



**DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY
229TH MEETING OF THE BOARD OF DIRECTORS
Thursday, March 2, 2017
9:30 a.m.
5000 Overlook Avenue, SW
Room 407**

- I. **Call to Order (Chairman Matthew Brown)**
- II. **Roll Call (Linda Manley, Board Secretary)**
- III. **Approval of February 2, 2017 Minutes**
- IV. **Chairman's Overview**
 1. Appreciation of Service Awards – Bo Menkiti and Mark Kim
- V. **Committee Reports**
 1. **Audit Committee (Nicholas Majett)**
 2. **Environmental Quality and Operations Committee (James Patteson)**
 3. **DC Retail Water and Sewer Rates Committee (Howard Gibbs)**
 4. **Finance and Budget Committee (Timothy Firestine)**
- VI. **CEO/General Manager's Report (CEO/General Manager George Hawkins)**
 1. National Green Infrastructure Certification Awards Presentation
- VII. **Summary of Contracts (FYI)**
- VIII. **Consent Items (Joint Use)**
 1. **Approval to Execute Change Order No. 66 of Contract No. 10020, Ulliman Schutte Construction, LLC – Resolution No. 17-15 (Recommended by Environmental Quality and Operations Committee 2/16/17)**
 2. **Approval to Exercise Option Year Four of Contract No. WAS-12-029-AA-JR, MC Dean, Inc. – Resolution No. 17-16 (Recommended by Environmental Quality and Operations Committee 2/16/17)**
- IX. **Consent Items (Non-Joint Use)**
 1. **Approval to Execute Contract No. 160170, Skanska USA Building Inc.– Resolution No. 17-17 (Recommended by Environmental Quality and Operations Committee 2/16/17)**
 2. **Approval of Customer Assistance Program (CAP) Expansion to Provide a 50 Percent Credit off of the Monthly Clean Rivers IAC (CRIAC) Billed to Eligible Households and Tenants – Resolution No. 17-18 (Recommended by DC Retail Water and Sewer Rates Committee 02/21/17 and Finance and Budget Committee 02/23/17)**

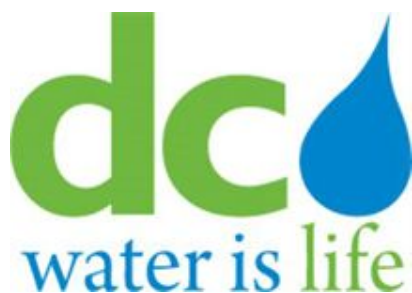
X. Executive Session – To discuss legal, confidential and privileged matters pursuant to Section 2-575(b) of the D.C. Official Code¹

XI. Adjournment (Chairman Matthew Brown)

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)(1); 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 (5000 Overlook Avenue SW (Blue Plains – 4th Floor)

- Governance Committee – Wednesday, March 8th @ 9:30 a.m.
- Human Resources and Labor Relations Committee – Wednesday, March 8th @ 11:00 a.m.
- Environmental Quality and Operations Committee – Thursday, March 16th @ 9:30 a.m.
- Finance and Budget Committee – Thursday, March 23rd @ 11:00 a.m.



DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

Board of Directors

Audit Committee

Tuesday, February 14, 2017

9:30 a.m.

Meeting Minutes

COMMITTEE MEMBERS PRESENT

Nicholas Majett, Chairman
Matthew Brown, Board Chairman
Elisabeth Feldt,
Bonnie Kirkland
Sarah Motsch
Howard Gibbs
Rachna Butani Bhatt

Biju George, Chief Operating Officer
Mustaafa Dozier, Chief of Staff
Henderson Brown, General Counsel
Leonard Benson, Chief Engineer
Korey Gray, Contract Compliance Officer
Linda R. Manley, Board Secretary
Liliana Maldonado, Director DETS
Genes Malasy, Program Manager
Finance

INTERNAL AUDIT STAFF PRESENT

Dan Whelan, RSM US LLP
Jill Reyes, RSM US LLP
Duffy Leidner, RSM US LLP
Sophie Tomeo, RSM US LLP

EXTERNAL AUDIT STAFF PRESENT

Paul Geraty, KPMG
Richard McLean, KPMG

DC WATER STAFF PRESENT

Call to Order (Item 1)

Mr. Nicholas Majett called the Audit Committee meeting to order at 9:30am.

Executive Session (Item 2)

There was a motion to move into Executive Session by Chairman Majett to discuss legal, confidential, and privileged matters pursuant to Section 2-575(b)(8) 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 Section at approximately 9:30am. The Board moved back into public session at approximately 11:03am.

FY 2016 Financial Statements (Item 3)

Mr. Genes Malasy shared that the Authority's balance sheet remains strong with noticeable growth. The total net position of \$1.7 billion, which is an increase of \$173 million, resulted in approximately an 11.3% increase over the prior year. Operating revenue increased by 8.3%, while operating expenses increased by 2.6% over the prior year.

Mr. Malasy mentioned that Standard and Poor's Investors Service (S&P) upgraded DC Water's credit rating in FY16 from AA+ to AAA status.

Mr. Malasy reported that the Authority's operating revenue remains well diversified and stable. Operating expenses were reasonably controlled experiencing an increase of 2.6%. Primary drivers of this increase were personnel, depreciation and contractual services expenditures, which were offset by a decrease in chemicals and supplies, utilities, and water purchases this fiscal year. The Authority's net capital assets increased by 9.5% from FY 2015 to 2016.

External Auditor's Report (Item 4)

Mr. Richard McLean gave an overview of the Authority's FY 2016 financial statements and single audit. He presented the responsibilities of management, the Audit Committee, and KPMG in regards to financial reporting.

Mr. McLean informed the Board that KPMG issued a clean, unmodified opinion on the Authority's FY 2016 financial statements. He stated that no material weaknesses or significant deficiencies were identified regarding internal controls over financial reporting. There were no instances of non-compliance noted as it relates to report on compliance with laws, regulations, contracts, and grants. Mr. McLean shared that a Management Letter was issued consisting of control deficiencies that did not rise to the level of significant deficiencies or material weaknesses. Mr. McLean added that significant accounting policies were described in the notes of the financial statements, and noted that there were no significant changes to the Authority's policies in FY 2016.

Mr. McLean reported that there were a few immaterial misstatements that were not ultimately corrected in the financial statements, as individually and in the aggregate the misstatements had no material effect. DC Water chose to correct two misstatements.

Pertinent to the single audit results, Mr. McLean reported that KPMG tested CFDA#99.UNK Combined Sewer Overflow in FY 2016. KPMG issued a clean opinion for this single audit and no material weaknesses or significant deficiencies were identified.

Internal Audit Update (Item 5)

RSM Partner, Mr. Dan Whelan, presented the FY 2017 audit plan status update.

Ms. Sophie Tomeo presented the status of prior audit findings. For audit findings prior to FY 2015, there are five action deferred items related to union approval of policy, as well as six open items including maintenance services, GIS mapping, and warehouse operations which are all tied to the Asset Reliability Program. For FY 2015 audit findings, there is one action deferred item also related to union approval of policy as well as three IT follow-up items. FY 2016 follow-up testing is in process, with seven items closed and six pending testing. 22 items remain open. Ms. Jill Reyes added that RSM is transitioning to a new follow-up system, and there will be a push to close many more open items prior to the next Committee meeting.

Ms. Reyes followed with an update on the COR/COTR training and compliance monitoring implementation by management per the Contract Monitoring & Compliance Audit Part II findings. These findings were presented to the Committee at the previous Committee meeting in July and it was requested to have periodic updates on the management action plan. The action plan consists of three phases. Phase one has been completed. Phase two is providing COTR Training, which is still in process. Market research has been completed and management is working to select a training program. Phase three will be to implement the automated vendor performance and compliance monitoring application.

Mr. Duffy Leidner presented the Billings and Collections Internal Audit report. The scope of the internal audit aimed to assess and document the billing process surrounding Federal and Municipal customers, as well as assess the collections process with respect to liens, bankruptcy, receivership, and tax sale. The internal audit resulted in one reportable observation of moderate risk. The observation is that there is not a sufficient SOP for the federal group bill process, which accounts for 10% of DC Water's revenue. Internal Audit recommended that roles and responsibilities be evaluated and a comprehensive SOP developed to detail the federal group bill process. Ms. Reyes added that RSM looked at the Federal process because internal audit assisted management in the retail rates implementation last year, so chose to audit an area within billings and collections that had not been recently audited.

Ms. Reyes then presented the Business Development Plan Internal Audit report. The scope of the audit was to evaluate management's monitoring and compliance with EPA Fair Share Objectives, Good Faith Efforts, Local Business Enterprise/Local Small Business Enterprise (LBE/LSBE) guidelines, and to look at the database used to track certified firm usage. Ms. Reyes noted that the Engineering Management Information System (EMIS) is the database that was inspected. EMIS is staying in place, but an additional compliance database is now being engaged as the new system of record for certified firm participation. Ten total findings and four high risk issues were identified

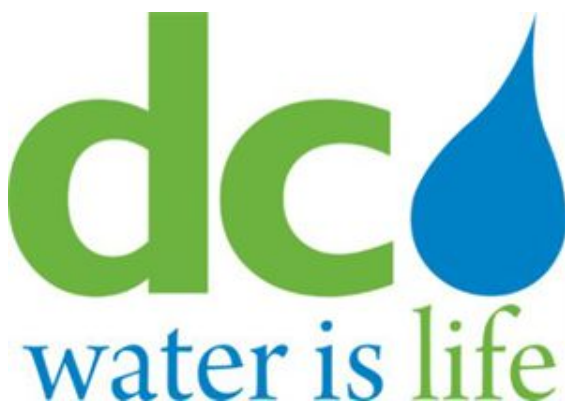
during the course of the audit. All four high-risk items were related to inconsistent monitoring of the M/WBE program. Specifically, inconsistent monitoring was identified related to documentation of Good Faith Efforts, utilization of EPA certified firms, compliance monitoring and reporting procedures, and documentation of a related party. Management has already begun implementing the management action plans to address these findings. Management has developed an SOP to address these items, and has conducted trainings for staff that will continue on at least a quarterly basis.

Ms. Reyes presented the Engineering – Contractor Management Phase 2 internal audit, which she explained had some similar processes and scope of work to the Business Development Plan audit. This Phase 2 report focused on testing the controls that management had identified during the Phase 1 audit. Controls revolved around the processes for status reporting, M/WBE reporting and monitoring, Davis Bacon Act regulatory compliance, and invoice and change order review and approval processes. Both EPA-funded and non-EPA-funded contracts were examined, as well as a mix of professional and construction services contracts. Three high-risk findings were identified, with similar themes to the Business Development Plan audit. These three items were inconsistent monitoring of M/WBE requirements, inconsistent documentation of invoice review by Project Managers, and inconsistent documentation of Davis Bacon requirements. The Business Development Plan management action plan addresses these findings. Ms. Reyes added that all of these findings will be revisited during Internal Audit's routine follow-up procedures.

Ms. Reyes provided an update on the Hotline. She informed the Board that two calls have been received since the last Audit Committee meeting in November, one being a fraud claim. Nine cases are currently open, and there have been four total calls this fiscal year.

Adjournment (Item 6)

The Audit Committee meeting adjourned at 11:38am.



**District of Columbia
Water and Sewer Authority**

Board of Directors

**Environmental Quality and Operations
Committee Meeting**

Thursday, February 16, 2017

9:30 a.m.

MEETING MINUTES

Committee Members

James Patteson, Chairperson
Matthew T. Brown, Board Chairman
Howard Gibbs
David Lake
Adam Ortiz
Rev. Kendrick Curry
Anthony Giancola

DC Water Staff Present

George Hawkins, CEO and General Manager
Linda R. Manley, Secretary to the Board
Henderson L. Brown, General Counsel
Leonard Benson, Chief Engineer
Charles Kiely, AGM, Customer Care and
Operations

I. Call to Order

Mr. Patteson called the meeting to order at 9:30 A.M.

II. AWTP STATUS UPDATES

1. BPAWTP Performance

Mr. Aklile Tesfaye, Assistant General Manager for Wastewater Treatment, began the update by reporting the monthly average influent flow for January 2017 was 260 MGD. During this period, there was an excess flow of 20MG reported caused by a wet-weather event that occurred at the beginning of the month. Mr. Tesfaye also stated that plant effluent quality was excellent as demonstrated in the discharge levels of total suspended solids (TSS), ammonia, total phosphorous, carbonaceous biochemical oxygen (CBOD), pH, dissolved oxygen (DO) and E. Coli levels, which were all considerably better than permit limits. The Committee inquired as to why there was a slight increase in the levels of CBOD starting in October 2016. Mr. Tesfaye responded that DC Water process engineers have been monitoring this closely. He stated that different possible causes were identified and that the more likely ones could be a small increase of suspended solids in the effluent flow or a potential issue with sampling lines. DC Water has taken measures to flush out the sampling lines to make sure there is no buildup of solids that might have skewed the sampling results. As of recently and possibly because of these actions, the measured CBOD is trending down.

Mr. Tesfaye highlighted the Plant Influent Flow Trend graph and mentioned that the intent of this graph is to show long-term influent trend in relation to rainfall and below surface, ground water

level. While for any given month the influent flow is weather dependent, the 12-month rolling average influent flow of the Plant has remained at or below 300 MGD since February 2011. The Committee commended DC Water for efforts taken to reduce infiltration and inflow (I&I).

Mr. Tesfaye continued the update by stating that the enhanced nitrogen removal facility is performing well; producing a total nitrogen (TN) concentration of 4.35 mg/l. The effluent quality is on track to remain below the NPDES permit annual load limit of 4,377,580 lbs. The Plant performance was excellent with 100% permit compliance. In January, biosolids production was 450 wet tons per day (wtpd) with a majority of the production going to land applications. The biosolids generated were Class A Biosolids that also met Exceptional Quality standards for pathogen reduction, volatile solids reduction (VSR) and low metals content. The CHP facility generated an average of 192 MWH/day, making up 31% of total energy consumed at Blue Plains (i.e., 616 MWH/day) while the average energy purchased from PEPCO was 424 MWH/day. The Committee inquired if there was further testing and commissioning to be done. Mr. Tesfaye responded that with the exception of one performance test, all testing and commissioning activities have been completed. The Committee also inquired if contractors have certain maintenance thresholds that they have to meet. Mr. Tesfaye responded in the affirmative and added that there are performance and output requirements contractors are required to meet and which DC Water oversees for compliance.

The Committee inquired whether DC Water would provide updates regarding status of Virginia and Maryland regulatory permits for the Bloom product. Mr. Tesfaye responded in the affirmative.

III. CLEAN RIVERS PROJECT QUARTERLY UPDATE

Mr. Carlton Ray, Director, Clean Rivers Project, accompanied by Mr. Christopher Allen, Assistant Director, Clean Rivers Project, gave an update that included ongoing accomplishments, schedule and spending to date. The Committee recognized Mr. Ray and Mr. Allen for their outstanding accomplishment and congratulated them, the Clean Rivers project team and DC Water on winning the Engineering News-Record (ENR), Best of the Best, project of the year in Water/Environmental award category for the Blue Plains Tunnel project. Mr. Ray and Mr. Hawkins stated that the outstanding effort and teamwork of the entire Clean Rivers project team as well as the excellent guidance and leadership from the Board and the Committee members contributed to this success.

Mr. Ray started his update by stating that DC Water successfully obtained an amended Consent Decree in January 14, 2016 thereby extending the decree deadline by five more years and enabling the deferral of approximately \$400 million dollars in programmatic spending. He also gave an overview of projects that were in completion, construction, procurement and/or planning and design.

Mr. Ray and Mr. Allen next proceeded to update the Committee on the progress of the Division H – Anacostia River Tunnel project. As of December 25, 2016, the project is at 74% completion, on schedule and on budget. This project involves excavating and tunneling in close proximity to sewer structures and pipes with known structural deficiencies such as the 108-inch Anacostia Force Main (AFM). Various mitigation measures including compensation grouting were used during this operation to ensure integrity of these nearby utilities. Mr. Allen mentioned that recently, Mr. Elon Musk, CEO of SpaceX and Tesla, visited the tunnel and ongoing construction activities.

Division D – JBAB Overflow and Diversion Structures project. This project will capture flow from the Potomac Outfall Sewers (POS) and convey it to Blue Plains via the Blue Plains Tunnel (BPT). Mr. Allen mentioned that the relationship between DC Water and JBAB remains strong. As of

January 1, 2017, the project is at 44% completion with the following construction activities completed or ongoing: concrete pour for the diversion structure, approach channel, excavation of the overflow structure and construction of a ventilation facility.

Mr. Allen continued to update the Committee on the progress of the Division Z – Poplar Point Pumping Station Replacement and Main Outfall Sewers Diversion project. This pump station will serve the sewer system on the east side of the Anacostia River by lifting sewage from the Anacostia Main Interceptor (AMI) into the outfall sewers for conveyance to Blue Plains. As of January 1, 2017, the project is at 44% completion with the following construction activities completed or ongoing: pump station concrete pour, discharge connection chamber concrete pour, main outfall sewer concrete pour, water line relocation at Anacostia Main Interceptor Diversion Chamber (AMI-DC) and installation of ductile iron force main for the pumping station. The project is on schedule and on budget.

