



DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY
304th MEETING OF THE BOARD OF DIRECTORS
Thursday, January 4, 2024
9:30 am

This Board Meeting can be viewed via livestream: <https://dcwater.com/watch-board-meetings>

- I. **Call to Order (Rachna Butani Bhatt, Interim Chairperson)**
- II. **Roll Call (Michelle Rhodd, Board Secretary)**
- III. **Approval of the Meeting Minutes**
 - [December 7, 2023 \(303rd Meeting of the Board of Directors\)](#)
 - [December 11, 2023 \(21st Special Meeting of the Board of Directors\)](#)
- IV. **Chairperson's Overview**
- V. **Committee Reports**
 1. [Environmental Quality and Operations Committee \(Sarah Motsch\)](#)
 2. [DC Retail Water and Sewer Rates Committee \(Howard Gibbs\)](#)
 3. [Finance and Budget Committee \(Anthony Giancola\)](#)
- VI. **Issues of General Interest**
- VII. **[CEO and General Manager's Report \(David L. Gadis\)](#)**
- VIII. **[Summary of Resolutions and Contracts \(FYI\)](#)**
- IX. **Consent Items (Joint Use)**
 1. [Approval to Add Funding to Option Year 5 and Exercise Option Year 6 of Contract No. WAS-13-048-AA-SS, Constellation New Energy, Inc. – **Resolution No. 24-00** \(Recommended by the Environmental Quality and Operations Committee 12-14-23\)](#)
 2. [Approval to Execute Contract No. 230050, Emergency Sewer Main IR&R Contract for FY24-FY27, Anchor Construction Company, Inc. – **Resolution No. 24-01** \(Recommended by the Environmental Quality and Operations Committee 12-14-23\)](#)
 3. [Approval to Execute Contract No. 230080, Water and Sewer IDIQ, Fort Myer Construction Corporation – **Resolution No. 24-02** \(Recommended by the Environmental Quality and Operations Committee 12-14-23\)](#)
- X. **Consent Items (Non-Joint Use)**
 1. [Approval to Add Funding to Option Years 1 and 2 of Contract No. 200070, Green Infrastructure Maintenance Contract B, National Services Contractor, Inc. – **Resolution No. 24-03** \(Recommended by the Environmental Quality and Operations Committee 12-14-23\)](#)

2. [Approval and Adoption of Notice of Final Rulemaking \(NOFR\) for Publication in D.C. Register – Resolution No. 24-04 \(Recommended by the DC Retail Water and Sewer Rates Committee 12-19-23\)](#)

XI. Executive Session¹ (Rachna Butani Bhatt, Interim Chairperson)

XII. Adjournment (Rachna Butani Bhatt, Interim Chairperson)

This meeting is governed by the Open Meetings Act. Please address any questions or complaints arising under this meeting to the Office of Open Government at opengovoffice@dc.gov.

Upcoming Committee Meetings | via Microsoft Teams

- | | |
|---------------------------------------|--|
| • January 10 th @ 9:30 am | Governance Committee |
| • January 10 th @ 11:00 am | Human Resources & Labor Relations Committee
(with Union Presidents) |
| • January 16 th @ 2:00 pm | Executive Committee |
| • January 18 th @ 9:30 am | Environmental Quality & Operations Committee |
| • January 23 rd @ 9:00 am | DC Retail Water and Sewer Rates Committee |
| • January 23 rd @ 10:00 am | Joint Meeting – DC Retail Water & Sewer Rates
and Finance & Budget Committees |
| • January 23 rd @ 11:00 am | Finance and Budget Committee |
| • January 25 th @ 9:30 am | Audit and Risk Committee |

¹The 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 certain matters, including but not limited to: matters prohibited from public disclosure pursuant to a court order or law under DC Official Code § 2-575(b)(1); terms for negotiating a contract, including an employment contract, under DC Official Code § 2-575(b)(2); obtain legal advice and preserve attorney-client privilege or settlement terms under DC Official Code § 2-575(b)(4)(A); collective bargaining negotiations under DC Official Code § 2-575(b)(5); facility security matters under DC Official Code § 2-575(b)(8); disciplinary matters under DC Official Code § 2-575(b)(9); personnel matters under DC Official Code § 2-575(b)(10); third-party proprietary matters under DC Official Code § 2-575(b)(11); train and develop Board members and staff under DC Official Codes § 2-575(b)(12); adjudication action under DC Official Code § 2-575(b)(13); civil or criminal matters or violations of laws or regulations where disclosure to the public may harm the investigation under DC Official Code § 2-575(b)(14); and other matters provided under the Act.



**303RD BOARD OF DIRECTORS MEETING
MINUTES OF THE MEETING
DECEMBER 7, 2023
(Via Microsoft Teams)**

DIRECTORS PRESENT

District of Columbia Members

1. Rachna Bhatt, Chairperson
2. Howard Gibbs, Principal
3. Jed Ross, Alternate

Prince George's County Members

1. Tara Jackson, Principal
2. Floyd Holt, Principal
3. Jared McCarthy, Alternate

Montgomery County Members

1. Fariba Kassiri, Principal
2. Jon Monger, Principal
3. Steven Shofar, Alternate

Fairfax County Members

1. Christopher Herrington, Principal
2. Sarah Motsch, Alternate

DC WATER STAFF

1. David Gadis, CEO and General Manager
2. Marc Battle, Chief Legal Officer, EVP, Government and Legal Affairs
3. Matthew Brown, Chief Financial Officer and EVP, Finance, Procurement and Compliance
4. Wayne Griffin, Chief Administration Officer and EVP
5. Jeffrey Thompson, Chief Operating Officer and EVP
6. Michelle Rhodd, Board Secretary

The 303rd meeting of the District of Columbia Water and Sewer Authority's Board of Directors was called to order by Chairperson Rachna Bhatt at 9:33 a.m. The meeting was held via Microsoft Teams and streamed live at dcwater.com. Board Secretary Michelle Rhodd called the roll, and a quorum was established.

I. APPROVE MINUTES

Chairperson Bhatt asked for a motion to approve the minutes of the November 2, 2023, meeting.

Upon a motion duly made and seconded, the Board of Directors approved the minutes of the November 2, 2023, meeting as presented.

II. CHAIRPERSON'S OVERVIEW

Chairperson Bhatt thanked everyone who was involved in the Board Retreat. Past Chairperson Tommy Wells was thanked for his service. It was noted that board member Wendell Felder resigned his board seat effective December 1.

III. COMMITTEE REPORTS

Governance Committee

Reported by Christopher Herrington

Governance Committee Chair Christopher Herrington reported that Korey Gary, Vice President, Contract Compliance and Business Development, presented the FY2023 DC Water Works Annual Report. Impressive work was being done to train and provide job opportunities to meet DC Water's goal to have 75% of jobs created on DC Water contracts be filled by local residents.

Along with the District Department of Employment Services (DOES) and other strategic partners, the Program provides on-going wrap-around support for participants that includes case management, childcare, counseling, transportation, and mentorship. In FY23, contractors filled 125 positions and 106, or 85%, were filled by local residents. Thirty-six women were hired in FY23 to meet these efforts, and suburban jurisdictions also benefit from the DC Water employment program.

Mr. Herrington went on to report that the Committee also received a report on the skills training activities initiated in FY 23. The Lead-Free DC Community Activators Initiative provides paid on-the-job training. The DC Water Apprenticeship Program was now in its second year and provided training for different trade opportunities to help build employee career development. The High School Internship Program, in partnership with DC Public Schools and the DOES, will train high school students over 24 weeks.

DC Water received awards and recognition for its efforts to advance hiring and workforce development in FY23. Mr. Herrington encouraged board members to read the report which was shared in their meeting materials.

*Human Resources and Labor Relations Report
Reported by Steven Shofar*

Human Resources and Labor Relations Chairperson Steven Shofar reported that the Committee was presented with a fact sheet which made a request to exercise Option Year 4 for HMO medical plan services. This Option Year would be effective from January 1, 2024, to December 31, 2024. Though there was an increase in the rates, Authority staff were able to negotiate a cap of 5%.

*Environment Quality and Operations Committee Report
Reported by Sarah Motsch*

Environmental Quality and Operations Committee Chairperson Sarah Motsch reported that the Committee received an update on the Blue Plains Advanced Wastewater Treatment Plant's Performance. All parameters were within the National Pollution Discharge Elimination Standard permit limits. The monthly average flow for complete treatment was 246 million gallons per day in October. The tunnel systems and wet weather treatment captured 4 million gallons at 100% capture. The low flow was a result of low monthly rainfall of about 0.65 inches. On-site energy generation from the Combined Heat and Power Facility and solar panels was 26% of the average consumption at the treatment plant. Five thousand nine hundred thirty-four wet tons of biosolids were sold as bloom in October, which meant DC Water had almost attained the FY23 goal of 65,000 wet tons.

Ms. Motsch reported on the fire hydrant update. Thirty-eight hydrants were out of service as of November 2, 2023; 24 of which were out of service due to temporary construction work and 14 of which were found in need of repair or replacement, representing 0.1% of all hydrants within the Authority.

Ms. Motsch reported that Water Quality Monitoring showed that DC Water was in compliance with the Total Coliform Rule over the past month. The Lead and Copper Rule Testing was completed and demonstrated compliance for the second semester.

The CIP Quarterly report included non-processing facilities plans for roofing, HVAC assessments, seawall replacements, and concept designs for historical buildings. Design was underway for projects, including sidewalks and fencing around the HQO Campus. Three Clean Rivers Projects were under construction: the Northeast Boundary Tunnel, Potomac Tunnel Advanced Utilities, and Green Infrastructure. All three projects are more than 98% complete and scheduled to meet their consent decree deadlines.

There were 60 Blue Plains Waste Water Treatment tasks in planning. Construction projects included the Gravity Thickener Upgrades, which reached substantial completion this year, and various other plan upgrades.

In the Sanitary Sewer program areas, emergency repairs to the East-West Outfall Relief Sewers were ongoing. The Potomac Interceptor Manhole 31 progressive design-build contract was also progressing. FY23 ducktail iron pipe supply chain delays were less than anticipated, and significantly more small-diameter water mains were installed than the baseline projection. In total, about 12 miles of water mains were replaced, exceeding the 1% replacement goal of 11 miles every year.

For the Lead-Free DC Program, the total number of lead service lines replaced from 2019 to the end of 2023 was approximately 11% of the total estimated number. \$57.4 million in grants were received from Bipartisan Infrastructure Law funding to support the By-Block Replacement Programs. DC Department Of Transportation permit approvals had been issued so work could begin. Staff reviewed a dashboard which showed various key metrics for the program.

For the CIP Quarterly financial update, the total CIP disbursements through the fourth quarter were \$333 million, or 86% of the baseline plan. A total of 35 key performance indicators (KPIs) were monitored for FY23; 22 of these KPIs were completed within the 90-day threshold, and 13 were completed outside of the threshold. Additionally, it was noted that in preparation for the 10-year CIP, DC Water was shifting from a Design-Bid-Build model to a more collaborative project delivery model using Progressive Design-Build and Construction Management at Risk as the default delivery approaches.

An update was also given on the Potomac River Crossing. The Potomac River Tunnel crosses the Potomac River twice, one of which is downstream of the Washington Aqueduct Dam. The corroded crossing traverses Virginia and Maryland and is subject to the National Environmental Policy Act. Although the crossing is not deteriorating at a fast rate, the project is beginning now in order to allow time to get through the multiple permitting processes required. Geotechnical Investigations will be scheduled for 2024, and design and construction are scheduled from 2025 to 2028. The two preferred solutions require a new parallel pipe about 50 ft downstream to be used as a bypass flow during the rehab of the existing pipe, which will provide future redundancy. Geotechnical borings are scheduled to start in January and are required to determine sub-service conditions; however, the terrain is challenging, so DC Water contracted with a company that will provide a helicopter to transport the drilling rig to each location.

IV. CEO AND GENERAL MANAGER'S REPORT

CEO and General Manager David Gadis thanked former Board Chair Tommy Wells. He then presented three updates pertaining to the Sustainability, Reliable, and Equitable Imperatives.

In relation to resilience, on November 30 and December 1, a Joint Board Retreat was held to discuss strategic priorities for the coming years. Insights and expertise were leveraged when considering the Strategic agenda with an emphasis on resilience. Discussions included the Environmental Protection Agency's (EPA's) proposed 10% Annual Lead and Copper Replacement Rule and the future Authority transformation related to staffing. Nation-wide, water utilities are facing a wide range of operational and fiscal challenges in an uncertain regulatory environment. Mr. Gadis reported that he received input from Board members about the Authority with repeated references to Lead-Free DC, resilience, and the Enterprise Human Capital Strategy.

In relation to sustainability, one way that the initiatives discussed in the Board Retreat are driven forward is through quarterly meetings to review DC Water's imperative groups. Last week, leaders in the Authority convened for the 7th status meeting since the creation of Blue Print 2.0. While there have been changes to the Senior Executive Team, DC Water's initiatives and goals remain the same. Strategic management is a discipline that DC Water takes seriously. Mr. Gadis thanked Wayne Griffith, Chief Administration Officer and EVP and Dr. Matt Reiss, Vice President Strategy and Performance for continuing to lead the effort at the Authority.

In relation to equity, Mr. Gadis welcomed Conrad Sanders, the new Vice President of Transformation and Operations who would be working with People and Talent. Mr. Gadis reviewed Mr. Sanders' experience with talent acquisition and retention strategies, noting that he had high hopes that Mr. Sanders would continue to uphold their initiatives.

Lastly, Mr. Gadis announced that JD Power and Associates released their 2023 Water Utility Customer Satisfaction Survey. DC Water was ranked 15 of 92 in customer satisfaction. The Authority rose 17 positions as compared to 2022 thanks to improvements in communication and conservation efforts across the Authority. Within that ranking, DC Water rose 30 points in conservation over 40 points in communications and was now ranked 8th nationally for communication. All DC Water teams were thanked for their efforts. This comes as DC Water also received high marks on their own 2023 consumer survey and the independent engineering analysis. Mr. Gadis stated he would review the JD Power survey and explore how they can further improve.

V. CONSENT ITEMS (JOINT USE)

1. Approval to Exercise Option Year 4 of Contract No. 19-PR-DPT-31, Staff Model Health Maintenance Organization (HMO), Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc – Resolution No. 23-70 (Recommended by the Human Resources and Labor Relations Committee 11-08-23)
2. Approval to Exercise Change Order No. 08 of Contract No. 200020, Emergency Sewer Main Infrastructure Repair and Replacement Contract for FY21-FY23, Spiniello

Companies – Resolution No. 23-71 (Recommended by the Environmental Quality and Operations Committee 11-16-23)

3. Approval to Exercise Option Year 3 and Add Funding to Contract No. 10030, Annual Maintenance, Repair, and Calibration of Instrumentation Control and Electrical Equipment, C&E Services, Inc. of Washington – Resolution No. 23-72 (Recommended by the Environmental Quality and Operations Committee 11-16-23)
4. Approval to Exercise Option Year 4 of Contract No. 19-PR-DWT-21B, Supply and Delivery of Methanol, Mitsubishi International Corp. – Resolution No. 23-73 (Recommended by the Environmental Quality and Operations Committee 11-16-23)
5. Approval of Appointment of the Officers of the Board – Resolution No. 23-75 (Recommended by the Executive Committee 11-09-23)

Upon a motion duly made and seconded, the Board of Directors voted and unanimously approved the resolutions with the amendment to Consent Item 5 to say Christopher Herrington on page 2.

