



**DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY
242nd MEETING OF THE BOARD OF DIRECTORS
Thursday, May 3, 2018
9:30 a.m.
5000 Overlook Avenue, SW
Room 407**

- I. **Call to Order (Chairman Tommy Wells)**
- II. **Roll Call (Linda Manley, Board Secretary)**
- III. **Approval of April 5, 2018 Minutes**
- IV. **Chairman's Overview**
- V. **Committee Reports**
 1. **Environmental Quality and Operations Committee (Howard Gibbs)**
 2. **DC Retail Water and Sewer Rates Committee (Rachna Bhatt)**
 3. **Audit Committee (Nicholas Majett)**
 4. **Finance and Budget Committee (Timothy Firestine)**
- VI. **Issues of General Interest**
- VII. **CEO/General Manager's Report (Henderson J. Brown IV, Interim)**
- VIII. **Summary of Contracts (FYI)**
- IX. **Consent Item - Joint Use**
 1. **Approval of Amendments to the System Availability Fee (SAF) – Resolution No. 18-35 (Recommended by DC Retail Water and Sewer Rates Committee 04/24/18)**
- X. **Consent Items – Non-Joint Use**
 1. **Approval to Execute Contract No. 120210, SAK Construction, LLC – Resolution No. 18-36 (Recommended by Environmental Quality and Operations Committee 04/19/18)**
 2. **Approval to Execute Contract No. 170140, Stormwater Maintenance, LLC – Resolution No. 18-37 (Recommended by Environmental Quality and Operations Committee 04/19/18)**
 3. **Approval of Amendments to the District of Columbia Fire Protection Service Fee – Resolution No. 18-38 (Recommended by DC Retail Water and Sewer Rates Committee 04/24/18)**

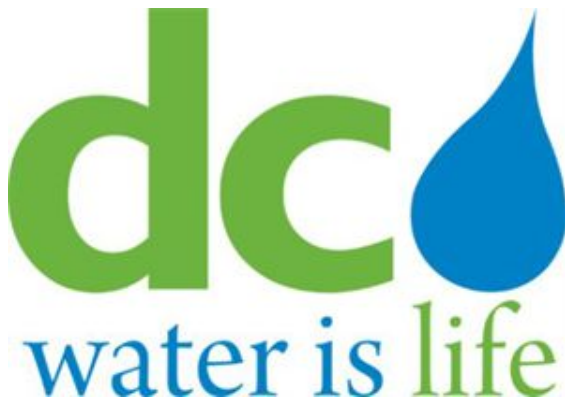
XI. Executive Session – To discuss legal, confidential and privileged matters pursuant to Section 2-575(b) of the D.C. Official Code¹

XII. Adjournment (Chairman Tommy Wells)

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

- Governance Committee – Wednesday, May 9th @ 9:00 a.m.
- Human Resource and Labor Relations Committee – Wednesday, May 9th @ 11:00 a.m.
- Public Hearing on Proposed Rate Increase (District members) – Wednesday, May 9th @ 6:30 p.m. (Council of Governments 777 North Capitol Street, N.E.)
- Environmental Quality and Operations Committee – Thursday, May 17th @ 9:30 a.m.
- Finance and Budget Committee – Thursday, May 24th @ 11:00 a.m.



**District of Columbia
Water and Sewer Authority**

Board of Directors

**Environmental Quality and Operations
Meeting**

Thursday, April 19, 2018

9:30 a.m.

MEETING SUMMARY

Committee Members

Howard Gibbs, Vice Chairperson
Patty Bubar
Anthony Giancola
Ivan Frishberg
David Franco (teleconference)
Kendrick Curry
Jed Ross
James Patteson (Teleconference)

DC Water Staff Present

Henderson Brown, Interim General Manager
Linda Manley, Secretary to the Board
Leonard Benson, Chief Engineer
Gregory Hope, Associate General Counsel

I. Call to Order

Mr. Gibbs called the meeting to order at 9:33 A.M.

II. PATH TO ASSET MANAGEMENT WORK – BENCHMARKING WITH PEER UTILITIES

Mr. Len Benson, Chief Engineer, DC Water, introduced the presentation regarding results from DC Water's benchmarking study with peer utilities. Mr. Benson summarized DC Water's Asset Management (AM) approach as having the following key components:

- Facility Plan (FP)
 - Defines long term capital needs
 - Considers condition and anticipated service life
 - Incorporates feedback from key stakeholders including Operations & Maintenance
- Asset Management Plan (AMP)
 - Incorporates input from key stakeholders to define risk in accordance with Asset Management principles and DC Water criteria
 - Validates and informs the prioritization of capital improvement programs and projects
- Capital Improvement Plan (CIP)
 - Defines project scope, delivery and approach
 - Establishes lifetime budgets and forecasted spending to meet financial limits
 - Updated annually to reflect changes

Mr. Benson also summarized the funding status of the approved CIP budget (FY 2018 – FY 2027) by service area.

Mr. Benson next reiterated the 'Path to Asset Management' Work Plan schedule and the topics to be addressed in the upcoming months.

After discussions with the Committee members, a decision was made to schedule a Plant-wide visit in May and visit Pump Stations in June. The Committee also inquired as to why there was little discussion on preventative maintenance in this presentation. Mr. Benson replied that Preventative Maintenance will be discussed at length during the June Committee meeting.

Next, Mr. Craig Fricke, Director, Department of Engineering and Technical Services, DC Water gave a presentation on comparisons with peer utilities regarding the Distribution and Collection Linear systems at DC Water. Mr. Fricke mentioned that DC Water looked at two recent benchmarking surveys for this comparison, namely, the "American Water Works Association (AWWA) Utility Benchmarking for Water and Wastewater Utilities" and the "Watermain Break Rate in USA and Canada: A Comprehensive Study" from Utah State University. These have each become available since the January BOD Mtgs in which Asset Management principled CIP was discussed: Each provides significant new infrastructure.

The results of the AWWA Utility Benchmarking (2016) results for Water indicated that DC Water ranked close to the bottom 25% in the 'renewal and replacement' and 'leaks and breaks per 100 miles' categories. For sewer, the same survey indicated that DC Water ranked at the bottom 25% in the 'sewer system inspection' and 'sewer system renewal and replacement' categories and also ranked close to the bottom 25% in the 'collection system failures per 100 miles' category.

Mr. Fricke stated the criteria used in the selection of utilities for peer-to-peer comparisons for water utilities as follows:

- Significance of impact of failure
- Internationally recognized cities
- Comparable infrastructure
- Comparable in size or larger
- Multiple service areas (water, sewer and treatment)

As such, the utilities selected for the peer-to-peer comparison included Chicago Department of Water Management (CDWM), Philadelphia Water Department (PWD), New York Department of Environmental Protection (NYCDEP), Thames Water (London, UK), WSSC (Maryland) and two other DC utilities: Pepco and Washington Gas.

Mr. Fricke next summarized the key findings of the peer comparisons. In general, these systems are larger than DC Water's systems, but the ages are generally comparable, with the exception of WSSC, which is much newer. DC Water's assumed service lives are generally in line with that of peer utilities and industry sources. Water main replacement rates were comparable except for Chicago, which is replacing mains at a higher rate than others, and London, which is replacing at a rate much lower than the others. Regarding sewer renewal rates, DC Water is generally renewing at a lower rate than the peer utilities surveyed.

It was difficult to make direct comparisons with Pepco and Washington Gas. Although both are also pursuing infrastructure improvements and upgrades to their systems to improve reliability

and safety. In addition, it was pointed out that each of these is regulated by the Public Service Commission and has rates that guarantee a return on investment.

Mr. Fricke then summarized the key findings. Based on the AWWA Utility Benchmarking Survey, DC Water linear water infrastructure ranks in the bottom half of 80 utilities surveyed in the 'Water Main Break' and 'Rehabilitation' categories. DC Water linear sewer infrastructure ranks in the bottom 25 percent of 80 utilities surveyed in the 'Sewer Failures', 'Sewer Inspections' and 'Sewer Rehabilitation' categories.

These findings were particularly relevant to DC Water since:

- DC Water's average water main breaks per 100 miles are much higher than others
- Small diameter cast iron pipe has the highest break rate
- About 80% of DC Water's small diameter water mains are cast iron and have an average age of nearly 90 years
- 100% of DC Water's cast iron pipe is over 50 years old

The peer comparisons showed that DC Water is generally similar to peer utilities in terms of system age, pipe materials, assumed service life and its need to comply with Consent Decrees. Some notable differences include:

- DC Water generally lags peer Utilities in annual linear asset assessment and renewal, particularly for sewer.
- DC Water's cost per capita of Consent Decree is much higher.

The Committee suggested information that DC Water is behind its peers in some key service areas should be made public and utilized to make the case that financial assistance from the District Government is needed.

Next, Ms. Diala Dandach, Director, Wastewater Engineering, DC Water gave a presentation on comparisons with peer utilities regarding vertical assets (pumping and treatment facilities). Ms. Dandach made the general observation that pumping and treatment facilities are more unique in terms of condition, location and operational parameters and as a result are more difficult to benchmark than buried linear assets.

Ms. Dandach stated the criteria used in the selection of utilities for peer-to-peer comparisons for vertical assets are as follows:

- Large systems in urban areas
- Over 750,000 served
- Comparable in size (mgd)
- Vertical assets include wastewater treatment plants and pump stations

As such, some of the utilities selected for the comparison include San Francisco Public Utilities Commission (SFPUC), WSSC, NYCDEP and Miami-Dade Water and Sewer Department (MDWSD).

Ms. Dandach also gave a detailed description of all the peer utilities with regards to their system status, asset management and facilities planning approach and CIP investment approach. In conclusion, she summarized the findings as follows:

- Peer public utilities are facing similar challenges in that they have a large need for reinvesting in aging infrastructure,
- Asset management approaches are investigated and used at varying levels in an

attempt to optimize investments

- Condition and consequence based assessment are widely used for plants and pump stations
- Life cycle cost assessments, business case evaluations and prioritization are common decision making tools
- Leading utilities are proactively investing into infrastructure while optimizing their investments by AM principled planning, however:
 - DC Water's current investment is largely driven by mandates
 - DC Water's reinvestment in their assets is at half the rate of other peer utilities
- Utilities with no pro-active approach to reinvest are facing mandates that are driving their CIP

Next, Mr. Brian McDermott, Director, Permit Operations, DC Water gave a presentation on the KPI Recovery Plan and Performance. He stated that historically, Permit Operations had a KPI of 90% or better but that due to increased workload and staff attrition, it had dropped to a low of 58% in November 2017. As a result, a recovery/action plan was initiated in order to meet KPI and anticipated system availability fee (SAF) buildup in December 2017.

Mr. McDermott summarized the recovery/action plan. As a result of this recovery plan, KPI performance rose to an acceptable level of 93%. The Committee inquired if DC Water had looked at their processes to see if any improvements in efficiency could be realized. Mr. McDermott replied that a significant amount of effort has gone into identifying potential areas where efficiencies could be improved. As an example, DC Water prepared a detailed checklist for use by permit applicants prior to submitting applications, which if adhered to, would significantly reduce their permit process time.

The Committee also inquired if the Department of Permit Operations had filled their open vacancies. Mr. McDermott replied in the affirmative but added that future staff needs are anticipated. Next, the Committee inquired if DC Water participates in the Velocity Program run by the Department of Consumer and Regulatory Affairs (DCRA). Mr. McDermott replied that DC Water is working alongside the DCRA and has pre-screened the projects in the Velocity Program to identify potential issues and has communicated those concerns to the DCRA.

Mr. Patrick O'Brien, Supervisor, Contracts & Procurement Management, DC Water, gave an informational presentation to the Committee on "Assessing Contractor Responsiveness, Responsibility and Overview of the EPA Outreach Program". He began by defining the terms "responsiveness" and "responsibility" per the Procurement Manual Sections 6.2.8 and 25.2, respectively.

DC Water also customarily conducts a post-bid, pre-award interview with the low bidder to further assess responsibility.

Mr. O'Brien then provided an Overview of the EPA Outreach Program. He stated that DC Water's MBE/WBE Fair Share Objective participation goals for construction are 32% and 6%, respectively. As such, all bidders are required to show 'Good Faith Effort Outreach' in accordance with EPA procurement requirements and failure to demonstrate this outreach in sufficient evidence will result in non-responsive or rejected bids. These efforts are:

- Ensuring DBEs were made aware of contracting opportunities
- Making information available for a minimum 30 calendar days
- Considering subcontract options (i.e., smaller tasks or quantities for DBE bidders)

- Encouraging contracting with a consortium of DBEs
- Using the Small Business Administration (SBA) and the Minority Business Development Agency (MBDA) of the Department of Commerce

Because each project has its own unique constraints regarding the ability to meet the outreach goals, it is possible to fall short of meeting the goal but still award a contract to the low bidder.

The Committee inquired if DC Water is adequately staffed in regards to Project Managers. Mr. Benson replied in the affirmative. The Committee also inquired if DC Water's Procurement process follows the federal process. Mr. Benson replied that while DC Water follows EPA's MBE/WBE goals and outreach guidelines, the Authority's procurement process differs from that of the federal procurement process. The Committee next inquired about the audit practices for DC Water's Procurement processes. Mr. John Bosley, Chief Procurement Officer, DC Water, replied that the Authority has a Compliance Department in charge of internal auditing (with the assistance of external consultants).

III. ACTION ITEMS

NON-JOINT USE

1. Contract No. 120210 – Lower Area Trunk Sewer Rehabilitation, SAK Construction, LLC.

The Committee inquired if it would have been possible to break up the project into smaller tasks to have more MBE/WBE participation. Mr. Benson replied that this was not possible because of the Geopolymer lining technology that is proprietary to the Contractor.

2. Contract No. 170140 – Green Infrastructure Maintenance Contract, Stormwater Maintenance, LLC.

The Committee recommended both non-joint use Action Items to the full Board.

IV. BLUE PLAINS RESEARCH & DEVELOPMENT OVERVIEW AND UPDATE

The Committee decided to postpone this presentation to next month's Committee meeting due to time constraints.

V. AWTP STATUS UPDATES

1. BPAWTP Performance

Mr. Aklile Tesfaye, Assistant General Manager for Wastewater Treatment reported on the performance of the Blue Plains Advanced Wastewater Treatment Plant (AWTP), by exception. Mr. Tesfaye stated that all performance parameters were excellent and all permit requirements were met.

Mr. Tesfaye briefed the Committee that during the month of March 2018, the first section of the Anacostia Tunnel System along with the Wet Weather Treatment Facilities (WWTF) at Blue Plains

were put into service starting Tuesday, March 20, 2018. On the same day the facilities were placed in operation, a wet weather event occurred, and as a result, 20 million gallons (MG) of flows from three different CSOs along the Anacostia River were diverted into the Tunnel System, pumped and processed through the WWTF. The wet weather event that occurred on April 16, 2018 was the first major event. Approximately 170 MG of CSOs were captured in the Tunnel System, pumped and treated at the new facility. A portion of the treated flow was directed to the main plant to maximize complete treatment and the remaining portion or 54 MGD was disinfected, dechlorinated and discharged through Outfall 001.

Mr. Tesfaye also mentioned that the Combined Heat and Power (CHP) facility generated an average of 189 megawatt hours per day (MWH/day) of electrical energy, making up for 28 percent of the total energy consumed at Blue Plains.

Finally, Mr. Tesfaye highlighted the 20,000 tons BLOOM marketing goal for the calendar year, by noting to the section of the monthly report that outlines planned distributions to different users; such as garden centers, soil blenders, highway projects, farms, restoration projects, and community gardens.

VI. EXECUTIVE SESSION

None.

VII. ADJOURNMENT

Meeting adjourned at 11:52 a.m.

Follow-up Items

1. Board Secretary: Schedule site visits with Committee members to Blue Plains Wastewater Treatment Plant (in May 2018) and to Pumping Stations (in June 2018).
2. Chief Engineer, DC Water: Conduct discussion on 'Preventative Maintenance' during the June EQ&O Committee meeting.
3. Director, Clean Water & Technology: Reschedule presentation on Blue Plains Research & Development Overview and Update for EQ&O Committee meeting in May 2018.



**DISTRICT OF COLUMBIA
WATER AND SEWER AUTHORITY**

Board of Directors

DC Retail Water and Sewer Rates Committee

Tuesday, April 24, 2018

9:30 a.m.

MEETING MINUTES

Committee Members in Attendance

Rachna Butani, Chairperson
Tommy Wells, Chairman
Reverend Kendrick Curry
Howard Gibbs
David Franco
Krystal Brumfield
Jed Ross

DC Water Staff

Henderson Brown, Interim CEO & General Manager
Matthew Brown, Chief Financial Officer
Meena Gowda, Acting General Counsel
Linda Manley, Secretary to the Board

Call to Order

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

FY 2018 Fire Protection Fee Cost of Service Update (Attachment A)

Mr. Brown updated the Committee on the FY 2018 Fire Protection Fee Cost of Service. He stated that the Committee recommended approval of the Fire Protection Fee on February 20, 2018. Mr. Brown informed the Committee that the Board approved the Notice of Proposed Rulemaking (NOPR) on March 1, 2018. He mentioned that no comments were received during the comment period. Mr. Brown stated that today's proposed action is for the Committee to recommend final action to approve the Fire Protection Fee. He noted that then the Board could approve the Notice of Final Rulemaking (NOFR) for the Fire Protection Fee on May 3, 2018 and the Fire Protection Fee NOFR would be published in the D.C. Register on May 18, 2018.

System Availability Fee Update (Attachment B)

Mr. Brown briefed the Committee on the System Availability Fee (SAF). He mentioned that the SAF has been under consideration since 2015. He stated that the Committee recommended approval of proposed amendments to the SAF regulations on February 20, 2018. Mr. Brown informed the Committee that the Board approved the NOPR on March 1, 2018 and the SAF NOPR was published in the D.C. Register on March 16, 2018. He mentioned that there was one SAF comment received from the District of Columbia Building Industry Association (DCBIA) during the comment period. Mr. Brown stated that today's proposed action is for the Committee to recommend final action to approve the Notice of Final

Rulemaking (NOFR). The Board could approve the NOFR on May 3, 2018. He noted that the NOFR would then be published in the D.C. Register on May 18, 2018 with the intent to go-live on June 1, 2018.

