



**DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY  
236th MEETING OF THE BOARD OF DIRECTORS  
Thursday, November 2, 2017  
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 October 5, 2017 Minutes**
- IV. **Chairman's Overview**
- V. **Committee Reports**
  1. Environmental Quality and Operations Committee (**James Patteson**)
  2. Audit Committee (**Nicholas Majett**)
  3. Finance and Budget Committee (**Timothy Firestine**)
- VI. **Issues of General Interest**
- VII. **CEO/General Manager's Report (George Hawkins)**
- VIII. **Summary of Contracts (FYI)**
- IX. **Consent Item (Joint Use)**
  1. Approval to Execute Contract No. 17-PR-DIT-51, PCM-G – Resolution No. 17-71 (Recommended by the Environmental Quality and Operations Committee 10/19/17)
- X. **Consent Items (Non-Joint Use)**
  1. Approval to Execute Option Year Two of Contract No. 15-PR-CCO-50, Fasteners Rx, Inc – Resolution No. 17-72 (Recommended by the Environmental Quality and Operations Committee 10/19/17)
  2. Approval to Execute the Extension of the Existing Contract No. WAS-12-052-AA-SS, Squire, Patton, Boggs (US) LLP– Resolution No. 17-73 (Recommended by the Finance and Budget Committee 10/26/17)

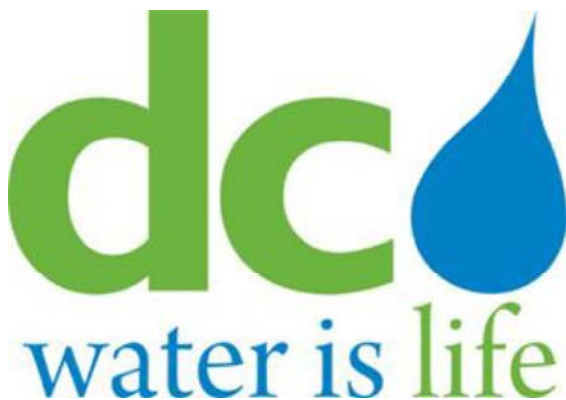
**XI. Executive Session** – To discuss legal, confidential and privileged matters pursuant to Section 2-575(b) of the D.C. Official Code<sup>1</sup>

**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 (5000 Overlook Avenue SW (Blue Plains – 4<sup>th</sup> Floor)**

- Environmental Quality and Operations Committee – Thursday, November 16<sup>th</sup> @ 9:30 a.m.
- Governance Committee – Wednesday, November 8<sup>th</sup> @ 9:00 a.m.
- Human Resource and Labor Relations Committee – Wednesday, November 8<sup>th</sup> @ 11:00 a.m.
- DC Retail Water and Sewer Rates Committee – Tuesday, November 14<sup>th</sup> @ 9:30 a.m.
- Finance and Budget Committee – Tuesday, November 14<sup>th</sup> @ 11:00 a.m.



**District of Columbia  
Water and Sewer Authority**

**Board of Directors**

**Environmental Quality and Operations  
Meeting**

Thursday, October 19, 2017

9:30 a.m.

**MEETING SUMMARY**

**Committee Members**

James Patteson, Chairperson  
Anthony Giancola  
David Franco  
Rev. Kendrick Curry  
Howard Gibbs

**DC Water Staff Present**

Charles Kiely, AGM, Customer Care & Oper.  
Henderson Brown, General Counsel  
Linda R. Manley, Secretary to the Board  
Gregory Hope, Associate Counsel  
Aklile Tesfaye, AGM Wastewater Treatment

**Other Board Members**

David Lake

**I. Call to Order**

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

**II. AWTP STATUS UPDATES**

**1. BPAWTP Performance**

Mr. Aklile Tesfaye, Assistant General Manager for Wastewater Treatment 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 briefly highlighted some performance parameters of the Combined Heat and Power (CHP) facility at Blue Plains. He stated that for September 2017, the facility generated 92 MWH/day or 14% of total energy consumed at Blue Plains (625 MWH/day). Mr. Tesfaye went on to explain that in September, the capacity of the CHP waste heat boilers or Heat Recovery Steam Generators (HRSG) to supply adequate high-pressure steam was limited. This was both as a result of the damage to the duct burners in the HRSGs as well as reduced heating capacity of the HRSGs due to scaling on their interior walls. As a result, significant amounts of digester gas, typically used to operate the Combustion Turbines (CT), was diverted to continuously operate an auxiliary boiler and supply adequate steam required to process solids through thermal hydrolysis and digestion. In addition, the air permit stipulates that only one pair of CT/HRSG can remain in operation when the auxiliary boiler is in use.

Mr. Tesfaye also mentioned that repair work to restore one of the three HRSGs to the original factory conditions was completed on September 28, 2017. After one week of operations, PES completed a full inspection of this unit and verified that the restoration was effective. Additional monitoring and full inspections will continue through October and November to further verify effectiveness of the repair, before it is applied to restore the remaining two units.

### **III. CLEAN RIVERS PROJECT STATUS UPDATE**

Mr. Carlton Ray, Director, Clean Rivers Project, gave a quarterly update to the committee. Mr. Ray started the update by reminding the committee that DC Water had successfully obtained an amended Consent Decree that extended the decree deadline by five (5) years and enabling the deferral of approximately \$400 million dollars in programmatic spending. He next gave an overview of projects that were either completed, in construction, and/or in planning and design.

Division H – Anacostia River Tunnel project. As of September 25, 2017, the project is 87% complete. This project involved excavating and tunneling in close proximity to sewer structures and pipes with known structural deficiencies such as the 108-inch Anacostia Force Main (AFM). The Committee inquired if there would be phases of the project that would be in operation before the completion of the entire project. Mr. Ray responded in the affirmative. The Committee also inquired if DC Water had thought about scheduling Public Relation (PR) events to highlight the different phases of this project that had been completed. Mr. Ray again responded in the affirmative.

Division D – JBAB Overflow and Diversion Structures project. As of September 01, 2017, the project is 72% complete. This project will capture flow from the Potomac Outfall Sewers (POS) and convey it to Blue Plains via the Blue Plains Tunnel (BPT). Concrete pours for the Diversion Structure, Approach Channel and Ventilation Facility are approximately 100% complete. The Overflow Structure and Drop Shaft concrete pours are approximately 84% complete.

The Committee inquired if the Combined Sewer Overflow (CSO) structures would still be in place when the construction of the tunnel is completed. Mr. Ray replied that the overflow structures would still be in place even after the completion of the tunnel project in anticipation of unforeseen natural events that may be beyond the capacity of the tunnel. The Committee also inquired how the completion of the tunnel may contribute to the reduction of CSOs. Mr. Ray replied by saying it is expected the number of CSO incidents will be reduced from 75 – 80 to around 2.

Division Z – Poplar Point Pumping Station Replacement and Main Outfall Sewers Diversion project. This pump station will serve the sewer system on the east side of the Anacostia River by lifting sewage from the Anacostia Main Interceptor (AMI) into the outfall sewers for conveyance to Blue Plains. As of September 1, 2017, the project is at 75%.

The Committee inquired when DC Water expects hand-off of the facilities to occur. Mr. Ray responded the expected hand-off is scheduled for March 2018.

Division I – Main Pumping Station (MPS) Diversions project. As of September 1, 2017, the project is at 92% completion. To date, the following construction activities have been completed or are ongoing: CSO 009/011 diversion chamber; CSO 0121 Diversion Chamber; Surge Tank/Junction Chamber; Venting Facility and channel from CSO 009 to CSO 012.

Mr. Ray also stated the DCCR program is continuing to address the recommendation from the Mayor's Task Force Report on the Prevention of Flooding in Bloomingdale and LeDroit Park. Mr.

Ray highlighted some of the short-term and medium term projects that have been completed to address the flooding situation in the area.

Division U – Northeast Boundary Tunnel (NEBT) Utility Relocation project is at 88% completion as of September 1, 2017. The purpose of this project is to clear and relocate existing utilities as preparation for construction of the NEBT.

Division J – Northeast Boundary Tunnel (NEBT) project is currently in design. The projected construction start is March 2018. At completion, the tunnel will have an inside diameter of 23 ft, a length of 27,000 ft and have depths ranging from 60 ft to 140 ft.

Mr. Ray also highlighted the Anacostia River Tunnel Commissioning Awareness efforts that have been conducted recently. As the consent decree deadline is March 2018, a plan for how to accomplish this milestone is included in each of the existing contractor's work requirements. A follow up global commissioning awareness meeting was held on October 12, 2017 and quarterly update meetings will be held until the consent decree deadline date.

The Committee suggested during the next quarterly update meeting, staff should discuss in more detail the process of commissioning and hand-off to Operational departments and how those two critical activities affect the consent decree deadline.

Division PR-B – Kennedy Center CSO 021 Diversion Facilities project is at 59% completion as of September 1, 2017. The purpose of the CSO 021 Diversion Facilities is to intercept and redirect flows from the CSO 021 outfall to the planned Potomac River Tunnel during wet-weather conditions. Concrete work on the diversion chamber commenced and drilling of the drop shaft has been completed.

Division RC-A – Rock Creek GI Project A is at 10% completion as of September 1, 2017. Construction of 5 alley permeable pavements started in September 2017. A kick-off meeting to celebrate start of construction will be held on October 23, 2017.

Division PR-A – Potomac River Project A. This project is expected to be bid on February 8, 2018 with a construction notice-to-proceed scheduled for April 30, 2018.

The Kennedy Street GI Infrastructure Streetscape project is being constructed with the District Department of Transportation's Kennedy Street Improvement project. Construction of the GI is underway and DDOT anticipates completion in 2018. Mr. Ray also stated that the GI Certification Program completed two rounds of training in Fall 2016 and Spring 2017, with a third being scheduled for September/October 2017. Mr. Ray stated that to date, 15 partner jurisdictions have been formalized with total commitments over \$500,000.

Mr. Ray also mentioned that DC Water has partnered with DDOT to construct permeable pavement with alley work starting April 2017. The benefits of this partnership includes cost reduction for DC Water's GI Program for CSO control, advancement of the District's 'Sustainable DC Plan' and less disruption for residents.

Mr. Ray concluded his update by stating that the DC Clean River project is on schedule. The Committee requested that staff update the DC Clean River Schedule chart to include detailed breakdowns of the GI project activities and their duration. The Committee also requested a more in-depth explanation at the next quarterly update regarding the type of flows the tunnel system is expected to carry and whether or not there are restrictions for flow. The Committee further

requested a tour of the tunnel facilities and associated projects for the benefit of new Board members.

#### **IV. ACTION ITEMS**

##### **JOINT USE**

1. Contract No. 17-PR-DIT-51 – Microsoft Software Renewal, PCM-G, Inc.

Mr. John Bosley, Chief Procurement Officer, DC Water, presented Action Item 1.

**Action Item 1:** Request to execute contract for the purchase of new Microsoft licenses and annual software maintenance renewal.

The Committee inquired if the contract included any in-person work on IT systems by the contractors. Mr. Bosley and Mr. Kuczynski, Chief Information Officer, DC Water, replied that the contract was only for software license acquisition and maintenance support.

The Committee recommended the joint use action item to the full Board.

##### **NON-JOINT USE**

1. Contract No. 15-PR-CCO-50 – Compound Water Meters, Fasteners Rx.

Mr. John Bosley, Chief Procurement Officer, DC Water, presented Action Item 1.

**Action Item 1:** Request to execute option year 2 of contract that provides for Compound Water meters of various sizes to the Department of Customer Services.

The Committee recommended the non-joint use action item to the full Board.

#### **V. ENVIRONMENTAL WORKING GROUP (EWG) REPORT**

Ms. Jessica Edwards-Brandt, Director, Water Quality gave an update on the Environmental Working Group Report. She explained the Environmental Working Group (EWG) is a non-profit environmental organization that specializes in research and advocacy in the areas of toxic chemicals, agricultural subsidies, public lands, and corporate accountability. EWG's reporting is premised on the thought that legal standards in the United States do not adequately protect public health. For their purposes, EWG utilizes a tap water database, released in August 2017, to present their findings.

The Committee inquired as to how this group is funded. Ms. Edwards-Brandt replied that EWG is financed mostly through private funding but also engages in limited commercial activities like selling filtration products.

Next, Ms. Edwards-Brandt demonstrated the use of the EWG database by querying DC Water's water system. The search output listed contaminants detected in the water system designated

by the database as “above EWG’s health guidelines”, including arsenic which is likely naturally occurring.

Ms. Edwards-Brandt noted to the Committee that detection of contaminants in a system does not indicate severity or abundance of the compounds in the system. She also reiterated that DC Water and the Washington Aqueduct openly disclosed these contaminants and corresponding values on their public website with references to either federal levels or other studies prior to EWG’s report. She also noted that DC Water and Washington Aqueduct meet or exceed all federal Safe Drinking Water Act standards.

The recommendations by the EWG about lead were similar to DC Water’s and included:

- Running faucet in the morning to flush out all the water that has accumulated lead overnight
- Using only cold water for cooking
- Using a water filter that is certified to remove lead
- Removing lead piping

The Committee inquired as to how DC Water informs the public regarding the lead removal recommendations. Ms. Edwards-Brandt replied that these recommendations are included on every communication disseminated to the Public referencing lead removal.

## **VI. WATER QUALITY MONITORING**

Ms. Edwards-Brandt, Director, Water Quality, presented on the Department of Drinking Water Quality & Technology at DC Water. The department consists of three (3) branches, namely, Drinking Water, Compliance and Drinking Water Research & Development. The District of Columbia gets its drinking water from the Potomac River via two intake locations whereby the water is treated at two water treatment facilities operated by the Washington Aqueduct Army Corp of Engineers (Dalecarlia and McMillan Water Treatment Plants). The Safe Drinking Water Act (SDWA) requires monitoring of water quality and contains four (4) rules that apply to DC Water.

- Lead and Copper Rule (LCR)
- Total Coliform Rule (TCR)
- Disinfection Byproduct Rule
- Unregulated Contaminant Monitoring Rule (UCMR4)

The Committee inquired if DC Water is still awaiting new guidelines from EPA regarding testing frequency for lead. Ms. Edwards-Brandt replied in the affirmative. Ms. Edwards-Brandt continued to provide the committee with the water quality monitoring activities.

A video highlighting some of the activities of technicians from the Department of Water Quality & Technology was shown to the Committee. Next, a description of DC Water’s Flushing Program was given. This consists of Unidirectional Flushing (UDF) and Water Quality Flushing. DC Water is developing a revised Flushing Program that will enable it to reduce water age to improve chlorine residual, flush all dead ends and minimize softening of scales while removing loose scales.

Ms. Edwards-Brandt mentioned that DC municipal regulations require code enforcement to protect water quality. investigations.

The Committee inquired if DC Department of Health (DC-DOH) provides assistance when it comes to Fats, Oils and Grease compliance. Ms. Edwards-Brandt replied in the affirmative and stated that the DOH also provides personnel that conduct code compliance inspections.

Ms. Edwards-Brandt stated that the Research & Development branch of the Department was engaged in advancing drinking water industry research and developing innovative technologies to benefit DC Water's customers. Some of the research focus areas include:

- Distribution System Research
- Premise Plumbing Research
- In conjunction with the Washington Aqueduct
  - Advanced treatment, biofiltration, distribution system evaluations

The Committee inquired if the Washington Aqueduct was targeting any specific contaminants when doing their research on water quality. Ms. Edwards-Brandt replied that they use a list of emerging contaminants to focus their research but are mostly focused on taste & odor, and herbicide & pesticide compounds.

In summary, Ms. Edwards-Brandt stated

- Over 5000 water samples are collected annually
- Approximately 100 water quality related calls are answered per month of which half are related inquiries
- Over 800 flushing jobs are conducted annually
- Over 500 voluntary lead test kits sent to customers in 2016
- Approximately 15 enforcement letters related to cross connections and backflow preventers are sent per month
- At least 48 illegal fire hydrant connection investigations took place in 2016
- Between \$130 and \$5000 billed for each illegal meter use
- There have been 13 water quality related studies since 2014 (industry wide and internal)

## **VII. FIRE HYDRANT UPGRADE PROGRAM**

Mr. Jason Hughes, Director, Water Utility Services, gave a brief update on the status of public fire hydrants in the District of Columbia. He stated that of the approximately 9550 public service hydrants, 60 were out of service as of October 2, 2017. Of the 60 that are currently not operational, 29 were operationally defective while 31 were out of service because of either nearby water main repairs, non-DC Water construction activities or other hydrant obstructions.

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

The Committee requested an update on the projects to increase water pressure in two areas of the city at a future meeting.

The Committee also expressed concern over the reported decrease in permit approvals and requested a briefing at a future meeting.



**IX. EXECUTIVE SESSION**

None.

**X. ADJOURNMENT**

Meeting adjourned at 11:10 a.m.