Division I – Main Pumping Station (MPS) Diversions project is at 57% completion as of January 1, 2017. To date, the following construction activities have been completed or are ongoing: CSO 009/011 diversion chamber; CSO 012 diversion chamber; surge tank/junction chamber; venting facility and channel from CSO 009 to CSO 012. The project is on schedule and on budget.

Mr. Ray also stated the DCCR program is continuing to address the recommendations from the Mayor's Task Force Report on the Prevention of Flooding in Bloomingdale and LeDroit Park. Mr. Ray highlighted some of the short-term and medium-term projects that have been completed to address the flooding situation in the area.

Division U – Northeast Boundary Tunnel (NEBT) Utility Relocation project is at 13% completion as of January 1, 2017. The purpose of this project is to clear and relocate existing utilities in preparation for construction of the NEBT.

Division J – Northeast Boundary Tunnel (NEBT) project has a planned Notice To Proceed (NTP) date of September 18, 2017. At completion, the tunnel will have an inside diameter of 23 ft., a length of 27,000 ft. and have depths ranging from 60 – to 140 – ft. vertical. The project is currently in the procurement phase.

Division PR-B – Kennedy Center CSO 021 Diversion Facilities project is at 25% completion as of January 1, 2017. The purpose of the CSO 021 Diversion Facilities is to intercept and redirect flows from the CSO 021 outfall to the planned Potomac River Tunnel during wet-weather conditions. To date, secant pile installations, 36" storm drain relocation, jet grouting in the drop shaft area and other activities are underway or near completion. Mr. Ray mentioned that Kennedy Center of the Performing Arts (KCPA) project team encountered some contaminated materials on their site and as a result are a little behind schedule. He added that while the DCCR project team re-arranged some of its construction sequence as a result, it does not anticipate that this will have a lasting schedule impact.

Mr. Ray also mentioned that the Division RC-A – Rock Creek GI Project A has completed the procurement phase with a consent decree driven NTP of March 30, 2017. The Division PR-A – Potomac River Project A is now in the development stage of the request for proposal (RFP). A Green Infrastructure (GI) plan and a project description for the Division PR-A project have been submitted to the EPA.

The Kennedy Street GI Infrastructure Streetscape project is being constructed with DDOT's Kennedy Street improvement project. The groundbreaking for the project was held on October

21, 2016. Mr. Ray also stated that the GI Certification Program completed its first DC training in late 2016 with two cohorts led by the University of the District of Columbia (UDC) and Washington Parks and People. The first National GI Certification Program (NGICP) exam was held on December 13, 2016 and the first certifications were awarded on January 26, 2017 (62 certified nationally, 8 certified in DC). The second NGICP exam will be held in June 2017. Mr. Ray stated that to date, 14 partner jurisdictions have been formalized with total commitments over \$700,000. Mr. Ray also mentioned that the Committee will have an opportunity to meet some of the recipients of the first NGICP at the next board meeting. The Committee inquired if there was a target percentage of GI certified personnel that the DCCR team planned to employ on its projects. Mr. Ray and Mr. Hawkins replied that as a goal, the team would like 50% or more of the work force active on GI projects to be NGICP certified.

Mr. Ray concluded his update by stating that the DCCR project is on schedule. He mentioned that slight shortfalls in spending are due to lagging invoices but that DCCR expects to see spending on target.

IV. ACTION ITEMS

JOINT USE

1. Contract No. 100020, Ulliman Schutte Construction, LLC
2. Contract No. WAS-12-029-AA-JR, M.C. Dean Inc.

Mr. Len Benson, Chief Engineer, DC Water, and Mr. John Bosley, Chief Procurement Officer, DC Water, presented action items 1 and 2, respectively.

Action Item 1: Request to execute change order regarding settlement for the Request for Equitable Adjustment resulting from differing site conditions encountered during construction of the riser shaft.

The Committee inquired if the sub consultant participation indicated in the fact sheet was historical data or if it reflected actual, proposed participation for the current change order. Mr. Benson confirmed that the participations indicated in the fact sheet are for the current change order request.

Action Item 2: Request to exercise option year four (4) for inspection and maintenance of electrical power distribution equipment. The purpose of this contract is provide up to thirteen (13) experienced power distribution test technicians and one (1) supervisor, along with replacement parts for repair, calibration and annual maintenance of high and low voltage switchgear equipment and other associated devices.

The Committee inquired if there were any particular reasons why these recurring services and functions are not brought in-house, given that a majority of the need is strictly labor. Mr. Benson and Mr. Hawkins responded that the type of labor and risk associated with maintaining high voltage equipment is highly specialized, beyond the pay scale currently provided by DC Water and difficult for municipal type organizations, such as DC Water, to bring in-house. In addition, the personnel required are utilized only on an as-needed basis and not necessarily as full time employees (FTEs); which further complicates the financial feasibility of bringing such activities in-house. Nevertheless, the Committee encouraged DC Water to look for any opportunities to potentially incorporate recurring activities in-house whenever possible. Mr. Hawkins replied that

DC Water is in full agreement with that principle and will continue adopting such measures whenever feasible.

The Committee recommended the Joint Use action items to the full Board.

NON JOINT USE

1. Contract No. 160170, Skanska USA Building Inc.

Mr. Len Benson, Chief Engineer, DC Water, presented action item 1.

Action Item 1: Request to execute a construction contract to provide code required ventilation rates in the various areas of the O Street Pumping Station and provide upgraded odor control and electrical support for new and future equipment.

The Committee inquired if odor control performance criteria have been established and whether the designs and their contingencies have been thoroughly reviewed to the satisfaction of DC Water. Mr. Benson responded in the affirmative. The Committee also inquired if there was a robust commissioning activity planned for this construction. Mr. Benson responded in the affirmative.

The Committee recommended the Non-Joint Use action to the full Board.

V. CIP QUARTERLY UPDATE

Ms. Liliana Maldonado, Director, DETS gave an update on the first quarterly report for fiscal year (FY) 2017 regarding DC Water's Capital Improvement Program (CIP). Current projected FY 2017 CIP disbursements through the end of December 2016 were 0.3% above the baseline. This slight overage is mostly due to some projects being ahead or behind of schedule or due to variations in timing of invoices. Ms. Maldonado mentioned that the 6-month look ahead for large contract actions includes Small Diameter Water Main Rehab (SDWMR) 11c and 12a.

Ms. Maldonado next summarized the status of the Key Performance Indicator (KPI) projects in the CIP as of 1st quarter FY 2017. Thus far, six KPIs have been achieved on time and one KPI was not achieved (i.e., the construction notice to proceed for Small Diameter Water Main Contract 11b was delayed for administrative reasons). The Committee inquired where the SDWMR 11b project was located and whether it would be possible to include a small footnote explanation regarding missed KPIs and provide a brief reason as to why they were not met. Ms. Maldonado replied that the information regarding the location of SDWMR 11b will be provided to the Committee before the next monthly meeting and we will continue to provide explanations for KPIs that were not met in future reports as has been the practice.

VI. WATER QUALITY MONITORING

Mr. Charles Kiely, Assistant General Manager for Customer Care and Operations, gave a brief update regarding water quality monitoring activities. Mr. Kiely explained that DC Water conducts two different tests as a requirement of the Safe Drinking Water Act, namely, Total Coliform test, which is an indication of the basic health of the water distribution system and the Lead and Copper Rule (LCR) test. There was one positive test for Total Coliform in January as well as in February. Per regulation, when such positives occur, further downstream tests need to be conducted to either corroborate or rule out the presence of the bacteria. Mr. Kiely mentioned

that additional downstream tests conducted by DC Water revealed no other positives. In addition, Mr. Kiely mentioned that DC Water voluntarily conducts a bi-annual Lead and Copper sampling program and that currently, DC Water is in the second year of this program.

VII. FIRE HYDRANT UPGRADE PROGRAM

Mr. David Wall, Manager, Department of Water Services gave an update on the status of public fire hydrants in the District of Columbia. He stated that of the approximately 9500 public service hydrants, 62 were out of service as of February 2017. Of the 62 that are currently not operational, 44 were operationally defective while 18 were out service because of either nearby water main repairs, non-DC Water construction activities or other hydrant obstructions.

Mr. Hawkins mentioned that DC Water's fire hydrant upgrade program is an important success story in that as a result of this program, fire fighters and emergency responders in the District now have a digitized map of all the fire hydrants that are active or out of service. Mr. Hawkins also added that going forward, updates regarding the fire hydrant program will be included in the monthly packet but presentations will be given on an as-needed or as-requested basis.

The Committee indicated they would be working with Mr. Kiely in the near future to set up another field briefing on DC Water's operational activities for the benefit of the remaining Committee members who were not part of the initial briefing. The Committee also requested if DC Water would provide an update regarding its emergency response procedures as well as overall, Authority-wide security measures. Mr. Hawkins replied that DC Water will provide the Committee with such an update and suggested that the presentation on emergency response procedures be separated from updates regarding security.

VIII. ADJOURNMENT

Meeting adjourned at 10:42 a.m.

Follow-up Items

1. Assistant General Manager, Blue Plains. Provide updates regarding status of Virginia and Maryland regulatory permits for the Bloom product.
2. Director, DETS: Provide location of SDWMR 11b project.
3. Assistant General Manager, Customer Care and Operations: Set up a field/on-site briefing for Committee members regarding DC Water's operational activities, including a more detailed discussion of what specific water quality parameters are monitored on a recurring basis and why.
4. General Manager: Provide an update regarding DC Water's emergency response procedures as well as overall, Authority-wide security measures.



DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

Board of Directors

DC Retail Water and Sewer Rates Committee

Tuesday, February 21, 2017

9:30 a.m.

MEETING MINUTES

Committee Members in Attendance

Rachna Butani, Chairperson
Matthew Brown, Chairman
Howard Gibbs
Ellen Boardman
Tommy Wells
Anthony Giancola

DC Water Staff

Mark Kim, Chief Financial Officer
Meena Gowda, Deputy General Counsel
Syed Khalil, Director Rates & Revenue
Linda Manley, Secretary to the Board

Call to Order

Chairperson Butani convened the meeting at 9:30 a.m.

CAP Customer 50% CRIAC Credit Update

Mr. Kim updated the Committee on the status of the proposed rulemaking to provide a 50% CRIAC for customers who qualify for the Authority's low-income Customer Assistance Program (CAP). Mr. Kim informed the Committee that the public comment period had closed without any comments being received and that, accordingly, management is recommending to proceed to final rulemaking.

After a brief discussion which included questions concerning the implementation of the credit, cost of the credit and size of the DC Clean Rivers Project, the Committee agreed to recommend the Action Item to the full Board. If approved by the Board a Notice of Final Rulemaking (NOFR) is expected to be published in March and the 50% CRIAC credit would become effective May 1, 2017.

CRIAC Restructuring Update (Attachment B)

Mr. Kim then briefed the Committee on the status of the CRIAC restructuring proposal.

Mr. Kim began by recommending that the Authority reevaluate and reconsider the existing exemptions it is currently granting to certain customers on the CRIAC prior to creating any new exemptions for other customer classes. The Committee then began an extended discussion of the CRIAC and the exemption for public rights of way (e.g., roads, alleys, sidewalks) that the District government receives on the CRIAC. The Committee discussed the amount of the impervious surface area that the District government owns, the amount of CRIAC paid by the District government, cost of the CRIAC exemption the District government receives and the impact on the Authority's other customers to recover the lost CRIAC revenue. The Committee also discussed the rulemaking process for modifying the CRIAC and

creating/eliminating exemptions, as well as the potential impact on the District government if its CRIAC exemption were removed, which would require legislative action by the District Council.

Mr. Kim then informed the Committee that the Authority is undergoing a complete replacement of its customer billing system and the likely impact this project would have on restructuring the CRIAC. Mr. Kim provided a brief overview of the expected capabilities of the new system to capture more granular customer data, which would allow the Authority to undertake the analysis the Committee requested on the impact of the CRIAC on certain identified customer segments. The Authority's current system does not have this functionality and any efforts to gather this new data and reprogram the existing system that is scheduled to be replaced later this year in November 2017 would be time-consuming, expensive and redundant once the new system is implemented. The Committee wished to be briefed on the new customer billing system and its ability to gather more granular customer data during the design and implementation stage prior to go-live.

In light of the foregoing discussion, the Committee recommended that staff delay initiating "Phase 2" of the CRIAC restructuring proposal until the new customer billing system has been successfully implemented.

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

Mr. Kim then gave a brief overview of the Committee's workplan for the remainder of the fiscal year.

Executive Session

N/A.

Agenda for March 28, 2017 Committee Meeting (Attachment D)

There were no comments on the March agenda.

Adjournment

The meeting was adjourned at 10:30 a.m.

FOLLOW-UP ITEMS – DC Retail Water and Sewer Rates Committee Meeting (February 21, 2017)

Schedule an overview of the new customer billing system from the project team for the Committee (target June or July 2017).



**DISTRICT OF COLUMBIA
WATER AND SEWER AUTHORITY
Board of Directors
Finance and Budget Committee
Thursday, February 23, 2017
11:05 a.m.
MEETING MINUTES**

Committee Members

Timothy L. Firestine, Committee Chairperson
Adam Ortiz
Tommy Wells

Committee Member (via conference call)

Sara Motsch

DC Water Staff

George Hawkins, CEO/General Manager
Mark Kim, Chief Financial Officer
Meena Gowda, Deputy General Counsel
Linda R. Manley, Board Secretary
Paul Guttridge, Manager, Program Services

Other Presenters

Dan Hartman – PFM

Call to Order

Chairperson Timothy L. Firestine called the meeting to order at 11:05 am.

January 2017 Financial Report

Mr. Mark Kim, CFO, reported that at the end of January, with 33% of the fiscal year completed, DC Water is on track with budgetary and revenue expectations. Revenues totaled \$209.4M or 35.2%, expenditures totaled \$160.8M or 30% and capital disbursements totaled \$165.8M or 33% of budget in their respective categories.

Mr. Kim also commented on the successful completion of the FY 2016 financial statements audits with clean unmodified opinion by the external auditors and reviewed by the Audit Committee. He highlighted the improvement and great accomplishment of the Authority over the years in the number of significant deficiencies in its internal controls from five in FY 2013, three in FY 2014, and one in FY 2015 to zero in FY 2016.

Bond Sale Update – Series 2017A & Series 2017B

Mr. Kim apprised the committee on the successful closing of the 2017 Series A/B bonds sale at 10.30 am, just before the Committee meeting.

Mr. Dan Hartman, Managing Director of Public Financial Management (PFM) and financial advisor to the Authority, presented highlights of the \$300M bond sale with a combined total interest cost

(TIC) of 3.84%. This was DC Water's first senior lien bonds sale with its "AAA" rating and was well received in the marketplace. The bonds were sold in two series with the Series 2017A, Green Bonds, in the amount of \$100M for the Clean Rivers project. These bonds received a Green Bond rating of GB1, the highest rating, and was one of the first to be sold with a certification from Moody's using their new Green Bond Assessment. The Series 2017B bonds for \$200M were issued to provide additional funding for DC Water's Capital Improvement Program. He stated that only two ratings, obtained from Standard & Poor's and Moody's, were used for this transaction with approximately \$100K in cost savings to the Authority. He reported that the deal documentation was also provided to Fitch credit rating agency with the offer by the Authority to continue relationship in the future.

Chairperson Firestine, asked if DC Water uses premiums to fund projects and how the bonds compared to other utilities with AAA credit ratings. Mr. Hartman answered affirmatively, and that the pricing did fairly well and was comparable to other AAA revenue bonds that are highly rated, and generally issued by water utility organizations, citing the State of Texas, who recently issued bonds. He further stated that the proceeds drawn from the bonds would allow for 12 – 18 months of capital projects financing consistent with the Authority's policies.

CIP Quarterly Report

Mr. Paul Guttridge, Manager, Program Services for the Department of Engineering & Technical Services, stated that the current projections for the FY 2017 capital projects are on track at 0.3% and slightly above the baseline disbursement budget at the end of the first quarter.

He provided an overview of the disbursement projections by the various service areas noting that the higher spending in the CSO service area was for the DC Clean Rivers projects due to completion of some of the activities scheduled for FY 2016 and fast-tracking of some of the work planned for FY 2018. He further apprised the Committee on an upcoming large contract action for the North East Boundary Tunnel project, which would cost about \$500M. He stated that the Board should expect to receive information on this item sometime in June or July this year and that the project is included in the spending projection of DC Water.

Action Items

Mr. Kim provided a background on the proposal to expand the Customer Assistance Program (CAP) benefits to eligible customers that are charged the monthly Clean Rivers Impervious Area Charge (CRAIC) by providing a 50% credit off their monthly billed CRAIC. He stated that a review was conducted by General Counsel, a notice of public rule-making was issued, and the item was also presented to the DC Retail Water and Sewer Rates Committee to recommend to the Board for approval in the next meeting.

In response to a question by Mr. Tommy Wells on how the rate offset would be paid for, Mr. Kim answered that the amount, estimated at \$400K per year, would be effectively funded from operational savings within the Authority. Mr. Hawkins further explained the eligibility requirements and process of the CAP program which is in line with the Low Income Home Energy Assistance Program (LIHEAP) administered by the District.

Mr. Kim closed by reporting that the study to restructure the IAC charges is being delayed due to the ongoing implementation of the Customer Information System (CIS) project, which is anticipated to be completed later during the calendar year. He further stated that with the new CIS project, DC Water would be able to analyze data collected on customers and perform better rate projections and impact analyses on various customer categories in the future.

