



**DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY
284th MEETING OF THE BOARD OF DIRECTORS
Thursday, March 3, 2022
9:30 a.m.
via Microsoft Teams**

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Phone Conference ID: 298 122 294#

The board meeting can be live-streamed at <https://dcwater.com/watch-board-meetings>

- I. **Call to Order (Chairperson Tommy Wells)**
- II. **Roll Call (Linda Manley, Board Secretary)**
- III. **[Approval of the February 3, 2022 Meeting Minutes](#)**
- IV. **Chairman's Overview**
- V. **Committee Reports**
 - 1. [Environmental Quality and Operations Committee \(Sarah Motsch\)](#)
 - 2. [DC Retail Water and Sewer Rates Committee \(Rachna Bhatt \)](#)
 - 3. [Finance and Budget Committee \(Anthony Giancola\)](#)
- VI. **Issues of General Interest**
- VII. **[CEO/General Manager's Report \(David Gadis\)](#)**
- VIII. **Contract Summary (FYI)**
- IX. **Consent Items (Joint Use)**
 - 1. [Approval to add Funding and Exercise Option Years Four and Five of Contract No. WAS-13-048-AA-SS, Constellation New Energy, Inc. - Resolution No. 22-14](#)
(Recommended by the Environmental Quality and Operations Committee 2/17/2022)
 - 2. [Approval to Execute Phase Two \(2\) of Contract No. 190010, Ulliman Schutte Construction, LLC - Resolution No. 22-15](#) (Recommended by the Environmental Quality and Operations Committee 02/17/2022)
 - 3. [Approval to Execute Contract No. DCFA #511-WSA, Carollo Engineers, Inc. - Resolution No. 22-16](#) (Recommended by the Environmental Quality and Operations Committee 02/17/2022)

4. [Approval to add Funding to Option Year Two \(2\) of Contract No. 20-PR-DFM-18, KLSL Consulting, LLC – Resolution No. 22-17](#) (Recommended by the Environmental Quality and Operations Committee 02/17/2022)
5. [Approval of Proposed Fiscal Year 2022 – 2031 Capital Improvement Program – Resolution No. 22-18](#) (Recommended by the Environmental Quality and Operations Committee 02/17/2022 and the Finance and Budget Committee 02/24/2022)
6. [Approval of Fiscal Year 2022 – 2031 Ten Year Financial Plan – Resolution No. 22-19](#) (Recommended by the DC Retail Water and Sewer Rates Committee 02/22/2022 and the Finance and Budget Committee 02/24/2022)
7. [Approval of Proposed Fiscal Year 2023 Operating Budget – Resolution No. 22-20](#) (Recommended by the Finance and Budget Committee 02/24/2022)
8. [Approval of Fiscal Year 2022 - 2023 Intent to Reimburse Capital Expenditures and Proceeds of a Borrowing – Resolution No. 22-21](#) (Recommended by the Finance and Budget Committee 02/24/2022)

X. Consent Items (Non-Joint Use)

1. [Approval to Execute Change Order No. 1 of Contract No. 190050, Fort Myer Construction Corp. – Resolution No. 22-22](#) (Recommended by the Environmental Quality and Operations Committee 02/17/2022)
2. [Approval to add Funding to Option Year Three \(3\) of Contract No. 18-PR-CFO-55, First Data Merchant Services, LLC – Resolution No. 22-23](#) (Recommended by the Finance and Budget Committee 02/24/2022)
3. [Approval of Proposed Fiscal Year 2023 and 2024 Retail Metered Water and Sewer Service Rates, Right-of-Way \(ROW\), Paymen-in-Lieu of Taxes \(PILOT\) Fee, Clean Rivers Impervious Area Charge \(CRIAC\), Retail Groundwater Sanitary Sewer Service Rate and High Flow Filter Backwash Sewer Rate – Resolution No. 22-24](#) (Recommended by the DC Retail Water and Sewer Rates Committee 02/22/2022)

XI. Executive Session

XII. Adjournment (Chairperson Tommy Wells)

Upcoming Committee Meetings – (via Microsoft Teams)

- Governance Committee – Tuesday, March 8th -**CANCELLED**
- Human Resource and Labor Relations Committee – Wednesday, March 9th @ 11:00 a.m.-**CANCELLED**
- Environmental Quality and Operations Committee – Thursday, March 17th @ 9:30 a.m.
- DC Retail Water and Sewer Rates Committee – Tuesday, March 22nd @ 9:30 a.m.
- Finance and Budget Committee – Thursday, March 24th @ 9:30 a.m.

1 The DC Water Board of Directors may go into executive session at this meeting pursuant to the District of Columbia Open Meetings Act of 2010, if such action is approved by a majority vote of the Board members who constitute a quorum to discuss: matters prohibited from public disclosure pursuant to a court order or law under D.C. Official Code § 2-575(b)(1); contract negotiations under D.C. Official Code § 2-575(b)(2); legal, confidential or privileged matters under D.C. Official Code § 2-575(b)(4)(A); collective bargaining negotiations under D.C. Official Code § 2-575(b)(5); facility security under D.C. Official Code § 2-575(b)(8); disciplinary matters under D.C. Official Code § 2-575(b)(9); personnel matters under D.C. Official Code § 2-575(b)(10); proprietary matters under D.C. Official Code § 2-575(b)(11); train and develop members of a public body and staff under D.C. Official Codes § 2-575(b)(12); decision in an adjudication action under D.C. Official Code § 2-575(b)(13); civil or criminal matters where disclosure to the public may harm the investigation under D.C. Official Code § 2-575(b)(14), and other matters provided in the Act.



**District of Columbia
Water and Sewer Authority**

Board of Directors

**Environmental Quality and Operations
Committee Meeting**

Thursday, February 17, 2022

9:30am

MEETING SUMMARY

Committee Members

Sarah Motsch
Howard Gibbs
Ivan Frishberg
Jared McCarthy
Andrea Crooms
Christopher Herrington
David Franco

DC Water Staff Present

David Gadis, CEO & General Manager
Kishia Powell, Chief Operating Officer & EVP
Matthew Brown, Chief Financial Officer & EVP
Kirsten Williams, Chief Communications & EVP
Linda Manley, Secretary to the Board
Aklile Tesfaye, VP, Wastewater Operations
Joel Grosser, Director, Procurement Good and Services
Paul Guttridge, Director, CIP Infrastructure Management
Ernest Jolly, Energy Chief, Wastewater Operations
William Elledge, Sr. Manager, Engineering & Technical Services
Moussa Wone, Director, DC Clean Rivers
Mark Babbitt, Manager, Permit Operations
Salil Kharkar, SVP, Operations and Engineering

I. CALL TO ORDER

Ms. Sarah Motsch called the meeting to order at 9:30AM. The meeting was conducted via MS Teams.

II. ROLL CALL

Ms. Linda Manley, Secretary to the Board, DC Water, conducted a roll-call of the Committee members present for the meeting.

III. AWTP STATUS UPDATE

1. BPAWTP PERFORMANCE

Mr. Aklile Tesfaye, VP, Wastewater Operations, DC Water, briefed the Committee on the performance of the Blue Plains Advanced Wastewater Treatment Plant (BPAWTP). Specific details of the report can be found on pages 3 to 10 of the EQ & Ops Meeting package 02.17.2022 (subsequently will be referred to as "meeting package") posted on the DC Water website. The notes below abbreviate key topics discussed during the meeting.

Mr. Tesfaye highlighted the accomplishments of staff in the Department of Wastewater Treatment who have been implementing precision maintenance to improve the reliability of equipment at BPAWTP. It was noted that adoption of precision maintenance aligns with the reliability imperative

outlined in DC Water's Blueprint 2.0 strategic plan. Mr. Elkin Hernandez, Director, Maintenance Services, DC Water described how precision maintenance is applied to rotating equipment, noting that laser enabled alignment of rotational shafts has been adopted as standard practice for the maintenance of the approximately 5,000 rotating assets in operation at BPAWTP. In 2021, 72 staff members were trained in this type of maintenance to allow it to be adopted as standard practice.

Mr. Tesfaye provided an update on BPAWTP performance for January 2022. It was reported that all performance parameters for the month were excellent, and all operational and effluent parameters were within the permit limits. Mr. Tesfaye discussed total nitrogen removal performance for 2021, noting that the average total nitrogen concentration corresponding to the total nitrogen removed for 2021 was 3.58 mg/L. It was also noted that 88MG of wet weather flows were captured by the tunnel system and treated through BPAWTP.

The electrical energy use and generation at BPAWTP was discussed. Energy generation onsite (between CHP and solar panels) for the month was 26% of the total consumption at BPAWTP, which is above the goal of 20% per month. Mr. Tesfaye also discussed biosolids production at BPAWTP, noting that during January all biosolids met Class A Exceptional Quality (EQ) requirements required by the EPA.

The Committee commended the investment in staff training for precision maintenance being undertaken at BPAWTP.

IV. CIP QUARTERLY UPDATE

Mr. Paul Guttridge, Director, CIP Infrastructure Management presented the FY22 1st Quarter CIP update to the Committee. Specific details of the report can be found on pages 11 to 19 of the meeting package. The notes below abbreviate key topics discussed during the meeting.

The disbursement summary for FY22 was discussed. Based on the projection for the rest of the year, total spending is anticipated to be 92% of the not to exceed budget ceiling. The report in the meeting package highlighted the projects with significant variances, by service area, and included the causes for variance. For easy reference, the service areas are listed below:

Service Area: Non-Process Facilities (\$3.7M below Baseline)

Service Area: Wastewater Treatment (\$0.8M below Baseline)

Service Area: DC Clean Rivers (\$8.2M below Baseline)

Service Area: Stormwater (\$1.12M below Baseline)

Service Area: Sanitary Sewer (\$12.6M below Baseline)

Service Area: Water (\$14.1M below Baseline)

1. Mr. Guttridge noted that spending for the Lead-Free DC (LFDC) Program Area is forecast to be \$10.2 million below baseline. It was noted that baseline spending assumed a 90% participation rate by homeowners to replace lead service lines and to date, the LFDC team is seeing an average participation of 40%.
2. The Committee enquired about plans to increase participation in LFDC programs. Ms.

Kishia Powell, Chief Operating Officer & EVP, DC Water noted that the following measures are being undertaken:

- a. Communications about LFDC programs are being increased significantly. Ms. Kirsten Williams, Chief Communications & Stakeholders Engagement Officer, DC Water provided details of the communications plan which includes launch of a citywide marketing campaign starting March 2022 - the campaign includes robocalls, texting, placement ads and social media advertising. A WUSA9 news story will be aired in March which showcases what participation in the by-block program entails.
 - b. An extensive community outreach campaign has been developed which aims to engage customers and Advisory Neighborhood Commissions (ANCs) and highlight the benefits of LFDC program participation.
 - c. DC Water's government and legal affairs teams are working on updating policy measures that would drive the replacement requirements.
 - d. DC Water's legal department are working to simplify language in the access agreement required to gain access to customer homes. LFDC program staff have reported that customers are hesitant to sign the agreement as it is lengthy and contains legal language.
3. The Committee asked whether the 90% participation rate built into LFDC baseline spending should be revised to reflect actual program participation for FY22 and beyond. Mr. Mark Babbitt, Manager, Permit Operations, DC Water noted that projected spending for LFDC programs will be reported to reflect 50%, 75% and 90% participation rates. Ms. Powell added that the 90% participation rate is the rate required to achieve the goal to remove all lead service lines in the District by 2030.
 4. The Committee asked who is responsible for increasing participation in LFDC programs given that removal of all lead service lines in the District by 2030 is also a goal of the District government. Ms. Powell clarified that participation in these programs is currently all voluntary and that's why DC Water's government and legal affairs teams are working on updating policy measures as a mechanism to increase program participation.

Mr. Guttridge briefly discussed the KPI Schedule for FY22, noting that there are 33 KPIs due in the fiscal year. The summary of KPIs is available on pages 17 through 19 of the meeting package.

V. PROPOSED FY2022 – FY2031 CAPITAL IMPROVEMENT PROGRAM (CIP) & ALTERNATIVE OPTIONS

Ms. Kishia Powell and Mr. Matthew Brown, Chief Financial Officer & EVP, DC Water gave a presentation on the proposed Capital Budget for FY22-FY31, and the alternative capital budget scenarios and rate options considered for the budget proposed at the January 2022 EQ & Ops Committee Meeting. Mr. Brown described the budgeting process and detailed how DC Water's needs are assessed through this process. It was noted that the goal is to develop a budget for the CIP that serves to address these needs and balance the impacts of rate increases on customers.

Ms. Powell compared and discussed different options for the 10-year CIP – the current approved FY21-FY30 CIP Budget, the current proposed FY22-FY31 CIP Budget and a fully funded version of the proposed FY22-FY31 CIP Budget if all DC Water needs were to be fully addressed. The impacts to increases in customer rates associated with both FY22-FY31 scenarios were discussed, it was noted that rates would increase by 18.5% in FY23 and 7.4% in FY24 for the fully funded scenario, whereas rates would increase by 6% in FY23 and 5.4% in FY24 in the

current proposed budget scenario. Ms. Powell also discussed the potential impacts to the budget if a 0% rate increase in customer rates were applied. It was noted that DC Water management supports the proposed ten-year CIP Budget for FY22-31 of \$6.4 billion.

Ms. Powell discussed the Infrastructure Investment and Jobs Act and the funding included in the financial plan to support the proposed ten-year CIP Budget for FY22-31. It was noted that DC Water anticipates receiving \$355 million through the Drinking Water and Clean Water State Revolving Funds (SRFs) over the next five years, and most of this funding is planned to support the CIP. Whilst this funding will help the CIP significantly, it will not supplant the need to increase customer rates to help fund the CIP. Ms. Powell noted that the EPA released guidance on funding prior to the meeting and DC Water management will follow up with the Committee if any clarity on the proposed timeline for allocation of funding is provided in the guidance.

The Committee enquired why the rate of replacement for small diameter water main (SDWM) replacement projects has not always achieved the annual 1% replacement goal and what operational changes will be enacted to achieve the increased goal of 1.5% replacement proposed in the FY2022-FY2031 budget. Ms. Powell noted that over the last two years, changes were made to the CIP budgets in response to revenue decreases experienced due to the COVID-19 pandemic. It was noted some SDWM replacement projects were delayed as a result of these budget changes which resulted in not always achieving the replacement goal. Currently, management are looking at adding additional resources to assist with the planning of these projects to help increase the rate of replacement.

The Committee asked if any portion of the \$233 million added to the proposed baseline for the Clean Rivers Service Area could be shifted to address the needs for SDWM replacement. Ms. Powell clarified that the funding is in place to complete projects needed to comply with the deadlines established in the Consent Decree.

The Committee asked about the difference in the debt ratio between the proposed FY22-FY31 baseline budget and the fully funded alternative. Mr. Brown clarified that the impacts to customer rates were reviewed between the two budget scenarios. In the fully funded budget scenario, an additional \$130 million in annual spending would be added, which would require an average increase in customer rates of approximately 18.5% in FY23.

The Committee enquired why funding for the Stormwater Service Area in the budgeting scenarios only includes vertical assets (pumping stations). Ms. Powell noted that DC Water is currently responsible for vertical assets in the stormwater system and are currently seeking to define who is responsible for non-vertical assets in the stormwater system through the recently formed DC Flood Task Force.

The Committee recommended moving the Action Item for the FY22-FY31 CIP Budget to the full Board.

VI. ACTIONS ITEMS:

Specific details of the report can be found on pages 32 to 51 of the meeting package. The notes below list the action items and highlight key topics discussed during the meeting.

JOINT USE

1. Contract No.: WAS-13-048-AA-SS - Electric Energy Services, Constellation New Energy
2. Contract No.: 20-PR-DFM-18 - Fleet Temporary Staffing, KLSL Consulting

3. Contract No.: DCFA 511 - Filtration Underdrain & Backwash System Upgrades, Carollo Engineers, Inc.
4. Contract No.: 190050 - Water Infrastructure Repair & Replacement Contract, Fort Meyer Construction Corp.
5. Contract No.: 190010 - 190010 Rehab of The PI Between MH31 and MH30 - Phase 2, Ulliman Schutte Construction, LLC

NON-JOINT USE

No Non-Joint Use items discussed.

Mr. Joel Grosser, Director, Procurement Good and Services, DC Water presented Joint Use Action Items 1 and 2. Ms. Powell presented Joint Use Action Items 3, 4 and 5.

ACTION ITEM HIGHLIGHTS:

For Joint use action item 1, Mr. Ernest Jolly, Energy Chief, Wastewater Operations, DC Water gave a brief presentation on the request to exercise option years for the Energy Supply Contract. He gave some background on the initial award of the contract in 2014 which was for 5 base years and 5 one-year options. The presentation detailed the benefits of access to the wholesale electric market through the contract, which have resulted in total savings of \$27.3 million from FY19 through FY21. Mr. Jolly noted that the request to exercise the final 3 option years of the contract will allow DC Water to navigate price fluctuations in the wholesale energy market by purchasing bulk energy at more favorable prices, which will result in savings.

The Committee enquired whether Constellation New Energy is part of Exelon. Mr. Jolly clarified that as of February 1st, Constellation New Energy is part of a new entity, separate from Exelon. The Committee further queried whether procurement of energy on the wholesale market has any differences in emissions of greenhouse gasses compared to purchase of energy from Pepco as offered in their Standard Off of Service. Mr. Jolly confirmed that all energy purchased by DC Water is required to comply with all renewable energy requirements stipulated by the District of Columbia.

For Joint use action item 5, William Elledge, Sr. Manager, Engineering and Technical Services, DC Water gave a brief presentation on the Potomac Interceptor Rehabilitation Project @ MH31. The project is being executed using a progressive design-build project delivery method in two phases; phase one includes design of the project up to 60%, phase two includes design up to 100% and completion of construction - the fact sheet presented is for phase two of the project. Mr. Elledge noted that the permit issues on the project reported in the July 2021 Committee meeting have been resolved. Mr. Elledge highlighted how the use of progressive design build project delivery saved the project significant additional costs that would've emerged had the project been delivered using design bid build.

The Committee recommended all Action Items to the full Board.

VII. DC CLEAN RIVERS UPDATE

Mr. Moussa Wone, Director Clean Rivers, DC Water presented a quarterly update on the DC Clean Rivers Program. The presentation provided was aligned with the information in pages 55 to 64 of the meeting package. A few key points from the presentation summarized below.

- a) The Anacostia Tunnel System has been performing well. A graph was presented showing performance since the system was placed into service in 2018. Through December 2021,

over 12.4 billion gallons of overflows and 7,900 tons of trash, debris, and other solids have been captured by the system. The Northeast Boundary Tunnel is the last leg of the Anacostia Tunnel System currently under construction. Construction of the project is planned to be completed in late 2023, ahead of the Consent Decree deadline of March 2025.