VI. CONSENT ITEMS (NON-JOINT USE)

1. Approval to Execute Contract No. 230060, Sewer Life Restoration Program (SLRP) – 2, Spiniello Companies – Resolution No. 23-74 (Recommended by the Environmental Quality and Operations Committee 11-16-23)

Upon a motion duly made and seconded, the Board of Directors voted and unanimously approved the resolutions as presented.

VII. ADJOURN

There being no further business to come before the Board, Ms. Bhatt adjourned the meeting at 10:04 a.m.

Michelle Rhodd
Secretary to the Board of Directors



**21ST SPECIAL MEETING OF THE BOARD OF DIRECTORS
MEETING MINUTES
DECEMBER 11, 2023
(Via Microsoft Teams)**

DIRECTORS PRESENT

District of Columbia Members

1. Rachna Bhatt, First Vice-Chairperson for Vacant Chair
2. Anthony Giancola, Principal
3. Howard Gibbs, Principal
4. Jed Ross, Alternate

Prince George's County Members

1. Tara Jackson, Principal
2. Floyd Holt, Principal
3. Jared McCarthy, Alternate

Montgomery County Members

1. Fariba Kassiri, Principal
2. Jon Monger, Principal
3. Steven Shofar, Alternate

Fairfax County Members

1. Christopher Herrington, Principal

DC WATER STAFF

1. David Gadis, CEO and General Manager
2. Marc Battle, Chief Legal Officer, EVP, Government and Legal Affairs
3. Matthew Brown, Chief Financial Officer and EVP, Finance, Procurement and Compliance
4. Wayne Griffin, Chief Administration Officer and EVP
5. Jeffrey Thompson, Chief Operating Officer and EVP
6. Michelle Rhodd, Board Secretary

The 21st special meeting of the District of Columbia Water and Sewer Authority's Board of Directors was called to order by First Vice-Chairperson Rachna Bhatt at 4:32 p.m. The meeting was held via Microsoft Teams. Board Secretary Michelle Rhodd called the roll, and a quorum was established.

I. EXECUTIVE SESSION

There was a motion to move into executive session to discuss a legal matter and preserve the attorney-client privilege under D.C. Official Code § 2-575(b)(4)(A) and the motion was seconded.

The Board met in executive session.

II. ADJOURN

There being no further business to come before the Board, Ms. Bhatt adjourned the meeting at 5:28 p.m.

Michelle Rhodd
Secretary to the Board of Directors



**MINUTES OF THE MEETING
ENVIRONMENTAL QUALITY AND OPERATIONS COMMITTEE
DECEMBER 14, 2023
(via Microsoft Teams)**

COMMITTEE MEMBERS PRESENT

1. Sarah Motsch, Chair
2. Howard Gibbs
3. Steven Shofar
4. Jared McCarthy
5. Chris Herrington
6. David Franco

DC WATER STAFF

1. Jeffrey Thompson, Chief Operating Officer and EVP
2. Marc Battle, Chief Legal Officer and EVP, Government and Legal Affairs
3. Michelle Rhodd, Board Secretary
4. Wayne Griffith, Chief Administration Officer and EVP
5. Nicholas Passarelli, Vice President of Wastewater Treatment Operations
6. Paul Guttridge, Director of CIP Infrastructure Management
7. Daniel Nguyen, Senior Manager of CIP Program Services
8. Ali Mohammad, Manager of Documents Management
9. Joel Grosser, Director of Procurement for Goods and Services
10. David Parker, Vice President of Engineering
11. Moussa Wone, Vice President of Clean Rivers

Sarah Motsch called the meeting to order at 9:30 AM. Michelle Rhodd, Board Secretary, conducted a roll call of the Committee members and staff present for the meeting.

Minutes of the December 14, 2023, Environmental Quality and Operations Committee Meeting

I. BPAWTP PERFORMANCE UPDATE

Nicholas Passarelli, Vice President of Wastewater Treatment Operations, DC Water, presented an overview of the Blue Plains Advanced Wastewater Treatment Plant's (BPAWTP's) performance. The Blue Plains operations were normal, meeting all permit requirements. In November, there were notable low flows, averaging 233 million gallons per day (mgd), due to the dry weather conditions.

The Anacostia River Tunnel System received 193 million gallons of flow, of which 100% was captured. Rainfall for the month was 2.5 inches of rainfall. The Combined Heat and Power (CHP) Facility generated an average of 8.0 megawatts of power, with 6.7 megawatts of net power to the Blue Plains grid, and the solar system generated 0.5 megawatts. Onsite generation was 26% of the total usage. The total purchased power from PEPCO averaged 20.8 megawatts.

Biosolids production was over 12,000 tons, of which just over 7,000 tons were sold as Bloom and the remaining managed through land application contracts. The new FY2024 goal has been set at 65,000 tons.

II. TECHNICAL INFORMATION CENTER EXPANDING CUSTOMER SUPPORT

Paul Guttridge, Director of CIP Infrastructure Management, Daniel Nguyen, Senior Manager of CIP Program Services, and Ali Mohammad, Manager of Documents Management, DC Water, explained how a major initiative has expanded user support by scanning and digitizing DC Water's physical document archive.

Mr. Nguyen reported the department started the initiative in 2015 and over 9 million physical pages of documents dating back to 1870 have been transitioned to digital records and those digital records are now available to all users. This initiative is driven by the Technical Information Center (TIC) mission which focuses on collecting, managing, and maintaining DC Water asset records and increasing stakeholder access to these records.

Mr. Mohammad reported that archives from 1870 through 2018 posed a risk of becoming damaged or lost because they were almost entirely physical without backup. These files must be preserved in support of retention policy and for historic preservation. Project planning to back up the historic and other records began in 2015 and scanning of records began in 2018 via the Accurate Conceptions/Databank JV contract. The scanning project and the user facing TIC SharePoint portal were completed in the summer of 2023, with record consolidation and SOP updates beginning in Fall of 2023. The DC Water TIC SharePoint portal is available for internal users with multiple search capabilities using process areas and metadata filters to speed up search queries. 20 document types were

Minutes of the December 14, 2023 Environmental Quality and Operations Committee Meeting

designated as part of the project and all documents were categorized in collaboration with engineering and operations departments, and with the assistance of legal counsel to ensure ease of access, retention, and confidentiality. Over 5.5 terra bytes of data from over 5,000 boxes of material, and more were scanned.

As a benefit of the project, Mr. Mohammed stated the capital project closeout turnover of records will now only take days in contrast with the previous 4-6 months duration. In addition, record retrieval for users will now be accessible within minutes from a user's workstation rather than the 3-5 days required in the past. The Document Management System provides intelligent, efficient, and secure access. Anyone with DC Water network account access can review the records but only certain documents are available to all users. Documents can be edited and re-uploaded, however, TIC staff are trained to ensure that standards are being met for document quality and permissions granted.

III. ACTION ITEMS

JOINT USE

1. Contract WAS-13-48-AA-SS – Electric Energy Services and Electricity Generation Transmission – Constellation New Energy, Inc
2. Contract No. 230050 – Emergency Sewer Main IR&R Contract for FY24-FY27 – Anchor Construction Company, Inc
3. Contract No. 230080 – Water and Sewer IR&R – Fort Myer Construction Corporation

NON-JOINT USE

1. Contract No. 200070 – Green Infrastructure Maintenance Contract B – National Services Contractors, Inc

The Committee recommended moving all action items to the full Board for approval.

VI. ADJOURNMENT

There were no further matters to come before the meeting, the meeting was adjourned at 10:06 am.



**MINUTES OF THE MEETING
RETAIL WATER AND SEWER RATES COMMITTEE
DECEMBER 19, 2023
(Via Microsoft Teams)**

COMMITTEE MEMBERS PRESENT

1. Howard Gibbs, Chair
2. Anthony Giancola, Principal
3. David Franco, Principal

DC WATER STAFF

1. David L. Gadis, CEO and General Manager
2. Marc Battle, Chief Legal Officer and EVP, Government and Legal Affairs
3. Matthew T. Brown, Chief Financial Officer and EVP, Finance, Procurement, and Compliance
4. Wayne Griffith, Chief Administrative Officer and EVP
5. Michelle Rhodd, Board Secretary

The DC Retail Water and Sewer Rates Committee meeting was called to order by Howard Gibbs at 9:30 AM. Board Secretary Michelle Rhodd called the roll.

I. MONTHLY REPORT TO THE DC RETAIL WATER AND SEWER RATES COMMITTEE

Matthew Brown, CFO and Executive Vice President of Finance, Procurement, and Compliance, presented the Monthly Report with financial results as of November 30, 2023. Overall, revenues were favorable to budget. The largest variance was in the Residential, Commercial, and Multi-Family category, which were favorable to budget by \$7 million. This was mainly from revenue received in the first month of the fiscal year in October through November receipts were slightly lower than the budget. Trends will be analyzed once the first quarter is completed. Mr. Brown noted that the District Government has a large negative variance of \$1.2 million or 29% due to a partial payment in November that was fully paid in December. Additional details on the revenues are provided in the report.

Mr. Brown stated that the 90-day delinquent accounts decreased to 10,099 accounts, but the total balance had increased slightly. The largest category of delinquent accounts is Multi-Family. Additional information regarding delinquent balances, Developer Deposits, and other information is included in the report.

II. DC WATER CARES PROGRAM UPDATE

Meisha Thomas, Director of Customer Care, presented the final proposed rule to extend the Residential Assistance Program (RAP) to FY 2024. On December 5, 2023, a public hearing was held to receive public testimony for the proposed rulemaking to extend the program. As of FY 2023, the RAP balance was \$849,347.06, the Multi-Family Assistance Program (MAP) balance was \$107,365.94, and the Administrative Cost balance for both programs was \$168,422.04. The total FY 2023 balance for these assistance programs was \$1.1 million. The Committee previously recommended to the Board a transfer of the \$956,713.00 unexpended RAP and MAP funds as well as the \$148,422.00 Administrative Cost funding transfer in order to allocate \$1.1 million to the FY 2024 RAP program.

Anthony Giancola asked if the number of participants in these programs was increased, decreased, or remained the same. Ms. Thomas stated that participation had increased, and efforts were made to contact those who were in the program and encourage them to reapply. Customers, especially those with delinquencies, were also contacted and encouraged to join the program.

David Franco asked what was utilized in FY 2023 for both programs since the remaining balance would be \$1.1 million. Ms. Thomas stated that about \$5 million was provided to customers for the MAP and RAP programs.

Meisha Thomas stated no public testimony was given at the public hearing, and no public comments were received by the close of the public comment period on December 12. With concurrence from the Committee, the Board would be asked to approve the program extension, and the final notice of proposed rulemaking would be published in the DC Register on January 19, 2024.

The Committee recommended Board approval of the final proposal to amend CAP regulations for the DC Water Cares Residential Assistance Program extension through 2024 until funds are exhausted.

III. DC WATER'S NEW MERCHANT CARD FEE

Ivan Boykin, Vice President of Finance, presented an update on the Merchant Card fees charged to customers and the communications plan. Credit card fees rose from \$26,000 in FY 2017 to \$46,000 in FY 2018. In order to better understand what was driving the increase, the department reviewed fees and processes and worked with experts.

Credit card processing costs increased from \$1 million in FY 2018 to \$2.7 million in FY 2023, growth of about 26% per year. Historically, DC Water absorbed those fees, but after thorough research, new merchant debit/credit card fees will be assessed to begin in February 2024. The Residential credit card fee will be \$1.95 flat fee for transactions up to \$500, and the Non-Residential credit card fee will be 2.65 percent. There will be a free payment option for customers as DC Water will absorb ACH fees for both Residential and Non-Residential customers.

Mr. Boykin presented the Communication Plan so that customers are aware of the new fees. The DC Water website will also be updated with new payment options.

Board member David Franco asked for the methodology behind creating two different rate structures. Mr. Boykin stated that when the payment processor reviewed DC Water customers, they found that 90% of the credit card payments were Residential. Commercial cards cost more, which is why they have a percentage.

DC RETAIL WATER AND SEWER RATES COMMITTEE WORKPLAN

Matthew Brown, CFO & Executive Vice President of Finance, Procurement, and Compliance presented the proposed FY 2024 Committee Workplan. Mr. Brown highlighted the upcoming 2-year rate-making cycle. On January 4, 2024, budgets and rate proposals will be reviewed by the Board. In March, the Board will be asked to approve the budget and then begin the public hearing and public comment process. The Public Hearing on the rate proposal will be held on May 9, 2024. The proposed rates will be published in the Register toward the end of May and adopted in July.

Mr. Brown stated that another item on the Work Plan is the Fire Protection Fee is reviewed every three years, which the District of Columbia pays to maintain fire hydrants. Updates will be presented in March.

Mr. Franco asked if the developer deposits were addressed. Matthew Brown stated it was included in the monthly report. Anthony Giancola suggested discussing that in detail at the upcoming Finance and Budget Committee meeting.

IV. ADJOURNMENT

The meeting adjourned at 10:52 am.



**FINANCE AND BUDGET COMMITTEE MEETING
MINUTES OF THE MEETING
DECEMBER 19, 2023
(Via Microsoft Teams)**

BOARD OF DIRECTORS PRESENT

1. Anthony Giancola, Chairperson
2. David Franco, Principal, District of Columbia
3. Jared McCarthy, Alternate, Prince George's County
4. Sarah Motsch, Alternate, Fairfax County

DC WATER STAFF

1. David Gadis, CEO and General Manager
2. Matthew Brown, Chief Financial Officer & EVP, Finance, Procurement and Compliance
3. Wayne Griffith, Chief Administrative Officer & EVP
4. Michelle Rhodd, Board Secretary

Anthony Giancola, Chairperson, called the meeting to order at 11:00 a.m. The meeting was conducted via MS Teams. Board Secretary Michelle Rhodd called the roll.

I. NOVEMBER 2023 FINANCIAL REPORT

Lola Oyeyemi, Vice President of Budget, presented the November 2023 Financial Report. Total operating revenues were \$169.9 million, or 19.3 percent of budget; operating expenditures were \$93.8 million or 12.7 percent of budget, and capital disbursements were \$52 million or 8.6 percent of budget. She stated that the Proposed 2025 Budget including two-year rate proposal, will be delivered to the Board on January 4, 2024. Staff continues to work on various FY 2023 year-end audit activities. The Financial Statement Audit is anticipated to be complete by the end of December 2023 and will be presented to the Audit Committee on January 25, 2024. The A133 Audit, Annual Comprehensive Financial Report, and 2023 Green Bond Report are anticipated for completion during the first quarter of 2024.

Matthew Brown, CFO & Executive Vice President, Finance, Procurement and Compliance stated that December has been very busy for the Finance Staff as they are finishing one fiscal year and working on the audit, beginning a new fiscal year, and preparing the budget proposal for the next fiscal year. He thanked the entire finance team for their hard work during this busy time.

