		Total Nitrogen (lbs/yr mil)	
	5		0.8%		379		3.41
					(wet tons)		
Plant Effluent Flow (gal mil)		Excess Flow		Water Main Leaks		Water Valve Leaks	
	344		302		45		0
			(gal mil)		(count)		(count)
Non-Revenue Water		Sewer Main Backups		Sewer Lateral Backups		Dry Weather CSO	
Sold	8.18		10		129		0
Purchased	10.8		(count)		(count)		(events)
	(CCF mil)						
Recruitment Activity		Electricity Usage		Employee Lost Time Accidents		Vendor Payments	
Filled	3		14		9.0	Actual	96
Open	29		(MWh)		(count)	Target	97
	(count)						(%)

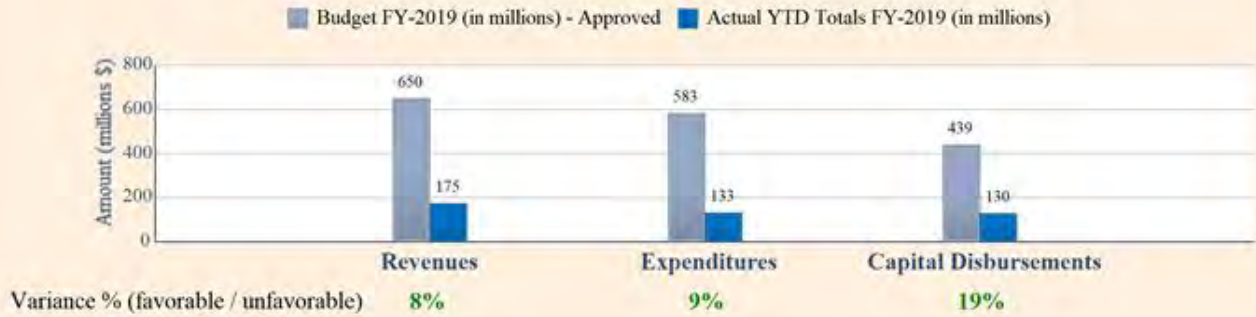


## FINANCIAL HIGHLIGHTS

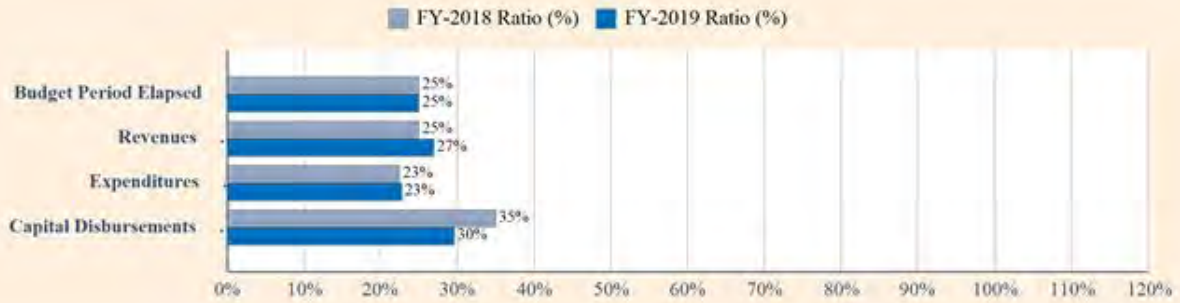
### FINANCIAL PERFORMANCE SUMMARY

#### REVENUE, EXPENDITURE, CAPITAL DISBURSEMENT

*Cumulative Revenue, Expenditure & Capital Disbursements compared to Budget*



#### YEAR TO DATE ANALYSIS



#### NET OPERATING CASH

*Monthly and YTD Net Operating Cash Provided / Used compared to Budget*



*Net cash to date for December was above budget by \$19.8 Million*

**FINANCIAL HIGHLIGHTS**

**REVENUES AND OPERATING EXPENSES**

**OPERATING REVENUES**

Monthly & Cumulative Revenue compared to YTD Budget

- Actual Monthly Revenue
- ▲ YTD Cumulative Revenue FY-2019
- YTD Cumulative Budget FY-2019

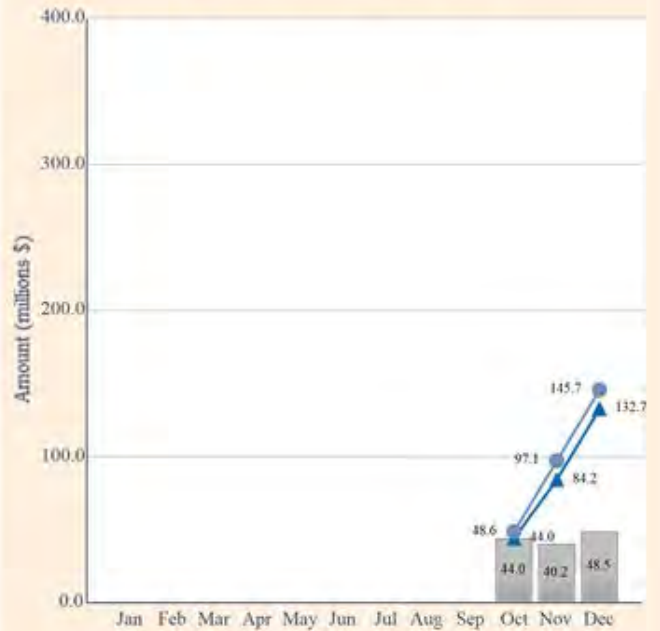


Revenue to date for December was above budget by \$12 Million

**OPERATING EXPENSES**

Monthly & Cumulative Expenditure compared to YTD Budget

- Actual Monthly Expenses
- ▲ YTD Cumulative Expenditure FY-2019
- YTD Cumulative Budget FY-2019



Expenditure to date for December was below budget by \$13 Million

**CAPITAL SPENDING**

**CAPITAL DISBURSEMENTS**

Monthly & Cumulative Disbursements compared to YTD Budget

- Actual Monthly Disbursements
- ▲ YTD Cumulative Disbursements FY-2019
- YTD Cumulative Budget FY-2019



Disbursements to date for December was below budget by \$29.4 Million. YTD spending reflects comparison to the approved budget.

## FINANCIAL HIGHLIGHTS

### OPERATING CASH AND RECEIVABLES

#### OPERATING CASH BALANCE

*Average Daily Cash Balance compared to Operating Reserve Target*

- █ Actual Cash Balance FY-2019
- Operating Reserve Target - (125.5 Million)



*Cash Balance for December was above target by \$40 million*

#### DELINQUENT ACCOUNT RECEIVABLES

*Delinquency & Receivables to Revenue Ratio compared to Target*

- █ Receivables to Revenue Ratio
- ▲ Delinquencies (in millions)
- Target: Receivables to Revenue Ratio (3%)



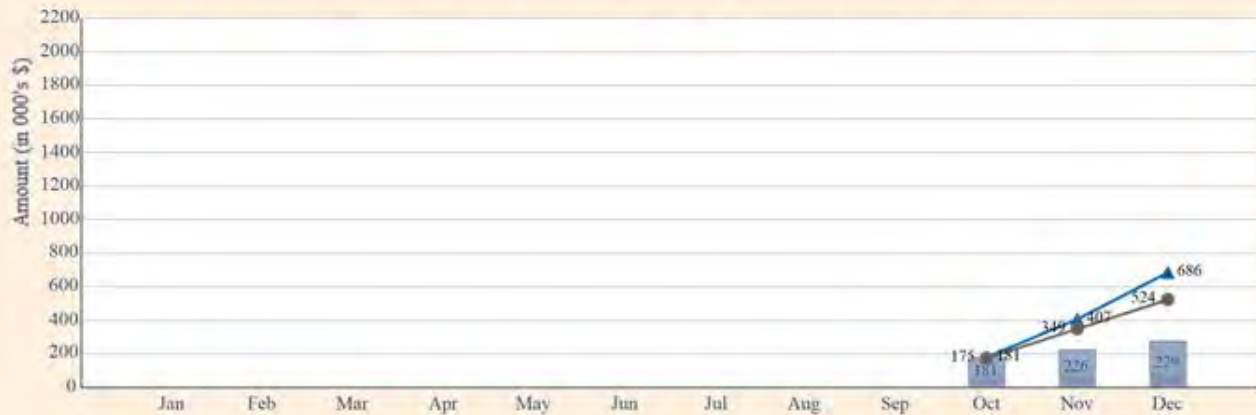
*December Receivables to Revenue Ratio is 2.73, Delinquency is 14.59 million.*

### INVESTMENT EARNINGS

#### INVESTMENT CASH EARNINGS

*Monthly & Cumulative Earnings compared to YTD Budget*

- █ Monthly Earnings
- ▲ YTD Cumulative Earnings FY-2019
- YTD Cumulative Earnings Budget FY-2018



*Earnings to date for December were above Projected Budget by \$161,700.*



**FINANCIAL HIGHLIGHTS**

**INVESTMENT YIELD**

**CORE INVESTMENTS YIELD**

*Monthly Yield compared to Merrill Lynch Benchmark*



*Yield for December was less than the treasury index by 0.22%*

**SHORT TERM INVESTMENT YIELD**

*Short Term Yield compared to Merrill Lynch Benchmark*



*Short Term Yield for December was less than the Merrill Lynch yield by 0.33%*

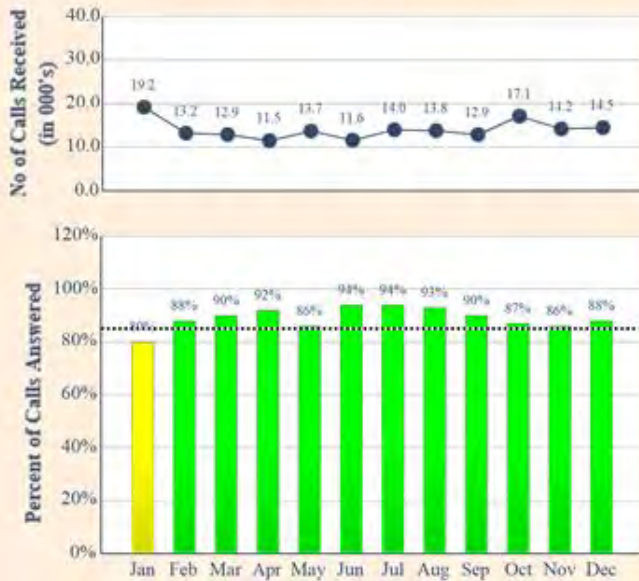
**CUSTOMER CARE AND OPERATIONS HIGHLIGHTS**

**CUSTOMER SERVICE**

**CALL CENTER PERFORMANCE**

*Calls Answered within 40 Seconds compared to Target*

- Call Center: Calls answered (%)
- No of Calls - Call Center (in 000's)
- Target - Call Center (85%)

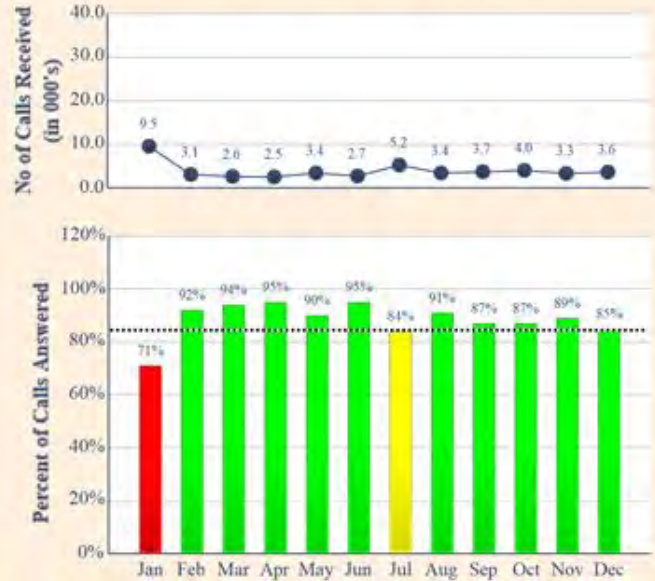


*Performance for December was above target by 3%*

**COMMAND CENTER PERFORMANCE**

*Calls Answered within 40 Seconds compared to Target*

- Command Center: Calls answered (%)
- No of Calls - Command Center (in 000's)
- Target - Command Center (85%)

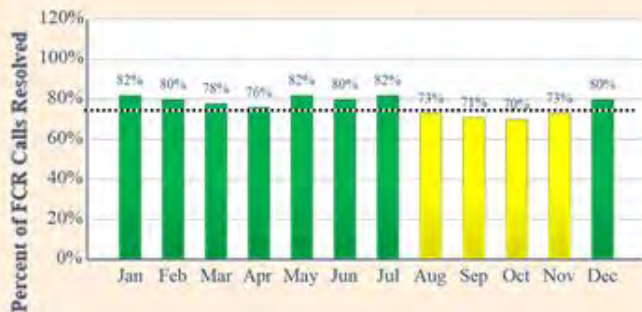


*Performance for December was on target.*

**FIRST CALL RESOLUTION (FCR)**

*Calls resolved on first contact compared to Target*

- FCR (%)
- FCR Target (75%)

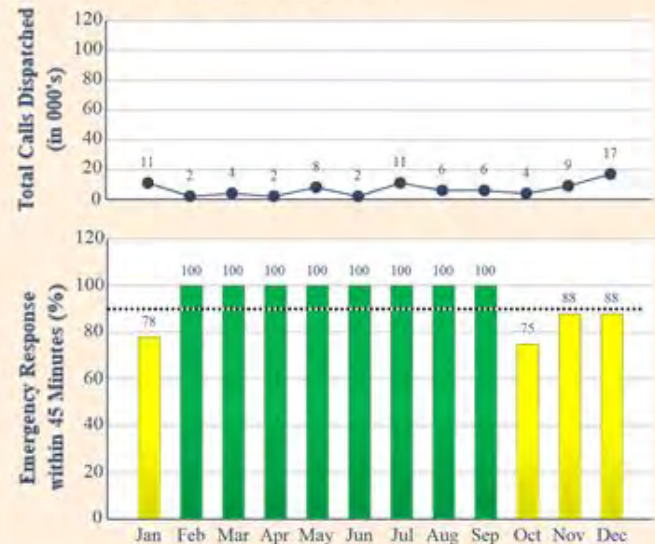


*Performance for December was above target by 5%.*

**EMERGENCY RESPONSE TIME**

*Calls responded to within 45 Minutes compared to Target*

- Response (%) within Target
- Total Emergency Calls Dispatched
- Response Target (90%)