- b) The Potomac Tunnel System has two ongoing construction projects – CSO 025/026 Sewer Separation Project and the Advanced Utility Construction Project for the Potomac River Tunnel. Design of the Potomac River Tunnel is ongoing, construction of the tunnel is planned to commence in 2023.
- c) Green Infrastructure Rock Creek Project B - award of construction was completed in January 2022 with construction planned to commence in March 2022. The project is planned to be placed in operation in January 2024.
- d) The Clean Rivers Program continues to engage the public through Public Outreach efforts on all projects. Mr. Wone discussed various measures that have taken place across the District including community partnerships, virtual meetings and outreach programs.
- e) Overall, the DC Clean Rivers Program is \$42.6 million under budget to date. A graph was presented showing contract amounts and final costs for projects forming part of the program.

VIII. SOAPSTONE SEWER REHABILITATION PROJECT

It was agreed that this presentation will be given at the March Committee meeting and include comments from the community meeting held on February 17th.

IX. OTHER BUSINESS / EMERGING ISSUES

None.

X. EXECUTIVE SESSION

No Executive Session held.

XI. ADJOURNMENT

Meeting was adjourned at 11:22AM.

Follow-up Items

1. Chief Operating Officer (COO): The Committee requested a presentation on CIPP (Cured-In-Place Pipe) rehabilitation methods on DC Water projects in response to recent news articles on the environmental effects of this methodology. Chief Operating Officer noted that a presentation will be given at the March EQ&Ops Committee Meeting as part of the presentation on the Soapstone Sewer Rehabilitation Project.
2. Chief Communications & Stakeholders Engagement Officer to send supplemental LFDC communications plan materials to the Committee for information purposes.



**DISTRICT OF COLUMBIA
WATER AND SEWER AUTHORITY**

Board of Directors

DC Retail Water and Sewer Rates Committee

Tuesday, February 22, 2022

9:30 a.m.

MEETING MINUTES

Committee Members Via Teleconference

Rachna Bhatt, Chairperson
Howard Gibbs
Anthony Giancola
David Franco
Ivan Frishberg
Jed Ross

DC Water Staff Via Teleconference

Matthew Brown, CFO/EVP, Finance & Procurement
Marc Battle, EVP, Office of Legal Affairs
Linda Manley, Secretary to the Board

Call to Order

Chairperson Rachna Bhatt called the meeting to order at 9:30 a.m.

Roll Call

Linda Manley, Board Secretary conducted a roll call.

Monthly Report to DC Retail Water & Sewer Rates Committee (Attachment A)

Mr. Brown, CFO provided the Monthly Report. He stated that the year-to-date revenues through the end of January 2022 are on track, and the overall revenues were favorable by \$12.5 million or 4.2 percent over the budget. He noted that the major areas with favorable variances were in the Residential, Commercial, and Multi-family. He stated that the Federal receipts are lower than the budget due to the disputed Soldiers Home accounts and two accounts that moved from Federal to Commercial category.

Mr. Brown stated that the delinquencies increased slightly from \$27.6 million in December 2021 to \$28.0 million at the end of January 2022. He noted that the delinquent accounts represent about 10.5 percent of the total accounts. Mr. Brown briefed the Committee on the arrears by ward. Mr. Brown updated the Committee on the Developer Deposits and mentioned that DC Water continues to work through the forfeiture process. He noted that one of the procedures that DC Water put in place includes an annual statement going out to all customers with balances regardless of the financial activity in the account. He stated that in the past, statements were mailed out to customers only if there was a financial transaction in an account.

Mr. Brown provided a brief overview of the Disconnection Moratorium Legislation report with information on customers in the (Residential, Commercial and Multi-family categories), their payment terms, 30-Day Accounts Receivable, Active Plans, Plans Defaulted and Non-Payment Disconnections by zip code.

Independent Review of Proposed FY 2023 & FY 2024 Rates, Charges & Fees (Attachment B)

Mr. Ed Markus and Shan Lin of Amawalk Consulting Group presented the Independent Review of the Proposed Rates for FY 2023 and FY 2024 report. Mr. Markus stated that Amawalk is an independent firm and does not participate in DC Water's Cost of Service studies. Ms. Lin stated that DC Water's strong financial performance offers a degree of comfort that expenditure and revenue estimates, including FY 2023 and FY 2024 are prudently developed. Ms. Lin mentioned that the high level of performance and industry recognition of DC Water provides assurance to ratepayers and investors that their dollars are being spent wisely. Ms. Lin noted that the strong financial metrics of DC Water and rating agency recognition support efficient borrowing of funds for capital improvements. She stated that the reasons for DC Water rate increases are consistent with the other peer utilities. Ms. Lin mentioned that DC Water's investment in its capital improvement programs supports the quality of life in the District. She also noted that DC Water is effectively managing the financial impacts of COVID-19.

Mr. Markus noted that the average monthly residential charges for FY 2023 and FY 2024 will increase by 6 percent and 5.4 percent respectively. Mr. Markus briefed the Committee on the impact of the rate increases on sample customers. He added that DC Water charges are comparable to the average of the utilities that were surveyed and have a combined sewer and CSO control programs. He stated that the water, sewer, stormwater charges (without District fees) as a percentage of median household income are reasonable at 1.45 percent, which is competitive with peers. Mr. Markus mentioned that the affordability assistance provided by DC Water is robust compared to other utilities. He further added that the affordability programs to pay water and sewer bills are robust and compare favorably with other District utilities.

Mr. Markus presented the conclusions of the independent review: (i) DC Water's Proposed FY 2023 and FY 2024 rates have been reasonably developed and adhere to the Board policy (ii) the rate structure of DC Water with charges not tied to consumption and the availability of the Rate Stabilization Fund provides some flexibility and risk mitigation in the circumstance that water usage declines at a faster rate than assumed, the effects of the pandemic on the District last longer, interest rates are higher than expected, or unforeseen major expenses are encountered (iii) COVID-19 continues to present challenges to the water and wastewater industry as a whole and DC Water initiatives are significant tools for addressing its potential impacts (iv) the reserve funds of DC Water provide liquidity and help support strong credit ratings and (v) the affordability programs offered by DC Water are in line with industry practices and also progressive in the level of assistance to low income billpayers.

Proposed FY 2023 & FY 2024 Rates, Charges & Fees (Attachment C)

Mr. Brown mentioned that the Committee will be asked to recommend the Proposed FY 2023 and FY 2024 Rates and FY 2022 – FY 2031 Ten-Year Financial Plan to the full Board. He briefed the Committee on the Board policy on setting rates and the ratemaking process. He noted that DC Water does not make a profit and it recovers only the funds necessary to fund the Operating and Capital Budgets through rates. Mr. Brown mentioned that the proposed rates for FY 2023 and FY 2024 are supported by the results of the most recent Cost of Service study conducted by Raftelis.

Mr. Brown stated that the proposed combined rate increases is 6.0 percent for FY 2023 and 5.4 percent for FY 2024, which are lower than last year's forecast of 6.7 percent and 8.8 percent respectively. He mentioned that the customer metering, water system replacement and Right-of-Way fees remain the same for FY 2023 and FY 2024. He stated that the water and sewer rates will increase by 9.50 percent and 3.25 percent for FY 2023 and FY 2024 respectively. He noted that the proposed Clean Rivers Impervious Area Charge (CRIAC) is \$18.14 for FY 2023 and \$21.86 for FY 2024. Mr. Brown mentioned that the Payments in Lieu of Taxes (PILOT) rate is \$0.59 and \$0.61 for FY 2023 and FY 2024 respectively. He added that the multi-year rate proposal also includes the Groundwater and High Flow Filter Backwash sewer rates. He stated the proposed Groundwater rates are \$3.42 for FY 2023 and \$3.50 for FY 2024,

whereas the High Flow Filter Backwash sewer rates are \$3.21 and \$3.30 for FY 2023 and FY 2024 respectively.

The Committee was briefed on the FY 2023 operating revenue sources and uses of funds. Almost 30 percent of the funds was used to pay for debt services. Mr. Brown provided a year-over-year comparison of FY 2022 versus FY 2023 revenues. He stated that the average household consumption used to calculate the average residential bill is 5.42 Ccf, and the average household consumption has declined by 22 percent since FY 2009. Mr. Brown provided information on the number and percentage of customers by usage.

Mr. Brown mentioned that DC Water will be holding multiple Town Hall Meetings in early April, in advance of the public hearing to inform customers about the proposed rates, capital improvement programs and to promote the customer assistance programs offered by DC Water. The meetings will be noticed through numerous channels.

Mr. Brown briefed the Committee on the objectives and assumptions of the financial plan. He provided an overview of the FY 2022 – FY 2031 10-Year Financial Plan and the impact it has on customer bills over the ten years. Chairperson Bhatt expressed her appreciation of the excellent presentations provided to the Committee which helped to make the recommendations to the full Board. Mr. Brown recognized the Rates and Revenue team for their great work and effort in preparing all the information included in the package.

Action Items (Attachment D)

The Committee recommended the following action items to the Full Board.

- Recommendation for Board Approval to the Proposed FY 2023 & FY 2024 Water and Sewer Rates, Charges & Fees, Retail Groundwater Sanitary Sewer Service Rate and High Flow Filter Backwash Sewer Rate (Action Item 1)
- Recommendation for Board Approval to the Proposed Ten-Year Financial Plan FY 2022 – FY 2031 (Action Item 2)

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

Mr. Brown, CFO/EVP Finance and Procurement briefed the Committee on the FY 2022 Proposed Workplan.

Agenda for March 22, 2022 Committee Meeting (Attachment F)

There was no discussion on the agenda for the March 22, 2022 Committee meeting.

Adjournment

Chairperson Bhatt adjourned the meeting at 11:00 a.m.

FOLLOW-UP ITEMS – DC Retail Water and Sewer Rates Committee Meeting (March 22, 2022)

There were no follow-up items



**DISTRICT OF COLUMBIA
WATER AND SEWER AUTHORITY
Board of Directors**

Finance and Budget Committee

Thursday, February 24, 2022

9:30 a.m.

MEETING MINUTES VIA MICROSOFT TEAMS

Committee Member

**Anthony Giancola, Chairperson
David Franco
Adriana Hochberg
Jared McCarthy**

DC Water Staff

**David L. Gadis, CEO & General Manager
Matthew T. Brown, CFO & EVP, Finance and Procurement
Gregory Hope, Deputy General Counsel
Lola Oyeyemi, Director, Budget
Paul Guttridge, Director CIP Infrastructure Management
Linda Manley, Secretary to the Board**

Call to Order

Chairperson Anthony Giancola called the meeting to order at 9:30 a.m.

Roll Call

Linda Manley, Board Secretary called the roll

January 2022 Financial Report

Mrs. Lola Oyeyemi, Director, Budget, provided the monthly financial report by exception. As of the end of January 2022, operating revenues were \$310.2 million, or 38.9 percent of the budget, operating expenditures were \$190.6 million, or 28.9 percent of the budget and capital disbursements were \$98.7 million or 17.4 percent of the budget. Mrs. Oyeyemi provided highlights noting that staff are continuing the close out of FY 2021 activities including the development of the Annual Comprehensive Financial Report (ACFR). The OMB Uniform Guidance Audit has been completed in early February with no significant findings. Staff are working on the Green Bond Report and the IMA Operating & Maintenance report which should be completed by the end of March 2022. The DC Council Public Oversight Hearing is scheduled for February 28, 2022.

Ms. Oyeyemi explained that total operating revenues are slightly ahead of budget at \$12.6 million compared to the YTD budget. Areas of over-collection are mainly the Residential, Commercial and Multi-Family customer categories due to increase in consumption from the commercial customers and prior year billings received this early in the fiscal year. The lower than budgeted receipts in the Federal category is due to the ongoing dispute of the Soldier's Home accounts and removal of two accounts from the federal category which are billed as commercial accounts.

Next, Ms. Oyeyemi reviewed the operating expenditures highlighting the areas of overspending mainly in chemicals and utilities. She stated that there has been a significant increase in the prices of electricity and major chemicals including methanol and sodium hypochlorite due to supply chain issues, the closure of some plants and market volatilities. Ms. Oyeyemi noted that these cost pressures might have a significant impact on this year's operating budget as well as the FY 2023 budget because of the assumptions built at the time of budget formulation. Staff are monitoring current market conditions

including impacts of the ongoing war on fuel prices and will provide updates as part of future reports and the mid-year projections process.

Ms. Oyeyemi provided an overview of the capital disbursements highlighting that lower spending is across all the service areas for the capital construction projects and additional capital programs for capital equipment and Washington Aqueduct. She reminded the Committee that funds were carried over from FY 2021 for the purchase of fleet equipment which were anticipated for delivery in FY 2022. She noted that there have been significant delays which will impact the procurement and delivery of these vehicles this fiscal year. She reported that payments have been made in February to the Aqueduct for the quarterly invoices.

Total cash balance was \$506.87 million, which comprise of the operating reserve of \$296.43 million, including the Rate Stabilization Fund (RSF) of \$46.14 million, and the remaining balances of the unrestricted (\$154 million) and restricted (\$57 million) reserve accounts. For the fiscal year to date, the interest income is \$566 thousand with \$142 thousand earned during January. Delinquent accounts totaled \$28 million or 10.5 percent of the total customer accounts of 13,501 at the end of January.

Capital Improvement Program Quarterly Update

Paul Guttridge, Director, CIP Infrastructure Management, provided an update of the Capital Improvement Program for the first quarter of FY 2022. He reported that the current projection for capital projects is \$471.1 million and below the approved baseline of \$510.1 million. The current projected year-end spending is \$39 million and represents a 92 percent achievement.

Mr. Guttridge provided detailed explanation for the major project variances under each service area. He noted that the lower than anticipated spending is due to several factors. These include initial scope changes necessitating a change order that impacted the start of the major construction contracts, re-sequencing work to address the challenges resulting from some COVID restrictions, and project delays due to permit issues, extended negotiations, and longer than expected procurement period amongst several factors.

Committee member David Franco asked if the projected \$39 million underspending for the CIP program will create a surplus at the end of the year. Mr. Guttridge responded that last year's underspending was moved over into the new fiscal year. Mr. Brown further explained that the amount of unexpended funds are in large part bond proceeds, which will carry over from one fiscal year to the next.

Next, Mr. Guttridge reported that the Lead Free DC Program is \$10.2 million below baseline. The baseline forecast assumed a 90 percent participation rate by the homeowners and current participation rate is 40 percent per block. Chairman Giancola asked the question "*Was the expectation of 90 percent high or is it realistic that we will see more like 40-50 percent participation and how will that impact the eventual completion of the program by 2030 or can we make that determination at this point?*" Mr. Mark Babbitt, Acting Director, Engineering & Technical Services, responded that report outs have been updated to include a 50 percent, 75 percent and 90 percent curve in the actual replacements and funding. He also stated that staff is working with the District's Council (Ms. Kisha Powell, Chief Operating Officer, will be able to provide more details in the future) regarding legislation to mandate pipe replacement. We are estimating 75 percent replacement without a mandate, but we are only three months into the implementation of the Lead-Free DC program.

Chairman Giancola mentioned that it would be pertinent to discuss the low participation rate for the Lead-Free Program including what is being done to try and increase participation at the upcoming oversight hearing. Mr. David Gadis, General Manager and CEO agreed and responded that it has already been addressed in the pre-hearing questions.

Mr. Franco then asked the questions *“Are there any incentives for homeowners currently to participate in the Lead-Free program? There have been discussions on the marketing plan and the fact there has been some resistance because of the access agreement and challenges in getting the homeowners to execute those access agreements. I was just wondering if it would be worthwhile to test some sort of incentive for homeowners to sign up for maybe a credit to their bill?”*

Mr. Guttridge responded by stating that the block-by-block program provides free replacement of pipes to interested homeowners. Mr. Brown advised that he is in discussion with DC’s Director of the Office of Budget and Performance Management, regarding the Infrastructure Investment and Jobs Act and how the DC LAB can assist the Authority in developing incentives for the residents. This initial conversation is part of ongoing efforts to look at every possibility to encourage residents to participate in the program. Mr. Brown will provide an update on the effort. Mr. Franco stated he would support those efforts if management chose to pursue them.

Finally, Mr. Guttridge reviewed the significant contract actions anticipated over the next six months and the Key Performance Indicators (KPIs) for the first quarter, noting that 4 of the 33 KPIs were completed within the 90-day threshold. He further explained that even though the Potomac Interceptor Phase 5 Pipe Rehabilitation between MH31 and MH30, and the Small Diameter Water Main Replacement 12B2 projects have high negative variances, the deadlines have not been missed and these projects are anticipated for completion in March 2022.

Proposed FY 2023 Budget and Two-Year Rates

Matthew Brown, CFO & EVP, Finance and Procurement provided an overview of the proposed budgets and two-year rates for the Committee’s recommendation to the full Board.

Mr. Brown provided an overview of the budget process, and the use of the recently implemented budgeting tool, Budgeting and Planning System (BAPS) helped to streamline the process and guide the prioritization and decision-making processes. He further explained that the budget process was guided by DC Water’s Strategic Plan, Blueprint 2.0, and included the evaluation of various capital and operating expenditure scenarios, along with what ratepayers can afford. He noted that the proposal that was discussed during the Budget Workshop with the Board in January was a culmination of all these factors.

Next, Mr. Brown reviewed the various scenarios for each of the service areas that was considered for the Capital Improvement Program (CIP). These include the approved baseline of \$5.4 billion, proposed baseline of \$6.4 billion and fully funded CIP option of \$7.4 billion. He discussed what could have been accomplished with full funding of the capital program which would have added about \$100 million in annual spending for both capital and additional \$30 million for the operating budget. This would have allowed for the implementation of deferred sanitary and sewer system infrastructure projects, fully funded the Washington Aqueduct infrastructure rehabilitation needs and expanded capital equipment and IT projects over ten years. With the fully funded option, customer rates (average residential household) would have increased by approximately 18.5 percent, or an additional 12.5 percent in FY 2023 and additional 2 percent over the 5.4 percent recommendation in FY 2024.

As an alternative scenario, a zero percent rate increase would be difficult given the decreased water usage with estimated revenue reductions of about \$9 million from FY 2022 and about \$480 million over the ten-year financial plan. This scenario would require immediate freeze on hiring, layoff planning, deferred maintenance and compliance risks, deferral of capital projects and purchases for fleet and other critical equipment. Additionally, this will have significant impacts to our customers including response time to emergencies and extended disruptions to services. Mr. Brown also explained that incremental rate scenarios would have similar impacts on operations and the capital program.

Mr. Brown went on to inform the Committee that there are funds that are now available to the Authority from the Infrastructure Investment and Jobs Act. This bill provides the Authority with an estimated \$266

million over 5 years through the DC Government and the anticipated funds are incorporated in the financial and capital plans.