Mr. Brown provided an overview of the DCBIA comments received during the public comment period. He informed the Committee that DCBIA comments were to; 1) provide a credit for required public infrastructure improvements, 2) provide exemptions for charitable organizations and affordable housing, 3) allow building owners to “neck down” water laterals, 4) consider the impact of existing rates and fees on DCBIA members, and 5) provide adequate information about the implementation of the SAF. He further provided the Committee the responses for each comment and stated whether the SAF NOFR included actions to address the comments.

Mr. Brown informed the Committee on the SAF recommendation:

- 1) to change the effective date for SAF from January 1, 2018 to June 1, 2018
- 2) add procedures and requirements to receive credits for the affordable housing unit (AHU) development and redevelopment

Mr. Franco noted that he appreciated all the work done on the SAF. He mentioned that he thinks the SAF falls a little short of what could have been done, nevertheless, the most important aspects of affordable housing has been included in the SAF recommendations. Chairperson Butani asked the Committee if the SAF recommendation can be moved forward to the full Board. The Committee’s response was in the affirmative.

Action Items (Attachment C)

Chairperson Butani asked the Committee to move action items 1 and 2 to the full Board. The Committee made a motion to move action items 1 and 2 to the full Board.

- 1) Approval of Revised District of Columbia Fire Protection Service Fee for FY 2018 – FY 2021 (Action Item 1)
- 2) Approval of Revised System Availability Fee (SAF) Regulations in Notice of Final Rulemaking (NOFR) (Action Item 2)

Rate Stabilization Fund Review (Attachment D)

Mr. Brown provided an overview of the Rate Stabilization Fund (RSF). He noted that there have been a lot of questions and suggestions and conversations with the District. Some of the RSF questions related to the RSF history and use of fund. Chairperson Butani stated that there is a meeting with the Mayor’s office next week and part of the effort is to make sure that the Committee is well educated on the history of the RSF. She requested a Committee meeting after the Mayor’s RSF meeting to discuss the District’s potential thoughts and ideas on the RSF which will allow the Committee to come up with a formal plan. Mr. Brown mentioned that today’s RSF presentation does not contain a recommendation or proposed action.

Chairman Wells asked if there are any recommendations on what the Committee needs to do before next week’s meeting with the Mayor. Interim CEO & General Manager Brown replied that the Committee should look carefully on how to manage the cemetery piece. He mentioned that he had a meeting with Councilmember Cheh to discuss the budget and potential rate relief. Chairperson Butani cited that the request made to freeze rates would put a tremendous burden on DC Water and would potentially affect our credit rating. Chairman Wells stated that this a dynamic situation, whereas we can set some of the terms that protect DC Water but at the same work towards rate relief. He stated that the Department of Energy and Environment (DOEE) has access to some of the same data DC Water uses and that DOEE believes that there are up to 2,500 households that automatically qualify for the CAP program. He noted

that for one reason or another they are not participating and that if only 1,000 were enrolled, it would provide rate relief in the CAP program without having to create another customer class. Mr. Ross noted that in the recent Environmental Quality and Operations Committee (EQ&OPS) meeting there was a lot of discussion on infrastructure and deferred maintenance and so this will be an important conversation piece in the discussions with the Mayor.

Mr. Brown gave an overview of the RSF presentation. He stated that operating revenues are \$649.5 million and operating expenditures are \$582.8 million for FY 2019. He noted that our operating revenues rose modestly between FY 2018 and FY 2019 by 3.7 percent. He mentioned that we have a \$4.0 billion ten-year capital program which is the fastest growing item in our budget. The Clean Rivers program represents \$2.7 billion of the ten-year capital program and is paid for with the CRIAC. He mentioned that with the bond issuance nearly complete we have \$3.4 billion in debt (principal) outstanding, including current \$300 million issuance. We have \$7.3 billion in total assets. Debt service cost is 34 percent of the operating budget. Lastly, we have cash reserves of \$140.0 million plus \$61.5 million RSF.

Mr. Brown pointed out that in the water and wastewater industry there are two types of charges; 1) volumetric charges based on how much a customer uses similar to our water and sewer rates, and 2) fixed fees such as the CRIAC and Water System Replacement Fee (WSRF) aligned with our fixed costs. DC Water bases its rates and fees on actual costs to deliver services. There is a water and sewer rate based on how much water a customer uses, WSRF based on size of a customer meter, and CRIAC based on the impervious area of a customer property. He mentioned that the federal government to date has paid all of our DC Water's fees and charges because it is a "fair approximation" of the services they have received. The RSF has \$61.5 million and is a one-time fund and not recurring revenue. If the Board were to make a decision to apply \$6.0 million each year for ten years the fund will be depleted without a plan to replenish. The RSF can be used to "smooth out" a rate increase over multiple years.

Mr. Brown explained the broad-based relief (to all customers through rate) versus targeted relief (to low-income customers through CAP Program). Mr. Brown then gave examples of providing broad-based relief and targeted relief.

Chairperson Butani asked if the non-profit analysis takes into account that all non-profits are not created equal. Mr. Brown replied that we do not have the financials for the non-profits. Mr. Gibbs expressed that he is in favor of providing a discount for cemeteries but his concern is that the discount should meet the criteria that is spelled out in Board policies. Chairman Wells suggested that his recommendation would be to provide cemeteries some relief simply because the criteria is that they are cemeteries and not to create a rational which is not viewed as within our policy. Chairperson Butani asked if discounts given to cemeteries would be consistent with Board policies. Interim CEO & General Manager Brown replied that in our statute we have the ability to provide relief to charitable institutions and we have the discretion not to treat everyone at the same time as long as there is a rational basis. Reverend Curry suggested to include an option for 100 percent CRIAC discount as part of our conversation with the Mayor. Mr. Franco stated that he supports the 50 percent discount for cemeteries. Chairperson Butani stated that since low-income CAP customers receive 50 percent CRIAC discount it is more appropriate to provide cemeteries with 50 percent CRIAC discount.

Mr. Brown continued with the overview of the RSF presentation by explaining the other possible options which include; 1) pursue non-ratepayer funds, 2) negotiate further changes to the consent decree, 3) refinance the Clean Rivers debt, and 4) consider funding a portion of the Clean Rivers expenses through the sewer rate. He stated that in FY 2017 there was \$162.5 million recovered in the sewer rate and \$112.9 million in the CRIAC charges.

Mr. Brown stated that the purpose of the RSF is to; 1) avoid unexpected increases in operating expenses or reduction in revenues 2) smooth rate increases over multiple years, in the event that there was a large increase in one year. He briefed the Committee on the RSF Board policy, practices and history. He mentioned that the RSF has been generated from planned contributions of funds through the water and

sewer rates charged to all retail customers and year end surplus revenues that exceeded forecast, or expenditure savings. Furthermore, he stated since inception that there have been deposits of \$175.85 million and withdrawals of \$114.40 million. He noted that from FY 2007 through FY 2015 budgeted RSF withdrawals reduced total revenue requirements by between one and nine percent when applied. Chairperson Butani asked if the rating agencies rate the RSF. Mr. Brown replied that the rating agencies mainly looked at our levels of reserves and they give most credit for the Board required reserves. Mr. Gibbs inquired why is DC Water amassing such a high RSF. Mr. Brown replied that he reviewed the records and Board actions to find out if there was a stated purpose or recommendation that the previous CFO made and found that the previous CFO made verbal statement to achieve a target of \$100 million, which would be used in the future for the CRIAC. He stated that if he were to make a recommendation to this Committee; 1) withdrawals from the RSF would need to be planned, 2) consider a plan to payback withdrawals from the RSF, 3) consider the use of “one-time” funds, 4) consider impact on RSF regarding actions taken on recurring value, and 5) caution against large RSF withdrawals due to sustainability.

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

Mr. Brown gave a brief update on the Committee workplan.

Agenda for June 26, 2018 Committee Meeting (Attachment F)

Mr. Brown gave a brief update on the agenda for June 26, 2018 Committee meeting.

Other Business

No other business

Executive Session

There was no executive session.

Adjournment

The meeting was adjourned at 10:45 a.m.

FOLLOW-UP ITEMS – DC Retail Water and Sewer Rates Committee Meeting (April 24, 2018)

- 1) Provide an analysis on the typical residential customer bill to explore adding a third “higher” tier because the cost of delivering water to those customers is more than customers that use less than 6.2 Ccf. (Mr. Gibbs) **Status:** (June 2018)



DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

Board of Directors

Audit Committee

Thursday, April 27, 2017

9:30 a.m.

Meeting Minutes

COMMITTEE MEMBERS PRESENT

Nicholas Majett, Chairman
Bonnie Kirkland, Committee Member
Sarah Motsch, Committee Member

DC WATER STAFF PRESENT

Henderson Brown, General Manager
Biju George, Chief Operating Officer
Meena Gowda, Deputy General Counsel
Alfonzo Stukes, Board Admin Specialist
Jonathan Reeves, OEM Chief

INTERNAL AUDIT STAFF PRESENT

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

Call to Order (Item 1)

Mr. Nicholas Majett called the Audit Committee meeting to order at 9:33am.

Internal Audit Update (Item 2)

RSM Partner, Dan Whelan, presented the FY 2018 internal audit plan status update. Mr. Whelan noted that there have been modifications to the FY 2018 audit plan. These modifications include adding penetration testing to the plan, moving the risk management audit to FY19, and adding an accounts payable audit to the plan in order to replace the risk management audit.

Ms. Sophie Tomeo presented the status of prior audit findings. For audit findings prior to FY 2015, there is one open item. The remediation target date has been extended to November 1, 2018. There are no open items related to FY 2015 audit findings. For FY 2016 audit findings, there are three open items related to the overtime audit and analysis that are past due. There are 9 other open items related to FY 2016 audit findings. Mr. Mr.

Majett inquired about the past due items for the overtime audit. Mr. Biju George of DC Water noted that a new remediation target date has not been set due to an ongoing selection and implementation process for a new ERP system. Once the system has been selected, a target date will be announced since the open items will be remediated through the ERP implementation. For audit findings from FY 2017, there are four open items related to the DMS Work Order Management (Blue Plains) audit that are past due. There are 18 other open items related to FY 2017.

Ms. Tomeo followed with an action deferred update. Items considered “action deferred” are contingent on Union approval of policy. There are six action deferred items. Two of these items have already been negotiated with the Unions and are pending signature of the permanent General Manager upon announcement.

Ms. Jill Reyes provided the Committee an update on the Contracting Officer’s Representative and Contracting Officer’s Technical Representative also known as COR/COTR training, which pertains to a high risk finding from the FY 2016 contract compliance and monitoring audit. The original finding was due to a lack of COR/COTR training for employees. There are three phases to the remediation plan for this finding. Phases one and two have been completed, while phase three is in progress, and has a target completion by the end of May. Phase one included an update of current COTRs for contracts, and implementation of an initial COTR Vendor Report. Phase two consisted of providing COTR training to all active COTRs. Phase three of remediation includes implementing an automated Vendor Performance Management and Reporting application. Ms. Reyes noted that the application was selected on March 31, 2017, and was implemented and went live on March 23, 2018. Ms. Reyes also noted that RSM was given a demo of the new application.

Mr. Ethan Bickford presented an overview of the Recruiting, Selection, and On-Boarding Internal Audit. The scope of the audit included assessing the controls around the evaluation of applicants and selection of new hires; evaluating practices and procedures surrounding employee selection, as well as recruiting and on-boarding; evaluating practices and procedures surrounding repurposing, and movement of existing positions into vacant approved positions; and determining that records, documentation, and new hire folders are sufficiently maintained.

Committee member Mr. Anthony Giancola was absent but presented a written question to Mr. Majett for the audit staff. He questioned if the 90 vacancies revealed by the audit, or approximately 7.5% vacancy rate based on 1,200 total employees, was high. He opined that we should be below 5%. He requested the Auditor’s opinion based on national statistics.

. Mr. Biju George answered that they will look into the process to better understand whether the suggested 5% vacancy rate is an adequate threshold. He also stated that the total number of employees was 1,260 and that a review was being done to determine DC

Water's actual staffing needs. Ms. Sarah Motsch noted that filling vacant positions with internal applicants may cause ongoing vacancies.

Ms. Sophie Tomeo then presented an update on the Automated Meter Reading (AMR) Implementation Audit. AMR updates have been provided to the Committee in the past throughout the AMR program. The scope of this audit includes evaluating the meter program implementation plan and meter installation process; assessing the meter disposal process and controls; assessing the MTU battery disposal process and controls, as contracted with Aclara Technologies LLC (Aclara); Reviewing billing adjustments for customers with new meters and verifying proper management of accounts that have billing exceptions and customer disputes; and provide timely recommendations regarding overall project risk management. Ms. Tomeo noted that 67,122 work orders have been completed and 24,687 work orders remain. It was also noted that this project is coming in under budget, so all goals and targets have been achieved and no outstanding deliverables are due. Additionally, Ms. Tomeo noted that installations are currently ahead of schedule. The RSM team visited the Aclara's warehouse in order to gain an understanding of the MTU battery disposal process. Ms. Tomeo confirmed that the process and disposal sites are appropriately certified. Lastly, Ms. Tomeo gave an update on the AMR billing adjustment process. She noted that as of April 4, 2018, there have been 187 customer inquiries regarding the AMR implementation.

Ms. Tomeo then presented the Office of Emergency Management (OEM) Review. The purpose of this review was to obtain an understanding and formalize OEM's processes in order to drive economic and resource efficiencies for the department. The scope for the project included evaluating how general office operations are managed; determining the current requirements and consistency of the Office of Emergency Management updates; and evaluating how OEM utilizes the mobilization checklist to track the Planning Section Incident Management team activation process, as well as develop a formalized workflow to document the overall activation process. The Internal Audit team assisted OEM in determining an appropriate plan review process for seven emergency plans. Ms. Tomeo noted management's accomplishments, which include completing the first comprehensive Authority-wide J-100 vulnerability, risk, and resilience assessment performed by AECOM; achieving ISO 22301 business continuity and emergency management audit of DC Water's Emergency Management program; and establishing Emergency Management Accreditation Program (EMAP) certification. Mr. Jonathan Reeves, OEM Chief at DC Water, gave additional information on OEM's interaction with the District, and noted that DC Water will be the first water utility in the world to be given EMAP accreditation.

Ms. Reyes provided an update on the Hotline. She informed the Board that since the January 2018 Audit Committee meeting, six calls have been received. None of those calls have been fraud claims. Four cases have been closed, and there are currently five cases open. Ms. Reyes also informed the Board that that RSM is coordinating with External

Affairs to continue to educate DC Water employees on the purpose of the hotline, procedures on how hotline calls are managed, and best practices.

Executive Session (Item 3)

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)(11) of the D.C. Official Code. It was so moved and seconded and motion carried. The room was cleared of non-Executive members and all public individuals. The Audit Committee went into Executive Section at approximately 10:13 AM.

Adjournment (Item 4)

The Audit Committee meeting adjourned at 10:41 AM.

Follow-up Items

The Audit Committee requested that Management and Internal Audit investigate and report back on the following items:

1. Research the national statistics for vacancy rates, and determine whether DC Water's rate is appropriate.
2. Provide the Committee information on internal versus external hires/promotions.



**DISTRICT OF COLUMBIA
WATER AND SEWER AUTHORITY**

Board of Directors

Finance and Budget Committee

Thursday, April 26, 2018

11:00 a.m.

MEETING MINUTES

Committee Members

Timothy Firestine, Committee Chairperson
Tommy Wells, Board Chairman
Krystal Brumfield
David Franco
Sarah Motsch
Jed Ross
Adam Ortiz

DC Water Staff

Henderson Brown, Interim CEO/General Manager
Matthew T. Brown, Chief Financial Officer
Meena Gowda, General Counsel, Acting
Alfonzo Stukes, Board Administrative Specialist

Call to Order

Chairperson Timothy Firestine called the meeting to order at 11:00 a.m.

March 2018 Financial Report

Mr. Matthew Brown, CFO, reported that DC's Water credit rating by Standard & Poor's (AAA) and Moody's Investors Service (Aa1), were both affirmed. He noted that DC Water successfully issued \$300 million in tax-exempt, fixed rate bonds. Staff completed the FY 2017 Inter-Municipal Agreement (IMA) Operating Settlement resulting in an additional billing of \$2.8 million due to DC Water. Lastly, he shared that DC Water is kicking off its FY 2020 budget on May 18, 2018 and it will be coordinated with two other ongoing initiatives - the Interim GM's 20/20/20 initiative (\$20 million in savings, \$20 million of alternative revenue by 2020), and the Pathway to Asset Management initiative which is under review by various Board committees.

CFO Brown stated that DC Water's operating expenditures are in line with budgetary expectations while revenues and capital disbursements are not on track with budget. With 50 percent of the fiscal year completed, total operating revenues are at \$297.8 million, or 48.0 percent of budget, operating expenses at \$253.7 million, or 45.1 percent of budget and capital disbursements at \$291.9 million, or 64.9 percent of budget in the respective categories.

Mr. Brown reported that lag in revenues, mainly in the residential, commercial and multi-family category, is as a result of delayed billing due to the implementation of the new Customer Information System (eCIS), and that both the customer services and finance teams are working to ensure the accuracy and timeliness of the customer bills.

Mr. Charles Kiely, AGM, Customer Care & Operations, further explained the new requirements of the new eCIS system and challenges for data conversion controls, changes in consumption calculations, and account reconciliations for billed and unbilled revenues. He stated that as with most implementations, there is a learning curve and staff continues to work with the business partners from Vertex to assist in the process to resolve the outstanding issues and clear some of the backlog. Chairperson Firestine inquired about the notification process to these unbilled customers and options provided for extended payment plan. Mr. Kiely responded that they have reached out to the Federal and Housing Authority, placed phone calls and bill messages to residential customers, and will be providing extended payment options. He also stated that management anticipates that the backlog in customer billing would be cleared up by late May/early June 2018. Mr. Kiely apprised the Committee that going forward, there will always be an unbilled component based on the new system and the way in which revenue is calculated with regard to the unbilled portion. He expressed that the challenge is to ensure that the unbilled component does not extend beyond the month that is currently being reported. Mr. David Franco asked if there has been any consideration for hardship to be given to customers who receive a three month bill. Mr. Kiely expressed that they are willing to work with the customers on a payment plan and that collection activity has been suspended but the plan is to pick it back up very soon. Lastly, Mr. Kiely noted that 97 percent of customers are receiving their bill as they normally would.