*Performance for December was below target by 2%*

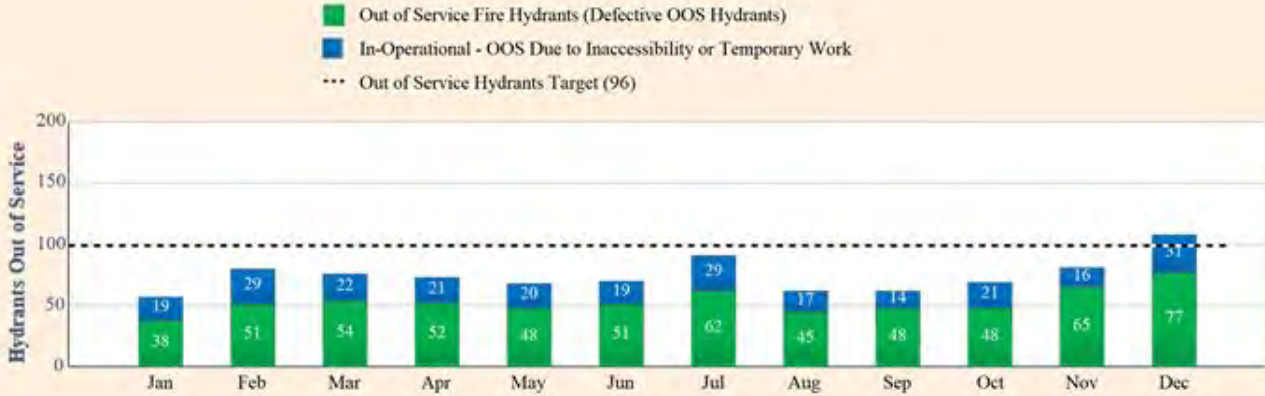


**CUSTOMER CARE AND OPERATIONS HIGHLIGHTS**

**FIRE HYDRANTS**

**Fire Hydrants Out of Service (OOS)**

*Total Hydrants Out of Service against Target*



**Fire Hydrant Inspections and Maintenance**

*Total Hydrant Inspection and Maintenance Work Orders Completed per Month*



**Total Hydrant Replacements Per Month**

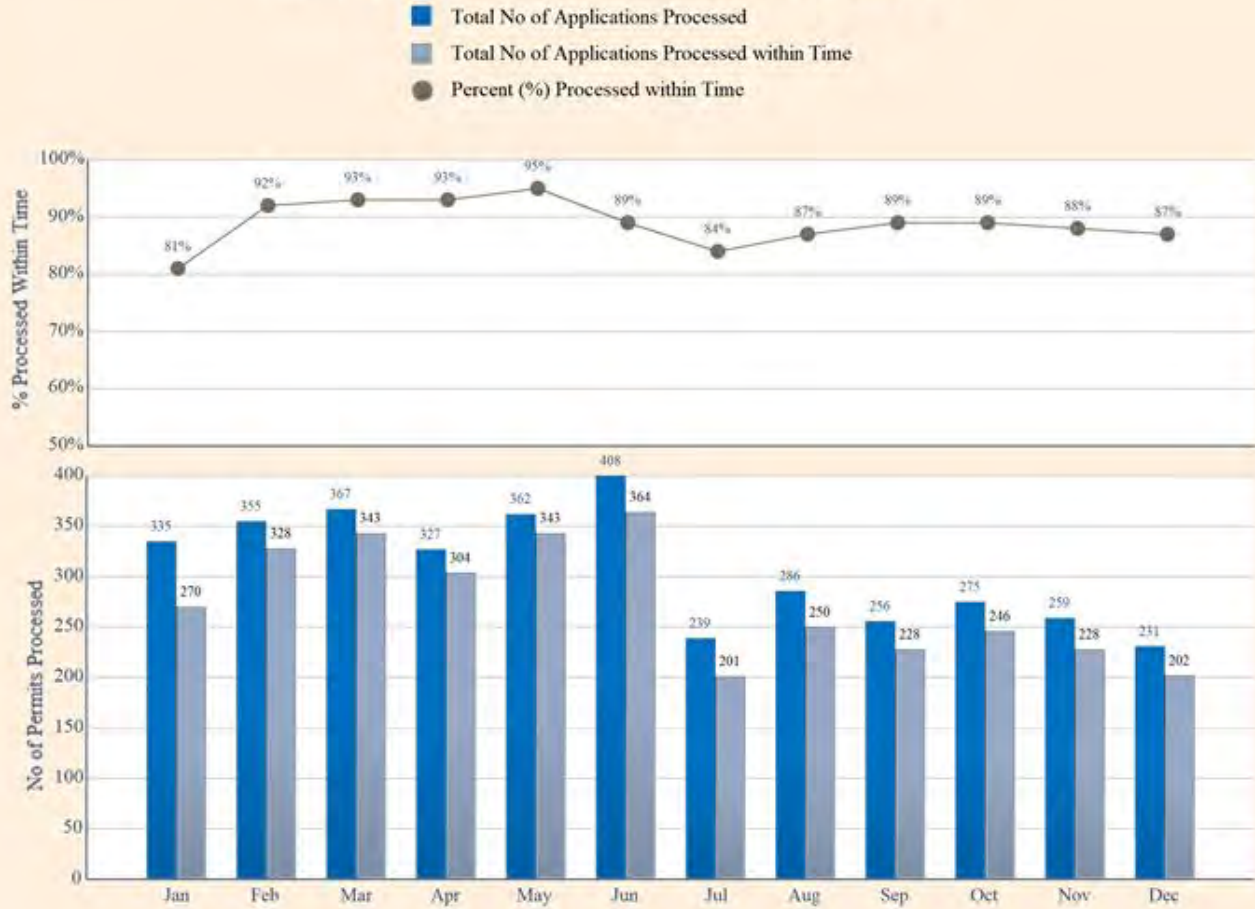
*Annual Replacement Target (250)*



CUSTOMER CARE AND OPERATIONS HIGHLIGHTS

PERMIT PROCESSING

PERCENT OF APPLICATIONS PROCESSED WITHIN SLA



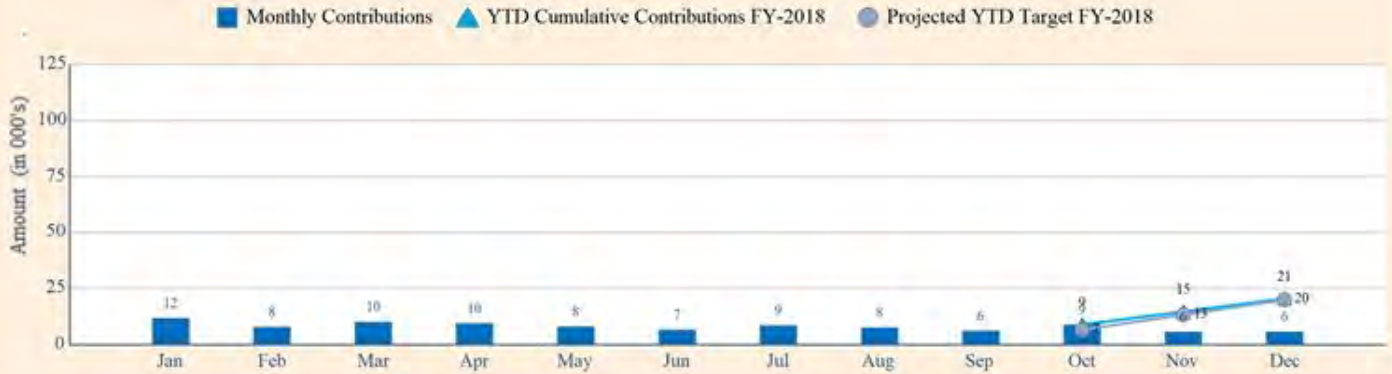
Permits processed in December were 2% above the SLA target of 85%