Mr. Giancola, requested to know if inflation rates were considered when developing the FY 2023 budget. Mr. Brown responded that the budgets were developed conservatively with inflation rates built into the financial plan. He also stated that the Cash Financed Capital Improvement (CFCI), which is generally used for PayGo, is also available to meet operating budget pressures such as utilities and chemicals, if needed.

Mr. Giancola expressed concerns about the 92 percent execution rate for the capital program. He asked if there is sufficient staff to execute the CIP projects. Mr. Brown responded that this budget includes additional engineering positions in addition to the reorganization efforts by the Chief Operating Officer to bring some contractors and their activities in-house. Mr. Paul Guttridge expounded by explaining that staff shortage can be one of the reasons but not the only reason for the 92 percent execution rate. Some of these include schedule slippages, permitting, timing of invoices and other project delays.

Next, Mr. Brown provided an overview of management's recommendation which includes the Proposed FY 2023 Operating Budget of \$686.4 million and Proposed FY 2022 – FY 2031 CIP disbursement of \$6.4 billion. These budgets are supported by multi-year rate proposals which includes increase in the average household charge of 6.0 percent in FY 2023 and 5.4 percent in FY 2024. He explained that these increases are lower than previous forecasts of 6.7 percent and 8.8 percent in the respective fiscal years.

Mr. Brown went on to review the proposed rates and charges that will not change. These include the customer metering fee of \$7.75 for 5/8" meters, the Water System Replacement Fee of \$6.30 for 5/8" meters, and the Right-of-Way fee of \$0.19 per Ccf. The proposed rate changes for FY 2023 and FY 2024 include the Water and Sewer Rates increase of 9.5 percent and 3.25 percent respectively, CRIAC of \$18.14 per ERU and \$21.86 per ERU respectively, PILOT fee of \$0.03 and \$0.02 per Ccf respectively, Groundwater Rate of \$3.42 and \$3.50 respectively and High Flow Filter Backwash Sewer Rate of \$3.21 and \$3.30 respectively. He further stated that the Cost-of-Service Study and rates align, and the rate proposal was reviewed with and recommended by the Retail Rates Committee on February 22, 2022.

Mr. Brown reviewed the sources and uses of funds for the Proposed FY 2023 Operating Budget of \$800.0 million and the Proposed FY 2022 – FY 2031 Capital Improvement Program (CIP) of \$6.42 billion. He explained the diverse operating revenue sources, that debt service is one of the largest cost drivers and that the ten-year plan includes Pay-Go, Wholesale Customer contributions and other funds to support the capital program.

The Proposed FY 2022 – FY 2031 CIP disbursement budget of \$6.42 billion and lifetime project budget of \$13.38 billion for the capital projects, capital equipment and critical infrastructure needs at the Washington Aqueduct. He stated that the proposed ten-year CIP is higher than previous plan and includes increase in the Clean Rivers Program to meet the revised Consent Decree which replaces gray with green infrastructure, and fully funds the Lead Free DC program, leveraging some federal funds. He informed the Committee that the detailed CIP was reviewed with and recommended by the Environmental Quality and Operations Committee at their February Committee meeting.

Next, Mr. Brown reviewed the Proposed FY 2023 operating budget of \$686.4 million which is \$15.3 million above the FY 2022 level mainly for personnel, chemicals, utilities, and the debt service and CFCI requirements to support the capital program. He went on to discuss the additional 73 positions across the organization, 39 of which are in Engineering to support management's plan to insource some of the current work for capital projects. Mr. Giancola requested clarification on the meaning of additional positions and if this includes salaries and benefits and non-personnel funding. Mr. Brown clarified that these are purely personnel costs. Mr. Jared McCarthy commented that engineers are some of the most

challenging positions to fill and that there is a possibility that some of that work may still be delegated to contractors, and if that has been considered. Mr. Brown confirmed that those concerns are considered in the budget with an overall vacancy rate of 7 percent which partially funds new and existing vacant positions so as to account for transition of work in-house and recruitment timelines. Mr. Brown went on to review other variances in the operating budget including the increase in water purchases for DC Water's share of the McMillan Sewer backwash with offsetting revenue opportunity. He also reiterated ongoing monitoring of budget risks as previously discussed for chemicals, utilities and other emerging risks.

Mr. Brown reviewed the multi-year rate plan consideration for the proposed operating revenues, rates and fees. He stated that DC Water recovers only the funds necessary to fund the Operating and Capital Budgets through rates. Also, one of the fastest growing expenditure category is debt service for the capital program and has grown an average of 6.5 percent a year since 2016. He reminded the Committee that as part of the budget, DC Water presents the rates required to support the CIP and forecasted operating expenditures and that the Customer Assistance Programs provide discounts for residential customers.

Mr. Franco asked about the Potomac Interceptor revenue projections for FY 2023 and 2024 and why the budgets seem to be the same. Mr. Brown responded stating that the budget is in fact similar, and that it is based on the flow and the cost to treat the flow, and that there is a true-up process, to ensure that the charges are based on actual services provided.

Next, Mr. Brown went on to review the proposed ten-year financial plan including the financial metrics to meet the indenture requirement, Board policy and management target. He also discussed the intent to reimburse capital expenditures which allows DC Water to reimburse itself for capital expenditures with debt proceeds. He mentioned that the reimbursement request is \$599 million to meet the borrowing needs for FY 2022 and FY 2023.

Mr. Brown discussed the adoption calendar for the budget and rates and informed the Committee on the rate making process which includes public hearing and outreach efforts starting in April. He informed the Committee on various endeavors that the Authority is working on, notably the rate calculator, to help customers anticipate what their bills will look like given the new rates, and customer assistance programs, including the Low Income Household Water Assistance Program (LIHWAP) which was created through the Consolidated Appropriations Act of 2021 and the American Rescue Plan Act (ARP) of 2021.

Committee members requested to know more about the factsheet of \$1.6 million for merchant credit card and debit card processing services including what was being done in terms of encouraging alternative payment methods that are more affordable. Mr. Ivan Boykin, Director, Finance, responded that discussions are underway and that options are being narrowed for management's consideration. Mr. Brown also responded in the affirmative and that management recommendations will be presented to the Committee in future months.

Mr. Brown reviewed management's recommendations and the accompanying action items for the budget proposal. In closing, he expressed his appreciation to management and staff for their great work and collaboration on the budget and rate proposal. The Board members also commended the team for their stellar work on the budget proposal and related documents.

Action Items

The Committee members agreed to move the following action items to the full Board:

- Recommendation for Approval of the FY 2023 Proposed Budget
 - Fiscal Year 2023 Proposed Operating Expenditure Budget of \$686.4 million
 - Fiscal Year 2022 – 2031 Capital Improvement Program which includes the Ten-Year Disbursement Plan of \$6.42 billion and Lifetime Budget of \$13.38 billion
 - Fiscal Year 2022 – 2031 Financial Plan
 - Intent to Reimburse Capital Expenditures with Proceeds of a Borrowing
- Recommendation for Approval for Merchant Credit/Debit Card Processing Services

Adjournment

Hearing no further business, Chairperson Anthony Giancola adjourned the meeting at 10:48 a.m.

Follow Up Items

1. Provide an update on the incentives discussed with DC Govt LABS to incentivize customers to participate in the Lead-Free DC program. **(Mr. Franco)**
2. Provide an update relating to the inflation considerations and chemical prices at the midpoint of FY 2022. **(Mr. Giancola)**
3. Provide an update and recommendation for the merchant credit card fees. **(Mr. Franco)**



CEO's Report

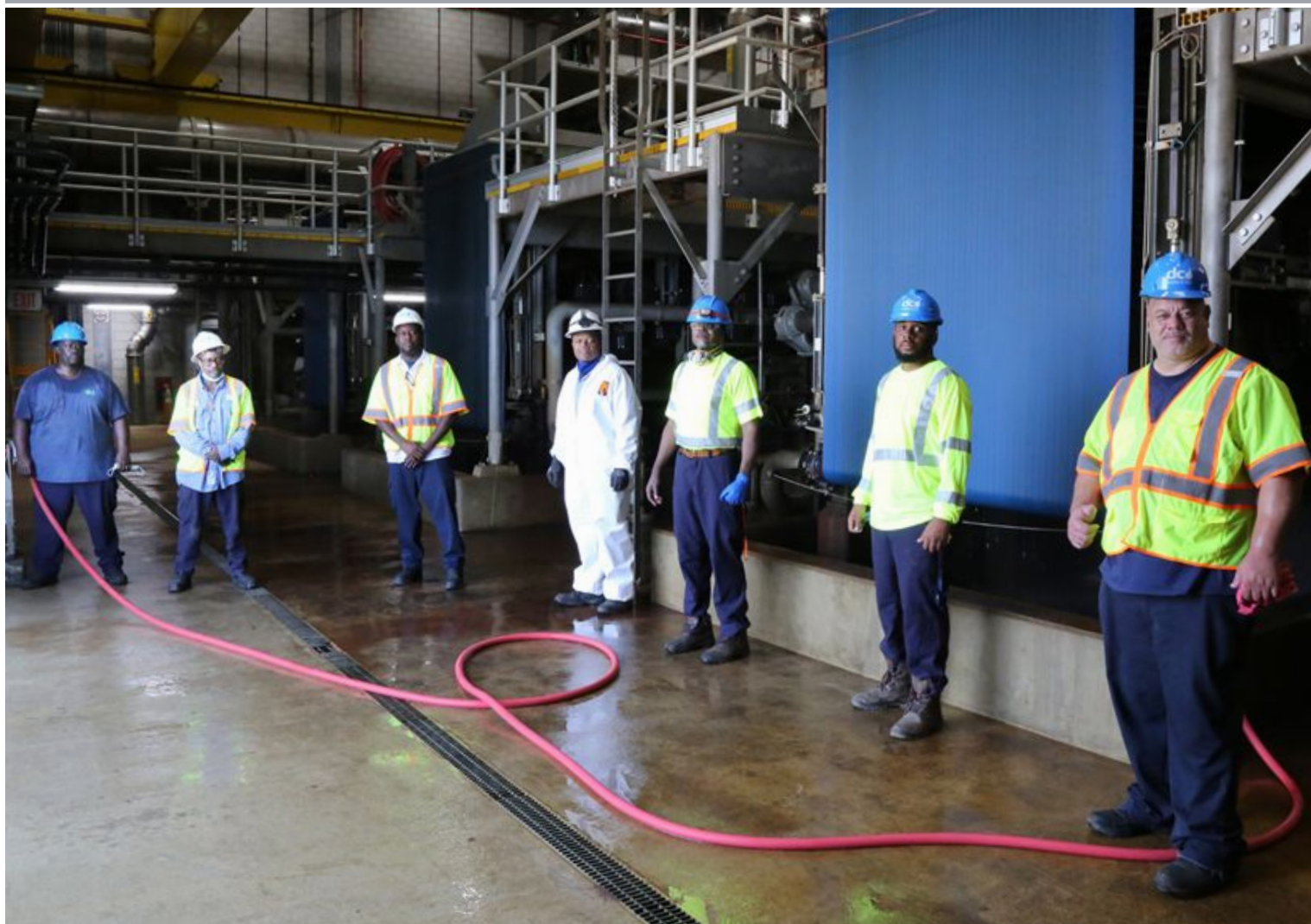
MARCH
2022



ACCOUNTABILITY TRUST TEAMWORK CUSTOMER FOCUS SAFETY WELL-BEING

Inside

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dc Highlights

Chairman Wells and members of the Board, it is my pleasure to present this report on the Authority's activities over the past month. I'd like to draw your attention to the new initiatives launched by our Enterprise Performance Management Office and the Innovation Program. These programs are summarized in the Highlights, along with reports from our Finance and Procurement; Shared Services; Customer Experience; IT; and Operations and Engineering divisions.

Also, to refresh your memory, the highlights in my report are now connected to the five Imperatives in our strategic plan, Blueprint 2.0, so you can see some of the progress we are making in these core focus areas.

Resilient

Tunnel Dewatering Pump Station in Full Operation

The Tunnel Dewatering Pump Station and Enhanced Clarification Facility (TDPS-ECF) construction reached an important completion milestone for DC Water to officially take Acceptance of the Facility as of February 12, 2022. With this certification, our Wastewater Treatment team at Blue Plains formally assumed operational responsibility over the weekend for Operations and Maintenance of the entire facility. This is the culmination of a \$214 million Contract that began in 2012.



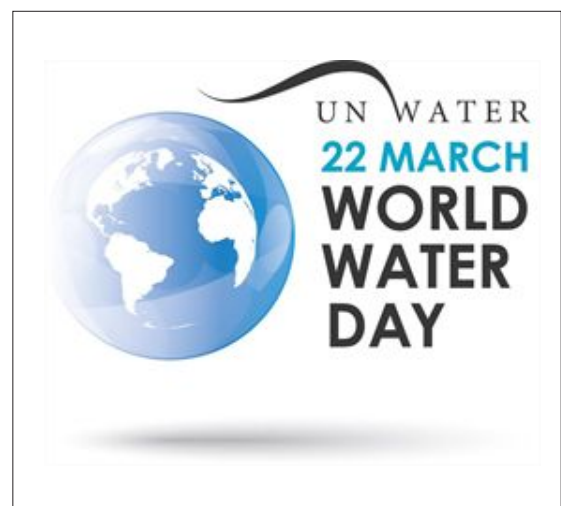
Since March of 2018, while the facility has treated and processed over 12.4 billion gallons of combined sewage and removed more than 7,911 tons of trash/debris, we had been at an impasse, until recently, to close out the project. Congratulations to **David Parker** (Director, Wastewater Engineering) and **Len Benson** for successfully negotiating the settlement. I also want to thank **Marc Battle** (Chief Legal Officer / Executive Vice President), **Meena Gowda** (Deputy General Counsel) and the entire Legal Affairs team, and our Finance and Procurement team lead by **Matthew Brown** (Chief Financial Officer/Executive Vice President, **Dan Bae** (Vice President, Procurement and Compliance) and **Rudy Gonzalez** (Director of Procurement, Capital Programs) for assisting our Wastewater Engineering and Treatment Operations teams to bring the project to a close and move into full operation of the facility.

World Water Day Invitation from State Department

I am pleased to share that Kishia Powell (Chief Operating Officer/ Executive Vice President) has received an invitation from the U.S. Department of State's Bureau of Oceans and International Environmental and Scientific Affairs (OES) to join OES Assistant Secretary Monica Medina in a panel discussion for World Water Day. The event on March 22 will be held virtually on Zoom.

The panel discussion is part of a U.S. Department of State-hosted World Water Day event designed to elevate and showcase U.S. government leadership to build a water-secure world in the face of the climate crisis. The panel discussion will focus on the theme, "the future of water." Ms. Powell has been asked "to share how DC Water is a leader in the United States and how you use innovation and sound management to advance water security. You will also have the chance to share your vision for the future of water."

In addition to the panel discussion, the event will also feature short video and photo vignettes from civil society, youth, and other USG partners reflecting on their vision for the future of water.



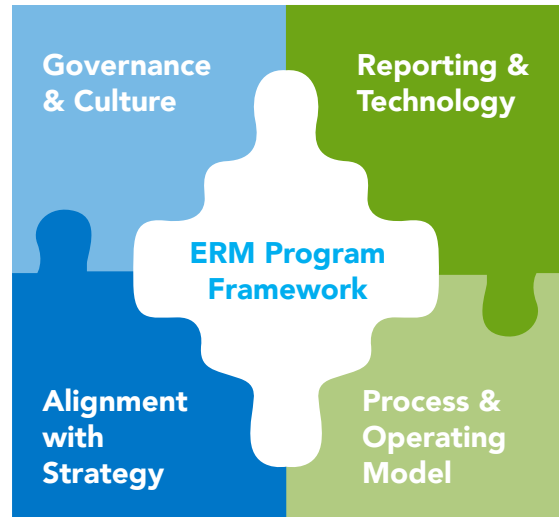

Resilient continued

Enterprise Risk Management (ERM) Program

The Enterprise Program Management Office (EPMO) within the Strategy and Performance Cluster, is leading the development of an Enterprise Risk Management (ERM) program. The team has conducted about 20 stakeholder interviews with specific risk owners across the Enterprise. The purpose is to gain an understanding of the risks to the Authority, identify and leverage existing risk processes and resources to build the overarching ERM program, and understand stakeholders' vision for the ERM program. The Senior Executive Team interviews are underway which will provide critical input to inform the ERM program.

In the weeks ahead, ERM 101 foundational training will roll out to all staff. We intend to establish an integrated ERM program that draws in staff from every corner of the Authority, and in doing so, facilitate a risk-aware culture that supports employees in becoming active risk managers.

ERM represents an important step forward for the Authority, in that it will support our focus on the future and strengthen our ability to meet the challenges ahead of us.

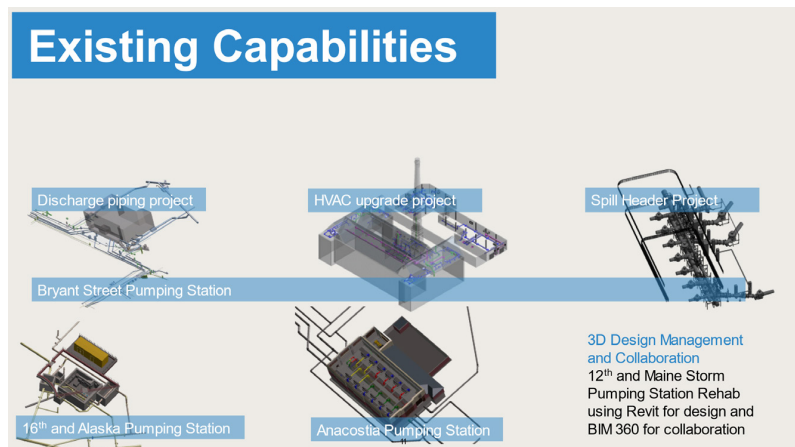


Building Information Management (BIM) Program

The Building Information Management (BIM) program, a new strategic program aligned with the Health, Safety and Well Being, Resilient, Reliable, and Sustainable imperatives of the Blueprint 2.0 strategic plan, was approved by the Senior Executive Team (SET). BIM provides a three-dimensional visually interactive user interface for the integration of multiple data sources that supports engineering, operations, facilities, finance, and procurement to improve reliability, increase efficiency, reduce cost, and drive innovation.