**Follow-up Items**

1. Director, DC Clean Rivers Project: Provide details regarding the commissioning and hand-off process (to Operational departments) of the NEBT project and how those two critical activities might impact the consent decree deadline.
2. Manager, Green Infrastructure: Provide specifications of permeable pavement design used in the Division RC-A – Rock Creek GI Project A.
3. Director, DC Clean Rivers Project: Update the DC Clean River schedule chart to include detailed breakdowns of the Green Infrastructure (GI) project activities and durations.
4. Director, DC Clean Rivers Project: Provide a detailed explanation regarding acceptable type of flows and any other restrictions on type of flows to be carried by the tunnels planned and currently under construction as part of the Long Term CSO Control Plan.
5. Director, DC Clean Rivers Project: Schedule a tour of the tunnel facilities and associated projects for the Board members.
6. Chief Engineer: Provide an update to the Committee regarding the Anacostia 2<sup>nd</sup> High Pressure Improvement Program (A2H PZIP).
7. Chief Engineer: Provide an update regarding timeliness and general approval process of DC Water Permit Operations.



## DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

### Board of Directors

*Audit Committee*

*Thursday, October 26, 2017*

*9:30 a.m.*

*Meeting Minutes*

#### **COMMITTEE MEMBERS PRESENT**

Nicholas Majett, Chairman  
Elisabeth Feldt  
Bonnie Kirkland  
Anthony Giancola

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

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

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

Henderson Brown, Acting General  
Manager  
Biju George, Chief Operating Officer  
Meena Gowda, Acting General Counsel  
Roger Brown, Director of Human Capital  
Management  
Dan Bae, Director of Procurement  
John Madrid, Controller  
Beth Stachura, Labor Relations  
Manager  
Alfonzo Stukes, Board Administrative  
Specialist

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

Mr. Nicholas Majett called the Audit Committee meeting to order at 9:32am.

#### **Internal Audit Update (Item 2)**

RSM Partner, Mr. Dan Whelan, presented the FY 2017 audit plan status update and addressed the modifications to the plan. This included detail that the Employee Recruitment, Selection & On-Boarding audit had been postponed to the beginning of FY 2018 due to re-organization with the Department of Human Capital Management. Mr. Anthony Giancola posed a question regarding the re-organization in which Mr. Roger Brown, Director of Human Capital Management responded. Mr. Brown detailed that as part of the restructuring HCM no longer reported to the Support Services Assistant General Manager but shifted to the Office of the General Manager. He informed the Committee that the re-organization was complete as of July 2017 and that three additional staff members have been added to HCM.

Ms. Sophie Tomeo presented the status of prior audit findings. For audit findings prior to FY 2015, there are four action deferred items related to union approval of policy, as well as three open items including water services and GIS mapping. For FY 2015 audit findings, there are four items pending testing as well as one open item related to the Network Security Assessment. FY 2016 follow-up testing shows 18 items closed, 16 pending testing, and 18 items remain open.

Ms. Kelly Johnson provided the Committee an update on the COR/COTR training and compliance monitoring implementation by management per the Contract Monitoring & Compliance Audit Part II findings. The action plan in place consists of three phases. Phases one and two have been completed. Phase three is implementation of the automated Vendor Performance Management and Reporting application, which has a target go-live date of October 2017. Training on this new system is planned for November 2017 with refresher training on an annual basis. Mr. Giancola requested clarification on whether the training would be ongoing, and Mr. Dan Bae, Director of Procurement, confirmed that training via live class will occur every other year, and via webinar in between. Mr. Bae also clarified that the COR/COTR training is mandatory and that those that do not attend will be removed as COR/COTR per direction of the General Manager.

Ms. Johnson followed with a presentation of the Contract Monitoring and Compliance Part II. It was noted that Contract Monitoring and Compliance Part I was issued during the previous Committee meeting. Ms. Johnson detailed that Part II included a review of the ADP Group, Inc. contract within the Department of Facilities and that one high risk finding was identified. This finding was regarding the improper utilization of the contract vehicle by the Department of Engineering and Technical Services. The Indefinite Delivery/Indefinite Quantity (IDIQ) contract was through goods and services and did not include the appropriate terms and conditions to qualify as a construction contract. Ms. Johnson pointed out to the Committee that this was identified as a one-time occurrence following multiple attempts at procuring an appropriate construction contract. Management plans to include appropriate terms and conditions in all IDIQ contracts in the future to qualify as a construction contract. Ms. Elisabeth Feldt requested clarification on an item from Contract Compliance Part I, which was deferred to Executive Session.

Ms. Jill Reyes then presented the report on the Entity Level Assessment. The purpose of this assessment was to review the tone at the top, which drives culture, accountability, and communication across the Authority. Ms. Reyes noted that multiple interviews were performed during the review to gain a thorough understanding of Authority-wide controls. She continued by notifying the Committee of two high risk findings regarding a lack of an authority-wide, formalized process for approving and updating policies and procedures, and a lack of a formal entity-wide risk management program. As previously noted by Mr. Roger Brown, Ms. Reyes reminded the Committee that the Authority has been working for an extended period of time to complete a comprehensive update to employee policies, however many are still in union review. A majority of policies are anticipated to be finalized and approved by the end of November. However, there may be a few that require additional bargaining due to the union's right to bargain impacts and effects. Mr. Brown also detailed that a plan has been put into place to review one-third of all policies on an

annual basis and that this action item is to be completed by September of 2018. Mr. Nicholas Majett posed a question regarding the timeline of union approval of policies, and if an agreement cannot be made, would a policy go to impasse. Ms. Beth Stachura, Labor Relations Manager informed the Committee that it is possible that a policy can go to impasse if an agreement cannot be made, but that it is not common and it is normal practice for multiple rounds of bargaining to occur. Regarding the second high risk finding, the lack of a formal entity-wide risk management program, management identified that this will be addressed during the annual Board retreat.

Mr. Ethan Bickford then presented the Materials Management – Operations and Inventory Internal Audit. Mr. Bickford informed the Committee that the purpose of this review was to gain an understanding of the Materials Management process and assess the full materials life cycle, from purchasing to the exchange of materials with customers, and inventory counts. It was noted that the scope of this audit did not include a review of the accounts payable process. He continued by informing the Committee of one high risk finding regarding lack of analysis and documentation of root causes of inventory count variances. He detailed that when variances were identified between the Asset Management system and the on-hand count, no documentation was kept nor did root cause investigation occur. Management intends to implement a variance investigation threshold of +/- 2% or +/- \$75 and adjust inventory count forms to more adequately capture variance information. The anticipated date of completion is January 17, 2018.

Ms. Kelly Johnson then provided an update on the fraud, waste, and abuse hotline that is monitored by the internal audit department. She informed the committee that the hotline received 10 calls since July and that two were fraud related. Ms. Johnson detailed that 8 cases have been closed this quarter and that there are 9 cases currently open. She also provided a summary of FY17 hotline activity, highlighting that 30 total calls were received, 7 of which were fraud related. A summary of number of calls received and number of calls requiring corrective action from FY 2013 – FY 2017 was also provided. Ms. Feldt requested a breakdown of the cases that were closed due to not enough information or because the investigation did not result in substantiated claims. Ms. Reyes indicated that we would provide this information during executive session. Additionally, the Committee was notified that EthicsPoint, a new online case management system, was successfully implemented.

Ms. Reyes then followed by presenting an overview of the Risk Assessment process and how this is performed on an annual basis as the refresh of the overall Internal Audit process. Ms. Reyes explained that the assessment does not only look at financial risk, but also operational, compliance, legal and regulatory, strategic, and technological risk, as well as internal and external factors, and any changes that have occurred within the organization. Multiple interviews were conducted and nine major themes were presented during interviews, including operational failure, contract compliance, system implementation, affordability programs, and strategic planning. She continued by detailing that the result of this Risk Assessment is the proposed FY18 audit plan, which was shared with the Committee. The Committee was informed that the plan is intended to be flexible,

as always, based on re-prioritization of risks to the Authority and any unanticipated events that may present themselves during the year. Ms. Feldt posed a question regarding the Impervious Acreage Charge (IAC) in which Ms. Reyes informed the Committee that IAC would be under review during the Affordability Programs audit and a summary of the scope will be provided once finalized. Mr. Giancola questioned the number of audits on the plan, noting there were more anticipated during the upcoming year than the previous, and wanted confirmation that the audits could be completed. Mr. Whelan noted that the plan will be revisited based upon his comments, and Ms. Reyes noted that three of the audits listed are actually one integrated audit that affects the divisions of the Authority. A request was made by Mr. Giancola to revisit the format and presentation of the Audit Universe, as it is confusing. A consensus was then made by the Committee to accept the proposed FY18 audit plan.

Mr. Dan Whelan then provided the Committee with a summary of Internal Audit accomplishments during FY17. These accomplishments included an 88% closure rate of prior audit findings, an upgrade to the web-based remediation Issue Tracker, finalization and implementation of an Authority-wide hotline protocol, as well as 12 planned and performed internal audits or specific project based reports.

### **Executive Session (Item 3)**

There was a motion to move into Executive Session by Mr. Giancola to discuss legal, confidential, and privileged matters pursuant to Section 2-575(b)(8) of the D.C. Official Code. The motion was seconded by Ms. Feldt and motion carried. The room was cleared of non-Executive members and all public individuals. The Audit Committee went into Executive Section at approximately 10:17am.

### **Adjournment (Item 4)**

The Board moved back into public session. The Audit Committee meeting adjourned at approximately 10:35am.

### **Follow-up Items**

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

1. Include expected completion dates within Management Action Plan summary.
2. Provide a recap of the scope of the upcoming Affordability Programs audit, specifically regarding the Impervious Area Charge.
3. Consider updating the format and presentation of the Audit Universe.
4. Consider revising the number of planned FY18 internal audits after further review.



**DISTRICT OF COLUMBIA  
WATER AND SEWER AUTHORITY**

**Board of Directors**

**Finance and Budget Committee**

**Thursday, October 26, 2017**

**11:00 a.m.**

**MEETING MINUTES**

**Committee Members**

Timothy L. Firestine, Committee Chairperson  
David Franco  
Adam Ortiz  
Tommy Wells, Board Chairman

**DC Water Staff**

George Hawkins, CEO/General Manager  
Matthew T. Brown, Chief Financial Officer  
Henderson Brown, General Counsel  
Alfonzo Stukes, Board Administrative Specialist

**Other Board Members**

Anthony Giancola

**Call to Order**

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

**September 2017 Financial Report**

Mr. Matthew Brown, CFO, reported DC Water ended the fiscal year 2017 with strong financial performance, consistent with previously reported projections. Total operating revenues were \$617 million, or 104 percent of budget, and operating expenses were \$512.8 million, or 96 percent of budget, and capital disbursements were \$545.3 million, or 107.6 percent of budget. He stated that \$10 million has been transferred to the Rate Stabilization Fund consistent with the Board's prior approval. The numbers reported are preliminary results and final results will be reported later in the year after completion of the annual audit.

Mr. Brown explained that the increased revenue in the residential, commercial and multi-family customer category is mainly from the Clean Rivers Impervious Area Charge (CRIAC) resulting from the updated flyover data. He noted that the Authority received the August 2017 bill of \$2 million from the District Government in early October.

CFO Brown stated that all major operating expenditure categories were within budget, with the exception of personnel services which was at 103 percent of budget. He reported that the increased spending on personnel services is due to the union settlement payouts, employee year-end one-time payments, and overtime expenditures, offset by lower health benefit costs.

Next, Mr. Brown reported that the higher disbursements for the capital budget included \$45 million for the Clean Rivers program and \$24 million in the Wastewater Treatment area for additional payments that were made but not anticipated for the Combined Heat & Power (CHP) facility and solids processing facilities. He stated that \$7.5 million payment was made to the Washington Aqueduct in September for previously authorized projects and that the capital equipment spending was consistent with expectation and historical trends.

Mr. David Franco inquired about long-term planning for capital budgets and how the Authority leverages increases in net cash position to mitigate annual rate increases. CFO Brown stated that the Authority has a 10-year financial plan and capital improvement program which is reviewed with the Board as part of its annual budget process. He further explained the use of Pay-Go financing and debt issuance for capital programs and that the Committee/Board approves any transfers to the Rate Stabilization Fund. Mr. Hawkins, CEO & General Manager, provided additional insights on the financial challenges, including the balance between Pay-Go and debt.

In response to Mr. Anthony Giancola's question about the feasibility of establishing a cap on debt service limit, Mr. Brown responded that management will undertake benchmarking data analysis for future consideration.

Mr. Adam Ortiz inquired whether the rating agencies viewed DC Water's high debt portfolio as a long term issue. CFO Brown stated that the Authority has AAA credit rating and that he has reviewed the rating agencies' reports and met with the financial advisors. He explained that the agencies view the Authority's high coverage ratios and reserves as a strength to offset the large debt mainly driven by consent decree projects. Mr. Hawkins further explained that these questions are raised at every rating agency meeting and has been a strength for DC Water. He stated that even in the midst of rapid growth in the capital programs, the Authority has been able to maintain good coverage ratios.

### **Action Items**

Mr. Brown reviewed fact sheet for the Bond Counsel services, explaining the firm's historical knowledge of and experience with DC Water are needed for the Investor Conference in December 2017 and anticipated bond issuance next spring. In response to Mr. Franco's question on the cost, CFO Brown responded that it is based on a fixed fee for debt issuance and variable rate for other advisory services. The Committee recommended the one-year contract extension for the Bond Counsel Services with Squire, Patton, Boggs (US) LLP.

### **Agenda for November Committee Meeting**

Mr. Brown suggested a presentation on the Environmental Impact Bond (EIB) to provide an update on the Green Infrastructure Bond for the next committee meeting.

### **Adjournment**

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



**CEO and GENERAL MANAGER'S REPORT**

George S. Hawkins – November 2017



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**Color Key**

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

My greetings to the Board! What follows is unusual for a GM's report – but the visibility and discussions triggered by several recent NBC 4 Investigative reports that aired during the last weeks of October deserve a detailed review of the issue for the entire Board. The language below is mirrored in a blog post we published last week on our website and through other sources.

### **Clean Rivers Impervious Area Charge**

Recent commentary has focused attention on the Clean Rivers Impervious Area Charge (CRIAC) that is part of the bill that retail customers in the District of Columbia receive from DC Water. We offer the following analysis to help clarify the purpose, structure and history of the CRIAC, and to summarize DC Water's plans to evaluate the current status of this charge.

First, to outline the background of the DC Clean Rivers Project:

- DC Water is mandated by a consent decree entered in the Federal District Court under the Clean Water Act to implement a mammoth program to resolve water pollution challenges. These challenges stem from a combined sewer system designed and built by the federal government over a century ago.
- A combined sewer handles both sewage flow from retail residential, multi-family and commercial customers in the District and stormwater flow that enters the same pipes from storm drains in the street. Under most circumstances, these combined sewers can handle the sewage and rainfall that is directed into these large sewers. However, in bigger rainstorms, the pipes are completely filled and overflows are triggered – both to all three large waterways that flow through the District (Potomac and Anacostia Rivers, and the Rock Creek) and sometimes into District streets and basements. The release of this combination of sewage and rainfall – called a combined sewer overflow – causes a public health hazard to all the people that live, work and visit the District, as well as all other living organisms in our environment.
- Combined sewers are not unique to the District of Columbia. Nearly 800 cities across the country, primarily in the east and Midwest United States, have combined sewers and most are implementing programs to eliminate overflows from these antiquated systems.
- The Clean Rivers Project provides three main benefits to all ratepayers in the District:
  - Cleaning up sewage overflows – the project will reduce combined sewer overflows by 96percent overall with a 98percent reduction for the Anacostia River. This will bring the sewer system into compliance with the District's water quality standards and will essentially remove CSOs as a source of pollution to District waters. The rivers will be cleaner and will have less trash.
  - Providing flood relief – The project will alleviate chronic flooding of basements and streets that has plagued the Northeast Boundary area for many decades. The extreme flooding in Bloomingdale and LeDroit Park in 2012 and the recent flooding of August 12, 2017 are examples of what the project will address.
  - Helping to clean up the Chesapeake Bay – the project will reduce peak flows to the wastewater treatment plant at Blue Plains allowing a more cost effective nutrient removal system. Nutrient removal at Blue Plains is another Federal mandate required to help clean up the Chesapeake Bay.
- The sewer system in the District began to be constructed in the 1870s, nearly 150 years ago. The sewer system was predominately built by the Federal Government under the auspices of the Army Corps of Engineers. After home rule in 1972, the District inherited the sewer system and the problems that go along with it including sewer overflows and flooding. We are now required to resolve problems that were created and have lingered for nearly 150 years in the short time

## Message from the CEO/GM

span of 25 years (about a generation) as mandated by the Federal Consent Decree. Given that the Federal Government constructed the sewer system and then turned it over to the District residents, it is important that the Federal Government pay their fair share of the legacy costs to correct the deficiencies in the system. Federal installations in the District of Columbia pay the CRIAC charges billed by DC Water.