**LOW INCOME ASSISTANCE PROGRAM**

**SPLASH PROGRAM**

**SPLASH CONTRIBUTIONS**

*Monthly and Cumulative Contributions compared to YTD Target*

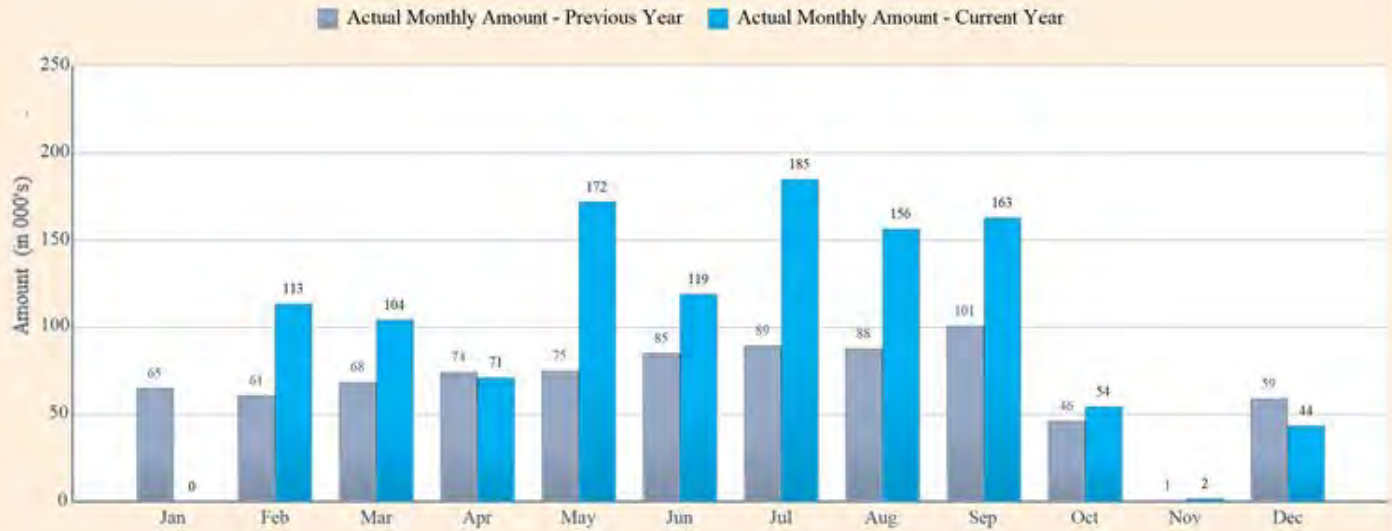


*Total SPLASH Contributions to date for December were above target by \$520.*

**CUSTOMER ASSISTANCE PROGRAM (CAP)**

**CUSTOMER ASSISTANCE PROVIDED**

*Monthly Assistance Provided compared to corresponding Previous Year Periods*



**OPERATIONAL HIGHLIGHTS**

**DRINKING WATER QUALITY**

**LEAD AND COPPER RULE (LCR) COMPLIANCE**

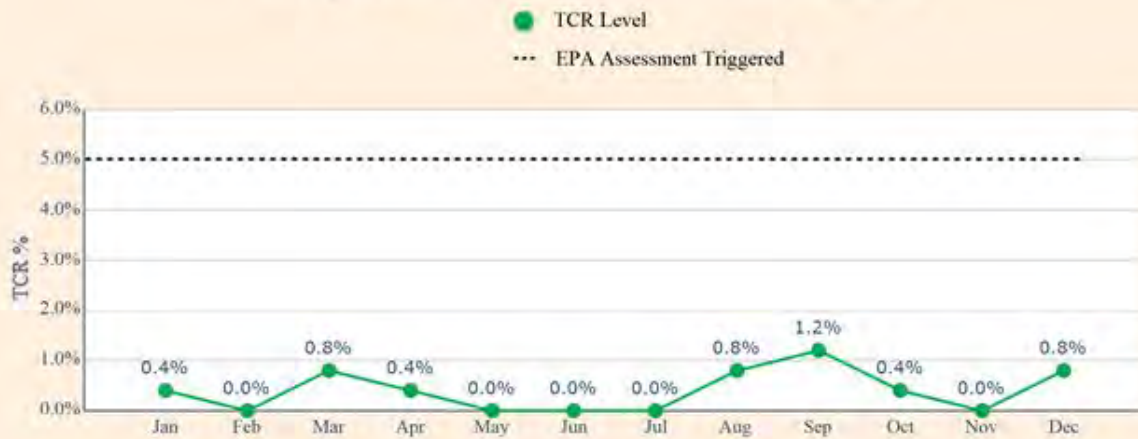
*Semi-Annual LCR Monitoring Results*



*Jul-Dec 2018 results to date*

**TOTAL COLIFORM RULE (TCR) COMPLIANCE**

*Total Coliform Positives compared to EPA Maximum Contaminant Level (MCL)*



*Coliform Positive was recorded at 0.8% in December*

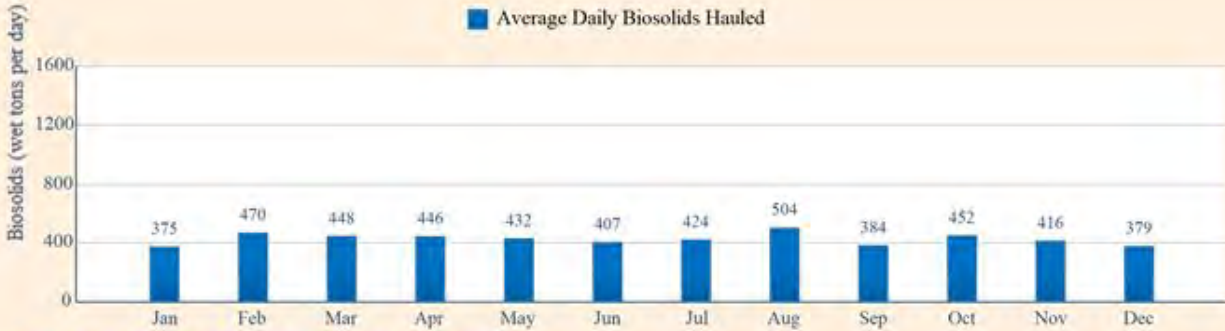


**OPERATIONAL HIGHLIGHTS**

**WASTEWATER TREATMENT**

**BIOSOLIDS PRODUCTION**

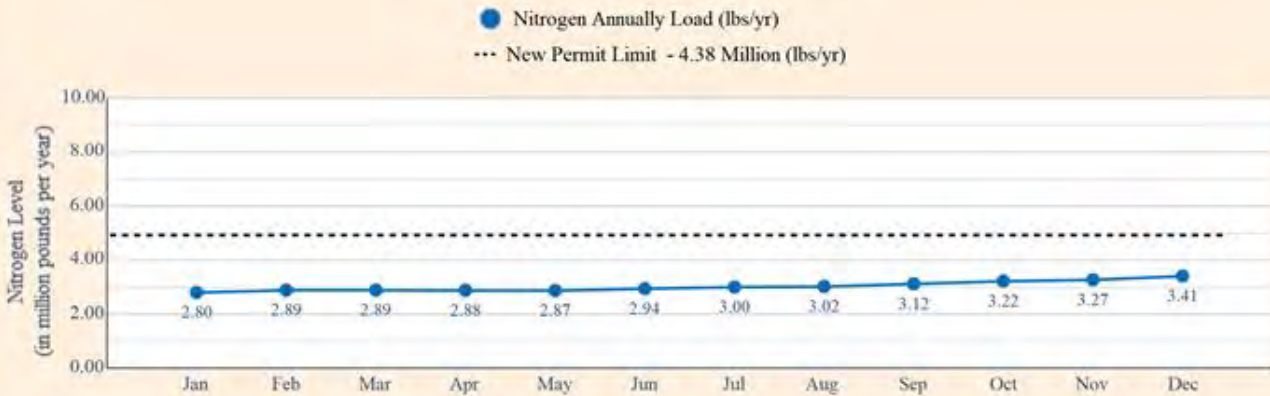
*Average Daily Biosolids Production*



*Biosolids Daily Production for December were 379 wet tons per day*

**TOTAL NITROGEN**

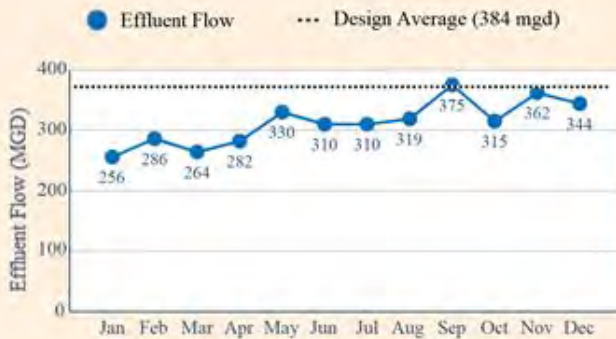
*Total Nitrogen Compared to New Permit Levels*



*Nitrogen level for December were below permit by 0.97 million lbs/yr*

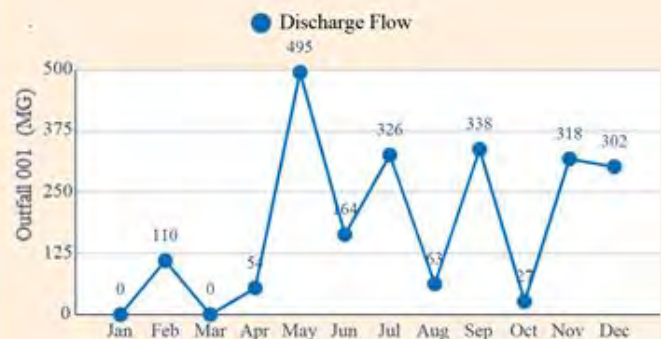
**OUTFALL 002 - PLANT EFFLUENT FLOW**

*Effluent Flow compared to Plant Design Average Limit*



*In December Influent flow was below design by 40 MGD*

**OUTFALL 001 - DISCHARGE FLOW**

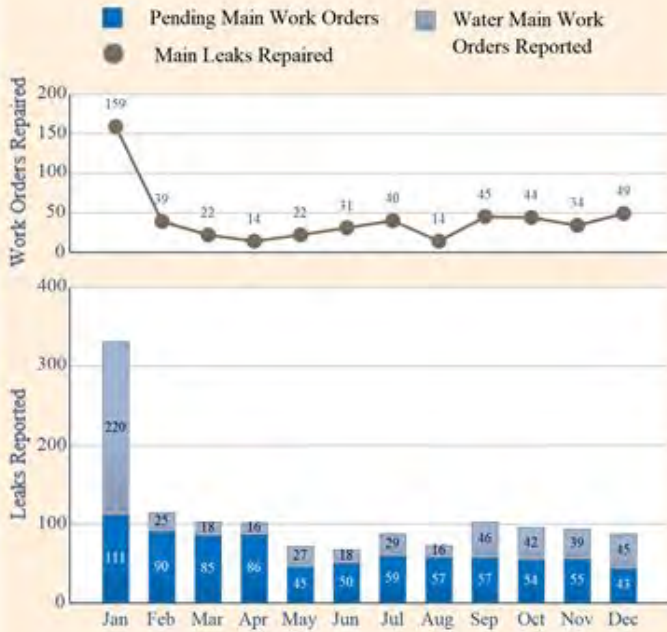


*Excess flow events were recorded at 301.95 MG in December*

## OPERATIONAL HIGHLIGHTS

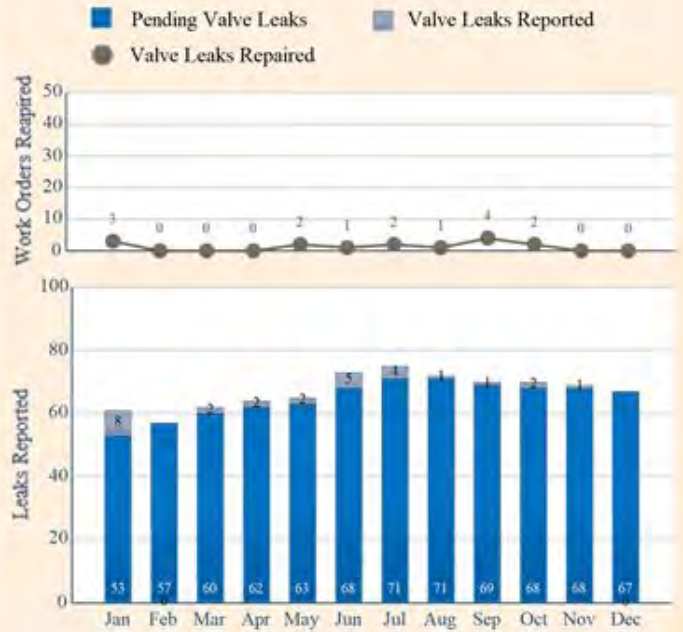
### WATER DISTRIBUTION OPERATIONS

#### WATER MAIN LEAKS



*There were 45 Water Main Work Orders reported in December.*

#### WATER VALVE LEAKS

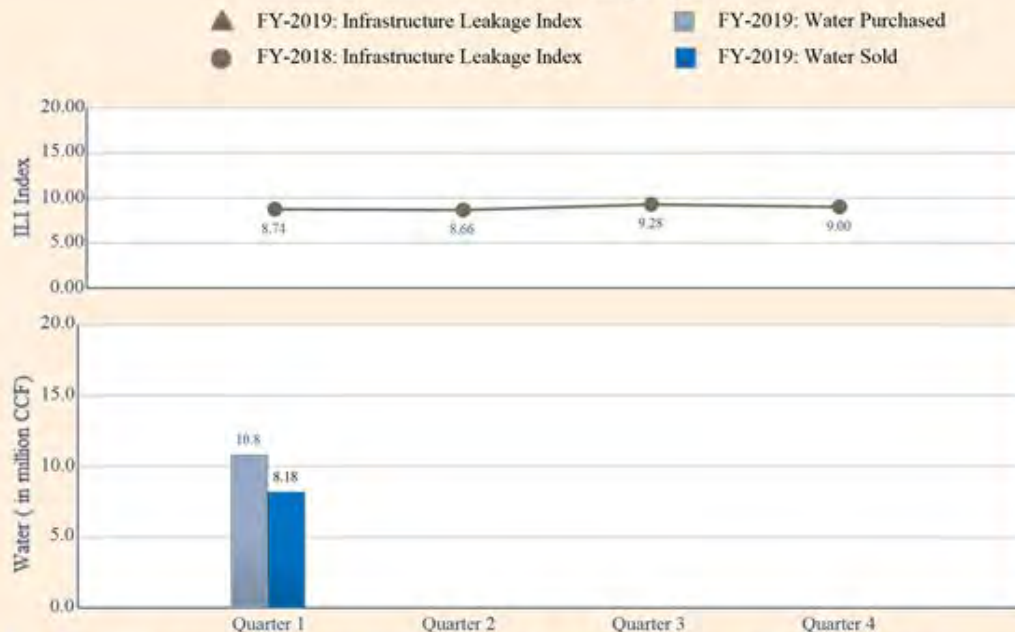


*No leaks were resolved in December.*

### WATER BALANCE

#### NON-REVENUE WATER

*Volume of Water Purchased and Sold per Quarter*



*In the 1st quarter of FY 2019, 8.18 out of 10.80 million cubic feet of water was sold, FY2019 Water Balance Pending*