Next, CFO Brown reported that the favorable position of the operating expenditures is a result of underspending in various operations & maintenance (O&M) categories, and the Cash Financed Capital Improvements (CFCI), which is not yet applied, is anticipated to be utilized by year-end. He stated that the higher than budget spending in personnel services costs of approximately 5 percent is a result of the approved Board-ratified union labor contract, other salary adjustments and overtime costs during the very cold winter season for emergency work on historically high water main breaks and the Automated Meter Reader (AMR) program. The underspending in contractual services is across the Authority and is not associated with any one contract. Supplies and chemicals are slightly higher than budget due to higher than anticipated costs for major chemicals including methanol. Water purchases is lower than budget primarily due to lower consumption, which is expected to increase during the summer months when water usage is highest. He also noted that utilities are slightly lower due to the onsite generation of energy. Management anticipates underspending in debt service cost resulting from the new bond deal.

Mr. Brown informed the Committee that the Disbursement budget was revised upward in March from the original budget of \$387 million to \$449 million, an increase of about \$62 million. The year-to date disbursement is at \$15.2 million, or 5.5 percent above the revised budget, with the overspending in various service areas of the capital projects. Detailed project performance will be reviewed in May by the Department of Engineering and Technical Services (DETS), in concurrence with the mid-year FY 2018 budget projections.

CFO Brown reviewed the various components of the Operating Reserve accounts, which has \$125 million consistent with the Board O&M policy, and excess liquidity of \$34.4 million, bringing the total operating reserve to approximately \$160 million at the end of March. He noted that the excess liquidity is related to the timing of disbursement and drawdowns from bonds for capital cost reimbursements,

and does not represent extra money that DC Water has to spend. He acknowledged that historical year-end O&M reserve balance has been above the management target of \$140 million and Board policy of \$125 million. Mr. Franco inquired if the \$140 million should become the new Board Policy amount. Mr. Brown expressed that management is in favor of changing it to \$140 million because it would bolster DC Water's financial situation and positively impact the credit rating.

Mr. Franco inquired if the Headquarters Building (HQO) project was over budget. He mentioned that he had heard that from a Council member that DC Water had gone over budget on the HQO project. Mr. Biju George, Chief Operating Officer, responded that the hard costs (construction) budget was originally revised to approximately \$70 million and that that project is currently expected to finish under budget. He stated that this is exclusive of other related costs of about \$4 million for security and information technological equipment needs which are currently under procurement and being controlled by his office.

As part of the quarterly financial performance review, Mr. Brown walked the Committee members through the remaining areas of the report including the detailed operating revenues, departmental overtime costs, accounts payable performance and grants report.

Next, Mr. Brown informed the Board that staff is continuing to look at various metrics of organizations that are similar to DC Water to get a better understanding of how they operate, how they generate revenue, the size of their capital program, debt service costs, and financing options. He noted that there is some difficulty in finding peers that are exactly like DC Water, but plans to provide the Committee with a list of selected peer utilities based on due diligence review at the next month meeting. Next steps would be detailed analysis of retail rate impacts, financial plan scenarios and other metrics consistent with the Asset Management Plan scenarios evolving from the Engineering Department's review with other committees. Mr. Franco also requested if DC Water could provide a revenue analysis by year to show: what the CIP would cost with the asset plan scenarios versus the plan that is currently in place, and the rate increase that would be necessary to support the proposed plans. Mr. Brown agreed to provide this information.

2018 Bond Issuance Update

CFO Brown reported that on April 17, 2018 DC Water successfully issued \$300 million in tax-exempt, fixed rate bonds, which includes \$100 million designated as (Series A) green bonds for Clean Rivers projects and \$200 million in Series B bonds for general capital improvements. The Authority received over \$1 billion in subscription orders from investors. The final net proceeds received were about \$347 million, and at an all in true interest cost of 3.89 percent. Additionally, DC Water issued commercial paper during the interim totaling \$85 million, which will be paid off by the Series B bonds at settlement on April 30, 2018.

Adjournment

Hearing no further business, Chairperson Firestine adjourned the meeting at 11:40 a.m.

Follow-up Items

1. Provide a 24 month trend graph of the O&M Reserve to include historical drawdowns **(Mr. Franco)**
2. Revisit Rate Stabilization Fund Board Policy with the Retail Rates Committee. Discuss target amounts and other policy improvements **(Mr. Franco)**
3. Provide update on the Headquarters building project as part of the FY 2018 mid-year projections review with the committees **(Mr. Franco)**



CEO and GENERAL MANAGER'S REPORT

Henderson J. Brown, IV (interim) – May 2018

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Message from the CEO/GM

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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Bond Issuance

On April 18, 2018, DC Water issued \$300 million in tax-exempt, fixed-rate bonds, including \$100 million designated as green bonds. The senior-lien bonds sold all in one day, with a 31-year maturity priced to yield 3.19 percent. The sale was bolstered by DC Water’s strong credit ratings, AAA by S&P Global Ratings, Aa1 by Moody’s Investor Service, and for the green bonds, GB-1 the highest possible green bond assessment by Moody’s. The AAA rating by S&P is the highest a utility can achieve.

Proceeds from the \$100 million in green bonds will finance a portion of the \$2.7-billion-dollar DC Clean Rivers Project designed to significantly reduce combined sewer overflows into District waterways. The project achieves several green benefits including improving water quality and providing flood mitigation and waterway restoration. The proceeds from the remaining \$200 million of bonds will be used for projects in DC Water’s Capital Improvement Program, to upgrade, repair and replace aging water and sewer infrastructure.

Strategic Plan Refresh

By laying out a course of action, strategy represents a disciplined process for making fundamental decisions and shaping DC Water’s future. To-date, DC Water has operated based on the strategies set forth in the Blue Horizon 2020 Strategic Plan, adopted by the Board of Directors in March 2013 and revised in 2015. This plan has served as a blueprint for achieving a vision to be a world-class water utility. In FY18, DC Water is refreshing its strategic plan to ensure it continues to focus on the priorities, trends and opportunities that will drive operational excellence.

Overall, customer expectations are changing. The Board's direction to revise our strategic plan gives us an opportunity to respond to those changing expectations. Refreshing the strategic plan will also promote improved organizational agility. Over the course of the past several months, various DC Water Board members, Executive and Senior Staff have contributed to the development a new strategic plan framework. In the coming months, the Board should expect to preview the new plan.

Town Hall Meetings

DC Water has completed meeting with District residents in all eight wards of the District as part of an effort to hear from customers about rates and services. In the presentations given at the Town Hall Meetings, I explained how rates are set, where the money is spent, and which major projects are driving the costs of residential water and sewer bills, including the Clean Rivers Impervious Area Charge.

These meetings are the single best way we can connect with many customers in person and learn about what matters to them. These meetings are valuable forums during which we hear face to face about the major concerns and challenges faced by our customers. These meetings also highlight issues that may be unique to specific wards. Overall, these meetings elevate the voice of our customers and promote greater DC Water visibility in the community. Many participants have expressed their appreciation for

the opportunity to meet directly with our executives and staff to share their opinions, ask questions, and receive information about our operations.

Employees Recognized for Outstanding Customer Service

Team Blue works daily to provide exceptional customer service to our customers, but it is not often (although not rare) that we hear all the positive feedback directly from customers. On Friday, April 20, 2018, DC Water received an email about two Team Blue members that demonstrates the quality services that our staff are delivering to our customers. Below is an excerpt from the email we received from the customer:

Message from the CEO/GM

To whom it may concern,

I want to write to compliment two of your employees. George Ferrell came to our house today to do an audit as we had received a \$900 bill a month ago. He was professional, kind, thoughtful, knowledgeable and very helpful. And obviously a very nice person too. I called to follow up later on [to]... ask a few questions and got Donna Gray on the phone. She was just as nice as George, knowledgeable, patient as she explained things to me and obviously a very nice person too.

Today, so many employees can come across as rushed, rude or not focused on the customer. Both these people were empathetic and even though I'm not happy about a \$900 water bill, I felt heard and understood. I also feel like I understand why it happened and that the issue is going to be corrected in the future so it doesn't happen again.

Bloom Celebrates a New Milestone

On April 23, 2018, Bloom numbers reached a historical new milestone. In a single day, Blue Drop sold DC Water's entire biosolids production -- reaching over 450 tons. As Bloom marketing activities continue to target key customers, Bloom sales are also increasing:

Bloom Sales

	03/2018	YTD
Tons diverted	659	2509.95
Cost of tons (\$45/ton)	\$29,655.00	\$112,947.75
Cost Savings to DC Water	\$20,994.60	\$70,698.66
Revenue to Blue Drop	\$6,957.41	\$15,469.14

External Affairs

- The Office of External Affairs collaborated with the Clean Rivers Project team to produce a major event surrounding the opening of the lower portion of the Anacostia River Tunnel. OEA managed logistics, media relations and government affairs for the event.
- EA Staff attended a regional Water Public Information Officer meeting at the Metropolitan Washington Council of Governments on April 10. Attendees discussed regional Cyanotoxin response plans, upcoming events, and utility updates.
- EA staff communicated the WEA alert prior to April 10, the day the test occurred. It was a communication test to millions of people who work or reside in the region and we encouraged staff to participate in the survey.

Government Relations

- Our team was very busy conceiving the concept for, planning the day of and orchestrating the tunnel opening ceremony. There were multiple agencies at the federal and local level to connect

Message from the CEO/GM

with, scores of invitations to VIP and select guests and much coordination to make sure the day went well. In the end, bringing key speakers together helped make the event a success.

- In addition, we have been very busy working to support the DC Water town hall meetings,

working with Council offices and others to prepare the General Manager for any potential issues.

Media Relations

- OEA is pitching the Clean Rivers celebration to all journalists who have covered the tunnel and to all local, national and trade outlets. OEA is also putting the announcement over the wires for national/international and environmental media coverage.
- We worked with a Washington Post reporter to turn what might have been a negative story into a very positive story for DC Water about our green infrastructure training program. We were able to connect the reporter with one Ward 7 resident to feature and shadow in his work. We met the reporter on site and facilitated interviews. The story ran on the front of the Metro section of the Post.
- In addition OEA responded to a number of media calls surrounding customer complaints and water main breaks.

Press Releases

- March 28: [DC Water delivers a cleaner Anacostia River by opening first leg of massive tunnel system](#)
- March 27: [DC Water Hosting Residents for Ward Meetings on Rates & Services](#)
- March 20: [Spring cleaning for region's drinking water pipes begins March 26](#)

Media Coverage

- [The District of Columbia Infrastructure Academy Officially Opens](#) (Afro American / March 16, 2018)
- [Mayor Calls Clean Rivers Fee 'Overly Burdensome,' Asks DC Water to Lower Bills](#) (WRC-4 / March 22, 2018)
- [Baltimore to use new form of financing for green infrastructure projects to fight water pollution](#) (Baltimore Sun / March 23, 2018)
- [Cleanup: A Swimmable Anacostia?](#) (WAMU / March 28, 2018)
- [Potomac River gets highest 'grade' yet, but still not swimmable, fishable](#) (WTOP/ March 29, 2018)
- [Is your DC water tasting, smelling different? Here's why](#) (WUSA-9 / March 29, 2018)
- [\\$2.7 billion tunnel will help significantly cut raw sewage dumped into Anacostia River](#) (WJLA-7 / March 29, 2018)
- [Inside the biggest infrastructure project in DC since Metro](#) (WUSA 9 / March 28, 2018)
- [DC Water Opens First Leg Of Massive Tunnel System](#) (Water Online / April 3, 2018)

Message from the CEO/GM

Customer Newsletter

The April insert into customer bills was the spring Clean Rivers Project News, the consent-decremandated update to customers on the program. It included two stories about finishing the lower segment of the tunnel on time, one story about the Year of the Anacostia, and the required FAQ page.

Drinking Water Marketing and Communications

- DC Water, The National Park Service, conservation associations (i.e. Anacostia Watershed Society), and other stakeholders are promoting the Year of the Anacostia (YOTA). EA staff have participated in several calls and meetings to assist with promotional efforts that include advertising YOTA, developing messaging and graphics for the YOTA campaign, highlighting YOTA-related events in “What’s On Tap” and online, participating in the Anacostia River Festival, and hosting AWS stewards at Blue Plains.
- EA staff are producing ongoing “Trivia Thursday” segments in the community. Staff engage with customers face to face to answer questions about water quality, share information on the progress of DC Water’s wide-ranging initiatives, and facilitate informative dialogue on a wide range of issues. In addition to direct customer engagement, External Affairs staff use this platform to promote the Ward Town Halls.
- External Affairs staff continue to have a strong presence in regional workgroups. DC Water is participating in the newly-formed Interagency Working Group for Healthy Housing to produce content for public access television educating the public about lead exposure. Partnering agencies include the Department of Energy and Environment, Lead Safe DC, DC Department of Health, and the District Department of Housing and Community Development. EA staff produced an outline of DC Water’s lead outreach and programs that other agencies will use as a template to describe their efforts; the Workgroup will use this information to develop a programmatic map of District efforts to protect the public from lead exposure. External Affairs staff are also collaborating with these agencies to collate the extensive previously-produced publications and materials on lead exposure into a single item that District pediatricians can distribute to new and expecting parents with information to prevent lead exposure. This endeavor will reduce redundant efforts to more effectively deliver critical information on lead risk and water quality to vulnerable populations.

Meetings/Presentations/Events

- As part of its Environmental Education program, DC Water participated in a host of local STEM Fairs, either as a judge, or to provide information, giveaways and informational demonstrations on water conservation in the home.
- DC Water attended the March monthly meeting of ANC 3F to provide an update on our DC Clean Rivers Project and address customer questions and concerns regarding the Impervious Area Charge in connection with our project.
- DC Water attended a class held at Woodland Terrace Community Center by DCHA (Office of Resident Services) on the subject of “Clean and Green”. During the class, the DC Clean Rivers Project team provide information and updates on the Green Infrastructure program.
- DC Water officially kicked off its 8th season of Ward Town Halls across the District to share important information with customers on the upcoming rate increase while also addressing customer questions and concerns regarding rates and any other DC Water related matters. The first Town Hall took place in Ward 2, and was held at School without Walls at Francis Stevens 2425 N Street NW. ○ The second Town Hall took place in Ward 1, and was held at DC Housing Finance Agency-815 U Street NW.

Message from the CEO/GM

- The third Town Hall took place in Ward 3, and was held at University of the District of Columbia-4200 Connecticut Avenue NW.
- The fourth Town Hall took place in Ward 4, and was held at Paul Public Charter School 5800 8th Street NW.
- In observance of the “Year of the Anacostia”, DC Water is committed to hosting/attending a number of events focused around cleaning up the Anacostia River. Some of these events include:
 - DC Water held a very well attended Press event to commemorate the successful completion of phase 1 of its DC Clean Rivers Project.
 - DC Water participated in Alice Ferguson Foundation's 30th Annual Potomac River Watershed Cleanup Event, which kicked off in front of LaSalle Recreation Center. In addition to a special guest appearance and photo opportunities with Wendy the Water Drop, DC Water also provided its Cooling Station and water bottles to help keep the cleanup crews hydrated.
 - DC Water participated in the 4th Annual Anacostia River Festival. In continuing support of this event, DC Water provided a special guest appearance by Wendy, the everpopular Quench Buggy, and water bottles. Despite the fact that the event ended early due to inclement weather, it appeared to be a good time had by all in attendance.
- As part of its Environmental Education program, DC Water attended a host of local Lego League tournaments and meetings.
- As part of its Environmental Education program, DC Water visited the British International School of Washington to provide eager students an educational lesson on the topics “recycling” and “pollution of the Potomac River”.
- DC Water visited Seaton Elementary School to provide 48 2nd grade students an educational lesson on the DC Clean Rivers Project-Northeast Boundary Tunnel Project.
- DC Water was a participant in the “Wonders of Water” event, hosted by THE Metropolitan Washington Council of Governments, and held at Alexandria Renew Enterprises. For this event, DC Water provided giveaways and information on themes of water conservation, wastewater treatment, water quality, and overall stewardship.
- DC Water attended the April monthly meeting of ANC 3G to provide an update on the Oregon Avenue Sewer Rehabilitation and Replacement Project. This update was a joint effort between DC Water and DDOT.
- DC Water attended the April monthly meeting of ANC 5D to provide an update on the Northeast Boundary Tunnel Project.
- In light of the high impacts from future construction of the Northeast Boundary Tunnel Project to local business along the Rhode Island Avenue corridor, DC Water is participating in a number of community events held throughout Bloomingdale and other affected neighborhoods along the tunnel alignment. One such event is the Rhode Island Avenue Main Street Porch Fest. DC Water provided information and giveaways in support of this popular local event.