- The consent decree, signed by the US Environmental Protection Agency, US Department of Justice, the District of Columbia and DC Water, mandates a program – which DC Water calls the “DC Clean Rivers Project.” This project is designed to alleviate combined sewer overflows by building a system of underground tunnels, and green infrastructure at the surface, to contain and capture these overflows so they can be directed to DC Water’s world class treatment facility at Blue Plains. The Clean Rivers program is subject to strict performance milestones under the consent decree. The cost of the program was estimated at \$2.6 billion in 2005, and requires significant construction work over 25 years until 2030. The District of Columbia has the nation’s highest per capita cost for a combined-sewer consent decree project.
- As part of the development of the Clean Rivers project, more than 50 different alternatives were evaluated and ultimately rejected as being inferior to the selected plan for a variety of reasons. They were more expensive – from \$3.5 to \$9.5 billion – and had other significant disadvantages including: requiring a large amount of property; taking space currently used for parkland or recreation; would be difficult or expensive to operate and maintain; and would be extremely disruptive to the community during construction.
- Because DC Water is a ratepayer-funded enterprise, the Clean Rivers program must be paid for by our retail customers. DC Water’s suburban wholesale customers, including Montgomery and Prince Georges County in Maryland and Fairfax and Loudon County in Virginia, pay for the portion of the Clean Rivers Project they use (up to 7.1 percent). This is a relatively low percentage because none of the combined sewers that are causing the problems are located in the suburban jurisdictions. DC Water aggressively seeks federal appropriations to help cover the cost of upgrading the combined sewer system – but must seek funding every year. In past years DC Water has received relatively small appropriations. For example, in 2017, DC Water received a \$14 million federal appropriation while at the same time expending \$216 million on the Clean Rivers Project to meet strict milestones and deadlines. This funding gap leaves the vast majority of costs associated with Clean Rivers covered by retail customers in the District of Columbia.

Second, to outline the background of the Clean Rivers Impervious Area Charge:

- DC Water started to develop a plan to pay for the enormous costs associated with the mandated Clean Rivers work in 2007. After thorough evaluation, two main approaches were considered. One approach was to include the cost of the Clean Rivers Project in the sewer rate because the work is essentially expanding the capacity of the sewer system to handle additional stormwater flow. On the other hand, the sewer bill is premised on a volumetric use of water and sewage generation, not on the generation of stormwater that is triggering the need for the program. The alternative approach was to create a new fee based on the impervious cover on every parcel of land in the District. Impervious surfaces are hard surfaces that cause stormwater to run into combined sewers and storm drains. This is the very challenge that the Clean Rivers Project is designed to meet.
- Because impervious surfaces are closely related to the amount of stormwater conveyed in combined sewers, impervious cover is used as a surrogate to approximate the respective contributions made by the many properties in the District of Columbia to the storm water that will be managed by the Clean Rivers Project. In 2008, the Board of Directors of DC Water

## Message from the CEO/GM

decided to fund the Clean Rivers program using a fee associated with the amount of impervious cover on the property of each customer. This fee is the Clean Rivers Impervious Area Charge (CRIAC) that is the subject of current discussion.

- The CRIAC is determined by aerial mapping and assessment of each lot in the District. Aerial mapping is conducted every several years by the District Department of Energy and the Environment. DC Water assesses each lot for the scale of impervious cover on that lot – and then calculates a fixed fee that is charged to that lot. Lots with larger amounts of impervious cover, which also generate large amounts of stormwater, are charged a higher fee.
- For residential customers, lots are classified into six tiers based on the scale of impervious cover. Most residential lots in the city are in the tier charged one ERU – or equivalent residential unit (averaging 1000 feet of impervious cover). DC Water has one tier smaller than 1 ERU for smaller lots, and five tiers larger for bigger lots. This arrangement implements the approach of higher payments for larger lots and more impervious cover, and smaller payments for smaller lots.
- For commercial and multi-family customers, the ratepayer is charged a rate that is calculated based on the actual square footage of impervious cover on the lot.
- The CRIAC first appeared on DC Water customer bills on May 1, 2009 and started at a low rate of \$1.24 per ERU – because the project was in its earliest stages. Some customers have noted that this charge did not exist before 2009 – which is correct. Prior to 2009, relatively small expenditures associated with the Clean Rivers Project were included in the sewer rate, which was based on a customer's water usage. Since 2009, the Clean Rivers Project has been exclusively funded by the CRIAC and what appropriations were made available by Congress.
- The CRIAC has escalated rapidly over the years because DC Water has shouldered the massive costs associated with constructing huge underground tunnels and the green infrastructure required by the consent decree. By 2018, the CRIAC had increased to \$25.18 per ERU, from the initial \$1.24 per ERU in 2009. Because the Clean Rivers Project will continue until 2030, the CRIAC will continue to rise in the years ahead to cover the costs of this work.

Third, with respect to the issues raised in recent reports in the media and plans to evaluate the current status of the CRIAC:

- All of the revenue raised goes to fund work for the benefit of public purpose. DC Water is a non-profit, public agency that is predominantly funded by ratepayer funds, with no other significant funding source. There is no significant funding source other than ratepayer funds. This reality and the legal requirements imposed by the consent decree have motivated DC Water to determine the most balanced and accurate approach to raising the funds required. The hard reality that is that the work must be paid for by a system of rates and fees that allocates the costs attributable to the environmental improvements to the District's waterways to DC Water's customers.
- By design, customers with larger lots and more levels of impervious area are charged a higher fee under the CRIAC. Many churches and other customers with larger parking lots and buildings have seen their CRIAC charge increase significantly since 2009. There are a small number of religious institutions that are associated with much larger lots and cemeteries that have received significantly higher bills due to the CRIAC.
- Costs associated with the Clean Rivers Project are known, and for the most part, fixed. The fixed nature of the costs means that reducing the charges allocated to any one group of customers will increase the costs allocated to all of the other customers.
- DC Water's Board is very concerned with the fairness of the rates and fees charged by DC Water

## Message from the CEO/GM

to our retail customers. The Board has mandated a comprehensive program to support low income customers, which was expanded in the last year to include a 50 percent reduction to the CRIAC to customers who are eligible for assistance under income guidelines set under the Low Income Home Energy Assistance Program (“LIHEAP”) administered through the District Department of Energy and Environment (DOEE). DC Water’s Board has also modified and reduced fees assessed to residential customers for drinking water infrastructure after the issue of mandatory fire suppression was brought to its attention.

- DC Water’s Board has asked staff to assess the status and fairness of the CRIAC as it has unfolded over the last ten years, with particular attention to certain non-profit customers – most notably those with larger lots that therefore trigger larger CRIAC charges. This assessment is ongoing, although has been hampered in part by a difficulty in identifying and accurately calculating the number and scale of entities that are part of the non-profit category. DC Water has three customer classes – residential, multi-family and commercial – and has not systematically collected or analyzed the subcategory of non-profits. Nevertheless, staff is working hard to do so, while in the middle of an on-going program to update our Customer Information System to enable just this type of analysis.
- DC Water’s staff intends to formalize these efforts in a rate study to evaluate whether modification to the scope and method of assessing the CRIAC charge are appropriate. Examples of items to be considered include:
  - Present to the DC Water Board Retail Rates Committee an analysis of affordability and hardship programs in comparable utilities
  - Assess the overall fairness of the CRIAC fee
  - Review available alternate or additional sources of funding
  - Assess the feasibility of establishing a system wherein customers can implement measures to reduce runoff from their property and thereby reduce the CRIAC charge.

We emphasize that we all need to recognize that any changes to the program are in effect a zero-sum game. The costs to comply with Federal mandates and to provide the flooding relief and other benefits are in essence fixed. Changes to how the CRIAC is structured will need to generate the same amount of funding and any reductions for some portion of the customer base will result in increases for other customers. Within this context, the Board and staff of DC Water are committed to a rate and fee structure that is both fair to our customers and that raises the necessary funds to undertake work that is vital to the health and well-being of our city and region.

### **Blue Drop**

Blue Drop turns one year old tomorrow. We have made substantial progress on every front in the last 12 months, as you heard most recently in the report of the September Governance Committee meeting. Blue Drop conducted its third Board meeting on Friday, October 27. We discussed business planning and financial projections, approved records retention and conflicts of interest policies and made plans for expanded financial oversight. I also have some changes to report on the composition of the Board:

First, I was delighted to welcome two new members. [Debra Silimeo](#) is Executive Vice President of Hager Sharp, a communications firm based here in the District that does quite a bit of work for government agencies. She also served as deputy administrator for the United States Small Business Administration and conducted a rebranding campaign for that agency. She has a wealth of experience in small business, in communications and in consulting that will serve Blue Drop very well.

## Message from the CEO/GM

More terrific news: our second new Board member is both familiar and friendly to the DC Water family. [Rachna Butani Bhatt](#) is a longtime DC member of the DC Water Board and serves on the Governance Committee, which has jurisdiction over Blue Drop. Rachna runs a large local construction firm with more than \$200 million in government contracts, including the construction of hospitals and municipal buildings. Through her committee work, she has already been a valuable resource to Blue Drop in its infancy. This appointment will help cement the connection between Blue Drop and DC Water during our time of leadership transition.

Speaking of leadership transition, I anticipate that last Friday will have been my last meeting as Chairperson of the Blue Drop Board. While my appointment in that capacity and as Member Representative are by name and not by title, we believe the CEO and General Manager of DC Water should serve in those roles for foreseeable future. We are advancing a resolution to name Henderson Brown as Chairperson and Member Representative December 30. Upon becoming Chairperson, Henderson would name me to a vacant Board seat. The Blue Drop team and I are continuing to explore my future role as a senior adviser in addition to serving on the Board.

### *Bloom*

	Sep	YTD
Tons diverted	1,112.74	7691.99
Cost Savings to DC Water	\$29,909.72	\$245,869.77
Revenue to Blue Drop	\$4,445.67	\$22,494.35

### **External Affairs**

#### *Government Relations*

- The government relations team participated in outreach events at both the H Street Festival and Adams Morgan Day and used the opportunity to connect with DC Council members.
- We also helped organize a lunch speaking engagement for the General Manager before the Committee of 100 on the Federal City, a small but influential organization devoted to preservation issues.
- The government relations team worked with Council staff on newly proposed legislation from Council Member Todd that creates a mechanism for notifying the District government if any nursing home, residential treatment facility or half way house is ever in danger of having their utilities turned off. DC Water currently already protects those facilities by not shutting off water and we communicated that in addition to working to facilitate testimony and a hearing involving Charles Kiely.

#### *Media Relations*

- Working with Jacob Fenston, WAMU journalist, for his series on the Anacostia River—its history, challenges to its health and its future. He has been in the Clean Rivers Project tunnel for an interview with Carlton Ray and is scheduled for an interview with George Hawkins at Blue Plains.
- Working with Arash Arabasadi at Voice of America. His first story, on DC Water's Blue Plains Advanced Wastewater Treatment Plant published/aired. He is returning for a sewer shoot the end of October.
- Jay Landers interviewed Bethany Bezak for an article in WEF's WE&T Magazine on green infrastructure.
- We facilitated an interview with a University of Maryland journalism student who wanted to

## Message from the CEO/GM

write a story on the bees living here at Blue Plains. We also worked with Washington Post columnist John Kelly for a story he was working on about meter replacements and meter pits being spray painted by our team for safety reasons.

### *Press Releases*

- October 5 – Henderson J. Brown IV Acting CEO and General Manager

### *Media Coverage*

- [DC Water Chief, A Leading Voice In The Industry, Is Resigning](#)  
(Water Online / September 22, 2017)
- [Toilet-Paper Giant Sues D.C. Over Flushable Wipes Ban](#)  
(Patch / September 23, 2017)
- [How Cities Can Protect Poor People and Minorities From Climate Change](#)  
(Governing / September 28, 2017)
- [Financing tool aimed at helping reduce pollution, meet clean-water goals](#)  
(Herald-Mail Media / October 1, 2017)

### *Drinking Water Marketing and Communications*

- DC Water participated in the U.S. Water Alliance's annual "Imagine A Day Without Water." This national event encourages the public to think about the value of water in their everyday lives. DC Water designed lesson plans for K-8 teachers, sponsored a student video project, and hosted an educational assembly at Kelly Miller Middle School focused on water conservation. Wendy and Team Blue staffed an outreach table outside of the Dupont Metro Station and greeted commuters with interactive signage, water quality information, trivia games, giveaways, free fresh water, and—most importantly—a coffee sleeve worth a free cup of coffee from local partner Glen's Garden Market. "The best brew begins with DC Water."
- On October 28th, the public is encouraged to safely dispose of prescription and over-the-counter medications at over 50 locations throughout metropolitan Washington, from 10:00 a.m. to 2:00 p.m. The U.S. Drug Enforcement Agency's National Prescription Drug Take Back Day is a nationwide event to promote the safe disposal of expired and unwanted medications. Proper medication disposal keeps our communities safe by preventing drug abuse, accidental ingestion and the contamination of our water supplies. The service is free and anonymous.
- External Affairs is continuing conversations with Metropolitan Police Department to make available to the public permanent medication disposal kiosks housed in District police stations. The CVS Safer Communities program has agreed to deliver and install conveniently-sized, secure medication disposal kiosks at no cost for District law enforcement agencies that provide a written letter of support from the DC Council. External Affairs staff will continue coordinating these efforts to protect public health and source water integrity.
- The American Water Works Association (AWWA) has released updated standards for the replacement and flushing of lead service lines. DC Water remains compliant with all federal mandates, and our practices meet or exceed AWWA's revised standards. External Affairs will work closely with the Drinking Water Division to update lead communications and signage.

### *Meetings/Presentations/Events*

- DC Water participated in the 13<sup>th</sup> annual H Street Festival. With nearly 200,000 residents, visitors and vendors in attendance, this is easily one of the largest festivals held in the District

## Message from the CEO/GM

each year. As normal, DC Water provided lots of support with its Misting Tent, Quench Buggy, Cooling Station, guest appearance by Wendy, information and giveaways.

- DC Water participated in the annual Fiesta DC Festival. With nearly 100,000 residents, visitors and vendors in attendance, this is easily one of the largest Latino festivals held in the District each year. As normal, DC Water provided lots of support with its Misting Tent, Quench Buggy, Cooling Station, guest appearance by Wendy, information and giveaways.
- As part of its “Let’s Talk Construction” initiative, DC Water is embarking upon a series of block meetings held at various locations across Ward 8 as a strategic way to engage clusters of residents who have not yet signed/returned an agreement permitting DC Water to install a pressure reducing valve inside their homes. The seventh meeting took place near the intersection at Upsal Street SE and Congress Street SE.
- The eighth “Let’s Talk Construction” block meeting took place near the three-way intersection at First Street SE, Mississippi Avenue SE and Xenia Street SE.
- As a partnership building opportunity, DC Water attended the annual DC Teachers’ Night, hosted by US Botanic Gardens. Engaging a number of schools across the region about its Environmental Education program, DC Water successfully signed up over 30 new schools to our list of partner schools interested in either an environmental lesson or tour to our Blue Plains facility.
- In support of its Northeast Boundary Tunnel Project, DC Water is embarking upon a series of block meetings held at various locations along the tunnel alignment as a strategic way to engage affected customers about the future project construction, purpose, benefits and impacts, and schedule. The first of these meetings was held at 4<sup>th</sup> Street NE and Rhode Island Avenue NE.
- The ninth “Let’s Talk Construction” block meeting took place near the intersection at Wade Road SE and Sumner Road SE.
- The second Northeast Boundary Tunnel Project block meeting took place at Rhode Island Avenue NE and 8<sup>th</sup> Place NE.
- The third Northeast Boundary Tunnel Project block meeting took place at Mt. Olivet Road NE and Capitol Avenue NE.



## Message from the CEO/GM

- The tenth “Let’s Talk Construction” block meeting took place near the intersection at 16<sup>th</sup> Street SE and Galen Street SE.
- The fourth Northeast Boundary Tunnel Project block meeting took place at the green space at the end of W Street NE.
- DC Water is becoming actively engaged in the ever-growing Robotics educational program. As such, DC Water attended the DCPS Robotics Kick-Off event, held at Walker-Jones Elementary School. DC Water provided three educational lessons about buoyancy, surface area, and hydrodynamics. This proved a very worthwhile event, as DC Water was able to engage about 70 students, ages 9 through 14, representing 7 schools throughout the District.
- In partnership with DPR, DC Water attended the 4<sup>th</sup> annual Recreation Day event, which took place at Randall Recreation Center and Baseball Field. In support of this event, DC Water provided its Misting Tent, Quench Buggy, Cooling Station, guest appearance by Wendy, information and giveaways. This was surely a significant event for DC Water as it marked not only the end of another successful Spring/Summer event season, but nearly 60 events attended this season-by far, the busiest event season in the history of the outreach program!!!!
- In the aftermath of the widespread flooding/backup incidents which occurred on August 12, DC Water has experienced a resurgence of community interest into the probable cause(s) of these incidents and ways to mitigate them. This has been coupled with requests for DC Water to attend a series of community meetings and provide information and updates on these topics. As part of this, DC Water attended the October monthly meeting of the French Street Neighbors Association.
- DC Water attended the Single-Member District 4B06 monthly meeting to discuss updates on its Green Infrastructure project.
- In support of its Low Area Trunk Sewer Rehabilitation Project, DC Water attended the October monthly meeting of ANC 6B to provide a detailed presentation on the project purpose, schedule, benefits and impacts.
- As part of its continuing partnership with the friends of Capitol Hill, DC Water’s outreach team and Wendy rose with the sun to greet little youngsters at Lincoln Park for their annual Walk To School Day.
- DC Water attended the October monthly meeting of ANC 1A to discuss updates on its local Small Diameter Water Main Replacement Project and related parking issues.