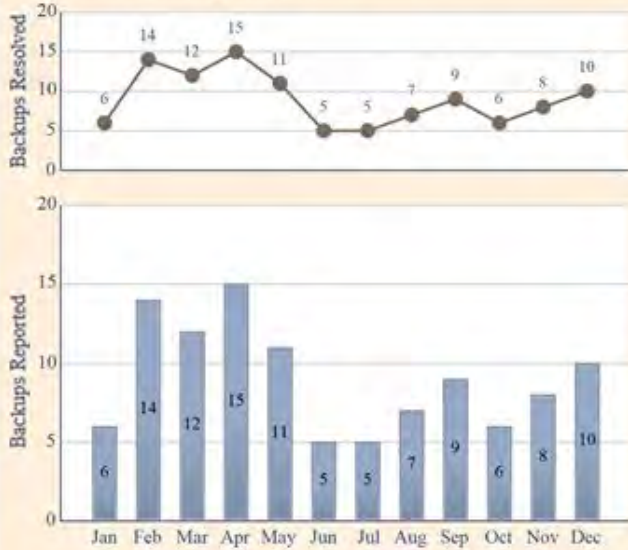
**OPERATIONAL HIGHLIGHTS**

**SEWER SYSTEM OPERATIONS**

**SEWER MAIN BACKUPS**

*Sewer Mains Backed Up and Relieved per Month*

- Pending Main Backups
- Main Backups Reported
- Main Backups Resolved

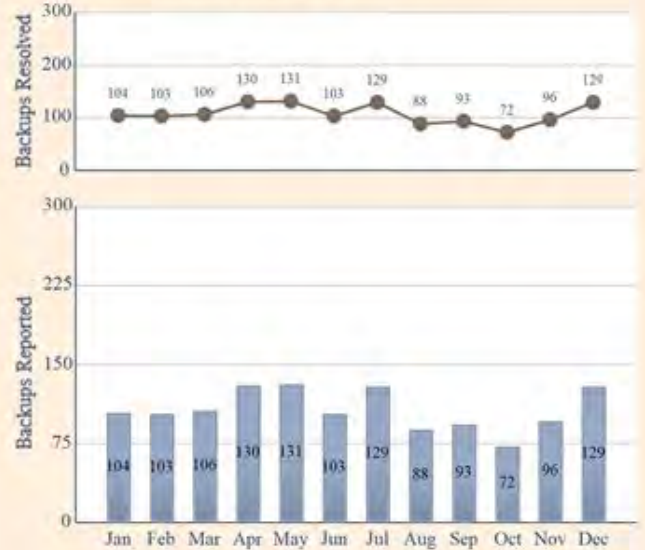


*No pending main backups reported*

**SEWER LATERAL BACKUPS**

*Sewer Laterals Backed Up and Relieved per Month*

- Pending Lateral Backups
- Lateral Backups Reported
- Lateral Backups Resolved



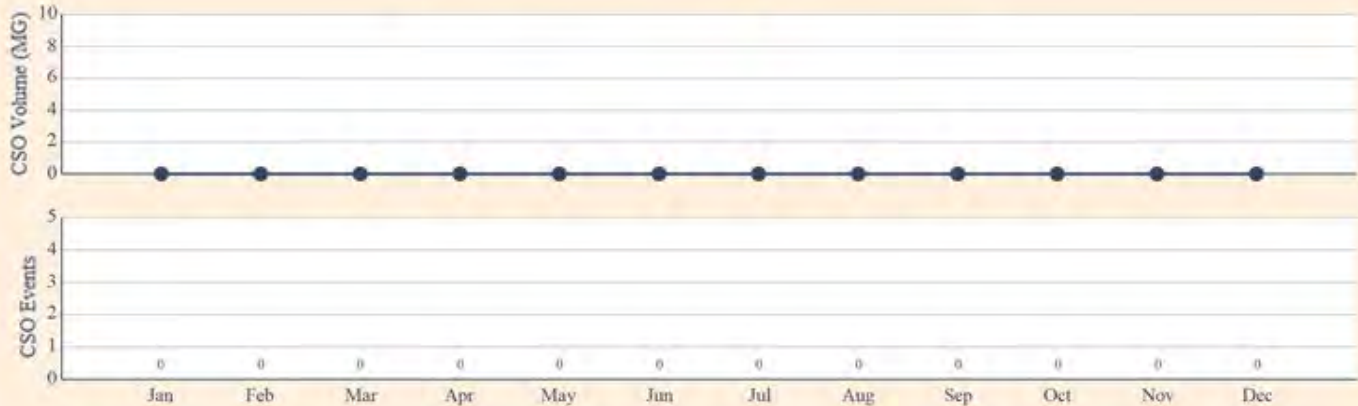
*No pending lateral backups reported*

**COMBINED SEWER SYSTEM**

**DRY WEATHER CSO EVENTS**

*Combined Sewer Overflow Volume and No of Events per Month*

- Overflow Volume (MG)
- Number of CSO Events



*No dry weather Combined Sewer Overflow events were recorded in December 2018*

OPERATIONAL HIGHLIGHTS

HUMAN RESOURCES

RECRUITMENT ACTIVITY

PREVIOUS FISCAL YEAR

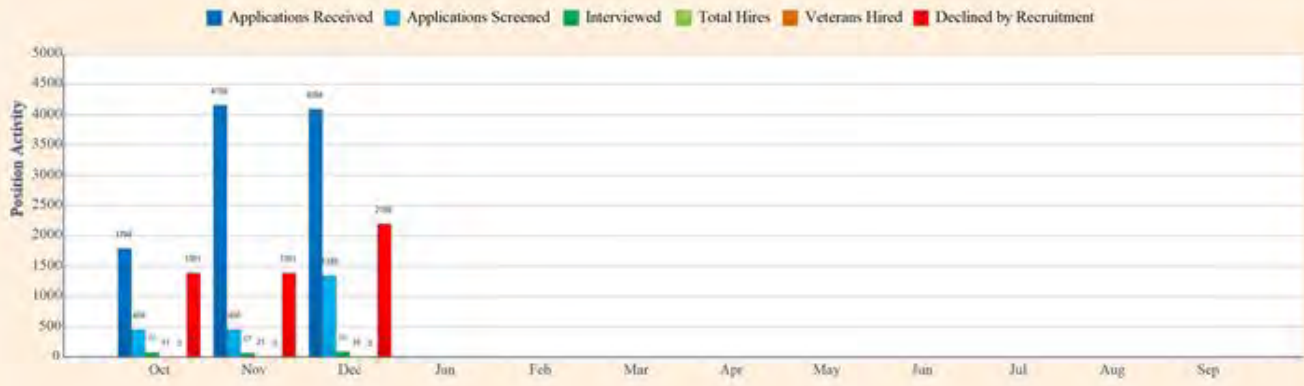


RECRUITMENT ACTIVITY

CURRENT FISCAL YEAR



RECRUITMENT PERFORMANCE METRIC  
PREVIOUS FISCAL YEAR



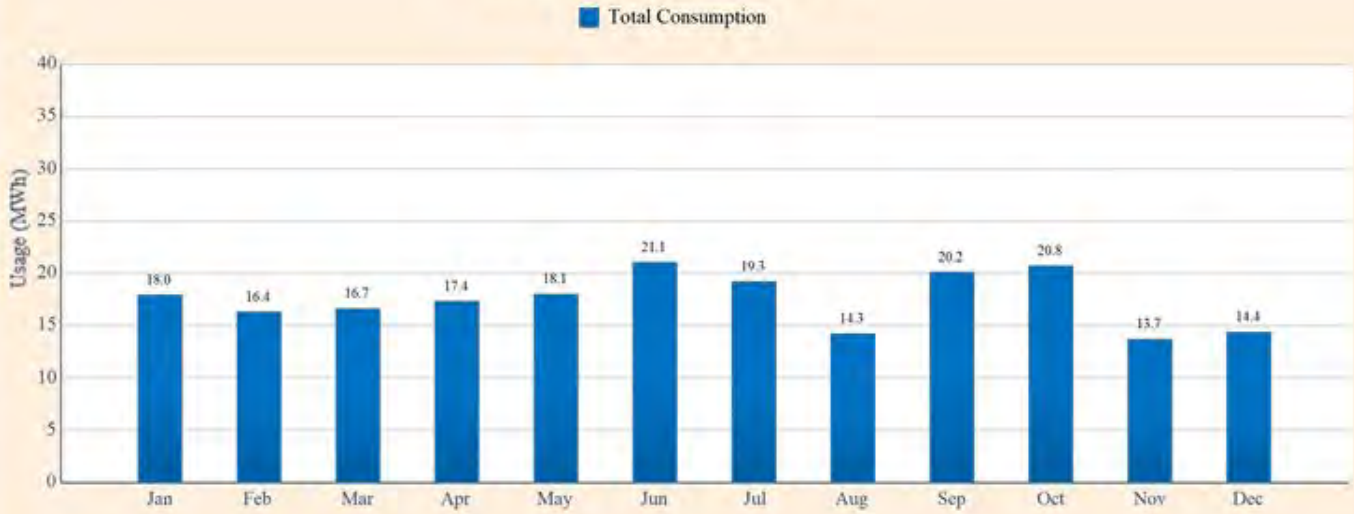
RECRUITMENT PERFORMANCE METRIC  
CURRENT FISCAL YEAR



**OPERATIONAL HIGHLIGHTS**

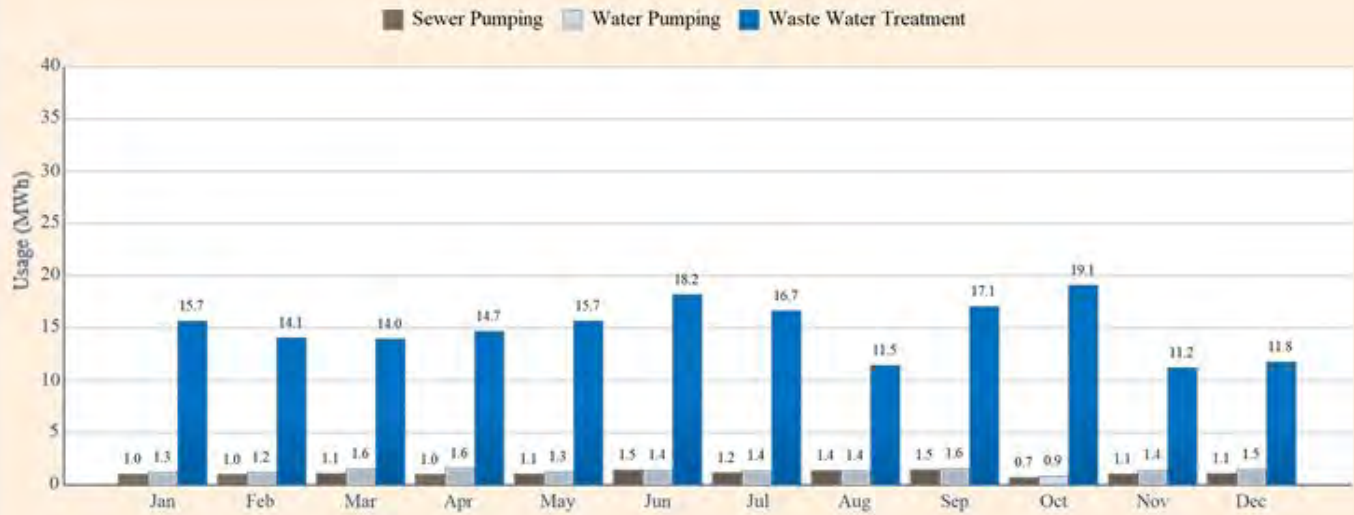
**ENERGY CONSUMPTION**

**ELECTRICITY USAGE SUMMARY**



*Electricity Consumption in December was 14,433 KWh*

**ELECTRICITY USAGE BY SERVICE AREA**



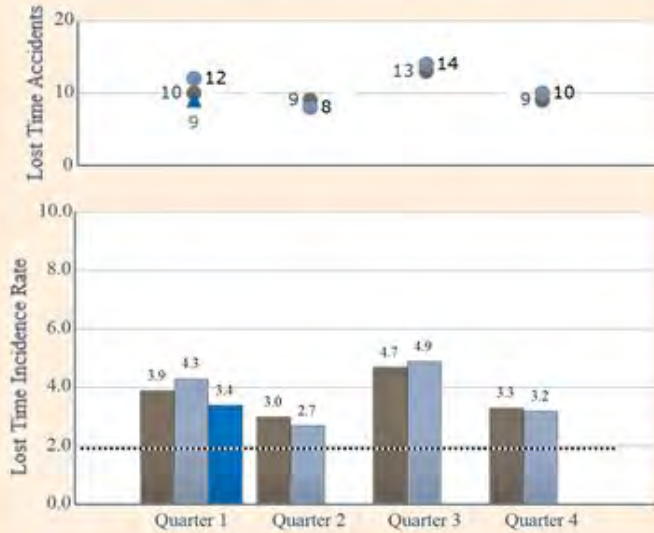
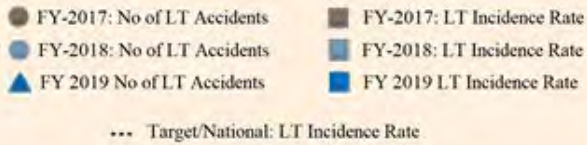
*Waste Water Treatment had the highest electricity consumption in December at 11,794 KWh*



## OPERATIONAL HIGHLIGHTS

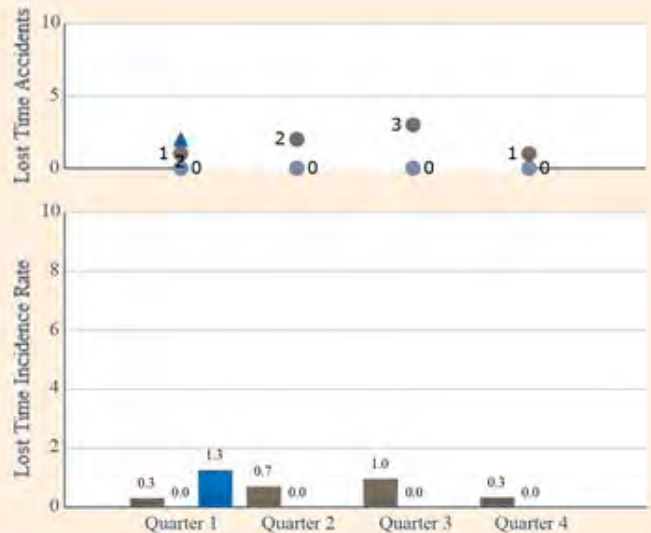
### SAFETY

#### EMPLOYEE LOST TIME INCIDENCE RATE



*In the 1st quarter, 9 lost time accidents were reported*

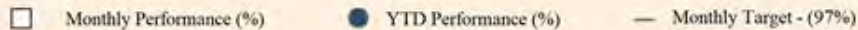
#### CONTRACTOR LOST TIME INCIDENCE RATE



*In the 1st quarter, 2 lost time accidents were reported*

### VENDOR PAYMENTS

#### VENDOR PAYMENT PERFORMANCE



*Performance for December was below the monthly target by 1%*

**INTERPRETATION OF CHARTS:**

**FINANCIAL HIGHLIGHTS**

---

**Revenue, Expenditure, Capital Disbursement**

- Bulls eye shows the variance for YTD budget against actual for revenues, expenditures and capital disbursements
- Bar graph shows **total** for the fiscal year budgeted(grey)-revenues, expenditures and capital disbursements against YTD actual(blue)
- Horizontal line graph shows a YTD progress analysis as compared to the previous year

**Net Operating Cash**

- Bar graph shows monthly net operating cash provided/used
- Line graph denoted by (Δ) compares YTD actual against budget (O). This element is dynamically color coded\*

**Operating Revenues**

- Bar graph shows monthly operating revenues
- Line graph denoted by (Δ) compares YTD revenue against budget (O). This element is dynamically color coded\*

**Operating Expenses**

- Bar graph shows monthly operating expenses
- Line graph denoted by (Δ) compares YTD expenditure against budget (O). This element is dynamically color coded\*\*

**Capital Disbursements**

- Bar graph shows monthly capital disbursements
- Line graph denoted by (Δ) compares YTD disbursements against budget (O). This element is dynamically color coded\*\*

**Operating Cash Balance**

- Bar graph shows monthly average cash balance compared to the target of \$125 million; indicated by grey dotted line

**Delinquent Account Receivables**

- Bar graph shows monthly Receivables to Revenue ratio against target of 3%; indicated by grey dotted line. This element is dynamically color coded\*\*
- Line graph denoted by (Δ) shows delinquency in actual dollars

**Investment Cash Earnings**

- Bar graph shows monthly investment cash earnings
- Line graph denoted by (Δ) compares the YTD earnings against budget (O). This element is dynamically color coded\*

**Core Investments Yield**

- Bar graph shows the monthly investment yield compared to the monthly target (grey) benchmark as set by the US Treasury Bill. This element is dynamically color coded\*

**Short Term Investment Yield**

- Bar graph shows the monthly short term investment yield compared to the monthly short term target (grey) benchmark as set by the US Treasury Bill. This element is dynamically color coded\*

Dynamic Color Coding Legend

*	**
<p><b>Red</b> - when the actual is <b>lower</b> than 3% of budget or target</p> <p><b>Yellow</b> - when the actual is <b>within</b> 3% of budget or target</p> <p><b>Green</b> - when the actual is <b>equal to or higher</b> than budget or target</p>	<p><b>Red</b> - when the actual is <b>higher</b> than 3% of budget or target</p> <p><b>Yellow</b> - when the actual is <b>within</b> 3% of budget or target</p> <p><b>Green</b> - when the actual is <b>equal to or lower</b> than budget or target</p>

Symbols where the color code applies- (Δ, □)

A

**CUSTOMER CARE AND OPERATIONS HIGHLIGHTS**

---

**Call Center Performance**

- Bar graph shows monthly percentage of calls answered within 40 seconds against target of 85%; indicated by grey dotted line. This element is dynamically color coded\*\*\*
- Line graph denoted by (O) shows the number of calls received by the call center every month

**Command Center Performance**

- Bar graph shows monthly percentage of calls answered within 40 seconds against target of 85%; indicated by grey dotted line. This element is dynamically color coded\*\*\*
- Line graph denoted by (O) shows the number of calls received by the command center every month

**First Call Resolution (FCR)**

- Bar graph shows monthly percentage of calls resolved on first contact against target of 75%; indicated by grey dotted line. This element is color dynamically coded\*\*\*

**Emergency Response Time**

- Bar graph shows the percentage of emergency calls responded to within 45 minutes against target of 90%; indicated by grey dotted line. This element is dynamically color coded\*\*\*
- Line graph denoted by (O) shows the total calls dispatched per month

**Fire Hydrants Out of Service (OOS)**

- Bar graph shows total hydrants not available for use against target of 91; indicated by grey dotted line. This element is dynamically color coded\*\*\*\*
- The bar graph is stacked (blue) to show hydrants that are inaccessible. Inaccessible hydrants are not measured against the target of 91

**Fire Hydrant Inspections and Maintenance**

- Bar graph shows the total number of fire hydrants repaired per month

**Fire Hydrant Replacements**

- Bar graph shows the total number of hydrants replaced per month against target of 21; indicated by grey dotted line. This element is dynamically color coded\*\*\*

**Total Applications Processed within Service Level Agreement (SLA)**

- Bar graph shows
  - the number of permits processed per month(dark blue)
  - the number of permits processed within SLA per month(light blue)
- Line graph denoted by (O) shows the percentage of permits processed vs. processed within SLA

Dynamic Color Coding Legend

***	****
<p><b>Red-</b> when the actual is <b>lower</b> than 5% of budget or target</p> <p><b>Yellow-</b> when the actual is <b>within</b> 5% of budget or target</p> <p><b>Green-</b> when the actual is <b>equal to or higher</b> than budget or target</p>	<p><b>Red-</b> when the actual is <b>higher</b> than 5% of budget or target</p> <p><b>Yellow-</b> when the actual is <b>within</b> 5% of budget or target</p> <p><b>Green-</b> when the actual is <b>equal to or lower</b> than budget or target</p>

