



# Annual Report 2019

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GETTING THE LEAD OUT



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RAISING THE READINESS STANDARD FOR UTILITIES



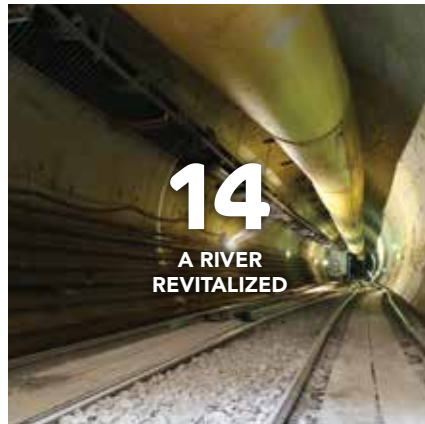
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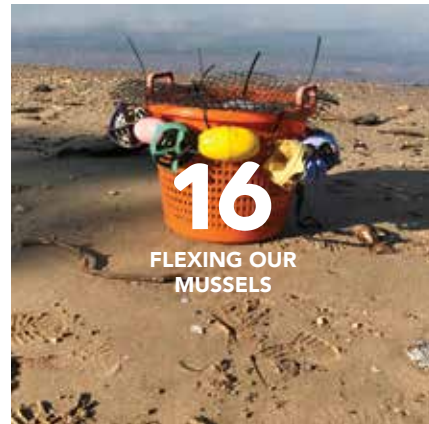
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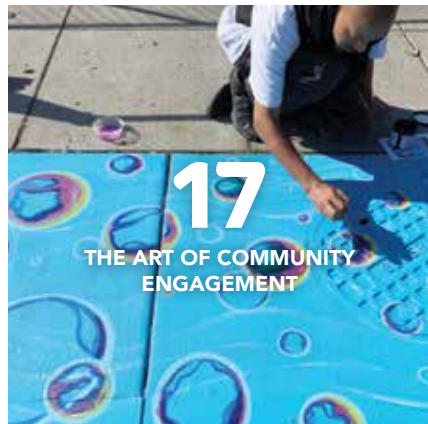
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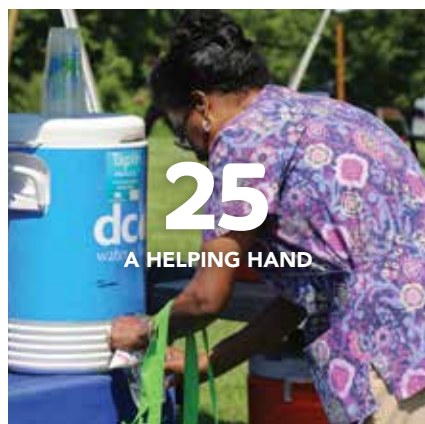
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Front cover: **560 tons** of floating debris from local waterways were collected by DC Water skimmer boats.







# CEO's Message

In my second year at DC Water, I am encouraged by the signs of progress I see all around me. But don't just take my word for it. The data captured in this report tells the story in objective detail, highlighting how this utility is setting the bar for our industry and delivering a strong rate of return on our customers' investment. That is critical, because with limited resources and pressing needs, DC Water must become a more measured and performance driven organization.

At the same time, we can't afford to be entirely focused on the numbers. We need to invest in our employees as well. That's why I emphasize people, place and pay. Our workforce cares deeply about the work they do, and you will read about some of our brightest stars in this report. They need resources and respect, and they can get the job done. I am pleased to say the culture is changing and we are doing a better job of employee engagement.

Engaging with customers is critical to our success as well. That's why I established our first Stakeholder Alliance, drawing together residents from across the District and representatives from the faith community, businesses, universities, environmental organizations and other groups. The Alliance played a pivotal role this year in helping us tackle our most significant challenges, including changes to our rate structure. We will continue to lean on these key stakeholders for guidance and support in the coming years.

I invite you to read this entire report for a full accounting of our actions and accomplishments in 2019. I am certain it will give you an appreciation of the work done by the men and women of DC Water and greater confidence in your water utility.

## Executive Team

**David L. Gadis**  
Chief Executive Officer

**Marc K. Battle, Esq.**  
Executive Vice President  
Legal Affairs

**Matthew Brown**  
Executive Vice President  
and Chief Financial Officer  
Finance and Procurement

**Armon D. Curd**  
Executive Vice President  
Customer Experience

**Biju George**  
Executive Vice President  
Operations and Engineering

**Wayne Griffith**  
Executive Vice President  
Performance

**Maureen Holman**  
Executive Vice President  
Administration

**Keith Lindsey**  
Executive Vice President  
People and Talent (Interim)

## Vice Presidents

**Leonard Benson**  
Senior Vice President  
Engineering and  
Technical Services

**Salil Kharkar, P.E.**  
Senior Vice President  
Operations and Engineering

**Dan Bae**  
Vice President  
Procurement and Compliance

**Jonathan Carpenter**  
Vice President  
Industry and Business Relations

**Jason Hughes**  
Vice President  
Water Operations

**Thomas Kuczynski**  
Vice President  
Information Technology

**John Lisle**  
Vice President  
Marketing and Communications

**Aklile Tesfaye, P.E.**  
Vice President  
Wastewater Operations



# Chairman's Message

I am constantly amazed at the caliber of the members nominated to serve on the DC Water Board of Directors. The Maryland and Virginia counties consistently send talented executives to represent their interests on the 22-member panel. Likewise, the District of Columbia is represented by a distinguished delegation from the public and private sectors, and it is my honor to preside over this Board of behalf of Mayor Muriel Bowser.

The state of our Board, and our utility, is strong. Although some long serving members transitioned off the Board in 2019, there is continuity thanks to the steady leadership of veteran members and the fresh perspectives and

impressive credentials of the new arrivals. Five board members were confirmed to new four years terms in December. Everyone is committed to working together – in partnership with DC Water's leadership team – to make this great utility even better.

Our success at helping clean up the Anacostia River was one of the highlights of this past year. DC Water's Clean Rivers Project is a transformational investment that will pay dividends for generations of Washingtonians. We must also make the same kind of sustained commitment to ensure the viability of our water distribution and sewer collection systems – the pipes in the ground – while being mindful

to maintain affordable rates for our customers.

On that front, and others, the District's elected leadership showed an unprecedented willingness in 2018 to support DC Water's mission and its customers. That included rate relief for residents and non-profit organizations, a commitment that has been extended another year. And the District is now helping residents rid their properties of lead service lines, one of the goals championed by CEO David Gadis and fully supported by the Board of Directors.

## 11 Principal and 11 Alternate Board Members Govern DC Water

The DC Water Board meets monthly at HQO. Board members are appointed by the Mayor of the District of Columbia. Currently, the Board has eight standing committees.