Tours

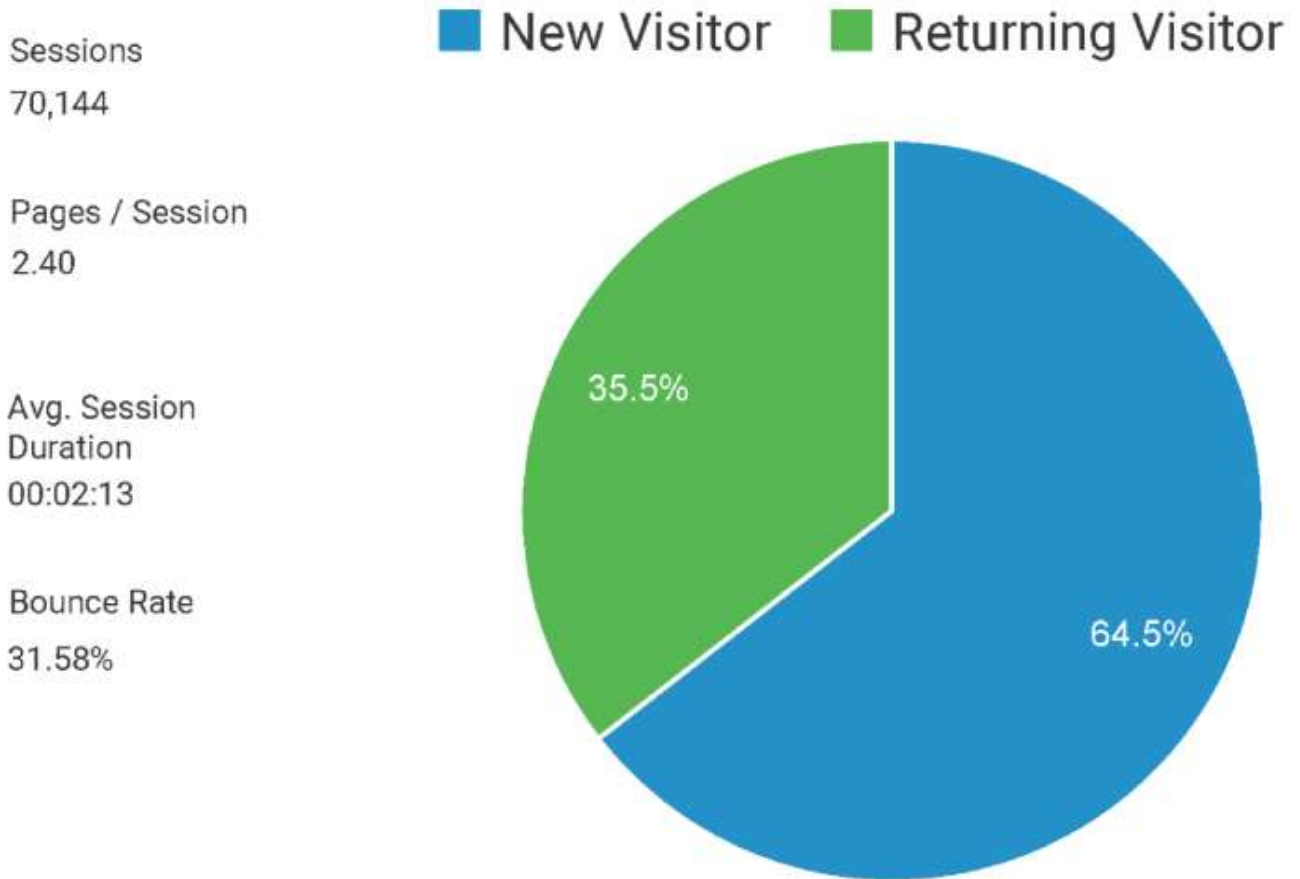
- ASCE Engineers 23 Adults
- BAU International University 7 Adults
- Watershed Society 20 Adults
- University of Virginia 25 Adults
- St. Albans School 1 Adult 19 Students
- Catholic University 18 Adults

Message from the CEO/GM

- UDC 25 Adults
- Chemonics International 25 Adults

Message from the CEO/GM

DC Water Website – www.dewater.com



Page	Pageviews	% Pageviews
1. /default.cfm	40,558	24.07%
2. /my-dc-water-upgrade	34,381	20.41%
3. /paying-your-bill	12,207	7.25%
4. /careers	8,656	5.14%
5. /contact	5,183	3.08%
6. /payment-and-billing	2,707	1.61%
7. /projects	2,291	1.36%
8. /chlorine-switch	1,473	0.87%
9. /clean-rivers-project	1,368	0.81%
10. /management	1,331	0.79%

Message from the CEO/GM

225,818 Impressions	5,537 Engagements	914 Link Clicks
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	Totals	Change
Audience Growth Metrics		
Total Fans	23,045	▲ 1.0%
New Twitter Followers	192	▲ 1.0%
New Facebook Fans	33	▲ 1.1%
New Instagram Followers	SocialMedia	▲ 1.3%
Total Fans Gained	243	▲ 1.0%

Total followers increased by

▲ 1.0%

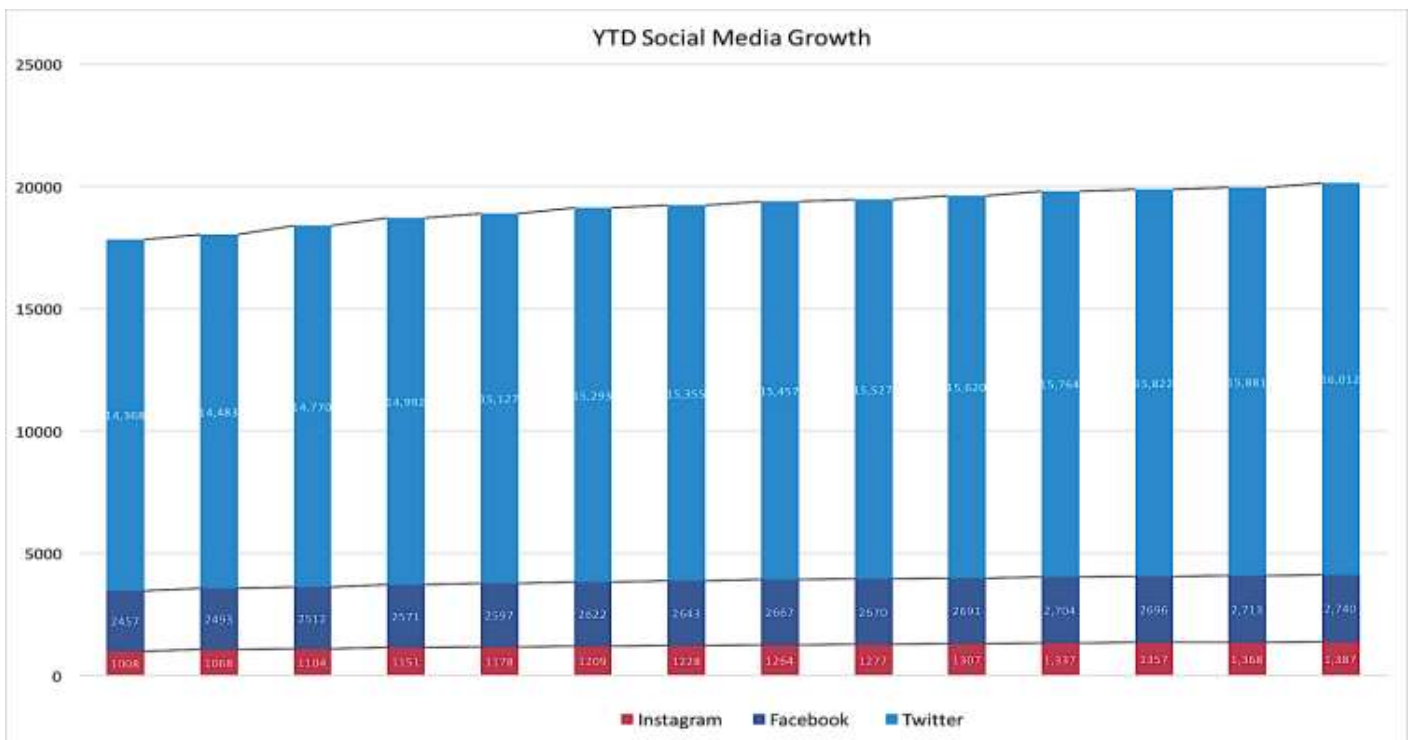
since previous date range

	Totals	Change
Engagement Metrics		
Twitter Engagements	3,685	▲ 48.8%
Facebook Engagements	1,206	▲ 252.6%
Instagram Engagements	646	▲ 96.4%
Total Engagements	5,537	▲ 75.9%

The number of engagements increased by

▲ 75.9%

since previous date range



ORGANIZATIONAL PERFORMANCE DASHBOARD (March 2018)

Financial Highlights

Net Operating Cash		Operating Revenues		Operating Expenses		Capital Disbursements	
Actual	55,129	Actual	298	Actual	254	Actual	292
Target	41,328	Target	310	Target	281	Target	277
	(\$ thou)		(\$ mil)		(\$ mil)		(\$ mil)
Operating Cash Balance		Delinquent Account Receivables		Core Investments Yield		Short Term Investment Yield	
Actual	171	Actual	3	Actual	1.67	Actual	1.23
Target	126	Target	3	Target	2.3	Target	1.69
	(\$ mil)		(%)		(%)		(%)

Customer Care and Operations Highlights

Call Center Performance		Command Center Performance		First Call Resolution		Emergency Response Time	
	85		85		75		90
Mar	90	Mar	94	Mar	77.8	Mar	100
	(% of calls rec)		(% of calls rec)		(% of calls rec)		(% of calls rec)
Fire Hydrants out of Service		Fire Hydrant Insp. and Maint.		Fire Hydrants Replaced		Permit Processing within SLA	
	54		30		250		93
Mar	(count)		(count)	Mar	(YTD count)		(%)

Low Income Assistance Program

Splash Contributions		Customer Assistance Program	
Actual	52	Previous	68
Target	40	Current	65
	(\$ tho)		(\$ tho)

Operational Highlights

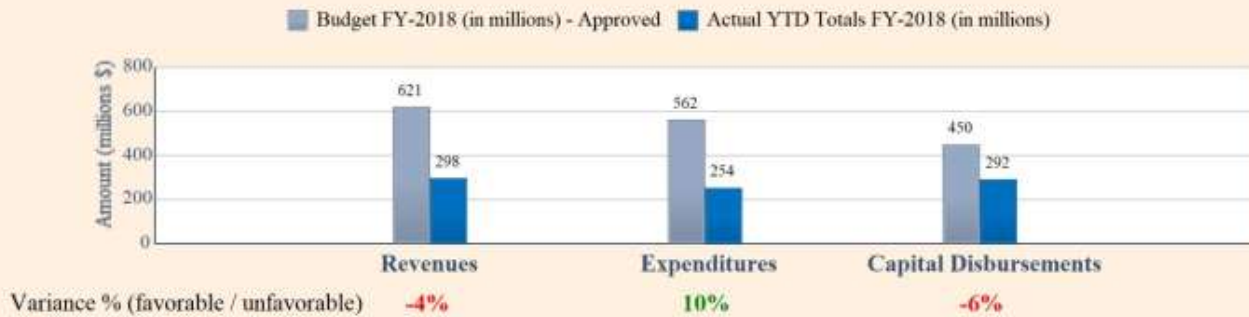
Lead Concentration (ppb)		Total Coliform Rule (%)		Biosolids Production		Total Nitrogen (lbs/yr mil)	
	5		0.8%		448		2.89
					(wet tons)		
Plant Effluent Flow (gal mil)		Excess Flow		Water Main Leaks		Water Valve Leaks	
	264		0		18		2
			(gal mil)		(count)		(count)
Non-Revenue Water		Sewer Main Backups		Sewer Lateral Backups		Dry Weather CSO	
Sold	NA		12		106		0
Purchased	NA		(count)		(count)		(events)
	(CCF mil)						
Recruitment Activity		Electricity Usage		Employee Lost Time Accidents		Vendor Payments	
Filled	16		18		8	Actual	98
Open	15		(MWh)		(count)	Target	97
	(count)						(%)

FINANCIAL HIGHLIGHTS

FINANCIAL PERFORMANCE SUMMARY

REVENUE, EXPENDITURE, CAPITAL DISBURSEMENT

Cumulative Revenue, Expenditure & Capital Disbursements compared to Budget

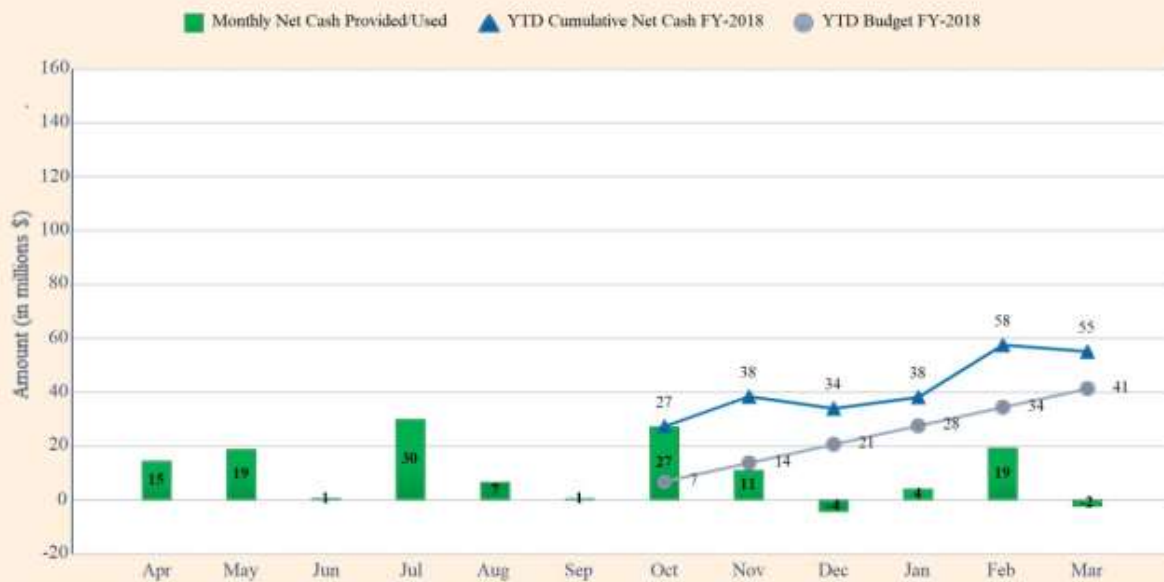


YEAR TO DATE ANALYSIS



NET OPERATING CASH

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



Net cash to date for March was above budget by \$13 Million

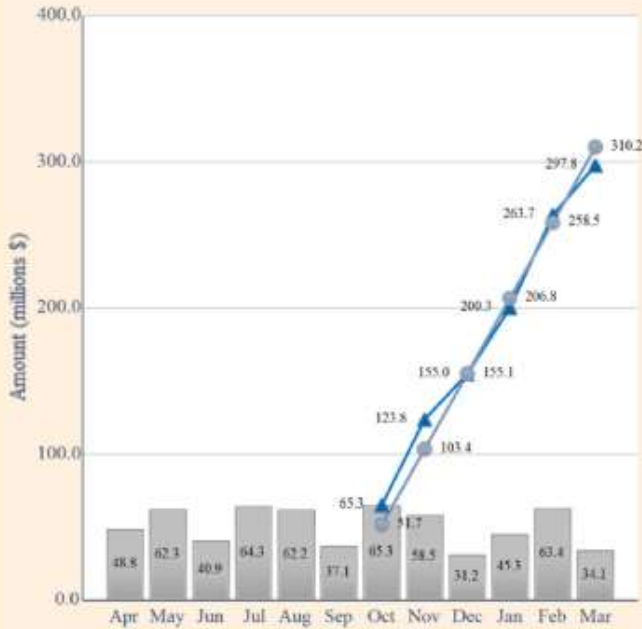
FINANCIAL HIGHLIGHTS

REVENUES AND OPERATING EXPENSES

OPERATING REVENUES

Monthly & Cumulative Revenue compared to YTD Budget

- Actual Monthly Revenue
- YTD Cumulative Revenue FY-2018
- YTD Cumulative Budget FY-2018

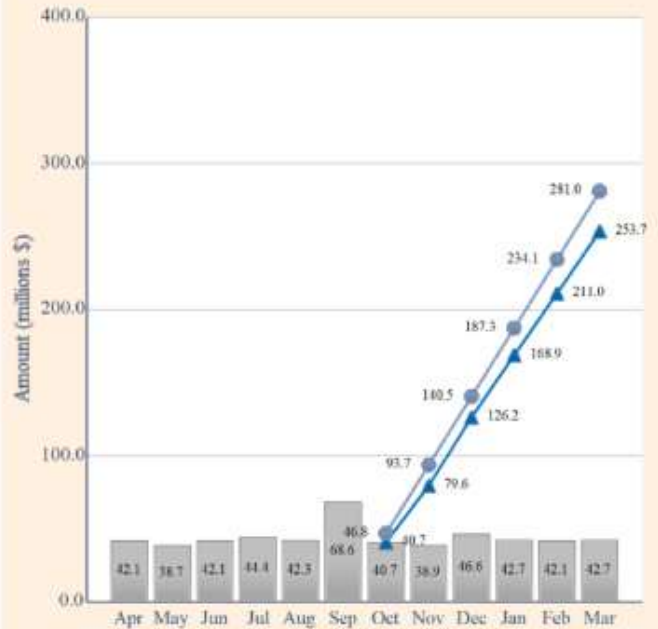


Revenue to date for March was below Budget by \$12 Million

OPERATING EXPENSES

Monthly & Cumulative Expenditure compared to YTD Budget

- Actual Monthly Expenses
- YTD Cumulative Expenditure FY-2018
- YTD Cumulative Budget FY-2018



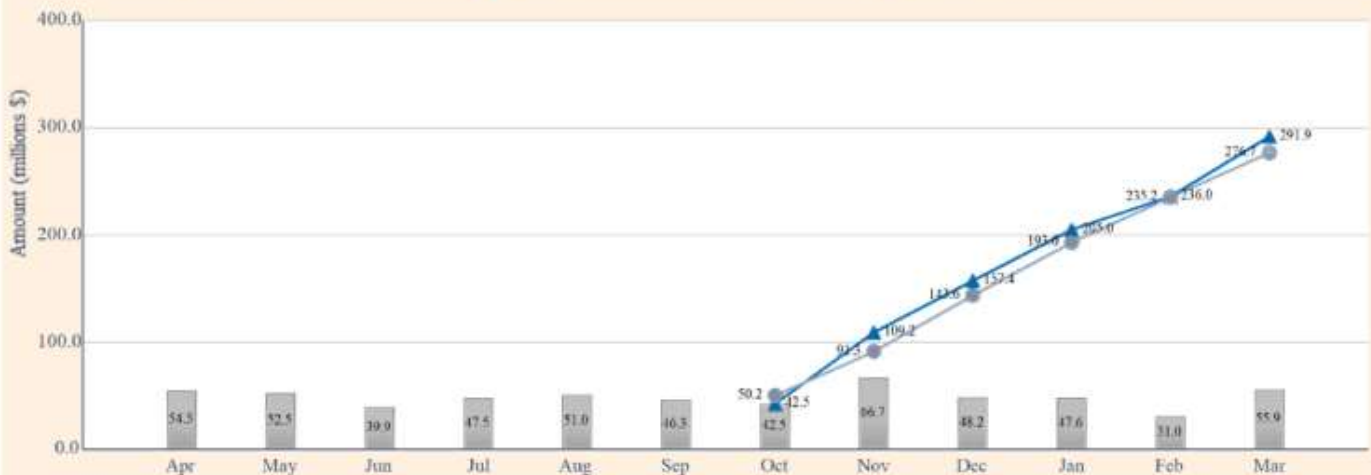
Expenditure to date for March was below budget by \$27 Million

CAPITAL SPENDING

CAPITAL DISBURSEMENTS

Monthly & Cumulative Disbursements compared to YTD Budget

- Actual Monthly Disbursements
- YTD Cumulative Disbursements FY-2018
- YTD Cumulative Budget FY-2018



Disbursements to date for March was above budget by \$15.2 Million. YTD Spending reflects comparison to the straight lined approved budget.