Symbols where the color code applies- (Δ, □)

**LOW INCOME ASSISTANCE PROGRAM**

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**SPLASH Contributions**

- Bar graph shows monthly SPLASH contributions
- Line graph denoted by (Δ) shows the YTD contributions against target (O). This element is color coded\*\*\*

**Customer Assistance Program (CAP)**

- Bar graph shows monthly CAP assistance
- Line graph denoted by (Δ) shows the YTD contributions against budget (O). This element is color coded\*\*\*

**OPERATIONAL HIGHLIGHTS**

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**Lead and Copper Rule (LCR) Compliance**

- Line graph denoted by (Δ, O) shows semi-annual LCR monitoring results against target of 15ppb; indicated by grey dotted line. This element is color coded\*\*\*\*

**Total Coliform Rule (TCR)**

- Line graph denoted by (Δ) shows total coliform positives against the EPA maximum contaminant level of 5%. This element is color coded\*\*\*\*

**Biosolids Production**

- Bar graph shows monthly average daily biosolids production

**Total Nitrogen**

- Line graph denoted by (Δ) shows monthly total nitrogen level against the current permit (dark grey) and 2015 permit (light grey) levels. This element is color coded\*\*\*\*

**Plant Effluent Flow**

- Line graph denoted by (Δ) shows monthly influent flow against the plant design average limit of 370MGD. This element is color coded\*\*\*\*

**Excess Flow**

- Line graph denoted by (Δ) shows monthly excess flow

**Water Main Leaks**

- Bar graph shows the water main leaks reported
- The bar graph is stacked(dark blue) to show the pending leaks carried over from the previous month if any; bar graph(light blue) shows new water main leaks reported for the given month
- Line graph denoted by (O) shows the number of main leaks repaired per month

**Water Valve Leaks**

- Bar graph shows the water valve leaks reported
- The bar graph is stacked(dark blue) to show the pending leaks carried over from the previous month if any; bar graph(light blue) shows new water valve leaks reported for the given month
- Line graph denoted by (O) shows the number of valve leaks repaired per month

Dynamic Color Coding Legend

***	****
Red- when the actual is <b>lower</b> than 5% of budget or target	Red- when the actual is <b>higher</b> than 5% of budget or target
Yellow- when the actual is <b>within</b> 5% of budget or target	Yellow- when the actual is <b>within</b> 5% of budget or target
Green- when the actual is <b>equal to or higher</b> than budget or target	Green- when the actual is <b>equal to or lower</b> than budget or target

Symbols where the color code applies- (Δ, □)



**Non Revenue Water**

- Bar graph shows the volume of water purchased(dark blue) and water sold(light blue) per quarter
- Line graph denoted by (Δ, O) shows the Infrastructure Leakage Index(ILI) for the current and previous year

**Sewer Main Backups**

- Bar graph shows the sewer main backups reported
- The bar graph is stacked(dark blue) to show the pending backups carried over from the previous month if any; bar graph(light blue) shows new sewer main backups reported for the given month
- Line graph denoted by (O) shows the number of main backups resolved per month

**Sewer Lateral Backups**

- Bar graph shows the sewer lateral backups reported
- The bar graph is stacked(dark blue) to show the pending backups carried over from the previous month if any; bar graph(light blue) shows new sewer laterals backups reported for the given month
- Line graph denoted by (O) shows the number of lateral backups resolved per month

**Combined Sewer dry weather Overflow (CSO) Events**

- Bar graph shows dry weather CSO events per month
- Line graph denoted by (O) shows the volume in Million Gallons(MG) per dry weather CSO event

**Open Positions**

- Bar graph (dark blue) shows open positions carried over from the previous month.
- Bar graph (light blue) shows new positions added in the given month.
- Bar graph (olive green) shows positions filled in the given month.
- Bar graph (orange) shows positions cancelled in the given month.
- Bar graph (light green) shows net remaining open positions at the end of the given month.

**Electricity Usage Summary**

- Bar graph shows total electricity consumption per month

**Electricity Usage by Service Area**

- Shows a monthly breakdown by service area of electricity usage
- Dark blue shows for Waste Water Treatment Service Area
- Light blue shows Water Pumping Service Area
- Brown shows Sewer Pumping Service Area

**Employee Lost Time Incidence Rate**

- Bar graph shows quarterly Employee Lost Time (LT) incidence rate as compared to the National average LT rate of 2.0; indicated by grey dotted line. Light blue represents the previous year, brown represents the year before previous and dark blue the current fiscal year.
- Scatter graph denoted by (Δ, O) shows the number of Lost Time accidents and comparison is also made between the current year and the previous years.

**Contractor Lost Time Incidence Rate**

- Bar graph shows quarterly Contractor Lost Time (LT) incidence rate. Light blue represents the previous year, brown represents the year before previous and dark blue the current fiscal year.
- Scatter graph denoted by (Δ, O) shows the number of Lost Time accidents and comparison is also made between the current year and the previous years.

Dynamic Color Coding Legend

***	****
<p><b>Red-</b> when the actual is <b>lower</b> than 5% of budget or target</p> <p><b>Yellow-</b> when the actual is <b>within</b> 5% of budget or target</p> <p><b>Green-</b> when the actual is <b>equal to or higher</b> than budget or target</p>	<p><b>Red-</b> when the actual is <b>higher</b> than 5% of budget or target</p> <p><b>Yellow-</b> when the actual is <b>within</b> 5% of budget or target</p> <p><b>Green-</b> when the actual is <b>equal to or lower</b> than budget or target</p>

Symbols where the color code applies- (Δ, □)

**Vendor Payment Performance**

- Bar graph shows monthly Vendor Payment Performance percentage against monthly target of 97%; indicated by grey dotted line. This element is dynamically color coded\*\*
- Line graph denoted by (O) shows the YTD vendor payment performance %.

Dynamic Color Coding Legend

***	****
<p><b>Red-</b> when the actual is <b>lower</b> than 5% of budget or target</p> <p><b>Yellow-</b> when the actual is <b>within</b> 5% of budget or target</p> <p><b>Green-</b> when the actual is <b>equal to or higher</b> than budget or target</p>	<p><b>Red-</b> when the actual is <b>higher</b> than 5% of budget or target</p> <p><b>Yellow-</b> when the actual is <b>within</b> 5% of budget or target</p> <p><b>Green-</b> when the actual is <b>equal to or lower</b> than budget or target</p>

Symbols where the color code applies- (Δ, □)

E



**Consent Agenda**

**Summary of Contracts**

**250th Meeting of the DC Water Board of Directors**

**Thursday, February 7, 2019**

**Joint Use Contracts**

1. **Resolution No. 19-03, Execute Option Year One of Contract No. 17-PR-DOS-38, Allied Universal Security Services.** The purpose of the option is to continue providing protective services for all of DC Water's facilities and personnel. The option amount is \$5,300,000. **(Recommended by the Environmental Quality and Operations Committee 01/17/19)**
  
2. **Resolution No. 19-06, Execute Option Year One of Contract No. 17-PR-CFO-42AA, AB, AC, AD, AE, Financial Staff Augmentation Services.** The purpose option is to continue providing staff augmentation services for special projects, long and short-term projects and staff vacancies. The option amount is \$1,120,000. **Recommended by the Finance and Budget Committee 01/24/19)**

**Presented and Approved: February 7, 2019**

**SUBJECT: Approval to Execute Option Year One of Contract No. 17-PR-DOS-38, Allied Universal Security Services**

**#19-03  
RESOLUTION  
OF THE  
BOARD OF DIRECTORS  
OF THE  
D.C. WATER AND SEWER AUTHORITY**

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("the Authority") at its meeting on February 7, 2019 upon consideration of a joint use matter, decided by a vote of \_\_\_() in favor and \_\_\_() opposed to approve Option Year One of Contract No. 17-PR-DOS-38, Allied Universal Security Services.

**Be it resolved that:**

The Board of Directors hereby authorizes the General Manager to execute Option Year One of Contract No. 17-PR-DOS-38, Allied Universal Security Services. The purpose of the option is to continue providing protective services for all of DC Water's facilities and personnel. The option amount is \$5,300,000.

This Resolution is effective immediately.

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Secretary to the Board of Directors

**DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY  
BOARD OF DIRECTORS CONTRACTOR FACT SHEET**

**ACTION REQUESTED**

**GOODS AND SERVICES CONTRACT EXERCISE OPTION YEAR**

**Protective Services**

(Joint Use)

Approval to execute option year one for protective services throughout all DC Water locations in the amount of \$5,300,000.00.

**CONTRACTOR/SUB/VENDOR INFORMATION**

<b>PRIME:</b> Allied Universal Security Services 1551 N. Tustin Avenue Suite 650 Santa Ana, CA 92705	<b>SUBS:</b> Preeminent Protective Services Inc. 1050 17 <sup>th</sup> Street, NW, Suite 600 Washington, DC 20036 LSBE	<b>PARTICIPATION:</b> 21.3%
--	--	--------------------------------

**DESCRIPTION AND PURPOSE**

<b>Original Contract Value:</b>	\$5,857,481.76
<b>Original Contract Dates:</b>	02-15-2018 -- 02-14-2019
<b>No. of Option Years in Contract:</b>	4
<b>Option Year 1 Value:</b>	\$5,300,000.00
<b>Option Year 1 Dates:</b>	02-15-2019 – 02-14-2020

**Purpose of the Contract:**

The purpose of this contract is to provide protective services for all of DC Water’s facilities and personnel.

**Contract Scope:**

The contract will provide highly trained and reliable commissioned Special Police Officers (SPOs) to safeguard DC Water’s property and personnel, to prevent and deter unauthorized access or removal of property, and to assist DC Water in all other security related matters.

**Spending Previous Year:**

<b>Cumulative Contract Value:</b>	02-14-2018 to 02-15-2019:	\$5,847,481.76
<b>Cumulative Contract Spending:</b>	02-14-2018 to 12-31-2018:	\$5,213,694.67

**Contractor’s Past Performance:**

According to the COTR, the Contractor’s quality of security services, timeliness of report and deliverables; conformance to DC Water’s policies, procedures and contract terms; and invoicing all meet expectations and requirements.

**PROCUREMENT INFORMATION**


<b>Contract Type:</b>	Fixed Price	<b>Award Based On:</b>	Highest Rated Offeror
<b>Commodity:</b>	Goods and Services	<b>Contract Number:</b>	17-PR-DOS-38
<b>Contractor Market:</b>	Open Market with Preference Points for LBE and LSBE Participation		

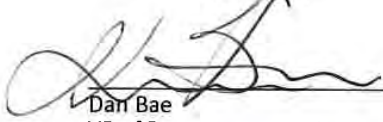
**BUDGET INFORMATION**

<b>Funding:</b>	Operating	<b>Department:</b>	Department of Security
<b>Service Area:</b>	Blue Plains AWTP	<b>Department Head:</b>	Ivelisse Cassas

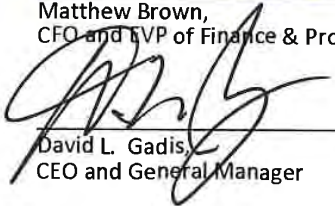
**ESTIMATED USER SHARE INFORMATION**

User	Share %	Dollar Amount
District of Columbia	83.75%	\$4,438,750.00
Washington Suburban Sanitary Commission	12.09%	\$640,770.00
Fairfax County	2.69%	\$142,570.00
Loudoun Water	1.30%	\$68,900.00
Other (PI)	0.17%	\$9,010.00
<b>TOTAL ESTIMATED DOLLAR AMOUNT</b>	<b>100.00%</b>	<b>\$5,300,000.00</b>

  
 \_\_\_\_\_  
 Maureen Holman  
 EVP of Administration  
 Date 1/19/19

  
 \_\_\_\_\_  
 Dan Bae  
 VP of Procurement and Compliance  
 Date 1/19/19

  
 \_\_\_\_\_  
 Matthew Brown,  
 CFO and EVP of Finance & Procurement  
 Date 1/11/19

  
 \_\_\_\_\_  
 David L. Gadis,  
 CEO and General Manager  
 Date 1/25/19

**Presented and Adopted: February 7, 2019**  
**SUBJECT: Approval of Selection of Investment Bankers**

**#19-04**  
**RESOLUTION**  
**OF THE**  
**BOARD OF DIRECTORS**  
**OF THE**  
**DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY**

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("DC Water"), at the Board meeting held on February 7, 2019, upon consideration of a joint-use matter, decided by a vote of \_\_\_\_ ( ) in favor and \_\_\_\_ ( ) opposed, to take the following action with respect to approving the selection of the Authority's Investment Bankers.

**WHEREAS**, the Finance and Budget Committee has also recommended the selection of Citi Group, Goldman Sachs & Co. LLC, J.P. Morgan, RBC Capital Markets, Ramirez & Co., Inc, and Siebert Cisneros Shank & Co. LLC to serve as the Authority's Senior Managers for a term of up to five (5) years; and

**WHEREAS**, the Finance and Budget Committee has recommended that Bank of America, N.A. Merrill Lynch, Pierce, Fenner & Smith Inc., Barclays, FTN Financial, Jefferies LLC, Loop Capital Markets, Mesirov Financial, Morgan Stanley, PNC Capital Markets LLC, Raymond James, Stern Brothers, and TD Securities (USA) LLC be authorized to serve as the Authority's Co-Managers for a term of up to five (5) years.

**NOW THEREFORE BE IT RESOLVED THAT:**

1. The Board approves the selection of Citi Group, Goldman Sachs & Co. LLC, J.P. Morgan, RBC Capital Markets, Ramirez & Co., Inc, and Siebert Cisneros Shank & Co. LLC to serve as the Authority's Senior Managers for up to a five (5) year term.
2. The Board approves the selection of Bank of America, N.A. Merrill Lynch, Pierce, Fenner & Smith Inc., Barclays, FTN Financial, Jefferies LLC, Loop Capital Markets, Mesirov Financial, Morgan Stanley, PNC Capital Markets LLC, Raymond James, Stern Brothers, and TD Securities (USA) LLC to serve as the Authority's Senior Managers for up to a five (5) year term.

This resolution is effective immediately.

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Secretary to the Board of Directors

**DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY  
BOARD OF DIRECTORS CONTRACTOR FACT SHEET**

**ACTION REQUESTED**

**GOODS AND SERVICES CONTRACT AWARD**

**INVESTMENT BANKERS**

**SENIOR AND CO-MANAGING UNDERWRITER POOL**

**(Joint Use – Indirect Cost)**

Approval of 17 Investment Banker’s pool to provide underwriter services for a period of five (5) years.