### *Customer Newsletter*

The October bill insert was the bi-annual Clean Rivers Project News, the mandated (per consent decree) newsletter that mails to customers with their water bills and separately to boat houses/marinas twice annually. The articles included a cover story on the awarding of the contract to build the Northeast Boundary Tunnel, a story on the ground breaking for the first green infrastructure project in Rock Creek, a story on AlleyPalooza and the required FAQs on a combined sewer system.

### *Tours*

- 2 DC Residents
- 25 American University Students
- 5 US EPA
- 9 Department of Defense Reps
- 1 guest of Board Member T. Giancola
- 4 guests of GM

## Message from the CEO/GM

- 20 Students from Maryland U.
- 15 Students from Maryland U.

## Message from the CEO/GM

### Social Media

#### Activity Overview



#### Audience Growth

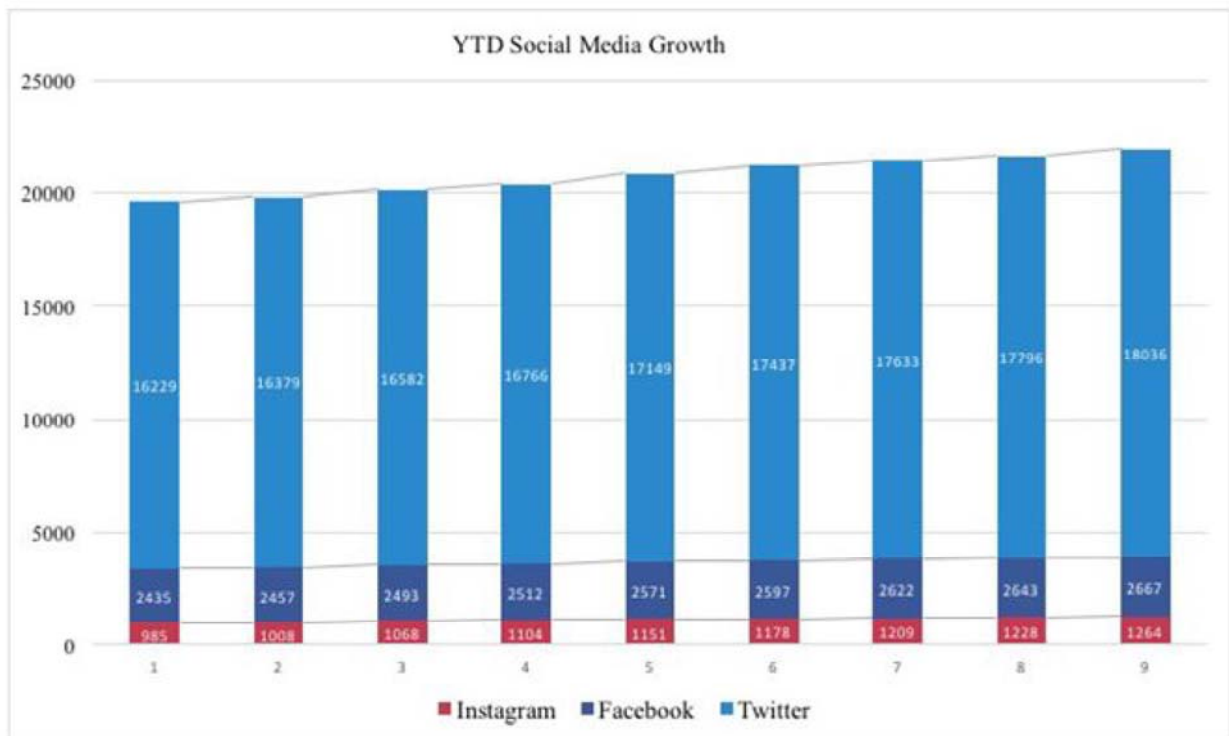
■ FACEBOOK ■ TWITTER ■ INSTAGRAM

Audience Growth Metrics	Totals	Change
<b>Total Fans</b>	<b>21,967</b>	<b>▲ 0.9%</b>
New Facebook Fans	18	▲ 0.7%
New Twitter Followers	146	▲ 0.8%
New Instagram Followers	26	▲ 2.1%
<b>Total Fans Gained</b>	<b>190</b>	<b>▲ 0.9%</b>

Total followers increased by

**▲ 0.9%**

since previous date range



Message from the CEO/GM

Website

www.dewater.com

Sessions

66,070

Pages / Session

2.69

Avg. Session Duration

00:02:26

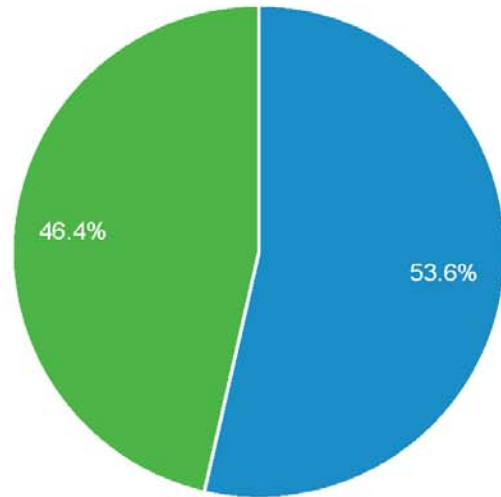
Bounce Rate

25.64%

Page-views

177,700

■ Returning Visitor ■ New Visitor



Page	Pageviews	% Pageviews
1. /my-dc-water-upgrade	51,852	29.18%
2. /default.cfm	40,465	22.77%
3. /paying-your-bill	13,639	7.68%
4. /careers	7,716	4.34%
5. /contact	5,879	3.31%
6. /payment-and-billing	3,948	2.22%
7. /projects	1,884	1.06%
8. /rates-and-billing	1,787	1.01%
9. /who-needs-register	1,740	0.98%
10. /internal-job-board	1,284	0.72%

## ORGANIZATIONAL PERFORMANCE DASHBOARD (September 2017)

### Financial Highlights

Net Operating Cash		Operating Revenues		Operating Expenses		Capital Disbursements	
Actual	141,800	Actual	617	Actual	513	Actual	545
Target	82,656	Target	595	Target	536	Target	536
	(\$ thou)		(\$ mil)		(\$ mil)		(\$ mil)
Operating Cash Balance		Delinquent Account Receivables		Core Investments Yield		Short Term Investment Yield	
Actual	154	Actual	2	Actual	1.43	Actual	1.02
Target	126	Target	3	Target	1.48	Target	0.99
	(\$ mil)		(%)		(%)		(%)

### Customer Care and Operations Highlights

Call Center Performance	Command Center Performance	First Call Resolution	Emergency Response Time
85	85	75	90
Sep 85	Sep 88	Sep 82	Sep 100
(% of calls rec)	(% of calls rec)	(% of calls rec)	(% of calls rec)
Fire Hydrants out of Service	Fire Hydrant Insps. and Maint.	Fire Hydrants Replaced	Permit Processing within SLA
96	36	250	68
Sep 29	(count)	Sep 284	(%)
(count)	(count)	(YTD count)	

### Low Income Assistance Program

Splash Contributions		Customer Assistance Program	
Actual	103	Previous	99
Target	80	Current	101
	(\$ tho)		(\$ tho)

### Operational Highlights

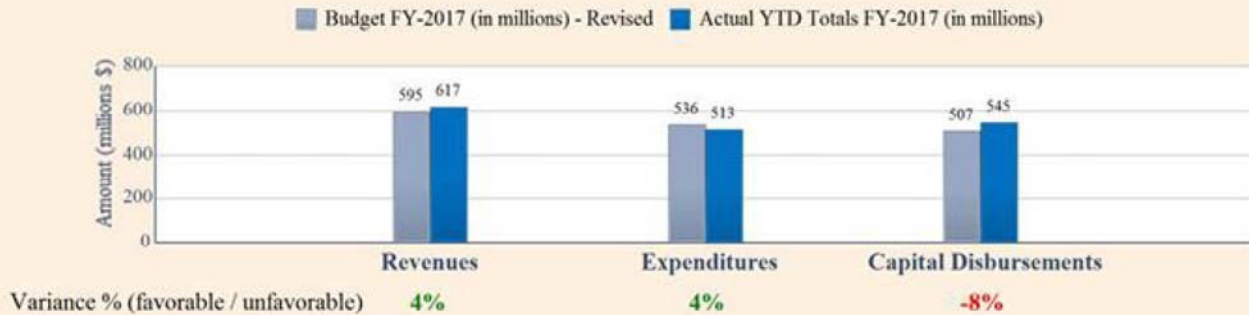
Lead Concentration (ppb)	Total Coliform Rule (%)	Biosolids Production	Total Nitrogen (lbs/yr mil)
		449	
4	0.8%	(wet tons)	2.76
Plant Effluent Flow (gal mil)	Excess Flow	Water Main Leaks	Water Valve Leaks
	0	25	3
269	(gal mil)	(count)	(count)
Non-Revenue Water	Sewer Main Backups	Sewer Lateral Backups	Dry Weather CSO
Sold 10	8	121	0
Purchased 13	(count)	(count)	(events)
(CCF mil)			
Recruitment Activity	Electricity Usage	Employee Lost Time Accidents	Vendor Payments
Filled 15	17	9	Actual 97
Open 66	(MWh)	(count)	Target 97
(count)			(%)

## FINANCIAL HIGHLIGHTS

### FINANCIAL PERFORMANCE SUMMARY

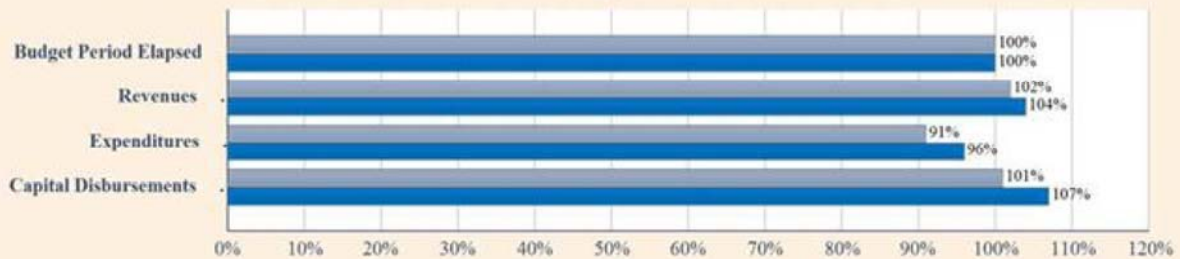
#### REVENUE, EXPENDITURE, CAPITAL DISBURSEMENT

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



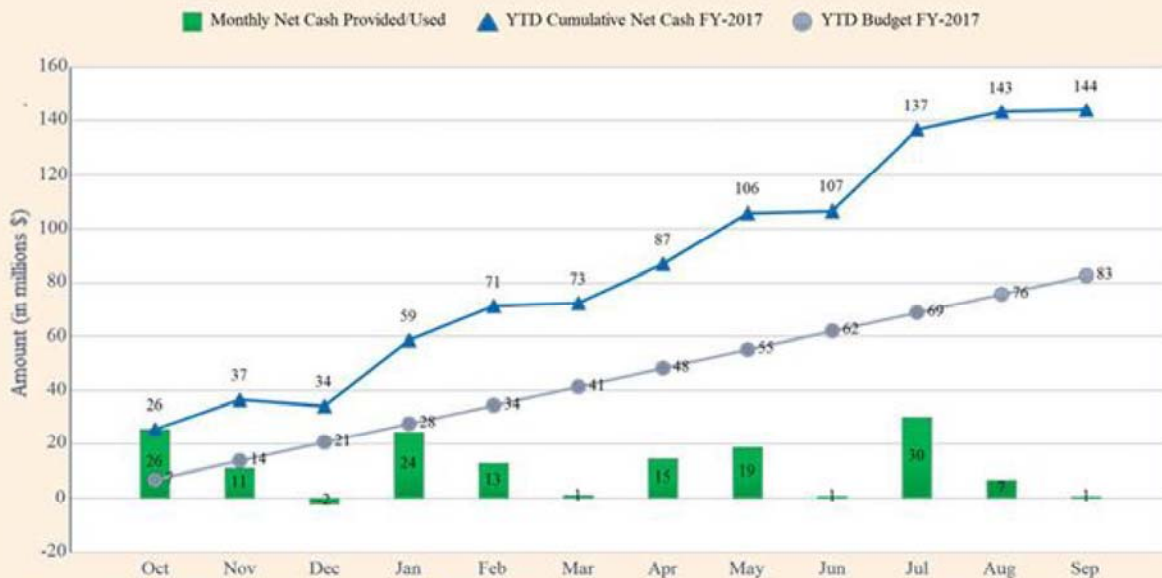
#### YEAR TO DATE ANALYSIS

■ FY-2016 Ratio (%)   ■ FY-2017 Ratio (%)



#### NET OPERATING CASH

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



*Net cash to date for September was above budget by \$61 Million*

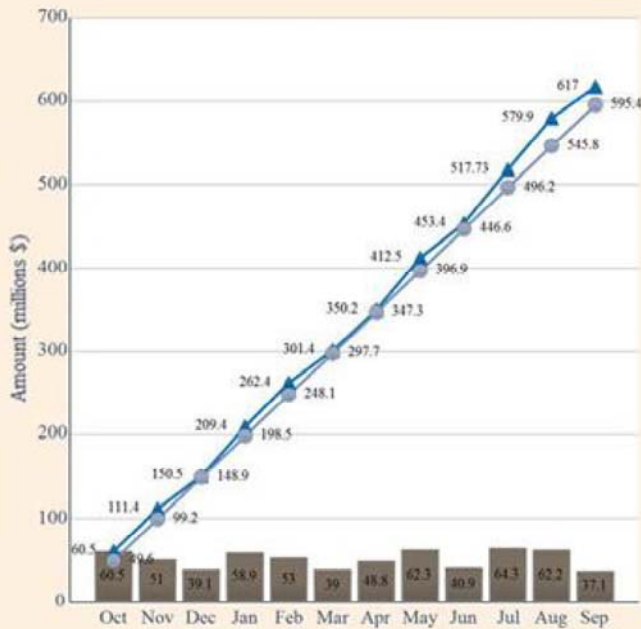
## FINANCIAL HIGHLIGHTS

### REVENUES AND OPERATING EXPENSES

#### OPERATING REVENUES

*Monthly & Cumulative Revenue compared to YTD Budget*

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

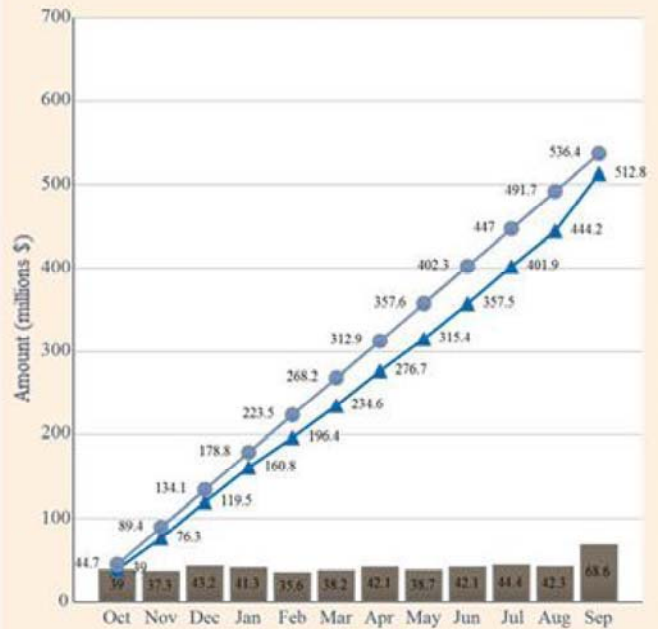


*Revenue to date for September was above Budget by \$21 Million*

#### OPERATING EXPENSES

*Monthly & Cumulative Expenditure compared to YTD Budget*

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



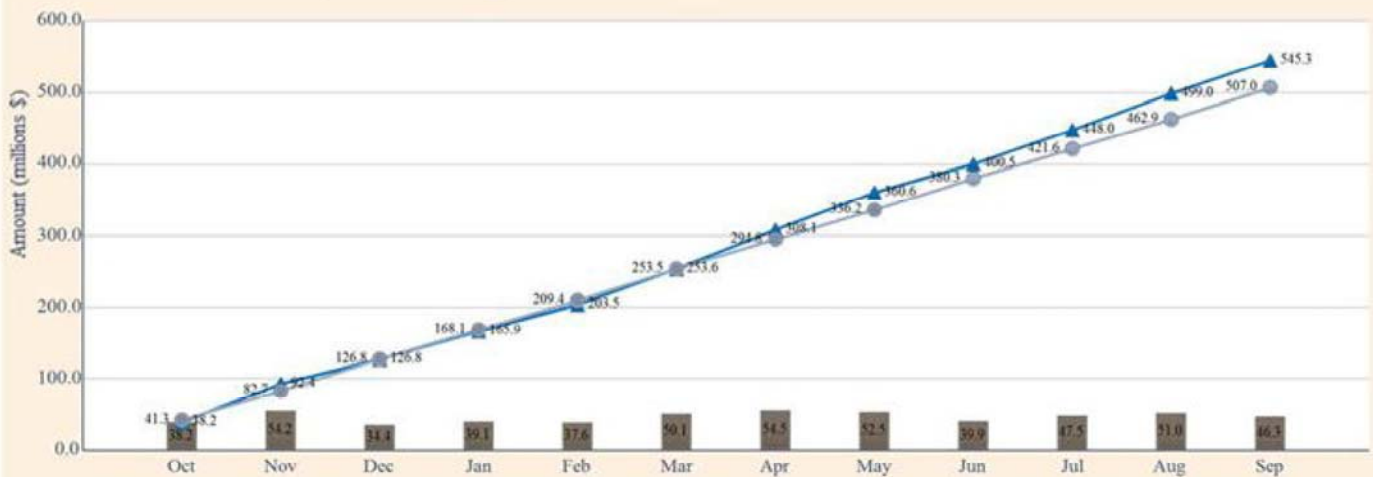
*Expenditure to date for September was below budget by \$24 Million*