### Principal Board Members

**Tommy Wells**  
Chairman  
District of Columbia  
*Director, Department of Energy and Environment*

**Krystal J. Brumfield**  
Vice Chairperson  
District of Columbia  
*Chief of Staff, Reach Airports*

**Ellen O. Boardman**  
District of Columbia  
*O'Donoghue & O'Donoghue LLP, Partner*

**Rachna Butani Bhatt**  
District of Columbia  
*HRGM Corporation, Director*

**David Franco**  
District of Columbia  
*Principal, Level 2 Development*

**Emile Thompson**  
District of Columbia  
*Assistant United States Attorney for the District of Columbia*

**Fariba Kassiri**  
Montgomery County, MD  
*Deputy Chief Administrative Officer*

**Adam Ortiz**  
Montgomery County, MD  
*Director, Environmental Programs*

**Floyd Holt**  
Prince George's County, MD  
*Deputy Chief Administrative Officer for Government Infrastructure, Technology and the Environment*

**Major F. Riddick, Jr.**  
Prince George's County, MD  
*Chief Administrative Officer*

**Randy Bartlett**  
Fairfax County, VA  
*Department of Public Works and Environmental Services Director*

### Alternate Board Members

**Reverend Dr. Kendrick Curry**  
District of Columbia  
*Pennsylvania Avenue Baptist Church, Pastor*

**Ivan Frishberg**  
District of Columbia  
*Sustainability Banking, Amalgamated Bank, First Vice President*

**Anthony Giancola**  
District of Columbia  
*Retired*

**Howard C. Gibbs**  
District of Columbia  
*Retired*

**Jed Ross**  
District of Columbia  
*Chief Risk Officer*

**Adrianna Hochberg**  
Montgomery County, MD  
*Assistant Chief Administrative Officer*

**Steven Shofar**  
Montgomery County, MD  
*Intergovernmental Affairs, Division Chief*

**Lavinia Baxter**  
Prince George's County, MD  
*Special Assistant to the Deputy Chief Administrative Officer for Public Infrastructure*

**Joseph Gill**  
Prince George's County, MD  
*Department of Environmental Programs, Director*

**Sarah Motsch**  
Fairfax County, VA  
*Department of Public Works and Environmental Services, Engineering Support, Branch Chief*

### Standing Committees

**Executive Committee**  
Tommy Wells, Chair

**Audit**  
Floyd Holt, Chair

**DC Retail Water & Sewer Rates**  
Rachna Butani Bhatt, Chair

**Environmental Quality & Operations**  
Adam Ortiz, Chair

**Finance & Budget**  
Major F. Riddick, Jr., Chair

**Governance**  
Ellen O. Boardman, Chair

**Human Resources & Labor Relations**  
Emile Thompson, Chair

**Strategic Planning**  
Tommy Wells, Chair



# At a Glance

“Water is Life, but our employees are also a precious resource. They are the ones monitoring water quality, routing emergency calls and repairing broken water mains in freezing temperatures. I am as committed to supporting their work as they are to serving our customers.”

DAVID GADIS | CHIEF EXECUTIVE OFFICER



## HIGHLIGHTS

### Customer Focus

- Replaced 474 lead service lines and launched Lead Free DC program.
- Repaired 441 water main breaks, down significantly from 574 reported in 2018.
- Enrolled 38,000 customers in e-billing, exceeding the year-end target by 50-percent.
- Answered 89% of emergency calls and 86% of non-emergency calls within 40 seconds.
- Won a national award for best customer information system implementation.
- Provided financial assistance to 3,599 customers.
- Obtained upgraded AA+ long-term credit rating from Fitch rating agency.
- Received 23rd consecutive unmodified audit opinion on financial statements.

## HIGHLIGHTS

### Environment

- Partnered with the Anacostia Watershed Society to deploy 5,000 freshwater mussels as part of a pilot research project.
- Treated 117 billion gallons of wastewater at the Blue Plains plant, 12 billion gallons more than 2018.
- Sold 40,000 tons of our Bloom soil amendment, a more than 300% increase in sales from 2018.
- Produced 67 million KWH of clean, sustainable energy, enough to satisfy 1/4 of the demand at Blue Plains.
- Captured 3.1 billion gallons (90%) of combined sewage and 2,300 tons of trash and debris that otherwise would have overflowed into the Anacostia River.
- Purchased and pumped 35 billion gallons of water, 846 million more than the previous year.

## HIGHLIGHTS

### Community

- Awarded more than \$30 million in contracts to certified businesses in the District.
- Celebrated the first anniversary of the CEO's Stakeholder Alliance.
- Expanded our total social media audience by 17%, including an 81% increase in followers on Facebook and a 46% increase on Instagram.
- Participated in more than 150 community meetings, events and festivals.
- Hosted Town Hall Meetings in all 8 wards.
- Visited 20 District schools and provided hands-on lessons, field trips and environmental education activities to thousands of students.
- Partnered with the non-profit organization Engineering Tomorrow to host STEM workshops for District high school students.

## HIGHLIGHTS

### People, Place & Pay

- Created a new Apprenticeship Program to prepare District residents for careers at DC Water.
- Relocated 239 employees to new sustainable administrative headquarters building that is on track to complete LEED Platinum certification in 2020.
- Completed the inaugural DC Water enterprise-level performance plan.
- Established a Cultural Transformation Program to boost employee engagement and created DC Water's first employee basketball league.
- Became the first utility to receive accreditation through the Emergency Management Accreditation Program (EMAP).



# Customer Focus

## Getting the Lead Out

Providing safe drinking water is at the heart of everything we do. From new protections against microbes to automated system flushing, DC Water employs the most innovative strategies and solutions to address the most pressing issues faced by our customers. These efforts often exceed regulatory requirements, and set the standard for utilities nationwide.

The ambitious pursuit to innovate and solve problems is best exemplified by DC Water's program to address lead. DC Water was the first utility to map lead service pipes and provide an interactive means for customers to obtain this information. The Authority's robust lead program also includes vigilant monitoring, corrosion control, free lead testing, extensive outreach, and strategically replacing hundreds of lead pipes each year. Affordability for customers, however, remained an issue.

"Without addressing costs to our customer, knowledge and opportunity will only help so much," says David Gadis, CEO of DC Water, who has put forth an ambitious goal to replace all lead lines in the District within ten years. "There are about 70 miles of lead pipe in the ground across the city, and we



Families thanked our crews with homemade snacks to celebrate the success of the Franklin Street project.

need to do more to help our community get the lead out."

This year, the Authority worked closely with Mayor Muriel Bowser

and the DC Council to enact legislation that offers District homeowners access to millions of dollars in funding to pay for lead pipe replacements on private

property. During planned water main projects and emergency repairs, every District homeowner regardless of income can now replace their lead pipes for free.

The first project for which these new funds were available took place this year on Franklin Street NE. The project was a tremendous success with most homeowners choosing to replace their lead pipes, and the neighborhood, local community leaders and elected officials celebrating DC Water's efforts. This outstanding level of participation affirms the value of both the funding and the initiative.

Additionally, a new assistance program, administered jointly with the Department of Energy and the Environment, provides discounted and free replacements for more than ten thousand customers with lead pipes on private property, but non-lead in public space. In these cases, every property owner can replace their lead pipes at a 50% discount, and some will qualify for 80% or 100% discounts depending on household size and income.

**"There are about 70 miles of lead pipe in the ground across the city, and we need to do more to help our community get the lead out."**

DAVID GADIS | CHIEF EXECUTIVE OFFICER

## Raising the Readiness Standard for Utilities

When emergencies threaten the National Capital Region, DC Water is ready. Since its inception, the Authority's Office of Emergency Management (OEM) has prepared for disasters, severe weather and man-made emergencies.

OEM manages the creation of response plans and their revisions, risk assessment and hazard mitigation, as well as training programs. The office participates in regional planning and then tests our staff and our pro-

## HIGHLIGHTS

# DC Water: Resilient and Reliable

**11,000**

Meters and meter transmitting units will be replaced and upgraded during FY 2020.

**10,753**

Hydrants were inspected and maintained and 218 were replaced in FY 2019.