With three-dimensional graphics quickly becoming the norm for digital art, the initiation of BIM is vital to boost DC Water towards being the Utility of the Future. The benefits include operational and enterprise benefits. Some benefits include:

- Improves efficiency for vertical and linear asset operation and management
- Workforce development, new staff onboarding, and training can be done remotely and safely
- Promotes data driven decisions for reliability centered maintenance
- Improves accuracy of financial reporting and planning/analysis and treasury accounting
- Enhanced enterprise budgetary management (capital budgetary planning and analysis)
- Improves asset lifecycle management for the vertical



The EPMO is currently coordinating this project with the existing BIM pilot study for the Alaska Avenue and 16th Street pump station being implemented by the Department of Pumping and Sewer Operations (DPSO).

dc Highlights

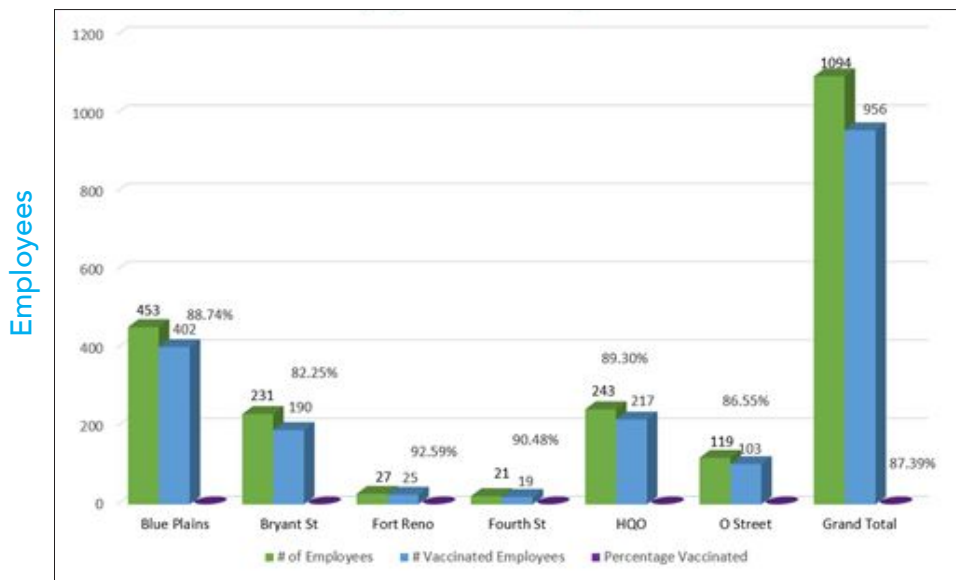
Healthy, Safe and Well

Vaccinations

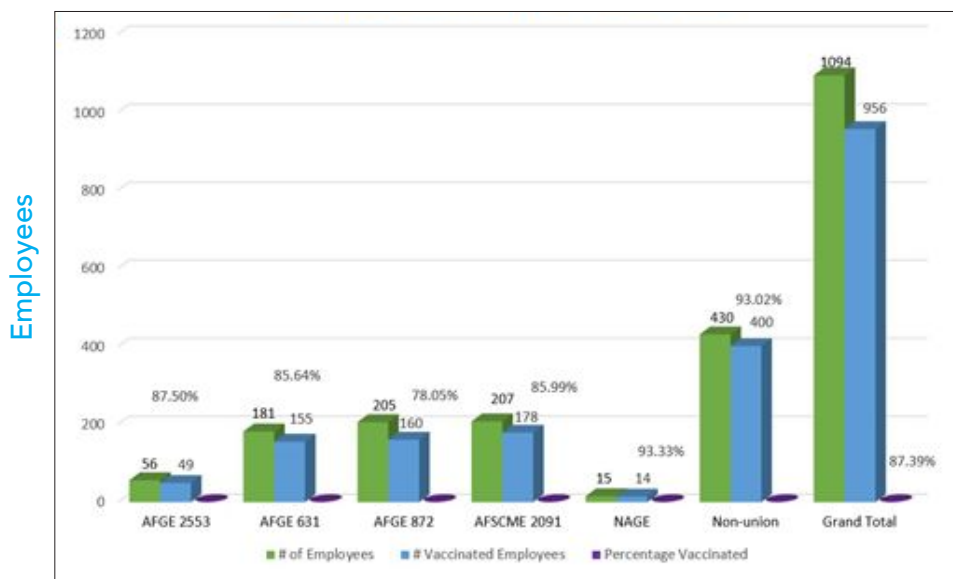
DC Water continues its commitment to being Healthy, Safe, and Well. All DC Water employees are required to be fully vaccinated as of February 25, 2022, and weekly testing is only an option for those with approved medical and/or religious exemptions.

We have received 20 requests for medical/religious exemptions. The majority of exemption request are religious. People and Talent and Legal Affairs are reviewing each request to ensure they meet the threshold under Title VII of the Civil Rights Act of 1964.

DC Water – Employee vaccinations by location compared to total



DC Water – Employee vaccinations by non-union / union



dc Highlights

Healthy, Safe and Well continued

Vaccination Policy Issued to Contractors and Suppliers

In early February, the Return to Work Sites team, a subset of the Incident Management Team (IMT) finalized the Authority's COVID-19 Vaccination, Testing and Face Covering Policy for contractors and suppliers who visit DC Water work sites, and communicated the requirements to contractors and DC Water employees.

The policy covers contractors and subcontractors that are on a DC Water site for more than two hours at a time, personnel working alongside DC Water staff, and service providers on site for most of the day, such as electrical maintenance and janitorial services. The policy requires these suppliers and contractors to complete a daily, online health screening before entering a DC Water work site and stipulates that they observe the District's masking and social distancing guidelines when possible.

I would like to thank **Joel Grosser** (Director, Procurement Goods and Services / Finance and Procurement) and the team that developed the policy.

Reliable

Smart Sensors

In December, the Senior Executive Team authorized \$50,000 to test and validate new technologies involving smart sensors to detect rising sewer levels and odor levels with timely communication to Sewer Operations. Should the prototype prove successful, this capability will help reduce the incidence of sewer overflows, backups, and excessive odors while minimizing public disruption and reducing associated costs.

What has made our new "innovation refresh program" successful is a close working relationship across all of DC Water, from Water Operations to Sewer Operations to Blue Plains to HQO, among other areas. Our refreshed Innovation Program provides a structured, repeatable process and pathway to the Senior Executive Team for review, oversight, and funding authority.



Soapstone Valley Sewer Rehabilitation Project and Public Outreach

On Thursday, February 17, DC Water hosted a virtual public meeting to update community stakeholders on the Soapstone Valley Sewer Rehabilitation Project. Following recent coverage in the Forest Hills Connection blog, our team anticipated significant interest in our update. Staff presented on project needs and benefits, project planning and alternative analyses, environmental review and permitting, procurement and offer a status update on the project timeline.



PLEASE JOIN US
Soapstone Community Meeting

Thursday, February 17
6:30pm – 8:30pm

The meeting will be held by phone and online using **Microsoft Teams**.

Join the conversation at dcwater.com/soapstone

or call 202-753-6714 ID: 274 001 767#

scan me



In mid-February, Authority contractors began visiting the site to complete survey work and to tag trees for removal, trimming or protection. This initial work is expected to be completed by February 28, 2022. Construction activities are ready to begin once the necessary permits have been issued by the National Park Service and the District government.

dc Highlights



Reliable continued

Emerge 2022 Infrastructure Roundtable

On Thursday, February 3, it was my honor to participate in the National Forum for Black Public Administrators' (NFBPA) Infrastructure Roundtable at the Emerge 2022 Conference in Houston. Joining me on the panel were Shawn Wilson, Secretary, Louisiana Department of Transportation, Mario Diaz, Director, Houston Airport Systems, and Jackie Sargent, General Manager of Austin Energy.

The panelists generated a robust discussion of the pressing infrastructure needs we face across the country. During the panel, I discussed how climate change is accelerating the timetable for replacing our aging infrastructure, and that volatile weather systems, floods and droughts amplify the risk of infrastructure failure. Viewed through the lens of the Infrastructure Investment and Jobs Act, we have a multi-generational opportunity to address our infrastructure needs for the long term.



Sustainable

KPMG Delivers Unmodified Audit on Grant Compliance

KPMG annually performs the audit required by the "Uniform Guidance" of our federal awards, such as EPA and FEMA grants. In February, DC Water received notice from KPMG that we had successfully completed the audit and we received an Unmodified ("Clean Opinion") on compliance for major programs. There were no material weaknesses or significant deficiencies reported, and DC Water continued to maintain a "low-risk" auditee status. Congratulations to **Matt Brown** (Chief Financial Officer and EVP / Finance and Procurement) and **Genes Malasy** (Controller / Finance and Procurement) and all of those involved in administering grant funds at DC Water.

Crowdsourcing Platform

Our Innovation Program will soon be able to "crowdsource" employees across DC Water. Our aim is to fully leverage our employees to solve key challenges with fresh and creative ideas that lead to positive outcomes. The program is targeting improvement opportunities across all sectors of DC Water that align to the five strategic imperatives in Blueprint 2.0. This close alignment will keep our Innovation Program relevant and essential to future goal attainment. User training is underway, tool configuration is ongoing (Ideascale), and tentative plans are under review for an April launch date for the first of many innovation challenges.



"An idea to address Health and Safety concerns over COVID in a different way"

"A new way for a more equitable rate structure"

"I have an idea to make our network more resilient to violent storms"

"A new way to generate renewable energy to meet sustainability goals"

"My idea to address a more sustainable environment"



Divisions

The CEO report now includes service level based key performance indicators for our operations divisions. 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 impacts related to COVID-19 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 despite the pandemic and continue to strive to meet a high bar of performance.

Financial Metrics

Metric	Target	Oct-21	Nov-21	Dec-21	Jan-22
Operating Cash Balance (millions \$)	\$235.6	\$206.1	\$264.8	\$241.2	\$249.3
Delinquent Account Receivables (%)†	3.3%	4.6%	4.6%	4.5%	4.6%
On-time Vendor Payments (%)††	97.0%	94.0%	94.5%	94.5%	93.5%
Investment Earnings Data (Thousands \$)	\$2,234.0	\$160.0	\$214.6	\$49.8 ****	\$141.9
Core Investment Yield Data (%) - Merrill Lynch 1-3 Year Treasury Index		0.5%	0.5%	0.7%	1.1%
Core Investment Yield Data (%) - Actual Monthly Yield	0.2%*	0.6%	0.6%	0.5%	0.6%
Short Term Investment Yield Data (%) - Merrill Lynch 3-Month Treasury Index		0.1%	0.1%	0.1%	0.2%
Short Term Investment Yield Data (%) - Actual Monthly Yield	0.1%*	0.1%	0.1%	0.1%	0.1%
Days of Cash on Hand	250.0**	371.0	390.0	335.0	335.0***

* Represent annual Treasury Index targets developed and provided by the Authority's investment advisor, and compared to the Monthly Treasury Index and the Actual Monthly Yield

** 250 days of cash represents the projection for annual days of operating reserves including the Rate Stabilization Fund

*** The 335 days of cash is made up of 53 days in the Rate Stabilization Fund and 282 days in the operating cash balance.

**** Investment Earnings Data for \$49 thousand due to lower yields on securities purchased several months ago. Security purchases made in December 2021 reflect greater yields for positive earnings in future months.

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.

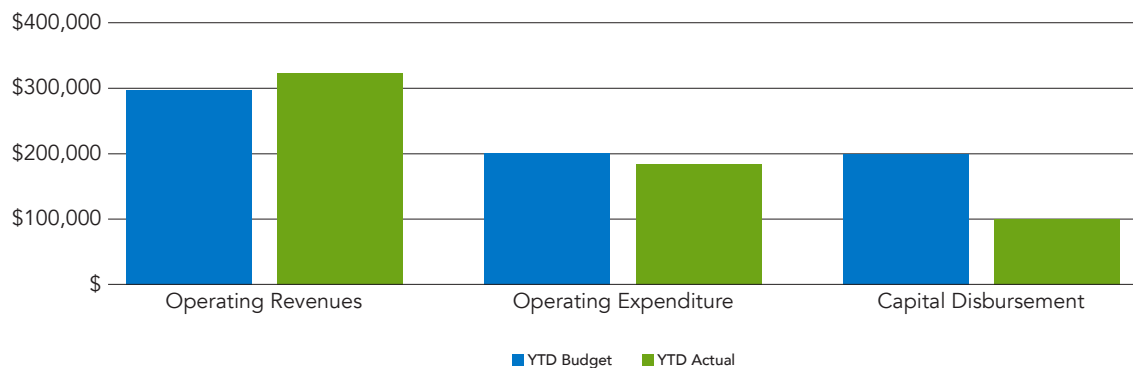
†† Vendor payments percentage is not at the desired target primarily due to performance related to the transition from the legacy system to the new system, which includes tolerance configuration (Materials Management invoices), retention invoices, or system entries (non-payment entries, e.g., ROCIP funding), and user training related to receipts issues.

Finance Highlights

FY 2022 Financial Performance YTD

As of January 31, 2022, DC Water is on track with budgetary expectations and targeted performance metrics. The total operating revenues are \$310.2 million or 38.9 percent of the budget. Total operating expenditures are \$190.6 million or 28.9 percent and capital disbursements are \$98.7 million or 17.4 percent of the respective budgets.

FY 2022 Year to Date Performance Budget vs. Actuals (\$000's)



FY 2023 Budget Proposal

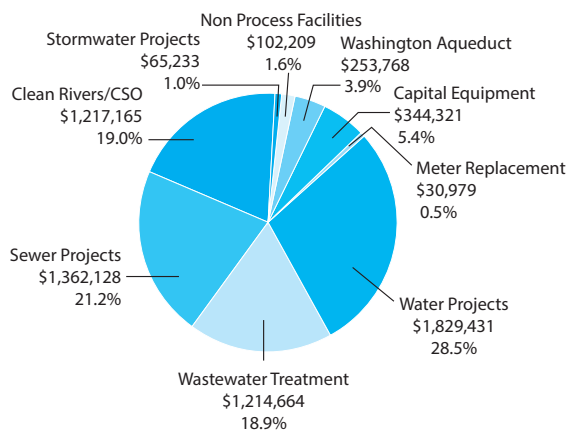
DC Water delivered its FY 2023 budget proposal comprising of the annual operating expenditure, two-year rates and revenues, ten-year capital improvement program (CIP) and ten-year financial plan to the Board of Directors on January 3, 2022.

This year’s budget proposal includes the FY 2023 Operating Expenditure budget of \$686.4 million and the 10-year Capital Improvement Program (Disbursements of \$6.4 billion and Lifetime Project of \$13.38 billion). The multi-year rate proposal includes the Water and Sewer rates increase of 9.50 percent for FY 2023 and 3.25 percent for FY 2024, proposed CRIAC of \$18.14 per ERU in FY 2023 and \$21.86 per ERU in FY 2024, and the PILOT Fee for FY 2023 and FY 2024 will increase by \$0.03 and \$0.02 per Ccf, respectively. The combined rate increases for the average household customer are 6.0 percent in FY 2023 and 5.4 percent in FY 2024, and are lower as compared to the last year’s forecast of 6.7 percent and 8.8 percent respectively. The proposal also includes the groundwater rate increase of 21.0 percent in FY 2023 and 2.3 percent in FY 2024. The high flow filter backwash rate is proposed to increase by 6.0 percent in FY 2023 and 2.7 percent in FY 2024.

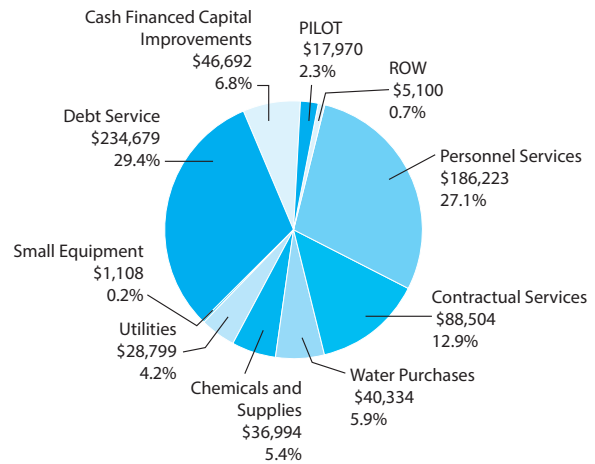
Over the past two months, management conducted detailed review of its budget recommendation including discussion of alternative budget and rate proposals with the various Board Committees. The full Board is anticipated to vote on and adopt the budgets and two-year rates on March 3, 2022. Management and staff will then conduct extensive public outreach efforts which includes Townhall meetings and public hearing activities.

Management appreciates the collaborative efforts between all departments and the Budget, Rates and Revenue, and Finance teams. Their dedication and continued focus on the impact on our ratepayers was evident throughout the process and culminated in the seamless review, prioritization and decision-making process by the Executive Team and the Board members. Detailed information about the budget proposals can be found at dcwater.com/ratemaking-process.

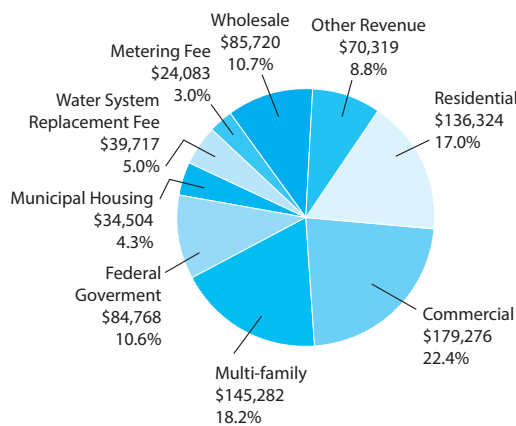
FY 2022 – FY 2031 Capital Improvement Program Disbursements of \$6.4 billion



FY 2023 Operating Budget of \$686.4 million



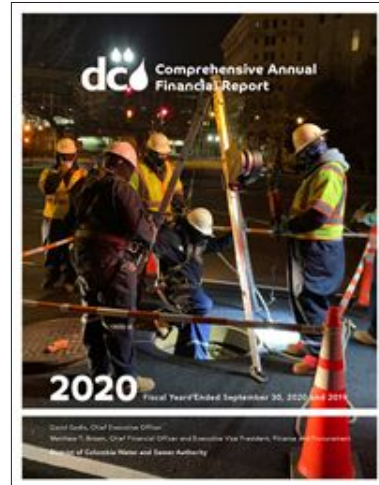
FY 2023 Operating Revenues of \$800.0 million



FY 2021 Financial Audit “Clean Opinion”

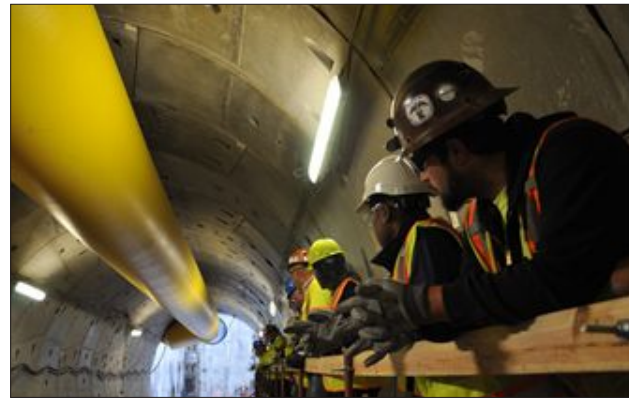
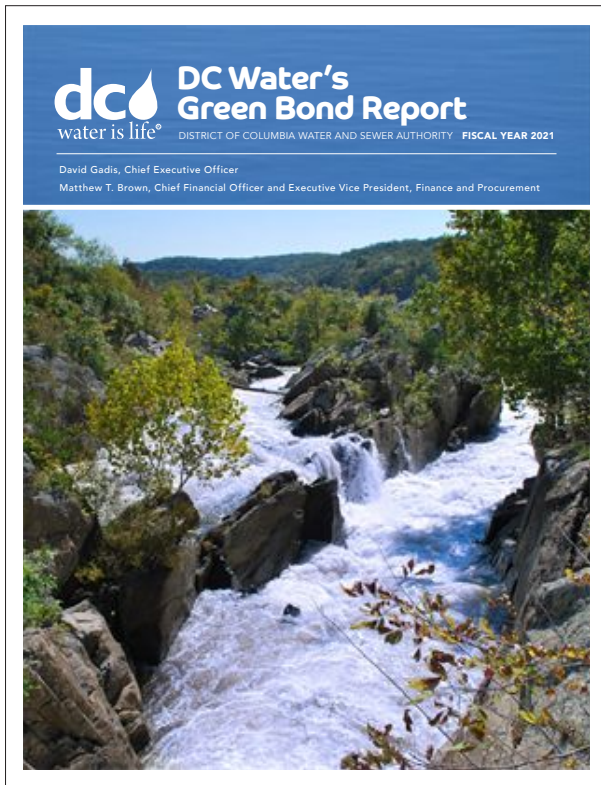
For the 23rd year in a row, the Financial Statement audit was completed with an unmodified “clean” opinion issued on December 21, 2021, and results were presented to the Audit Committee on January 27, 2021. This is a significant accomplishment because this is the first audit in the new Oracle financial system and because work in large part was done remotely. This puts DC Water in a good position as we move forward with the issuance of \$400 million of debt for the capital program. Investors value transparency, and like to ensure that finances are in good order.