The Committee agreed to move the item forward for Board approval.

Other Items

Mr. Kim recommended that next month's meeting can be performed via teleconference or cancelled as there are no major planned items on the agenda.

Chairperson Firestine, on behalf of the committee members, congratulated Mr. Kim on his new job and thanked him for all his service to the community and the Board of Directors, as well as the great achievements the Authority has made under his leadership and tenure as the Chief Financial Officer for DC Water.

Adjournment

Hearing no further business, Chairperson Firestine adjourned the meeting at 11:28 am.



CEO and GENERAL MANAGER'S REPORT

George S. Hawkins – March 2017

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Interpretation of Charts A

Color Key

<p>Red</p> <p>Yellow</p> <p>Green</p> <p>Gray</p> <p><transparent></p>	<p>Did not meet Target</p> <p>Missed Target but within acceptable range</p> <p>Met/Exceeded Target</p> <p>Budget/Target Value</p> <p>Green/Yellow/Red based on comparison</p>
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Message from the CEO/GM

Finance dominated our agenda in February in many different ways.

Mark Kim

I was very sorry to report to the Board and staff that our stellar Chief Financial Officer Mark Kim has been enticed away for a fantastic new opportunity. As I noted in the message several weeks ago, Mark has accepted an offer to serve as Deputy Executive Director and Chief Operating Officer of the Municipal Securities Rulemaking Board (MSRB) here in DC. Mark's departure will be a great loss for DC Water. With his fantastic team – Team FAB! - he has accomplished so much, including:

1. Financial innovation – century bonds, green bonds, environmental impact bonds – which has driven down our cost of capital, diversified our investor base and allowed us to fully fund our CIP;
2. Rate restructuring – which has created more equitable and sustainable sources of revenue for DC Water while promoting affordability and incentivizing conservation; and,
3. Transparency and accountability – which has resulted in the highest “AAA” credit rating for DC Water and an unbroken track record of clean audit opinions on our financial statements.

I want to thank Mark for his service to DC Water and congratulate him on his new role at the MSRB. We will begin an immediate national search for a new CFO and it is my goal to fill that position before Mark departs. If there is a silver lining, it is that Mark has helped elevate DC Water's stature and reputation so high that I am certain we will attract a large pool of very talented candidates from across the country. Mark's last day at DC Water will be in early April.

I do want to highlight two aspect of Mark's work as well. First, he has been recognized for the change he has brought to the whole industry. In February, Mark was awarded an Environmental Achievement Award from the National Association of Clean Water Agencies (NACWA). It is the first time this prestigious award has been presented to a CFO, which is a true testament to the incredible impact Mark has had on DC Water and our industry. Second, Mark runs one of the best teams at DC Water. Although Mark is probably most well-known for his financial acumen, I can also testify to the strength of his management and people skills. He has reorganized his division, upgraded their workspace, both promoted from within and brought in new talent – and is simply one of our best executive managers who runs a fun, high-performing and tight financial ship.

I will personally miss Mark on every level – for his financial advice, his knowledge and excellent work-product; his confident and supportive approach to the Board and other members of the Executive Team; his warm and positive demeanor; and his wise and honest advice. I seek to focus, though, not on what we have lost with Mark's departure, but what we have gained during his time with us. Godspeed Mark Kim – you will always have so many friends here at DC Water and the whole water industry.

Bond Financing

As one of Mark's final accomplishments, Team FAB and our partners were able to market \$300 million of Senior Lien debt in February – the first issuance under our new “AAA” rating from

Message from the CEO/GM

Standard and Poor's. One portion of the issuance - \$100 million – was issued as a certified green bond, utilizing Moody's new rating standard for Green Bonds. We are pleased that Moody's rated this bond at its highest green bond level – GB1. We achieved a yield of 3.48% for the 35 year bond, one of the lowest ever for DC Water. There may be no greater testament to the excellence of DC Water and our financial operations than our credit rating and low issuance costs – excellence that saves considerable cash money to our ratepayers. I was pleased to receive this email from Mark on the day I write this GM Report: Good morning – The wires have been released, please find the Fed Ref numbers below and confirm receipt once you have them. \$224,836,330.66: B1Q8021C014002; \$108,216,235.88: B1Q8021C014001. That is \$333,052,565 of total funding for DC Water's CIP.

Website

DC Water launched a new, bright website in February – still at dewater.com – and ready for your review and comment. The site is designed to scale up and down to any size screen or device, and to highlight bright and easy to follow and access navigation. The interface with customers is still based on prior technology, but will be upgraded significantly when we complete our transfer to a new Customer Information System (CIS) this late fall/winter. The new website combined with a new CIS system will completely update and improve our interaction with our customers. I want to thank CIO Tom Kuczynski and Chief of External Affairs John Lisle for shepherding this project to fruition. As John highlighted to me, the bright, airy design is a dramatic improvement over our previous website and is also built on the Drupal open-source platform which means it is much easier to maintain, allowing more staff to contribute to the site to keep the content fresh and up to date. DC Water partnered with Taoti Creative, a DC-based digital creative agency, on the redesign of the dewater.com site. Taoti CEO and Founder Brent Lightner said, "As a DC owned and operated business, we're also a DC Water customer as are many of our employees. It's a unique situation--and frankly a privilege--to get to work for a group that is working for us."

Oversight Hearing

I will be testifying and then asking questions at my eighth oversight hearing before the Committee on Transportation and the Environment on February 28 at 11 am. I will be testifying in tandem with the General Manager of the Washington Aqueduct. DC Water has also assembled a comprehensive array of information in response to a wide range of questions from the Committee in advance. I welcome any Board member attending the hearing, and in any event, will report on its outcome at the Board meeting on Thursday. I have always enjoyed the opportunity to discuss DC Water with Council Member Cheh (the Chair of the Committee) and other members of the Council. I look forward to the hearing on Tuesday.

External Affairs

Website: Session totals for the period of January 16 through February 15, 2015
 Total Sessions: 57,524
 New Sessions: 32,006

Government Relations

DC Water coordinated with the Chesapeake Bay Commission, NACWA, and MWCOG to prepare testimony and provide support for the Maryland General Assembly hearing that

Message from the CEO/GM

introduced legislation to regulate the sale of flushable wipes. The hearing took place on February 14, 2017.

Media Relations

OEA managed media inquiries on various topics, including Elon Musk's visit inside Nannie's tunnel and a proposed natural gas pipeline to be built under the Potomac River. OEA also worked with Channel 4 on a customer's high water bill, which led to a story on the meter replacement program. Air date TBD.

Press Releases

- January 30: DC Water and the Water Environment Federation Announce Inaugural National Green Infrastructure Program Certifications
- February 1: DC Water leverages stellar AAA credit rating and GB1 green bond rating for \$300 million bond offering
- February 2: DC Water's Clean Rivers Tunnel Project Honored by National Engineering Group
- February 7: DC Water Begins High-Tech Meter Upgrade Project
- February 14: DC Water launches modern, user-friendly website

Media Coverage:

- [Green Impact Investment: The Real Thing](#)
(Huffington Post / February 1, 2017)
- [Keep DC's ban against mislabeling 'flushable' wipes that don't belong in sewers](#)
(Washington Examiner / February 2, 2017)
- [DC Water, WEF Announce National Green Infrastructure Certification Program](#)
(W&WD / February 2, 2017)
- [VertexOne Partners with DC Water on Customer Service Operations](#)
(WaterWorld / February 10, 2017)

Meetings/Presentations/Events

- DC Water provided an update on its Saint Elizabeths Water Storage Tower Project during the January monthly meeting of ANC 8B.
- DC Water attended the January monthly meeting of ANC 3G to provide a presentation on its Oregon Avenue Sewer Rehabilitation Project.
- DC Water attended the January monthly meeting of ANC 5B to address customer questions and concerns regarding billing and water quality.
- DC Water attended a meeting with members from ANC 2E and Georgetown Business Improvement District to provide updates on its Georgetown Sewer Rehabilitation Project.
- In support of its Water Meter Rehabilitation Project, DC Water is embarking on a citywide outreach effort to provide a presentation to all affected ANCs in each of the District's 8 wards. In kicking off the series of meetings, DC Water attended the February monthly meeting of ANC 1C.

Message from the CEO/GM

- As part of its regular Speakers Bureau, DC Water attended the Naval Research Laboratory's Monthly Colloquium of the Edison Chapter of Sigma Xi. During this meeting, DC Water's Wastewater Treatment Department provided information about the history and operations of our facility here at Blue Plains.
- DC Water attended the February monthly meeting of ANC 1B to provide a presentation on its Water Meter Rehabilitation Project.
- DC Water attended the February monthly meeting of the Lamond-Riggs Citizens Association to provide updates and address customer concerns regarding our local Small Diameter Water Main Replacement Project.
- DC Water attended the February monthly meeting of ANC 4A to provide a presentation on its Water Meter Rehabilitation Project.
- DC Water attended the February monthly meeting of ANC 4C to provide a presentation on its Water Meter Rehabilitation Project.
- DC Water attended the Historic Anacostia Block Association monthly meeting to provide a presentation on its Saint Elizabeths Water Storage Tower Project.
- DC Water is conducting its annual series of formal briefings to District Councilmembers to provide important information on ongoing and future construction projects impacting their respective wards. To kick off these meetings, DC Water provided a briefing to the Office of Ward 5 Councilmember Kenyan McDuffie.
- DC Water conducted its second briefing to the Office of Ward 2 Councilmember Jack Evans.

Drinking Water Marketing and Communications

- External Affairs attended at ANC 8B's monthly meeting on 1/17 to answer questions about lead in drinking water.
- External affairs participated in the U.S. EPA Water Laboratory Alliance Response Plan Tabletop Exercise.
- External Affairs attended at ANC 5B's monthly meeting on 1/30 to answer questions about lead in drinking water.
- External Affairs participated in the DC Water Critical Customer event coordinated by the Office of Emergency Management.
- External Affairs attended the Pleasant Plains Civic Association monthly meeting on 2/11 to present information about lead in drinking water.

Customer Newsletter

The February newsletter included a cover story on the cutterhead lift of TBM Nannie, a GM message on the upcoming change of customer information systems, a story on the Pressure Zone Improvement Program (PZIP) in NW DC, a short article on our language line and the annual article on our spring cleaning.

Tours

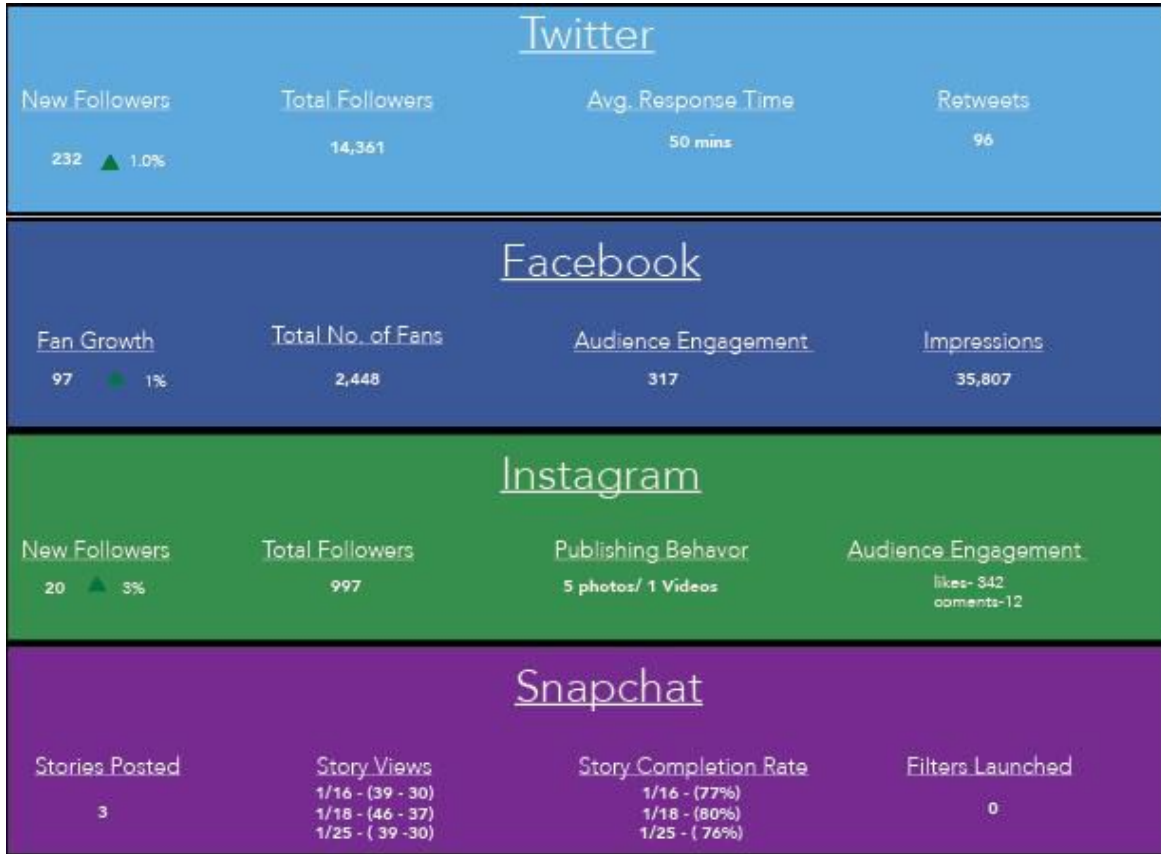
- 10 members of the EPA
- 5 DC residents
- 15 members of the Rockville Science Center
- 5 representatives from the Passaic Valley Sewerage Commission

Message from the CEO/GM

- 4 dignitaries from Croatia
- 60 students from the Maret School
- 15 Howard University Students
- 25 critical customers

Message from the CEO/GM

Social Media



Top Posts By Engagement









ORGANIZATIONAL PERFORMANCE DASHBOARD (JANUARY, 2017)

Financial Highlights

Net Operating Cash Actual 58634 Target 27552 (\$ tho)	Operating Revenues Actual 209 Target 199 (\$ mil)	Operating Expenses Actual 161 Target 179 (\$ mil)	Capital Disbursements Actual 166 Target 168 (\$ mil)
Operating Cash Balance Actual 152 Target 126 (\$ mil)	Delinquent Account Receivables Actual 2 Target 3 (%)	Core Investments Yield Actual 1.21 Target 1.15 (%)	Short Term Investment Yield Actual 0.66 Target 0.47 (%)

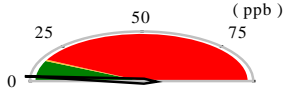
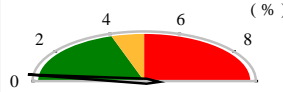
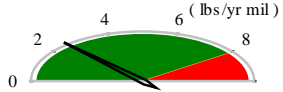
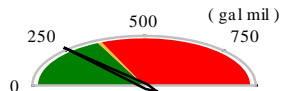
Customer Care and Operations Highlights

Call Center Performance  JAN 88 85 (% of calls rec)	Command Center Performance  JAN 82 85 (% of calls rec)	First Call Resolution  JAN 84 75 (% of calls rec)	Emergency Response Time  JAN 100 90 (% of calls rec)
Fire Hydrants out of Service  JAN 44 96 (count)	Fire Hydrant Insp. and Maint. 1406 (count)	Fire Hydrants Replaced  JAN 22 250 (YTD count)	Permit Processing within SLA 80 (%)