**441**

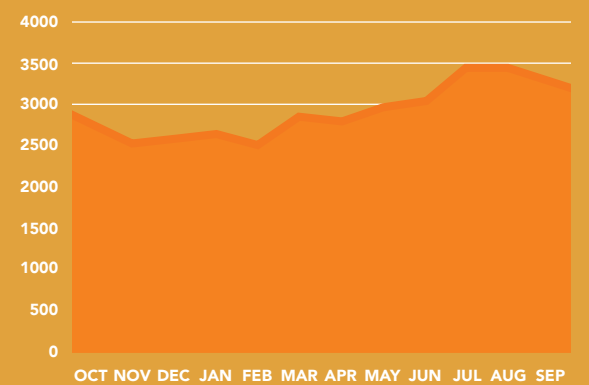
Water main breaks were reported and repaired in FY 2019.

**474**

Lead service line replacements, including full and partial replacements in all programs.

## FY 2019: Water Purchases from the Washington Aqueduct

Water Purchased (M/G)



## Customer Focus continued

cedures through training exercises that mimic real-life emergencies.

But how do we know we have thought of everything and prepared for anything? The accreditation process enables organizations to compare their policies and procedures to professional standards. In the world of emergency management, that accreditation is overseen by the Emergency Management Accreditation Program (EMAP).

To achieve accreditation, an organization must demonstrate through self-assessment, documentation and peer assessment, verification that its program meets the *Emergency Management Standard*. The emergency management program uses the accreditation to prove the capabilities of their disaster preparedness and response systems. DC Water weathered a rigorous evaluation against 64 standards in emergency management. Make no mistake—the bar is set quite high.

The standards were written with emergency management agencies in mind, so it was challenging to fit within the model.

In May of 2019, DC Water was awarded accreditation through the Emergency Management Accreditation Program. DC Water is the first utility to receive this international accreditation.

DC Water celebrated the achievement and recognized our partners

during a National Preparedness Month event in September. Keynote speaker Director Kim R. Kadesh, FEMA Office of National Capital Region Coordination congratulated DC Water and commented, “This is more than one agency’s accomplishment. This is about all of our agencies collaborating and coordinating locally, regionally and nationally. The stronger the individual agencies, the stronger and more resilient we are as a whole.”

### Partners in Progress

One of the biggest initiatives implemented by DC Water, beginning in 2018, was the creation of the Stakeholder Alliance, which this year marked its one-year anniversary.

The Alliance functions as an advisory board for DC Water CEO David L. Gadis. “I really look to the Alliance to help keep me in touch with what people in the community think and are saying about us,” said Mr. Gadis. “They are also a great sounding board and I look forward each meeting to hear their perspectives and ideas.”

The Alliance, which meets once every three months, consists of 21 people drawn from a broad cross section of the community, with backgrounds ranging from religious and business to environmental and educational.

After just one year, Alliance members can point to some important common ground hashed out during evening meetings. Members helped generate new proposals for changing the way the Clean Rivers Impervious Area Charge (CRIAC) is administered. Instead of being generated strictly based on square footage, it is now calculated partially by water consumption. This change was supported by the Alliance as a way of assisting churches and cemeteries. The Alliance has also helped brainstorm ideas for outreach to the community on DC Water programs, like lead pipe replacements.

Director of Cultural Transformation Korey Gray, who serves as the primary point of contact for the Alliance and helps set the agenda for the meetings, says the Alliance is a success story.



**“The Authority gets a healthy conversation about a range of issues at each meeting, and it’s a nice way to give the public a prominent place at the table.”**

KOREY GRAY  
DIRECTOR OF CULTURAL  
TRANSFORMATION



DC Water staff participating in a Supervisory Control and Data Acquisition (SCADA) drill.

### HIGHLIGHTS

## Customer Service



**47,000**

Emergency calls were answered, and 89% within 40 seconds. 193,000 non-emergency calls were answered at 86%.



**38,000**

Customers enrolled in e-bills, which exceeded the year-end target by 50%.



**65,000**

High water usage alerts were sent out to customers that signed up to receive notifications.



# Environment



Bloom is now available for sale in D.C., Maryland, Virginia and Pennsylvania.

### Waste Not, Want Not

Wastewater is a misnomer. Untreated sewage contains the life-giving nutrients essential for plants to grow and energy in the form of carbon. Blue Plains processes about 320 million gallons of sewage each day—the equivalent of 484 Olympic-sized swimming pools—but without the proper technology the use of these vital resources was limited.

In 2015, DC Water began producing Bloom, which is among the highest quality biosolids and soil additives (Class A Exceptional Quality) available today. DC Water was the first utility in North America to utilize thermal hydrolysis, which extracts the nutrients from sewage—carbon, nitrogen, and phosphorous—while removing harmful pathogens using heat, pressure, and bacteria.

Bloom is a soil conditioner recognized as safe to use on food grown for human consumption and widely endorsed by growers and industry experts. It can restore depleted soil while also reducing the need for chemical fertilizers that can pollute rivers and streams.

April Thompson, Director of Marketing for Bloom, is tasked with increasing brand awareness and communicating the tremendous value of the product. “Producing and selling Bloom not only saves District rate payers money by generating additional income for the Authority,” says Thompson. “It reduces our carbon footprint, improves soil health, and increases energy efficiency. It’s also responsible for some of the juiciest tomatoes I’ve ever seen!”

Blue Plains produces 450 wet tons of Bloom every day; roughly 20 tractor trailer loads. In this process, eight megawatts of power are generated from the methane produced by microbes digesting waste and forming biosolids.

This clean, sustainable energy source reduces DC Water’s dependence on traditional energy. The energy produced onsite satisfies 1/4 of Blue Plains’ enormous energy needs, and the digester project (Bloom and energy) reduces our carbon footprint by 50,000 metric tons—the equivalent of removing 10,000 cars from the road each year.

The environmental benefits of Bloom extend to regional waterways. “We are extracting value from the nutrients and carbon from waste that, if discharged to the Chesapeake Bay, would be considered pollutants,” explains Chris Peot, Director of Resource Recovery. “This reduces operating costs, generates revenue, and creates renewable energy credits.”

**“Bloom provides a solution for environmental health, sustainable energy needs, and customer costs.”**

APRIL THOMPSON | BLUE DROP, DIRECTOR OF MARKETING

*Bloom is available for sale in D.C., Maryland, Virginia, and Pennsylvania, in bags or bulk, from these local garden and landscaping centers: Homestead Gardens, W.S. Jenks & Son, Annie’s Ace Hardware, Rock Stone and Sand Yard. For more information, visit bloomsoil.com.*

### A River Revitalized

The banks of the Anacostia River are teeming with activity, as wildlife like egrets and shad have returned to their native habitats. Developers, meanwhile, have flocked to create an attractive waterfront environment for living, dining and recreation. In many ways, the riverfront, and the Anacostia, has been reborn, in no small part due to DC Water’s massive tunnel system, constructed to keep the Anacostia clean.

### HIGHLIGHTS

## DC Water’s Blue Plains Advanced WWTP

**100%**

Compliance with National Pollutant Discharge Elimination System permit limits, for the seventh consecutive year.

**117,200,000,000**

Gallons of wastewater treated at Blue Plains.

**1,230,000**

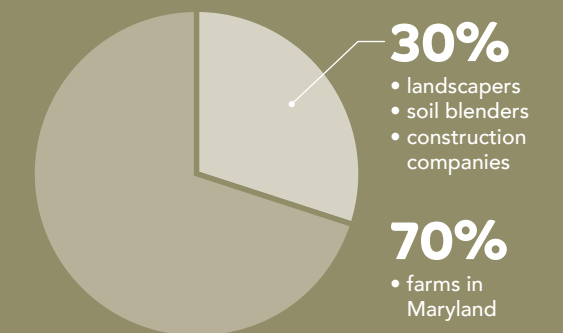
Pounds of nitrogen removed, in excess of exceeding requirements for protection of the Chesapeake Bay.