The development of Annual Comprehensive Financial Report (ACFR) is underway, and the OMB Uniform Guidance Audit is ongoing with expected completion in February. DC Water’s Green Bond attestation engagement is also in progress.



Series 2022 Bond Offering

The sale of approximately \$400 million in bonds is scheduled for pricing on February 24, 2022. The bonds will be issued as tax-exempt on a subordinate lien at fixed rates for \$100 million designated as Series B green bonds and \$100 million designated as Series C non-green bonds. A taxable fixed rate of \$75 million will be designated as Series D for capital upgrades to the Washington Aqueduct. \$100 million designated as Series E will be issued as tax-exempt variable rate bonds. Select bonds will be refunded to lower costs and provide debt service savings for DC Water rate payers.



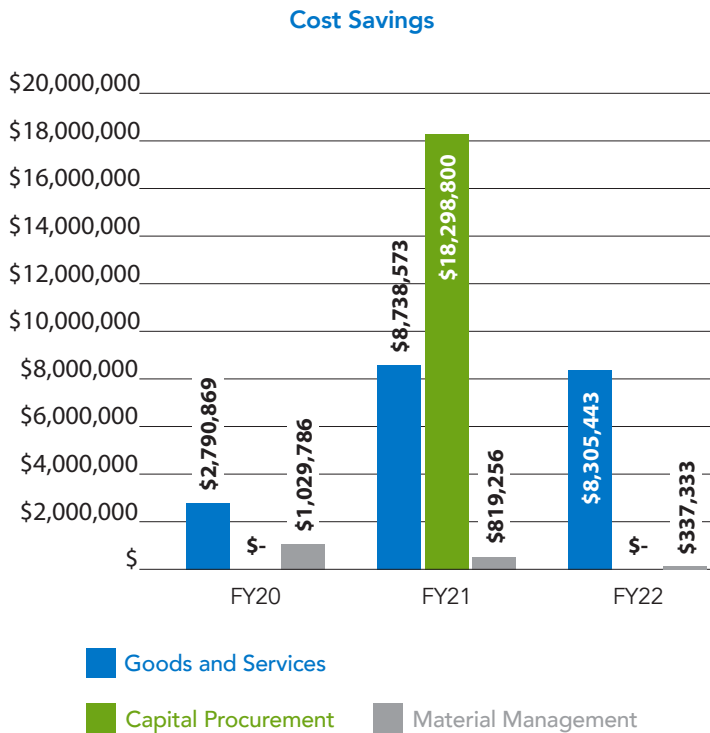
Procurement and Compliance

Key Procurement and Compliance Activities:

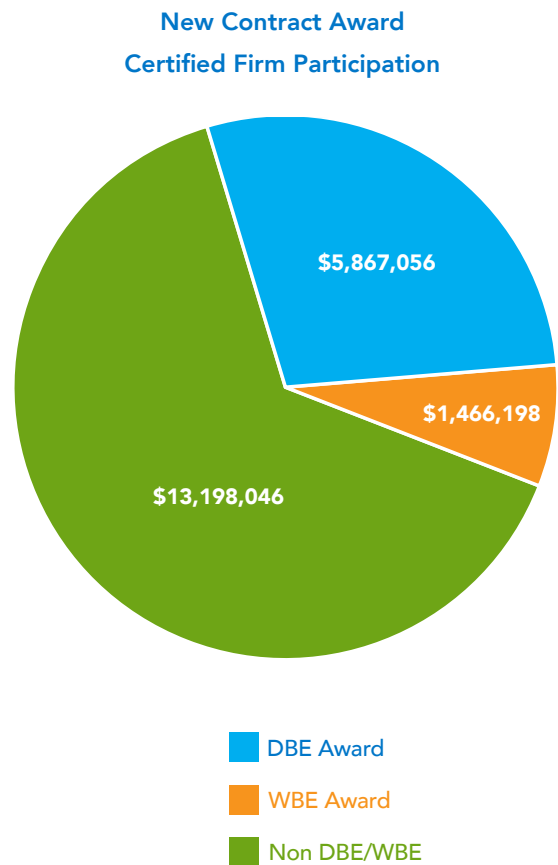
- Emergency contract executed for Emergency Lining of The Existing Sanitary Sewer Located Under The Medstar Hospital Parking Garage (DCFA 529)
- Held 2nd Outreach Meeting and Pre-Submission Meeting for Lead Free DC Program Management Services with close to 100 attendees.
- Certificate of Completion of Apprenticeship for Richard Salmon was received.
- With successful implementation of its apprenticeship program, DC Water was contacted by the DC Department of Employment Services which is interested in supporting an expansion of the program. DOES is offering up to \$100k to support the classroom training of the apprentices this year.
- Korey Gray is re-confirmed to the National Utility Diversity Council's Leadership Advisory Board
- Participated in the DC Chamber Annual Meeting on December 15, 2021 where Mayor Bowser presented the release of the Green Book.
- Served as an exhibitor at the Maryland Washington Minority Companies Associations Winter Expo.

Cost Savings (negotiated savings and cost avoidance)

The chart shows the cost savings from FY 2020 to FY 2022 year-to-date 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 inventory optimization. The cost saving for Capital Procurement was not tracked in FY 20.



Certified Firm Participation This Month:



Procurement and Compliance - continued

Upcoming Business Opportunities

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

Capital Procurement

Planned Solicitation	Project Title	Solicitation Type	Estimated Total Contract Value	Delivery Type	Eligible Inclusion Program
February, 2022	Microgrid Implementation Project at Blue Plain Advanced WWTP	RFP	\$400K	N/A	DBE/WBE
February, 2022	Small Diameter Water Main Repl. 15D	IFB	\$10M	Bid Build	DBE/WBE
February, 2022	Valve Assessment Rehab	RFP	TBD	N/A	DBE/WBE
February, 2022	COF/IT Electrical System Upgrade	RFP	\$10M	Bid Build	DBE/WBE
February, 2022	Water IR&R Contract	RFP	\$ 15 - \$ 20 M	Bid Build	DBE/WBE
February, 2022	Small Diameter Water Main Repl. 16B	IFB	\$10M	Bid Build	DBE/WBE
March, 2022	Small Diameter Water Main Replacement IDIQ	RFQ	\$100M	Bid Build	DBE/WBE
March, 2022	Sanitary Sewer Lateral Replacement Contract	RFP	\$ 10M	Bid Build	DBE/WBE
March, 2022	Lead Free DC Construction Contract	RFQ	TBD	Bid Build	DBE/WBE
April, 2022	Subsurface Utility Engineering BOA	RFP	\$2.5M	N/A	DBE/WBE
April, 2022	PI Phase 4 Rehab (Fairfax and Loudon Co.)	RFP	\$20M	Bid Build	DBE/WBE

Goods and Services Procurement:

Planned Solicitation	Project Title	Solicitation Type	Estimated Total Contract Value	Eligible Inclusion Program
February, 2022	IT Maintenance Renewal	RFP	< \$1M	DBE/WBE
March, 2022	Methanol	RFP	\$5-\$10M	DBE/WBE
February, 2022	IT Maintenance Renewal	RFP	< \$1M	DBE/WBE
February, 2022	Medical Benefit Plans for Employees	RFP	> \$10M	DBE/WBE
February, 2022	Emergency Bypass Pumping services	RFP	\$1-\$5M	DBE/WBE
March, 2022	Methanol	RFP	\$5-\$10M	DBE/WBE
April, 2022	Group Vision Insurance Services Benefit	RFP	< \$1M	LSBE

Shared Services Spotlight: Office of Emergency Management

The Office of Emergency Management (OEM) is dedicated to assisting DC Water in preparing for disasters and emergencies before they occur in order to adequately respond to, recover from, and reduce the effects of risks by supporting DC Water during and after a natural or man-made disaster. OEM has three (3) primary programs that support our mission: Emergency Planning & Training, Critical Infrastructure Protection, and Hazard Mitigation.



The Office of Emergency Management team sharing a rare quiet moment together to appreciate each other and celebrate a busy and successful year. (From left to right: Adam Baron, Alexandra (Ali) Lampson, Dusti Lowndes, Edward Walters, Gregory (Greg) Vernon)

Planning and Training

OEM has submitted all requirements to comply with the American Water Infrastructure Act (AWIA) & Emergency Management Accreditation Program (EMAP), specifically regarding plans and procedural updates or revisions, trainings and exercises, and hazard mitigation and critical infrastructure protection. Highlights include assisting in the development of an internal Crisis Communication Plan and development of a 5-year plan revision cycle with annual updates. OEM Distributed all finalized 2021 versions of the DC Water's suite of emergency response plans on January 27.

In FY2022 OEM:

- Conducted the FY22 DC Water Emergency Management Annual Training and Exercise Workshop with 118 participants (increase from 80 participants in FY21)
- Coordinated and facilitated DC Water Winter Weather briefings for a total of 85 attendees on November 16 and 18 in conjunction with executive level brief on winter weather preparedness and inclement weather procedure on December 10
- In coordination with Department of Wastewater Treatment at Blue Plains, and with support from Horsley Witten Group, held five emergency response trainings and tabletop exercises on October 19 and 20 with a total of 88 participants.
- Provided Multi Year Emergency Management Training and Exercise Plan, tentative calendar, and highlighted trainings via Team Blue on January 31 and are implementing planning teams for each exercise.

Shared Services Spotlight: Office of Emergency Management

Critical Infrastructure Protection and Hazard Mitigation

OEM collaborated with the US Dept of Homeland Security (DHS) to conduct a vulnerability assessment of the HQO building utilizing the DHS Infrastructure Survey Tool. DC Water was also reimbursed \$1.7million for hazard mitigation grant projects through the 6 Federal Emergency Management Agency grants managed by OEM. Highlighted activities from our Hazard Mitigation Program are below:

- Conducted the 4th Quarter Hazard Mitigation Meeting in reference to regional collaboration and information sharing, which was attended by 76 participants from DC Water departments and regional partner agencies on December 7, 2021
- Assisted in hosting the Blue Plains Flood Wall Section C brief and completion tour which was recently completed with Federal Emergency Management Agency hazard mitigation grant funds and District of Columbia Homeland Security and Emergency Management Agency support



Homeland Security



Leadership across Team Blue and in Collaboration with our Partners

- Adam Baron was asked by DC's Homeland Security and Emergency Management Agency (HSEMA) to lead the Infrastructure Systems' section annual review of the District's 2021 Threat Hazard Identification Risk Assessment (THIRA)
- Dusti Lowndes, Adam Baron, and Ali Lampson submitted chapter materials on using the incident management team to manage during the pandemic for a Water Environment Federation utility management book.
- Provided guidance on helping to protect DC Water assets via Team Blue email on Infrastructure Security Month, November.
- The mighty OEM team also conducted 6 presentations for local partner agencies and for national conferences of water sector and emergency management professionals and co-authored an article in the American Water Works Association Journal, "Pandemic Responses Learned."

There were 5 Incident Management Team (IMT) activations which spanned multiple operational periods with After Action Reports. Activations included: COVID-19 Response and Recovery, Presidential Inauguration 2021, Illinois Ave 48" steel main repair, August 4th Boil Water Advisory, and the 3rd Street Tunnel Water Main Break. There were 16 additional activations/events that occurred for less than one operational period. OEM also partially activated DC Water's Incident Management Team (IMT) due to the increase in COVID-19 positive and close contact cases, with Director Lowndes serving as Incident Commander.



Fleet, Facilities, Safety, Security and Emergency Management

Shared Services Metrics

Metric	Target	Oct-21	Nov-21	Dec-21	Jan-22
Security: Camera operational uptime	90%	96%	97%	97%	96%
Security: Smart card readers operational uptime	90%	99%	100%	99%	99%
Security: Percent of security investigations completed within 21 days	95%	100%	95%	100%	100%
Facilities: Preventive Maintenance Completion Rate	90%	70%	68%	44%	63%
Facilities: Service Request Completion Rate	90%	44%	44%	63%	68%
Fleet: Preventive Maintenance (PM) on Schedule	96%	75%	43%	21%	22%
Fleet: Priority Vehicles/Equipment (In-Service)	96%	87%	86%	87%	83%
Safety: DC Water Employee Recordable Incident Rate (RIR) (FY)	< 5.3	1.2	1.7	1.9	2.6
Safety: DC Water Employee Lost Time Incident (LTI) (FY)	< 2.1	1.2	1.1	1.6	1.5
Safety: Contractor/ROCIP Recordable Incident Rate (RIR) (FY)	< 2.8	0	4.3	3.5	2.6
Safety: Contractor/ROCIP Lost Time Incident (LTI) (FY)	< 1.1	0	0	0	0

Facilities Metrics: January KPIs improved from December's results but still did not meet target. Facilities is looking into the preventive maintenance demand vs. the in-house and contracted resources available to complete the preventive maintenance work orders. The Facilities team was also challenged in January to complete all service requests due to the surge in COVID cases. Some service requests also require weeks or months to fully address. Facilities worked with IT in January to establish a process to reclassify "service request" as "project" if the service request(s) requires an extended period to complete.

Fleet Metrics: Challenges continue with completing preventive maintenance on schedule as departments are not bringing in the units. Facility restraints were also an issue in January as there were multiple gas leaks, limited entry access due to damaged rolled up door, and construction to relocate the building entrance in preparation of O Street project. Fleet Management continues to ensure the safety of employees by social distancing, working in every other bay, which limits the amount of work completed.


Customer Experience
Customer Assistance Programs (CAP)

Residential Assistance Program funding distribution is lower than anticipated due to LIHWAP payments up to \$5000 covering most of the outstanding balances on customers' accounts. In December, DOEE sent the first list of accounts that were deemed eligible for LIHWAP assistance retroactive back to October. In mid-January, funding was received and posted through the first week of February 2022. Approximately 55-60% of the LIHWAP funding distribution was posted to approved customer accounts. The remaining will reflect on the February report. The team is coordinating with the Office of Marketing and Communications to create marketing and outreach campaigns to engage additional customers that may be eligible for financial support.

Customer Assistance Programs (CAP)

Program	FY2021 Enrolled	FY2021 Dollars	Jan # Enrolled	Jan Dollars	# FY22 Enrolled	FY2022 Dollars	FY2022 Budget
CAP I	4,453	\$2,378,326	145	\$394,705	5,863	\$1,467,043	\$2,737,865
CAP II	538	\$245,637	8	\$28,425	572	\$108,973	\$296,536
CAP III	191	\$36,059	2	\$2,684	184	\$13,597	\$100,000
Non-Profit CRIAC Relief	189	\$955,707	8	\$41,727	88	\$180,480	\$350,000
Emergency Relief Program	1,820	\$1,071,464	0	\$0	28	\$27,493	\$-
DC Water Cares Residential	2,842	\$1,892,843	14	\$21,484	30	\$33,952	\$3,000,000
DC Water Cares Multifamily (number of units)	5,978	\$2,507,484	229	\$135,853	2,441	\$1,012,101	\$6,223,837
STAY DC	304	\$352,419	270	\$250,455	1,094	\$1,002,902	N/A
Low Income Household Water Assistance Program	N/A	N/A	1,193	\$381,035	1,193	\$381,035	\$2,000,000

Customer Care metrics are trending the same as previous month, with a decrease in average talk time. With COVID constraints relative to residential inside meters, we are still working to manage the "Estimated Bills as a Percent of Meters Read." New Year's Eve holiday closing caused the meter reading window to be shorter and the inclement weather on January 3rd prevented us from getting reads on Federal accounts due to Federal locations being closed. Other metrics are on target.

Key Performance Indicators

Metric	Target/ Service Level	Nov 21	Dec 21	Jan 22
% of Bills issued on time (w/in 5 days)	95%	98.3%	99.3%	98.0%
Estimated bills as a percent of meters read	4%	4.1%	4.4%	4.8%
Number of High Bill Complaints	trend only	112	128	124
% of OPC inquiries resolved within 14 days	90%	100%	100%	100%
% of calls answered in 40 seconds (Call Center)	85%	89%	94%	95%
Monthly Call Volume Served	trend only	6,576	6,497	7,248
Average Talk Time (minutes)	5:30	6:32	6:01	5:48
Average Wait Time (minutes)	1:30	0:19	0:17	0:32
Abandoned Calls (%)	6%	1%	2%	1%

One project was completed in January

REC Reporting Platform

Converted existing spreadsheets to a database and developed an online reporting platform for tracking sales and revenue.

One new project was launched In January

Opentext conversion to Sharepoint

The Opentext document management solution is being converted to Sharepoint which will allow us reduce license costs.