FINANCIAL HIGHLIGHTS

OPERATING CASH AND RECEIVABLES

OPERATING CASH BALANCE

Average Daily Cash Balance compared to Operating Reserve Target

- Actual Cash Balance FY-2018
- ⋯ Operating Reserve Target - (125.5 Million)

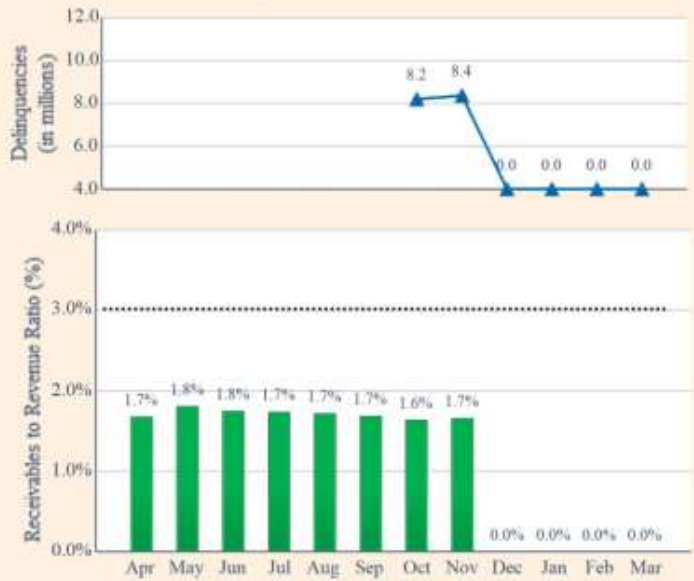


Cash Balance for March was above target by \$31 million

DELINQUENT ACCOUNT RECEIVABLES

Delinquency & Receivables to Revenue Ratio compared to Target

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



March Receivables to Revenue Ratio info is pending, Delinquency info is pending

INVESTMENT EARNINGS

INVESTMENT CASH EARNINGS

Monthly & Cumulative Earnings compared to YTD Budget

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



Earnings to date for March were above Projected Budget by \$85,000

FINANCIAL HIGHLIGHTS

INVESTMENT YIELD

CORE INVESTMENTS YIELD

Monthly Yield compared to Merrill Lynch Benchmark



Yield for March was more than the treasury index by 0.63%

SHORT TERM INVESTMENT YIELD

Short Term Yield compared to Merrill Lynch Benchmark



Short Term Yield for March was less than the Merill Lynch yield by 0.5%

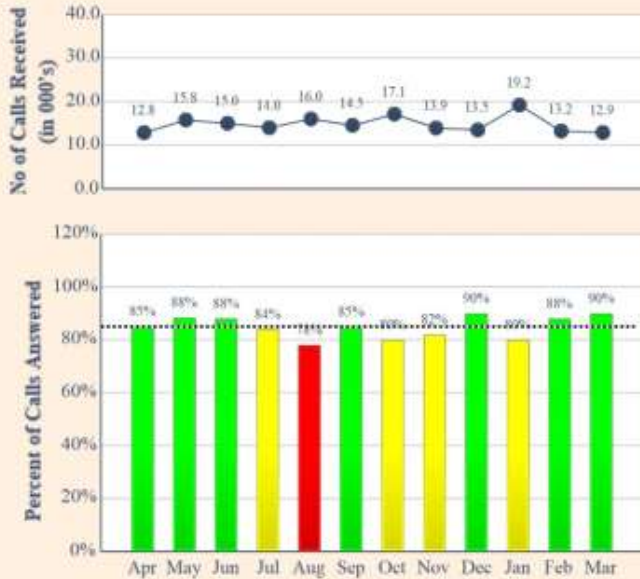
CUSTOMER CARE AND OPERATIONS HIGHLIGHTS

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%)

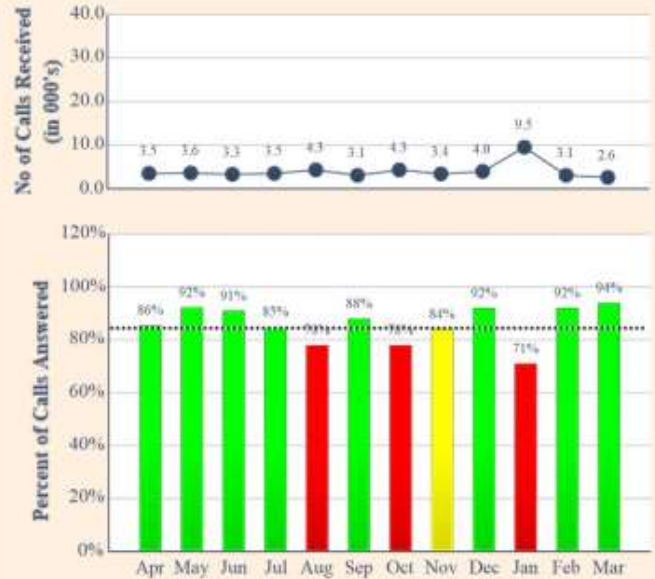


Performance for March was above target by 5%

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 March was above target by 9%

FIRST CALL RESOLUTION (FCR)

Calls resolved on first contact compared to Target

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

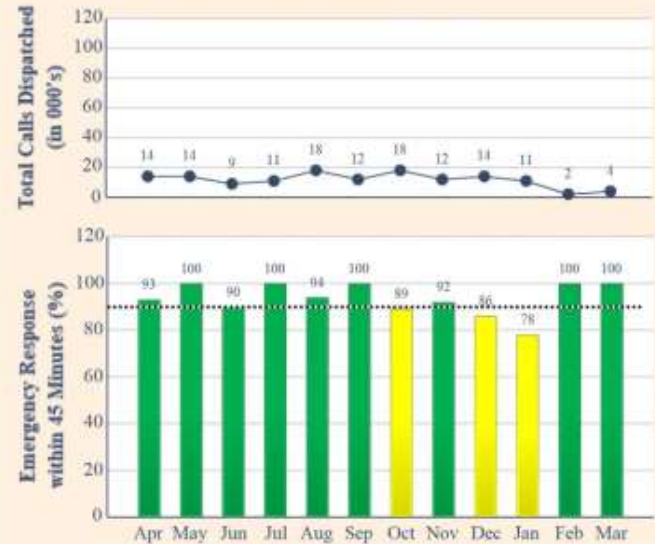


Performance for March was above target by 3%

EMERGENCY RESPONSE TIME

Calls responded to within 45 Minutes compared to Target

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



Performance for March 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

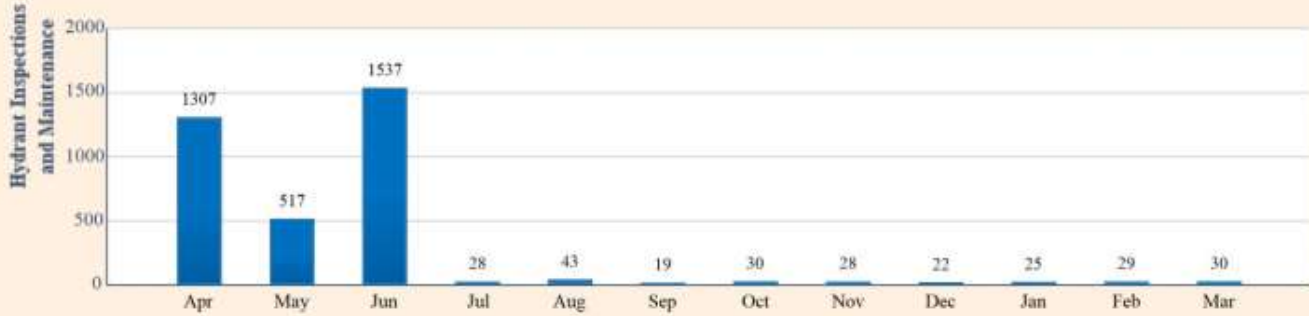
- Out of Service Fire Hydrants (Defective OOS Hydrants)
- In-Operational - OOS Due to Inaccessibility or Temporary Work
- Out of Service Hydrants Target (96)



Fire Hydrant Inspections and Maintenance

Total Hydrant Inspection and Maintenance Work Orders Completed per Month

- Hydrant Inspections and Maintenance



Total Hydrant Replacements Per Month

Annual Replacement Target (250)

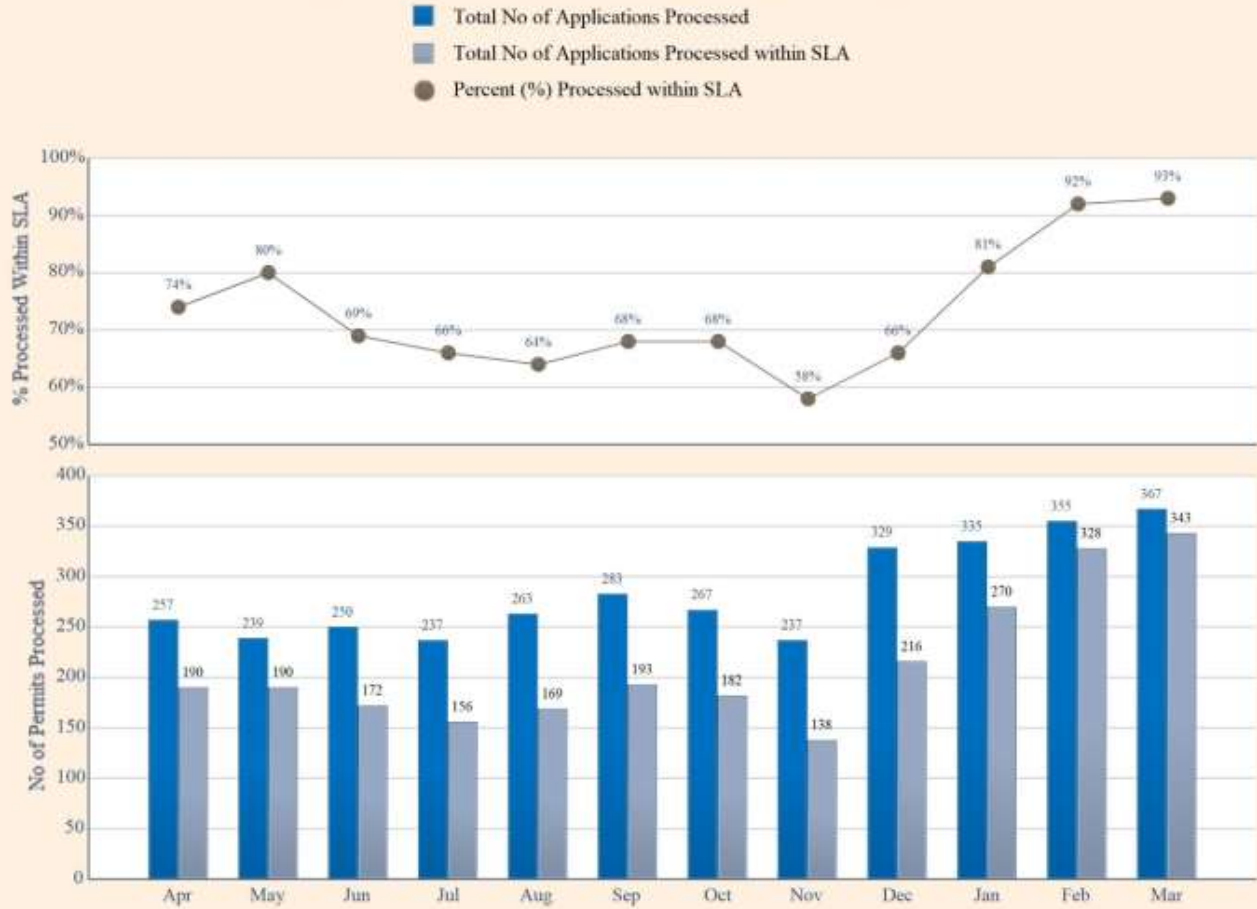
- Hydrants Replaced



CUSTOMER CARE AND OPERATIONS HIGHLIGHTS

PERMIT PROCESSING

PERCENT OF APPLICATIONS PROCESSED WITHIN SLA



Permits not processed within SLA in March were 7%. 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

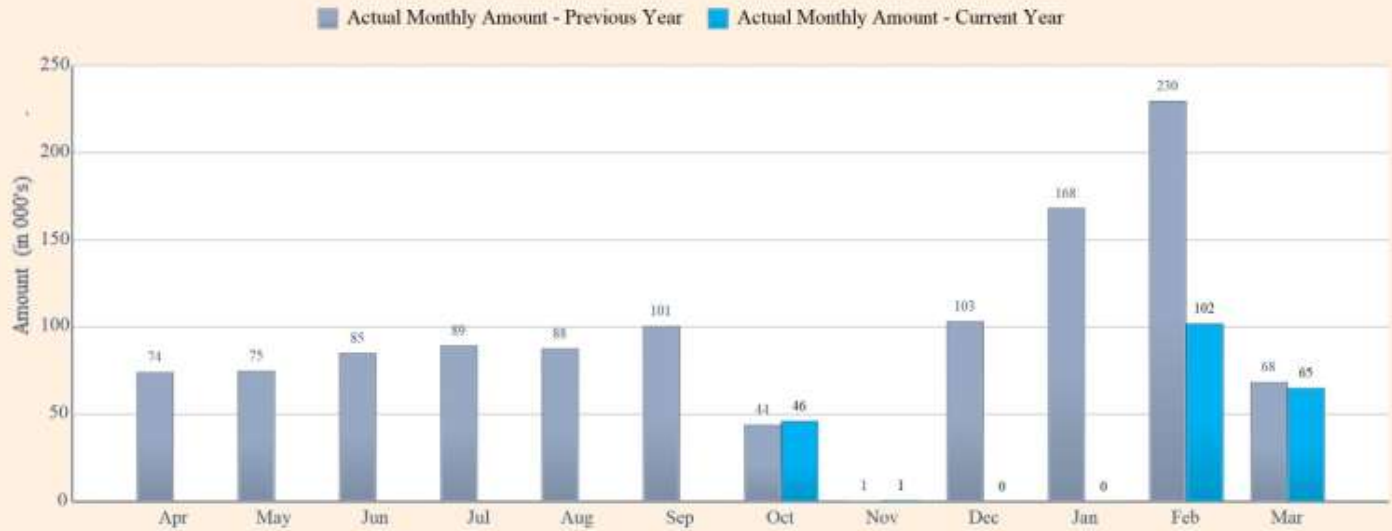


Total SPLASH Contributions to date for March were above target by \$11,520

CUSTOMER ASSISTANCE PROGRAM (CAP)

CUSTOMER ASSISTANCE PROVIDED

Monthly Assistance Provided compared to corresponding Previous Year Periods



OPERATIONAL HIGHLIGHTS

DRINKING WATER QUALITY

LEAD AND COPPER RULE (LCR) COMPLIANCE

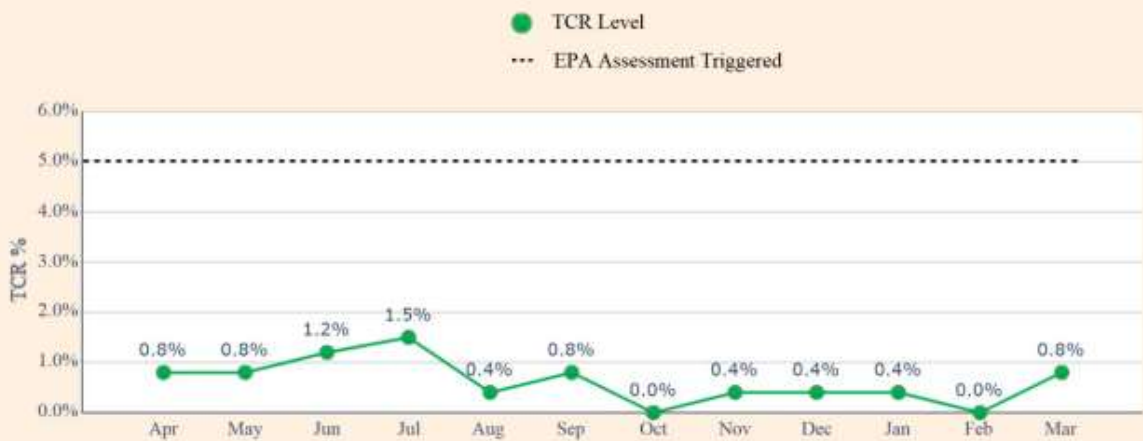
Semi-Annual LCR Monitoring Results



Jan-Jun 2018 results to date

TOTAL COLIFORM RULE (TCR) COMPLIANCE

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



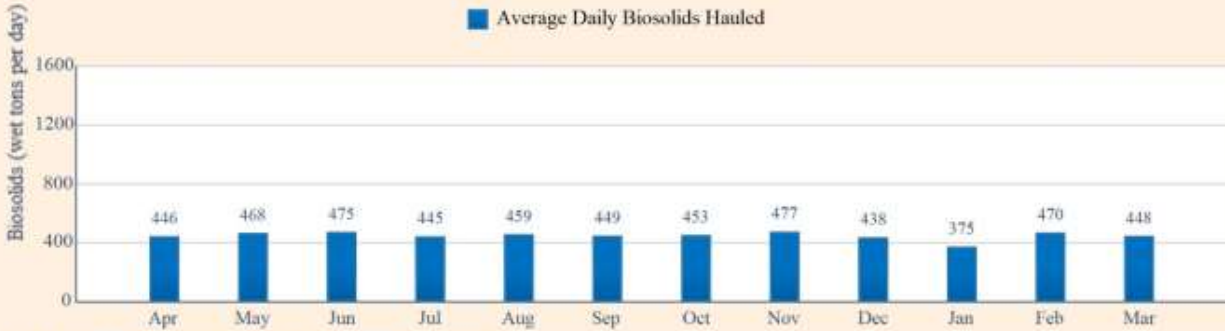
Coliform Positive was recorded at 0.8% in March