### CAPITAL SPENDING

#### CAPITAL DISBURSEMENTS

*Monthly & Cumulative Disbursements compared to YTD Budget*

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



*Disbursements to date for September was above budget by \$38 Million*

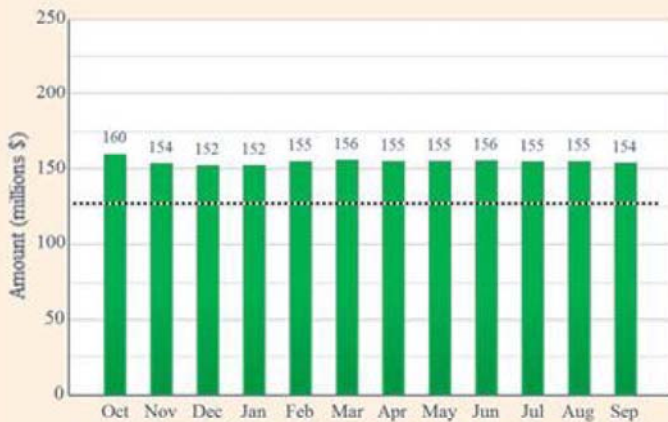
## FINANCIAL HIGHLIGHTS

### OPERATING CASH AND RECEIVABLES

#### OPERATING CASH BALANCE

*Average Daily Cash Balance compared to Operating Reserve Target*

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

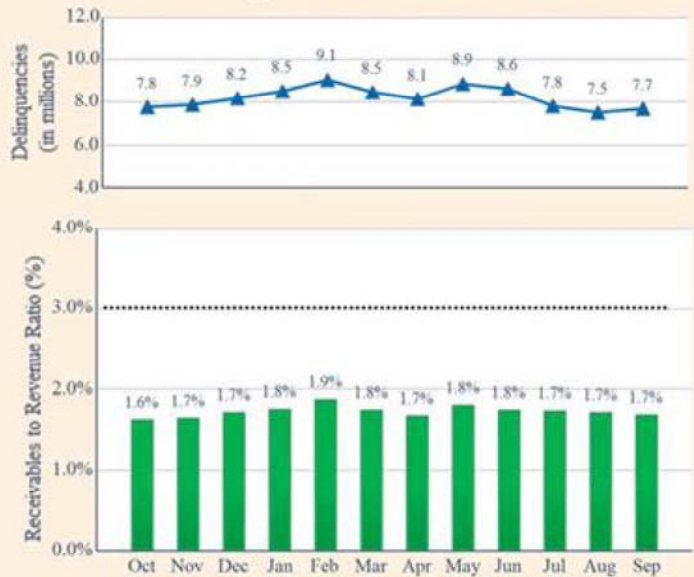


*Cash Balance for September was above target by \$29 million*

#### DELINQUENT ACCOUNT RECEIVABLES

*Delinquency & Receivables to Revenue Ratio compared to Target*

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



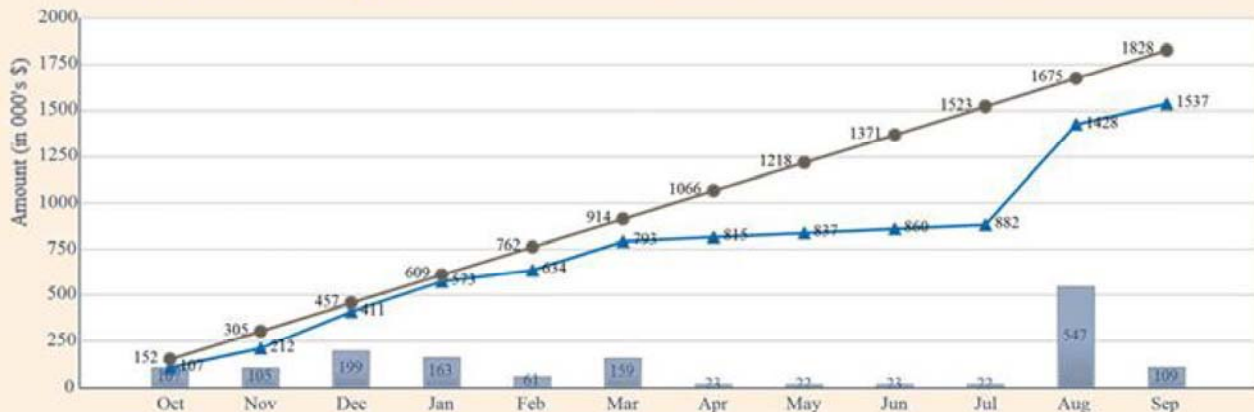
*September Receivables to Revenue Ratio 1.69%, Delinquency \$8.37 Million*

### INVESTMENT EARNINGS

#### INVESTMENT CASH EARNINGS

*Monthly & Cumulative Earnings compared to YTD Budget*

- Monthly Earnings
- YTD Cumulative Earnings FY-2017
- YTD Cumulative Earnings Budget FY-2017



*Earnings to date for September were below Projected Budget by \$291,000*



## FINANCIAL HIGHLIGHTS

### INVESTMENT YIELD

#### CORE INVESTMENTS YIELD

*Monthly Yield compared to Merrill Lynch Benchmark*



*Yield for September was more than the treasury index by 0.05%*

#### SHORT TERM INVESTMENT YIELD

*Short Term Yield compared to Merrill Lynch Benchmark*



*Short Term Yield for September was higher than the Merrill Lynch yield by 0.03%*

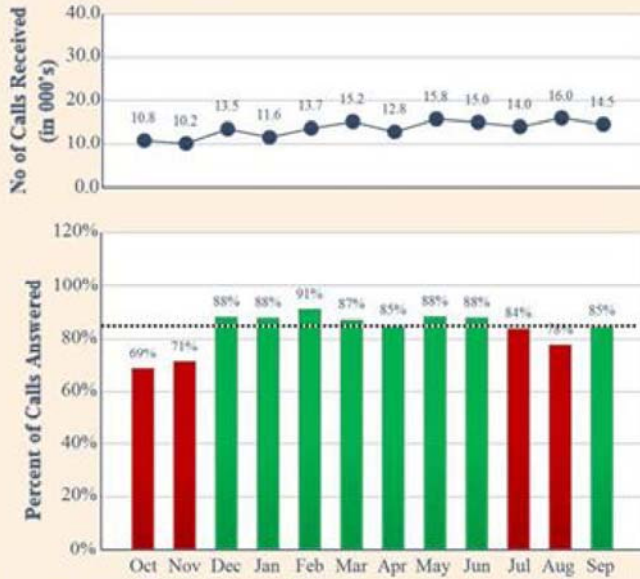
**CUSTOMER CARE AND OPERATIONS HIGHLIGHTS**

**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%)

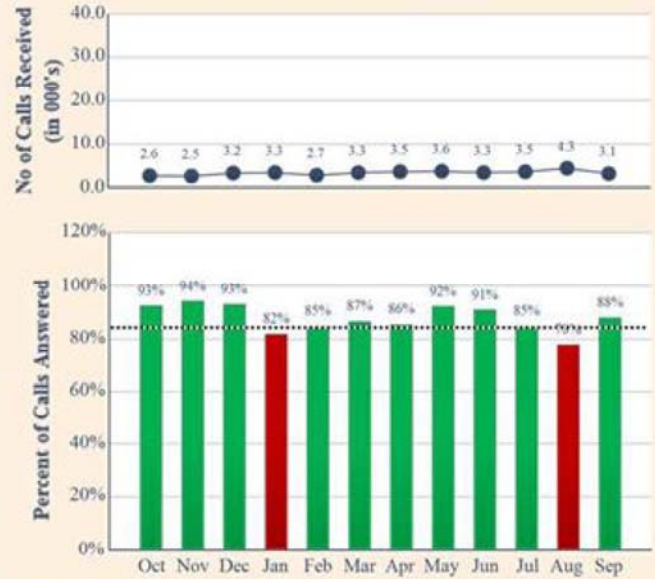


*Performance for September was on target*

**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%)

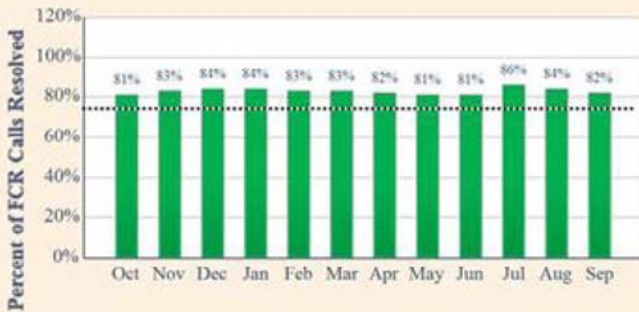


*Performance for September was above target by 3%*

**FIRST CALL RESOLUTION (FCR)**

*Calls resolved on first contact compared to Target*

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

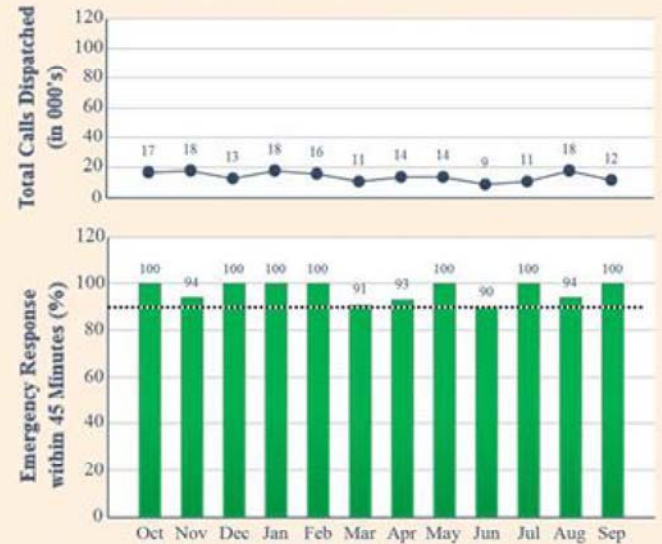


*Performance for September was above target by 7%*

**EMERGENCY RESPONSE TIME**

*Calls responded to within 45 Minutes compared to Target*

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



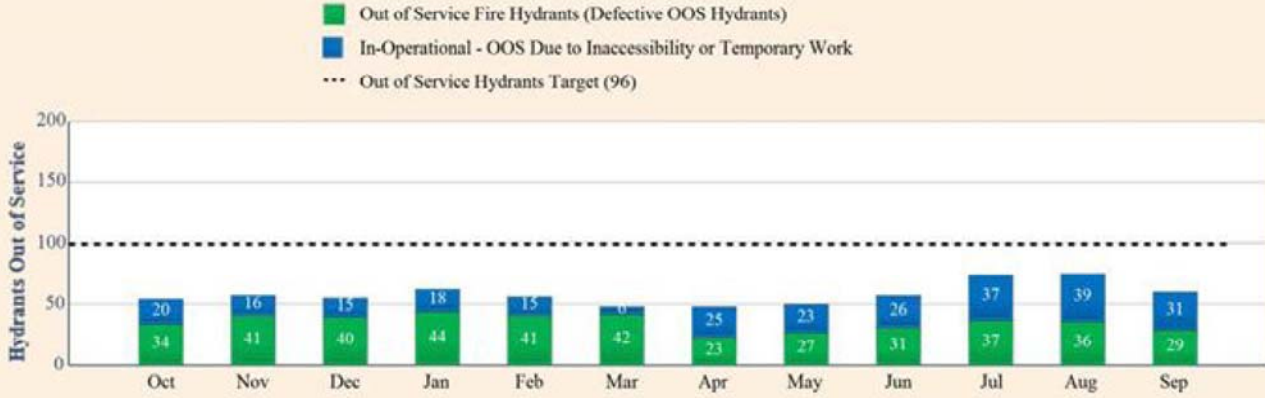
*Performance for September was above target by 10 pct*

## CUSTOMER CARE AND OPERATIONS HIGHLIGHTS

### FIRE HYDRANTS

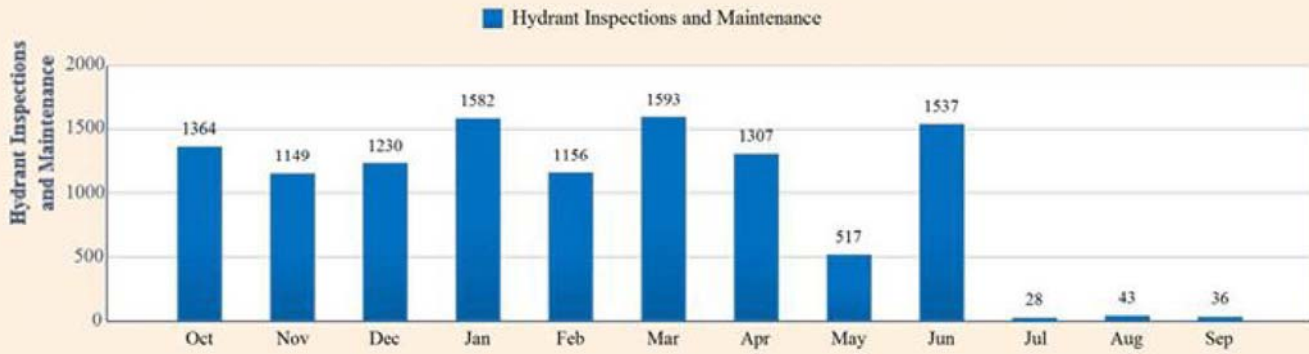
#### Fire Hydrants Out of Service (OOS)