Low Income Assistance Program

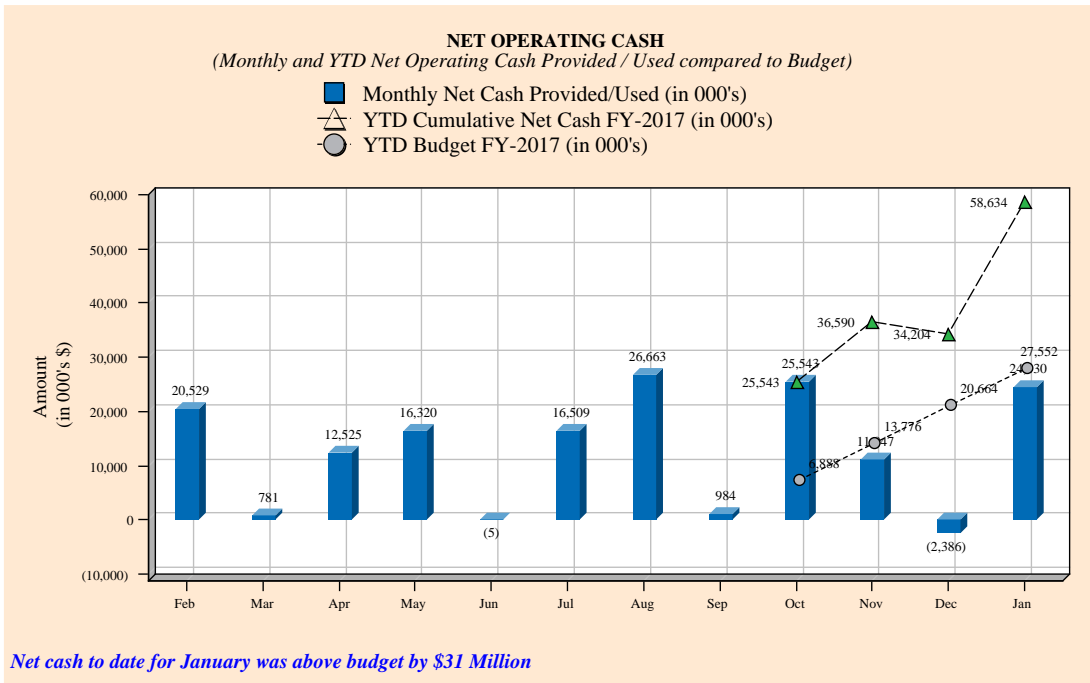
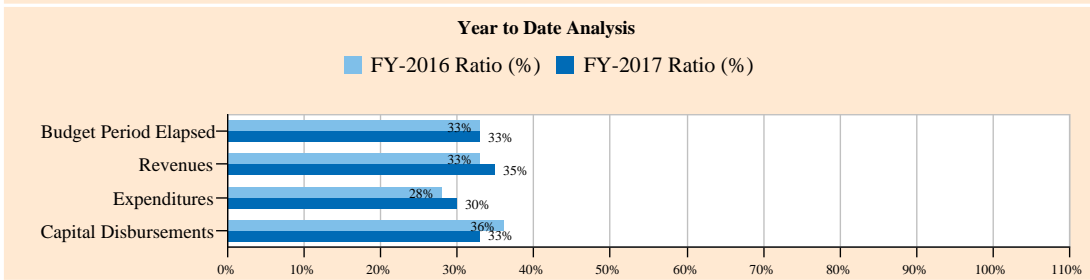
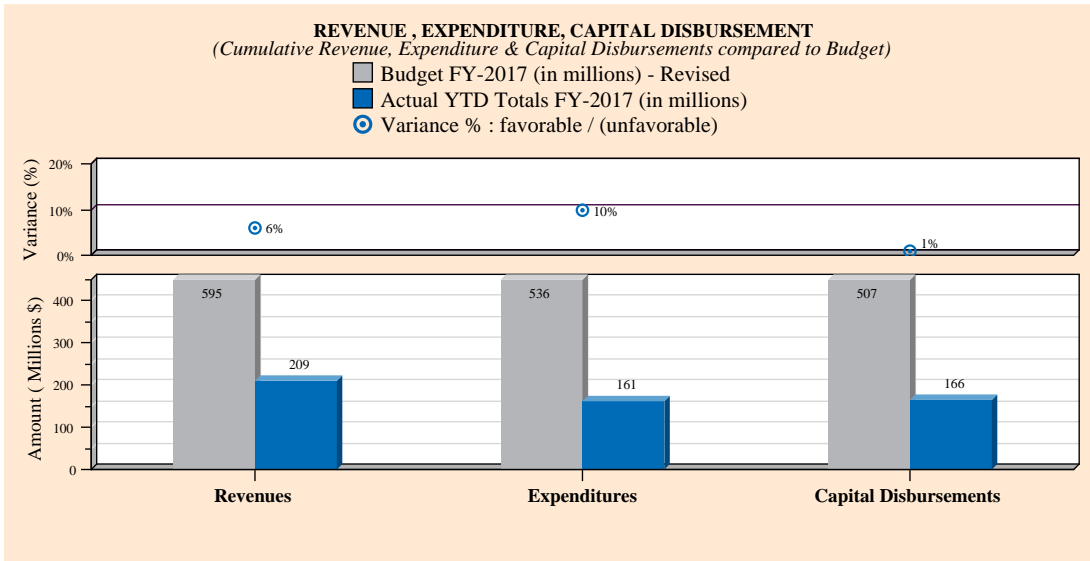
Splash Contributions Actual 37 Target 27 (\$ tho)	Customer Assistance Program Previous 53 Current 168 (\$ tho)
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Operational Highlights

Lead Concentration  25 (ppb)	Total Coliform Rule  4 (%)	Biosolids Production 450 (wet tons)	Total Nitrogen  4 (lbs/yr mil)
Plant Effluent Flow  250 (gal mil)	Excess Flow 20 (gal mil)	Water Main Leaks 41 (count)	Water Valve Leaks 6 (count)
Non-Revenue Water Sold 9 Purchased 12 (CCF mil)	Sewer Main Backups 9 (count)	Sewer Lateral Backups 217 (count)	Dry Weather CSO 0 (events)
Recruitment Activity Filled 9 Open 116 (count)	Electricity Usage 16053 (MWh)	Employee Lost Time Accidents 0 (count)	Vendor Payments Actual 98 Target 97 (%)

FINANCIAL HIGHLIGHTS

FINANCIAL PERFORMANCE SUMMARY



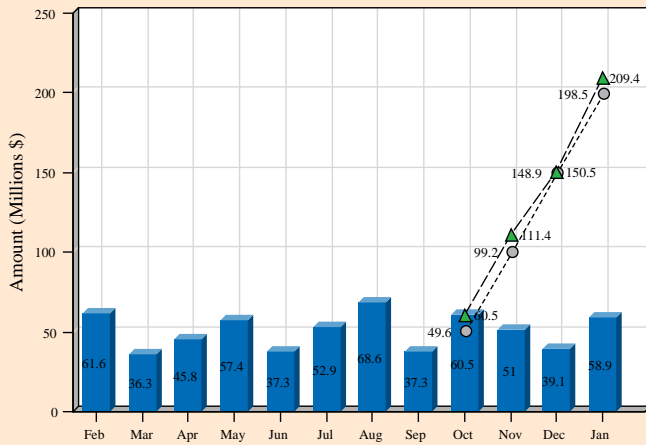
FINANCIAL HIGHLIGHTS

REVENUES AND OPERATING EXPENSES

OPERATING REVENUES

Monthly & Cumulative Revenue compared to YTD Budget

- Actual Monthly Revenue
- △ YTD Cumulative Revenue FY-2017
- YTD Cumulative Budget FY-2017

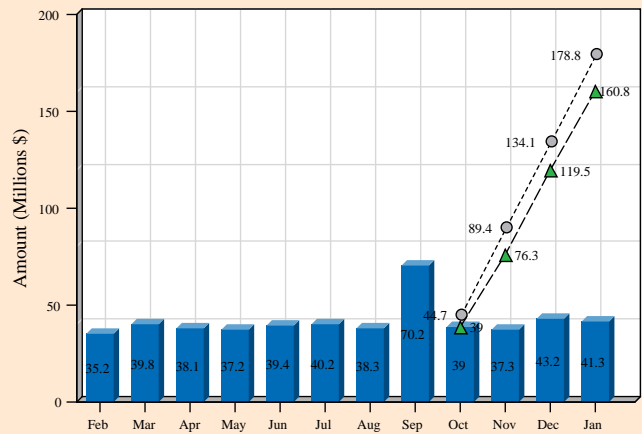


Revenue to date for January was above Budget by \$11 Million

OPERATING EXPENSES

Monthly & Cumulative Expenditure compared to YTD Budget

- Actual Monthly Expenses
- △ YTD Cumulative Expenditure FY-2017
- YTD Cumulative Budget FY-2017



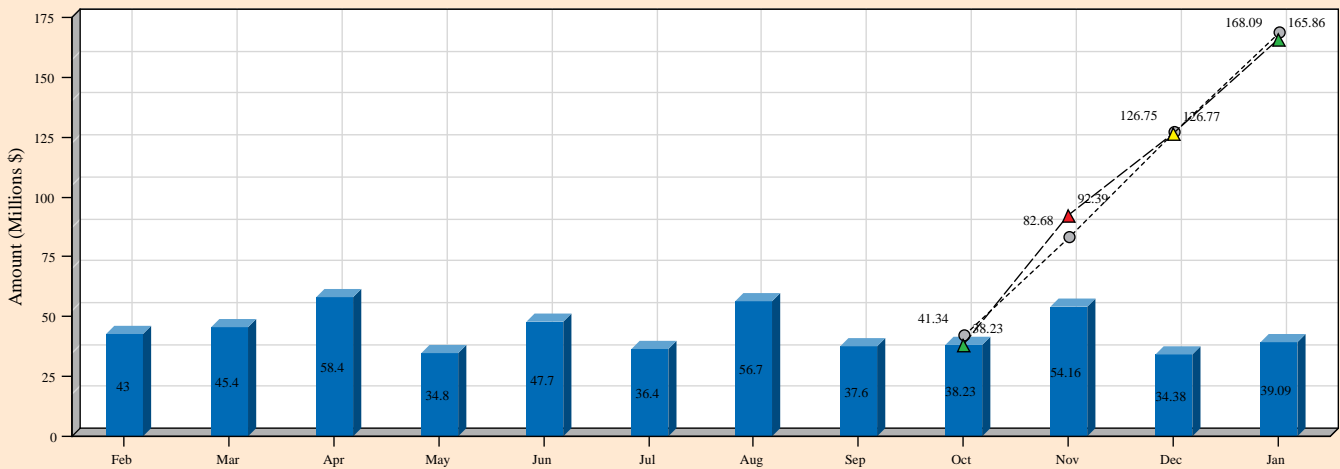
Expenditure to date for January was below budget by \$18 Million

CAPITAL SPENDING

CAPITAL DISBURSEMENTS

Monthly & Cumulative Disbursements compared to YTD Budget

- Actual Monthly Disbursements
- △ YTD Cumulative Disbursements FY-2017
- YTD Cumulative Budget FY-2017



Disbursements to date for January were below budget by \$2 Million

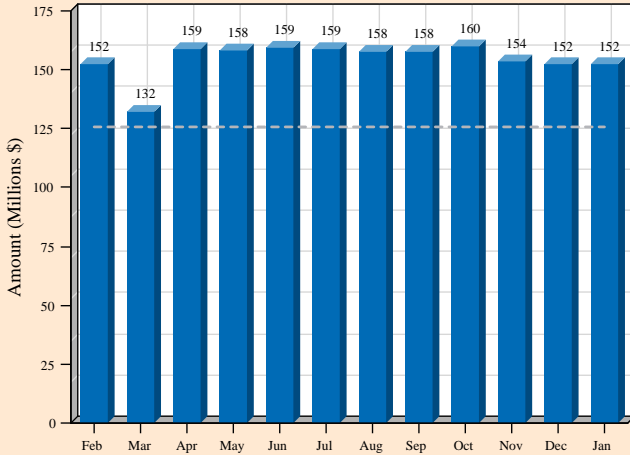
FINANCIAL HIGHLIGHTS

OPERATING CASH AND RECEIVABLES

OPERATING CASH BALANCE

Average Daily Cash Balance compared to Operating Reserve Target

- Actual Cash Balance FY-2017
- - - Operating Reserve Target - (126 Million)

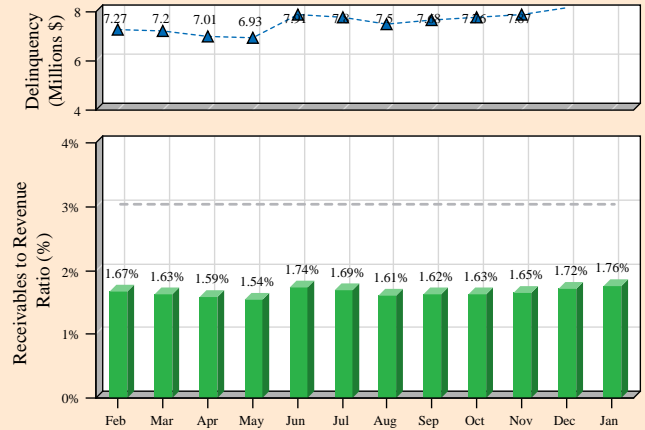


Cash Balance for January was above target by \$ 27 million

DELINQUENT ACCOUNT RECEIVABLES

Delinquency & Receivables to Revenue Ratio compared to Target

- Receivables to Revenue Ratio
- ▲ Delinquencies FY-2017 (in millions)
- - - Target: Receivables to Revenue Ratio (3%)



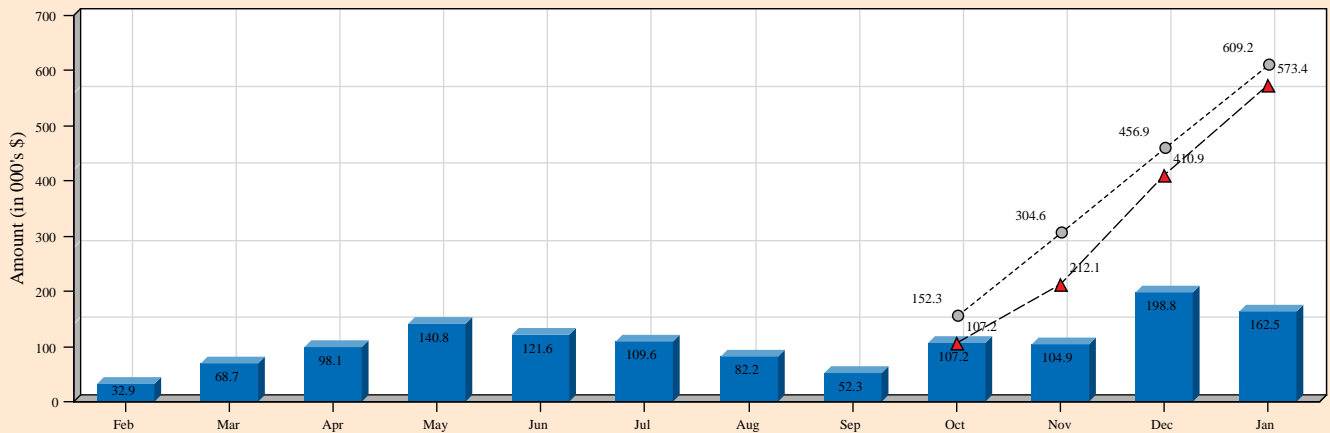
January Receivables to Revenue Ratio 1.8%, Delinquency \$8.5 Million

INVESTMENT EARNINGS

INVESTMENT CASH EARNINGS

Monthly & Cumulative Earnings compared to YTD Budget

- Monthly Earnings (in 000's)
- ▲ YTD Cumulative Earnings FY-2017 (in 000's)
- YTD Cumulative Earnings Budget FY-2017 (in 000's)



Earnings to date for January were below Projected Budget by \$36,000

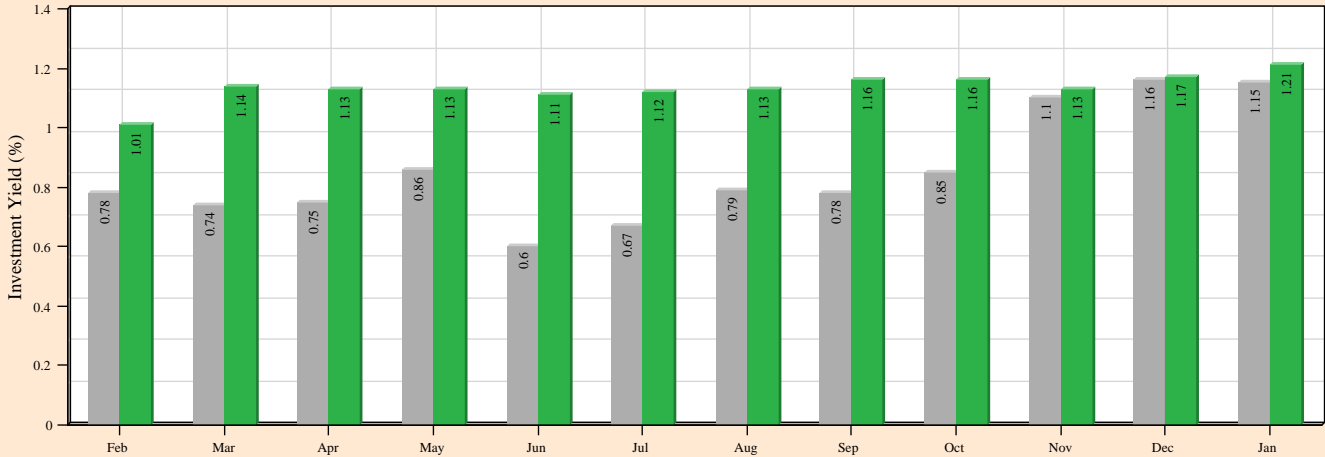
FINANCIAL HIGHLIGHTS

INVESTMENT YIELD

CORE INVESTMENTS YIELD

Monthly Yield compared to Merrill Lynch Benchmark

- Actual Monthly Yield (%)
- Merrill Lynch 1-3 Year Treasury Index - Book Value (%)