**CONTRACTOR/SUB/VENDOR INFORMATION**

<b>SENIOR UNDERWRITERS:</b>	<b>CO-MANAGERS:</b>	<b>PARTICIPATION:</b>
1. Citi Group 2. Goldman Sachs & Co. LLC 3. J. P. Morgan 4. RBC Capital Markets 5. Ramirez & Co., Inc. 6. Seibert Cisneros Shank & Co. LLC	1. Bank of America, N.A. Merrill Lynch, Pierce, Fenner & Smith Inc. 2. Barclays 3. FTN Financial 4. Jefferies LLC 5. Loop Capital Markets 6. Mesirow Financial 7. Morgan Stanley 8. PNC Capital Markets LLC 9. Raymond James 10. Stern Brothers 11. TD Securities (USA) LLC	N/A

**DESCRIPTION AND PURPOSE**

Original Contract Value:	(See Past Spending Table Below)
Original Contract Dates:	Five (5) Years
Anticipated Contract Start Date:	04-01-2019
Anticipated Contract Completion Date:	03-31-2024
Request For Qualifications (RFQ) Closing Date:	10-26-2018
Proposals Received:	31
Proposal Range:	N/A
Preference Points Received:	0

**Purpose of the Contract:**

The purpose of qualifying the investment banker’s pool is to provide underwriting services for the issuance of revenue bonds, financing services related to DC Water’s Capital Improvement Program (CIP) and any refunding transactions which may arise during the next five (5) years.

**Contract Scope:**

This action provides DC Water with the resources to obtain expert underwriter services for DC Water’s future financial transactions.

**Spending Previous Years – Cumulative Underwriter Spending:**

2014	-	\$5,009,371.13	2017	-	\$1,292,031.61
2015	-	\$1,354,021.00	2018	-	\$1,259,822.73
2016	-	\$1,685,617.85			
<b>TOTAL</b>					<b>\$9,080,864.32</b>

Underwriter service costs will be paid through bond proceeds or through the bond issuance. Over the past five (5) years, Underwriter fees averaged 1.4 million for one (1) issuance each year, but 2014 was extremely high at \$5 million due to three (3) issuances for taxable century bond, 2014 B1 and B2 bonds, and 2014C refunding.



No LBE/LSBE participation.

**PROCUREMENT INFORMATION**

<b>Contract Type:</b>	Fixed Price	<b>Award Based On:</b>	Highest Ratings
<b>Commodity:</b>	Goods and Services	<b>Contract Number:</b>	18-PR-CFO-53
<b>Contractor Market:</b>	Open Market with Preference Points for LBE and LSBE Participation		

**BUDGET INFORMATION**

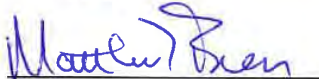
<b>Funding:</b>	Operating	<b>Department:</b>	Chief Financial Office
<b>Service Area:</b>	DC Water Wide	<b>Department Head:</b>	Ivan A. Boykin

**ESTIMATED USER SHARE INFORMATION**

User	Share %	Dollar Amount
District of Columbia	100.00%	\$0.00
Washington Suburban Sanitary Commission	0.00%	\$0.00
Fairfax County	0.00%	\$0.00
Loudoun Water	0.00%	\$0.00
Other (PI)	0.00%	\$0.00
<b>TOTAL ESTIMATED DOLLAR AMOUNT</b>	<b>100.00%</b>	<b>\$0.00</b>

 , 1/9/2019  
 Ivan A. Boykin Date  
 Director of Finance

 , 1/9/19  
 Dan Bae Date  
 VP of Procurement and Compliance

 , 1/9/19  
 Matthew T. Brown Date  
 CEO and EVP of Finance and Procurement

 , 1/25/19  
 David L. Gadis Date  
 CEO and General Manager

**Presented and Adopted: February 7, 2019**

**SUBJECT: Intent to Reimburse Capital Expenditures with Proceeds of a Water Infrastructure Finance and Innovation Act (WIFIA) Borrowing**

**#19-05  
RESOLUTION  
OF THE  
BOARD OF DIRECTORS  
OF THE  
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY**

The Board of Directors (“Board”) of the District of Columbia Water and Sewer Authority (“DC Water”), at the Board meeting held on February 7, 2019 upon consideration of a joint-use matter, decided by a vote of \_\_\_ (\_\_\_) in favor and \_\_\_ (\_\_\_) opposed, to take the following action.

**WHEREAS**, DC Water intends to acquire, construct and equip improvements to the System, which shall be considered “Costs of the System” as defined in the Master Indenture of Trust between DC Water and Wells Fargo Bank, N.A., dated as of April 1, 1998, potentially including, but not limited to the items and projects set forth in Exhibit A hereto (collectively, the “Projects”); and

**WHEREAS**, plans for the Projects have advanced and DC Water expects to advance its own funds to pay expenditures related to the Projects (“Expenditures”) prior to incurring indebtedness and to receive reimbursement for such Expenditures from proceeds of tax-exempt bonds or notes or taxable debt, or both.

**NOW THEREFORE BE IT RESOLVED THAT:**

1. DC Water utilizes the proceeds of tax-exempt bonds, taxable bonds or notes (the “Bonds”) or other debt in an amount not currently expected to exceed \$150,000,000 to pay costs of the Projects. These costs include amounts heretofore unreimbursed pursuant to Resolution 18-23 of the Board adopted on March 1, 2018, plus amounts projected to be reimbursed during Fiscal Year 2019 – 2024.
2. DC Water intends to use the proceeds of the Bonds to reimburse itself for Expenditures with respect to the Projects made on or after the date that is 60 days prior to the date of this Resolution. DC Water reasonably expects on the date hereof that it will reimburse the Expenditures with the proceeds of the Bonds or other debt.
3. Each Expenditure was or will be, unless otherwise supported by the opinion of bond counsel, either (a) of a type properly chargeable to a capital account under

general federal income tax principles (determined in each case as of the date of the Expenditure), (b) a cost of issuance with respect to the Bonds, (c) a nonrecurring item that is not customarily payable from current revenues, or (d) a grant to a party that is not related to or an agent of DC Water so long as such grant does not impose any obligation or condition (directly or indirectly) to repay any amount to or for the benefit of DC Water.

4. DC Water makes a reimbursement allocation, which is a written allocation by DC Water that evidences DC Water's use of proceeds of the Bonds to reimburse an Expenditure, no later than 18 months after the later of the date on which the Expenditure is paid or the Project is placed in service or abandoned, but in no event more than three years after the date on which the Expenditure is paid. The DC Water recognizes that exceptions are available for certain "preliminary expenditures," costs of issuance, certain de minimis amounts, expenditures by "small issuers" and expenditures for any construction, the completion of which is expected to require at least five years.
5. The Board adopts this resolution confirming the "official intent" within the meaning of Treasury Regulations Section 1.150-2 promulgated under the Internal Revenue Code of 1986, as amended.

This resolution is effective immediately.

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Secretary to the Board of Directors

## EXHIBIT A — LIST OF PROJECTS

Gravity Thickener Upgrades  
Replace and Upgrade Influent Screen  
Headworks Influent Structure  
Reclaimed Final Effluent PS  
Pre-D Add'l Centrifuges  
Headwork Electrical Upgrades  
COF/IT Electrical Upgrades  
Electrical & Power Monitoring  
66" PCCP N Street  
Sanitary Sewer Rehab 10  
Piney Branch Sewer Shed Rehab Ph 1  
Large Sewer Rehab 3  
Combined Sewer Rehab  
Spring Place (4 projects)  
Small Diameter Water Main Replacements 13/ 14/15  
Main & O Street PS Odor Control/Screen, Conveyors Compactors  
Sewer Rehabs near Creek Beds (2 jobs)  
Combined/Sanitary Sewers Under Bldgs. Rehab (2 Jobs)

**Presented and Approved: February 7, 2019**

**SUBJECT: Approval to Execute Option Year One of Contract No. 17-PR-CFO-42AA, AB, AC, AD, AE, Financial Staff Augmentation Services**

**#19-06  
RESOLUTION  
OF THE  
BOARD OF DIRECTORS  
OF THE  
D.C. WATER AND SEWER AUTHORITY**

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("the Authority") at its meeting on February 7, 2019 upon consideration of a joint use matter, decided by a vote of \_\_\_() in favor and \_\_\_() opposed to approve Option Year One of Contract No. 17-PR-CFO-42AA,AB,AC,AD,AE, Financial Staff Augmentation Services.

**Be it resolved that:**

The Board of Directors hereby authorizes the General Manager to execute Option Year One of Contract No. 7-PR-CFO-42AA, AB, AC, AD, AE, Financial Staff Augmentation Services. The purpose of the option is to continue providing staff augmentation services for special projects, long and short-term projects and staff vacancies. The option amount is \$1,120,000.

This Resolution is effective immediately.

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Secretary to the Board of Directors

**DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY  
BOARD OF DIRECTORS CONTRACTOR FACT SHEET**

**ACTION REQUESTED**

**GOODS AND SERVICES CONTRACT OPTION YEAR  
FINANCIAL STAFF AUGMENTATION SERVICES  
(Joint Use)**

Approval to execute a contract modification to exercise option year one (1) for financial staff augmentation services in the amount of \$1,120,000.00.

**CONTRACTOR/SUB/VENDOR INFORMATION**

<b>PRIME:</b>	<b>SUBS:</b>	<b>PARTICIPATION:</b>
IBS Management & Consultancy Services, LLC* 1627 K Street, NW, Suite 5027 Washington, DC 20036	N/A	100%
Mb Staffing Services* 819 7th Street, NW Washington, DC 20001	N/A	100%
SOA Financial* 4200 Forbes Boulevard, Suite 101 Lanham MD 20706	N/A	100%
SPS Consulting* 1901 Research Blvd., Suite 320 Rockville, MD 20850	N/A	100%
vTech Solution Inc.* 1100 H Street, NW Suite 450 Washington, DC 20005 *LSBE	N/A	100%

**DESCRIPTION AND PURPOSE**

Original Contract Value: \$1,600,000.00  
 Original Contract Dates: 03-01-2018—02-28-2019  
 No. of Option Years in Contract: 2  
**Option Year 1 Value: \$1,120,000.00**  
**Option Year 1 Dates: 03-01-2019—02-29-2020**

**Purpose of the Contract:**

DC Water's Office of the Chief Financial Officer (OCFO) and Department of Customer Service require the services of competent and qualified firms to fulfill their on-going need for staff augmentation services for special projects, long and short-term projects and staff vacancies. These services are used when it is not feasible for DC Water to permanently hire staff for project of short duration such as support for budget preparation and analysis, annual financial audit, year-end close, future upgrade and/or replacement of financial system, insurance and risk analysis, temporary meter readers, customer service support and other projects. These services may be used when specialized or unique skills are required.

**Scope of the Contract:**

This contract will provide as-needed staffing services for Accounts Receivables, General Accounting, Accounts Payables, Internal Controls, Customer Service and Financial Analysis. The option year one (1) amount includes projected staffing services to support the upcoming Enterprise Resource Planning (ERP) project.

**Spending Previous Year:**

Cumulative Contract Value: 03-01-2018 - 02-28-2019: \$1,600,000.00  
 Cumulative Contract Spending: 03-01-2018 - 12-31-2018: \$647,437.63

**Contractor's Past Performance:**

According to the COTR, the Contractors' quality of services; timeliness of responses; conformance to DC Water's policies, procedures and contract terms; and invoicing all meet expectations.

**PROCUREMENT INFORMATION**

<b>Contract Type:</b>	Fixed Unit Price	<b>Award Based On:</b>	Highest Rated Offerors
<b>Commodity:</b>	Services	<b>Contract Numbers:</b>	17-PR-CFO-42AA, AB, AC, AD, AE
<b>Contractor Market:</b>	Open Market with Preference Points for LBE and LSBE Participation		

**BUDGET INFORMATION**

<b>Funding:</b>	Operating	<b>Departments:</b>	Department of Finance and Department of Customer Service
<b>Service Area:</b>	DC Water Wide	<b>Department Heads:</b>	John Madrid and Carolyn A. MacKool

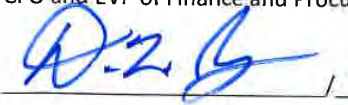
**ESTIMATED USER SHARE INFORMATION**

User	Share %	Dollar Amount
District of Columbia	83.75%	\$938,000.00
Washington Suburban Sanitary Commission	12.09%	\$135,408.00
Fairfax County	2.69%	\$30,128.00
Loudoun County	1.30%	\$14,560.00
Other (PI)	0.17%	\$1,904.00
<b>TOTAL ESTIMATED DOLLAR AMOUNT</b>	<b>100.00%</b>	<b>\$1,120,000.00</b>

 1/17/19  
 John Madrid Date  
 Controller

 1/17/19  
 Dan Bac Date  
 VP of Procurement and Compliance

 1/17/19  
 Matthew T. Brown Date  
 CFO and EVP of Finance and Procurement

 1/28/19  
 David L. Gadis Date  
 CEO and General Manager

**Presented and Adopted: February 7, 2019**

**SUBJECT: Approval to Publish Notice of Final Rulemaking for Proposed New and Amended Miscellaneous Fees & Charges**

**#19-07  
RESOLUTION  
OF THE  
BOARD OF DIRECTORS  
OF THE  
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY**

The District members of the Board of Directors (“Board”) of the District of Columbia Water and Sewer Authority (“the Authority or DC Water”) at the Board meeting held on February 7, 2019 upon consideration of a non-joint use matter, decided by a vote of \_\_\_ (0) in favor and \_\_\_(0) opposed, to take the following action with respect to the proposed new and amended Miscellaneous Fees & Charges.