**164,000**

Wet tons of biosolids produced, meeting EPA’s Class A Exceptional Quality requirements.

### Bloom

Blue Drop sold 40,514 tons of Bloom last year, which generated an additional \$168,000 in revenue. 70% of material went to farms in Maryland. The other 30% was used by landscapers, soil blenders, and construction companies.





# Environment continued

Half of the Anacostia's tunnel system opened in March 2018 and has captured and conveyed 6.9 billion gallons of sewage to our treatment plant to be treated. An additional 3,200 tons of trash that would have otherwise ended up in the river was also removed. This tunnel section is achieving a higher CSO capture rate (90%) than projected (80%).

Adding the next tunnel section, the Northeast Boundary Tunnel (NEBT), will provide more benefits including the reduction of flooding and back-

ups in Bloomingdale and LeDroit Park, and other neighborhoods along Northeast Rhode Island Avenue.

To help residents understand the scale of the project and why the Clean Rivers Impervious Area Charge was added to their bills, last fall we invited them to tour the tunnel construction. Residents donned safety gear and, with flashlights in hand, descended 100 feet underground to tour the tunnel and the giant boring machine that is digging it.

Said one visitor, "I did not know what to expect and am leaving so impressed with the magnitude of the project, and the dedication and pride of those we met. I now understand why my bill increases for these improvements."

Once finished in 2023, the NEBT will connect the rest of the tunnel segments to complete the 13.1-mile tunnel system, and the revitalization of the Anacostia.



The Northeast Boundary Tunnel Community Day Event allowed the media and members of the community to travel down the deep shaft and ride in a train to the tunnel to see how Chris, the Tunnel Boring Machine, works.



### Flexing Our Mussels

Few of our customers would have imagined 20 years ago that DC Water would be investing in a cutting edge research project to raise baby mussels in the Anacostia and Potomac River.

But that's exactly what DC Water did in 2019 as part of an innovative partnership with the Anacostia Watershed Society, an important regional non-profit that works on river issues.

As part of the agreement, DC Water invested in more than 5,000 baby mussels grown at a hatchery in Virginia and placed tenderly into the river at three spots adjacent to our facilities; two at Blue Plains and one near the new HQ and the

historic pump station. These 5,000 mussels can filter 18 million gallons of water.

The three spots will allow AWS and DC Water to monitor water quality and the growth of the mussels over the next 12 months. The goal is to both provide tangible research data showing the improvement in water quality, and to begin seeding the river bottoms with mussels.

Mussels provide an essential function in a healthy river ecosystem. They both filter the water to keep it clean and clear by removing particles but they themselves are in turn a food source for other marine and mammal life.

The dual benefits of collecting data and also restoring the health of the watershed is a key part of the long-term DC Water vision for the authority.

"Mussels can clean our rivers, and might be the most cost-effective way to do so," said Saul Kinter, who brainstormed the project with AWS. Similar efforts are underway with the D.C. Department of Energy and Environment, all with the same goal.

**"Mussel restoration efforts will accelerate water quality improvements to the Anacostia River and build on the tremendous progress achieved from the completion of the first phase of the Clean Rivers tunnel project."**

JIM FOSTER | PRESIDENT OF THE ANACOSTIA WATERSHED SOCIETY

### HIGHLIGHTS



**5,000**

MUSSELS INSTALLED IN THE ANACOSTIA AND POTOMAC RIVERS



**3**

LOCATIONS ADJACENT TO OUR FACILITIES, RECEIVED THE MUSSELS



**18**

MILLION GALLONS OF WATER CAN BE FILTERED BY THE MUSSELS

Results of the project will eventually help determine whether large-scale installations of shellfish are a viable and efficient way to improve water quality.



# Community



Artist Mark Garrett transforming a drain cover located at the corner of Mt. Olivet Road and Holbrook Road into a mural.

### The Art of Community Engagement

This year, DC Water introduced the Cool Arts, and Cleaner Rivers art contest. The project came from the idea that the authority can use art to reach a broader audience. The selected drains trace the same path as the Northeast Boundary Tunnel (NEBT) project, which will run from RFK Stadium and extend north to Rhode Island Avenue, NE, and west to 6th Street, NW.

This tunnel, built to address chronic flooding and to reduce combined sewer overflows to the Anacostia River, is a long-term investment required under a federal consent decree.

This campaign brought together local partners that understand what cleaner waterways mean to the future of the District. The judges for the contest were representatives from the Clean Rivers Project, the DC Department of Energy and Environment, the DC Department of Small and Local Business Development, the DC Commission on the Arts and Humanities, and the non-profit organization Broccoli City.

"These storm drain murals will help people see that their community is connected to the Anacostia River," says Hadiyah Jordan, Senior Public Outreach Coordinator, Clean Rivers, "and we can all have a positive impact."

The NEBT is the largest component of the Clean Rivers Project and requires the continued support of District agencies and the public. DC Water aims to consistently use new and creative ways to engage, connect, and educate the public about the project. Launching this contest was a successful measure of all three.

The goal was for the art to remind residents and visitors that the health and beauty of the Anacostia is a community effort. Artists Mark Garrett transformed his drain cover located at the corner of Mt. Olivet Road and Holbrook road into a mural of a boat sailing along the Anacostia into a sunset of purples, yellow, pink, and orange hues. Garrett said, "This artwork serves as a beacon for what's taken place in the city, and the moment for change that is in the right direction."

**"This artwork serves as a beacon for what's taken place in the city, and the moment for change that is in the right direction."**

MARK GARRETT | ARTIST

The contest was so successful that the National Association of Clean Water Agencies recognized it as a 2020 National Environmental Achievement Award Winner.

### Meeting Customers Where They Are

Customer engagement is a core value here at DC Water, and we are always looking for more ways of connecting with our customers to provide information about our services, operations, programs, and opportunities, all while further expanding our partnership base and our brand. This year, our community programming included scheduled appearances at well over 150 public events, community meetings to inform stakeholders about upcoming DC Water construction projects, and educational experiences for students across the District.

Attending a range of events such as MPD's "Beat The Streets" Summer Event Series, DC Truck Touch,

### HIGHLIGHTS

## Art Contest Winners Beautify Storm Drains

### 5 artists

Were selected by a panel of judges. These local residents included: Yahnae Riddick, Mark Garrett, Sierra Koker, Mark Walker and Mackenzie Mathews.

### 5 storm drains

Were painted with murals. The storm drains follow the same path as the NEBT Project, which runs from RFK Stadium and extends north to Rhode Island Avenue, NE, and west to 6th Street, NW.

### NACWA

The National Association of Clean Water Agencies has recognized the contest with a 2020 *National Environmental Achievement Award* in the Public Information & Education: Educational Program category.

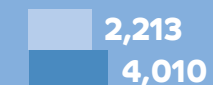
## Social Media Growth

2018 followers 2019 followers

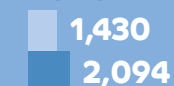
### TWITTER



### FACEBOOK



### INSTAGRAM





## Community continued

Filipino Food Festival, H Street Festival and Capital Pride Parade, we kept hundreds of thousands of attendees hydrated with refreshing tap water and provided more than 15,000 reusable water bottles.