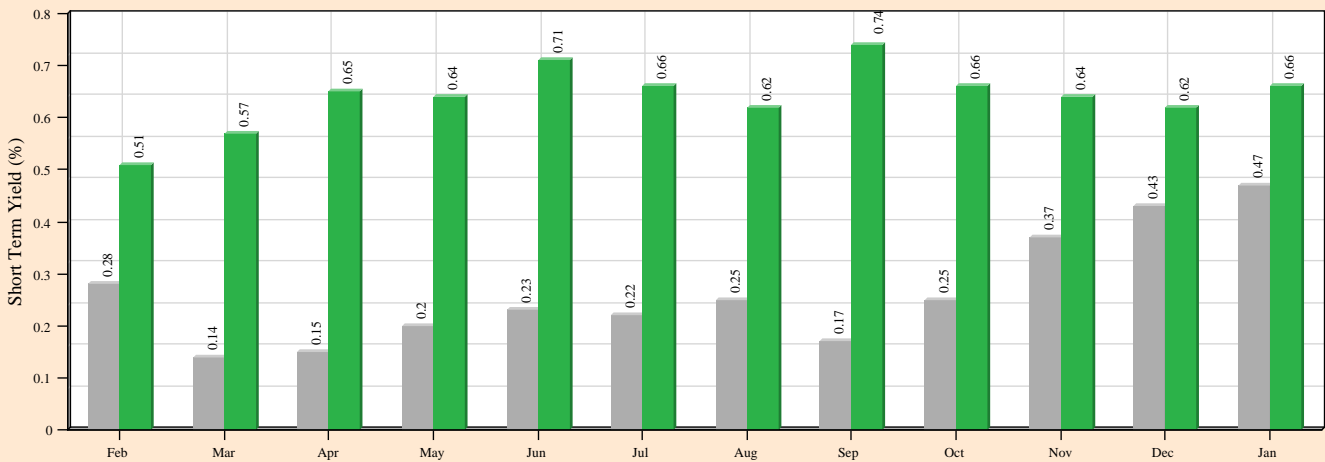


Yield for January was higher than the treasury index by 0.06%

SHORT TERM INVESTMENT YIELD

Short Term Yield compared to Merrill Lynch Benchmark

- Actual Monthly Yield (%)
- Merrill Lynch 3-Month Treasury Index - Book Value (%)



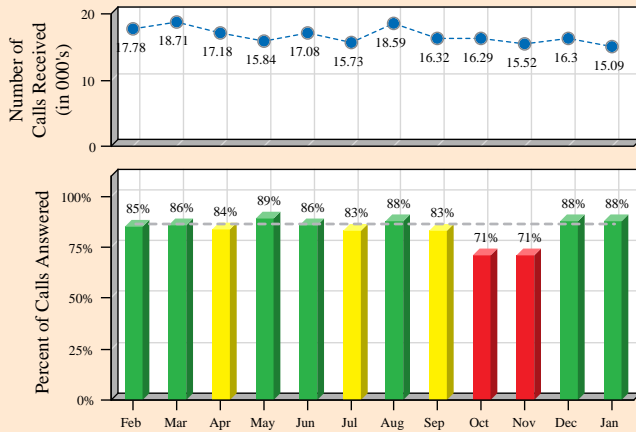
Short Term Yield for January was higher than the Merrill Lynch yield by 0.19%

CUSTOMER CARE AND OPERATIONS HIGHLIGHTS

CUSTOMER SERVICE

CALL CENTER PERFORMANCE
Calls Answered within 40 Seconds compared to Target

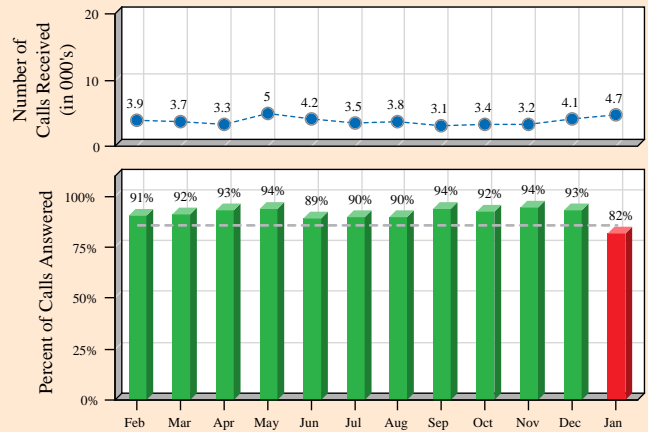
- Call Center: Calls answered (%)
- No of Calls - Call Center (in 000's)
- Target -Call Center (85%)



Performance for January was above target by 3%

COMMAND CENTER PERFORMANCE
Calls Answered within 40 Seconds compared to Target

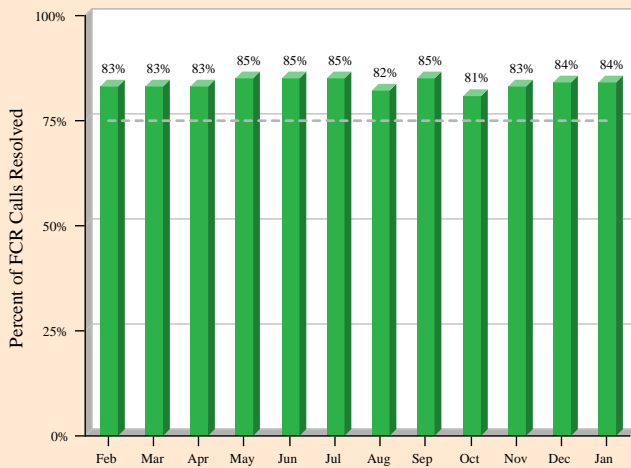
- Command Center: Calls answered (%)
- No of Calls - Command Center (in 000's)
- Target -Command Center (85%)



Performance for January was below target by 3%

FIRST CALL RESOLUTION (FCR)
Calls resolved on first contact compared to Target

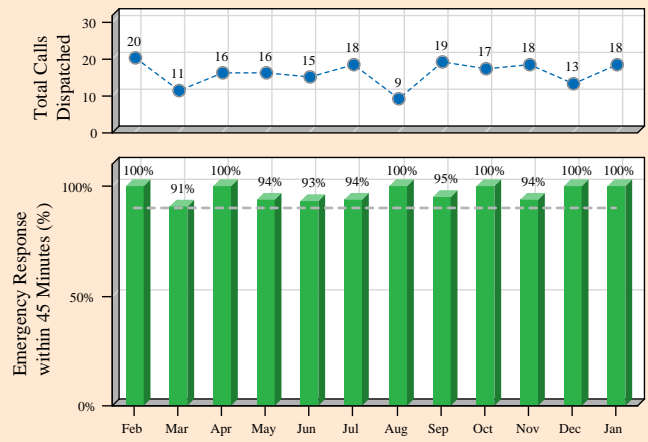
- FCR (%)
- FCR Target (75%)



Performance for January was above target by 9%

EMERGENCY RESPONSE TIME
Calls responded to within 45 Minutes compared to Target

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



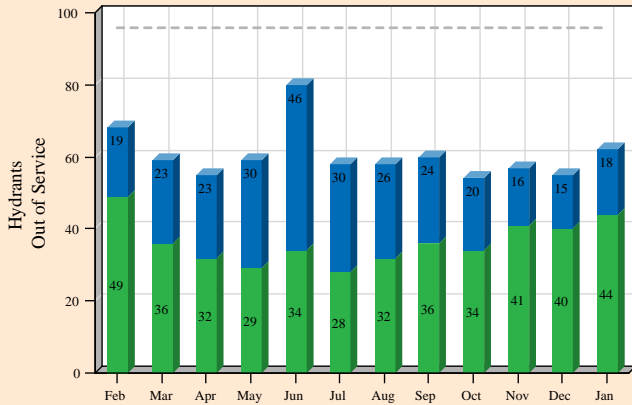
Performance for January was above target by 10%

CUSTOMER CARE AND OPERATIONS HIGHLIGHTS

FIRE HYDRANTS

FIRE HYDRANTS OUT OF SERVICE (OOS)
Total Hydrants Out of Service against Target

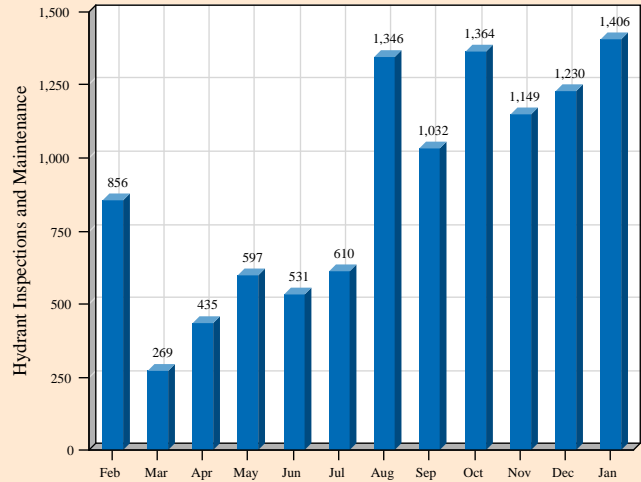
- Out of Service Fire Hydrants (Defective OOS Hydrants)
- In-Operational - OOS Due to Inaccessibility or Temporary Work
- Out of Service Hydrants Target (96)



Fire Hydrant Inspections and Maintenance

Total Hydrant Inspection and Maintenance Work Orders Completed per Month

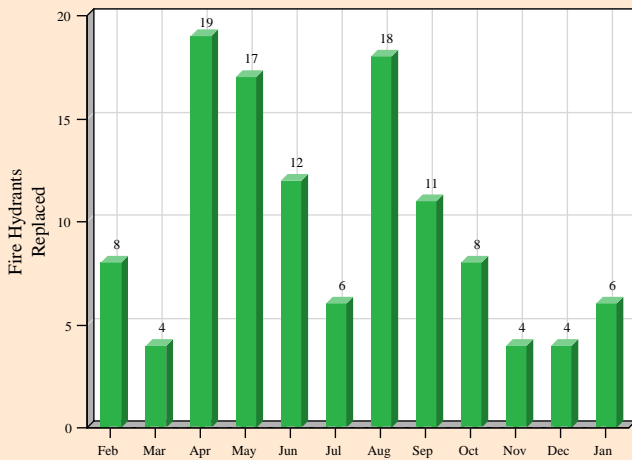
- Hydrant Inspections and Maintenance



FIRE HYDRANT REPLACEMENTS

Total Hydrants Replaced per Month

- Hydrants Replaced
- Annual Replacement Target (250)

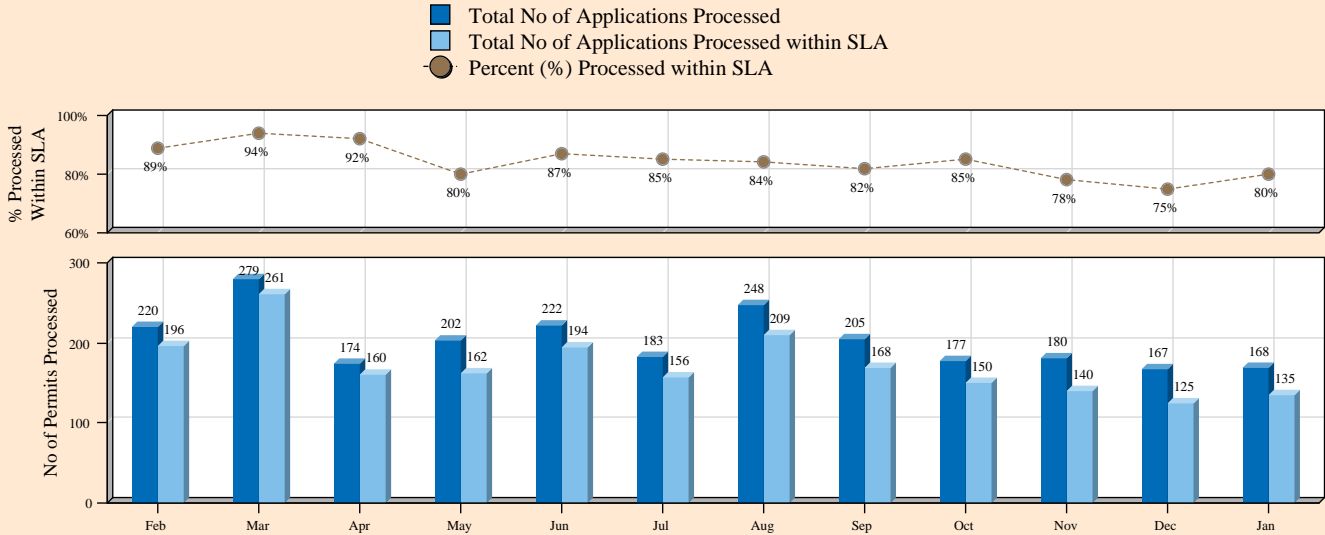


Total replacements as of January were 22 against annual projections of 250

CUSTOMER CARE AND OPERATIONS HIGHLIGHTS

PERMIT PROCESSING

TOTAL APPLICATIONS PROCESSED WITHIN SERVICE LEVEL AGREEMENT (SLA)



SLA Examples: Raze Permit - 14days, Sheeting and Shoring - 14 days, Preliminary Plan Review - 45 days

Permits not processed within SLA in January were 20% Note that different SLA's range from 7 days to 45 days

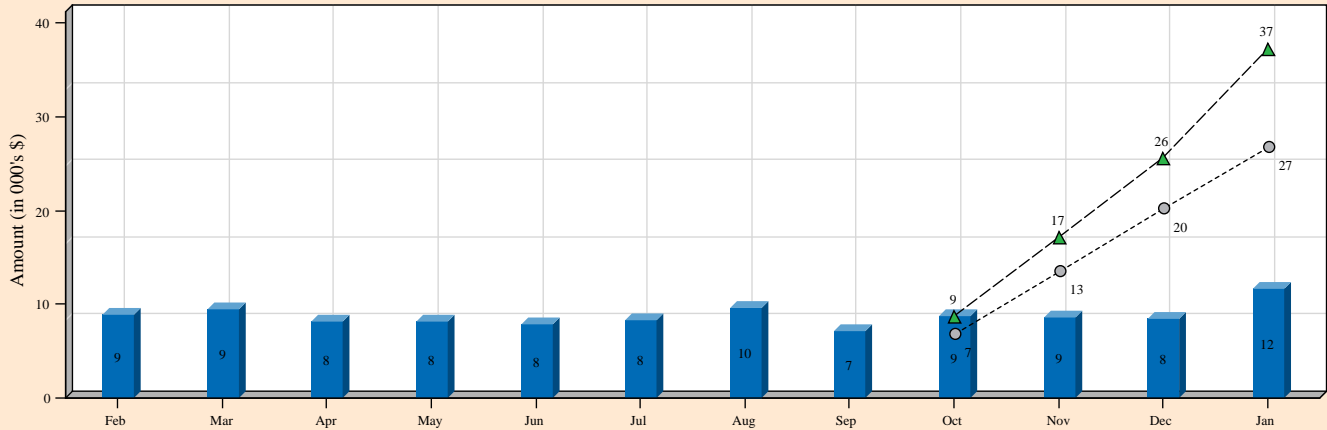
LOW INCOME ASSISTANCE PROGRAM

SPLASH PROGRAM

SPLASH CONTRIBUTIONS

Monthly and Cumulative Contributions compared to YTD Target

- Monthly Contributions (in 000's)
- △ YTD Cumulative Contributions FY-2017 (in 000's)
- Projected YTD Target FY-2017 (in 000's)



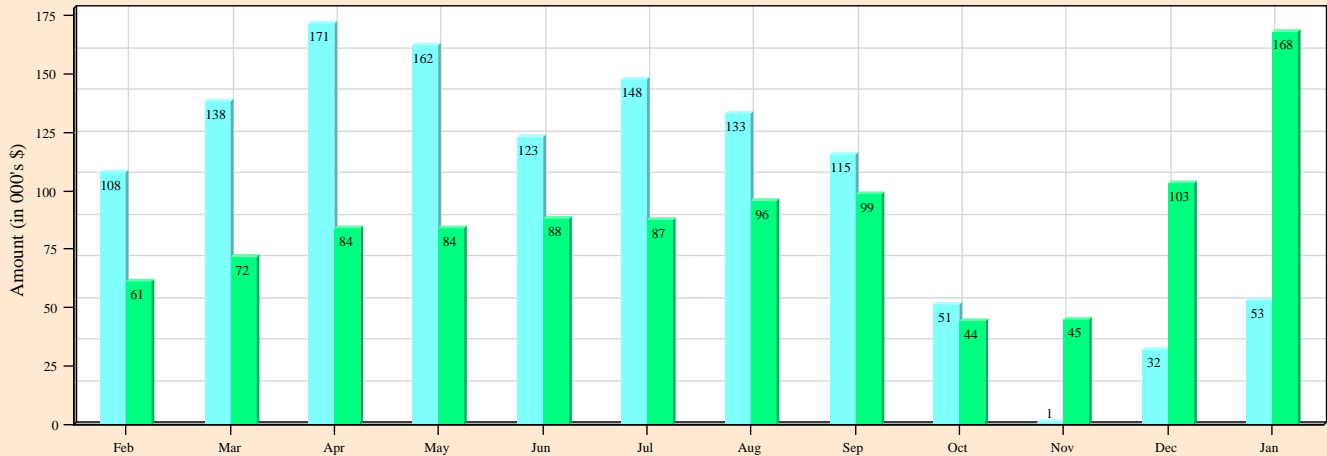
Total SPLASH Contributions to date for January were above target by \$ 10,000

CUSTOMER ASSISTANCE PROGRAM (CAP)

CUSTOMER ASSISTANCE PROVIDED

Monthly Assistance Provided compared to corresponding Previous Year Periods

- Actual Monthly Amount - Previous Year (in 000's)
- Actual Monthly Amount - Current Year (in 000's)