**WHEREAS**, sections 203(11) of the Water and Sewer Authority Establishment and Department of Public Works Reorganization Act of 1996, effective April 18, 1996 (D.C. Law 11-111, § 203(11); D.C. Code § 34-2202.03(11) (the “Enabling Legislation”) authorizes DC Water to establish, adjust and collect charges for services, facilities, or commodities furnished or supplied by DC Water; and

**WHEREAS**, DC Water establishes rates, fees and charges in accordance with its Rate Setting Policy (Board Resolution #11-10), including the recovery of current costs to provide service; and

**WHEREAS**, the DC Retail Water and Sewer Rates Committee met on October 23, 2018 to consider the recommendations from the General Manager and to make a recommendation regarding proposed fees and charges adjustments to be effective January 18, 2019; and

**WHEREAS**, the Retail Rates Committee recommended that the Board approve the publication of proposed fees and charges for public comment; and

**WHEREAS**, on November 1, 2018, the Board approved the publication of the proposed rulemaking for the proposed new and amended Miscellaneous Fees & Charges; and

**WHEREAS**, on November 23, 2018, DC Water published Notice of Proposed Rulemaking (NOPR) for the new and amended Miscellaneous Fees & Charges in the D.C. Register (DCR) at 65 DCR 13065 which, if adopted, would implement new and amended Miscellaneous Fees & Charges, effective upon publication of the final rulemaking; and

**WHEREAS**, comments were received during the public comment period from November 16 through December 17, 2018; and



**WHEREAS**, the DC Retail Water and Sewer Rates Committee met on January 22, 2019 to consider the comments received during the public comment period for the proposed rulemaking; and

**WHEREAS**, after discussion and consideration of the public comments and the recommendation of the General Manager, the DC Retail Water and Sewer Rates Committee recommended that the Board adopt the new and amended Miscellaneous Fees & Charges to cover the cost of service and recommended to delay the effective date from the date of publication to June 3, 2019.

**WHEREAS**, after consideration of the recommendation of the DC Retail Water and Sewer Rates Committee and the recommendation of the General Manager, the District members of the Board of Directors, upon further consideration and discussion, agreed to approve the new and amended Miscellaneous Fees & Charges, effective June 3, 2019.

**NOW THEREFORE BE IT RESOLVED THAT:**

1. The Board directs the General Manager to publish a notice of Final Rulemaking in the District of Columbia Register to promulgate new and amended Miscellaneous Fees and Charges as summarized below and provided in Attachment A:

a.) Retail Customer Fees

Fee Name	Existing	Proposed	New
FOG Monthly Fee per Customer	\$0	\$13.70	New
Cross-Connection / Back Flow Prevention Monthly Fee per Assembly	\$0	\$6.70	New

Fee Name	Existing	Proposed	
Customer Bad Check Fee	\$25	\$25	
Declined Credit Card Fee	\$35	\$35	
Customer Penalty Late Fee	10% + 1% per month of Balance due	10% + 1% per month of Balance due	
Initiation Fee (previously named Turn on fee)	\$50	\$50	
Turn Off Charges for Non-Payment	\$50	\$50	
Reconnection Fee (previously named Turn on Fee)	\$50	\$50	
Broken By-Pass Seal	\$700	\$700	
Unauthorized Turn On	\$245	\$245	
Second Water Audit within 24 months	\$125	\$125	
Manual Read (convenience charge for Meter Read)	\$0	\$20/month	New

b.) Turn-Off Charges for Cross Connection Violation and Water Taps and Connections Installation

Fee Name	Existing	Proposed	New
Cross-Connection Turn-off 5/8" to 2"	\$0	\$200	New
Cross-Connection Turn-off 3" to 5"	\$0	\$400	New
Cross-Connection Turn-off 6" and larger	\$0	\$900	New
1 Inch Tap Insertion	\$325	\$425	
1.5 Inch Tap Insertion	\$380	\$500	
2 Inch Tap Insertion	\$415	\$540	
Water Tap Abandonment (2" or less diameter)	\$310	\$400	
Water Service Connection Abandonment (greater than 2' diameter)	\$610	\$800	
Inspect Pointing up Sewer Taps	\$660	\$860	
Inspect Insertion of Y-Branch	\$235	\$306	
Inspect Installation of Standard Cleanout	\$235	\$306	
Inspect Sewer Tap Removal	\$235	\$306	

c.) Fire Hydrant Flow Test and Use Charges

Fee Name	Existing	Proposed		New
Fire Hydrant Flow Test (Field Test)	\$225	\$300		
Fire Hydrant Flow Test (Computer Model)	\$0	\$200		New
Fire Hydrant Flow Test (Recent Test Record Available)	\$25	\$125		
Letter in Lieu of Hydrant Flow Test	\$125	\$125		
Fire Hydrant Permit	\$0	\$75		New
Private Fire Hydrant Flush	\$0	\$81		New
Water and Sewer Rate – for Hydrant Use	Prevailing	Prevailing	Usage Based	
3" Hydrant Meter Deposit	\$700	\$1,600		
3" Hydrant Meter Rental < 15 days	\$0	\$75	Flat rate	New
3" Hydrant Meter Rental ≥ 15 days	\$0	\$5	Per day	New
3" Hydrant Meter w BP Deposit	\$0	\$2,200	Flat rate	New
3" Hydrant Meter w BP Rental < 15 days	\$0	\$150	Flat rate	New
3" Hydrant Meter w BP Rental ≥ 15 days	\$0	\$10	Per day	New
5/8" Hydrant Meter w BP Deposit	\$0	\$700	Flat rate	New
5/8" Hydrant Meter w BP Rental < 15 days	\$0	\$75	Flat rate	New
5/8" Hydrant Meter w BP Rental ≥ 15 days	\$0	\$5	Per day	New
Fire Hydrant Use Per Day	Usage Based	Usage Based		

## d.) Engineering Large Plans Review and Existing and Proposed Permitting Fees

<b>Fee Name</b>	<b>Existing</b>	<b>Proposed Standard</b>	<b>Proposed Expedited</b>	<b>New</b>
Base Plan Submission Administrative Fee- for all review types	\$0	\$140	Not Applicable	New
Reject Plan Submission Administrative fee for all review types	\$0	\$75	Not Applicable	New
Large Permits Expedited (15 working days review per submission)	\$10,000	\$17,400		
Large Permit Basic	\$7,500	\$10,000		
Approved Plan Revision (Field Conditions)	\$250	\$1,000	\$1,750	
Large Project Sheeting and Shoring (Large Commercial)	\$1,000	\$6,500	\$11,300	
Abandonment Waiver Request	\$500	\$500	\$880	
Water and sewer availability letter (large)	\$500	\$500	\$880	
Temporary Water connections (previously Small Commercial-multi-family, apartments, store etc.)	\$2,500	\$3,300	\$5,800	
Design Manuals-Initial	\$60	\$0		
Design Manuals-Revisions/Updates	\$25	\$0		
Construction Standards Details-Initial	\$35	\$0		
Construction Standards Details-Revisions/Updates	\$10	\$0		
Construction General Conditions & Standard Specifications-Initial	\$25	\$0		
Construction General Conditions & Standard Specifications-Revisions/Updates	\$5	\$0		
DC Water Pipeline Design Manual-Initial	\$75	\$0		
DC Water Pipeline Design Manual-Revisions/Updates	\$30	\$0		
Electronic Version of Water/Sewer Counter and As-Built Maps Per Project	\$100	\$0		
Updates of the Electronic Version-Per Project	\$25	\$0		
Large Basic Plan Review Fee- 1 metered connection	\$7,500	\$10,000	\$17,400	
Large Basic Plan Review Fee- 2 metered connections	\$7,500	\$20,000	\$34,800	
Large Basic Plan Review Fee- 3 metered connections	\$7,500	\$30,000	\$52,200	
Large Basic Plan Review Fee- 4 or more metered connections	\$7,500	\$40,000 + Determined on a per project basis	\$69,600+ Determined on a per project basis	
Fire Service only > 2" (no interior renovations)	\$7,500	\$4,500	\$7,800	
Sanitary or Combined Connection Only 8" or larger	\$7,500	\$4,500	\$7,800	

Fee Name	Existing	Proposed Standard	Proposed Expedited	New
Sanitary or Combined Connection Only 6" or less	\$2,500	\$700	\$1,200	
Storm Connection Only 15" or larger	\$7,500	\$4,500	\$7,800	
Storm Connection Only less than 15"	\$2,500	\$700	\$1,200	
Large Renovation no new water/sewer work- Project Doc signoff only (inside a campus)	\$0	\$400	\$700	New
Large Project Approved Plan Revision (Project Scope/Design Change, or field change) (1)	\$1,000	\$1,000	\$1,750	
Large Project Sheeting and Shoring (2)	\$1,000	\$6,500	\$11,300	
Large water meter size reduction plan (no other work)	\$1,000	\$3,300	\$5,800	
Large Project Raze utility release letter- no abandonments	\$150	\$300	\$500	
Large Project Raze utility release letter- with abandonments	\$150	\$700	\$1,200	

## e.) Existing Small Plan Review Fees (Service tap 2 inches or less)

Fee Name	Existing	Proposed Standard	Proposed Expedited	New
Availability Letter (small)	\$125	\$125	\$215	
Small Commercial (multi-family, apartments, store, etc.) (1)	\$2,500	Phased Out		
Small Residential	\$300	Phased Out		
New Home from a Large Project Subdivision (10 or more units)	\$150	Phased Out		
Small Sheet and Shore	\$500	\$1,000	\$1,750	
Small basic non-residential project- 1 metered connection	\$2,500	\$3,300	\$5,800	
Small basic non-residential project- 2 metered connection	\$2,500	\$6,600	\$11,600	
Small basic non-residential project- 4 or more metered connections	\$2,500	\$9,900	\$17,400	
Small basic non-residential project- 4 or more metered connections	\$2,500	\$13,200 + Determined on a per project basis	\$23,200 + Determined on a per project basis	
Small Hybrid Non-Residential- 1 metered connection	\$7,500	\$5,000	\$8,700	
Small Hybrid Non-Residential- 2 metered connections	\$7,500	\$10,000	\$17,400	
Small Hybrid Non-Residential- 3 metered connections	\$7,500	\$15,000	\$26,100	

Fee Name	Existing	Proposed Standard	Proposed Expedited	New
Small Hybrid Non-Residential project- 4 or more metered connections	\$7,500	\$20,000 + Determined on a per project basis	\$34,800 + Determined on a per project basis	
Sanitary or combined Sewer connection only 6" and less	\$300	\$700	\$1,200	
Storm sewer connection only less than 15"	\$300	\$700	\$1,200	
Fire service only greater than 2"	\$7,500	\$4,600	\$8,100	
Single Family Residential/ metered connection up to 50	\$300/\$7,500	\$700 each Up to \$25,000	\$1,200 each	
Town Houses/ metered connection up to 50	\$300/\$7,500	\$700 each Up to \$25,000	\$1,200 each	
More than 50 SFU or Town Houses	\$7,500	700 + each up to 50 and \$350 for each above 50	1,200+ each up to 50 and \$600 for each above 50	
Small Non-Residential or Residential Raze utility release letter- no abandonment	\$0	\$330	\$580	New
Small Non-Residential or Residential Raze permit review and utility release letter- with abandonments (2)	\$150	\$700	\$1,200	
As part of a project review	\$0	\$300	\$600	New

f.) Proposed Excessive Submission (additional fee for 4<sup>th</sup> submission)

Fee Name	Existing	Proposed Standard	Proposed Expedited	New
Large Plan Excessive Submission Review (2)	\$1,000	\$2,400	\$4,200	
Small Non Residential Plan Excessive Submission Review	\$0	\$600	\$1,050	New
Residential Plan Excessive Submission Review (3)	\$0	\$360	\$630	New
Request for Information (RFI)	\$0	\$30	\$60	New
Letter in Lieu	\$0	\$50	\$90	New
Request for As-Built Drawings	\$0	\$90/man hour	\$150/man hour	New
Water Meter Sizing Computation	\$0	\$90	\$150	New
Water and Sewer Availability Letter	\$500	\$500	\$880	

Fee Name	Existing	Proposed Standard	Proposed Expedited	New
Delayed abandonment or waiver from Standards Letter (3)	\$500	\$500	\$880	
Processing of Standard Easement Covenant	\$0	\$1,000	\$1,750	New
Processing of Non-Standard Easement Covenant	\$0	\$5,000	\$8,750	New
One Day Plan Design and Review and approval (Velocity type program)	New Service, Not Currently Provided	Determined on per project basis; minimum fee- \$20,000		

## g.) Existing/ Proposed As-Built

Fee Name	Existing	Proposed Standard	New
SFU Residential service connection -Small Residential	\$215	\$250	
Townhouses or SFU from multi-unit project	\$215	\$250	
Small non-residential, Large service connection (per connection)	\$215	\$500	
Small non-residential Fire Service	\$0	\$750	New
Large non-residential water service 3" or more, sewer service 8" or more, fire service 3" or more	\$215	\$750	
New water or sewer main (20 to 100 feet) (each)	\$215	\$2,500	
Each additional 200 feet of water line	\$0	\$2,000	New
Each additional 400 ft. sewer main/line	\$0	\$2,000	New
If installing more than 200 linear feet or any Water line larger than 24" in diameter	\$215	Determined on a per project basis	
If installing more than 200 LF of sewer or any Sewer larger than 60" in diameter	\$215	Determined on a per project basis	

## h.) existing Temporary Potable Water Equipment Fee

Fee Name	Existing	Proposed	New
Temporary Potable Water Equipment Fee	\$262	Phased Out	
Each additional Temporary Potable Water Equipment Fee (Quench Buggy, Misters, Water Fountains, etc.)	\$54	Phased Out	

## i.) Event and Equipment Fee

Size of Event (Attendees)	Number of DC Water Personnel Per Event
100 – 2,000	2
2,000 – 5,000	4
5,000 or more	6

<b>Equipment</b>	<b>Per Unit Per Event</b>
Misting Tent*	\$550
Mobile Brita Hydration Station*	\$600
Cooling Station	\$420
Quench Buggy	\$2,500
DC Water Mascot	\$50

j.) Industrial User Permitting & Sampling Fee to recover the cost of service

<b>Fee Name</b>	<b>Existing</b>	<b>Proposed</b>
Industrial Permit Initial Fee	\$2,000	\$2,500
Industrial Permit Renew Fee	\$600	\$700
Significant or Non-Significant Categorical Industrial User Annual Compliance Fee- 1 Outfall	\$2,500	\$3,100
Significant or Non-Significant Categorical Industrial User Annual Compliance Fee- 2 or more Outfalls	\$3,500	\$4,300
Significant Non-Categorical Industrial User Annual Compliance Fee- 1 or more Outfalls	\$2,500	\$3,100
Significant Non-Categorical Industrial User Annual Compliance Fee- 2 or more Outfalls	\$3,500	\$4,300
Non-Significant Non-Categorical Industrial User Annual Compliance Fee- 1 Outfall	\$550	\$700
Non-Significant Non-Categorical Industrial User Annual Compliance Fee- 2 Outfalls	\$700	\$900

k.) Existing Miscellaneous Fees

<b>Legal Charges</b>	<b>Unit</b>	
Witness Fee	Salary + Fringe	
Copying Charges	<b>Existing (Unit)</b>	<b>Proposed</b>
Xerographic	\$2.50	Discontinued
Vellum	\$4.00	Discontinued
Mylar	\$5.50	Discontinued
Standard Letter and Legal Pages Photocopying (per sheet)	\$0.25	0.75

2. The General Manager is authorized to take all steps necessary in his judgment and as otherwise required, to publish the Notice of Final Rulemaking final new and amended Miscellaneous Fees and Charges in the manner provided by the District of Columbia Administrative Procedure Act.