Mr. Brown mentioned that the Government Finance Officers Association (GFOA) offers three awards programs for budget and financial documents. DC Water's Budget and Annual Financial Report have been recognized with GFOA awards for about 22 years. This year for the first time, DC Water's Popular Financial Report, which we refer to as the Annual Report, was also recognized. Recognition and thanks go to staff from Budget, Financial Reporting, Accounting and Marketing & Communications departments. Winning all three awards is referred to as the "Triple Crown." For the first time, DC Water is a Triple Crown Winner, and this award speaks to the transparency of the Authority and recognizes the outstanding work that the team does every day for our customers. Mr. Brown thanked Chief Communications and Stakeholders Officer and EVP Kirsten Williams and her staff for their outstanding work in preparing the Annual Report. Committee Chair Giancola and committee members congratulated the team for the great achievement.

Ms. Oyeyemi continued with the financial report and stated that the overall operating revenues were favorable to budget with no significant deviations. The receipts from the Residential, Commercial, and Multi-Family customer receipts were higher than expected mainly due to higher receipts early in the fiscal year. Receipts from the District Government were lower than expected due to a partial payment which has been paid in December and would be reflected in future reports.

The overall operating expenditures were favorable compared to budget for the first two months of the fiscal year. At the end of November 1141 positions were filled, and the overall vacancy rate was 13.1 percent, while the active vacancy rate was 9.6 percent. Ms. Oyeyemi mentioned that management is taking a hard look at all existing vacancies to determine which positions can be redirected to other areas of need. Total capital disbursements through the end of November were also favorable compared to budget at \$52 million or 8.6 percent of the budget.

Ms. Oyeyemi reported that the total cash balances were \$768.2 million as of the end of November and included the Rate Stabilization Fund balance of \$35.6 million. Operating interest income to date was \$1.7 million. There was a decline in the number of delinquent accounts but a slight increase in the value of the accounts, which was \$28.5 million. Fifty one percent of those delinquencies were from the Multi-family category. The delinquent accounts made up eight percent of total accounts. Delinquent impervious only accounts made up one percent of total accounts.

At the end of November, there was \$44.9 million in credit balances and \$11.1 million in debit balances for a net balance of \$33.8 million for developer deposits. Additional information on refund requests was included in the packet. The total refund requests received from October 2022 were 1,295 accounts. The total number of accounts refunded is 124, of which 68 accounts, or 55 percent, have been refunded since June 2023.

Mr. Giancola asked if the temporary staff had been engaged to assist with the backlog of permit refunds. Ogechi Okpechi, Director, Permit Operations, stated the consultants began

in July. She explained that when responses were not received from developers, the consultants moved on to process other requests. The process begins with emails, and calls are only placed if there is an escalation with the issue. Ms. Okpechi stated she was working with the developers to process the refunds more quickly. The refunds are being processed slowly due to requirements including proof of as-build documents, closed work orders, and the proof of payment, which can be waived with an affidavit. Moving forward, staff will continue to meet with DCBIA on how to gather the information from developers in order to avoid this issue.

Committee member David Franco requested clarification on the 55 percent of accounts refunded from June to date. Ms. Okpechi stated that out of the 124 refunds since October 2022, 68 were done in the last six months, which reflects the assistance of the consultants.

Mr. Franco asked for the total number of account refund requests to date as a percent of the total number of accounts with credit balances. Ms. Okpechi explained that each request comes from one account, but some locations have multiple accounts. She reported that 1,295 accounts have requested refunds out of about 4,364 accounts with credit balances.

Mr. Franco asked if there was a reduction in payment requests since the program had launched in order to review a potential reduction in liability over time. Ms. Okpechi stated they were not seeing a high number of refund requests at this time. Mr. Brown stated that the forfeiture process reduces the liability which is being monitored closely to track the impact on cash.

David Parker, Vice President, Engineering mentioned that statements are also sent to the account holders and that this has caused an increase in refund requests. Those letters were being prepared, and another surge was expected in the coming months.

Mr. Giancola stated that the narrative section of the monthly report should be refined to capture detailed information about the questions asked today in future meetings. should be considered in that narrative to track their progress.

II. CAPITAL IMPROVEMENT PROGRAM (CIP) QUARTERLY UPDATE

Mr. Parker presented the CIP Quarterly Update through Q4 of FY 2023. The Non-Process Facilities make up a small part of the CIP, but there were three projects in the planning phase. Procurement was underway for four projects. Design & Build was ongoing for three different projects.

The Clean Rivers project has awarded a contract for the Potomac River Tunnel, with construction expected between 2024-2030. The Northeast Boundary Tunnel contract is expected to be closed before the end of the year, as all work has been completed. Advanced Utility Construction to support the Potomac River Tunnel project was also 99 percent completed. The Green Infrastructure Project will be 98 percent complete by the end of the year with a consent decree date of January 23, 2024.

The Blue Plains Advanced Wastewater Treatment Plant had 60 tasks in the planning phase, primarily for rehabilitation and replacement of many of the facilities. There were nine projects in the design phase. There were four projects in the procurement phase, including flood wall work pending a grant from the Federal Emergency Management Agency (FEMA) and pre-dewatering centrifuges pending construction Request for Proposal (RFPs). Construction had begun on four projects, including the gravity thickener upgrades and filter influent pumps (FIPS).

The Combined Sewer Overflow (CSO) and Sanitary Sewer Projects were addressing the emergency repairs of the East-West Outfall Relief Sewers in order to prevent a sinkhole. Work at Manhole 31 was ongoing, but the contractor provided an option to decrease cost and risk while keeping the pipe live and in service. The Stormwater PS Construction projects included inflatable dam mechanical equipment and control updates along with stormwater pump station upgrades at several different locations.

The Water Linear projects had accomplished more than projected, as there were fewer supply chain issues than anticipated. Some vertical projects included the Anacostia Elevated Storage Tank No. 2 with updated interior coating and emergency booster pumping work at the Ft. Reno Pump Station.

The Lead Free DC Program Executive Dashboard was presented. Out of the total number of replacements, 11.3 percent have been completed so far, this fiscal year. The replacement of the lead service line was 30.8 percent. The Lead Free DC Program received several federal grants, adding up to \$57.4 million. A Memorandum of Understanding (MOU) was established with the District Department of Transportation (DDOT) and permits for replacement work would be facilitated moving forward.

Paul Guttridge, Director of CIP Infrastructure Management, presented the CIP financial performance. The total CIP Disbursement actuals were \$333 million, or 86 percent of the revised budget for the year. There were 35 Key Performance Indicators (KPIs) for FY 2023, 22 of which were completed within the threshold and 13 of which were completed outside of the 90-day threshold. 5 KPIs were outside of the threshold in Q4.

Mr. Franco asked if DC Water was seeing prices beginning to trend down out of the inflationary period, as he had seen at his own company. Mr. Parker stated that he had not seen a decrease in materials or labor yet but was making predictions on how to plan for inflation. A collaborative delivery model for product delivery has been instituted to help with calculations and potentially bring down costs. The designer and contractor will be involved in this collaborative model.

Mr. Franco asked how they ensure that they will get the right pricing for the general contractor fees and conditions. Mr. Parker stated they are reviewing costs and plans as a part of the selection process, but prices can be negotiated depending on the amount

offered. It was noted that risk mitigation is discussed during this process, which can also offset price.

III. MERCHANT CREDIT CARD FEES UPDATE

Ivan Boykin, Vice President of Finance, presented an update on Merchant Credit Card fees. In FY 2018, credit card fees increased from \$26,000 per month in FY 2017 to \$46,000 per month in FY 2018. Mr. Boykin provided an overview of the timeline and various efforts undertaken by the Finance department including meetings with multiple vendors, updates on the fees analysis to the Committee and a discussion of alternative solutions which were presented several times during 2021 and 2022.

DC Water currently absorbs the merchant card costs which have increased from \$1 million in FY 2018 to \$2.7 million in FY 2023, which is approximately 26 percent increase each year. To address this increase, management has proposed to assess a Residential credit card flat fee of \$1.95 for up to \$500 per transaction, with no credit card fees for the CAP and CAP2 customers. The Non-Residential credit card fee will be 2.65 percent for up to \$100,000 per transaction. There will be no fee for customers who choose to use the Automated Clearing House (ACH) payment option as these costs will continue to be absorbed by DC Water.

Mr. Boykin provided an overview of the communication plans for the proposed fees. This includes collaborative efforts with the Marketing and Communications department to include inserts in What's on Tap and update the information on the website about the payment options and new platform. These proposed new credit card fees will be implemented in February 2024.

Committee member Sarah Motsch asked if the anticipated fees would completely absorb the costs paid by DC Water. Mr. Boykin stated that all debit and credit card fees will be passed to the customers except for the ACH costs of about \$250,000 per year on average or up to \$300,000 if every customer moved to ACH option. Customers will have a free option to pay their DC Water bill if they use ACH.

IV. AGENDA FOR JANUARY 2024 COMMITTEE MEETING

Mr. Brown stated that in January the Committee will review the Proposed FY 2025 Operating Budget, Capital Budget, Financial Plan, etc.

V. ADJOURN

There being no further business to come before the meeting, the meeting adjourned at 11:50 a.m.



CEO's Report

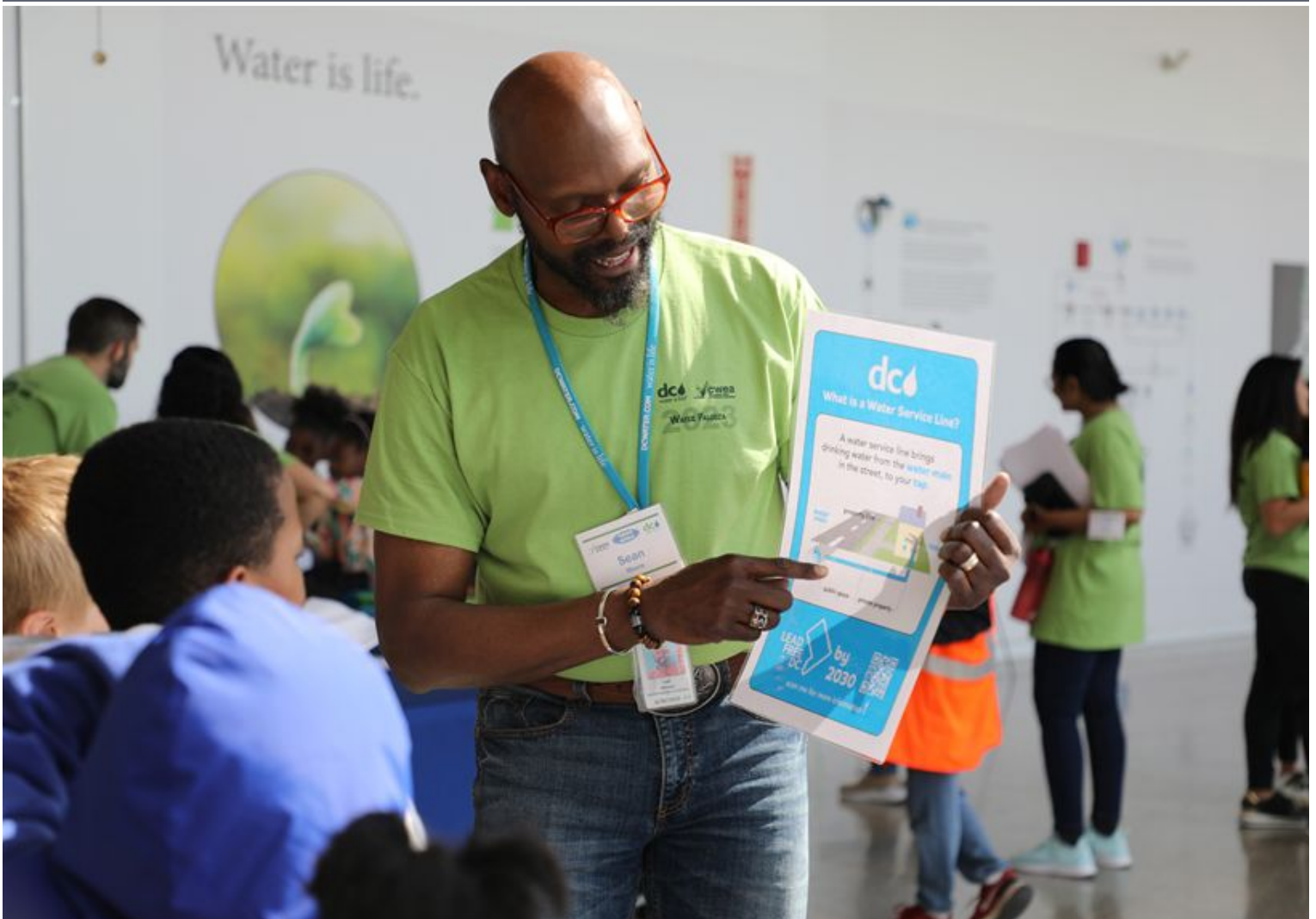
JANUARY
2024



ACCOUNTABILITY TRUST TEAMWORK CUSTOMER FOCUS SAFETY WELL-BEING

Inside

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dc Highlights

Interim Chair Bhatt, and members of the Board, it is my pleasure to present you with the CEO's Monthly Report for January 2024. This report captures the highlights of the team's efforts over the past month, across the five cascading imperatives of the Blueprint 2.0 strategic plan: **Equitable, Sustainable, Resilient, Reliable, and Healthy, Safe and Well**. There are also individual reports from Finance and Procurement; Shared Services; Customer Experience; Information Technology; and Operations and Engineering, as well as the monthly update from Internal Audit.

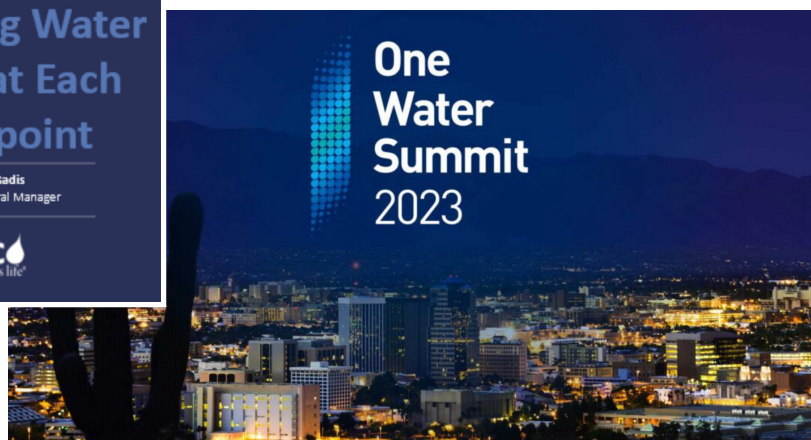


One Water Alliance Recap

I was honored to serve as a featured presenter at the 2023 One Water Summit, in Tucson, Arizona. The featured panel was entitled 'People, Power, and Water Workforce Innovations,' and my presentation, 'Delivering Water Equity at Each Touchpoint,' described how DC Water has effectively delivered water equity for our communities through a strategic focus on creating equity for our employees, our customers, and the broader community.