While our beloved Wendy remains our premiere ambassador, she now has an entire team to support her efforts! The DC Water Ambassador Program was established in 2018 to give employees across the Au-

thority the opportunity to engage directly with customers and share their expertise. The program provides other benefits as well, giving employees an increased sense of pride in their work, and offering

them opportunities to interact and exchange ideas and information with one another in a setting outside of work.

In its second year, program participation has tripled from 10 to 30 employees. This includes our returning Ambassador, Ms. Jeanetta Nelson (Engineering and Technical Services), who was recognized at this year's Stars of DC Water Awards Gala (DC Water Ambassador of the Year, First Runner-Up). Mr. Seth Ansa (Customer Service), another

returning Ambassador, says "The Ambassador Program has really helped us show our customers how much we value them. It has been a pleasure to increase customers' access to pertinent information from DC Water through us."

Overall, this program is an integral part of our Strategic Plan, and our mission to increase employee engagement across the Authority and enhance the customer experience for our customers and other stakeholders.



"The Ambassador Program has really helped us show our customers how much we value them. It has been a pleasure to increase customers' access to pertinent information from DC Water through us."

SETH ANSAH  
DC WATER AMBASSADOR

### HIGHLIGHTS



150

PUBLIC EVENTS  
ATTENDED



15,000

REUSABLE WATER  
BOTTLES PROVIDED



20

DISTRICT SCHOOLS  
VISITED



30

DC WATER  
AMBASSADORS



# ■ People, Place & Pay



DC Water invited the community to visit the new consolidated office space.

## On the Move

The past year was DC Water's first year in a new home: the iconic green curved office building alongside the Anacostia River.

Although it's only been one year, the reviews are in and the space is an enormous hit with employees, guests, board members and the community.

Board members have an easier time attending meetings and more importantly, the public can access all public discussions. Although DC Water does not track visits to public meetings, observers say that the meeting rooms on the second floor often look much fuller than they did in years past at Blue Plains.

The new building has been used for local community meetings and the authority has promised to make it available regularly to the public. A ribbon cutting ceremony last spring was widely attended by local officials, Rep. Eleanor Holmes Norton and neighbors.

Some of the 350 employees who work at the 150,000 square-foot green glass headquarters had to adjust to the loss of free parking which they enjoyed at Blue Plains, but others say they enjoy the option of Metro and the exercise they get with the walk each morning and afternoon.

The building itself is an architectural gem, beloved by neighbors for the gentle way it reflects the ebbs and flows of the Anacostia River.

"People can't get enough of the beautiful rooftop and stunning river views. It's amazing when a government building can be gorgeous and functional."

TOM KUCZYNSKI  
BLUE DROP, INTERIM PRESIDENT

The modernity of the DC Water office building sitting alongside the historic and grand brick face of the Main Pump Station makes for a distinctive set of contrasts. The whole setup rests atop massive clay sewer lines that date back more than 100 years.

The new headquarters uses the pumping station's wastewater treatment to heat and cool the building and a 30,000-gallon cistern captures rainwater for reuse onsite. The tinted glass sun shades reduce energy use while maximizing daylighting and the panoramic river views.

Construction took longer than expected but now that the building is in use the Blue Drop team is hard at work marketing the space as a revenue generator to offset future rate increases.

The team, led by Interim Blue Drop President Tom Kuczynski, has

## HIGHLIGHTS

### DC Water's New HQ: A Neighborhood Asset

**\$44 million**

In leasing expenses to be saved by consolidating administrative offices over the next 30 years.

**\$36 million**

The new HQ eliminates the need to expand and renovate the Central Operations Facility at Blue Plains, for a savings of approximately \$36 million.

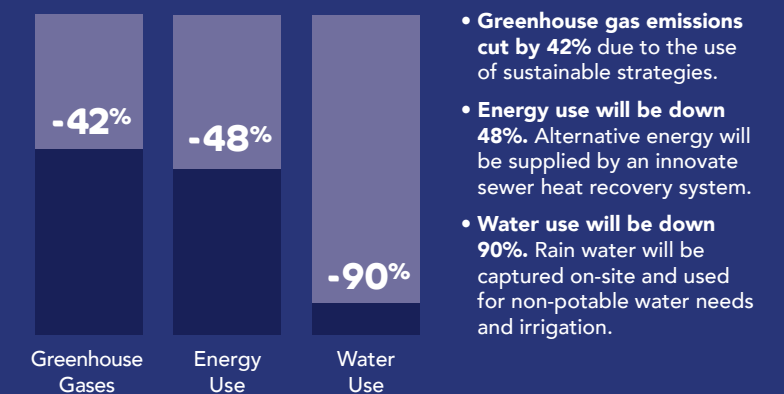
**239**

Employees have moved to HQO, freeing up space at DC Water's Blue Plains Advanced Wastewater Treatment Plant.

**LEED platinum**

The building is on track to complete LEED Platinum certification later this year. Some of those features are: Community Connectivity, Public Transportation Access and Alternative Transportation Options, Protect/Restore Habitat, Storm Water Design, Wastewater Technology, Energy and Atmosphere

### Anticipated Impact of Sustainable Strategies





## People, Place & Pay continued

already successfully hosted everything from a fancy Halloween disco party and Ward 6 Council Member Charles Allen's community service awards to the DC Water holiday party in December.

"People can't get enough of the beautiful rooftop and stunning river view," Kuczynski added. "It's amazing when a government building can be gorgeous and functional."

Tours of the new space are popular and the authority is looking forward to being a big part of the Navy Yard community for many years to come.

### Pathway to Prosperity

Just a year ago, CEO David Gadis committed DC Water to preparing District residents for technical careers at the Authority and creating a pathway to those jobs. We met that challenge, developing an acclaimed apprenticeship program

that provides on-the-job-training (OJT) work experience under the direction of experienced journey workers, coupled with related classroom learning and professional development.

Korey Gray, who oversees many of the Authority's training and contracting programs, said that predecessor programs imparted valuable lessons learned in developing the current model. He says, "The key is

**"Apprentices are learning how to navigate job cultures and are gaining professional skills to maintain employment."**

KOREY GRAY | DIRECTOR OF CULTURAL TRANSFORMATION

to focus on job placement and skill acquisition for long-term success, not simply training for the sake of training." The apprenticeship program pre-

pares District residents to meet the requirements, in both certifications and work experience, to qualify for a full-time position at DC Water. We established these programs in HVAC, plumbing, sewer, wastewater treatment and utility quality assurance, each with its own curricula and ranging from two to five years in duration.

Apprentices join DC Water as paid employees working 2,000 hours of OJT plus 144 hours of unpaid classroom training. They receive pay increases each year and will be ready to step into DC Water jobs upon certification and graduation. Our inaugural class of 14 new apprentices were selected from more than 100 applicants and began work at the Authority in September 2019.

"It's not just about livable wages and benefits," says Gray. "Our program assists returning citizens and other District residents who don't yet have the skills for technical positions. Apprentices are learning how to navigate job cultures and are gaining professional skills to maintain employment. For some, it is both life-altering and community changing."

This program specifically aims to fill skilled DC Water positions with local residents, while the DC Water Works program begun in 2017 aspires to place qualified local applicants with contractors working on DC Water projects. DC Water Works has evolved as a strong partner-based plan with relationships throughout the District and with a specific target of 60% local hires for new jobs created on DC Water contracts."