OPERATIONAL HIGHLIGHTS

WASTEWATER TREATMENT

BIOSOLIDS PRODUCTION

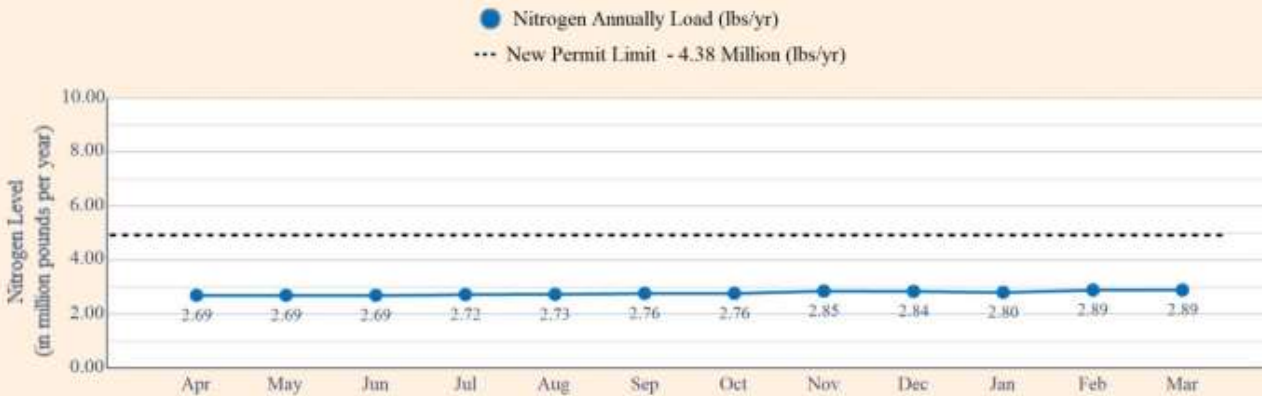
Average Daily Biosolids Production



Biosolids Daily Production for March were 448 wet tons per day

TOTAL NITROGEN

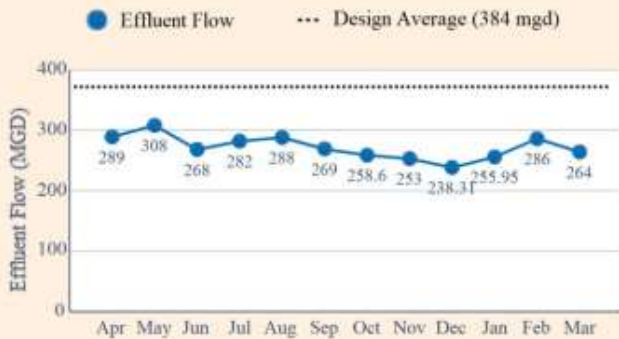
Total Nitrogen Compared to New Permit Levels



Nitrogen level for March were below permit by 1.49 million lbs/yr

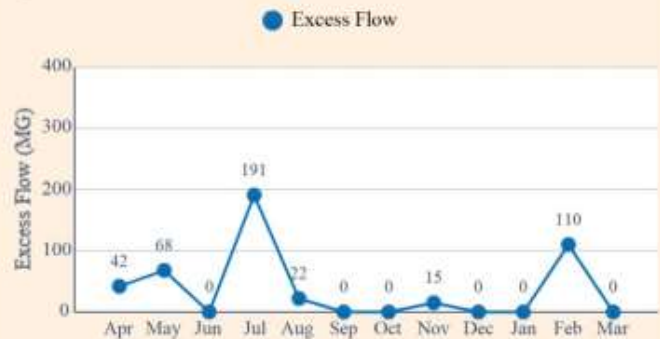
PLANT EFFLUENT FLOW

Effluent Flow compared to Plant Design Average Limit



In March, Influent flow was below design by 120 MGD

TOTAL EXCESS FLOW

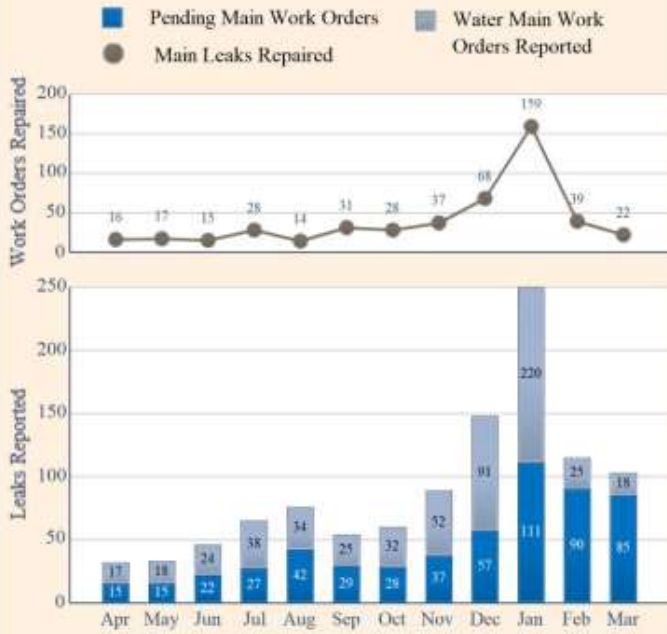


Excess flow events were recorded at 0 MG in March

OPERATIONAL HIGHLIGHTS

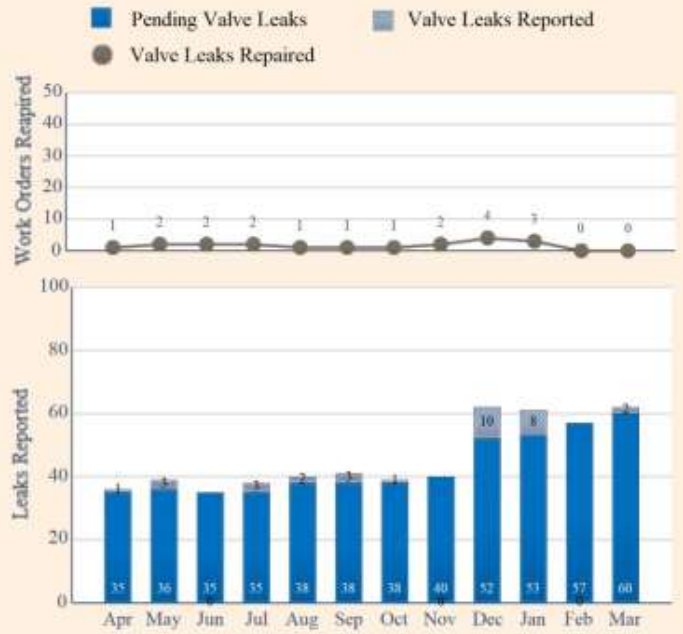
WATER DISTRIBUTION OPERATIONS

WATER MAIN LEAKS



There were 18 Water Main Work Orders reported in March

WATER VALVE LEAKS

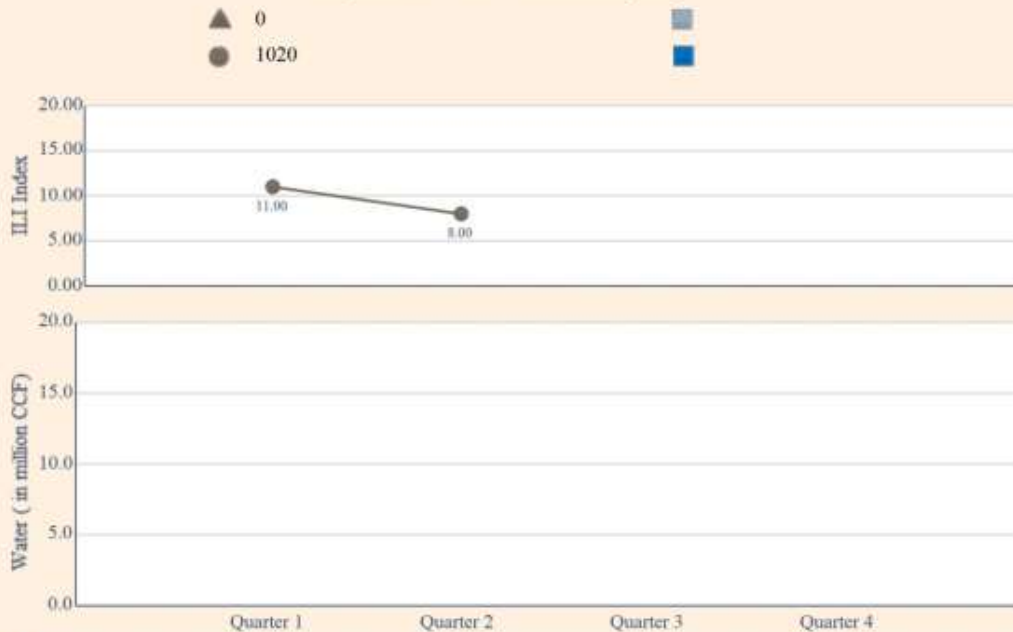


No leaks were resolved in March

WATER BALANCE

NON-REVENUE WATER

Volume of Water Purchased and Sold per Quarter



#N/A

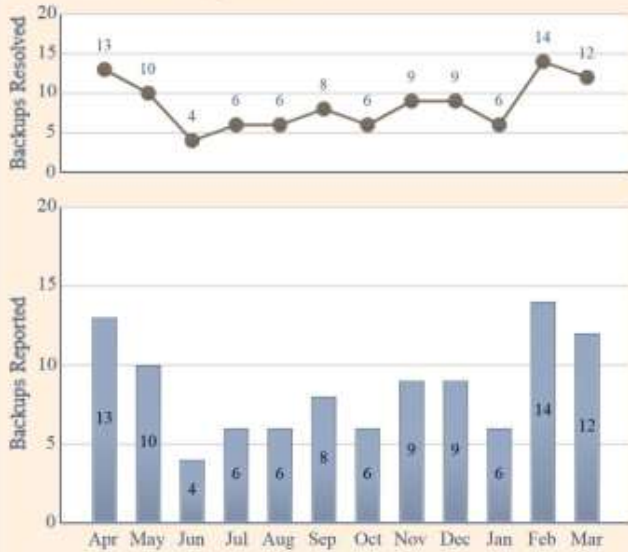
OPERATIONAL HIGHLIGHTS

SEWER SYSTEM OPERATIONS

SEWER MAIN BACKUPS

Sewer Mains Backed Up and Relieved per Month

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

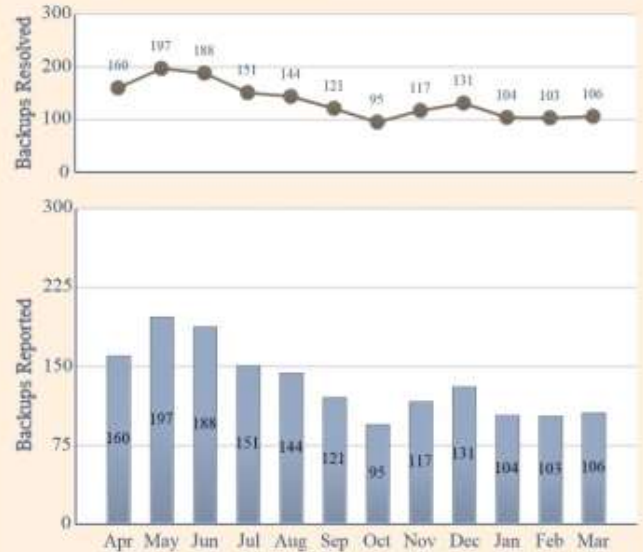


No pending main backups reported

SEWER LATERAL BACKUPS

Sewer Laterals Backed Up and Relieved per Month

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



No pending lateral backups reported

COMBINED SEWER SYSTEM

DRY WEATHER CSO EVENTS

Combined Sewer Overflow Volume and No of Events per Month

- Overflow Volume (MG)
- Number of CSO Events



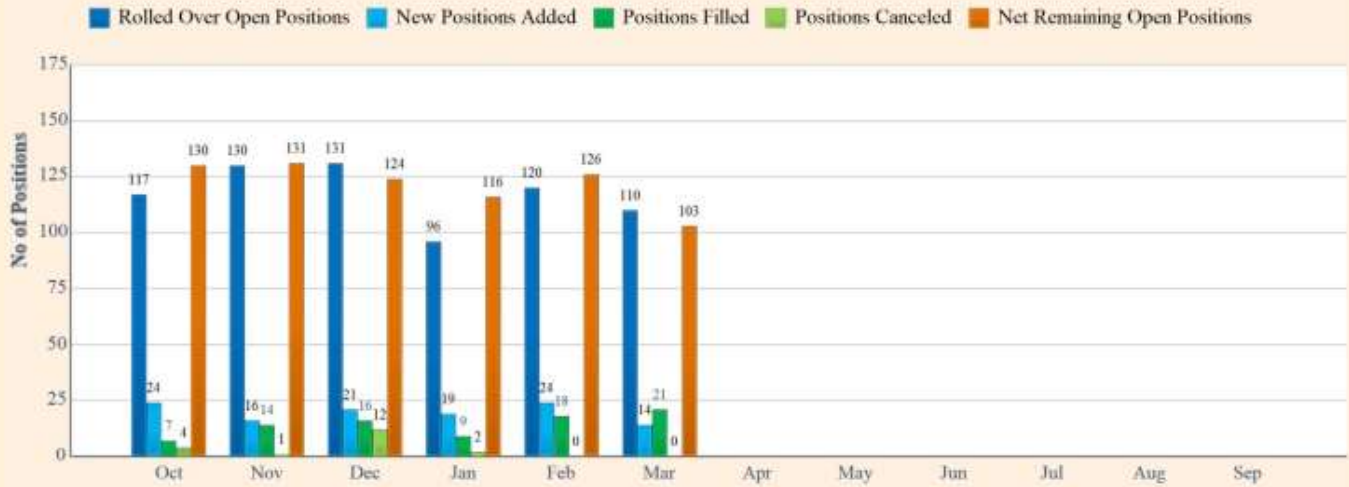
No dry weather Combined Sewer Overflow events were recorded in March 2018