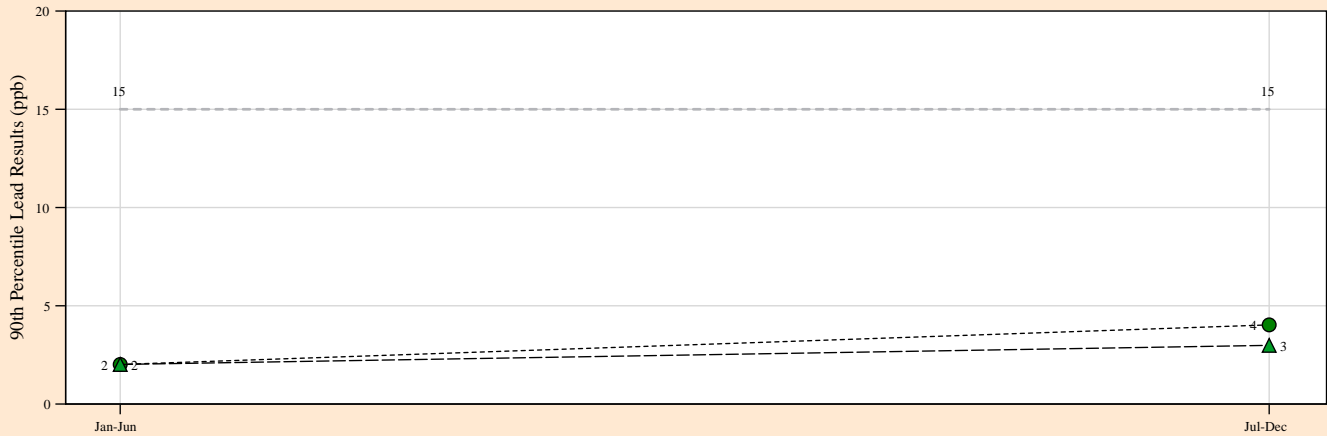


OPERATIONAL HIGHLIGHTS

DRINKING WATER QUALITY

LEAD AND COPPER RULE (LCR) COMPLIANCE
Semi-Annual LCR Monitoring Results

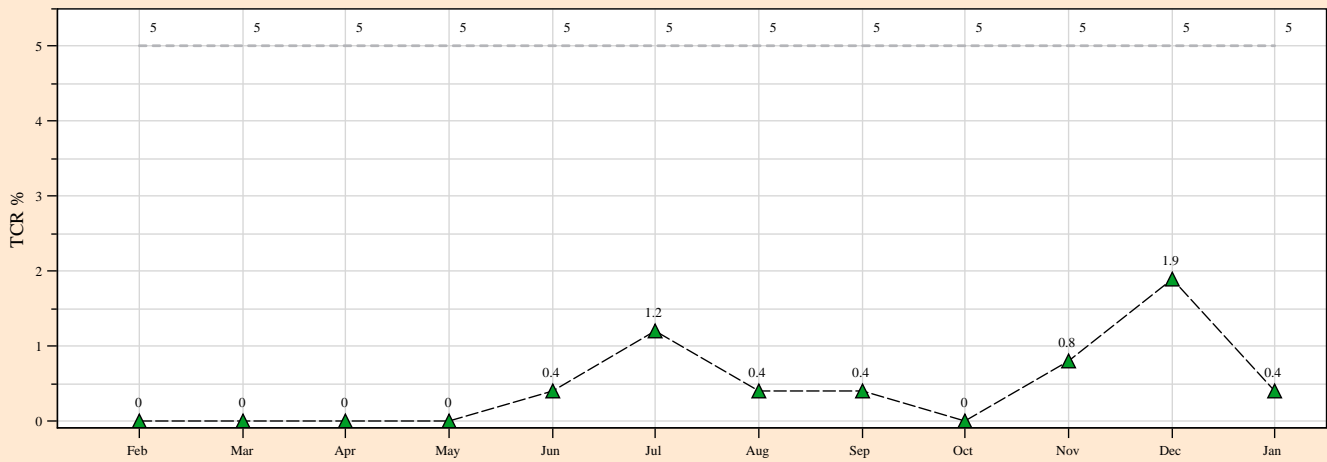
- 2015 LCR Results
- △ 2016 LCR Results
- Action Level : 15 parts per billion (ppb)



Jul-Dec 2016 results to date

TOTAL COLIFORM RULE (TCR)
Total Coliform Positives compared to EPA Maximum Contaminant Level (MCL)

- △ TCR Level
- EPA Maximum Contaminant Level (5%)



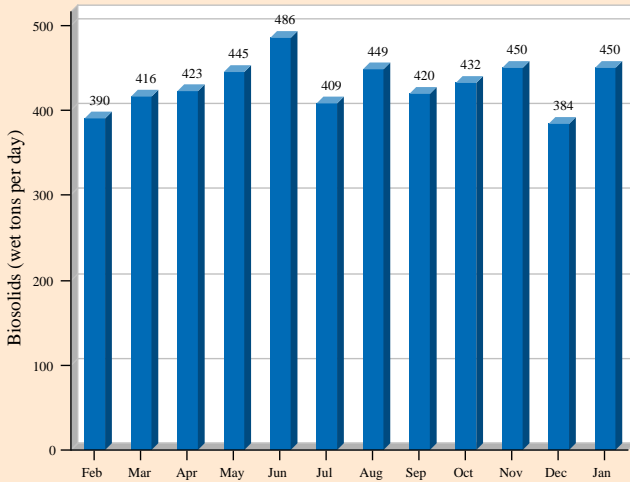
Coliform Positives were recorded in January at 0.4%

OPERATIONAL HIGHLIGHTS

WASTEWATER TREATMENT

BIOSOLIDS PRODUCTION
Average Daily Biosolids Production

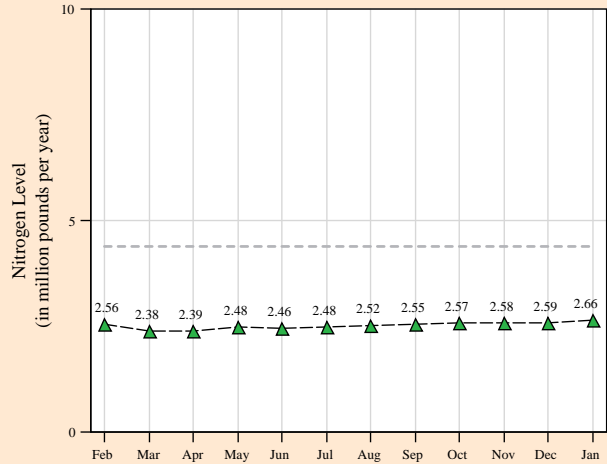
■ Average Daily Biosolids Hauled



Biosolids Average Daily Production for January was 450 wet tons per day

TOTAL NITROGEN
Total Nitrogen compared to New Permit Levels

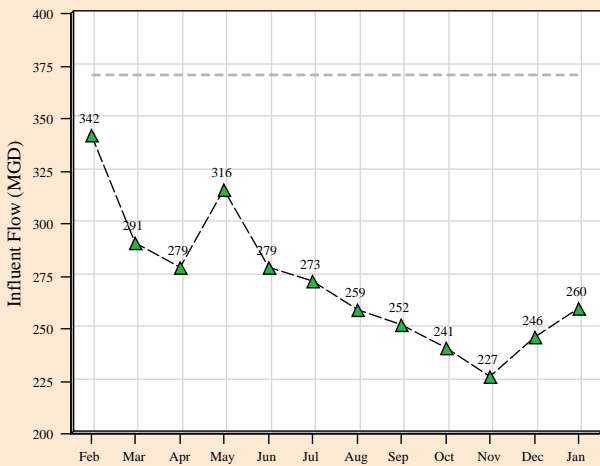
△ Nitrogen Annually Load (lbs/yr)
--- New Permit Limit - 4.38 Million (lbs/yr)



Nitrogen level for January was below permit by 1.7 million lbs/yr

PLANT INFLUENT FLOW
Influent Flow compared to Plant Design Average Limit

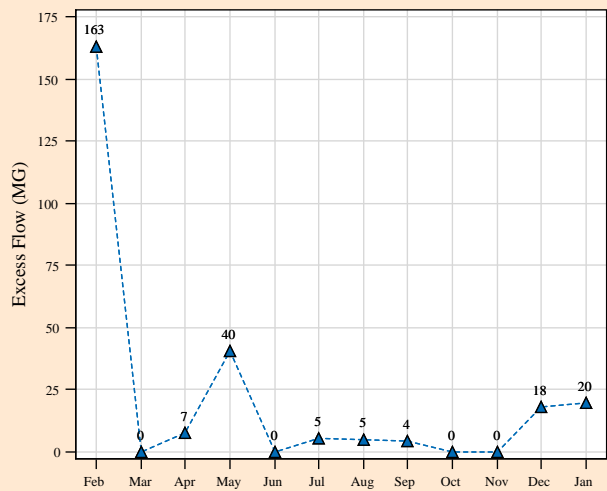
△ Effluent Flow
--- Design Average (370 mgd)



In January, Effluent flow was below design by 110 MGD

EXCESS FLOW

△ Excess Flow



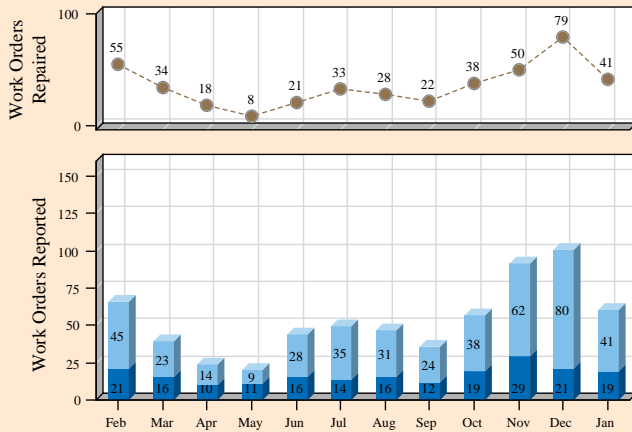
Excess flow events were recorded at 20 MG in January 2017

OPERATIONAL HIGHLIGHTS

WATER DISTRIBUTION OPERATIONS

WATER MAIN WORK ORDERS

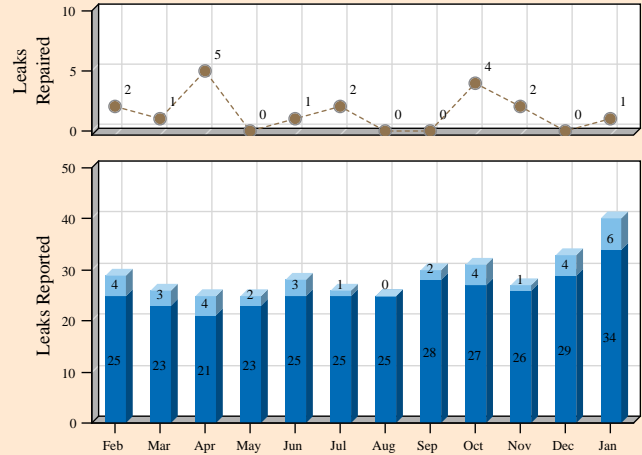
- Pending Main Work Orders
- Water Main Work Orders Reported
- Water Main Work Orders Repaired



There were 41 Water Main Work Orders reported in January

WATER VALVE LEAKS

- Pending Valve Leaks
- Valve Leaks Reported
- Valve Leaks Repaired



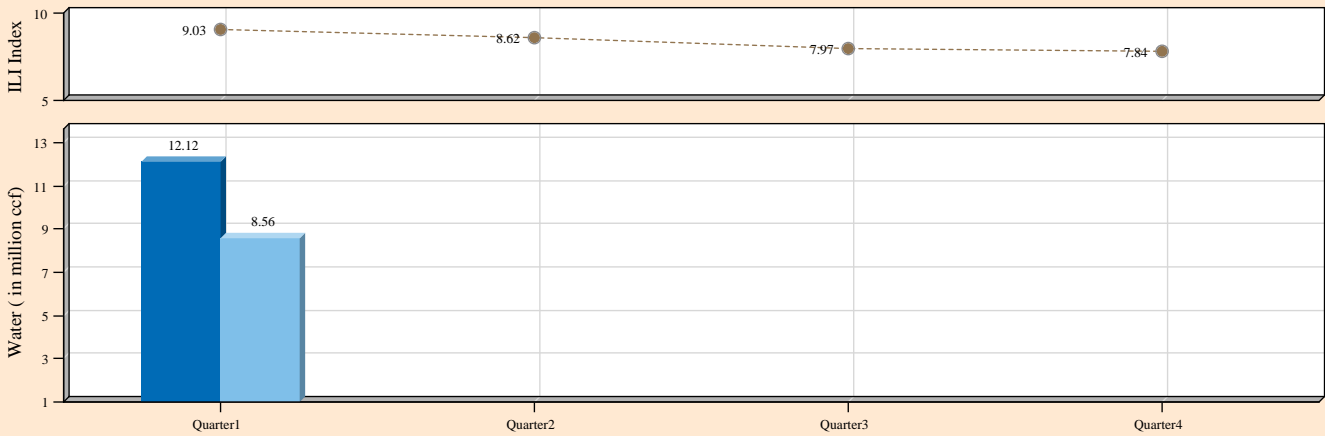
1 leak was resolved in January

WATER BALANCE

NON-REVENUE WATER

Volume of Water Purchased and Sold per Quarter

- FY-2017: Water Purchased
- FY-2017: Water Sold
- FY-2016: Infrastructure Leakage Index
- ▲ FY-2017: Infrastructure Leakage Index



In the 1st quarter 8.6 out of 12.1 million cubic feet of water was sold

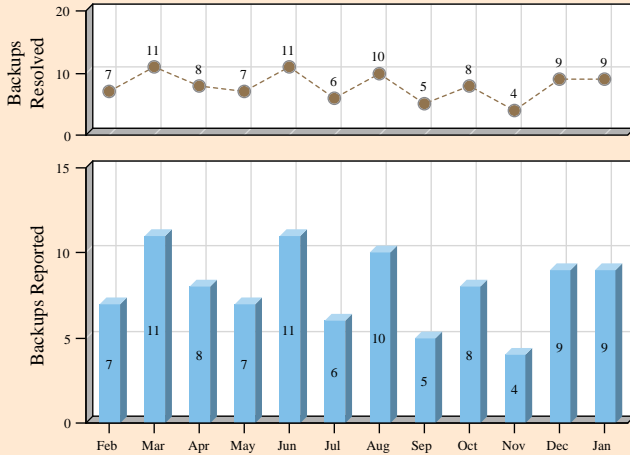
OPERATIONAL HIGHLIGHTS

SEWER SYSTEM OPERATIONS

SEWER MAIN BACKUPS

Sewer Mains Backed Up and Relieved per Month

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

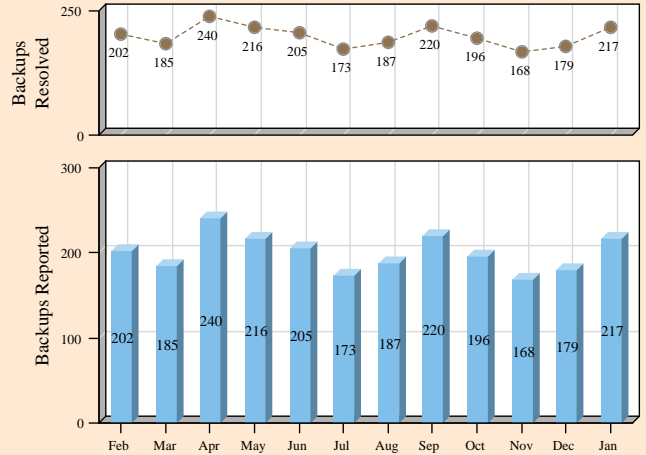


No pending main backups reported

SEWER LATERAL BACKUPS

Sewer Laterals Backed Up and Relieved per Month

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



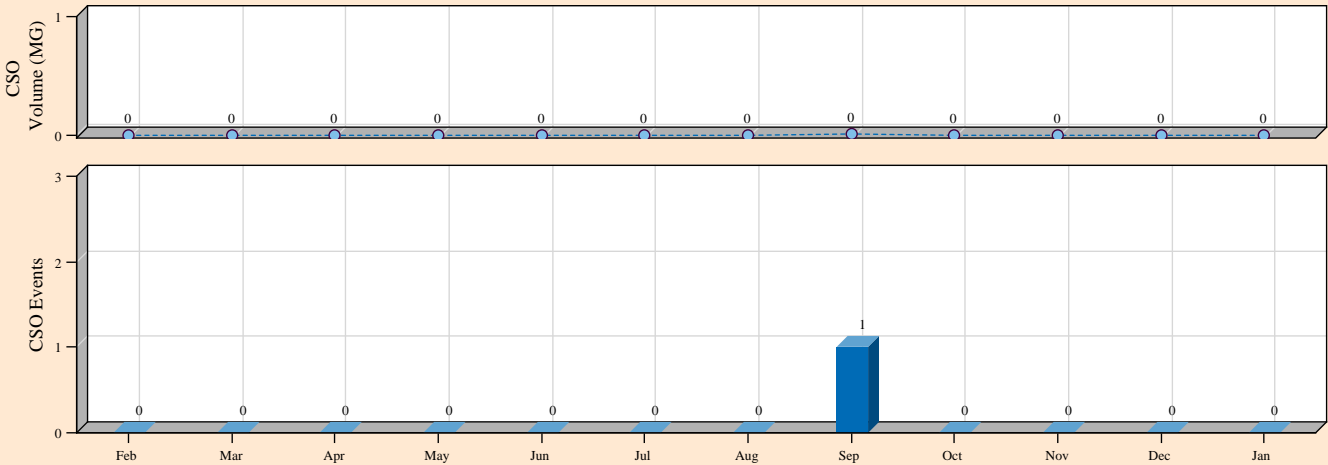
No pending lateral backups reported

COMBINED SEWER SYSTEM

DRY WEATHER CSO EVENTS

Combined Sewer Overflow Volume and No of Events per Month

- Number of CSO Events
- Overflow Volume (MG)