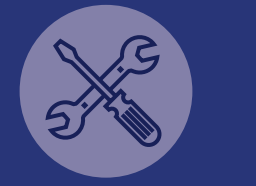


The rooftop of DC Water's headquarters being prepared for a private event. Photo by Kevin Fennell of Platinum Photography 365.

### HIGHLIGHTS



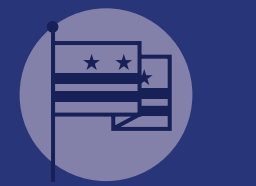
**14**  
NEW APPRENTICES  
SELECTED



**2,000**  
HOURS OF PAID  
ON-THE-JOB-TRAINING



**144**  
HOURS OF CLASSROOM  
TRAINING



**60%**  
TARGET PERCENTAGE OF  
LOCAL HIRES



# Financial Stewardship

## A Helping Hand

The last year was an important one for DC Water's efforts to assist low income customers.

After launching an expansion of our Customer Assistance Program, or CAP, in 2019 the authority decided to extend the leftover funds in that program into 2020.

That decision was based partly on wanting to continue assisting as many customers as possible but also because the board wanted to make sure that any eligible residents received assistance.

"We want to make sure that this assistance gets to the District residents who most need it," said Tommy Wells, Director of the D.C. Department of Energy and the Environment and the Chairman of the DC Water Board of Directors. "The expansion of the CAP programs is an important step towards giving everyone in the city a fair shot at success."

For many years, DC Water's assistance to customers came primarily from a narrower version of CAP and the Splash program, which is funded by donations from customers provides short term, one time assistance to customers in need.



However, in late 2018, DC Water and the District government teamed up to significantly broaden the mandate. The new CAP program was aimed squarely at helping customers who have been

impacted by the rising costs of the Clean Rivers project, the court-ordered clean-up of the Anacostia and Potomac rivers, and Rock Creek.

"The expansion of the CAP programs is an important step towards giving everyone in the city a fair shot at success."

**TOMMY WELLS**  
DC WATER BOARD CHAIRMAN

Mayor Muriel Bowser and the DC Council voted unanimously to create a new \$7 million source of revenue to help DC Water customers, which is administered by DOEE. DC Water added another \$6 million. So, it is truly a collaborative effort among agencies and departments to make the program function.

Under the current CAP program, there are three tiers of relief: Level 1 offers assistance on both water bills and the Clean Rivers Impervious Area Charge; Level 2 which offers a small discount and also some CRIAC relief; and Level 3, which offers a CRIAC discount.

Further, any nonprofit that can show their water bills have created a financial hardship are eligible to apply for a CRIAC discount.

Carolyn MacKool, Director of Customer Care, said: "These assistance programs offer us a new way to help our customers that are most in need."

## RATES

# Approved Rates for FY 2020

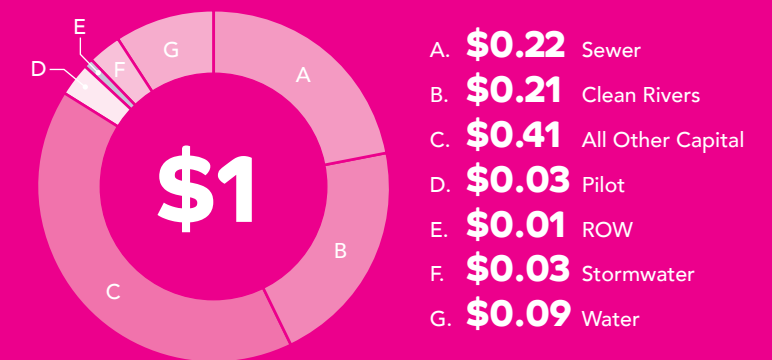
APPROVED AVERAGE MONTHLY RESIDENTIAL WATER AND SEWER BILLS FOR FY 2019 AND FY 2020\*

	FY 2019	FY 2020 <sup>†</sup>
<b>DC Water Retail Rates<sup>*</sup></b>	\$68.27	\$76.38
<b>Clean Rivers Impervious Area Charge</b>	\$23.00	\$20.94
<b>DC Water Customer Metering Fee<sup>**</sup></b>	\$3.86	\$3.86
<b>DC Water Water System Replacement Fee<sup>***</sup></b>	\$6.30	\$6.30
<b>Subtotal: DC Water Rates &amp; Charges</b>	\$101.43	\$107.48
<b>Increase Over Prior Year</b>	\$5.96	\$6.05
<b>District of Columbia PILOT Fee<sup>††</sup></b>	\$3.10	\$3.16
<b>District of Columbia Right-of-Way Fee<sup>††</sup></b>	\$1.12	\$1.18
<b>District of Columbia Stormwater Fee<sup>††</sup></b>	\$2.67	\$2.67
<b>Subtotal: District of Columbia Charges</b>	\$6.89	\$7.01
<b>Total Amount Appearing on DC Water Bill</b>	\$108.32	\$114.49
<b>Increase Over Prior Year</b>	\$6.02	\$6.17

<sup>†</sup> FY 2020 will be effective October 1, 2019. <sup>††</sup> DC Water bills and collects the PILOT, ROW, and Stormwater fees on behalf of the District. <sup>\*</sup> Assumes average monthly consumption of 6.20 Ccf or 4,638 gallons. <sup>\*\*</sup> The DC Water Customer Metering Fee varies by meter size. The fee given here is the lowest fee and operates as a baseline. <sup>\*\*\*</sup> The DC Water System Replacement Fee varies by meter size. The fee given here is the lowest fee and operates as a baseline.

## Where Does Your Money Go?

How does DC Water spend each \$1.00 received from the average residential customer?





# Financial Stewardship continued

## Financial Performance

DC Water ended fiscal year 2019 with excellent financial performance. The results included strong liquidity, solid operating revenues with tight control over expenses, and positive budget to actual results. The Authority met or exceeded fall financial targets and complied with Board policies and bond covenants.

## Highlights

- Operating revenues increased by \$20.6 million to \$705.1 million, or 3.0%, primarily due to the retail rate increase of 13.0% offset by the 8.7% decrease in the Clean Rivers Impervious Area Charge (CRIAC) and a 5.9% decrease in wholesale waste water charges.
- Operating expenses increased by \$21.4 million to \$460.9 million, or 4.9%, due to increases in depreciation expense, water purchases, chemicals, supplies, and small equipment, and contractual services offset by a decrease in personnel services.
- Capital assets, net of depreciation and amortization, increased by \$264.3 million to \$7.2 billion, or 3.8%, as a result of capital additions of \$402.1 million offset by depreciation and amortization of \$127.5 million and capital disposals of \$10.3 million. Capital additions incurred in 2019 were in line with the Authority's approved 10-year capital improvement program.
- Current assets decreased by \$30.5 million to \$616.7 million, or 4.7%, primarily due to a \$50.2 million decrease in restricted cash and investments, a \$2.6 million decrease in receivables from other jurisdictions, and a \$2.4 million decrease in receivables from the Federal government offset by an \$24.7 million increase in unrestricted cash and investments.
- The Authority's net position increased by \$165.3 million to \$2.3 billion, or 7.9%, as a result of current year operations and capital contributions.
- The Authority's long-term credit rating was upgraded to AA+ by Fitch rating agency and ratings of Aa1 and AAA were reaffirmed by Moody's and S&P rating agencies respectively. Short-term credit ratings of P-1/ A-1+/ F1+ were reaffirmed by Moody's, S&P, and Fitch rating agencies.
- Government Finance Officers Association awarded DC Water with a Certificate of Achievement for Excellence in Financial Reporting and the Distinguished Budget Presentation Award.
- DC Water received its 23rd consecutive unmodified audit opinion on its financial statements.