Also, during January we completed the rollout of the last Phase of FloodWatch and WaterWatch. DC Water's new Event Management Platform emergency notification features are also fully integrated. Additional enhancements for reporting and analytics are also in development and changes to allow for sharing the dashboards with 3rd parties such as HSEMA are being implemented.



On January 27th, the U.S. Environmental Protection Agency (EPA) and its federal partners announced the Industrial Control Systems Cybersecurity Initiative – Water and Wastewater Sector Action Plan to help protect water systems from cyberattacks. The Action Plan focuses on high-impact activities that can be surged within 100 days to safeguard water resources by improving cybersecurity across the water sector.

Tom Kuczynski, VP of Information Technology, has been asked to participate as a member of the Task Force. The Task Force will assist in the design and execution of actions that facilitate (1) the deployment of ICS cybersecurity monitoring technologies throughout the water sector, and (2) information-sharing with the government.

IT Monthly Report

SR/WO Type	SL Target / SLA	Nov 21	Dec 21	Jan 22
Number of tickets submitted	Trend only	783	715	856
Number of open tickets	Trend only	72	85	87
Helpdesk SLA	96%	99%	99%	100%
Number of active projects	Trend only	17	16	20
Number of completed projects	Trend only	0	3	1
On schedule performance	90%	90%	85%	91%
On budget performance	90%	85%	80%	87%

dc operations and Engineering

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

Featured Projects of the Month – Wastewater Operations

The Blue Plains Advanced Wastewater Treatment Plant creates energy and produces a soil amendment product sold as BLOOM. Blue Plains implements leading edge research and processes water for reuse and environmental protection for 2.2 million people in our Nation's Capital and surrounding areas. The process is achieved with large machinery comprised of approximately 40,000 assets. Oversight of these assets is key to long-term resilience and reliability of Plant performance. One of the operational initiatives to support the Reliable Imperative and focus on the oversight of the plant is through the Reliability Centered Maintenance (RCM) initiative. RCM is the ongoing, systematic process of matching critical systems with the most cost-effective maintenance strategy to maximize overall reliability. Annually, the Department uses data to determine the critical system that has the biggest impact on cost, performance, or risk and performs an RCM. Results from the RCM range from changes in operations and maintenance procedures to design modifications to improve reliability. One example of a maintenance procedure change was making laser alignment a standard practice for the 1,450 pumps installed at Blue Plains. This implementation took place in 2021 and included classroom and hands-on training for 71 participants. This new standard maintenance procedure should increase equipment reliability and availability and improve performance.

Matt Leach and Shawn Diniz, mechanics from the Department of Maintenance Services, perform Laser Alignment as part of installing a new motor in the Biosolids Digester Facility. Application of such best practices drives a reliability culture.



Key Performance Indicators

Metric	Target/Service Level	Oct-21	Nov-21	Dec-21	Jan-22
Wastewater Operations					
NPDES Permit Compliance	100%	100%	100%	100%	100%
Air Permit Compliance	100%	100%	100%	100%	100%
Biosolids Class A	100%	100%	100%	100%	100%
Tunnel Dewatering	100%	100%	100%	100%	100%
Combined Heat and Power	>20%	25.4	27%	27	26%
Reactive Maintenance	<20%	35%	35%	37%	35%
Critical Asset Availability	>95%	97%	97%	98%	97%
Sewer Operations					
CSS Structures Inspection	100%	100%	100%	100%	100%
MS4 Area Catch basins Cleaning/Inspections	100%	65%	78%	91%	7%
CSS Area Catch basins to Anacostia – Cleaning/Inspections	100%	100%	100%	100%	2%
Non-Anacostia CSS Area Catch Basins – Cleaning/Inspections	85%	90%	95%	98%	0
Sewer Cleaning and Inspection (Miles)	>12	1.36	2.85	2.22	1.75
Sewer Backup (Investigation to Resolution)	>95%	100%	100%	100%	100%
Sanitary Sewer Overflow	1.4 per 100 Miles	.15	1.08	0.31	.62
Combined Sewer Overflow	0	1	1	0	1

dc Operations and Engineering

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

Key Performance Indicators continued

Metric	Target/Service Level	Oct-21	Nov-21	Dec-21	Jan-22
Pumping Operations					
Firm Pumping Capacity Maintained	100%	100%	100%	100%	100%
Reactive Maintenance	<20%	34%	34%	34%	43%
Critical Asset Availability	95%	98%	98%	98%	98%
Water Operations					
Safe Drinking Water Compliance	100%	100%	100%	100%	100%
Replace Non-Standard Hydrants	>21/Month	7	14	23	5
Hydrant Flow Tests (Non-Winter Months)	>180	34	8	16	55
Fire Hydrants Operational	99%	99.46%	99.69%	99.57%	99.63
Emergency Water Service Orders Completed	>90%	100%	100%	100%	100%
Water Quality Complaint Resolution (within 48 hours)	>90%	43%	48%	83%	80%
Water Main Breaks	<28/Month	22	66	55	151
Water Main Break Rate /100 Miles (National Average is 25)	25	19.41	36.06	33.78	39
% 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%	88%	94%	91%



Explanation of Missed Targets

MS4 Area Catch Basin Cleaning/Inspection (100%)

The Department has an annual goal of 100% and expects to achieve this goal by year end. Our permit compliance period for the MS4 July 1, 2020 – June 30, 2021.

CSS Area Catch basins to Anacostia (100%) and Non-Anacostia CSS Area Catch Basins (85%)

We have a goal for 1st time inspections of the CSS Anacostia between January 1, 2021 -June 30, 2021. Our permit compliance period for cleaning the Non-Anacostia CSS is January 1, 2021 - December 31, 2021.

Sewer Cleaning & Inspection (>12 Miles)

This KPI is a measure of progress toward meeting an internally set goal of cleaning and inspecting 12 miles of our small diameter sewers per month. This is based on completing the cleaning and inspection of 1,400 miles of small diameter (< 24 in) sewer in an 10-year cycle. Due to our existing internal crews prioritizing response to service requests and permit required inspections, progress toward our overall goal is impacted. The Department is assessing the internal and external resources required to achieve the established target in the coming year.

Hydrant Flow Tests (Non-Winter Months) (>180)

The Department did not meet the monthly target due to limited staff availability and the need for additional resources. The Department anticipates an increase in performance as adequate levels of staffing are maintained.

Water Quality Complaint Resolution (within 48 Hours)

Although we addressed all customer complaints by phone and email, by flushing hydrants within the same day, we were unable to fully resolve 51% of the customer complaints since there were hydrants that needed to be rechecked and were still pending due to illness, scheduled leave and resource needs (staff). The Department is actively recruiting for several water quality positions and is looking forward to demonstrating improvement within the next year.

Wastewater Operations Reactive Maintenance (<20%)

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 during fiscal years 2019, 2020, and 2021 to date*, of 40%, 37% and 31% respectively, for assets at the Blue Plains Advanced Wastewater Treatment Plant. The reduction realized is attributed to enhanced proactive and predictive maintenance programs, training of staff on precision maintenance and reliability centered maintenance, optimization of existing preventive maintenance plans, and improvements in processes and equipment through the Capital Improvement Program. The goal is to remain on the reduction pathway towards a benchmark that is applicable for Blue Plains.

Pumping Operations Reactive Maintenance (<20%)

The reactive maintenance metric has slightly improved since last month but did not meet the target due to other prioritized work activities and/or emergencies. This is a new metric and to meet the goal we shall continue to enhance our proactive maintenance practices, complete scheduled precision maintenance training and remain focused on our reliability centered maintenance activities. We expect to see incremental improvements, year after year.



DC Water Capital Improvement Program

Water, Sewer, Blue Plains, Lead Free DC and DC Clean Rivers

Fleet Facilities

As of January 15, 2021, the substantial completion date for the new Fleet Facility is April 22, 2022. This date is based on the resolution of all delays created earlier in the project due to permit impacts and inefficiency related to the debris filled earth material. The new management team is in place and catching up on all delayed paperwork.

Potential impact:

Due to the 209-day delay, material and labor cost have increase. DC Water will start negotiating material and labor cost in the next few weeks.

Sewer Services Building

As of January 15, 2021, the building contractor obtained the substantial completion and is working on the punch list items. Facility training has started, and DC Water is working with the contractor for a date to start relocating vehicles. In addition, DC Water has started negotiating scope changes related to the building construction. In addition, the new management team has started to review the parking lot issues and a final report should be out shortly.

Potential impact:

Determination if a claim is required.



- Design of traffic control plans and permitting documents for the Capital Improvement Project and Emergency Rehabilitation (CIPERR) Phase 2 program is on-going. Anticipate design completion by end of December.
- Construction has started with two contractors selected to replace lead and galvanized pipe and perform test pitting activities to bolster DC Water's inventory database. Service line replacements began in January.
- Resource identification for increased activity and work continues, including construction management and inspections and scheduling for replacement and test pitting activities.
- Considered a critical link in the success of the program, communications and outreach is building up with additional resources being added. This includes staff for more door-to-door campaigns, phone calls, and appointment scheduling.
- Data management staff continue to develop and refine dashboarding tools to allow for near real time updates for the program.

Fiscal Year	LPRAP (Assistance Program)	Voluntary Full	CIP Full	CIP Partials	Emergency Full	Emergency Partials	Total LSRs	FY22 Goal	Total Partials	Partials %	Goal %
FY2022	77	104	71	7	31	3	293	2393	10	3.4%	2.1%



Rock Creek Green Infrastructure

DC Water will install Green Infrastructure facilities that include bioretention and permeable alleys in the CSO 049 Rock Creek sewershed to manage the equivalent of 22 impervious acres. The Contractor is preparing and submitting pre-construction documents in preparation for site mobilization.

CSO 025/026 Sewer Separation:

DC Water is required to separate the combined sewers that discharge through CSO 025/026 in Georgetown near Wisconsin Ave NW and K Street NW. Contractor excavating and installing 15-inch sewer line and manholes along 31st Street NW in Georgetown as well as excavating launch and receiving trenches in rock for the small diameter boring unit that will tunnel through a portion of the sewer alignment in rock. Coordination with the community and third-parties continues. Upcoming work is focused on the start of work at Structure 44 on Water Street in Georgetown.



High Risk Audit Findings

Open High Risk Prior Audit Findings

Audit FY	Issue Date	Audit Report	High Risk Open Finding	Original Target Date	New Target Date	# Extensions	
1	2016	7/28/2016	Training, Licensing, and Certification	Identification and monitoring of training requirements by position	9/30/2017	6/6/2022	5
			<i>Status notes:</i> Three training buckets (safety, compliance, and technical) have been configured in Cornerstone LMS. Technical training requirements are being identified by department. Trainings will be assigned by role when the Oracle LMS module is implemented. <i>Reason for extension:</i> Multiple changes in leadership within People & Talent, not prioritized under previous leadership, difficulty organizing technical trainings requiring cross-departmental support, delay in Oracle implementation go-live.				
2	2017	10/26/2017	Entity Level Assessment	Lack of a comprehensive risk management function to evaluate entity-wide risk	10/1/2018	3/31/2022	3
3				Lack of Authority-wide policy and procedure management function	9/30/2018	2/28/2022	3
			<i>Status notes:</i> EPMO has developed an Enterprise Risk Management (ERM) Policy to be institutionalized across the enterprise. EPMO has also developed a charter regarding policy and procedure administration to address Authority-wide policy development, issuance, and maintenance. A DC Water Policy Administrator position will be created. <i>Reason for extension:</i> Continued change in ownership of action plans. Difficulty executing cross-departmental initiatives.				
4	2018	1/24/2019	Enterprise Work Order Management Assessment	DWO – Inadequate capture of labor and materials cost data in Maximo work orders	9/30/2020	3/31/2022	3
			<i>Status notes:</i> Pilot for hydrant program is complete. Roll out of valve application in progress; application is undergoing user acceptance testing in parallel with training for the field crew staff. <i>Reason for extension:</i> Deprioritized due to COVID. Emergencies and vacations of field crew staff delayed user acceptance testing.				

Legend	
	Past due
	Original target date has not yet come due





CEO Report Dashboard

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Customer Experience13

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 Recruitment Performance Metrics.....16

Administration.....17

 Safety17

 Employee Lost Time Incident Rate17

 Contractor Lost Time Incident Rate18

Interpretation of Charts A

Color Key

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




ORGANIZATIONAL PERFORMANCE DASHBOARD (Jan 2022)


Financial Highlights

Net Operating Cash (\$m)		Operating Revenue (\$m)		Operating Expenses (\$m)		Capital Disbursement (\$m)		Operating Cash Bal (\$m)	
Actual	129.41	Actual	310.20	Actual	190.60	Actual	98.70	Actual	249.30
Target	38.35	Target	297.60	Target	200.60	Target	199.00	Target	194.00

Core Invest Yield (%)		Short Term Invest Yield (%)		Delinquent Acct Receivables (%)		On-time Vendor Payments (%)	
Actual	0.58	Actual	0.09	Actual	4.55	Actual	93.50
Target	1.11	Target	0.19	Target	3.00	Target	97.00

Operations and Engineering Highlights

Lead Concentration (ppb)	Total Coliform Rule (%)	Biosolids Production (wet tons)	Total Nitrogen (lbs/yr mil)
		Actual 405	

Plant Effluent Flow (gal mil)	Excess Flow (gal mil)	Water Main Leaks	Water Valve Leaks
	0	151	4

Fire Hydrants Insp. And Maint.	Fire Hydrants out of Service	Fire Hydrants Replaced (YTD)
38	36	5

Sewer Main Backups	Sewer Lateral Backups	Dry Weather CSO	Permits Processed within SLA (%)	Electricity Usage (Kwh)
3	130	0	91	17250

Customer Experience Highlights

Call Center Performance		Command Center Performance		Emergency Response Time	
Actual	95%	Actual	76%	Actual	100%
Target	85% 	Target	85% 	Target	90%  (% of calls Received)

Low Income Assistance Program Highlights

SPLASH Contributions (\$tho)		Customer Assist. Program (\$tho)	
Actual	24.55	Current	394.70
Target	26.67	Previous	148.34

People and Talents Highlights

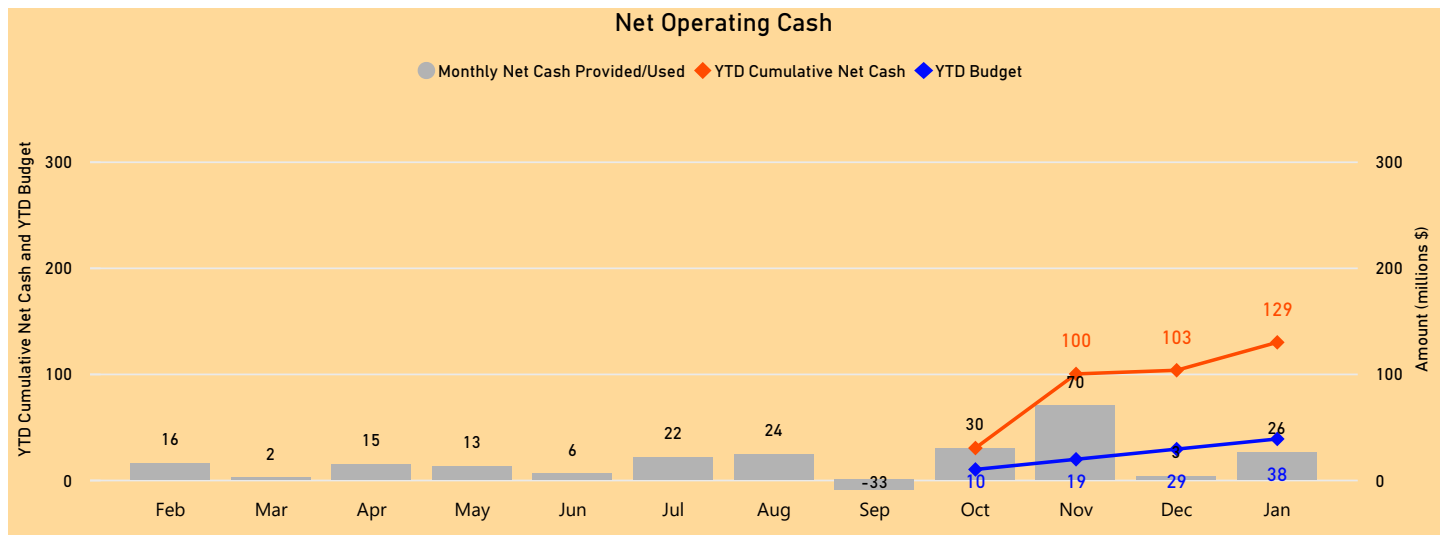
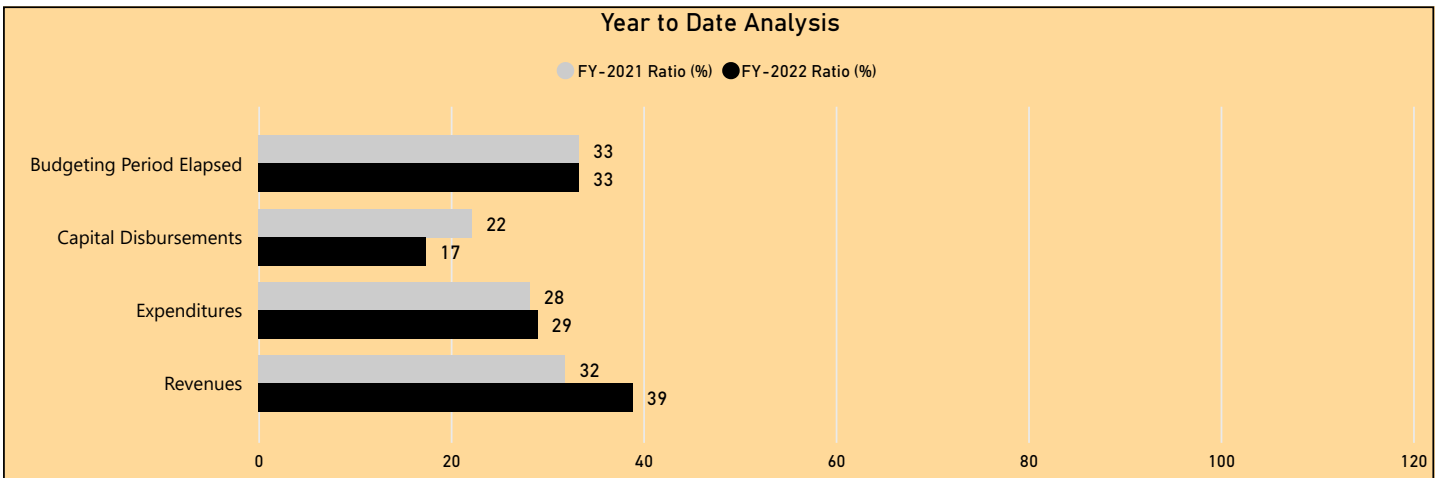
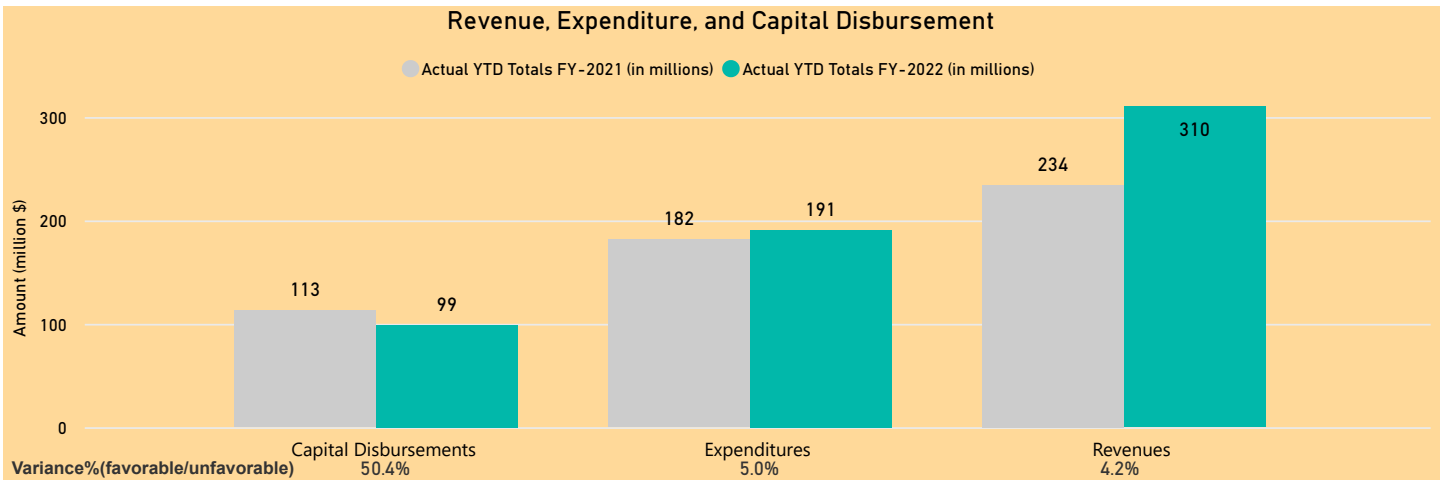
Recruitment Activity	
Filled	3