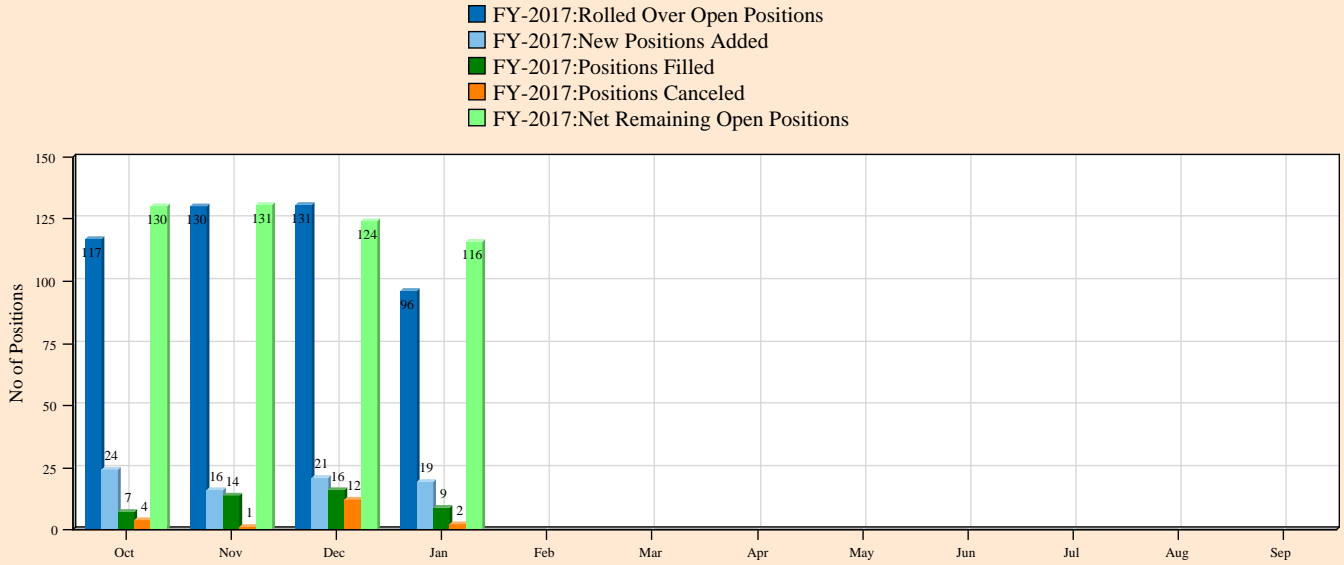


No dry weather Combined Sewer Overflow event was recorded in January 2017

OPERATIONAL HIGHLIGHTS

HUMAN RESOURCES

RECRUITMENT ACTIVITY



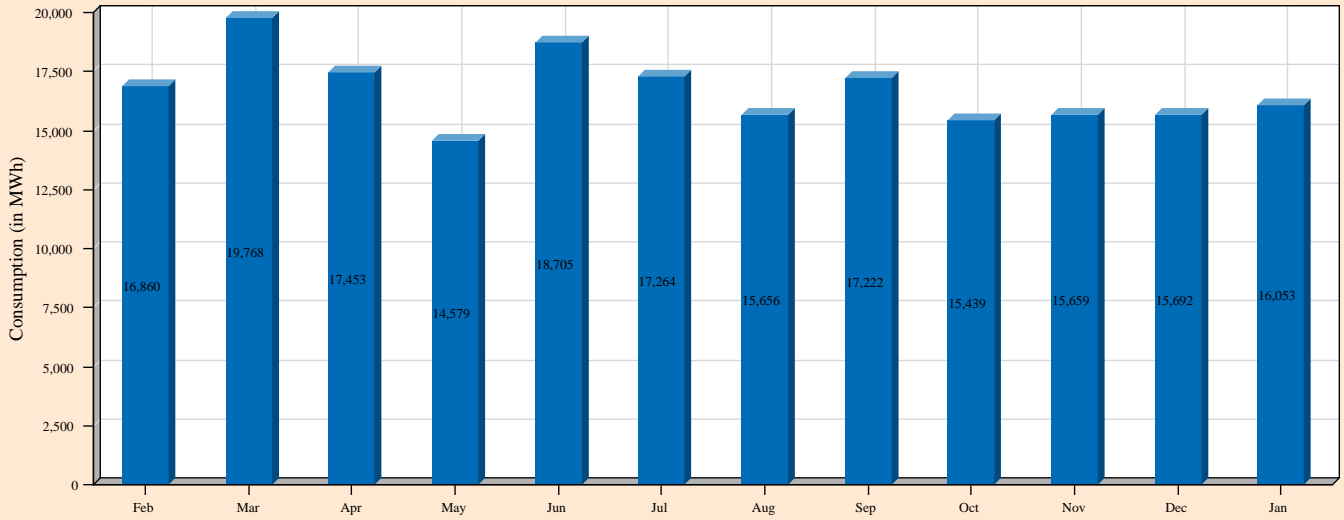
In January we began the month with 96 positions, received 19 new positions, filled 9, 2 cancellations and ended the month with 116 positions

OPERATIONAL HIGHLIGHTS

ENERGY

ELECTRICITY USAGE SUMMARY

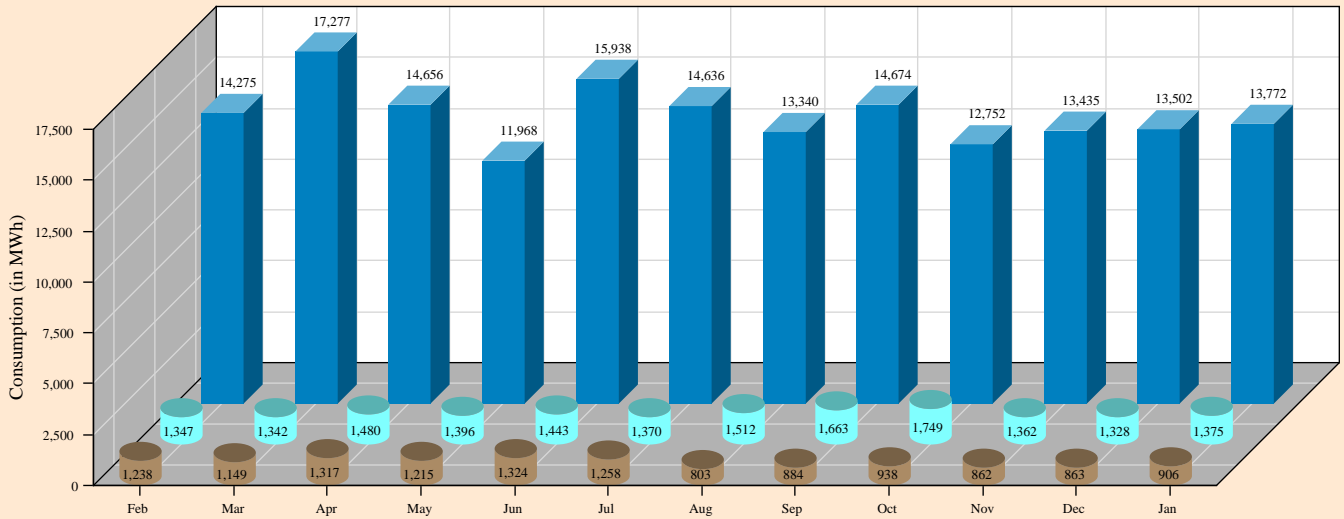
■ Total Consumption (MWh)



Electricity Consumption in January was 16,053 MWh

ELECTRICITY USAGE BY SERVICE AREA

■ Sewer Pumping ■ Water Pumping ■ Waste Water Treatment



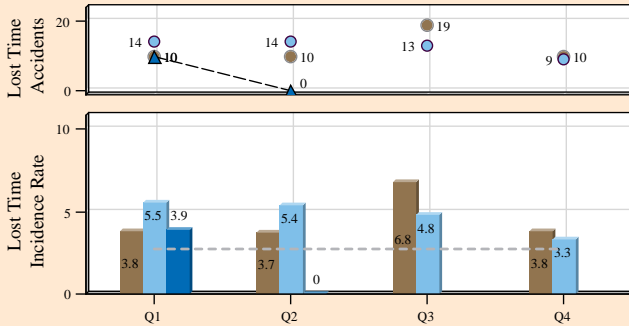
Wastewater treatment had the highest electricity consumption in January at 13,772 MWh

OPERATIONAL HIGHLIGHTS

SAFETY

EMPLOYEE LOST TIME INCIDENCE RATE

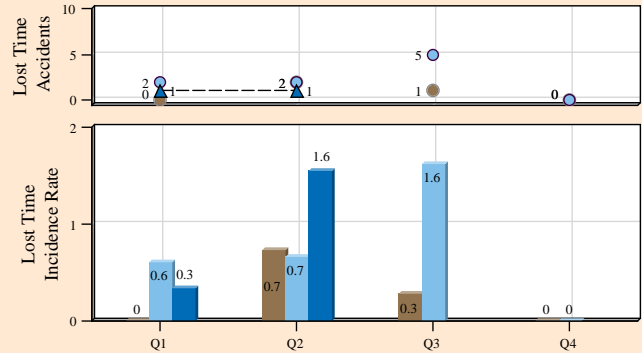
- FY-2015: LT Incidence Rate
- FY-2016: LT Incidence Rate
- FY-2017: LT Incidence Rate
- FY-2015: No of LT Accidents
- FY-2016: No of LT Accidents
- ▲ FY-2017: No of LT Accidents
- Target/National: LT Incidence Rate



In the 1st month of 2nd quarter, no lost time accidents were reported

CONTRACTOR LOST TIME INCIDENCE RATE

- FY-2015: LT Incidence Rate
- FY-2016: LT Incidence Rate
- FY-2017: LT Incidence Rate
- FY-2015: No of LT Accidents
- FY-2016: No of LT Accidents
- ▲ FY-2017: No of LT Accidents

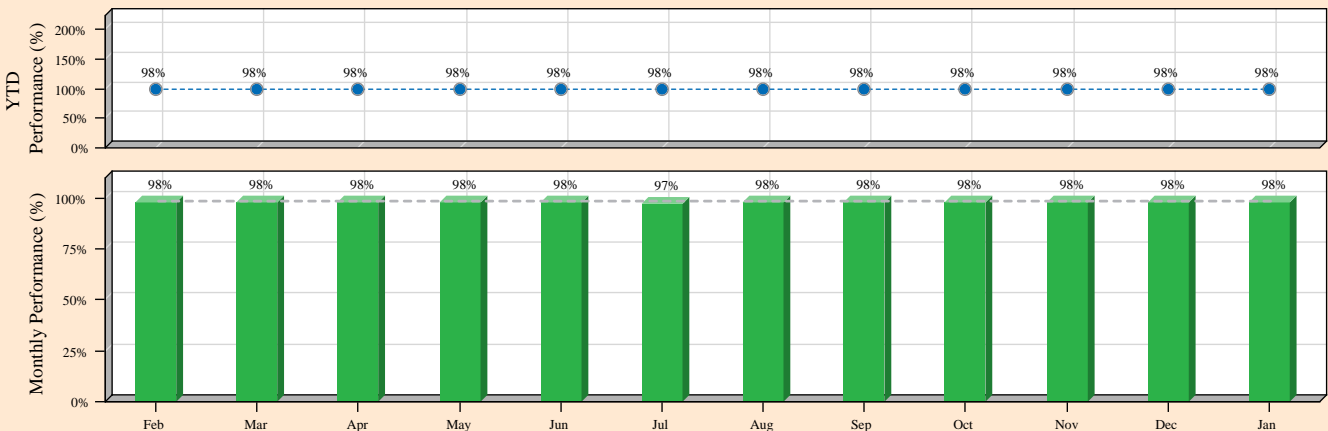


In the 1st month of 2nd quarter, 1 lost time accident was reported

VENDOR PAYMENTS

VENDOR PAYMENT PERFORMANCE
Percentage of Invoices Paid within 30 days

- Monthly Performance (%)
- YTD Performance (%)
- Monthly Target - (97%)



Monthly performance for January was above Budget 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>Red - when the actual is lower than 3% of budget or target</p> <p>Yellow - when the actual is within 3% of budget or target</p> <p>Green - when the actual is equal to or higher than budget or target</p>	<p>Red - when the actual is higher than 3% of budget or target</p> <p>Yellow - when the actual is within 3% of budget or target</p> <p>Green - when the actual is equal to or lower 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

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

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

LOW INCOME ASSISTANCE PROGRAM

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

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

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

E



District of Columbia Water and Sewer Authority

Summary of Contracts on Consent Agenda

229^h Meeting of the DC Water Board of Directors

Thursday, March 2, 2017

Joint-Use Contracts

1. Resolution No. 17-15 – Execute Change Order No. 66 of Contract No. 100020, Ulliman Schutte Construction, LLC. The purpose of the change order is for settlement for the Request for Equitable Adjustment resulting from differing site conditions encountered during construction of the riser shaft. The change order amount is \$1,040,000. (Recommended by the Environmental Quality and Operations Committee 2/16/17)
2. Resolution No. 17-16 – Execute Option Year Four of Contract No. WAS-12-029-AA-JR, M.C. Dean, Inc. The purpose of the option is to continue providing annual maintenance of high and low voltage switchgear throughout DC Water facilities. The option amount is \$2,490,000. (Recommended by the Environmental Quality and Operations Committee 2/16/17)

Non-Joint Use Contract

1. Resolution No. 17-17 – Execute Contract No. 160170, Skanska USA Building, Inc. The purpose of the contract is to provide code required ventilation rates in the various areas of the O Street Pumping Station and provide upgraded odor control and electrical support for the new and future equipment. The contract amount is \$11,033,997. (Recommended by Environmental Quality and Operations Committee 2/16/17)

Presented and Adopted: March 2, 2017

SUBJECT: Approval to Execute Change Order No. 66 of Contract No. 100020, Ulliman Schutte Construction, LLC.

**#17-15
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 March 2, 2017 upon consideration of a joint use matter, decided by a vote of ___() in favor and ___() opposed to execute Change Order No. 66 of Contract No. 100020, Ulliman Schutte Construction, LLC.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Change Order No. 66 of Contract No. 100020, Ulliman Schutte Construction, LLC. The purpose of the change order is for settlement for the Request for Equitable Adjustment resulting from differing site conditions encountered during construction of the riser shaft. The change order amount is \$1,040,000.

This Resolution is effective immediately.

Secretary to the Board of Directors

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

ACTION REQUESTED

**CONSTRUCTION CONTRACT CHANGE ORDER:
Enhanced Nitrogen Removal Facilities Second Contract
(Joint Use)**

Approval to execute Change Order No. 66 for \$1,040,000. The modification exceeds the General Manager's approval authority.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME:	SUBS:	PARTICIPATION:
Ulliman Schutte Construction, LLC 7615 Standish Place Rockville, MD 20855	Monumental Concrete Supply Clinton, MD	MBE 11.0%
	Hi-Mark Construction Group Inc. Washington, DC	MBE 7.0%
	Elite Hauling Clinton, MD	WBE 2.0%

DESCRIPTION AND PURPOSE

Original Contract Value:	\$ 97,118,000.00
Value of this Change Order:	\$ 1,040,000.00
Cumulative CO Value, including this CO:	\$ 11,033,936.00
Current Contract Value, including this CO:	\$108,151,936.00
Original Contract Time:	1440 Days (3 Years, 11 Months)
Time extension, this CO:	426 Days
Total CO contract time extension:	809 Days (2 Years, 2 Months)
Contract Start Date (NTP):	04-04-2011
Anticipated Contract Completion Date:	05-31-2017
Cumulative CO % of Original Contract:	11.4%
Contract completion %:	99.5%

Purpose of the Contract:

To build a pump station, buildings and process facilities for Enhanced Nitrogen Removal facilities.

Contract Scope:

- Demolition of Lime Building
- Nitrification reactors effluent tunnel
- Pump station and channels
- Process facilities

Previous Change Order Scope:

- One hundred and eight (108) compensable calendar day time extension to contract final completion due to delays incurred during modification to the Denitrification Return Sludge Gallery Make-up Air Power and Controls.

Current Change Order Scope:

- Settlement for the Request for Equitable Adjustment resulting from differing site conditions encountered during construction of the riser shaft.