## SEPTEMBER 30, 2019 AND 2018 (IN THOUSANDS)

Condensed Statements of Net Position	2018	2019
Current assets	\$647,224	\$616,690
Capital assets, net	6,959,868	7,224,123
Non-current assets	210,691	58,918
Total assets	<u>7,817,783</u>	<u>7,899,731</u>
Deferred outflows of resources	66,734	63,523
Current liabilities	477,324	437,493
Long-term debt outstanding	3,494,610	3,438,695
Long-term liabilities	<u>1,827,382</u>	<u>1,836,611</u>
Total liabilities	<u>5,799,316</u>	<u>5,712,799</u>
Net investments in capital assets	1,808,622	1,935,786
Restricted	38,907	43,762
Unrestricted	<u>237,672</u>	<u>270,907</u>
Total net position	<b>\$2,085,201</b>	<b>\$2,250,455</b>

## Condensed Statements of Revenues, Expenses and Changes in Net Position

Operating revenues	\$684,502	\$705,147
Operating expenses	439,470	460,883
Net non-operating revenues (expenses)	<u>(88,090)</u>	<u>(95,323)</u>
Change in net position before capital contributions	156,942	148,941
Capital contributions	<u>30,419</u>	<u>16,313</u>
Change in net position	187,361	165,254
Net position - beginning of year	<u>1,897,840</u>	<u>2,085,201</u>
Net position - end of year	<b>\$2,085,201</b>	<b>\$2,250,455</b>

## Condensed Statements of Cash Flows

Net cash provided by operating activities	\$319,693	\$334,320
Net cash used in capital and related financing activities	(181,074)	(514,330)
Net cash used in investing activities	<u>(72,448)</u>	<u>(221,144)</u>
Net increase in cash and cash equivalents	66,171	41,134
Cash and cash equivalents - beginning of year	<u>246,881</u>	<u>313,052</u>
Cash and cash equivalents - end of year	<b>\$313,052</b>	<b>\$354,186</b>



# Awards

## Serving the District, the region and the nation: DC Water's contributions recognized around the globe.

For the fourth consecutive year, DC Water was named a *Utility of the Future Today*. This national recognition program encourages water systems nationwide to leverage innovation and technology to transform utility operations. Applicants create models by which water systems of all sizes can achieve efficiency, productivity and long-term sustainability. DC Water earned the honor this year in the Community Partnership and Engagement category. DC Water has earned this elite recognition every year since the award's inception. Previously, we were recognized in the areas of Watershed Stewardship (2018), Beneficial Biosolids Reuse (2017), and Energy Generation and Recovery (2016).

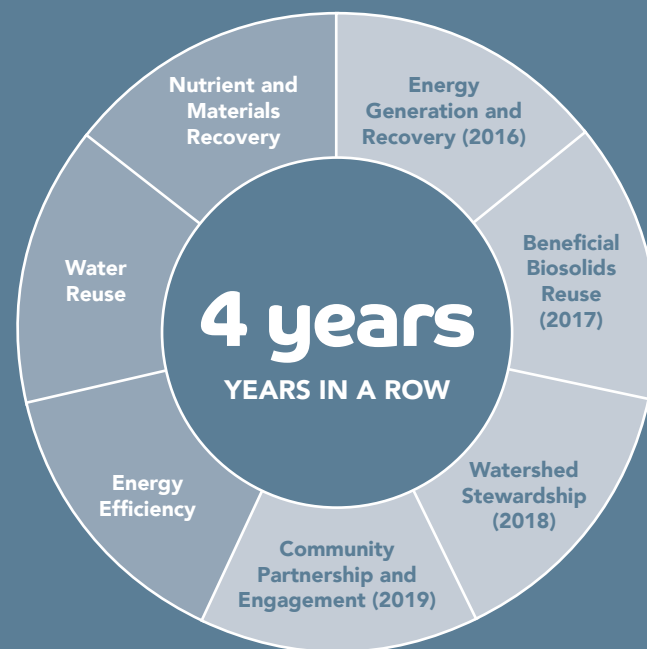
**"It is great to honor utilities growing their innovation and technology practice into other areas of operation to better their community."**

PETER GREVATT  
WATER RESEARCH FOUNDATION CEO

## The Utility of the Future Today activity areas focus on the key building blocks of this transformation:

- Recovery and new uses of a full range of resources
- Engagement as a leader in the full water cycle and broader social, economic, and environmental sustainability of the community
- Transformation of the internal utility culture in support of these innovations
- Engagement in the community and formation of partnerships necessary for success when operating outside of the traditional span of control of the utility

SOURCE: WATER ENVIRONMENT FEDERATION (WEF)



### Information Technology and Customer Service

DC Water had an ambitious goal to convert our Customer Information System (CIS) while also replacing 90,000 water meters across the District, creating a mobile app and upgrading the website. Many departments came together to support this conversion, which was led by the Information Technology and Customer Service departments. The DC Water team was extremely successful, completing the conversion on time and on budget. The team won the *Best CIS Implementation Award for 2019 from CS Week*. Awards are presented for a highly successful Customer Information System (CIS) project and is based on budget and schedule adherence, operational efficiency after go-live and innovation. DC Water competed against gas, electric, water, wastewater and sanitation utilities.

DC Water's Pipe Sleuth product that detects sewer pipe defects by analyzing video inspections was a finalist for the *Global Water Award for Smart Water Project of the Year* by industry publication Global Water Intelligence.

### Finance, Budget and Procurement

The Government and Finance Officers Association (GFOA) awarded DC Water the *Distinguished Budget Presentation Award*, for documents outlining the budget for the fiscal year beginning October 1, 2019. DC Water has received this honor 19 times.

The Government and Finance Officers Association (GFOA) also recognized DC Water with the *Certificate of Achievement for Excellence in Financial Reporting* for the year ended September 30, 2018. This is the 21st time that DC Water has earned this distinction.

### Office of Emergency Management

In May of 2019, after two years of rigorous programming, DC Water was awarded an *Emergency Management Accreditation* through the Emergency Management Accreditation Program (EMAP). DC Water is the first utility to receive this international accreditation.

### Occupational Safety and Health

DC Water's Occupational Safety and Health office participated in the *U.S. Department of Labor's National Safety Stand-Down to Prevent Falls in Construction* in May 2019, garnering national recognition for participation.

The department also received national recognition for participation in the *National Utility Contractors Association's 2019 Trench Safety Stand-Down*.

### Clean Rivers Project

DC Water's green infrastructure team was awarded The Honor Award in the 2018-2019 ACEC/MW Engineering Excellence Awards for the *Kennedy Street Green Infrastructure Challenge*. The awards program recognizes engineering firms for projects that demonstrate a high degree of achievement, value, and ingenuity.

The Clean Rivers Project's Downspout Disconnection Program won Honorable Mention in the *2019 Best Urban Best Management Practices in the Bay Award*. The award, in the residential category, measures the treatment of runoff and the benefits to the homeowner, among other criteria.

DC Water's Clean Rivers Project Team earned a top ranking in *Engineering News Record's* Mid-Atlantic 2018 Top Starts. The Northeast Boundary Tunnel was selected as a top 10 project, based on scope, scale and cost, and meeting the criterion of substantial work begun in 2018.

### Fleet

DC Water's Fleet was recognized by the Greater Washington Region Clean Cities Coalition (GWRCCC) *2019 Clean Transportation Awards*. DC Water's bio-methane recovery program currently generates more than 10 megawatts of electricity, which can be used in the future for clean transportation.