During my presentation, I explained how the Authority has largely avoided the staffing turnover that impacted many utilities and businesses during the pandemic through our emphasis on People, Place, and Pay, and offering a management team that now resembles the employees and communities they serve. I also shared how the Authority has delivered equity to previously underserved communities through prioritizing infrastructure replacements, Customer Assistance Programs, and targeted community outreach efforts. With respect to delivering equity to our communities, I described the Clean Rivers Project and the Lead Free DC initiative, both of which are already making an impact in the District.

I was joined on the panel by Angela Charles (Director, Charlotte Water), Tony Parrott (Executive Director, Louisville and Jefferson County Metropolitan Sewer District, and Racquel Vaske (Assistant General Manager, St. Paul Regional Water Services). Our collective presentations generated a robust discussion around replicating equity initiatives within smaller utilities and how the EPA has supported and encouraged the efforts.



dc Highlights



Sustainable

Kharkar Presents at Smart Cities Connect Conference

In late November, **Salil Kharkar** (Vice President and Senior Technical Advisor, OCOO / Office of the Chief Operating Officer) was a featured presenter during a Smart Cities Connect Conference work session entitled 'Opportunities for Interjurisdictional Coordination and Collaboration on Smart City Activities.'

Those attending the session learned about the benefits of data integration across jurisdictional boundaries, for projects such as transportation and the management of utility infrastructure. Presenters reviewed opportunities for data collection, integration, and sharing, and discussed best practices for coordinating cross-jurisdictional collaborations.

I would like to thank Mr. Kharkar for sharing the Authority's experience with cross-jurisdictional efforts, and highlighting DC Water as a model of smart infrastructure management and collaboration.



**SMART CITIES
CONNECT**
FALL CONFERENCE & EXPO



SWIM Conference and Workshop Presentation

On Tuesday, December 12, it was my honor to attend and deliver a keynote address at the Sustainable Water Infrastructure Management (SWIM) Conference and Workshop, in Arlington, Virginia. The annual SWIM Conference educates members about the critical importance of water for our communities to function and thrive. The event highlights issues such as water scarcity, flooding, water quality, the impact of climate change, and showcases powerful and emerging approaches to solving these challenges and building a more resilient and equitable water future.

In a room packed with senior leaders from regional utilities, including WSSC, Fairfax Water, and more, I reviewed DC Water's approach to meeting customers' needs and delivering water equity at each touchpoint with the community.



While at the Conference, Dr. Sunil Sinha, of Virginia Tech, arranged an interview with PBS television for me and select attendees. The interview focused on the biggest challenges facing the water sector in the years ahead, including rate management in the climate change era, with lead, PFAS and in an uncertain regulatory environment. I understand from the producer that the documentary, 'WATER: Empowering Our Future' will not air until next fall, but I will keep Board members informed as we receive information on the broadcast schedule.

dc Highlights



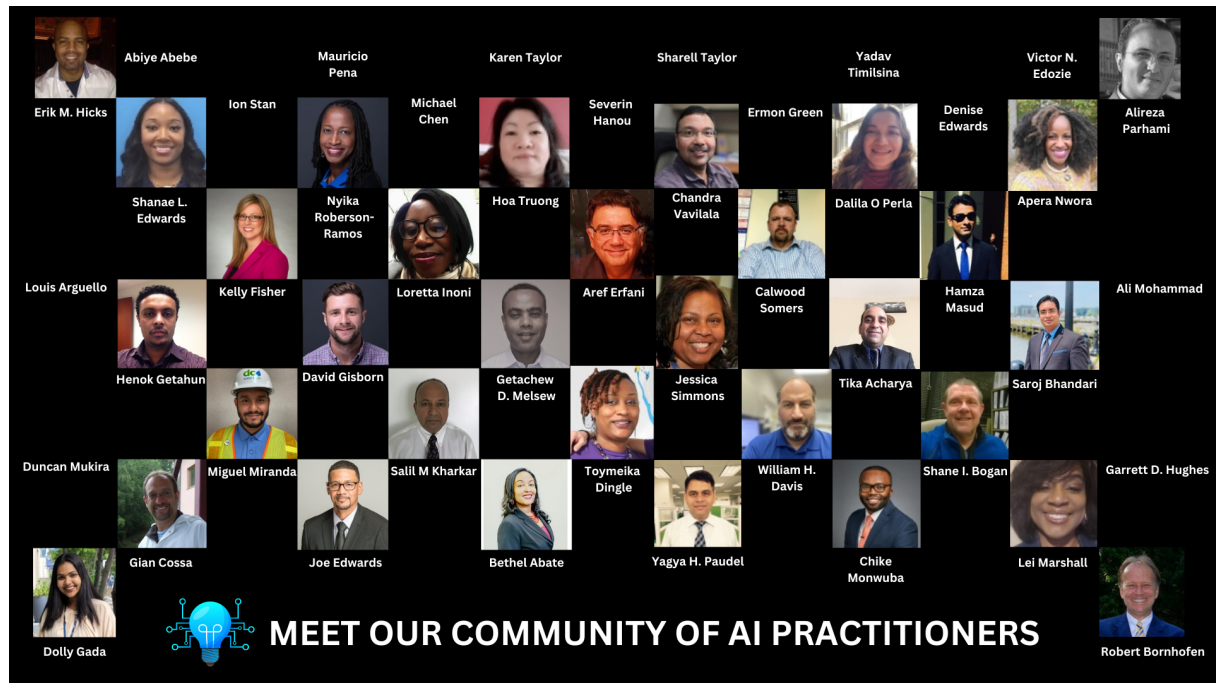
Generative Artificial Intelligence Gains Momentum

On November 29, **Dr. Robert Bornhofen** (Director, Innovation / Strategy and Performance) delivered the second Lead and Learn event on generative artificial intelligence (AI) and potential applications at the Authority. During this session, Dr. Bornhofen partnered with Information Technology (IT) to share specific technology, Microsoft Copilot, to leverage generative AI functionality.

Earlier in the year, Dr. Bornhofen led a session to introduce nearly 200 employees to emerging Gen AI tools. More than 40 of these employees joined a Community of Practice, followed by several months of discovery and learning.

Concurrent to building the Community of Practice, Dr. Bornhofen worked with the Office of Government and Legal Affairs and IT to develop policy guidance on the proper use of generative AI among employees.

Numerous industry organizations, including the American Water Works Association (AWAA), Arcadis, and the Utility Management Conference have requested information on the Authority's exploration of generative AI to share with their members, and as a topic of interest.



dc Highlights



Healthy, Safe and Well

EPA Announces Proposed Change to Lead and Copper Rule

On November 30, the U.S. Environmental Protection Agency (EPA) proposed new rules that would require cities to replace lead service lines within 10 years. The EPA is encouraging tighter standards and expedient removal of lead lines to address the health concerns associated with lead pipes, such as protecting children, who are particularly vulnerable to high lead levels, reducing high blood pressure and heart disease in adults.

The proposal raises some significant challenges for water utilities because while the guidance is clear, there is no guaranteed funding to support removal of these lines, which EPA estimates will cost \$45B nationally and industry says is closer to \$60B. Additionally, the EPA indicated that the 10-year timeframe could be extended in situations where cities lack information on the location of lead lines or have an extensive inventory of lead pipes in service.

To meet the timeline in the proposed rule, the Authority will need to:

- Secure the requisite level of federal funding to reduce the financial burden on our customers. Without dedicated federal funding for lead removals, the significant cost of replacements will be passed to customers through rate increases.
- Collaborate on a District of Columbia legislative mandate that would require all District residents to work with DC Water to replace the private side of their service lines so that every line is replaced; and
- Continue to partner with agencies within the District to facilitate cost-effective, efficient, and minimally disruptive line replacements.

Bottled Water Delivery Saves Thanksgiving for More Than 150 Homes

On November 22, as staff were preparing for the Thanksgiving holiday, I received word from Mayor Muriel Bowser that a water main break had occurred near the intersection of Hobart Street and Irving Street NW. This main break caused a system pressure loss, and more than 150 impacted homes were without water.

While investigating the break, our crews discovered a broken valve and summoned contractors to address the broken main and valve. Given the extent and duration of the service outage, I asked our bottled water distribution team to deliver water to the impacted homes.

Given the Mayor's interest in restoring service to these residences, I am very appreciative of our quick response to organize water deliveries. I would like to thank **Lisa Barton** (Senior Executive Coordinator to the CEO / OCEO), **RoDonna Brewster** (Business Operations Manager, Facilities / Shared Services), **Randy Harris** (Foreman, Grounds Maintenance / Facilities), **David Heath** (Buildings and Grounds Maintenance Worker / Facilities), **Lawrence Young** (Buildings and Grounds Maintenance Worker-CDL / Facilities), **CaWayne Hyde** (Buildings and Grounds Maintenance Worker / Facilities), **Michael Reijersen** (Buildings and Grounds Maintenance Worker / Facilities), **Shanae Gordon** (Apprentice Buildings and Grounds Worker / Facilities), **Tavone Ruth** (Apprentice Buildings and Grounds Worker / Facilities), **Calvert Wilson** (Utility Systems Operator Leader / Pumping Operations), **Duchon President** (Apprentice Utility Systems Operator / Pumping Operations), **Tambua Bradford** (Screening Removal Operator-CDL / Pumping Operations), **Joseph Hepburn** (Apprentice Utility Systems Operator / Pumping Operations), **Dominique Collins** (Apprentice Utility Systems Operator / Pumping Operations), and **Danielle Johnson** (Apprentice Utility Systems Operator / Pumping Operations) for their fast response and quick work as most of our teams were on leave or preparing for the Thanksgiving holiday.

- continued

Healthy, Safe and Well continued

Security Training Exercise Simulates Mass Casualty Event

On Thursday, November 16, the Department of Security conducted the Authority's first-ever simulation drill of a mass casualty event at the Blue Plains Advanced Wastewater Treatment Plant. The training was designed to deliver specific types of situations, based on the needs of those participating in the exercise.

Our Special Police Officers and Security Officers enacted their recently adopted standard operating procedures for an active shooter response. Due to the nature of the simulation, they also had the chance to perform first aid and CPR during the exercise. All participants wore color coded high visibility vests, indicating which role they played in the drill.

Through scripted exercises, and careful coordination, our teams get invaluable practice at responding to a crisis event. They say that practice makes perfect, and I am grateful for the coordinated efforts to improve our response capabilities. In this particular scenario, our active shooting threat was played by a disguised **Ivelisse Cassas** (Director, Security / Shared Services) carrying training versions of both an AR-15 assault rifle, and a Glock 17 handgun.

WHERE SECONDS COUNT - CALL 911

Active Threat



RUN →
After you are safe call 911



HIDE →

- Block the door
- Avoid windows
- Silence your cell



FIGHT
Anything can be a weapon

Bomb Threats / Suspicious Packages





- Evacuate the area and take your belongings
- Do not use a cell phone, use land line.

Facilities



Maintenance issues call Facilities at 202-787-2260

Security



- Emergency 202-787-7911
- After calling 911, immediately call Security at 202-787-7911.
- Non-Emergency 202-787-2479



Divisions

The CEO report includes service level based key performance indicators. These are indicators for which the teams have established or confirmed response and resolution times in which to perform the related work. This is assisting us in identifying productivity and resource needs as well as benchmarking ourselves against other utilities. It is important to note that where teams may not meet the Service Level Targets set for a specific metric, it does not mean the work is not getting accomplished. The teams are doing a tremendous job and continue to strive to meet high performance expectations.

The data in the CEOs Monthly Report reflects the most recent information available at the time of production and printing.



Finance, Procurement, and Compliance

Financial Metrics

Metric	Target	Aug-23	Sept-23	Oct-23	Nov-23
Operating Cash Balance (millions \$)	\$282.6	\$300.8	\$287.7	\$308.0	\$366.9
Delinquent Account Receivables (%) †	3.3%	3.95%	3.99%	3.97%	3.99%
On-time Vendor Payments (%) ††	97%	97%	97%	97%	97%
Investment Earnings Data (Thousands \$)	\$7,694.8	\$5,703.6	\$6,243.9	\$858.7	\$1,684.4
Core Investment Yield Data (%) - Merrill Lynch 1-3 Year Treasury Index *		4.9%	5.1%	5.1%	4.8%
Core Investment Yield Data (%) - Actual Monthly Yield †††	4.39%	4.1%	4.3%	4.4%	4.4%
Short Term Investment Yield Data (%) - Merrill Lynch 3-Month Treasury Index *		5.4%	5.3%	5.4%	5.3%
Short Term Investment Yield Data (%) - Actual Monthly Yield †††	5.03%	3.0%	3.1%	3.0%	2.6%
Days of Cash on Hand** and ***	250**	295	319.0	340.0	404***

* Represent annual Treasury Index targets developed and provided by the Authority's investment advisor.

** 250 days of cash is the Board policy requirement for annual days of operating reserves excluding the Rate Stabilization Fund.

*** 404 days of cash is made up of 36 days in the Rate Stabilization Fund and 368 days in the operating cash balance.

Metrics Explanations:

† Delinquent account receivables as a percentage of 12-month rolling average revenue. The delinquent account receivables increased due to the impact of COVID-19.

†† The vendor payments goal may fluctuate slightly as we continue to research and resolve payments.

††† Investment earnings lag the benchmarks. We are in a rising interest rate environment. As lower yielding investments are sold and reinvested, performance is expected to improve.

Finance Highlights

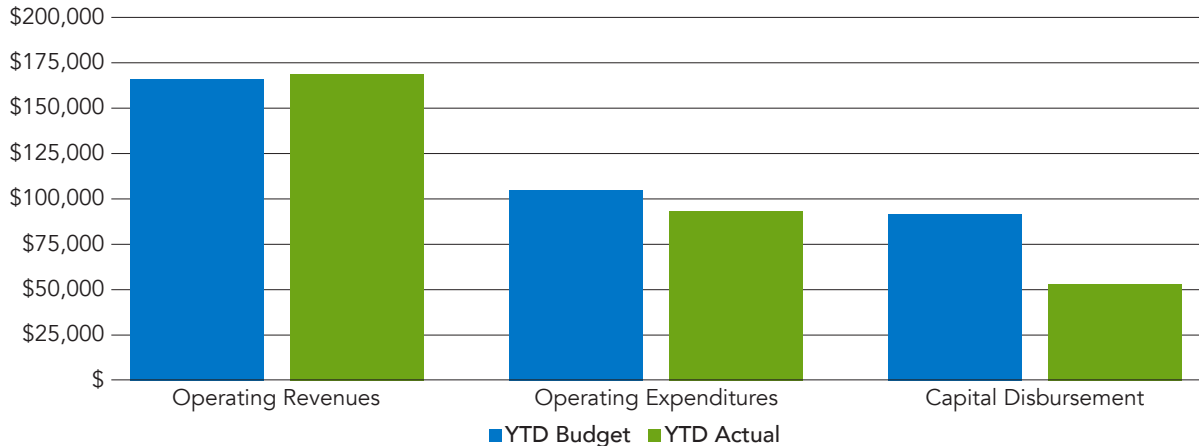
FY 2024 Financial Performance

At this early stage in the fiscal year, DC Water is on track with the budget. As of the end of November 2023, with 17 percent of the fiscal year completed, total operating revenues were \$169.9 million or 19.3 percent of the budget. The higher receipts were mainly due to higher consumption in Residential, Commercial, and Multi-family as compared to the budget. Total operating expenditures were \$93.8 million or 12.7 percent and capital disbursements were \$52.0 million, or 8.6 percent, of the respective budgets.