PROCUREMENT INFORMATION

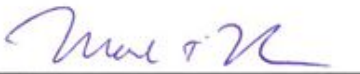
Contract Type:	Fixed Price	Award Based On:	Lowest responsive, responsible bidder.
Commodity:	Construction	Contract Number:	100020
Contractor Market:	Open Market		

BUDGET INFORMATION


Funding:	Capital	Department:	Wastewater Engineering
Service Area:	Wastewater Treatment	Department Head:	Diala Dandach
Project:	E9		

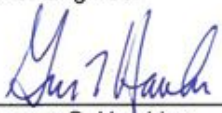
USER SHARE INFORMATION

User	Share %	Dollar Amount
District of Columbia	41.22%	\$ 428,688.00
Washington Suburban Sanitary Commission	45.84%	\$ 476,736.00
Fairfax County	4.56%	\$ 47,424.00
Loudoun County & Potomac Interceptor	8.38%	\$ 87,152.00
Total Estimated Dollar Amount	100.00%	\$1,040,000.00

 , 2-9-17
 _____ Date
 Mark Kim
 Chief Financial Officer

 , 2/9/17
 _____ Date
 Dan Bae
 Director of Procurement

 , 2-8-17
 _____ Date
 Leonard R. Benson
 Chief Engineer

 , 2-16-17
 _____ Date
 George S. Hawkins
 General Manager

Presented and Adopted: March 2, 2017

**SUBJECT: Approval to Execute Option Year Four of Contract No.
WAS-12-029-AA-JR, M.C. Dean, Inc.**

**#17-16
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 March 2, 2017 upon consideration of a joint use matter, decided by a vote of ___() in favor and ___() opposed to execute Option Year Four of Contract No. WAS-12-029-AA-JR, M.C. Dean, Inc.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Option Year Four of Contract No. WAS-12-029-AA-JR, M.C. Dean, Inc. The purpose of the option is to continue providing annual maintenance of high and low voltage switchgear throughout DC Water facilities. The option amount is \$2,490,000.

This Resolution is effective immediately.

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

**Electrical Power Distribution Equipment Service
(Joint Use)**

Approval to exercise option year four (4) for electrical power distribution equipment service contract in the amount of \$2,490,000.00

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME: M.C. Dean Inc. 22461 Shaw Road Dulles, VA 20166	SUBS: N/A	PARTICIPATION: N/A
--	---------------------	------------------------------

DESCRIPTION AND PURPOSE

Original Contract Value:	\$2,490,000.00
Original Contract Dates:	03-26-2013 - 03-25-2014
No. of Option Years in Contract:	4
Option Year 1 Value:	\$2,490,000.00
Option Year 1 Dates:	03-26-2014 - 03-25-2015
Option Year 2 Value:	\$2,960,000.00
Option Year 2 Dates:	03-26-2015 - 03-25-2016
Option Year 3 Value:	\$2,527,000.00
Option Year 3 Dates:	03-26-2016 - 03-25-2017
Option Year 4 Value:	\$2,490,000.00
Option Year 4 Dates:	03-26-2017 - 03-25-2018

Purpose of the Contract:

DC Water's Department of Maintenance Services (DMS) and Department of Distribution & Conveyance Systems (DDCS) have a continuing need for annual maintenance of high and low voltage switchgear throughout DC Water facilities.

Switchgear is the combination of electrical disconnect switches, fuses or circuit breakers used to control, protect and isolate electrical equipment. Switchgear is used both to de-energize equipment to allow work to be done and to clear faults downstream.

Contract Scope:

To provide up to thirteen (13) experienced power distribution test technicians and one (1) supervisor, along with replacement parts for repair, calibration and annual maintenance of high and low voltage switchgear equipment and other associated devices. Two (2) of the test technicians provided shall be capable of making modifications to the switchgear prints using CAD technology at various DC Water facilities. These modified prints provide maintenance specifications for high and low voltage switchgear to ensure reliable electrical power distribution for the overall operations.

Spending Previous Year:

Cumulative Contract Value:	03-26-2013 to 03-25-2017: \$10,467,000.00
Cumulative Contract Spending:	03-26-2013 to 01-30-2017: \$9,130,113.51

Contractor's Past Performance:

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

No LBE/LSBE participation.

PROCUREMENT INFORMATION

Contract Type:	Fixed Price	Award Based On:	Best Value
Commodity:	Services	Contract Number:	WAS-12-029-AA-JR
Contractor Market:	Open Market with Preference Points		

BUDGET INFORMATION

Funding:	Operating	Department:	DMS
Service Area:	Blue Plains	Department Head:	Anthony Mack

ESTIMATED USER SHARE INFORMATION

User	Share %	Dollar Amount
District of Columbia	41.92%	\$838,400.00
Washington Suburban Sanitary Commission	43.33%	\$866,600.00
Fairfax County	9.81%	\$196,200.00
Loudoun Water	4.29%	\$85,800.00
Other (PI)	0.65%	\$13,000.00
TOTAL ESTIMATED DOLLAR AMOUNT	100.00%	\$2,000,000.00

BUDGET INFORMATION

Funding:	Operating	Department:	DDCS
Service Area:	Other	Department Head:	Charles Sweeney

ESTIMATED USER SHARE INFORMATION

User	Share %	Dollar Amount
District of Columbia	83.65%	\$409,885.00
Washington Suburban Sanitary Commission	12.07%	\$59,143.00
Fairfax County	2.84%	\$13,916.00
Loudoun Water	1.25%	\$6,125.
Other (PI)	0.19%	\$931.00
TOTAL ESTIMATED DOLLAR AMOUNT	100.00%	\$490,000.00


 Akile Tesfaye
 Assistant General Manager,
 Blue Plains
 Date: 12/7/17


 Mark Kim
 Chief Financial Officer
 Date: 2/9/17


 Charles Kiely
 Assistant General Manager,
 Customer Care & Operations
 Date: 2/7/17


 George S. Hawkins
 General Manager
 Date: 2/16/17


 Dan Bae
 Director of Procurement
 Date: 2/8/17

Presented and Adopted: March 2, 2017
SUBJECT: Approval to Execute Contract No. 160170
Skanska USA Building Inc.

#17-17
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 March 2, 2017 upon consideration of a non-joint use matter, decided by a vote of ___() in favor and ___() opposed to execute Contract No. 160170, Skanska USA Building Inc.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Contract No. 160170, Skanska USA Building Inc. The purpose of the contract is to provide code required ventilation rates in the various areas of the O Street Pumping Station and provide upgraded odor control and electrical support for the new and future equipment. The contract amount is \$11,033,997.

This Resolution is effective immediately.

Secretary to the Board of Directors

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

ACTION REQUESTED

CONSTRUCTION CONTRACT:

**“O” Street Pumping Station Odor Control System
(Non-Joint Use)**

Approval to execute a construction contract for \$11,033,997.00

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME:	SUBS:	PARTICIPATION:
Skanska USA Building Inc. 700 King Farm Boulevard Suite 200 Rockville, MD 20850	<u>MBE/WBE Planned Goals:</u> MBE \$4,008,745 WBE \$ 661,586 *See Attachment A for list of line item participation goals.	36.3% 6.0%

* Final sub-contracts for work to be undertaken are still being negotiated by Contractor. However, they have identified categories where MBE and WBE firms will be selected to perform the work. As contractor is still in final negotiations with sub-contractors, the specific names of firms selected have not been finalized. Skanska has committed to meet or exceed the above stated goals for MBE and WBE.

DESCRIPTION AND PURPOSE

Contract Value, Not-To-Exceed: \$11,033,997.00
 Contract Time: 381 Days (1 Year, 16 Days)
 Anticipated Contract Start Date (NTP): 3/15/2017
 Anticipated Contract Completion Date: 3/31/2018
 Bid Opening Date: 1/13/2017

Other firms submitting proposals/ qualification statements:
 American Contracting & Environmental Services
 Norair Engineering
 Skanska**
 W.M Schlosser

**Asterisk indicates short listed firm.

Purpose of the Contract:

To provide code required ventilation rates in the various areas of the O Street Pumping Station and provide upgraded odor control and electrical support for the new and future equipment.

Contract Scope:

- Provide upgrades to supply air for the Screen Room, Scrubber Room, Sanitary Wet Well and Stormwater Wet Well.
- Install an upgraded odor control system including instrumentation and control for the Screen Room, Scrubber Room, Sanitary Wet Well and Stormwater Wet Well.
- Install new 480 volt motor control center for the new and future equipment

PROCUREMENT INFORMATION

Contract Type:	Fixed Price	Award Based On:	Lowest responsive, responsible bidder
Commodity:	Construction	Contract Number:	160170
Contractor Market:	Open Market		

BUDGET INFORMATION


Funding:	Capital	Department:	Engineering and Technical Services
Service Area:	Sewer	Department Head:	Liliana Maldonado
Project:	FQ		

ESTIMATED USER SHARE INFORMATION

User	Share %	Dollar Amount
District of Columbia	100.00%	\$11,033,977.00
Federal Funds	0.00%	\$
Washington Suburban Sanitary Commission	0.00%	\$
Fairfax County	0.00%	\$
Loudoun County & Potomac Interceptor	0.00%	\$
Total Estimated Dollar Amount	100.00%	\$11,033,997.00

 _____, 2/9/17
 Mark Kim Date
 Chief Financial Officer

 _____, 2/9/17
 Dan Bae Date
 Director of Procurement

 _____, 2.9.17
 Leonard R. Benson Date
 Chief Engineer

 _____, 2-16-17
 George S. Hawkins Date
 General Manager

Attachment A



February 6, 2017

DC Water Odor Control- Projected MBE/WBE Subcontracting Plan		From Current Bidder					Total Anticipated				
		Best Value	MBE % (32% Goal)	MBE \$	WBE % (6% Goal)	WBE \$	Best Value	MBE % (32% Goal)	MBE \$	WBE % (6% Goal)	WBE \$
02A	Demolition	\$ 29,900	100.00%	\$ 29,900	0.00%	\$ -	\$ 29,900	100.00%	\$ 29,900	0.00%	\$ -
03A	Concrete	\$ 67,067	0.00%	\$ -	0.00%	\$ -	\$ 67,067	100.00%	\$ 67,067	0.00%	\$ -
05A	Steel	\$ 644,267	22.00%	\$ 141,739	0.00%	\$ -	\$ 644,267	22.00%	\$ 141,739	0.00%	\$ -
08A	Doors and Frames	\$ 48,521	0.00%	\$ -	6.00%	\$ 2,911	\$ 48,521	60.00%	\$ 29,113	6.00%	\$ 2,911
23A	Mechanical	\$ 6,076,360	32.00%	\$ 1,944,435	6.00%	\$ 364,582	\$ 6,076,360	36.50%	\$ 2,217,871	7.50%	\$ 455,727
26A	Electrical	\$ 2,219,500	32.00%	\$ 710,240	6.00%	\$ 133,170	\$ 2,219,500	36.50%	\$ 810,118	7.50%	\$ 166,463
32A	Fencing	\$ 18,000	100.00%	\$ 18,000	0.00%	\$ -	\$ 18,000	100.00%	\$ 18,000	0.00%	\$ -
	Skanska Costs	\$ 608,082	0.00%	\$ -	0.00%	\$ -	\$ 608,082	36.00%	\$ 218,910	6.00%	\$ 36,485
	Allowances By DC Water	\$ 814,000	0.00%	\$ -	0.00%	\$ -	\$ 814,000	36.00%	\$ 293,040	0.00%	\$ -
	Construction Contingencies	\$ 508,300	0.00%	\$ -	0.00%	\$ -	\$ 508,300	36.00%	\$ 182,988	0.00%	\$ -
	TOTAL CONSTRUCTION COST	\$ 11,033,997	25.78%	\$ 2,844,314	4.54%	\$ 500,663	\$ 11,033,997	36.33%	\$ 4,008,745	6.00%	\$ 661,586
			% of Const Cost		% of Const Cost			% of Const Cost		% of Const Cost	

Presented and Adopted: March 2, 2017

SUBJECT: Customer Assistance Program (CAP) Expansion to Provide a 50 Percent Credit off of the Monthly Clean Rivers IAC (CRIAC) Billed to Eligible Households and Tenants

**#17-18
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”) at the Board meeting held on March 2, 2017, upon consideration of a non-joint use matter, decided by a vote of ____() in favor and ____() opposed, to approve the following action to expand the Customer Assistance Program (CAP) to provide a 50 percent credit off of the monthly Clean Rivers Impervious Surface Area Charge (CRIAC) billed to eligible households and tenants.

WHEREAS, pursuant to D.C. Official Code §§ 34-2202.03(3) and (11) and § 34-2202.16, the Board is authorized to adopt rules and regulations to establish, adjust, levy, collect and abate charges for services DC Water supplies; and

WHEREAS, the Board authorized the General Manager to implement a Customer Assistance Program (CAP) to assist eligible low income single-family owner-occupied primary residential customers (homeowners) by exempting the first four Hundred Cubic Feet (4 Ccf) per month of water used to their water service charges (Resolution #00-38); to expand the CAP program to include eligible tenants (Resolution #04-10); to increase CAP benefits to exempt the first 4 Ccf per month of water used to their retail sewer service charges (Resolution #08-65); and to increase CAP benefits to apply to Payment-in-Lieu of Taxes (PILOT) and Right of Way (ROW) fees for the first 4 Ccf per month of water used (Resolution #10-86); and

WHEREAS, on July 7, 2016, the Board, through Resolution #16-61, approved an increase for the Clean Rivers Impervious Surface Area Charge (CRIAC) of 9.6% for FY 2017 and 13.2 % for FY 2018 to pay for the Clean Rivers Project; and

WHEREAS, on July 7, 2016, the Board, in Resolution #16-60, expressed its concern about the impact of the rate of growth in CRIAC on low-income customers, and directed the General Manager to evaluate the CAP and make a recommendation to the DC Retail Water and Sewer Rates Committee regarding the expansion of the CAP benefits to include CRIAC fees, as soon as practicable; and

WHEREAS, on September 27, 2016, the DC Retail Water and Sewer Rates and Finance and Budget Committees met to review and consider proposals for the expansion of the CAP to include CRIAC fees and customer impacts; and

WHEREAS, the Committees requested the General Manager to provide additional analysis on the impact of implementing an expansion of the CAP and alternative CRIAC abatement proposals and review the CAP enrollment history; and

WHEREAS, on November 15, 2016, the DC Retail Water and Sewer Rates and Finance and Budget Committees met to review the additional analysis on implementing an expansion of the CAP to include a CRIAC credit by providing a fixed ERU credit, fixed dollar credit or percent of CRIAC credit (25%, 50% or 75%) and CAP enrollment history; and

WHEREAS, on November 15, 2016, the Committees recommended to the Board to expand the CAP to abate 50% of the monthly CRIAC billed to eligible households and tenants effective as soon as practicable; and

WHEREAS, on December 1, 2016, the Board, through Resolution #16-103, approved the proposed CAP Expansion to provide a 50 percent credit off of the monthly CRIAC billed to eligible households and tenants; and

WHEREAS, on December 16, 2016, DC Water published Notice of Proposed Rulemaking (NOPR) in the *D.C. Register* (DCR) at 63 DCR 15506, requesting the public to submit comments within 30 days; and

WHEREAS, no comments were received in response to the published NOPR, and

WHEREAS, on February 21, 2017, the DC Retail Water and Sewer Rates Committee met and recommended for Board approval the CAP Expansion to provide a 50 percent credit off of the monthly CRIAC billed to eligible households and tenants; and

WHEREAS, on February 23, 2017, the Finance and Budget Committee met and recommended for Board approval the CAP Expansion to provide a 50 percent credit off of the monthly CRIAC billed to eligible households and tenants; and

WHEREAS, after consideration of the recommendations of the DC Retail Water and Sewer Rates Committee and Finance and Budget Committee, the District members of the Board of Directors, upon further consideration and discussion, agreed to expand the CAP to provide a 50 percent credit off of the monthly CRIAC billed to eligible households and tenants, effective May 1, 2017.

NOW THEREFORE BE IT RESOLVED THAT:

1. The General Manager is authorized to amend the CAP regulations to expand the benefits to eligible low-income single family residential customers and tenants to

receive a 50% credit off of the monthly billed CRIAC fee effective May 1, 2017 as set forth below:

4102 CUSTOMER ASSISTANCE PROGRAMS

4102.1 CUSTOMER ASSISTANCE PROGRAM FOR HOUSEHOLDS AND TENANTS

- (a) Participation in the Customer Assistance Program (CAP) shall be limited to single-family residential accounts and individually metered tenant accounts when the eligible applicant is responsible for paying for water and sewer services and/or the Clean Rivers Impervious Surface Area Charge (CRIAC).
 - (b) Eligibility shall be determined by the District of Columbia Department of Energy and Environment and as provided in section 4102.1(a).
 - (c) Eligible households and tenants shall receive an exemption from water service charges, sewer service charges, Payment-in-Lieu of Taxes (PILOT) and Right-of-Way (ROW) fees for the first Four Hundred Cubic Feet (4 Ccf) per month of water used. If the customer uses less than Four Hundred Cubic Feet (4 Ccf) of water in any month, the exemption will apply based on the amount of that month's actual water usage.
 - (d) Eligible households and tenants shall receive a credit of one hundred percent (100%) off of the monthly billed Water System Replacement Fee.
 - (e) Eligible households and tenants shall receive a credit of fifty percent (50%) off of the monthly billed CRIAC.
2. The General Manager is authorized to take all steps necessary in his judgment and as otherwise required, to publish a Notice of Final Rulemaking in the District of Columbia Register for the amendments to the Customer Assistance Program regulations and receive public comments in the manner provided by District of Columbia Administrative Procedure Act.
3. This resolution is effective immediately.

Secretary to the Board of Directors