*Total Hydrants Out of Service against Target*



#### Fire Hydrant Inspections and Maintenance

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



#### Total Hydrant Replacements Per Month

*Annual Replacement Target (250)*

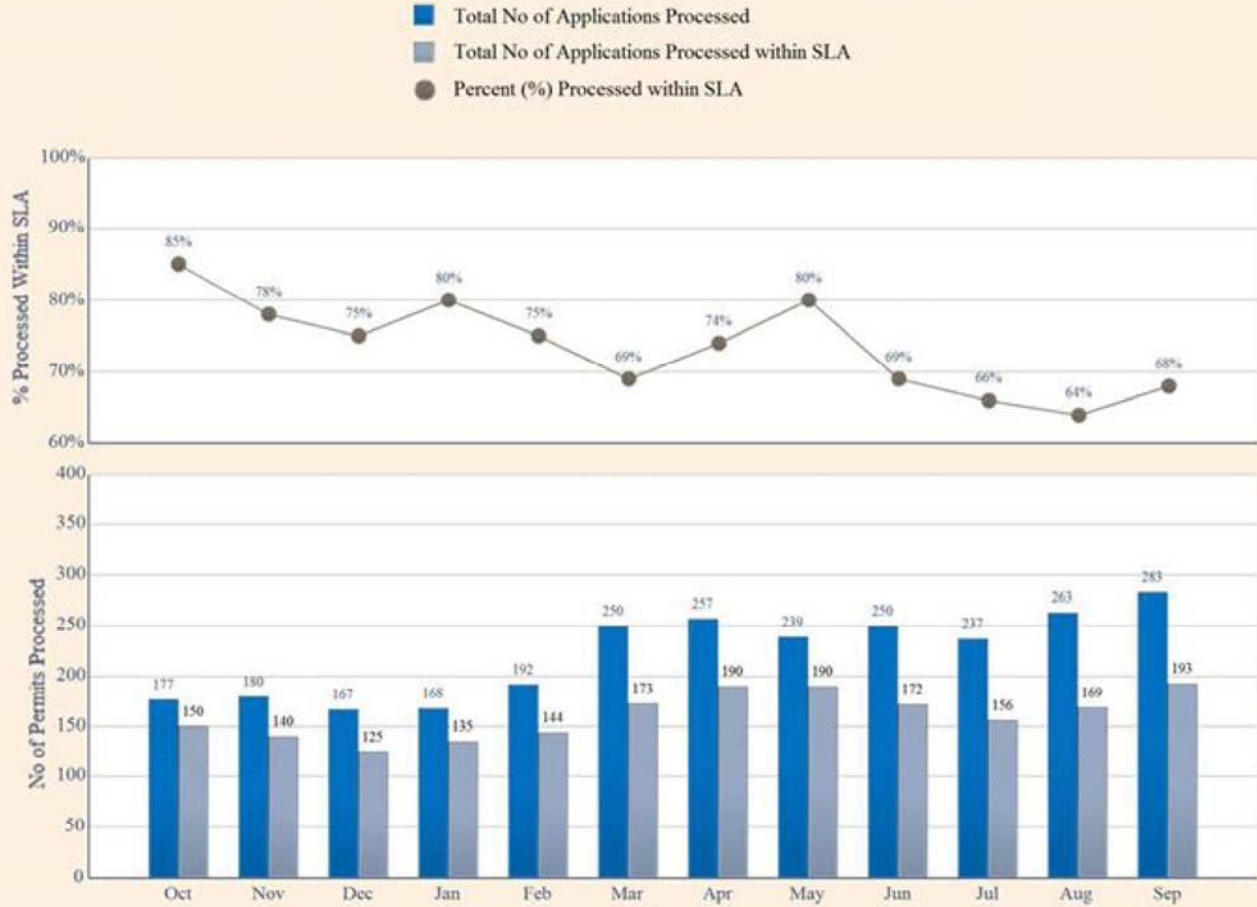


*Total replacements as of September were 284 against annual projections of 250*

**CUSTOMER CARE AND OPERATIONS HIGHLIGHTS**

**PERMIT PROCESSING**

**PERCENT OF APPLICATIONS PROCESSED WITHIN SLA**



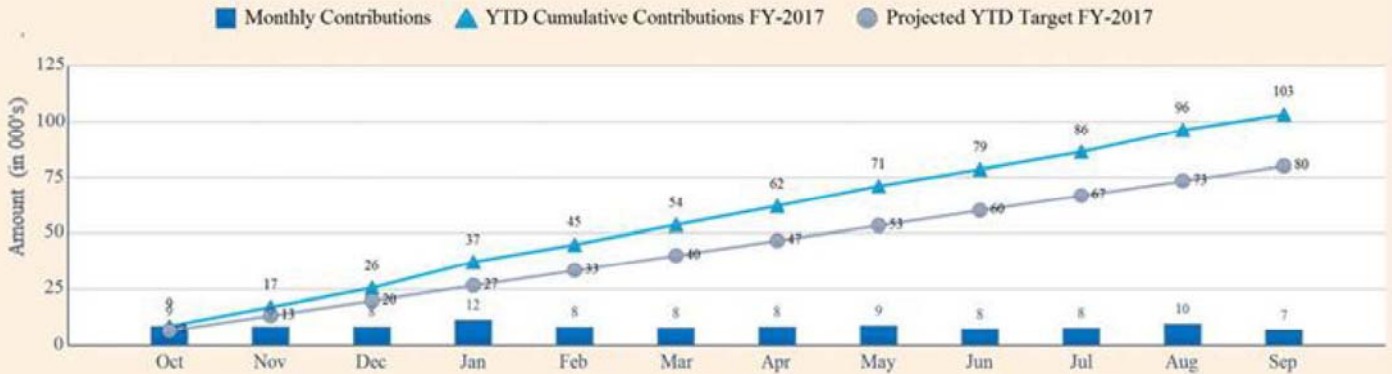
*Permits not processed within SLA in September were 32% Note that different SLA's range from 7 days to 45 days*

## LOW INCOME ASSISTANCE PROGRAM

### SPLASH PROGRAM

#### SPLASH CONTRIBUTIONS

*Monthly and Cumulative Contributions compared to YTD Target*

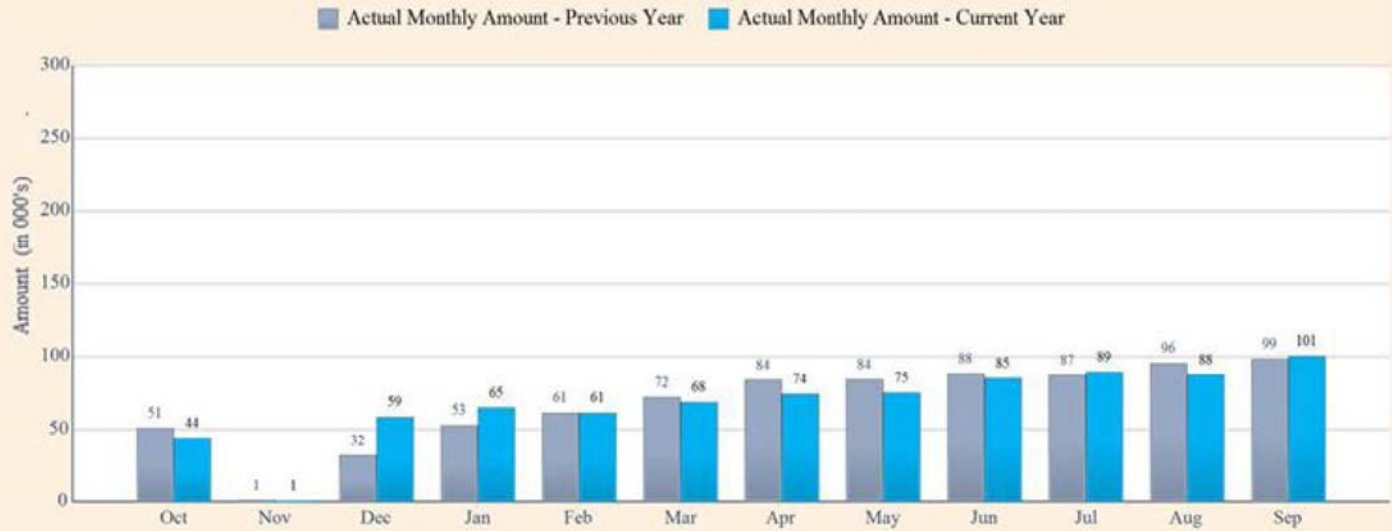


*Total SPLASH Contributions to date for September were above target by \$23,250*

### CUSTOMER ASSISTANCE PROGRAM (CAP)

#### CUSTOMER ASSISTANCE PROVIDED

*Monthly Assistance Provided compared to corresponding Previous Year Periods*



**OPERATIONAL HIGHLIGHTS**

**DRINKING WATER QUALITY**

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

*Semi-Annual LCR Monitoring Results*



*Jul-Dec 2017 results to date*

**TOTAL COLIFORM RULE (TCR) COMPLIANCE**

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



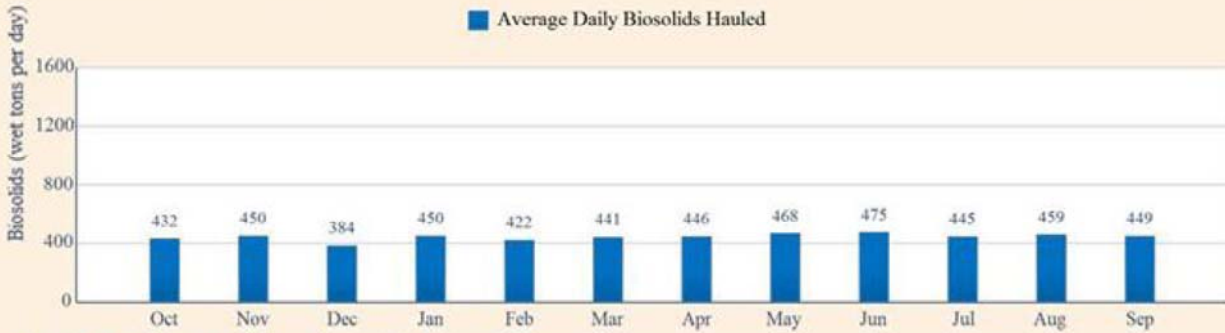
*Coliform Positive was recorded at 0.8% in September*

## OPERATIONAL HIGHLIGHTS

### WASTEWATER TREATMENT

#### BIOSOLIDS PRODUCTION, Sep - 2017

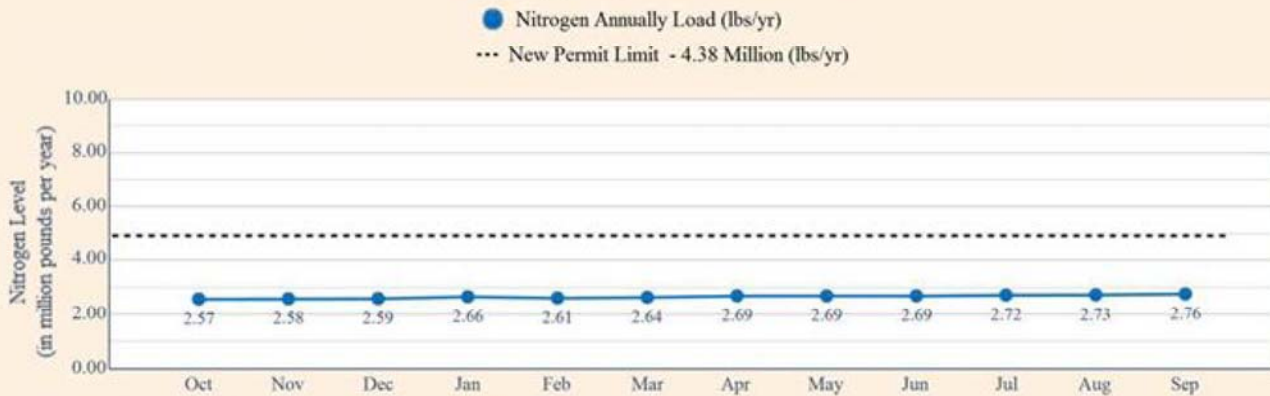
*Average Daily Biosolids Production*



*Biosolids Daily Production for September were 449 wet tons per day*

#### TOTAL NITROGEN

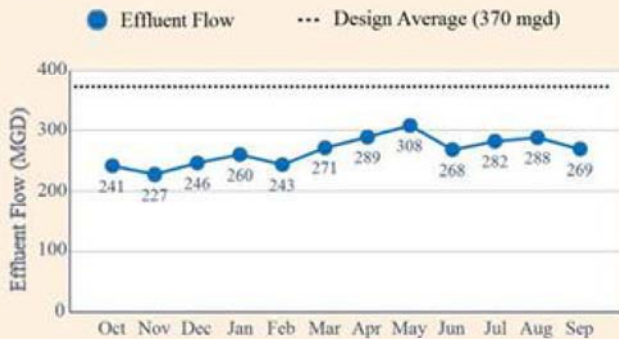
*Total Nitrogen Compared to New Permit Levels*



*Nitrogen level for September were below permit by 1.6 million lbs/yr*

#### PLANT EFFLUENT FLOW

*Effluent Flow compared to Plant Design Average Limit*



*In September, Influent flow was below design by 115 MGD*

#### TOTAL EXCESS FLOW

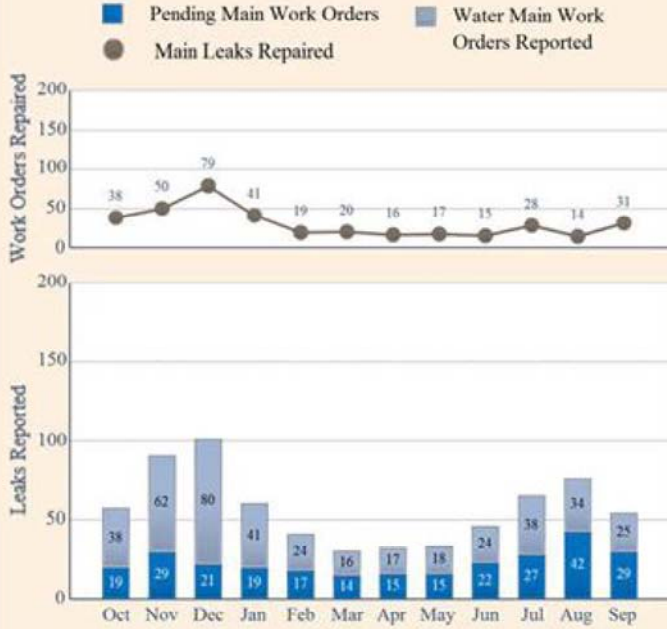


*Excess flow events were recorded at 0 MG in September 2017*

## OPERATIONAL HIGHLIGHTS

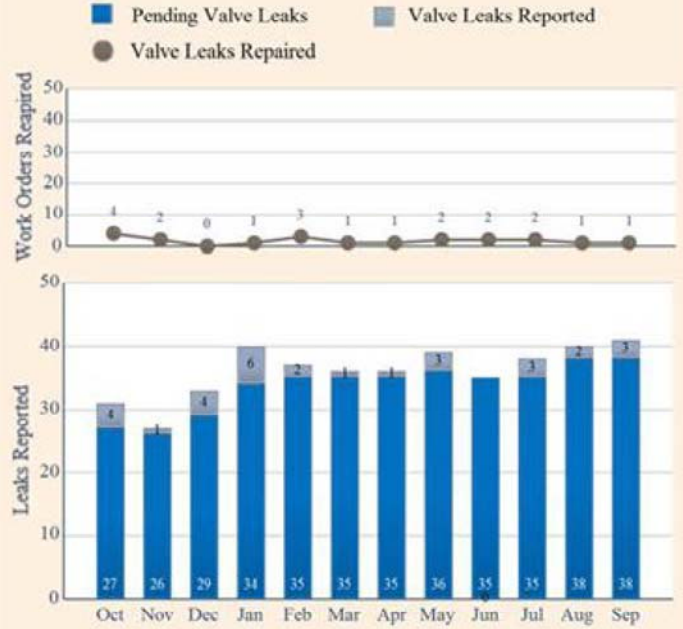
### WATER DISTRIBUTION OPERATIONS

#### WATER MAIN LEAKS



*There were 25 Water Main Work Orders reported in September*

#### WATER VALVE LEAKS

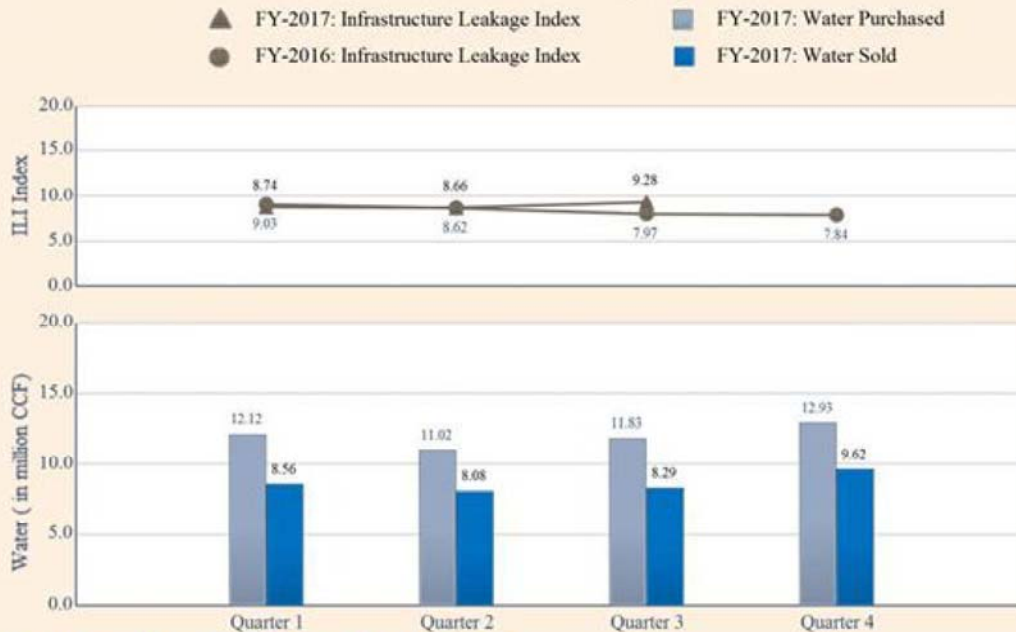


*1 leak was resolved in September*

### WATER BALANCE

#### NON-REVENUE WATER

*Volume of Water Purchased and Sold per Quarter*

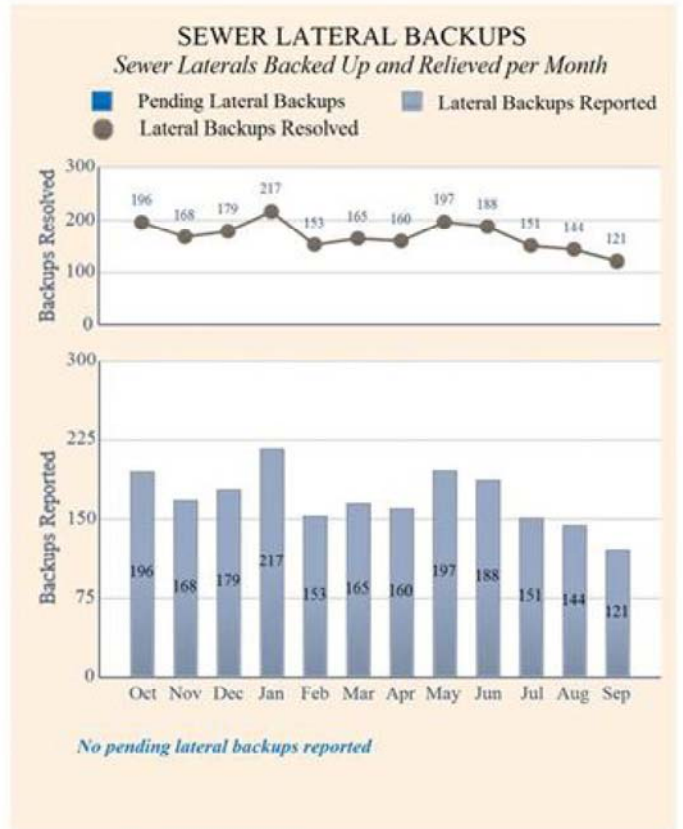
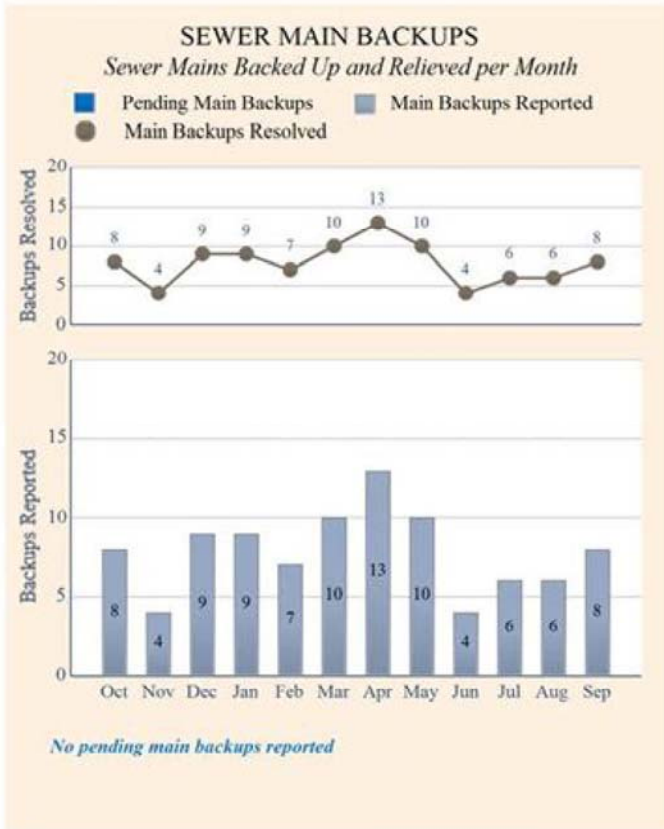