OPERATIONAL HIGHLIGHTS

HUMAN RESOURCES

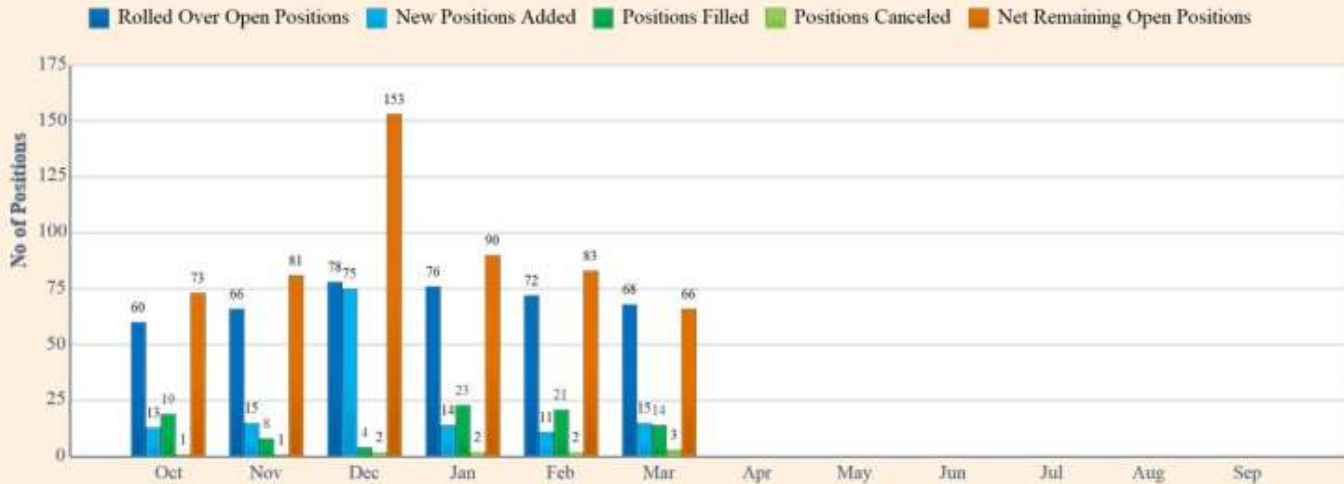
RECRUITMENT ACTIVITY

PREVIOUS FISCAL YEAR



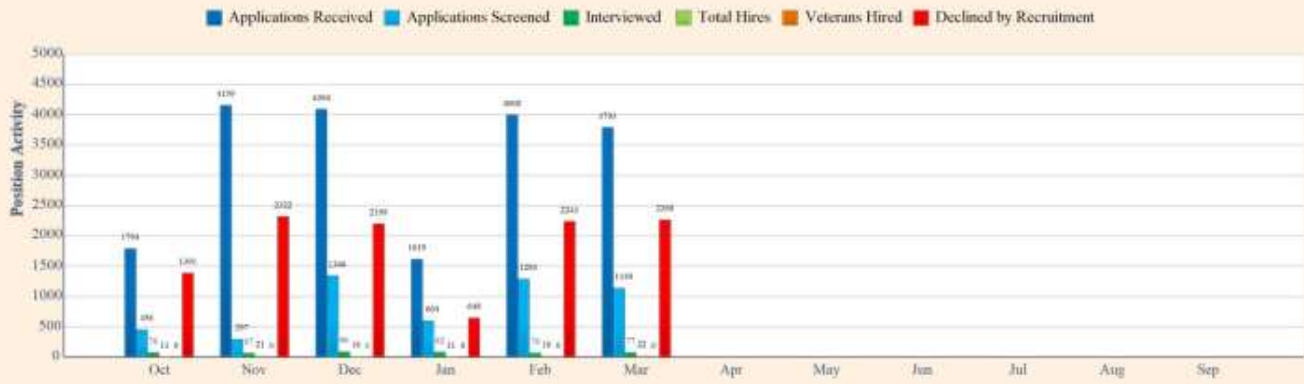
RECRUITMENT ACTIVITY

CURRENT FISCAL YEAR



RECRUITMENT PERFORMANCE METRIC

PREVIOUS FISCAL YEAR



RECRUITMENT PERFORMANCE METRIC

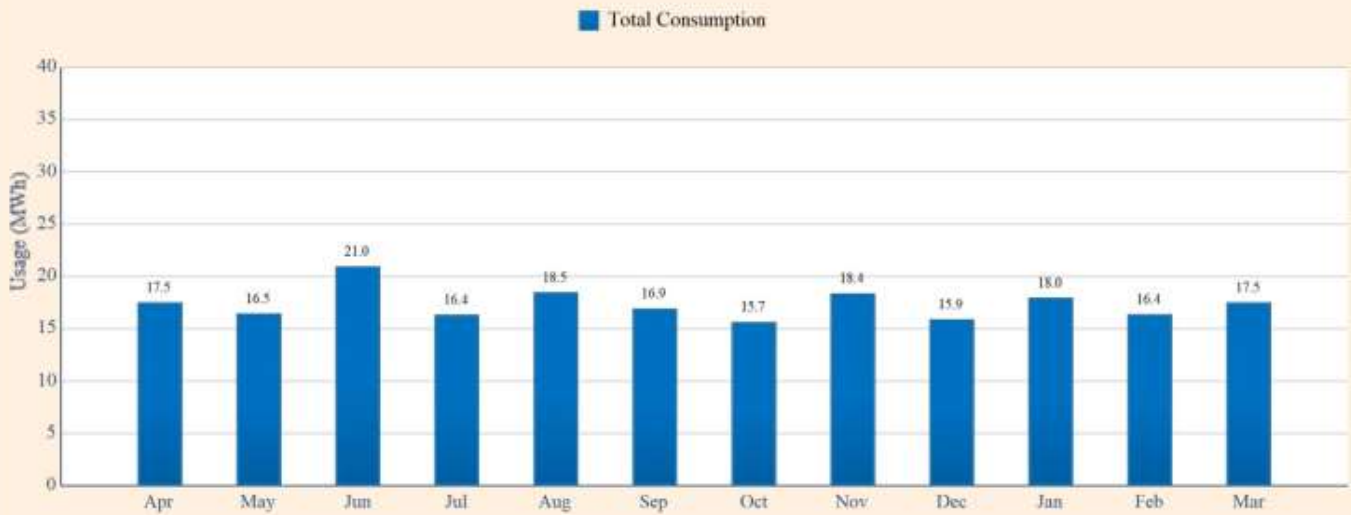
CURRENT FISCAL YEAR



OPERATIONAL HIGHLIGHTS

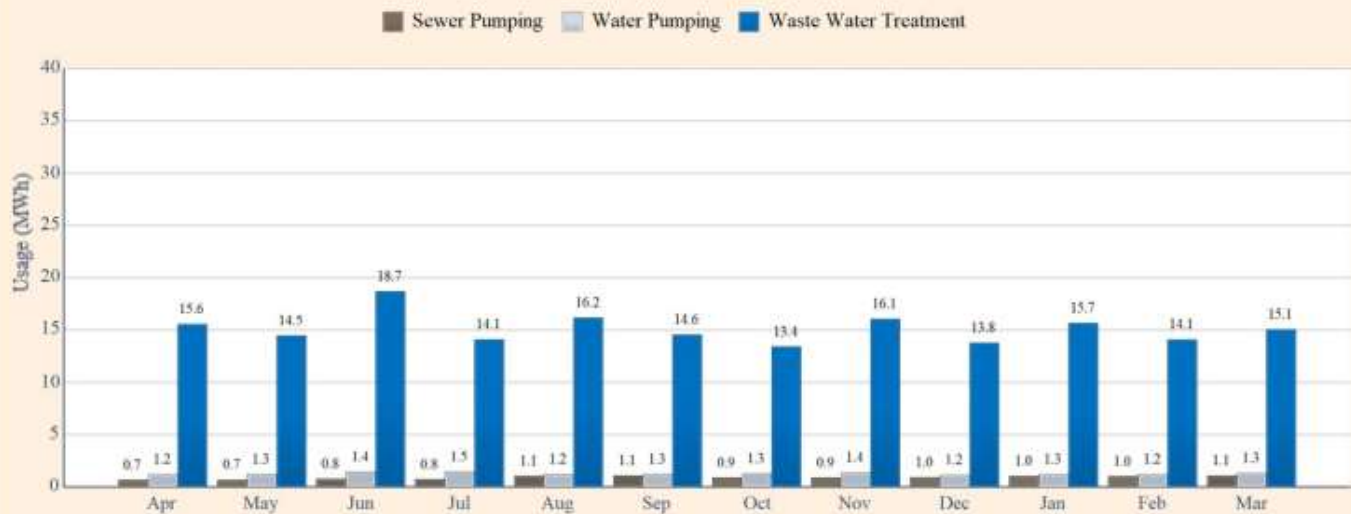
ENERGY CONSUMPTION

ELECTRICITY USAGE SUMMARY



Electricity Consumption in March was 17,518 KWh

ELECTRICITY USAGE BY SERVICE AREA



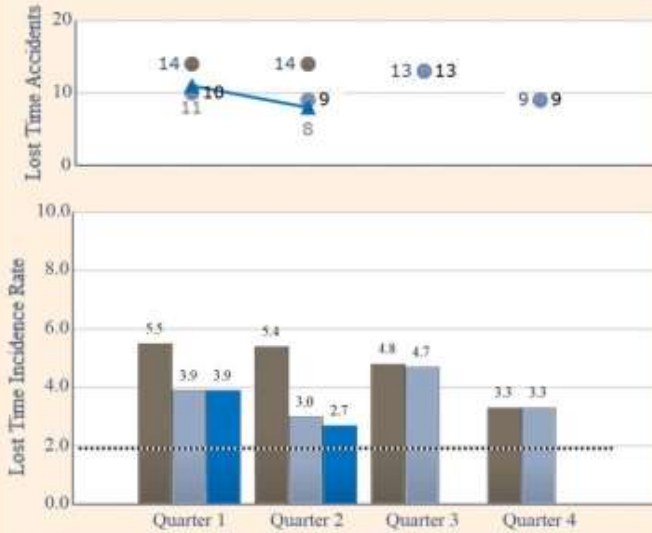
Waste Water treatment had the highest electricity consumption in March at 15,080 KWh

OPERATIONAL HIGHLIGHTS

SAFETY

EMPLOYEE LOST TIME INCIDENCE RATE

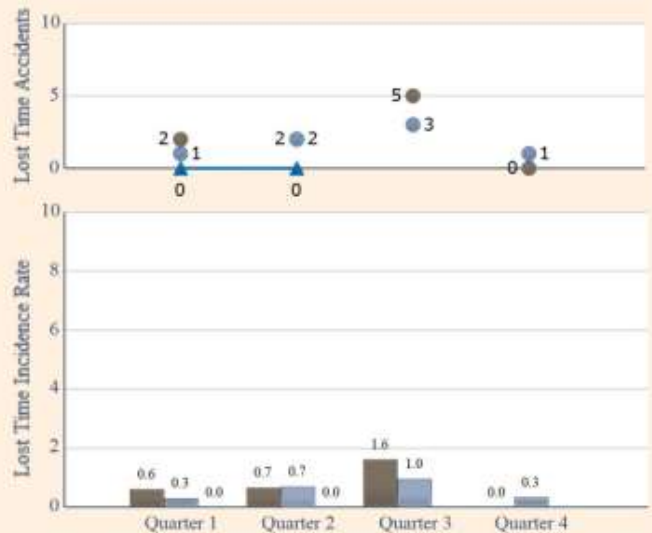
- FY-2016: No of LT Accidents
 - FY-2016: LT Incidence Rate
 - FY-2017: No of LT Accidents
 - FY-2017: LT Incidence Rate
 - ▲ FY 2018 No of LT Accidents
 - FY 2018 LT Incidence Rate
- Target/National: LT Incidence Rate



In the 2nd quarter, 8 lost time accidents were reported

CONTRACTOR LOST TIME INCIDENCE RATE

- FY-2016: No of LT Accidents
- FY-2016: LT Incidence Rate
- FY-2017: No of LT Accidents
- FY-2017: LT Incidence Rate
- ▲ FY 2018 No of LT Accidents
- FY 2018 LT Incidence Rate



In the 2nd quarter, 0 lost time accidents were reported

VENDOR PAYMENTS

VENDOR PAYMENT PERFORMANCE



Monthly performance for March was below Budget by 0.1%

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*

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

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>

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

***	****
<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, □)

B

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

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)

***	****
<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, □)

- 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

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

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

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

- 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

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**

***	****
<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, □)

- 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>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>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>Green- when the actual is equal to or lower than budget or target</p>

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



Consent Agenda

Summary of Contracts

242nd Meeting of the DC Water Board of Directors

Thursday, May 3, 2018

Non-Joint Use Contracts

- 1. Resolution No. 18-36, Execute Contract No. 120210, SAK Construction, LLC** - The purpose of the contract is to rehabilitate the damaged/deteriorated sections of the Lower Area Trunk Sewer and associated manholes in various areas. The contract amount is \$8,248,710. **(Recommended by Environmental Quality and Operations Committee 04/19/18)**
- 2. Resolution No. 18-37, Execute Contract No. 170140, Stormwater Maintenance, LLC** – The purpose of the contract is for maintenance of DC Water-constructed Green Infrastructure (GI) facilities as part of the practicability assessment for GI. The contract amount is \$1,780,617. **(Recommended by Environmental Quality and Operations Committee 04/19/18)**

Presented and Adopted: May 3, 2018

SUBJECT: Approval of Amendments to the System Availability Fee (SAF)

**#18-35
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY**

The Board of Directors (“Board”) of the District of Columbia Water and Sewer Authority (“the Authority”) at its meeting held on May 3, 2018 upon consideration of a joint-use matter decided by a vote of ___ () in favor and ___ () opposed, to take the following action with respect to the approval of amendments to the System Availability Fee (SAF).

WHEREAS, on June 17, 2016, DC Water published a Notice of Final Rulemaking for amendments to the SAF and relevant definitions in the *D.C. Register* (DCR) at 63 DCR 8505, effective January 1, 2018; and

WHEREAS, in November 2017, the Authority received reports from the Board Chair, the Mayor’s Office and the development community that implementing the SAF regulations on the effective date of January 1, 2018 could present significant fiscal impacts to the District’s New Communities Initiative, which includes development and redevelopment (one for one replacement and/or augmentation) of affordable housing units in the Barry Farm, Lincoln Heights/ Richardson Dwellings, NW1, and Park Morton communities; and

WHEREAS, each of the above redevelopment projects are projected to increase the availability of affordable housing units in the District and it is possible that negative fiscal impacts will impede these redevelopment these projects and may have an immediate impact on preservation of the public peace, health, safety, welfare, or morals; and

WHEREAS, on December 7, 2017, the DC Retail Water and Sewer Rates Committee recommended that the Board amend the SAF regulations through an Emergency and Proposed Rulemaking to revise the effective date of the SAF regulations from January 1, 2018 to June 1, 2018 in order to allow sufficient time for the Board to evaluate the potential for and likelihood of negative fiscal impacts to affordable housing, and consider options to lessen such impacts, yet still achieve the purposes of the SAF; and

WHEREAS, the Board, after consideration of the recommendations of the DC Retail Water and Sewer Rates Committee, and upon further consideration and discussion, agreed to approve the amendment of the SAF regulations through an Emergency and Proposed Rulemaking to revise the effective date of the SAF regulations from January 1, 2018 to June 1, 2018 for the immediate preservation of public peace, health, safety, welfare, or morals; and

WHEREAS, on December 22, 2017, DC Water published a Notice of Emergency and Proposed Rulemaking to revise the effective date of the SAF regulations from January 1, 2018 to June 1, 2018 in the *D.C. Register* at 64 DCR 013134, effective June 1, 2018.

WHEREAS, on January 23, 2018, the DC Retail Water and Sewer Rates Committee met to consider the comments received during the public comment period, and recommended that the Board amend the SAF regulations through a Notice of Final Rulemaking to revise the effective date of the SAF regulations from January 1, 2018 to June 1, 2018 in order to allow sufficient time for the Board to evaluate the potential for and likelihood of negative fiscal impacts to affordable housing, and consider options to lessen such impacts, yet still achieve the purposes of the SAF; and

WHEREAS, after consideration of the recommendations of the DC Retail Water and Sewer Rates Committee, the District members of the Board of Directors, upon further consideration and discussion, agreed to take final action to amend the effective date for the SAF regulations from January 1, 2018 to June 1, 2018; and

WHEREAS, On February 9, 2018, DC Water conducted an open house to receive comments on the SAF regulations from the development community and specifically impacts of the SAF on affordable housing units; and

WHEREAS, on February 1, 2018, DC Water published a Notice of Final Rulemaking to revise the effective date of the SAF regulations from January 1, 2018 to June 1, 2018 in the *D.C. Register* at 65 DCR 1722, effective June 1, 2018.

WHEREAS, on February 20, 2018, the DC Retail Water and Sewer Committee met to consider the comments received during the open house, and the General Managers proposed revisions to the SAF regulations, and recommended that the Board amend the SAF regulations through a Notice of Proposed Rulemaking to address impacts on projects with significant affordable housing components and other issues; and

WHEREAS, on March 1, 2018, the Board approved the proposed amendments to the SAF regulations and to be published in the *D.C. Register*; and

WHEREAS, on March 16, 2018, DC Water published a Notice of Proposed Rulemaking in the *D.C. Register* at 65 DCR 2724 for a 30 day public comment period through April 16, 2018, which if adopted, would amend the SAF regulations; and

WHEREAS, on April 24, 2018, the DC Retail Water and Sewer Rates Committee met to consider the comments received during the public comment period; and

WHEREAS, on April 24, 2018, the General Manager reported that DC Water received comments from one party, the District of Columbia Building Industry Association and based on the comments received recommended no additional revisions to the proposed SAF amendments published in the *D.C. Register*, and recommended publishing a Notice of Final Rulemaking as proposed; and

WHEREAS, on April 24, 2018, the DC Retail Water and Sewer Rates Committee considered the comments received and the General Managers recommendation and recommended to the Board the approval of the SAF amendments as proposed; and

WHEREAS, upon consideration of the comments received, the recommendations of the General Manager and the DC Retail Water and Sewer Rates Committee, the District members of the Board of Directors, upon further consideration and discussion, agreed to take final action to amend the SAF regulations as proposed.

NOW THEREFORE BE IT RESOLVED THAT:

1. The Board hereby adopts and approves the amendments to the SAF regulations as proposed in the NOPR, published on March 16, 2018.
2. The Board directs the General Manager to amend the Authority's Water Supply regulations at 21 DCMR § 112.11 as provided in Attachment A, and to take all steps necessary in his judgment and as otherwise required, to publish the Notice Final Rulemaking in the *D.C. Register*.

This resolution shall be effective immediately.

Secretary to the Board of Directors

Attachment A – SAF Notice of Final Rulemaking

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

Section 112, FEES, is amended by revising the effective date of Subsection 112.11 to read as follows:

112.11 Effective June 1, 2018, DCRA Construction Permit Applicants and federal facilities shall be assessed a System Availability Fee (SAF) for new water and sewer connections and renovation or redevelopment projects for existing connections to the District’s potable water and sanitary sewer systems based on the SAF meter size in accordance with the following fee schedule and requirements:

- (a) Residential customers shall be charged a System Availability Fee based on the SAF meter size as listed below:

SAF Meter Size (inches)	Water System Availability Fee	Sewer System Availability Fee	Total System Availability Fee
5/8"	\$ 1,135	\$ 2,809	\$ 3,944
3/4"	\$ 1,135	\$ 2,809	\$ 3,944
1"	\$ 1,135	\$ 2,809	\$ 3,944
1"x1.25"	\$ 2,047	\$ 5,066	\$ 7,113
1.5"	\$ 5,491	\$ 13,591	\$ 19,082
2"	\$ 11,125	\$ 27,536	\$ 38,661
3"	\$ 32,500	\$ 80,442	\$ 112,942

- (b) Multi-Family and all Non-Residential customers shall be charged a System Availability Fee based on the SAF meter size as listed below:

SAF Meter Size (inches)	Water System Availability Fee	Sewer System Availability Fee	Total System Availability Fee
1" or smaller	\$ 1,282	\$ 3,173	\$ 4,455
1"x1.25"	\$ 2,047	\$ 5,066	\$ 7,113
1.5"	\$ 5,491	\$ 13,591	\$ 19,082
2"	\$ 11,125	\$ 27,536	\$ 38,661
3"	\$ 32,500	\$ 80,442	\$ 112,942
4"	\$ 83,388	\$ 206,394	\$ 289,782
6"	\$ 229,246	\$ 567,408	\$ 796,654
8"	\$ 229,246	\$ 567,408	\$ 796,654
8"x2"	\$ 229,246	\$ 567,408	\$ 796,654
8"x4"x1"	\$ 229,246	\$ 567,408	\$ 796,654
10"	\$ 229,246	\$ 567,408	\$ 796,654
12"	\$ 229,246	\$ 567,408	\$ 796,654
16"	\$ 229,246	\$ 567,408	\$ 796,654