Administration Highlights

Employee Lost Time Incidence Rate	
	1.50%

FINANCIAL HIGHLIGHTS

Financial Performance Summary

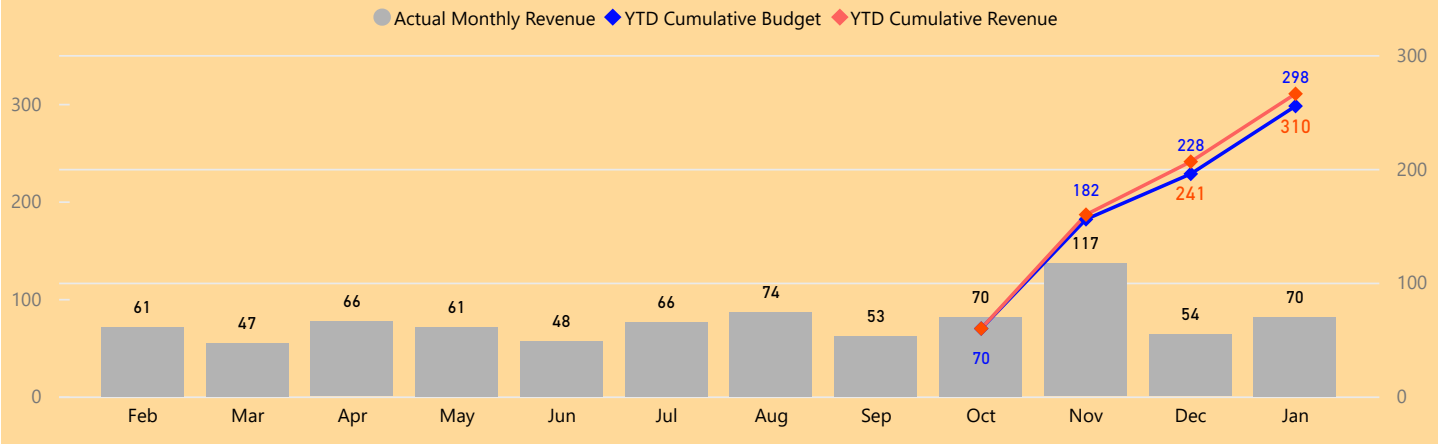


Net cash to date for January was above budget by \$91.1 Million

FINANCIAL HIGHLIGHTS

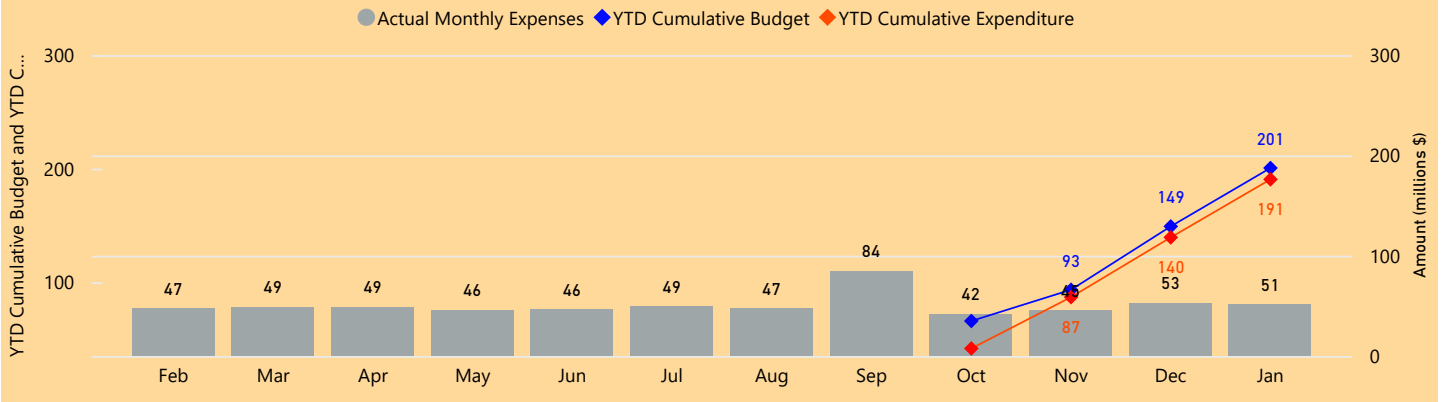
Revenues & Operating Expenses

Operating Revenues



Revenue to date for January was above budget by \$12.58 Million

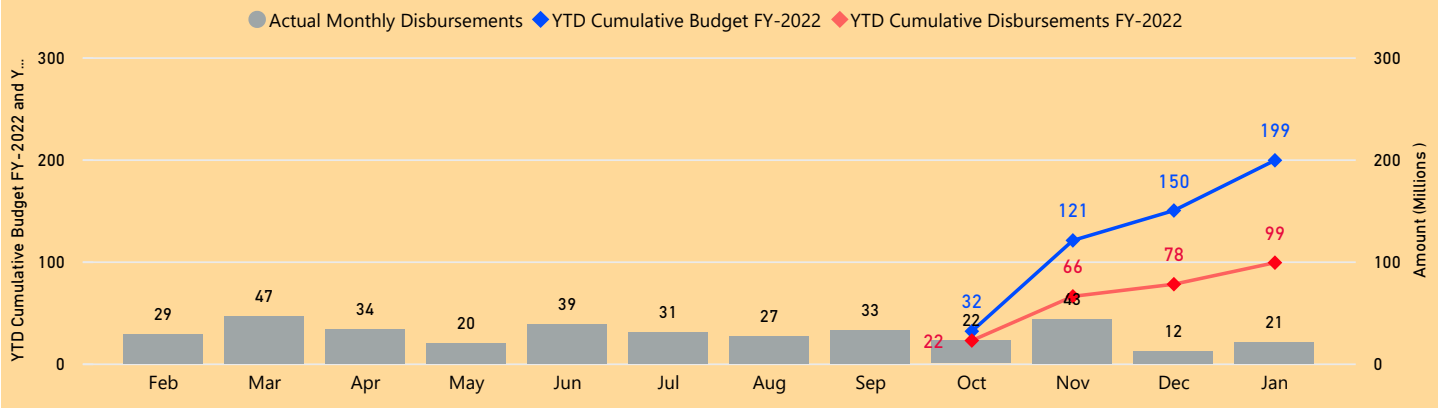
Operating Expenses



Expenditure to date for January was below budget by \$10.0 Million

Capital Spending

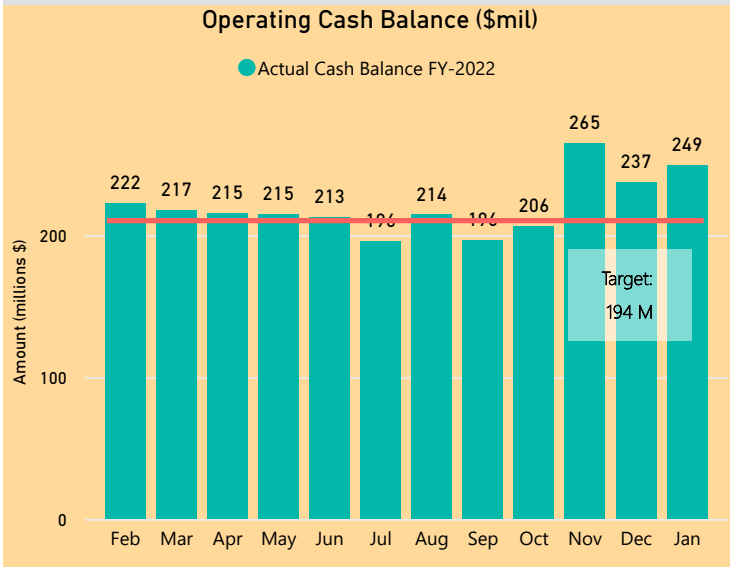
Capital Disbursement



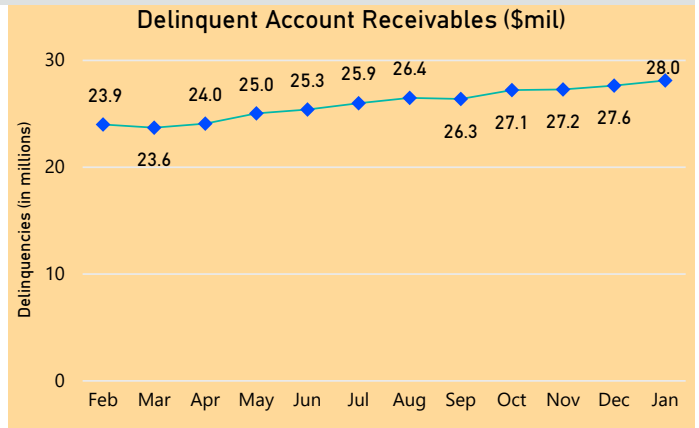
Disbursements to date for January was below budget by \$100.4 Million. YTD spending reflects comparison to the revised budget.

FINANCIAL HIGHLIGHTS

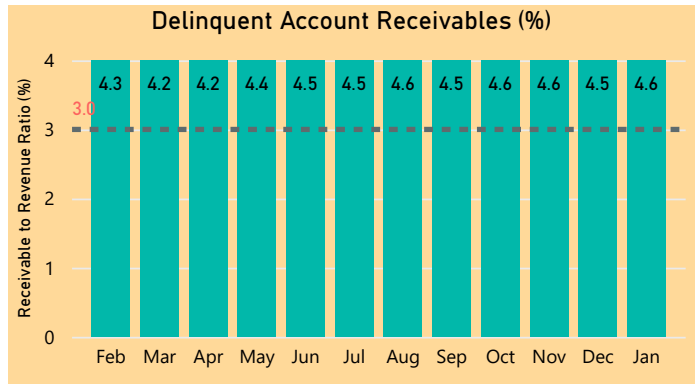
Operating Cash & Receivables



Cash Balance for January was above target by \$55.3 million

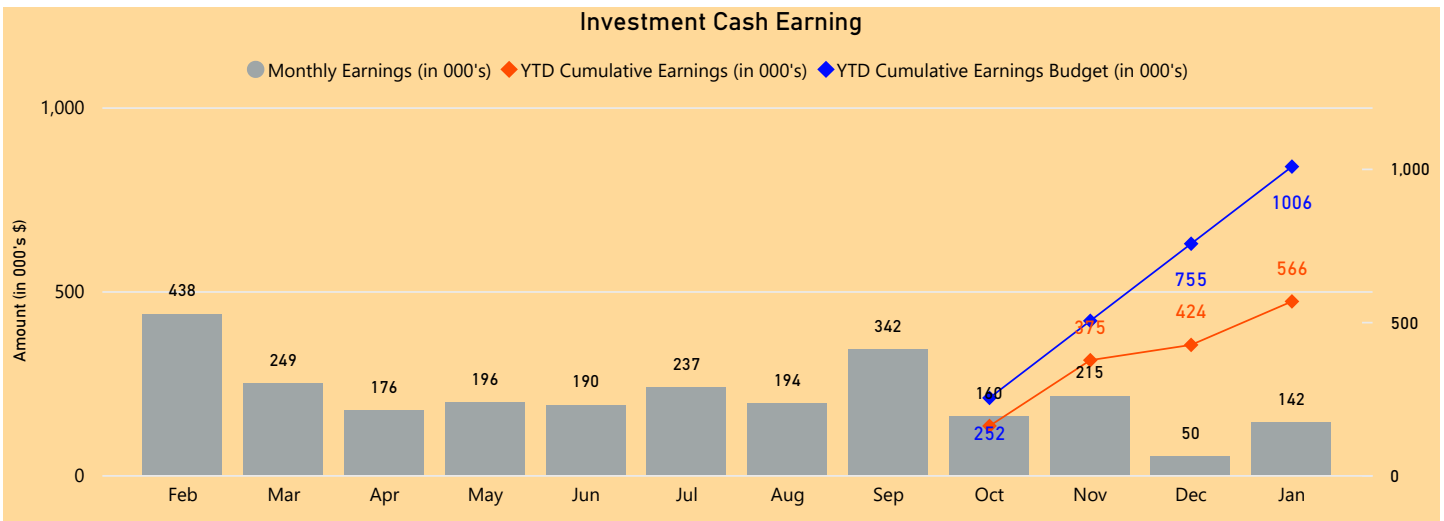


Starting March, the increase is primarily due to increased delinquencies and deferred payments resulting from the COVID-19 pandemic



January Receivables to Revenue Ratio is 4.55, Delinquency is \$28.04 million.

Investment Earnings

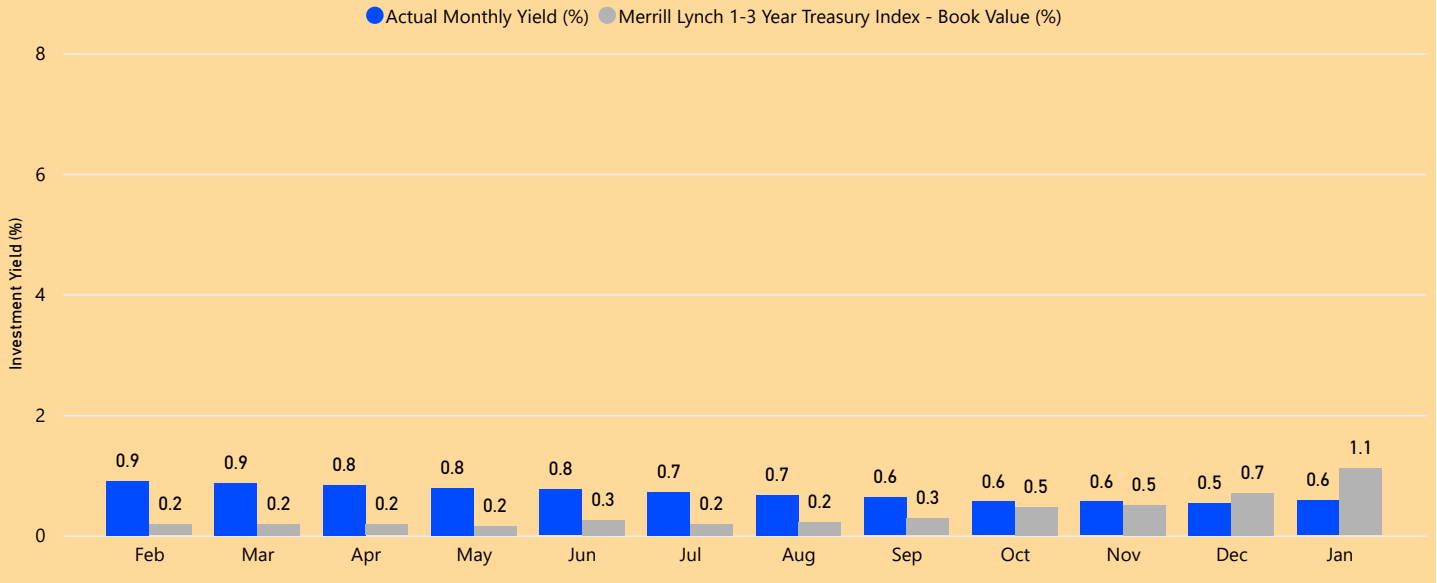


Earnings to date for January were below Projected Budget by \$439,823.