This resolution is effective immediately.

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Secretary to the Board of Directors



**Attachment A**

**DC Water’s New and Revised Miscellaneous Fees and Charges**  
 Final Rulemaking Effective June 3, 2019

**Chapter 1, WATER SUPPLY, of Title 21 DCMR, WATER AND SANITATION, is amended as follows:**

**Section 112, FEES, Subsections 112.1 through 112.6, are amended to read as follows:**

**112 FEES**

112.1 Fees for installation, inspection and removal/abandonment of water and sewer tap or connection, shall be as follows:

<b>Inspection Type</b>	<b>Fee</b>
Inspect Sewer Tap Removal/Abandonment	\$306
Inspect Pointing Up Sewer Taps	\$860
Inspect Insertion of Y-Branch	\$306
Inspect Installation of Standard Cleanout	\$306

<b>Tap Insertion and Abandonment</b>	<b>Fee</b>
Tap Insertion – 1” diameter	\$425
Tap Insertion – 1-1/2” diameter	\$500
Tap Insertion – 2” diameter	\$540
Water Connection	Reimbursable
Water Tap Removal/Abandonment – 2” diameter or less	\$400
Water Tap Removal/Abandonment – greater than 2” diameter	\$800

112.2 Fees for fire hydrants flow tests; fire hydrant meter rentals; rentals of fire hydrant meters with backflow preventer; and for the installation and removal of water bubblers shall be as follows:

<b>Fee Name</b>	<b>Fee</b>
Fire Hydrant Flow Test (Field Test)	\$300
Fire Hydrant Flow Test (Computer Model)	\$200
Fire Hydrant Flow Test (Recent Test Record Available)	\$125
Fire Hydrant Use – Water and Sewer Rate	Usage-Based, see 21 DCMR Chapter 41
Letter in Lieu of Hydrant Flow Test	\$125
Fire Hydrant Permit Fee	\$75
Private Fire Hydrant Flush	\$81
3” Fire Hydrant Meter Deposit	\$1,600 per rental
3” Fire Hydrant Meter Rental <15 days	\$75
3” Fire Hydrant Meter Rental ≥15 days	\$5 per day
3” Fire Hydrant Meter w/Backflow Preventer Deposit	\$2,200 per rental

<b>Fee Name</b>	<b>Fee</b>
3” Fire Hydrant Meter w/Backflow Preventer Rental <15 days	\$150 per rental
3” Fire Hydrant Meter w/Backflow Preventer Rental ≥15 days	\$10 per day
5/8” Fire Hydrant Meter w/Backflow Preventer Deposit	\$700 per rental
5/8” Fire Hydrant Meter w/Backflow Preventer Rental <15 days	\$75 per rental
5/8” Fire Hydrant Meter w/Backflow Preventer Rental ≥15 days	\$5 per day

<b>Installation and Removal of Water Bubblers</b>	<b>Fee</b>
1 Water Bubbler	\$262
Each additional Water Bubbler after the first in the same general location	\$54

112.3 For the purposes of § 112.2, the phrase "in the same general location" means that the distance between the first and last bubbler of the group is eight thousand feet (8,000 ft.) or less. A distance greater than eight thousand feet (8,000 ft.) shall require a separate crew.

112.4 Retail customer fees and charges; legal and copying fees; and event and equipment fees shall be as follows:

(a) Retail customer fees and charges shall be as follows:

<b>Fee Name</b>	<b>Fee</b>
Customer Bad Check Fee	\$25.00
Declined Credit Card Fee	\$35.00
Customer Penalty Late Payment Fee	10.00% after 30 days
Additional Penalty Late Payment Fee	1%/month after 60 days, compounded monthly
New Customer Account Initiation Fee	\$50.00
Turn-Off Charges for Non-Payment	\$50.00
Reconnection Fee	\$50.00
Unauthorized Turn-On	\$245.00
Broken Bypass Seal	\$700.00
Second Water Audit within 24 months	\$125.00
Manual Meter Read <sup>1</sup>	\$20.00/month

<sup>1</sup> The Manual Meter Read Fee is charged if customer refuses or does not respond to install Automatic Meter Reader or if the meter transmission unit is not transmitting due to the customer’s failure to provide appropriate transmission requirements.

(b) Legal and copying fees shall be as follows:

Witness Fee	Salary + Fringe
Standard Letter and Legal Pages	\$0.75 per sheet
Photocopying	

(c) Event and Equipment fees shall be as follows:

<b>Size of Event (Attendees)</b>	<b>Number of DC Water Personnel Per Event<sup>1</sup></b>	<b>Cost per Event at \$81/hour per person</b>
100 – 2,000	2	\$182/hour
2,000 – 5,000	4	\$324/hour
5,000 or more	6	\$486/hour

<sup>1</sup> Refers to the minimum number of personnel required for the event. Upon review of the event specifications, DC Water shall determine the appropriate number of personnel based on the assessed need.

<b>Event Equipment</b>	<b>Cost per Unit per Event</b>
Misting Tent <sup>1</sup>	\$550
Mobile Brita Hydration Station <sup>1</sup>	\$600
Cooling Station	\$420
Quench Buggy	\$2,500
DC Water Mascot	\$50

<sup>1</sup>Refers to a per unit per event, assuming a single day event. For a multi-day event, the per unit cost would be multiplied by the number of days.

112.5 Fees for engineering reviews both standard and expedited, excessive submission, and as-builts shall be as follows:

(a) Small Plan Review fees (water service 2” or smaller) shall be as follows:

<b>Fee Name</b>	<b>Standard Fee</b>	<b>Expedited Fee – 15 working days</b>
Water and Sewer Availability Letter (small)	\$125	\$215
Small Sheet and Shore	\$1,000	\$1,750
Small basic non-residential project – 1 metered connection	\$3,300	\$5,800
Small basic non-residential project - 2 metered connections	\$6,600	\$11,600
Small basic non-residential project – 3 metered connections	\$9,900	\$17,400
Small basic non-residential project - 4 or more metered connections	\$13,200+ Determined on a per project basis	\$23,200+ Determined on a per project basis
Small Hybrid Non-Residential - 1 metered connection	\$5,000	\$8,700
Small Hybrid Non-Residential - 2 metered connections	\$10,000	\$17,400
Small Hybrid Non-Residential - 3 metered connections	\$15,000	\$26,100
Small Hybrid Non-Residential project - 4 or more metered connections	\$20,000+ Determined on a per project basis	\$34,800 Determined on a per project basis

<b>Fee Name</b>	<b>Standard Fee</b>	<b>Expedited Fee – 15 working days</b>
Sanitary or combined Sewer connection - 6” or smaller	\$700	\$1,200
Storm Sewer Connection - less than 15”	\$700	\$1,200
Fire Service - greater than 2”	\$4,600	\$8,100
Single Family Residential – up to 50 metered connections	\$700 each up to \$25,000	\$1,200 each
Town Houses – up to 50 metered connections	\$700 each up to \$25,000	\$1,200 each
Single Family Units or Town Houses - More than 50 metered connections	\$700+ each up to 50; and \$350 each above 50	\$1,200+ each up to 50 and \$600 each above 50
Small Non-Residential or Residential Raze Utility Release Letter - No Abandonment	\$330	\$580
Small Non-Residential or Residential Raze Permit Review and Utility Release Letter - With Abandonments (2)	\$700	\$1,200
As part of a project review	\$300	\$600

- (b) Large Plan Review fees (water service larger than 2-inch either domestic or fire or both services) shall be as follows:

<b>Fee Name</b>	<b>Standard Fee</b>	<b>Expedited Fee – 15 working days</b>
Base Plan Submission Administrative Fee – All Review Types	\$140	Not Applicable
Reject Plan Submission Administrative Fee – All Review Types	\$75	Not Applicable
Large Permit Basic (per submission)	\$10,000	\$17,400
Foundation to Grade - Large Commercial	\$1,000	Not Applicable
Approved Plan Revision (Field Conditions)	\$1,000	\$1,750
Large Project Sheeting and Shoring (Large Commercial)	\$6,500	\$11,300
Abandonment Waiver Request	\$500	\$880
Water and Sewer Availability Letter (Large)	\$500	\$880
Temporary Water Connections	\$3,300	\$5,800
Large Basic Plan Review Fee – 1 metered connection	\$10,000	\$17,400
Large Basic Plan Review Fee – 2 metered connections	\$20,000	\$34,800
Large Basic Plan Review Fee – 3 metered connections	\$30,000	\$52,200
Large Basic Plan Review Fee – 4 or more metered connections	\$40,000+ Determined on a per project basis	\$69,600+ Determined on a per project basis

<b>Fee Name</b>	<b>Standard Fee</b>	<b>Expedited Fee – 15 working days</b>
Fire Service Only > 2” (no interior renovations)	\$4,500	\$7,800
Sanitary or Combined Connection 8” or larger	\$4,500	\$7,800
Sanitary or Combined Connection 6” or smaller	\$700	\$1,200
Storm Connection 15” or larger	\$4,500	\$7,800
Storm Connection less than 15”	\$700	\$1,200
Large Renovation no new water/sewer work - Project Document signoff only (inside a campus)	\$400	\$700
Large Project Approved Plan Revision (Project Scope/Design Change, or field change) (1)	\$1,000	\$1,750
Large Project Sheetting and Shoring (2)	\$6,500	\$11,300
Large water meter size reduction plan (no other work)	\$3,300	\$5,800
Large Project Raze Utility Release Letter - No Abandonments	\$300	\$500
Large Project Raze Utility Release Letter - With Abandonments	\$700	\$1,200

(c) Excessive Submission (Additional Fee for 4<sup>th</sup> Submission) shall be as follows:

<b>Fee Name</b>	<b>Standard Fee</b>	<b>Expedited Fee – 15 working days</b>
Large Plan Excessive Submission Review	\$2,400	\$4,200
Small Non-Residential Plan Excessive Submission Review	\$600	\$1,050
Residential Plan Excessive Submission Review (3)	\$360	\$630
Request for Information (RFI)	\$30	\$60
Letter in Lieu	\$50	\$90
Request for As-Built Drawings	\$90/man hour	\$150/man hour
Water Meter Sizing Computation	\$90	\$150
Water and Sewer Availability Letter	\$500	\$880
Delayed Abandonment or Waiver from Standards Letter	\$500	\$880
Processing of Standard Easement Covenant	\$1,000	\$1,750
Processing of Non-Standard Easement Covenant	\$5,000	\$8,750
One Day Plan Design and Review and approval (Velocity type program)	\$20,000+ Determined on per project basis	Determined on per project basis

(d) Existing/Proposed As-Built shall be as follows:

<b>Fee Name</b>	<b>Fee</b>
Single Family Unit Residential Service Connection - Small Residential	\$250
Townhouses or Single Family Units from Multi-Unit Project	\$250
Small Non-Residential, Large Service Connection (per connection)	\$500
Small Non-Residential Fire Service	\$750
Large Non-Residential - water service 3" or larger, sewer service 8" or larger, fire service 3" or larger	\$750
New Water or Sewer Main (20 to 100 feet) (each)	\$2,500
Each additional 200 feet of water line	\$2,000
Each additional 400 feet of sewer main/line	\$2,000
If installing more than 200 linear feet or any Water line larger than 24" in diameter	Determined on a per project basis
If installing more than 200 linear feet of sewer or any sewer larger than 60" in diameter	Determined on a per project basis

112.6 Waste Hauler Permit and Disposal Fees; Pretreatment Industrial User Permit and Sampling Fees; High Strength Waste Fees; and FOG Facility fees shall be as follows:

<b>Fee Name</b>	<b>Fee</b>
Waste Hauler Discharge Annual Permit Fee per Vehicle	\$30
<b>Waste Hauling Disposal Fees</b>	
High strength grease trap waste	\$0.07 per gallon
High strength septage waste	\$0.07 per gallon
Domestic strength waste	\$0.003 per gallon
Low strength waste	\$0.003 per gallon
<b>Industrial User Permit Fees</b>	
Permit Initial Fee	\$2,500
Permit Renewal Fee	\$700
<b>Industrial User Annual Compliance Fees</b>	
Significant or Non-Significant Categorical Industrial User	
1 Outfall	\$3,100
2 or more Outfalls	\$4,300
Significant Non-Categorical Industrial User	
1 Outfall	\$3,100
2 or more Outfalls	\$4,300
Non-Significant Non-Categorical User	
1 Outfall	\$700
2 or more Outfalls	\$900

<b>Fee Name</b>	<b>Fee</b>
High Strength Waste Fees	
Biochemical Oxygen Demand (BOD)	\$0.135 per pound
Total Suspended Solids (TSS)	\$0.263 per pound
Total Kjeldahl Nitrogen (TKN) or Total Nitrogen (TN)	\$1.471 per pound
Total Phosphorus (TP)	\$4.524 per pound
Fats, Oil and Grease (FOG) Facility Monthly Fee	\$13.70 per month

**Section 112, FEES, is amended by adding a new Subsection 112.12 to read as follows:**

112.12 Cross-Connection/ Back Flow Prevention Fees and Turn-Off Charges

- (a) The Cross-Connection/ Back Flow Prevention Fees and Turn-Off Charges shall be as follows:

<b>Fee Name</b>	<b>Fee</b>
Cross-Connection/Back Flow Prevention Monthly Fee per Assembly	\$6.70
Cross-Connection Turn-off - 5/8" to 2"	\$200
Cross-Connection Turn-off - 3" to 5"	\$400
Cross-Connection Turn-off - 6" and larger	\$900

3. The General Manager is authorized to take all steps necessary in his judgment and as otherwise required, to publish the Notice of Final Rulemaking final new and amended Miscellaneous Fees and Charges in the manner provided by the District of Columbia Administrative Procedure Act.

This resolution is effective immediately.

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Secretary to the Board of Directors