- (c) The SAF meter size shall be computed for the peak water demand, excluding fire demand in accordance with D.C. Construction Codes Supplement, as amended, Chapter 3 (Water Meters) of this title, and DC Water's Meter Sizing Instructions and Worksheets.
- (d) The SAF shall be assessed for any premise, building or structure that requires a new metered water service connection to the District's potable water and/or sanitary sewer systems.
- (e) The Net SAF shall be assessed for renovation or redevelopment projects for any premise, building or structure that uses an existing metered water service connection to the District's potable water and/or sanitary sewer systems.
- (f) For a renovation or redevelopment project on a property that already had/has a DC Water meter(s) and account(s), DC Water shall determine the Net SAF based on the difference between the property's new System Availability Fee determined by the SAF meter size(s) (SAF) and the SAF Credit determined by the old meter size(s) for the meters(s) being removed from the system:

$$\text{Net SAF} = \text{SAF} - \text{SAF Credit}$$

- (g) Properties under renovation or redevelopment shall not receive a SAF Credit for the DC Water account(s) that have been inactive for more than twenty-four (24) months prior to DC Water's issuance of the Certificate of Approval.
- (h) For any new premise, building or structure that includes one or more affordable housing unit (AHU), DC Water shall also provide an AHU Credit equal to:
 - (1) AHU Credit - Three Thousand Nine Hundred Forty-Four dollars (\$3,944) for each AHU in a metered residential structure of three (3) or less units (e.g., single-family structure, townhouse, condominium, cooperative housing association unit, or apartment).
 - (2) % AHU Credit or % Net AHU Credit - The percentage of affordable housing units credit (% AHU credit) or percentage of additional AHU credit (% Net AHU Credit) in a metered multi-family residential structure of four or more housing units (condominium, cooperative housing association, or apartment) determined as follows: % AHU (or % Net AHU) equals the number of AHUs (or Net AHU) divided by total number of residential units (RU) times one hundred (100) times the SAF:

$$\% \text{ AHU} = (\text{AHU} \div \text{RU}) \times 100$$

$$\text{AHU Credit} = \% \text{ AHU} \times \text{SAF}$$

- (i) For a renovation or redevelopment project that includes replacing existing affordable housing units and/or the construction of additional affordable housing units, DC Water shall provide a Net AHU Credit as provided in Section 112.11(h) based on the percentage of additional affordable housing units (% Net AHU) determined as follows: % Net AHU equals the number of additional AHUs (Net AHU) divided by the total number of residential units times one hundred (100):

$$\% \text{ Net AHU} = ((\text{Net AHU}) \div \text{RU}) \times 100$$

$$\text{Net AHU Credit} = (\% \text{ Net AHU}) \times \text{SAF}$$

- (j) The Net AHU shall be determined based on the difference between the total number of affordable housing units constructed after completing the renovation/redevelopment project (aAHU) and the total number of affordable housing units existing prior to the renovation/redevelopment project (bAHU). If aAHU is less than bAHU (less than zero), no Net AHU Credit will be provided:

$$\text{Net AHU} = (\text{aAHU} - \text{bAHU})$$

- (k) Projects that request AHU or Net AHU Credits shall submit one or more of the following documents:
- (1) Land Disposition Development Agreement;
 - (2) Zoning Commission Order;
 - (3) Planned Unit Development Covenant;
 - (4) Certificate of Inclusionary Zoning; or
 - (5) Letter from the District financing agency that establishes the number of AHU in the property.
- (l) If the Net System Availability Fee (less AHU Credit or Net AHU Credit) is zero or less, no System Availability Fee shall be charged.
- (m) If the Net System Availability Fee (less AHU Credit or Net AHU Credit) is greater than zero, DC Water shall assess the System Availability Fee.
- (n) DC Water may request documentation to confirm the number of proposed affordable housing units that were actually constructed. If the number of constructed AHUs is less than the proposed AHUs, DC Water shall bill the property owner the amount of the AHU Credit or Net AHU Credit for the unconstructed AHUs.

- (o) For DCRA Construction Permit applicants, payment of the System Availability Fee shall be a condition for DC Water's issuance of the Certificate of Approval.
- (p) DCRA Construction Permit applicants that submitted plans and specifications to DC Water prior to the effective date of these regulations, shall not be subject to the System Availability Fee provided:
 - (1) The DC Water Engineering Review fee(s) has been paid;
 - (2) The plans, specifications and other information necessary to meet the requirements listed in DC Water Project Submission Checklist has been accepted for review by DC Water in support of a DCRA Building Permit for the project, without substantial revisions that result in the change in the peak water demand that changes the size or number of meter connections for the project;
 - (3) The DCRA Building Permit for the premise, building, or structure requiring water and sewer service is submitted to DCRA and accepted for review by DCRA within one calendar year after the effective date of these regulations; and
 - (4) DC Water issues the Certificate of Approval within one calendar year after the effective date of these regulations, unless DC Water's review is delayed due to a force majeure event that closes DC Water's offices for one or more days one week before June 1, 2019.
- (q) For federal facilities, payment of the System Availability Fee shall be a condition of DC Water's issuance of the Certificate of Approval.
- (r) Before June 1, 2021, the property owner may request to pay the System Availability Fee in four equal installments, with the final payment due no later than one calendar year after the execution date of a Payment Plan Agreement. Execution of a Payment Plan Agreement and payment of the first installment payment, shall be a condition of DC Water's issuance of the Certificate of Approval. Any overdue payments under the Payment Plan Agreement shall be treated as an overdue bill for water and sewer service charges as set forth in D.C. Official Code § 34-2407.02.
- (s) In the case that the DCRA Construction Permit is not issued or is revoked or the project is not constructed, upon written request from the property owner, DC Water shall issue the property owner a refund of the System Availability Fee.

Section 199, DEFINITIONS, is amended by adding the following terms and definitions to read as follows:

Affordable Housing Unit – a housing unit that is offered for rent or for sale for residential occupancy and as a result of a federal or District subsidy, incentive or benefit, and is made available and affordable to households whose income limit requirements are established by a federal or District program or agency or the Council for the District of Columbia.

Force Majeure Event - an event arising from causes beyond the control of DC Water or the control of any entity controlled by DC Water, which results in the closure of DC Water facilities.

Presented and Approved: May 3, 2018
SUBJECT: Approval to Execute Contract No. 120210, SAK
Construction, LLC

#18-36
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 May 3, 2018 upon consideration of a non-joint use matter, decided by a vote of ___() in favor and ___() opposed to execute Contract No. 120210, SAK Construction, LLC.

Be it resolved that:

The Board of Directors hereby authorizes the Interim General Manager to execute Contract No. 120210, SAK Construction, LLC. The purpose of the contract is to rehabilitate the damaged/deteriorated sections of the Lower Area Trunk Sewer and associated manholes. The contract amount is \$8,248,710.

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:

**Lower Area Trunk Sewer Rehabilitation
(Non-Joint Use)**

Approval to execute a construction contract for \$8,248,710.00

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME:	SUBS:	PARTICIPATION:
SAK Construction, LLC 1405 Benson Court, Suite C Arbutus, MD 21227 <u>Headquarters</u> O'Fallon, MO 63366	Daco Construction Corp. Hanover, MD MBE	5.4%
	Luther's Supply Company, LLC St. Louis, MO MBE	11.1%
	Advantage Manhole & Concrete Svc. Houston, TX WBE	4.2%

DESCRIPTION AND PURPOSE

Contract Value, Not-To-Exceed:	\$ 8,248,710.00
Contract Time:	730 Day (2 Years)
Anticipated Contract Start Date (NTP):	5-04-2018
Anticipated Contract Completion Date:	5-02-2020
Bid Opening Date:	2-07-2018
Bids Received:	4
Other Bids Received	
Spiniello	\$ 10,233,000.00
Northeast Remsco	\$ 10,777,000.00
IPR Northeast	\$ 15,745,221.00

Purpose of the Contract:

The District of Columbia Water and Sewer Authority (DC Water) needs to implement the Lower Area Trunk Sewer Rehabilitation Contract, to rehabilitate the damaged/deteriorated sections of the Lower Area Trunk Sewer and associated manholes. The location of the work is along Pennsylvania Avenue, N.W., 1st Street, N.W., Washington Ave, N.W., and 2nd Street S.E. The contract will utilize two rehabilitation methods (Cured-in-Place Pipe and Geopolymer Lining).

Contract Scope:

- Rehabilitate 11,900 linear feet of 42-inch sewer and 100 linear feet of 30-inch sewer using Cured-in-Place Pipe and Geopolymer Lining.
- Rehabilitate thirty-three (33) sewer manholes using Cured-in-place Lining and Geopolymer Lining.
- Reinstatement of twenty-seven (27) 6-inch through 24-inch laterals and side sewers.
- Restoration of associated paving, sidewalk, curb and gutter.
- Bypass Pumping, and Associated traffic control.
- Cleaning and pre- and post-CCTV inspection.

Federal Grant Status:

- Construction Contract is eligible for Federal grant funding assistance; inclusion in grant is pending availability of grant funds.

PROCUREMENT INFORMATION

Contract Type:	Fixed Price	Award Based On:	Lowest responsive, responsible bidder
Commodity:	Construction	Contract Number:	120210
Contractor Market:	Open Market		

BUDGET INFORMATION

Funding:	Capital	Department:	Engineering and Technical Services
Service Area:	Sanitary	Department Head:	Craig Fricke
Project:	DR		

***ESTIMATED USER SHARE INFORMATION**

User	Share %	Dollar Amount
District of Columbia	100.00%	\$ 8,248,710.00
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%	\$ 8,248,710.00

*Eligible for Federal Grant Funding at 45% of the District of Columbia share. Grant funding is insufficient to fund all eligible contracts. Federal Grant Funding may be used if additional funding becomes available or if other eligible projects are postponed.

 / 4-11-18
 Leonard R. Benson Date
 Chief Engineer

 4/12/18
 Matthew T. Brown Date
 Chief Financial Officer

 / 4/12/18
 Dan Bae Date
 Director of Procurement

_____/_____
 Henderson J. Brown IV Date
 Interim CEO and General Manager

Presented and Approved: May 3, 2018

SUBJECT: Approval to Execute Contract No. 170140, Stormwater Maintenance, LLC

**#18-37
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 May 3, 2018 upon consideration of a non-joint use matter, decided by a vote of ___() in favor and ___() opposed to execute Contract No. 170140, Stormwater Maintenance, LLC.

Be it resolved that:

The Board of Directors hereby authorizes the Interim General Manager to execute Contract No. No. 170140, Stormwater Maintenance, LLC. The purpose of the contract is for maintenance of DC Water-constructed Green Infrastructure (GI) facilities as part of the practicability assessment for GI. The contract amount is \$1,780,617.

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
Green Infrastructure Maintenance Contract
(Non-Joint Use)**

Approval to execute a goods and services contract for \$1,780,617.00

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME:	SUBS:	PARTICIPATION:
Stormwater Maintenance, LLC 10944 Beaver Dam Road, Suite C Hunt Valley, MD 21030	PMGL Development, LLC* Washington, DC CBE	34.0%
	TCG Property Care* Capital Heights, MD CBE	19.0%

*Based upon the Green Infrastructure (GI) Memorandum of Agreement with the District of Columbia, this contract shall utilize best efforts to maximize Certified Business Enterprise (CBE) participation, with a goal that at least 50% of the dollar amount of this contract be awarded to CBEs. No Federal funding (i.e. EPA) will be used for this contract.

DESCRIPTION AND PURPOSE

Contract Value, Not-To-Exceed: \$1,780,617.00
 Contract Time: 853 Days (2 Years, 4 Months)
 Anticipated Contract Start Date (NTP): 06-01-2018
 Anticipated Contract Completion Date: 09-30-2020
 Other firms submitting proposals/ qualification statements 4
 AKRF, Inc
 Anchor Construction Corporation
 Environmental Quality Resources, LLC
 John Shorb Landscaping, Inc

Purpose of the Contract:

The purpose of the contract is for maintenance of DC Water-constructed Green Infrastructure (GI) facilities as part of the practicability assessment for GI. These facilities were constructed to manage stormwater in various parts of the District of Columbia and to mitigate flooding in Bloomingdale and LeDroit Park neighborhoods.

Contract Scope:

- Maintain Green Infrastructure (GI) practices constructed under various DC Clean Rivers Contract Divisions. GI practices to be maintained under this contract include, but are not limited to, bioretention, pervious pavement, green roof plantings and infrastructure, and turf pavers.
- Report the maintenance activity using DC Water’s work order management software, IBM’s Maximo and Maximo Anywhere Applications.
- Obtain all necessary permits to conduct work in accordance with local, state and federal regulations.
- This Contract will be subject to the goals outlined in the Memorandum of Agreement between DC Water and the Government of the District of Columbia Regarding Job Opportunities for District Residents and Contracting Opportunities for District Businesses for Designing, Constructing, Inspecting, and Maintaining Green Infrastructure.

Federal Grant Status:

This Contract is not eligible for Federal grant funding assistance.

PROCUREMENT INFORMATION




Contract Type:	Cost Reimbursement	Award Based On:	Highest Ranking Score
Commodity:	Maintenance Services	Contract Number:	170140
Contractor Market:	Open Market		

BUDGET INFORMATION

Funding:	Capital	Department:	DC Clean Rivers Project
Service Area:	Combined Sewer	Department Head:	Carlton Ray
Project:	CY, CZ, DZ		

ESTIMATED USER SHARE INFORMATION

User	Share %	Dollar Amount
District of Columbia	100.00%	\$1,780,617.00
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%	\$1,780,617.00

 , 3-11-18  , 4/12/18
 Leonard R. Benson, Chief Engineer Date Director of Procurement Date
 , 3/12/18 _____
 Matthew T. Brown, Chief Financial Officer Date Henderson J. Brown, IV, Interim CEO and General Manager Date

Presented and Adopted: May 3, 2018

Subject: Approval of Amendments to the District of Columbia Fire Protection Service Fee

**#18-38
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 DC Water”) at the Board meeting held on May 3, 2018 decided, in a non-joint use matter, by a vote of ____ () in favor and ____ () opposed, to take the following action with respect to the approval of the amendments to the District of Columbia Fire Protection Service Fee.

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

WHEREAS, DC Water provides Fire Protection Services to the District, including but not limited to the delivery of water for firefighting, inspection, maintenance and upgrading of public fire hydrants in the District of Columbia pursuant to a Memorandum of Understanding (MOU) between the DC Water and District of Columbia Fire Emergency Medical Services (FEMS) Department, effective May 3, 2013; and

WHEREAS, pursuant to section 3.0 of the MOU, DC Water is required to establish the amount of the payments “through the DC Rate Making process that applies to all DC Water rates and fees and is outlined in the DC Municipal Regulations”; and

WHEREAS, the MOU also requires the rates to be “reviewed and revisions proposed every three years through an independent Cost of Services study”; and

WHEREAS, DC Water prepared a Cost of Services Study entitled, “Report Regarding Fire Services Charges,” dated February 13, 2018, which, based on the escalation of costs and past underpayments, recommends to maintain the Fire Protection Service Fee at \$10,796,000 for fiscal year (FY) 2018, and increase the Fire Protection Service Fee to \$12,527,000 per fiscal year for FY 2019, FY 2020, and FY 2021; and

WHEREAS, the DC Retail Water and Sewer Rates Committee met on February 20, 2018 to consider the proposed Fire Protection Service Fee increase; and

WHEREAS, the DC Retail Water and Sewer Rates Committee recommended that the Board consider for public comment amendments to the Fire Protection Service Fee as proposed by DC Water; and

WHEREAS, on March 1, 2018, the Board approved the proposed District of Columbia Fire Service Protection Fee to be published in the *D.C. Register* (DCR); and

WHEREAS, on March 16, 2018, DC Water published a Notice of Proposed Rulemaking in the *D.C. Register* at 65 DCR 2734 which, if adopted, would maintain the annual Fire Protection Service Fee at \$10,796,000 for FY 2018 and increase the annual Fire Protection Service Fee to \$12,527,000 per fiscal year for FY 2019, FY 2020, and FY 2021; and

WHEREAS, on April 24, 2018, the DC Retail Water and Sewer Rates Committee met to consider comments received during the public comment period and recommendations of the General Manager; and

WHEREAS, on April 24, 2018, the General Manager reported that there were no comments submitted in response to the Notice of Proposed Rulemaking and recommended publishing a Notice of Final Rulemaking as proposed; and

WHEREAS, on April 24, 2018, the DC Retail Water and Sewer Rates Committee recommended to the Board, maintaining the annual Fire Protection Service Fee at \$10,796,000 for FY 2018 and increasing the annual Fire Protection Service Fee from \$10,796,000 to \$12,527,000 per fiscal year for FY 2019, FY 2020, and FY 2021; and

WHEREAS, upon consideration of the cost of service study, the recommendations of the General Manager and the DC Retail Water and Sewer Rates Committee, the District members of the Board of Directors, upon further consideration and discussion, agreed to take final action to amend the annual Fire Protection Service Fee to maintain the Fire Protection Service Fee at \$10,796,000 for FY 2018 and increase the annual Fire Protection Service Fee from \$10,796,000 to \$12,527,000 per fiscal year for FY 2019, FY 2020, and FY 2021.

NOW THEREFORE BE IT RESOLVED THAT:

1. The Board finds that DC Water's cost of service study justifies amending the Fire Protection Service Fee at 21 DCMR 4103 as provided below:

4103 FIRE PROTECTION SERVICE FEE

- 4103.1 The Charge to the District of Columbia for fire protection service, including, but not limited to the delivery of water flows for firefighting as well as maintaining and upgrading public fire hydrants in the District of Columbia, (plus the cost of fire hydrant inspections performed by the DC Fire and Emergency Medical Services) shall be Ten Million Seven Hundred Ninety Six Thousand Dollars (\$10,796,000) for fiscal year (FY)

2018 and Twelve Million Five Hundred Twenty Seven Thousand Dollars (\$12,527,000) per fiscal year for FY 2019, FY 2020, and FY 2021.

- 4103.2 The fee may be examined every three years to determine if the fee is sufficient to recoup the actual costs for providing this service.
 - 4103.3 In the event the actual costs are not being recouped, the District of Columbia shall pay the difference and the fee will be appropriately adjusted pursuant to the rulemaking process.
 - 4103.4 In the event the costs paid by the District of Columbia exceed DC Water's actual costs, the fee shall be adjusted pursuant to the rulemaking process.
- 2. The General Manager is authorized to take all steps necessary in his judgement and as otherwise required to publish the Notice of Final Rulemaking in the *D.C. Register*, effective upon publication.
 - 3. This resolution shall be effective immediately.

Secretary to the Board of Directors