*In the 3rd quarter 10 out of 13 million cubic feet of water was sold*

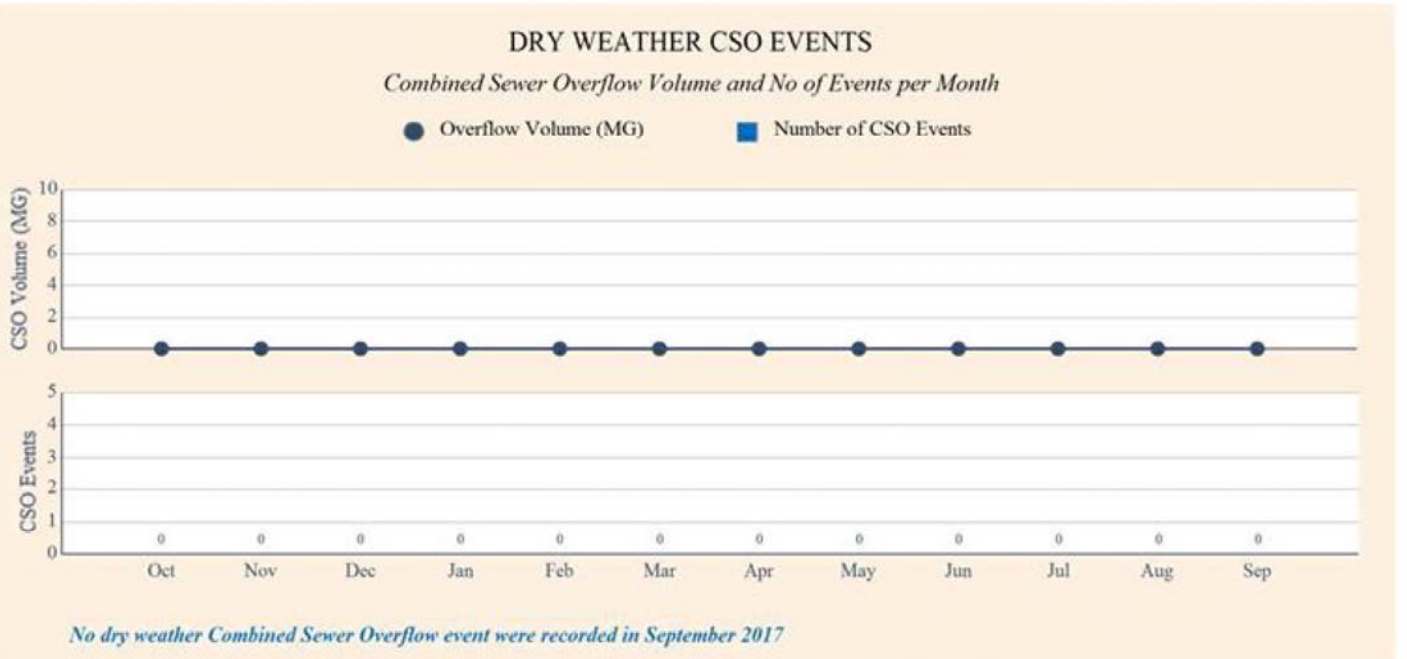


## OPERATIONAL HIGHLIGHTS

### SEWER SYSTEM OPERATIONS



### COMBINED SEWER SYSTEM



OPERATIONAL HIGHLIGHTS

HUMAN RESOURCES

RECRUITMENT ACTIVITY

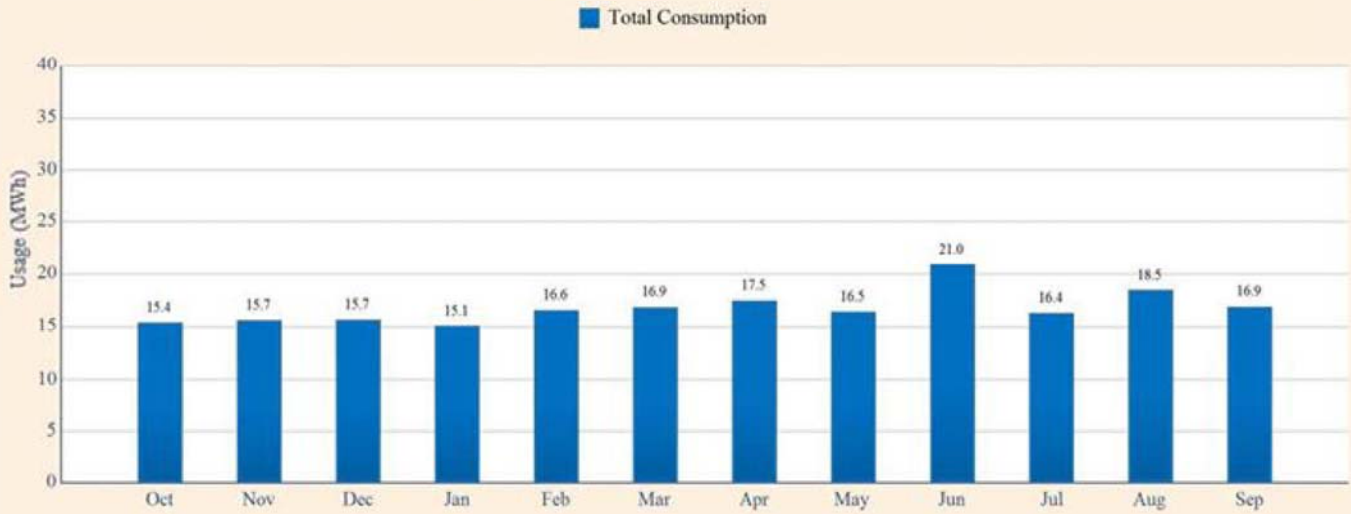


*In September we began the month with 67 positions, received 15 new positions, filled 15, 1 cancellation and ended the month with 66 positions*

**OPERATIONAL HIGHLIGHTS**

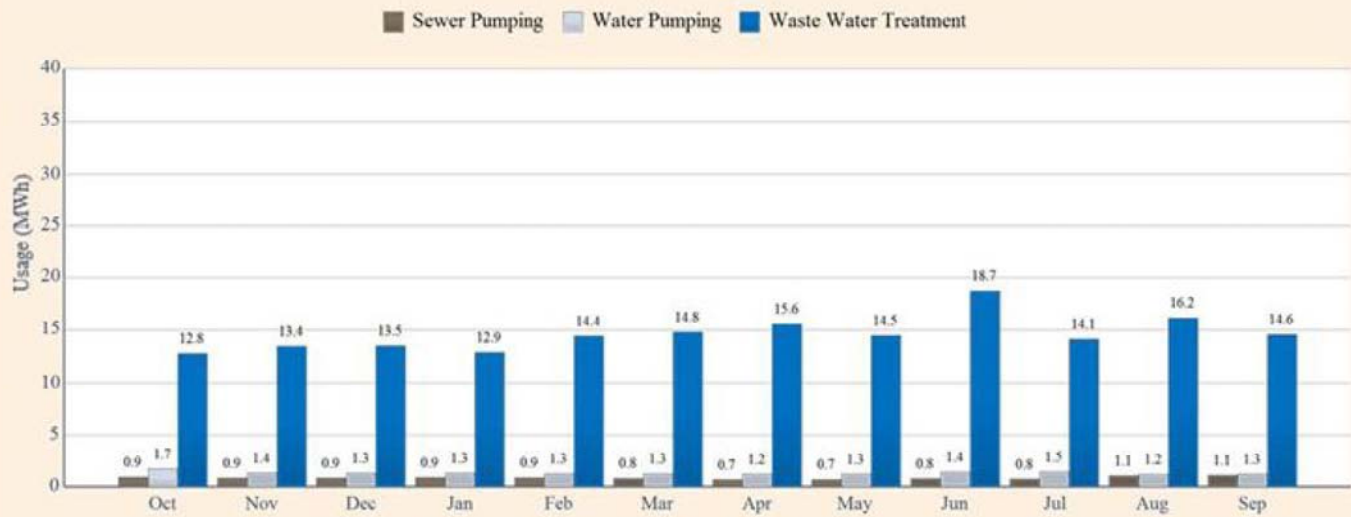
**ENERGY CONSUMPTION**

**ELECTRICITY USAGE SUMMARY**



*Electricity Consumption in September was 16,941 KWh*

**ELECTRICITY USAGE BY SERVICE AREA**



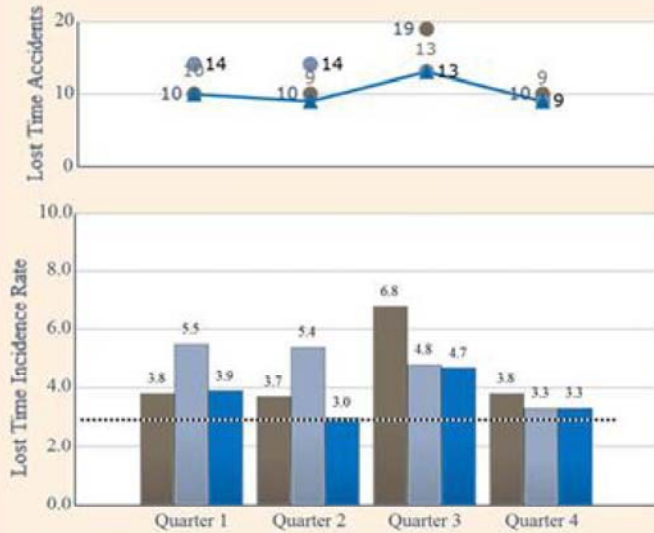
*Wastewater treatment had the highest electricity consumption in September at 14568 KWh*

## OPERATIONAL HIGHLIGHTS

### SAFETY

#### EMPLOYEE LOST TIME INCIDENCE RATE

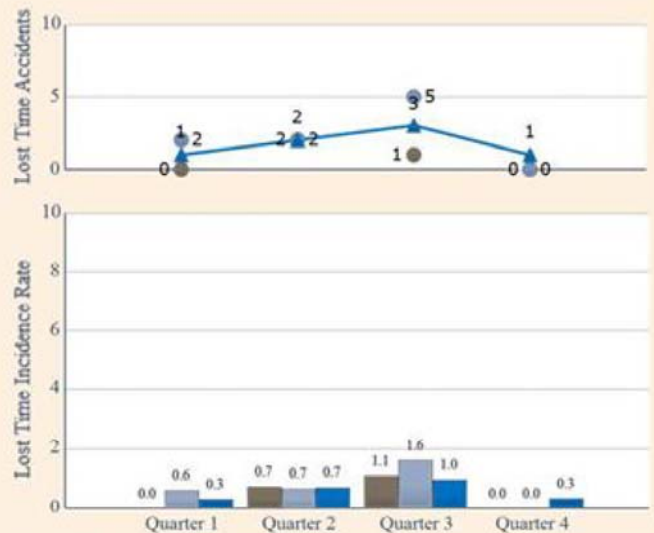
● FY-2015: No of LT Accidents     ■ FY-2015: LT Incidence Rate  
● FY-2016: No of LT Accidents     ■ FY-2016: LT Incidence Rate  
▲ FY-2017: No of LT Accidents     ■ FY-2017: LT Incidence Rate  
 ... Target/National: LT Incidence Rate



*In the 4th quarter, 9 lost time accidents were reported*

#### CONTRACTOR LOST TIME INCIDENCE RATE

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

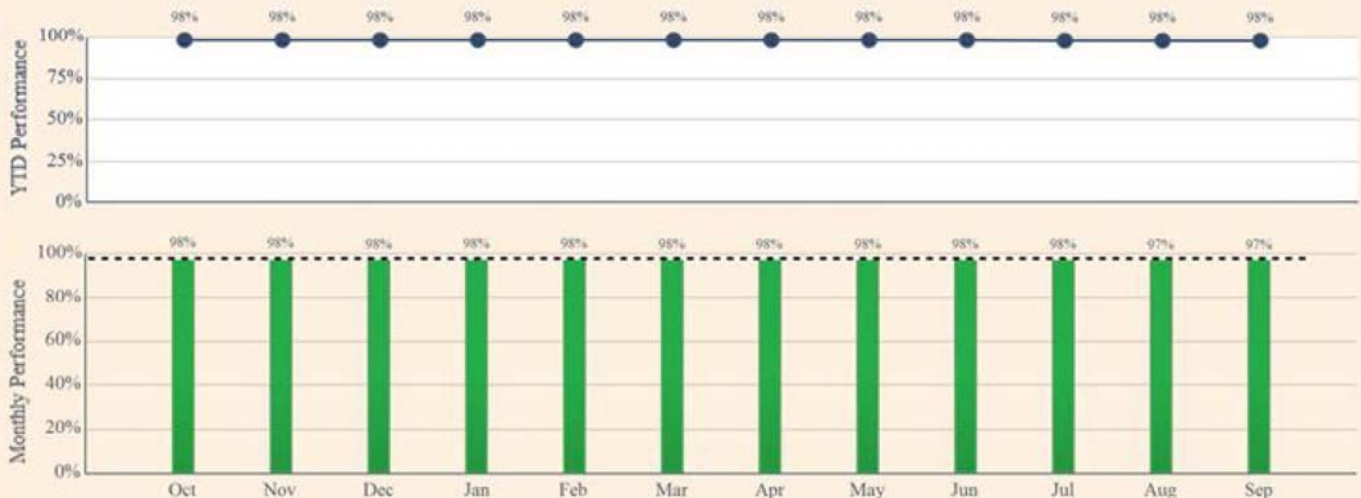


*In the 4th quarter, 1 lost time accident was reported*

### VENDOR PAYMENTS

#### VENDOR PAYMENT PERFORMANCE

□ Monthly Performance (%)     ● YTD Performance (%)     — Monthly Target - (97%)



*Monthly performance for September was above Budget by 1%*

**INTERPRETATION OF CHARTS:**

**FINANCIAL HIGHLIGHTS**

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**Revenue, Expenditure, Capital Disbursement**

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

**Net Operating Cash**

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

**Operating Revenues**

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

**Operating Expenses**

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

**Capital Disbursements**

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

**Operating Cash Balance**

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

**Delinquent Account Receivables**

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

**Investment Cash Earnings**

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

**Core Investments Yield**

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

**Short Term Investment Yield**

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

Dynamic Color Coding Legend

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

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

A

**CUSTOMER CARE AND OPERATIONS HIGHLIGHTS**

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**Call Center Performance**

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

**Command Center Performance**

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

**First Call Resolution (FCR)**

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

**Emergency Response Time**

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

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

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

**Fire Hydrant Inspections and Maintenance**

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

**Fire Hydrant Replacements**

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

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

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

Dynamic Color Coding Legend

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

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

**LOW INCOME ASSISTANCE PROGRAM**

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**SPLASH Contributions**

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

**Customer Assistance Program (CAP)**

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

**OPERATIONAL HIGHLIGHTS**

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

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

**Total Coliform Rule (TCR)**

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

**Biosolids Production**

- Bar graph shows monthly average daily biosolids production

**Total Nitrogen**

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

**Plant Effluent Flow**

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

**Excess Flow**

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

**Water Main Leaks**

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

**Water Valve Leaks**

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

Dynamic Color Coding Legend

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

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

**Non Revenue Water**

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

**Sewer Main Backups**

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

**Sewer Lateral Backups**

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

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

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

**Open Positions**

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

**Electricity Usage Summary**

- Bar graph shows total electricity consumption per month

**Electricity Usage by Service Area**

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

**Employee Lost Time Incidence Rate**

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

**Contractor Lost Time Incidence Rate**

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

Dynamic Color Coding Legend

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

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



**Vendor Payment Performance**

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

Dynamic Color Coding Legend

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

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



**Consent Agenda**

**Summary of Contracts**

**236<sup>th</sup> Meeting of the DC Water Board of Directors**

**Thursday, November 2, 2017**

**Joint Use Contracts**

1. **Resolution No. 17-71, Execute Contract No. 15-PR-DIT-51, PCM-G.** The purpose of the contract is to provide for the purchase of new Microsoft licenses and annual software maintenance renewal. (Recommended by Environmental Quality and Operations Committee 10/19/17)

**Non-Joint Use**

2. **Resolution No. 17-72, Execute Option Year Two and Approve Funding for Contract No. 15-PR-CCO-50, Fasteners Rx, Inc.** The purpose of the option is to continue providing compound water meters for various sizes to the Department of Customer Services which is replacing existing meters that are at the end of their useful life. The option amount is \$600,000. (Recommended by Environmental Quality and Operations Committee 10/19/17)
3. **Resolution No. 17-73, Execute the Extension of the Existing Contract No. WAS-12-052-AA-SS, Squire, Patton, Boggs (US) LLP.** The purpose of the modification/contract extension is to continue providing bond counsel services regarding the sale of bonds, commercial paper and other instruments of indebtedness and to allow sufficient time to initiate a new solicitation process to award a new contract by October 31, 2018. The contract modification amount is \$355,000. (Recommended by Finance and Budget Committee 10/26/17)

**Presented and Adopted: November 2, 2017**  
**SUBJECT: Approval to Execute Contract No. 17-PR-DIT-51, PCM-G**

**#17-71**  
**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 November 2, 2017 upon consideration of a joint use matter, decided by a vote of \_\_() in favor and \_\_() opposed to execute Contract No. 17-PR-DIT-51, PCM-G.