Finance, Procurement, and Compliance

FY 2024 Year to Date Performance Budget vs. Actuals (\$000's)



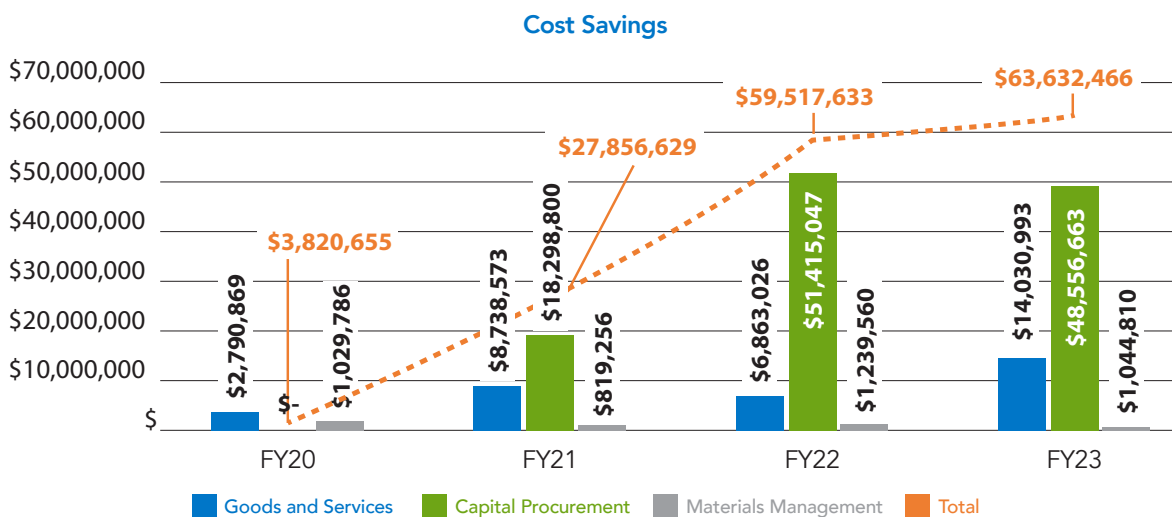
FY 2025 Budget Process

The Proposed FY 2025 Operating Expenditure, FY 2025 & FY 2026 Rates, Fees & Charges, and the FY 2024 – 2033 Capital Improvement Program and Financial Plan are being formulated. This budget proposal will be reviewed with the Board of Directors during the Budget Workshop on January 4, 2024, immediately after the Board meeting. The details of the proposed budgets and rates will be reviewed with the various Board Committees over a two-month process with budget adoption anticipated by the full board on March 7, 2024. Management and staff will then conduct extensive public outreach efforts which include Townhall meetings in the District and public hearing activities.

Procurement

Cost Savings (negotiated savings and cost avoidance):

The chart shows the cost savings from FY 2020 to FY 2023 achieved by Procurement through the competitive solicitation process in the Capital Project and Goods/Service solicitations and the cost avoidance achieved in the Materials Management through the inventory optimization. Procurement achieved total savings of \$63,632,466 in FY23 exceeding FY22 saving of \$59,517,633.





Finance, Procurement, and Compliance

Procurement continued

Upcoming Business Opportunities: All current and planned solicitations are available at dcwater.com/procurement. Those upcoming in the next three months are shown below:

Capital Procurement

Planned Solicitation	Project Title	Solicitation Type	Estimated Total Contract Value	Delivery Type	Eligible Inclusion Program
Dec, 2023	Soldiers' Home Transmission Main	IFB	\$5M	Bid Build	DBE/WBE
Dec, 2023	Normanstone Sewer Rehab	IFB	\$1M - \$2M	Bid Build	DBE/WBE
Dec, 2023	Biosolids Curing Pad	IFB	\$8M - \$10M	Bid Build	DBE/WBE
Dec, 2023	LFDC Task Order 07, Work Packages 15	IFB	\$55M - \$60M	Bid Build	DBE/WBE
Jan, 2024	LFDC Task Order 08, Work Packages 16	IFB	\$40M - \$45M	Bid Build	DBE/WBE
Jan, 2024	Rehabilitation of Dewatered Sludge Loading Facility	RFP	\$3M	Design	DBE/WBE
Jan, 2024	Sanitary Sewer Rehabilitation 10	IFB	\$10M - \$15M	Bid Build	DBE/WBE
Jan, 2024	Construction of Flood Seawall Segment A, B, D	RFP	\$24M - \$26M	Design Build	DBE/WBE
Jan, 2024	Collaborative Delivery Facilitator	RFI	TBD	Professional Service	TBD
Jan, 2024	Pre-Dewatering Centrifuges Nos. 1 & 12	IFB	\$5M - \$6.5M	Bid Build	DBE/WBE
Jan, 2024	SDWMR-18A	IFB	\$8M - \$10M	Bid Build	DBE/WBE
Feb, 2024	LFDC Task Order 09, Work Packages 18	IFB	\$55M - \$60M	Bid Build	DBE/WBE
Feb, 2024	Local Inspection Services	RFP	\$12M	Professional Service	DBE/WBE
Feb, 2024	Heavy Cleaning Services	RFP	TBD	Professional Service	DBE/WBE
Feb, 2024	Electrical Sub-Station Replacements	RFP	TBD	Professional Service	DBE/WBE
Feb, 2024	Spring Place Water Main and Sewer Rehab	IFB	\$7.75M	Bid Build	DBE/WBE
Feb, 2024	Fort Reno Watchman Lodge	RFP	TBD	TBD	DBE/WBE
Feb, 2024	COF Building	RFP	\$2M - \$4M	Bid Build	DBE/WBE
Feb, 2024	Bryan Street Pump Station	RFP	TBD	Program Management	DBE/WBE
Feb, 2024	Water Condition Assessment Contract	RFP	\$3-5M	Professional Service	TBD

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Finance, Procurement, and Compliance

Procurement continued

Goods and Services Procurement:

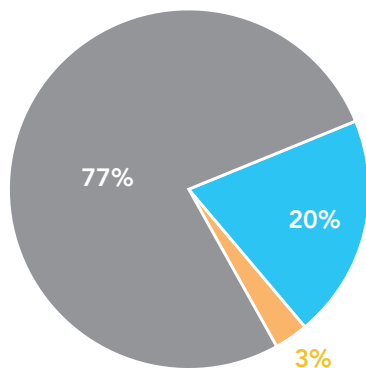
Planned Solicitation	Project Title	Solicitation Type	Estimated Total Contract Value	Eligible Inclusion Program
Dec, 2023	Banking & P-card Services	RFP	<\$1M	N/A
Dec, 2023	Staff Model Health Maintenance Organization	RFP	>\$5M	N/A
Dec, 2023	Investment Advisory Services	RFP	<\$1M	LSBE
Jan, 2024	Ferric Chloride	RFP	>\$10M	DBE/WBE
Jan, 2024	Annual Maintenance, Repair and Calibration of Instrumentation Control and Electrical Equipment	RFP	>\$1M	LSBE
Feb, 2024	Internal Audit Services	RFP	>\$1M	DBE/WBE
Feb, 2024	Uniforms	RFP	>\$1M	DBE/WBE

Contract Compliance

During this reporting period, DC Water's Board approved five different procurement actions, including one new award, and four extensions / option years. The value of the procurement actions for this period totaled \$48.4 million. Of this total, the planned certified firm participation is \$10.4 million (in prime and subcontracting opportunities).

The following graph summarizes the certified firm participation:

Certified Firm Participation December 2023 Awards



Participation

DBE: \$9.6M

WBE: \$1.3M

Non-certified: \$37.4M

- One certified firm is a prime contractor for a Goods and Service award this reporting period.



As of this report, DC Water Contractors filled one new position. This position was filled with a resident from the user jurisdiction (Prince George's County).

Fleet, Facilities, Safety, Security and Emergency Management

Shared Services Highlight

DC Water partnered with Casey Trees, The National Cherry Blossom Festival, and Chase Bank to expand the tree canopy at Brentwood Reservoir.

On November 18th, DC Water hosted its second tree planting event at Brentwood Reservoir in partnership with Casey Trees. Several dozen native trees were planted around the reservoir property by volunteers in coordination with Casey Trees professionals and safety experts. This is part of a comprehensive tree-planting plan for the Reservoir, developed by Casey Trees as part of the Community Solar Project, in conjunction with the solar installers and DC Water operations.

This event also included the National Cherry Blossom Festival and sponsor Chase Bank as Cherry Blossom Trees were planted in prominent places along Brentwood Parkway NE as part of the Festival's Tree Planting Program. More than a dozen volunteers planted the trees following a special dedication ceremony that featured speakers from the Festival, Chase, and DC Water. The Program is a cornerstone of the Festival community outreach efforts to expand the joy of the trees and the Festival's traditions beyond the Tidal Basin.

DC Water is pleased to support Casey Trees and the Cherry Blossom Festival Tree Planting Program, and will be hosting a third tree planting event next spring with more native plantings and Cherry Blossoms. Special thanks goes out to **Maureen Holman** (VP, Shared Services), **Saul Kinter** (PM, Business Development Resource Recovery) and numerous staff from Security, Facilities, and DPSO for supporting all aspects of the Brentwood Reservoir Community Solar Project.



Casey Trees personnel demonstrate the safe use of a pick-axe to volunteers.



Representatives from Chase Bank, National Cherry Blossom Festival, DC Water and Casey Trees





Fleet, Facilities, Safety, Security and Emergency Management

Shared Services Metrics

Metric	Target	Aug-23	Sept-23	Oct-23	Nov-23
Security: Camera operational uptime	90%	96%	95%	96%	96%
Security: Smart card readers operational uptime	90%	96%	95%	97%	97%
Security: Percent of security investigations completed within 21 days	95%	100%	100%	100%	100%
Facilities: Preventive Maintenance Completion Rate	90%	48%	82%	90%	73%
Facilities: Service Request Completion Rate	90%	67%	61%	61%	66%
Fleet: Preventive Maintenance (PM) on Schedule	96%	69%	74%	94%	86%
Fleet: Priority Vehicles/Equipment (In-Service)	96%	68%	72%	79%	80%
Safety: DC Water Employee Recordable Incident Rate (RIR) (FY)	< 4.9	2.7	3	0	0
Safety: DC Water Employee Lost Time Incident (LTI) (FY)	< 1.7	2	2.2	0	0
Safety: Contractor/ROCIP Recordable Incident Rate (RIR) (FY)	< 2.5	1.5	1.5	0	1.3
Safety: Contractor/ROCIP Lost Time Incident (LTI) (FY)	< 1.1	0.2	0.2	0	0

Facilities: The PM metric for the month of November dropped to 73 percent from October's 90 percent. Total PM's completed in November was 206. Service requests for the HVAC shop corrective maintenance were high with the transition to colder weather. One of the HVAC Mechanics (20 percent of the workforce) was out on FMLA in November. The SR metric for November increased to 66 percent over October's 61 percent. Total SR's completed in November was 146, a 17 percent increase over October's completion. There were a few high priority projects that required focused attention from multiple shops, this and the start of the holiday season impacted available resources for PM and SR response.

Fleet: Preventive Maintenance completion rate is 86 percent. Of the 21 units scheduled, 18 units were brought in for service and returned to the operation. Fleet's Priority One Vehicle Availability is 80 percent. One hundred-eighty nine of 238 priority one vehicles remain operational and in service. Fleet continues its upward trajectory with a successful rate of 91 percent of units scheduled for service brought into the shop within five days of the scheduled time. The implementation of new processes, such as user ride-alongs with end users and technicians created a pathway for better collaboration with departments. As we begin the FY24 purchases, Fleet is engaging with departments to procure units with the specifications and upfits required for operational success.



Customer Assistance Programs (CAP)

As the team begins the new fiscal year, we are still working toward aligning every eligible customer with every eligible assistance dollar. We are processing assistance and reminding our previous customers to reapply for the FY24 assistance.

Program	FY2023 Enrolled	FY2023 Dollars	Nov. Enrolled	Nov. Dollars	# FY24 Enrolled	FY2024 Dollars	FY2024 Budget
CAP I	4,744	\$2,399,001	345	\$47,572	873	\$167,965	\$2,600,000
CAP II	351	\$139,714	25	\$4,508	83	\$11,175	\$300,000
CAP III	36	\$6,342	-	\$-	-	\$-	\$50,000
Non-Profit CRIAC Relief	182	\$875,585	45	\$48,538	64	\$58,058	\$913,312
DC Water Cares Residential (RAP)	2,816	\$2,930,302	299	\$194,929	383	\$268,787	\$1,105,135
Low-Income Housing Water Assistance Program	-	\$0	0	\$-	111	\$120,838	N/A
Homeowners Assistance Fund	293	\$256,835	23	\$11,043	23	\$11,043	N/A



Customer Experience

Customer Care

In November, Customer Care and Information Technology implemented Genesys Pure Cloud. This cloud-based Automated Call Distribution (ACD) system includes IVR functions and automated outbound call campaigns. The implementation went well, and the team is receiving calls and emails through the system. There are some post-care items that the combined project team is resolving, but the overall system is working as expected, and the team is meeting service-level expectations.

We are still working to increase AMI transmissions and reduce the number of estimated reads so fewer accounts will fall to manual reading. The associated target was missed by 0.5%. Coordination with IT and the piloting of new technology opportunities will allow MTU transmission to reach the DCU and increase the number of actual reads.

Key Performance Indicators

Metric	Target/ Service Level	Oct 23	Nov 23
% of bills issued on time (w/in 5 days)	97%	97.5%	97.1
% unbilled	2%	1.7%	1.9%
Estimated bills as a percent of meters read	4%	4.8%	4.5%
# of bill investigations (Disputes)	trend only	783	362
% of OPC inquiries resolved within 14 days	98%	100%	100%
% of calls answered in 40 Seconds (Call Center)	85%	93%	86%
Monthly call volume served (Call Center)	trend only	10,574	10,620
Average Wait Time (minutes)	<0:30	0:19	0:25
Abandon rate	3%	1%	3%
Emergency dispatch <= 10 Min (ECC)	92%	100%	100%

Highlights

The IT Department, in collaboration with Customer Services, has upgraded and migrated to a new Call Center application, Genesys Pure Cloud. The previous system was implemented during the COVID pandemic, and while it provided Customer Service the ability to work remotely, it still lacked features needed to take the Customer experience to the next level. The new system is Software as a service (SaaS) based and will incorporate features such as Chatbots and AI technology to better serve the customer all through a basic web browser anywhere in the US. Huge thanks to both the IT and Customer Service teams for their hard work, dedication and late nights to implement this system while running a 24x7 operation.