DC Water's Fleet also earned the following:

- Ranked 87 in the 100 Best Fleets the Americas in Governing Magazine
- Certificate of Achievement for Notable Fleets in the Leading Fleets program in Government Fleet Magazine
- 100 Best Fleets in North America Award (April 2019 @ NAFA)
- Leading Fleets in North America Award - Government Fleet Magazine (June 2019 @ GFX)

### Wastewater

DC Water's wastewater treatment team at the Blue Plains Advanced Wastewater Treatment Plant has maintained 100 percent compliance for twelve years running. DC Water has once again earned the *National Association of Clean Water Agencies (NACWA's) Platinum Peak Performance Award*, which recognizes 100% compliance with permits over a consecutive seven-year period.

### Individuals

Deidre Saunders received special recognition from the Construction Management Association of America (Baltimore/National Capital Chapters) for the Anacostia Second High Pressure Zone Improvements project and management of DC Water's construction branch.

Gian Cossa was elected Vice President of the Chesapeake Water Environment Association with automatic succession to President in 2021. He also served as Tri-Association Conference Chair and led that effort to a successful 2019 conference with record attendance and revenue.

Timothy Fitzgerald was awarded the NASA Spirit of Excellence Award.



# By the Numbers

The District of Columbia Water and Sewer Authority (DCWASA) was created by District law in 1996, with the approval of the United States Congress, as an independent authority of the District Government with a separate legal existence. In 2010 the Authority rebranded and became DC Water.



## Service Area

DC Water provides more than about **700,000 residents** and **21.3 million annual visitors** in the District of Columbia with retail water and wastewater (sewer) service. With a total service area of approximately 725 square miles, DC Water also treats wastewater for approximately **1.6 million people** in neighboring jurisdictions, including Montgomery and Prince George's counties in Maryland, and Fairfax and Loudoun counties in Virginia.



## Blue Plains Advanced Wastewater Treatment Plant

Blue Plains Advanced Wastewater Treatment Plant is located at the southernmost tip of the District, covering more than 150 acres along the Potomac River. Blue Plains is the largest advanced wastewater treatment facility in the world. Blue Plains treats an annual average of **320 million gallons per day (MGD)** and has a **design capacity of 384 MGD**, with a peak design capacity to treat more than one billion gallons per day.



## Pumped and Treated Water Storage & Distribution System

During Fiscal Year 2019, DC Water pumped an average of more than **96.41 million gallons of water** per day. In addition, DC Water stores **61 million gallons** of treated water at its eight facilities. The Washington Aqueduct, which treats drinking water, stores an additional **49 million gallons**.

DC Water delivers water through roughly **1,300 miles** of interconnected pipes, **four pumping stations**, **five reservoirs**, **four water tanks**, **43,860 valves**, and **9,510 fire hydrants**.

**96 million**  
GALLONS OF WATER IS PUMPED ON AN AVERAGE DAY

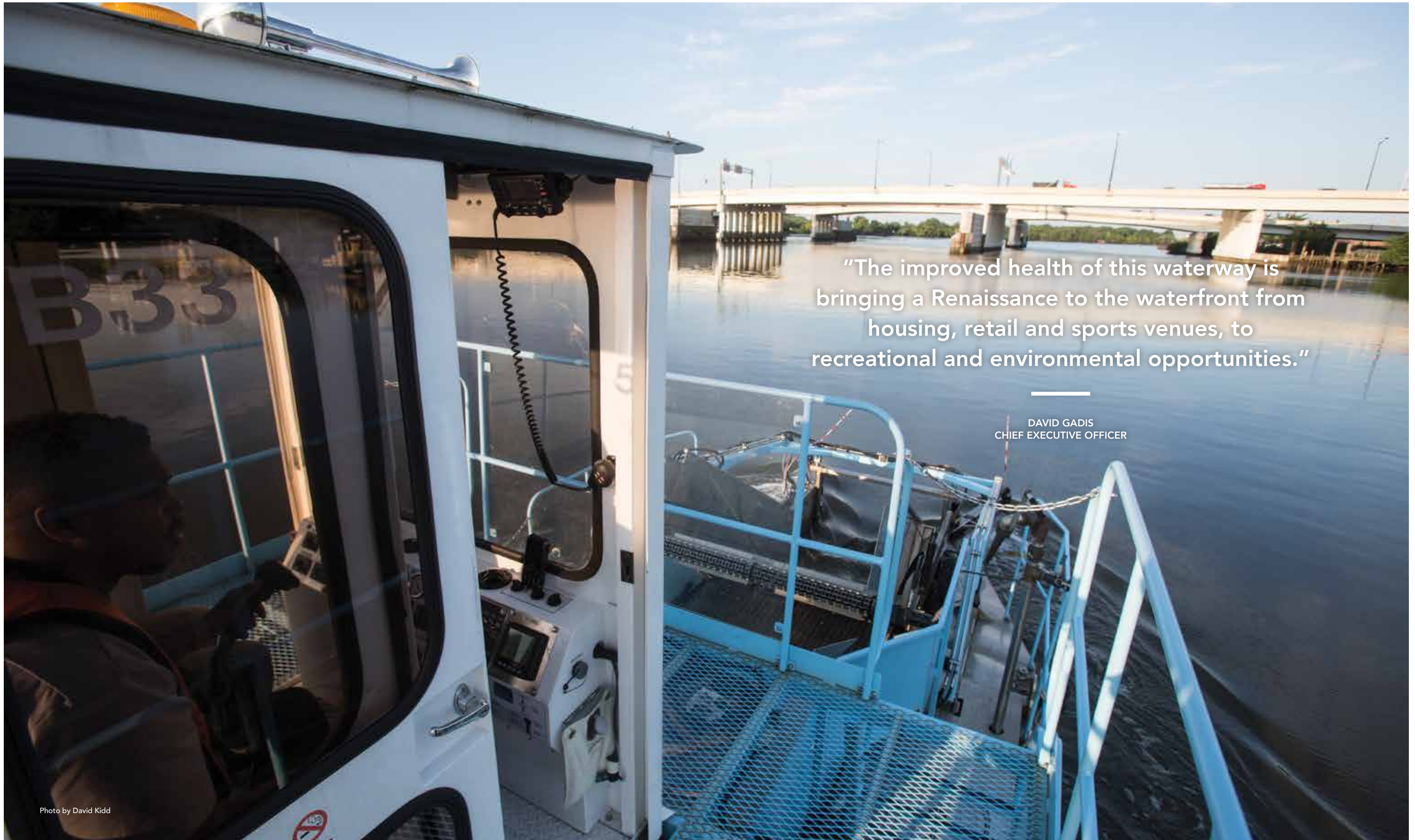


## Sewer System

**2,000**  
MILES OF COMBINED, SEPARATE, AND STORMWATER SEWERS

DC Water operates about **2,000 miles** of combined, separate, and stormwater sewers; **50,000 manholes** and **25,000 catch basins**; **nine wastewater pumping stations**; **one combined sewer swirl facility**; and **16 stormwater pumping stations**.





“The improved health of this waterway is bringing a Renaissance to the waterfront from housing, retail and sports venues, to recreational and environmental opportunities.”

---

DAVID GADIS  
CHIEF EXECUTIVE OFFICER

Photo by David Kidd

"There's plenty of water in the universe without life,  
but nowhere is there life without water."

SYLVIA A. EARLE



DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY  
1385 CANAL STREET SE, WASHINGTON, DC 20003