**Be it resolved that:**

The Board of Directors hereby authorizes the General Manager to execute Contract No. 17-PR-DIT-51, PCM-G. The purpose of this contract is to provide for the purchase of new Microsoft licenses and annual software maintenance renewal. The contract amount is \$3,500,000.

The Resolution is effective immediately.

\_\_\_\_\_  
Secretary to the Board of Directors

**DC WATER AND SEWER AUTHORITY  
BOARD OF DIRECTORS CONTRACTOR FACT SHEET**

**ACTION REQUESTED**

**GOODS AND SERVICES CONTRACT AWARD**

**(JOINT-USE)**

**MICROSOFT SOFTWARE RENEWAL**

Approval to execute a new contract for Microsoft purchases and software maintenance renewal for 3 years in the amount of \$3,500,000.00. The actual contract will be awarded annually.

**CONTRACTOR/SUB/VENDOR INFORMATION**

<b>PRIME:</b> PCM-G 14120 Newbrook Drive Suite 100 Chantilly, Virginia 20151	<b>SUBS:</b> N/A	<b>PARTICIPATION:</b> N/A
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**DESCRIPTION AND PURPOSE**

Base Years Contract Value:	\$1,100,000.00
Contract Base Period:	One (1) Year
Number of Option Years:	2
Contract Start Date:	11-03-2017
Contract Completion Date:	11-02-2020
Proposal Closing Date:	08-11-2017
Proposals Received:	4
Total Contract Value: (Base + 2 option years)	\$3,500,000.00 (Forecasted Amount)
First Year Amount:	\$1,062,951.92
Proposal Range:	\$1,062,951.92 - \$1,078,636.21
Preference Points Received:	0

**Purpose of the Contract:**

To contract for the purchase of new Microsoft licenses and annual software maintenance renewal. Various Microsoft Suite and products are used throughout the District of Columbia Water and Sewer Authority (DC Water).

The forecasted amount of \$3,500,000.00 allows for additional software licenses to be purchased if needed for the three year period. The actual contract amount will be awarded annually via issuance of the purchase order.

The procurement method utilized was the Simplified purchase method in accordance with Procurement Regulations Section 5331.6 for commercial items. Four proposals were received. Award is based on the lowest price and minimally acceptable Microsoft partnership level (Gold Partner). The names of all firms who submitted response are listed below.

**Proposals were received from:**

Gov Connection 732 Milford Road Merrimack, New Hampshire 03054	Insight 6820 S. Harl Avenue Tempe, Arizona 85283
PCM-G 14120 Newbrook Drive Suite 100 Chantilly, Virginia 20151	SHI 1501 South Mopac Expressway Suite 400 Austin, Texas 78704

No LBE/LSBE participation

**PROCUREMENT INFORMATION**

<b>Contract Type:</b>	Lump Sum	<b>Award Based On:</b>	Best Value
<b>Commodity:</b>	Software Renewal	<b>Contract Number:</b>	17-PR-DIT-51
<b>Contractor Market:</b>	Open Market with Preference Points for LBE and LSBE		

**BUDGET INFORMATION**

<b>Funding:</b>	Capital Equipment	<b>Department:</b>	Information Technology
<b>Project Area:</b>	DC Water Wide	<b>Department Head:</b>	Thomas Kuczynski
<b>Project:</b>	EQP2110		

**ESTIMATED USER SHARE INFORMATION**

User – Capital Equipment	Share %	Dollar Amount
District of Columbia	68.91%	\$126,840.02
Washington Suburban Sanitary Commission	24.14%	\$44,433.58
Fairfax County	4.51%	\$8,301.39
Loudoun Water	2.01%	\$3,699.73
Other (PI)	0.43%	\$791.48
<b>TOTAL ESTIMATED DOLLAR AMOUNT</b>	<b>100.00%</b>	<b>\$184,066.20</b>

**BUDGET INFORMATION**

<b>Funding:</b>	Operating	<b>Department:</b>	Information Technology
<b>Project Area:</b>	DC Water Wide	<b>Department Head:</b>	Thomas Kuczynski

User – Operating	Share %	Dollar Amount
District of Columbia	83.65%	\$ 766,178.62
Washington Suburban Sanitary Commission	12.07%	\$110,553.21
Fairfax County	2.84%	\$26,012.52
Loudoun Water	1.25%	\$11,449.17
Other (PI)	0.19%	\$1,740.27
<b>TOTAL ESTIMATED DOLLAR AMOUNT</b>	<b>100.00%</b>	<b>\$915,933.80</b>

User – Combined	Share %	Dollar Amount
District of Columbia	81.18%	\$ 893,021.64
Washington Suburban Sanitary Commission	14.09%	\$154,986.79
Fairfax County	3.12%	\$34,313.91
Loudoun Water	1.38%	\$15,148.90
Other (PI)	0.23%	\$2,531.75
<b>TOTAL ESTIMATED DOLLAR AMOUNT</b>	<b>100.00%</b>	<b>\$1,100,000.00</b>

\*Capital Fund will be used for new license purchases and Operating Fund will be used for the annual maintenance.

*Joseph M. Edwards (acting)* / *10/11/17*  
Thomas Kuczynski / Date  
Chief Information Officer

*for Susan L. Scott* / *10/11/17*  
Dan Bae / Date  
Director of Procurement

*Matthew T. Brown* / *10/12/17*  
Matthew T. Brown / Date  
Chief Financial Officer

*George S. Hawkins* / *10/30/17*  
George S. Hawkins / Date  
CEO/General Manager

**Presented and Adopted: November 2, 2017**  
**SUBJECT: Approval to Execute Option Year Two and Approve**  
**Funding for Contract No. 15-PR-CCO-50, Fasteners Rx, Inc.**

**#17-72**  
**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 November 2, 2017 upon consideration of a non-joint use matter, decided by a vote of \_\_() in favor and \_\_() opposed to execute Option Year Two and approve funding for Contract No. 15-PR-CCO-50, Fasteners Rx, Inc.

**Be it resolved that:**

The Board of Directors hereby authorizes the General Manager to execute Option Year Two and approve funding of Contract No. 15-PR-CCO-50, Fasteners Rx, Inc. The purpose of the option is to continue providing compound water meters of various sizes to the Department of Customer Services which is replacing existing meters that are at the end of their useful life. The option amount \$600,000.

This Resolution is effective immediately.

\_\_\_\_\_  
Secretary to the Board of Directors

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

**ACTION REQUESTED**

**GOODS AND SERVICES OPTION YEAR**

**Compound Water Meters  
(Non-Joint Use)**

Approval to exercise Option Year 2 and add funding in the amount of \$600,000.00 to the contract

**CONTRACTOR/SUB/VENDOR INFORMATION**

<b>PRIME:</b> Fasteners Rx, Inc 9203 Black Dog Alley, Easton, MD 21601	<b>SUBS:</b> N/A	<b>PARTICIPATION:</b> N/A
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**DESCRIPTION AND PURPOSE**

Original Contract Value:	\$559,956.75
Original Contract Dates:	11-19-2015 – 11-18-2016
No. of Option Years in Contract:	2
Option Year 1 Value:	\$980,000.00
Option Year 1 Dates:	11-19-2016 – 11-18-2017
Prior Modifications Value:	\$440,000.00
Prior Modifications Dates:	11-19-2015 – 11-18-2016
<b>Option Year 2 Value:</b>	<b>\$600,000.00</b>
<b>Option Year 2 Dates:</b>	<b>11-19-2017 – 11-18-2018</b>

**Purpose of the Contract:**

This contract provides for Compound Water Meters of various sizes to the Department of Customer Services. New meters are purchased to replace existing meters that are at the end of their useful life.

**Reason for the Change:**

DC Water has an ongoing need for OMNI C2 compound water meters as provided by Fasteners Rx, Inc. under contract 15-PR-CCO-50. These compound meters are used where high flow rates are necessary, but where at times there are also lower rates of flow that need to be accurately measured.

This modification is to exercise Option Year 2 of the contract and add funds. The requested funding of \$600,000.00 is sufficient to purchase forecasted meter demand during the option year and is consistent with yearly spending.

**Spending Previous Year:**

Cumulative Contract Value:	11-19-2015 to 09-05-2017: \$1,979,956.75
Cumulative Contract Spending:	11-19-2015 to 08-17-2017: \$1,377,601.80

**Contractor's Past Performance:**

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

No LBE/LSBE participation



**PROCUREMENT INFORMATION**

<b>Contract Type:</b>	Firm Fixed	<b>Award Based On:</b>	Single Proposer
<b>Commodity:</b>	Goods and Services	<b>Contract Number:</b>	15-PR-CCO-50
<b>Contractor Market:</b>	Open Market with Preference Points for LBE and LSBE Participation		


**BUDGET INFORMATION**


<b>Funding:</b>	Capital	<b>Department:</b>	Customer Services
<b>Service Area:</b>	Customer Service	<b>Department Head:</b>	Tsedale Berhanu
<b>Project:</b>	EQP2340		

**ESTIMATED USER SHARE INFORMATION**

User	Share %	Dollar Amount
District of Columbia	100.00%	\$600,000.00
Washington Suburban Sanitary Commission	0.00%	\$0.00
Fairfax County	0.00%	\$0.00
Loudoun County	0.00%	\$0.00
Other (PI)	0.00%	\$0.00
<b>TOTAL ESTIMATED DOLLAR AMOUNT</b>	<b>100.00%</b>	<b>\$600,000.00</b>

 10/13/17  
 Charles Kiely Date  
 Assistant General Manager,  
 Customer Care and Operations

 10/13/17  
 Dan Bae Date  
 Director of Procurement

 10/13/17  
 Matthew T. Brown Date  
 Chief Financial Officer

 10/30/17  
 George S. Hawkins Date  
 General Manager

**Presented and Approved: November 2, 2017**  
**SUBJECT: Approval to Execute a Modification/Contract Extension to**  
**Contract No. WAS-12-052-AA-SS, Squire, Patton, Boggs**  
**(US) LLP**

**#17-73**  
**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 November 2, 2017 upon consideration of a non-joint use matter, decided by a vote of \_\_\_() in favor and \_\_\_() opposed to execute a modification/contract extension to Contract No. WAS-12-052-AA-SS, Squire Patton, Boggs (US) LLP.

**Be it resolved that:**

The Board of Directors hereby authorizes the General Manager to execute a modification/contract extension of Contract No. WAS-12-052-AA-SS, Squire, Patton, Boggs (US) LLP. The purpose of the modification/contract extension is to continue providing bond counsel services regarding the sale of bonds, commercial paper, and other instruments of indebtedness and to allow sufficient time to initiate a new solicitation process to award a new contract by October 31, 2018. The contract modification amount is \$355,000.00.

This Resolution is effective immediately.

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Secretary to the Board of Directors

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

**ACTION REQUESTED**

**GOODS AND SERVICES MODIFICATION/CONTRACT EXTENSION**

**BOND COUNSEL SERVICES  
(Non-Joint-Use)**

Approval to extend the existing contract for 12 months for bond counsel services in the amount of \$355,000.00.

**CONTRACTOR/SUB/VENDOR INFORMATION**

<b>PRIME:</b>	<b>SUBS:</b>	<b>PARTICIPATION:</b>
Squire, Patton, Boggs (US) LLP 1200 19 <sup>th</sup> Street, NW, Suite 300 Washington, DC 20036	Leftwich LLC 1400 K Street, NW, Suite 1000 Washington, DC 20005-3420	30%

**DESCRIPTION AND PURPOSE**

Original Contract Value:	\$335,000.00
Original Contract Dates:	11-1-2012—10-31-2013
No. of Option Years in Contract:	4
Modification 1 Value:	\$50,000.00
Modification 1 Dates:	3-1-2013 – 10-31-2013
Option Year 1 Value:	\$340,000.00
Option Year 1 Dates:	11-1-2013—10-31-2014
Option Year 2 Value:	\$287,500.00
Option Year 2 Dates:	11-1-2014—10-31-2015
Option Year 3 Value:	\$350,000.00
Option Year 3 Dates:	11-1-2015—10-31-2016
Option Year 4 Value:	\$355,000.00
Option Year 4 Dates:	11-1-2016 – 10-31-2017
<b>Prior Contract Extension Value:</b>	<b>\$0.00</b>
<b>Prior Contract Extension Dates</b>	<b>11-1-2017 — 12-31-2017</b>
<b>Contract Extension Value:</b>	<b>\$355,000.00</b>
<b>Contract Extension Dates</b>	<b>1-1-2018 — 12-31-2018</b>

**Purpose of the Contract:**

This contract is to provide legal advice to the District of Columbia Water and Sewer Authority (DC Water) regarding the sale of bonds, commercial paper and other instruments of indebtedness.

**Contract Scope:**

To contract for the provision of bond counsel services for DC Water.

**Reason for the Extension:**

DC Water anticipates a new bond issuance in June 2018 and the Department of Finance, Accounting and Budget requested the current vendor to complete this June 2018 transaction. The Department of Procurement will initiate a new solicitation process for new bond counsel services in early 2018 to award a new contract by October 31, 2018.

**Spending Previous Year:**

Cumulative Contract Value:	10-15-2012 to 10-15-2017: \$1,717,500.00
Cumulative Contract Spending:	10-15-2012 to 09-30-2017: \$1,663,306.43

**Contractor's Past Performance:**

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

**PROCUREMENT INFORMATION**

<b>Contract Type:</b>	Fixed Price	<b>Award Based On:</b>	Highest Ranked Offeror
<b>Commodity:</b>	Bond Counsel Services	<b>Contract Numbers:</b>	WAS-12-052-AA-SS
<b>Contractor Market:</b>	Open Market with Preference Points for LBE and LSBE Participation		

**BUDGET INFORMATION**

<b>Funding:</b>	Operating	<b>Department:</b>	Finance, Accounting & Budget
<b>Service Area:</b>	DC Water Wide	<b>Department Head:</b>	Robert Hunt

**ESTIMATED USER SHARE INFORMATION**

User	Share %	Dollar Amount
District of Columbia	100.00%	\$355,000.00
Washington Suburban Sanitary Commission	0.00%	\$0.00
Fairfax County	0.00%	\$0.00
Loudoun Water	0.00%	\$0.00
Other (PI)	0.00%	\$0.00
<b>TOTAL ESTIMATED DOLLAR AMOUNT</b>	<b>100.00%</b>	<b>\$355,000.00</b>

  
 Robert Hunt  
 Director of Finance

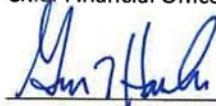
10/24/17  
 Date

  
 Dan Bae  
 Director of Procurement

10/24/17  
 Date

  
 Matthew T. Brown  
 Chief Financial Officer

10/24/17  
 Date

  
 George S. Hawkins  
 General Manager

10/30/17  
 Date