IT Monthly Report

SR/WO Type	SL Target / SLA	Oct 23	Nov 23
Number of tickets submitted	Trend only	1141	856
Number of open tickets	Trend only	67	39
Helpdesk SLA	96%	98.9	99.30
Number of active projects	Trend only	14	11
Number of completed projects	Trend only	12	15
On schedule performance	90%	93.62	93.62
On budget performance	90%	97.92	97.92
% AML transmission	95%	91.99	91.84

Operations and Engineering

Water Services, Sewer and Pumping Operations, Wastewater Treatment, Engineering, DC Clean Rivers

Key Performance Indicators

Metric	Target/Service Level	Aug-23	Sept-23	Oct-23	Nov-23
Wastewater Operations					
NPDES Permit Compliance , percent number of days	100%	100%	100%	100%	100%
Air Permit Compliance, percent number of days	100%	100%	100%	100%	100%
Biosolids Class A Exceptional Quality (EQ) Compliance, percent number of days	100%	100%	100%	100%	100%
Tunnel Dewatering Compliance, percent of events tunnel dewatered within 59 hours of end of rainfall	100%	100%	100%	100%	100%
Renewable Electrical Energy Generated On Site, percent of total use at Blue Plains AWTP	>20%	23%	23%	26%	26%
Reactive Maintenance , percent of total maintenance hours	<20%	32%	32%	27%	30%
Critical Asset Availability , percent of total critical assets at the Blue Plains AWTP	>95%	97%	97%	97%	97%
Sewer Operations					
Combined Sewer System (CSS) structures (all outfalls, regulators, tide gates) inspections	100%	100%	100%	100%	100%
* Municipal Separate Stormwater System (MS4) requirement to clean all catch basins in the MS4 Permit Area at least once annually (Jul 01- Jun 30)	14,700	142	168	169	170
* Inspection of catch basins in the CSO Anacostia tributary area at least twice per year (Jan 1- Dec 31)	11,400	1438	2381	7282	9721
* NPDES Permit to Clean and Inspect 85% of 10,700 CSS Area C/B (Jan 1- Dec 31)	9,095	1994	2651	4648	8027
Miles per month Sewer Cleaning and Inspection to meet 1,400 Miles of Small Diameter (<12 inches) in 10Yr Cycle	>12	15.84	10.33	22.8	3.4
Sewer Backup (Investigation to Resolution) Within 24 Hours Excluding Line Breaks	>95%	100%	100%	100%	100%
Number of SSO's	Report	3	3	2	2
SSO's to Body of Water	Report	1	1	1	2
SSO's per 100 miles of pipe (YTD) (AWWA 2021 Utility Benchmarking Report)	2	3.04	3.27	.015	.30
SSO's per 100 miles of pipe (Water Body) (YTD)	Information Only	.38	.46	.076	.23
Combined Sewer System Overflows	0	0	1	0	0

Key Performance Indicators continued –

Operations and Engineering

Water Services, Sewer and Pumping Operations, Wastewater Treatment, Engineering, DC Clean Rivers

Key Performance Indicators continued

Metric	Target/Service Level	Aug-23	Sept-23	Oct-23	Nov-23
Pumping Operations					
Firm Pumping Capacity Maintained	100%	100%	100%	100%	100%
Reactive Maintenance	<20%	19%	15%	14%	8%
Critical Asset Availability	>95%	98%	98%	98%	99%
Water Operations					
Safe Drinking Water Compliance	100%	100%	100%	100%	100%
Total Fire Hydrants Replaced	>21/Month	28	15	20	18
Hydrant Flow Tests (Non-Winter Months)	>180	84	68	118	125
Fire Hydrant Operational Rate	99%	99.83%	99.8%	99.86%	99%
Priority 5 Emergency Water Service work orders completed w/in 24 hrs	>90%	100%	100%	100%	100%
Water Quality Complaint Resolution (within 48 hours)	>90%	84%	84.4%	81.25%	93.3%
Water Main Breaks	<28/Month	25	11	26	68
Water Main Break Rate /100 Miles (National Average is 25)	25	27.2	25.52	26.71	29.25
% of Hydrant Leaks in inventory that are not leaking	>90%	99%	99%	99%	99%
Permit Operations					
Overall On-time completion of Permit Reviews	90%	94%	93%	91%	94%

* Month-to-Month Cumulative Total for Catch Basin Inspection and Cleaning

dc Operations and Engineering

Water Services, Sewer and Pumping Operations, Wastewater Treatment, Engineering, DC Clean Rivers

Explanation of Missed Targets

Wastewater Operations Reactive Maintenance (<20 percent)

DC Water has adopted a manufacturing industry best practice benchmark of less than 20 percent reactive maintenance hours as percent of total maintenance hours. To our knowledge, there is no similar benchmark used in the public water utility sector. Blue Plains manages around 45,000 assets within our asset management/maintenance management system, and this stringent industrial benchmark is tracked as a marker for continuous improvement. We observe a descending trend of percent of total reactive maintenance hours, measured as annual average the last four fiscal years for assets at the Blue Plains Advanced Wastewater Treatment Plant. The goal is to remain on the reduction path towards a benchmark that is applicable for Blue Plains.

Sewer Cleaning & Inspection (>12 miles)

Miles per month Sewer Cleaning and Inspection to meet 1,400 Miles of Small Diameter (<12 inches) in 10Yr Cycle. The operation performed contract close-out on previous year's activities. The team was also focused on current FY contract administration and planning. Field activities are expected to ramp up December 2023.

Hydrant Flow Test >180

The Department is in the process of conducting interviews to bring in the necessary personnel. The Department is short two engineers and a field crew. They expect to have the department staffed by the end of this calendar year and meet the KPI starting January 2024.

Water Quality Complaint Resolution (Within 48 Hours)

We received 64 water quality complaints in October 2023 and resolved 52 by phone, email, water testing/ investigations and/or flushing hydrants once after the initial complaint. Field technicians return to the sites requiring flushing 7-14 days after the flush and test the water quality from the hydrant. The unresolved 12 complaints from October did not meet water quality target levels at the follow-up testing, thus requiring additional flushing and assessment. July through October are the most challenging months for water quality due to higher water temperature and the subsequent increased nitrification that depletes chlorine residual, causing increased iron release from the unlined cast iron mains.

dc operations and Engineering

Water Services, Sewer and Pumping Operations, Wastewater Treatment, Engineering, DC Clean Rivers

Projects in Construction

Portland Street Stormwater Pump Station Upgrade construction started in August under MFU7. This work increases the station capacity and includes upgrades to the pumps, piping and valves, HVAC, structural elements, and electrical and instrumentation equipment. Construction substantial completion expected by August 2024. All nighttime underground road work and upgrading discharges lines is complete. All other work will be completed in the station during daytime hrs. Met with Pepco designer again. Pepco will certify the spare conduit and advise on how to proceed with replacing the service entrance cable.

1st and D Street Stormwater Pump Station Rehabilitation has been released to MFU7 and the contractor is preparing to commence construction once electrical equipment is delivered and the DOEE Flood Hazard related permit is received. To comply with the District's flood hazard requirements, a redesign has now been incorporated. A preconstruction meeting was held on site that included outside entities. Physical construction is expected to commence in February 2024. A report indicating lead was in the station caused a delay of construction starting. The lead abatement company has submitted their certifications and upon approval will start. No access is allowed during this process for safety reasons. Substantial completion is expected in April 2025. The Pepco pre-construction meeting has been held.

Kenilworth Stormwater Pump Station Rehabilitation has been released to MFU7 and equipment procurement is underway. Physical construction has been delayed by five months to February 2024 due to unexpected long lead times for electrical equipment. A meeting was held with DDOT and DC Water to discuss each other's timelines on projects around this station and the impacts that each will face. Substantial completion is expected in January 2025.

Inflatable Dams Improvements for combined sewer overflow management has been issued for construction under the MFU7 contract. This project involves upgrading blowers, compressors, piping, electrical panels, and control devices that inflate and deflate dams at CSO structures 14, 15, 15A, 16, 34 and 52. Construction progress has continued on structures near Main Pump Station, after these locations are completed, they will continue thru the City on all other structures. The current projected completion date is Fall 2024 but will be impacted by the temporary blower redesign issues. DC Water has just received the temp blower submittals and upon approval will begin procurement. We are also awaiting a revised schedule to know the true impact of the delays on designing temp blower system.

Gravity Thickener Upgrades are approximately 99 percent complete and on schedule. The contractor is addressing punch list items throughout the Gravity Thickener and PSSDB facilities. Currently, there are three punch list items remaining. Aside from punch list items, the Contractor has 10 Final Service manuals and various Record Drawings in review. The Consultant Construction Manager is now preparing a non-compensable change order to extend the contractual Final Completion date to July 18, 2024.



O'Leary placing asphalt onto Gravity Thickener Road

Internal audit plan FY2024 timeline

This timeline represents the FY 2024 audit plan and the status of each project. Annually the Internal Audit team, RSM, conducts a risk assessment and presents the results and the audit plan to the Audit & Risk Committee in October.

	Oct – 23	Nov – 23	Dec – 23	Jan – 24	Feb – 24	Mar – 24	Apr – 24	May – 24	Jun – 24	Jul – 24	Aug – 24	Sep – 24	Oct – 24	Status
▶ Purchasing Card Audit*														Fieldwork in progress
▶ Contract Compliance Audit*														Fieldwork in progress
▶ Work Order Management - DPO*														Not started
▶ Permit Operations														Not started
▶ Mobile Application Penetration Testing*														Not started
▶ Genesys ITGC Review														Not started
▶ Internal and External Network Penetration Testing														Not started
▶ Physical Security – Fleet Facility														Not started
▶ Physical Security - HQO														Not started
▶ Training Audit*														Not started
▶ FY 2025 Risk Assessment														Not started
▶ Ongoing Follow-up Procedures														Ongoing
▶ Ongoing Hotline Monitoring														Ongoing

* indicates cycle audit

Open high risk prior audit findings

	Audit FY	Issue Date	Audit Report	High Risk Open Finding	Original Target Date	New Target Date	# Extensions
1	2023	7/27/2023	DWO Work Order Management Audit	Failure to capture work order labor and materials data <i>In Q4 FY23 DWO is evaluating work activities that require material data capturing, developing business processes for labor hour data capture, and developing business processes for material data capture. After establishing the business processes, DWO will begin monitoring data integrity biweekly to monitor effectiveness of new process adoption. Specific milestone dates have been provided to Internal Audit.</i>	8/31/24	N/A	0
2	2023	10/26/2023	Fleet Management Audit	Lack of current policies and procedures <i>Fleet is engaged in a maturity model exercise to identify key business processes, from which the team will generate defined roles, responsibilities, outcomes, operating procedures, and policies. Policies and procedures will be aligned to Blueprint 2.0 imperatives and the goals of the Fleet department.</i>	9/1/24	N/A	0

*Open Prior Audit Findings

Audit Report / Subject	Issue Date	Open
Contract Compliance Audit	7/22/2021	1
Contract Compliance Audit	4/27/2023	1
Payroll & Timekeeping Audit	7/23/2023	3
Work Order Management Audit – DWO	7/23/2023	3
Fleet Management Audit	10/27/2023	6
		total 14

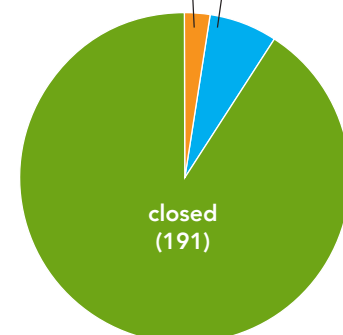
At least one original remediation target date has been extended

In total, 91% of all prior audit findings from FY17 – FY23 are closed. Management's target closure rate is 95%.

*Note that the audit findings reported above represent open findings through the FY23 Audit Plan year

FY17 – FY23 prior audit findings status

pending testing (5) open (14)



"Pending Testing" indicates that Management represents that the Action Plan is completed, but Internal Audit has not yet performed testing to validate the status.





**Summary of Resolutions and Contracts
304th Meeting of the DC Water Board of Directors
Thursday, January 4, 2024**

Joint-Use Contracts

Resolution No. 24-00 Approval to Add Funding to FY 2004 and Exercise Option No. 6 of Contract No. WAS-13-048-AA-SS, Electric Energy Services and Electricity Generation and Transmission, **Constellation New Energy, Inc.** The purpose of this contract is to provide Wastewater Treatment Operations and the Department of Pumping and Sewer Operations with electricity services and purchased electricity generation capacity. It also provides DC Water access to the Pennsylvania-New Jersey-Maryland (PJM) wholesale competitive electric market to fulfill the electric energy needs for DC Water's seven major metered locations in the District of Columbia. The total amount of this request is \$32,993,862.00. (Recommended by the Environmental Quality and Operations Committee 12-14-23)

Resolution No. 24-01 Approval to Exercise Contract No. 230050, Emergency Sewer Main IR&R Contract for FY24-FY27, **Anchor Construction Company, Inc.** The purpose of this contract is to provide emergency and urgent sewer infrastructure rehabilitation and replacement services at various public space locations within the District of Columbia and other jurisdictions served by the Authority. The total amount of this contract is not-to-exceed \$21,429,860.00. (Recommended by the Environmental Quality and Operations Committee 12-14-23)

Resolution No. 24-02 Approval to Exercise Contract No. 230080, Water and Sewer IDIQ, **Fort Myer Construction Corporation.** The purpose of this contract is to provide water and sewer infrastructure and replacement services at various public space location in Washington, D.C.; and will be used for projects that historically have not yielded satisfactory results through competitive bidding such as no bids, or bids that do not reflect fair and reasonable prices due to various factors like size, uncertainty, complexity, long lead materials/equipment, specialty trades required, etc. The contract period is for three years plus two option years. The total amount of this contract is not-to-exceed \$43,995,815.00. (Recommended by the Environmental Quality and Operations Committee 12-14-23)

Non-Joint Use Contracts

Resolution No. 24-03 Approval to Add Funding to Option Years 1 and 2 of Contract No. 200070, Green Infrastructure Maintenance Contract B, **National Services Contractor, Inc.** The purpose of this contract is to maintain DC Water-constructed Green Infrastructure (GI) facilities installed pursuant to the Long-Term Control Plan Consent Decree and other facilities installed to comply with the District stormwater regulations as part of the Clean Rivers construction projects. The total additional funding for Option Years 1 and 2 is \$2,751,240.00. (Recommended by the Environmental Quality and Operations Committee 12-14-23)

Resolution No. 24-04 Approval to Publish Notice of Final Rulemaking to Extend the DC Water Cares Emergency Relief Program for Low-Income Customers (Residential Assistance Program "RAP") for Fiscal Year 2024. (Recommended by the DC Retail Water and Sewer Rates Committee 12-19-23)

Presented and Approved: January 4, 2024

SUBJECT: Approval to Add Funding to FY 2024 and Exercise Option Year 6 of Contract No. WAS-13-048-AA-SS, Electric Energy Services and Electricity Generation and Transmission, Constellation New Energy, Inc.

**#24-00
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 January 4, 2024 upon consideration of a joint use matter, decided by a vote of ____ () in favor and ____ () opposed to approve Additional Funding to FY 2024 and Exercise Option Year 6 of Contract No. WAS-13-048-AA-SS, Constellation New Energy, Inc.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to add funding to FY 2024 and to Exercise Option No. 6 of Contract No. WAS-13-048-AA-SS, Constellation New Energy Inc. The purpose of this contract is to provide Wastewater Treatment Operations and the Department of Pumping and Sewer Operations with electricity services and purchased electricity generation capacity. It also provides DC Water access to the Pennsylvania-New Jersey-Maryland (PJM) wholesale competitive electric market to fulfill the electric energy needs for DC Water's seven major metered locations in the District of Columbia. The total amount of this request is \$32,993,862.00.

This Resolution is effective immediately.

Secretary to the Board of Directors

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

ACTION REQUESTED

**GOODS AND SERVICES CONTRACT FUNDING FOR OPTION YEARS
ELECTRIC ENERGY SERVICES AND ELECTRICITY GENERATION AND
TRANSMISSION (Joint-Use Direct)**

Approval to add funding in the amount of \$13,803,733.00 for the remainder of fiscal year 2024 and exercise option year 6 in the amount of \$19,190,129.00 respectively for a total of \$32,993,862.00.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME: Constellation New Energy, Inc. 100 Summit Lake Drive, Suite 410 Valhalla, NY 10595	SUBS: N/A	PARTICIPATION: N/A
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DESCRIPTION AND PURPOSE

Original Contract Value:	\$91,375,000.00
Original Contract Dates:	03-12-2014 - 03-11-2019
No. of Option Years in Contract:	6
Option Years 1-3 Values:	Included in Original Contract Value
Option Years 1-3 Dates:	03-12-2019 - 09-30-2022
Prior Modifications 3-5 Value:	\$40,050,000.00
Prior Modifications 3-5 Dates:	10-01-2021 – 09-30-2024
Option Year 5 Add funding Value:	\$13,803,733.00
Option Year 5 Add Funding Dates:	01-01-2024 – 09-30-2024
Option Year 6 Value:	\$19,190,129.00
Option Year 6 Dates:	10-01-2024 – 09-30-2025

Purpose of Request:

Additional funding for Option Year 5 is requested because high and volatile pricing has consumed prior funding faster than forecast. Exercising Option Year 6 is requested to allow energy markets to stabilize before issuing another solicitation and build in ample time for evaluation and selection of a new provider.

Purpose of the Contract:

This contract provides Wastewater Treatment Operations and Department of Pumping and Sewer Operations with electricity services and purchased electrical generation capacity. This contract provides DC Water access to the Pennsylvania-New Jersey-Maryland (PJM) wholesale competitive electric market to fulfill the electric energy needs for DC Water's seven (7) major metered locations in the District of Columbia. (PJM is a regional transmission organization (RTO) that coordinates the movement of wholesale electricity in all or parts of 13 states and the District of Columbia.)

Contract Scope:

The contract scope includes providing electric energy market information and advice to DC Water, purchasing of electric energy and PJM ancillary services associated with the electric energy supply for the seven main DC Water designated accounts. The service provider solicits bids for and purchases blocks of capacity and energy from the PJM wholesale market at DC Water's direction. The cost of such block purchases is passed through to DC Water at the Electricity Supplier's actual cost. 85% of the services on this contract are associated with the Department of Wastewater Treatment Operations and 15% with the Department of Pumping and Sewer Operations.

Spending Previous Year:

Cumulative Contract Value: 03-12-2014 - 09-30-2024: \$131,425,000.00
 Cumulative Contract Spending: 03-12-2014 - 09-30-2023: \$126,245,985.00

Contractor's Past Performance:

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

PROCUREMENT INFORMATION

Contract Type:	Fixed Unit Price	Award Based On:	Highest Ranked Offeror
Commodity:	Services	Contract Number:	WAS-13-048-AA-SS
Contractor Market:	Open Market with Preference for LBE and LSBE Participation		

BUDGET INFORMATION

Funding:	Operating	Department:	Wastewater Treatment Operations
Service Area:	Blue Plains	Department Head:	Nicholas Passarelli

ESTIMATED USER SHARE INFORMATION

User	Share %	Dollar Amount
District of Columbia	43.08%	\$12,081,692.39.00
Washington Suburban Sanitary Commission	41.90%	\$11,750,763.95.00
Fairfax County	9.60%	\$2,692,299.14.00
Loudoun Water	4.71%	\$1,320,909.27.00
Other (PI)	.71%	\$199,117.96.00
TOTAL ESTIMATED DOLLAR AMOUNT	100%	\$28,044,782.70

BUDGET INFORMATION

Funding:	Operating	Department:	Department of Pumping and Sewer Operations
Service Area:	Other	Department Head:	Kenrick St. Louis

ESTIMATED USER SHARE INFORMATION

User	Share %	Dollar Amount
District of Columbia	71.19%	\$3,523,249.55.00
Washington Suburban Sanitary Commission	21.21%	\$1,049,699.72.00
Fairfax County	4.86%	\$240,525.25.00
Loudoun Water	2.38%	\$117,788.09.00
Other (PI)	.36%	\$17,816.69.00
TOTAL ESTIMATED DOLLAR AMOUNT	100%	\$4,949,079.30.00

Jeffrey F.
Thompson

Digitally signed by Jeffrey F. Thompson
Date: 2023.12.07 10:50:37 -05'00'

Jeffrey F. Thompson
Chief Operating Officer, EVP

Date

Matthew T. Brown

Digitally signed by Matthew T. Brown
Date: 2023.12.07 13:54:26 -05'00'

Matthew T. Brown
CFO and EVP of Finance, Procurement and Compliance

Date

Dan Bae
VP of Procurement

Digitally signed by Dan Bae
DN: cn=US, E=dan.bae@dcwater.com, O=District of Columbia Water and Sewer Authority, OU=VP of Procurement & Compliance, CN=Dan Bae
Date: 2023.12.07 12:10:37 -05'00'

Date

David L. Gadis
CEO and General Manager

12/15/2023

Date

Presented and Approved: January 4, 2024

**SUBJECT: Approval to Execute Contract No. 230050, Emergency
Sewer Main IR&R Contract for FY24-FY27, Anchor
Construction Company, Inc.**

**#24-01
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 January 4, 2024 upon consideration of a joint use matter, decided by a vote of ____ () in favor and ____ () opposed to approve to Execute Contract No. 230050, Anchor Construction Company, Inc.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to Execute Contract No. 230050, Anchor Construction Company, Inc. The purpose of this contract is to provide emergency and urgent sewer infrastructure rehabilitation and replacement services at various public space locations within the District of Columbia and other jurisdictions served by the Authority. The total amount of this contract is not-to-exceed \$21,429,860.00.

This Resolution is effective immediately.

Secretary to the Board of Directors

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

ACTION REQUESTED

CONSTRUCTION CONTRACT:

Emergency Sewer Main IR&R Contract for FY24-FY27 (Joint Use)

Approval to execute a construction contract not to exceed \$21,429,860.00 for the contract period of three years plus two renewal periods of one year each. The renewal periods will be approved at DC Water's sole discretion.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME:	SUBS:	PARTICIPATION:
Anchor Construction Company, Inc., 2254 25 th Place, NE Washington, D.C 20018	S&J Service Hyattsville, MD DBE	30.0%
	AJK Enterprises Washington D.C. DBE	5.1%
	TFE Resources Ventnor, NJ WBE	7.1 %
	United Construction Upper Marlboro, MD WBE	3.0%

DBE Total = 35.1% and WBE Total = 10.1%

DESCRIPTION AND PURPOSE

Contract Value, Not-To-Exceed:	\$21,429,860.00
Contract Time:	1,096 Days (3 Years, 2 option years)
Anticipated Contract Start Date (NTP):	02-01-2024
Anticipated Contract Completion Date:	02-01-2027
Solicitation Close Date:	09-14-2023
Bids Received:	2
Other Bids Received	
Spiniello Companies	\$ 7,894,500.00
Lowest Evaluation Bid Amount: \$6,668,255.00	

Purpose of the Contract:

This contract provides emergency and urgent sewer infrastructure rehabilitation and replacement services at various public space locations in Washington, D.C and other jurisdictions the Authority services. This contract will address primarily routine city-wide sewer emergencies that are reported to DC Water daily by providing an on-call contractor with pre-negotiated unit and Time & Material prices. The types of work that typically fall under this category occur often enough requiring immediate action that need to have a dedicated mechanism, on stand-by, to address them.

Contract Scope:

DC Water will award an Indefinite Delivery and Indefinite Quantity (IDIQ) contract to the selected contractor. As emergency or urgent work is identified, DC Water Sewer Operations will develop scopes of work, negotiate costs using pre-established pricing, and issue task orders to the contractor. Joint-use cost share amounts will be determined, communicated and billed per existing joint-use procedures. Typical task order scopes may include (but are not limited to):

- Emergency or scheduled rehabilitation and replacement of sewer infrastructure of various types and sizes (including pressure and gravity sewers, combined, sanitary and stormwater drainage systems including a limited amount of water mains)
- Reconstruction of existing sewers via the cleaning and lining process
- Bypass pumping
- Other sewer repair/rehabilitation work as directed and required.

Federal Grant Status:

Construction Contract is not eligible for Federal Grant funding assistance.

PROCUREMENT INFORMATION

Contract Type:	Unit Price	Award Based On:	Lowest Responsible Bidder
Commodity:	Construction	Contract Number:	230050
Contractor Market:	Open Market		

BUDGET INFORMATION

Funding:	Capital	Department:	Pumping and Sewer Operations
Service Area:	Sewer	Department Head:	Kenrick St. Louis
Project:	NW, NV		

***ESTIMATED USER SHARE INFORMATION**

User	Share %	Dollar Amount
District of Columbia	100.00%	\$ 21,429,860.00
Federal Funds	0.00%	\$
Washington Suburban Sanitary Commission	0.00%	\$
Fairfax County	0.00%	\$
Loudoun County & Potomac Interceptor	0.00%	\$
Total Estimated Dollar Amount	100.00%	\$ 21,429,860.00

* Under the terms of the IMA, the capital costs associated with each joint facility are to be split among the users in proportion to the peak flow each user is allocated. It is not possible, currently, to allocate costs by individual facility. It is anticipated that as projects are developed under individual Task Orders for work associated with specific facilities and costs are developed, the individual users will be notified and billed accordingly.

Jeffrey F.
Thompson

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Jeffrey F. Thompson
Date: 2023.12.05
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Jeffrey F. Thompson
Chief Operating Officer and EVP

Date



Digitally signed by Dan Bae
DN: C=US, E=dan.bae@dowater.com, O=District
of Columbia Water and Sewer Authority, OU=VP of
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Date: 2023.12.05 14:00:32 -05'00'

Dan Bae
VP of Procurement

Date

Matthew T.
Brown

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T. Brown
Date: 2023.12.12 12:09:45
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Matthew T. Brown
Chief Financial Officer and EVP
Finance, Procurement and Compliance

Date



12/15/2023

David L. Gadis
Chief Executive Officer and General Manager

Date

Presented and Approved: January 4, 2024

**SUBJECT: Approval to Execute Contract No. 230080, Water and
Sewer IDIQ, Fort Myer Construction Corporation**

**#24-02
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 January 4, 2024 upon consideration of a joint use matter, decided by a vote of ____ () in favor and ____ () opposed to approve the execution of Contract No. 230080, Fort Myer Construction Corporation.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to Execute Contract No. 230080, Fort Myer Construction Corporation. The purpose of this contract is to provide water and sewer infrastructure and replacement services at various public space location in Washinton, D.C.; and will be used for projects that historically have not yielded satisfactory results through competitive bidding such as no bids, or bids that do not reflect fair and reasonable prices due to various factors like size, uncertainty, complexity, long lead materials/equipment, specialty trades required, etc. The contract period is for three years plus two option years. The total amount of this contract is not-to-exceed \$43,995,815.00.

This Resolution is effective immediately.

Secretary to the Board of Directors

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

ACTION REQUESTED

CONSTRUCTION CONTRACT:

Water and Sewer IDIQ (Joint Use)

Approval to execute a construction contract not to exceed \$43,995,815.00 for the contract period of three years plus two renewal periods of one year each. The renewal periods will be approved at DC Water's sole discretion.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME:	SUBS:	PARTICIPATION:
Fort Myer Construction Corporation 2237 33rd Street, NE Washington, DC 20018	Aves Construction Corporation Temple Hills, MD DBE	25.0%
	S&J Services, Inc. Hyattsville, MD DBE	10.0%
	United Construction Corporation Upper Marlboro, MD WBE	10.0%

DBE Total = 35% and WBE Total = 10.0%

DESCRIPTION AND PURPOSE

Contract Value, Not-To-Exceed:	\$43,995,815.00
Contract Time:	1,096 Days (3 Years, 2 option years)
Anticipated Contract Start Date (NTP):	03-01-2024
Anticipated Contract Completion Date:	03-02-2027
Solicitation Close Date:	09-14-2023
Bids Received:	4
Other Bids Received	
Spiniello Companies	\$49,456,040
Sagres Construction Corp.	\$59,554,746
Anchor Construction Corp.	\$61,909,784

Purpose of the Contract:

This contract provides water and sewer infrastructure rehabilitation and replacement services at various public space locations in Washington, D.C. This contract is for projects that historically have not yielded satisfactory results through competitive bidding such as no bids, or bids that do not reflect fair and reasonable prices due to various factors like size, uncertainty, complexity, long lead materials/equipment, specialty trades required, etc. These types of projects have typically been awarded and executed under the operations IRR contracts.

Contract Scope:

DC Water will award an Indefinite Delivery and Indefinite Quantity (IDIQ) contract to the selected contractor. As work is identified, DC Water Design Branch will develop scopes of work, negotiate costs using pre-established pricing, and issue task orders to the contractor. Joint-use cost share amounts will be determined, communicated and billed per existing joint-use procedures. Typical task order scopes may include (but are not limited to):

- Rehabilitation and replacement of water and sewer infrastructure of various types and sizes (including combined, sanitary pressure and gravity sewers, and stormwater drainage systems including a limited amount of water mains)
- Reconstruction of existing water and sewer mains via the cleaning and lining process
- Bypass pumping
- Other sewer rehabilitation work as directed and required.

Federal Grant Status:

Construction Contract is not eligible for Federal Grant funding assistance.

PROCUREMENT INFORMATION

Contract Type:	Unit Price	Award Based On:	Lowest Responsible Bidder
Commodity:	Construction	Contract Number:	230080
Contractor Market:	Open Market		

BUDGET INFORMATION

Funding:	Capital	Department:	DETS
Service Area:	Water	Department Head:	William Elledge
Project:	JZ, FT		

***ESTIMATED USER SHARE INFORMATION**

User	Share %	Dollar Amount
District of Columbia	100.00%	\$ 43,995,815.00
Federal Funds	0.00%	\$
Washington Suburban Sanitary Commission	0.00%	\$
Fairfax County	0.00%	\$
Loudoun County & Potomac Interceptor	0.00%	\$
Total Estimated Dollar Amount	100.00%	\$ 43,995,815.00

* Under the terms of the IMA, the capital costs associated with each joint facility are to be split among the users in proportion to the peak flow each user is allocated. It is not possible, at this time, to allocate costs by individual facility. It is anticipated that as projects are developed under individual Task Orders for work associated with specific facilities and costs are developed, the individual users will be notified and billed accordingly.

Jeffrey F.
Thompson

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Date: 2023.12.05 12:28:47
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Jeffrey F. Thompson
Chief Operating Officer and EVP

Date



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O=District of Columbia Water and
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Dan Bae
VP of Procurement

Date

Matthew T.
Brown

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Matthew T. Brown
Date: 2023.12.07
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Matthew T. Brown
Chief Financial Officer and EVP
Finance, Procurement and Compliance

Date



12/15/2023

David L. Gadis
Chief Executive Officer and General Manager

Date

Presented and Approved: January 4, 2024

**SUBJECT: Approval to Add Funding to Option Years 1 and 2 of
Contract No. 200070, Green Infrastructure Maintenance
Contract B, National Services Contractor, Inc.**

**#24-03
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
D.C. WATER AND SEWER AUTHORITY**

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("the Authority") at its meeting on January 4, 2024 upon consideration of a non-joint use matter, decided by a vote of ____ () In favor and ____ () opposed to approve the add funding to Option Years 1 and 2 of Contract No. 200070, National Services Contractor, Inc.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute additional funding to Option Years 1 and 2 of Contract No. 200070, National Services Contractor, Inc. The purpose of this contract is to maintain DC Water-constructed Green Infrastructure (GI) facilities installed pursuant to the Long-Term Control Plan Consent Decree and other facilities installed to comply with the District stormwater regulations as part of the Clean Rivers construction projects. The total additional funding for Option Years 1 and 2 is \$2,751,240.00.

This Resolution is effective immediately.

Secretary to the Board of Directors

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

ACTION REQUESTED

GOODS AND SERVICES CONTRACT OPTION YEAR

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

This contract is to add \$2,751,240.00 in funds to Option Year 1 and 2.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME: National Services Contractors, Inc.* 2007-B Martin Luther King Jr. Ave., SE Washington, DC 20020 (CBE)	SUBS: Adaptive Green Washington D.C. (CBE)	PARTICIPATION: CBE -100%
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*Based upon the Green Infrastructure (GI) Memorandum of Agreement with the District of Columbia, this contract shall utilize best efforts to maximize Certified Business Enterprise (CBE) participation, with a goal that at least 50% of the dollar amount of this contract be awarded to CBEs. No Federal funding (i.e. EPA) will be used for this contract.

DESCRIPTION AND PURPOSE

Original Contract Value:	\$2,188,090.00
Original Contract Dates:	02-01-2021 – 01-31-2024
Original Option Year 1-2 Value:	\$0.00
Option Year 1-2 Dates:	02-01-2024 – 01-31-2026
Option Year 1-2 Additional Funding:	\$2,751,240.00

Purpose of the Contract:

The purpose of the contract is to maintain DC Water-constructed Green Infrastructure (GI) facilities installed pursuant to the Long-Term Control Plan Consent Decree and other facilities installed to comply with District stormwater regulations as part of Clean Rivers construction projects.

Contract Scope:

Provide green infrastructure maintenance services for Clean Rivers installed facilities throughout the District including additional facilities that will become operational during the contract period.

- Maintain DC Water constructed Green Infrastructure (GI) facilities. Facilities include, but are not limited to, bioretention, pervious pavement, green roof plantings and infrastructure, and turf pavers.
- Obtain all necessary permits to conduct work in accordance with local, state and federal regulations.
- This Contract will be subject to the goals outlined in the Memorandum of Agreement between DC Water and the Government of the District of Columbia regarding Job Opportunities for District Residents and Contracting Opportunities for District Businesses for Design, Constructing, Inspecting and Maintaining Green Infrastructure.
- Maintenance is required by the Long-Term Control Plan Consent Decree and NPDES Permit

Spending Previous Year:

Cumulative Contract Value:	02-01-2021 to 01-31-2024: \$2,188,090.00
Cumulative Contract Spending:	02-01-2021 to 09-30-2023: \$1,590,806.06

PROCUREMENT INFORMATION			
Contract Type:	Cost Reimbursement	Award Based On:	Best Value
Commodity:	Maintenance Services	Contract Number:	200070
Contractor Market:	Open Market		

BUDGET INFORMATION			
Funding:	Operating	Department:	DC Clean Rivers
Project Area:	Various locations	Department Head:	Moussa Wone
Service Area:	Combined Sewer		

ESTIMATED USER SHARE INFORMATION		
User – Operating	Share %	Dollar Amount
District of Columbia	100.00%	\$2,751,240.00
WSSC	0.00%	\$
Fairfax County	0.00%	\$
Loudoun Water	0.00%	\$
Other (PI)	0.00%	\$
TOTAL ESTIMATED DOLLAR AMOUNT	100.00%	\$2,751,240.00

Jeffrey F. Thompson

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Jeffrey F. Thompson Date
Chief Operating Officer and EVP



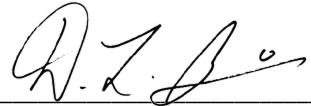
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O=District of Columbia Water and
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CN=Dan Bae
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Dan Bae Date
VP of Procurement

Matthew T. Brown

Digitally signed by Matthew T. Brown
Date: 2023.12.07 13:58:50 -05'00'

Matthew T. Brown Date
Chief Financial Officer and EVP
Finance, Procurement and Compliance



12/15/2023

David L. Gadis Date
Chief Executive Officer and General Manager

Presented and Adopted: January 4, 2024

SUBJECT: Approval to Publish Notice of Final Rulemaking to Extend the DC Water Cares Emergency Relief Program for Low-Income Customers (Residential Assistance Program “RAP”) for Fiscal Year 2024

**#24-04
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY**

The District members of the Board of Directors (“Board”) of the District of Columbia Water and Sewer Authority (“DC Water”) at the Board meeting held on January 4, 2024 upon consideration of a non-joint use matter, decided by a vote of ___ () in favor and ___ () opposed, to approve and adopt the following action with respect to publish the Notice of Emergency and Proposed Rulemaking to extend the DC Water Cares Emergency Relief Program for Low-Income Customers (“Residential Assistance Program” or “RAP”) for FY 2024.

WHEREAS, on September 3, 2020, the Board, through Resolution #20-65, approved the allocation of \$15 million of the projected 2020 net cash surplus for customer assistance programs and approved the allocation of \$3 million to continue the District’s Emergency Residential Program in FY 2021 to provide one-time assistance up to \$2,000 to residential customers economically impacted by COVID-19 and to allocate \$7 million to establish a new program to provide one-time assistance to multi-family buildings where the occupants have been impacted by COVID and payment plans are established and adhered with the assistance determined and provided per affordable unit, and on a matching basis; and

WHEREAS, on February 4, 2021, the Board, through Resolution #21-15, approved and adopted final rules to establish the DC Water Cares – Emergency Relief Program for Low-Income Residential Customers (Residential Assistance Program (RAP)); and

WHEREAS, on May 6, 2021, the Board, through Resolution #21-42, approved and adopted final rules to establish the DC Water Cares: Multifamily Assistance Program (MAP) for Low-Income Multifamily Tenants; and

WHEREAS, the Board, through Resolutions #21-15 and 21-42, required the benefits provided under the DC Water Cares: RAP and MAP programs would only be provided for Fiscal Year 2021, and terminate on September 30, 2021 unless approved by the Board to continue in FY 2022; and

WHEREAS, on December 2, 2021, the Board, through Resolution # 21-114, authorized the General Manager to amend the District of Columbia Municipal Regulations to extend the implementation of the DC Water Cares – Emergency Relief Program for Low-Income Residential Customers RAP and MAP for FY 2022 due to ongoing economic impacts as a result of COVID-19, which continued to cause the number of potential eligible customers in arrears to increase, and the uncertainty of federal assistance programs to provide assistance for customers in need; and

WHEREAS, on October 6, 2022, the Board, through Resolution # 22-66, authorized the General Manager to amend the District of Columbia Municipal Regulations to amend and extend the implementation of the DC Water Cares – RAP and MAP programs for FY 2023 due to ongoing economic impacts as a result of COVID-19, which continued to cause the number of potential eligible customers in arrears to increase, and the uncertainty of federal assistance programs to provide assistance for customers in need; and

WHEREAS, on September 26, 2023, the DC Water and Sewer Rates Committee met to consider the status of the DC Water Cares: CAP, CAP2, RAP and MAP programs and remaining budget balance and the General Manager's recommendations for Fiscal Year 2024; and

WHEREAS, the General Manager presented the status of the CAP, CAP2, RAP and MAP programs noting: 1) due to availability of Federal funding through the Homeowner Assistance Fund and LIHWAP, RAP funding would not be exhausted in FY 2023; 2) MAP participation has been slow and the administrative work needed to maintain program outweighs the participation; and 3) the calculation of administrative costs for RAP, MAP and CAP were lower than expected due to in-house processing; and

WHEREAS, the General Manager recommended: (1) Rolling over ~\$924,942 of the FY 2023 remaining balance for RAP and MAP Programs to the FY 2024 Budget for the RAP Program; (2) Rolling over ~\$148,422 from FY 2023 RAP, MAP and CAP Programs Administrative Fund remaining balance to the FY 2024 Budget for the RAP Program; and (3) Rolling over \$20,000 from FY 2023 RAP, MAP and CAP Programs Administrative Fund remaining balance to the FY 2024 Administrative Fund Budget for the RAP and CAP Programs; and

WHEREAS, the General Manager reported the impacts of COVID are still affecting customers resulting in total residential customer arrears of \$8.4 Million; and

WHEREAS, the General Manager recommended adopting and publishing a Notice of Emergency and Proposed Rulemaking to extend the DC Water Cares: RAP program for FY 2024 until funds are exhausted; and

WHEREAS, the General Manager recommended these amendments be made through an emergency rulemaking to maintain the continuity of benefits for customers that continue to be in need due to the economic impacts of COVID-19 until the Board holds

a Public Hearing and the final rulemaking is published within 120 days; and

WHEREAS, after further consideration and discussion, the DC Retail Water and Sewer Rates Committee recommended the Board adopt and approve the publication of the Notice of Emergency and Proposed Rulemaking (NOEPR) to amend 21 DCMR 4102 Customer Assistance Program, to extend the DC Water Cares: RAP program for FY 2024 until funds are exhausted as proposed by the General Manager; and

WHEREAS, on October 5, 2023, the Board, through Resolution #23-67, adopted and approved the publication of the NOEPR to amend 21 DCMR 4102 Customer Assistance Program to extend the DC Water Cares: RAP program for FY 2024 until funds are exhausted as proposed by the General Manager; and

WHEREAS, on October 20, 2023, DC Water published the NOEPR and Notice of Public Hearing in the *D.C. Register* at 70 DCR and 013987 and 013985, respectively; and

WHEREAS, on December 5, 2023, the Board held a Public Hearing to present the proposed amendments and receive testimony on the NOEPR; and

WHEREAS, on December 12, 2023, the record of the Public Hearing closed and the public comment period ended; and

WHEREAS, on December 19, 2023, the DC Retail Water and Sewer Rates Committee met to consider testimony presented during the Public Hearing, comments submitted during the public comment period and the General Manager's final proposal to amend the Customer Assistance Program regulations; and

WHEREAS, the General Manager reported to the Committee that no public testimony was presented at the Public Hearing and no comments were received during the public comment period; and

WHEREAS, the General Manager recommended publishing a Notice of Final Rulemaking (NOFR) as proposed in the NOEPR as presented in Attachment A; and

WHEREAS, the General Manager also presented the projected DC Water Cares unexpended balance of \$ 1,105,135 of FY 2023 RAP and MAP funds (\$956,713) and FY 2023 Administrative Cost funds (\$148,422) would be available to fund the RAP program in FY 2024, and the remaining \$20,000.04 will be applied to the FY 2024 Administrative Costs for CAP and RAP; and

WHEREAS, on December 19, 2023, the DC Retail Water and Sewer Rate Committee, after considering that no testimony or comments were received or submitted during the Public Hearing and public comment period, and the General Manager's recommendation, recommended the Board adopt and approve the publication of the Notice of Final Rulemaking to amend the Customer Assistance Program regulations as presented in the Attachment A; and

NOW THEREFORE BE IT RESOLVED THAT:

1. The Board hereby adopts and approves the publication of the Notice of Final Rulemaking (NOFR) to amend 21 DCMR 4102 Customer Assistance Program as recommended by the DC Retail Water and Sewer Rates Committee and the General Manager to continue to extend the DC Water Cares: RAP program for FY 2024, as provided in Attachments A.
2. The General Manager is authorized to take all steps necessary in his judgment and as otherwise required to publish the Notice of Final Rulemaking in accordance with the District of Columbia Administrative Procedure Act.
3. This resolution is effective immediately.

Secretary to the Board of Directors

Attachment A

Chapter 41, RETAIL WATER AND SEWER RATES AND CHARGES, of Title 21 DCMR, WATER AND SANITATION, is amended as follows:

1. Subsection 4102.9 of Section 4102, CUSTOMER ASSISTANCE PROGRAMS, is amended to read as follows:

4102.9 DC Water Cares Emergency Relief Program for Low-Income Residential Customers:

- (a) Participation in the DC Water Cares Emergency Relief Program (DC Water Cares) shall be limited to a single-family or individually metered low-income Residential Customer that meets the following eligibility requirements:
 - (1) The applicant maintains an active DC Water account and is responsible for paying for water and sewer services; and
 - (2) DOEE has determined that the applicant's annual household income is equal to or below eighty percent (80%) of the Area Median Income (AMI) for the District of Columbia, not capped by the United States median low-income limit.
- (b) An approved customer shall receive the following benefits:
 - (1) Credit of one hundred percent (100%) off of the past due water and sewer bill balance; and
 - (2) The total amount of credits provided shall not exceed Two Thousand (2,000) dollars during Fiscal Year 2024, subject to the availability of budgeted funds.
- (c) Upon DC Water's receipt of notice from DOEE that the applicant meets the financial eligibility requirements and subject to the availability of budgeted funds, DC Water shall provide the credits to the customer's account from the date that DOEE accepts a completed application and for future qualifying events that may lead to collection activities to the end of the fiscal year in which the application was submitted.
- (d) The DC Water Cares Emergency Relief Program for Low-Income Residential Customers shall terminate on September 30, 2024 or as provided in § 4102.9(f).

- (e) Customer that received DC Water Cares benefits in FY 2023 must submit a renewal CAP or CAP2 application to DOEE to receive DC Water Cares benefits in Fiscal Year 2024.
- (f) If DC Water determines that the remaining budgeted funds are insufficient to provide DC Water Cares for Low-Income Residential Customers benefits, DC Water may:
 - (1) Suspend the process for accepting DC Water Cares applicants; or
 - (2) Suspend or adjust providing DC Water Cares benefits to eligible recipients.

2. Subsection 4102.10 of Section 4102, CUSTOMER ASSISTANCE PROGRAMS, is deleted in its entirety and renamed to read as follows:

4102.10 **[RESERVED]**