FINANCIAL HIGHLIGHTS

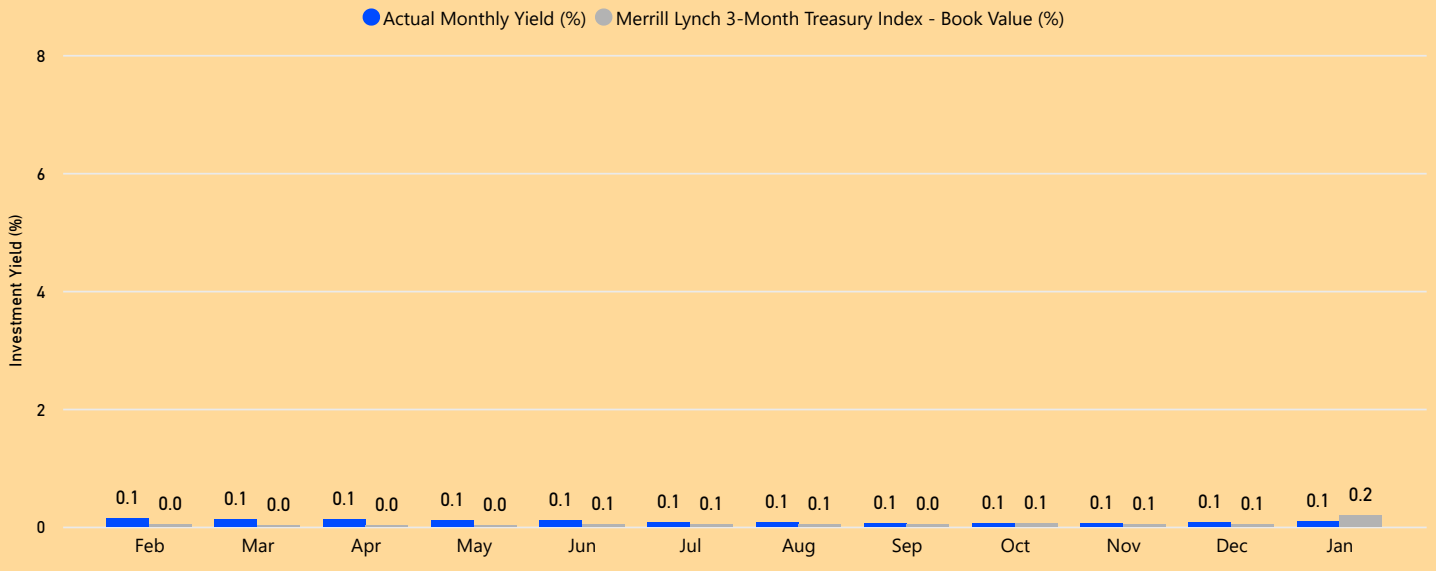
Investment Yields

Core Investment Yield



Yield for January was less than the treasury index by 0.53%

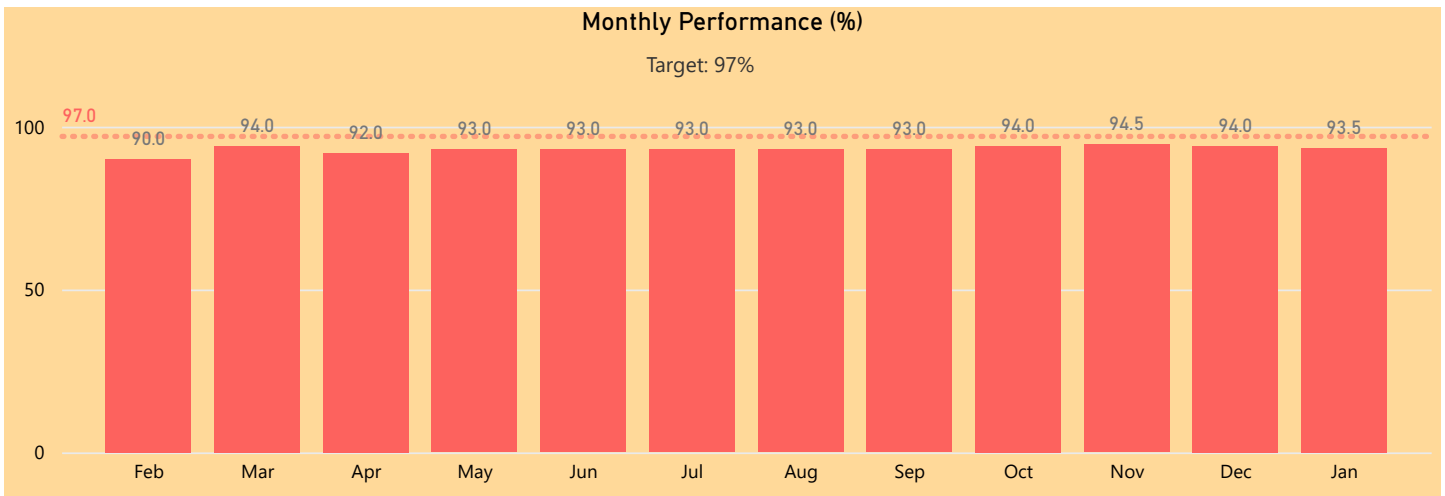
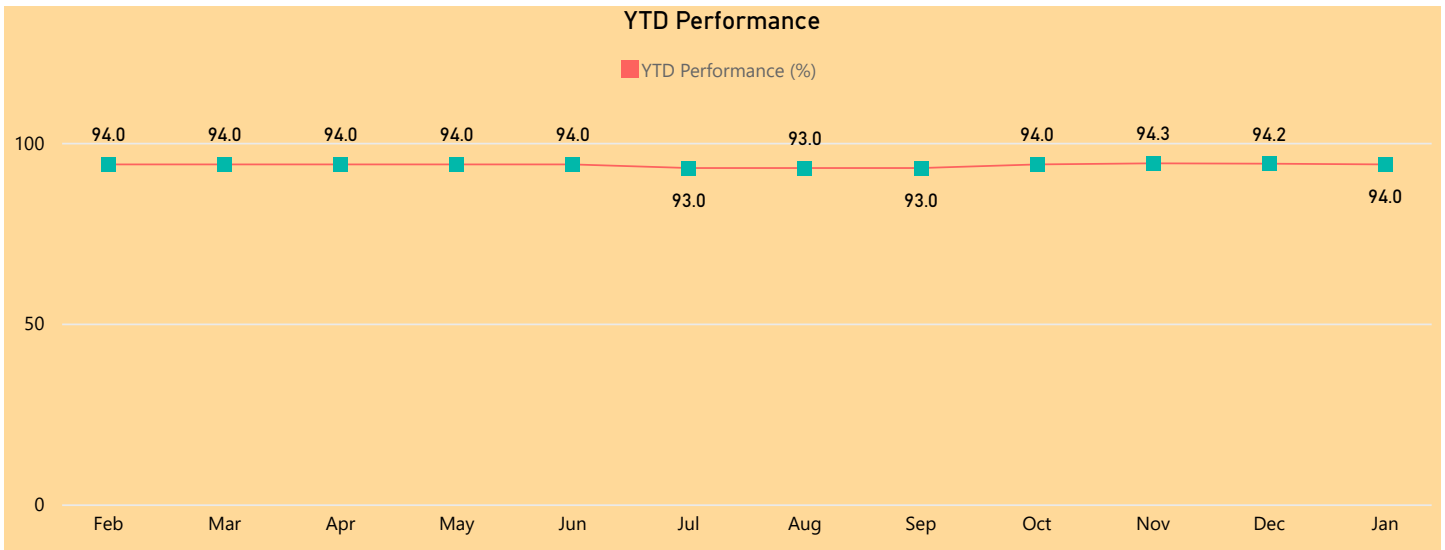
Short Term Investment Yield



Short Term Yield for January was less than the Merrill Lynch yield by 0.10%

FINANCIAL HIGHLIGHTS

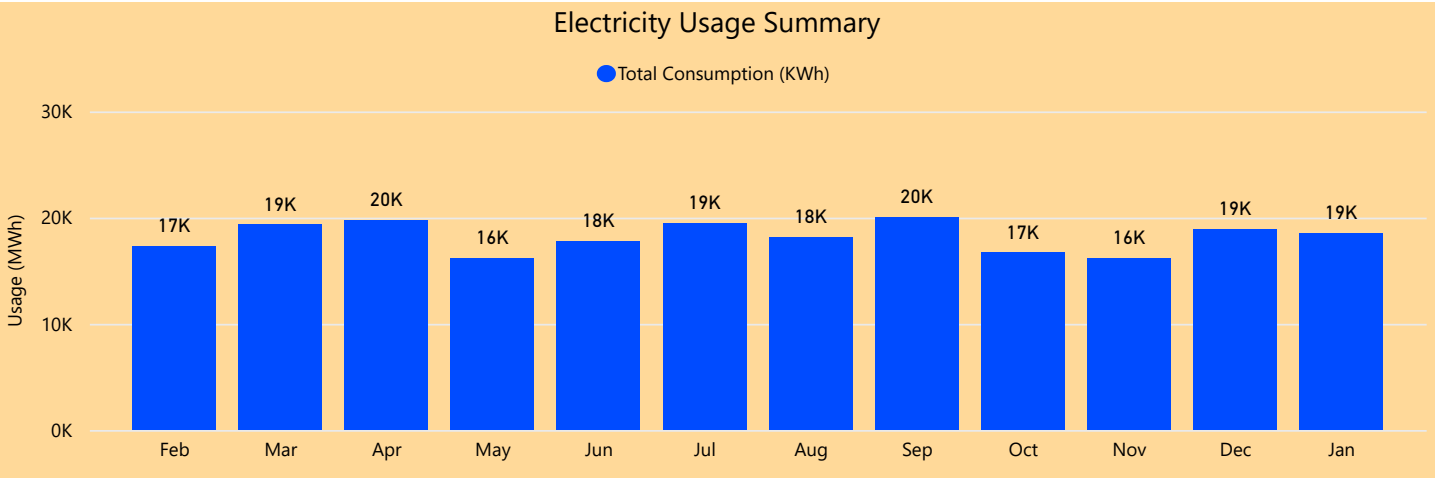
Vendor Payments



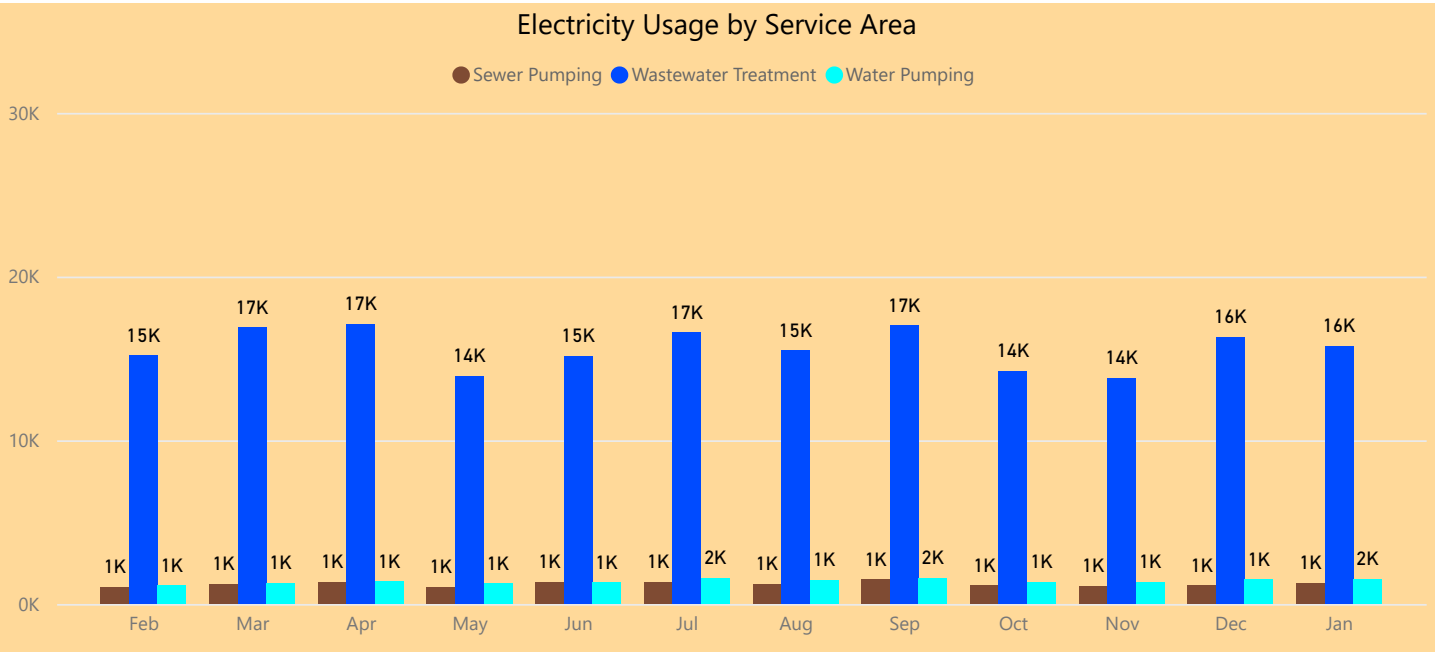
Performance for January was 3.5% below the monthly target of 97.0%

OPERATIONS AND ENGINEERING

Energy Consumption



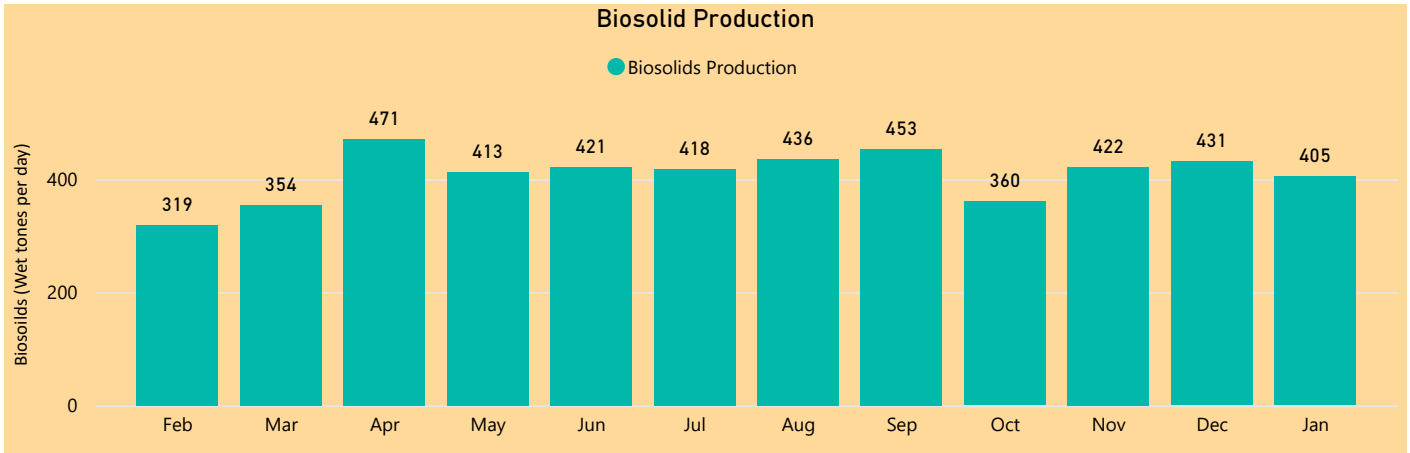
Electricity consumption in Jan 2022 was 18517 KWh.



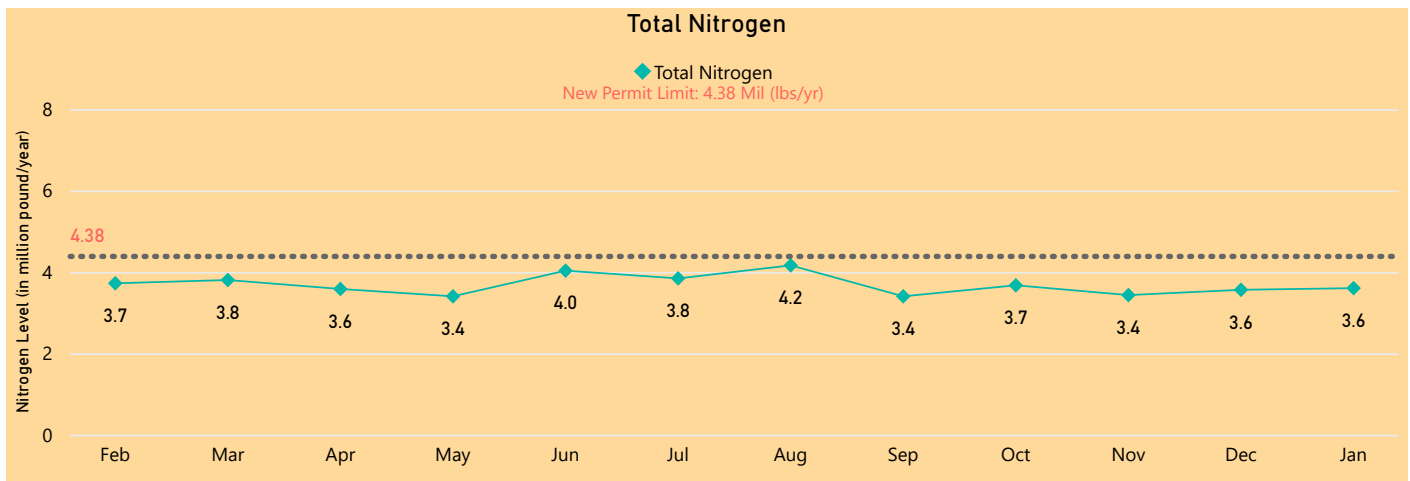
Wastewater treatment has the highest electricity consumption in Jan 2022 at 15755 KWh.

OPERATIONS AND ENGINEERING

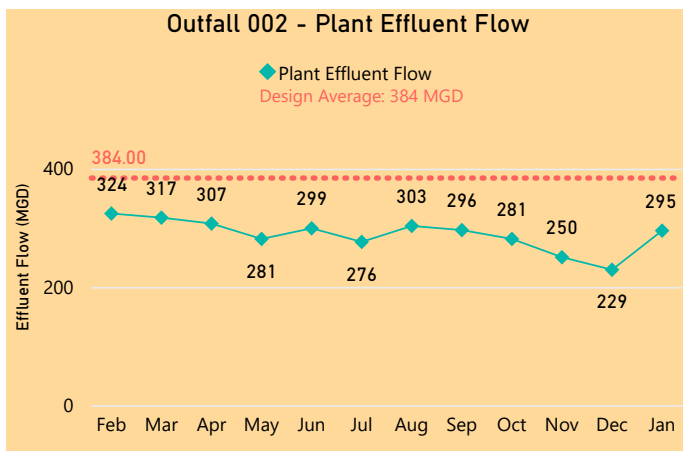
Wastewater Treatment



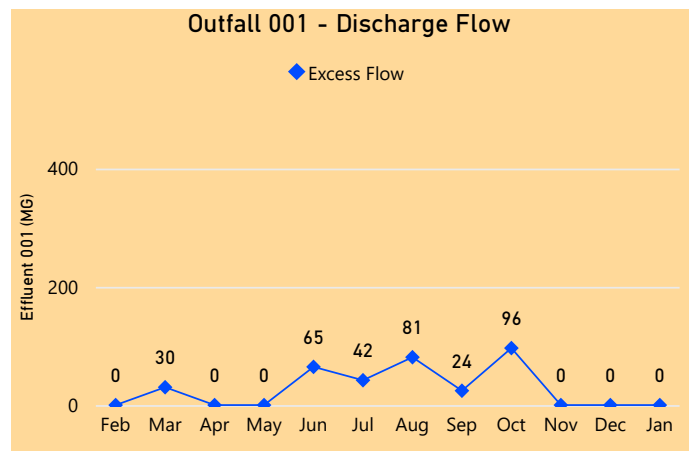
Biosolids daily production for Jan 2022 was 404.7 wet ton per day.



Nitrogen level for Jan 2022 was below permit by 0.78 million lbs/yr.



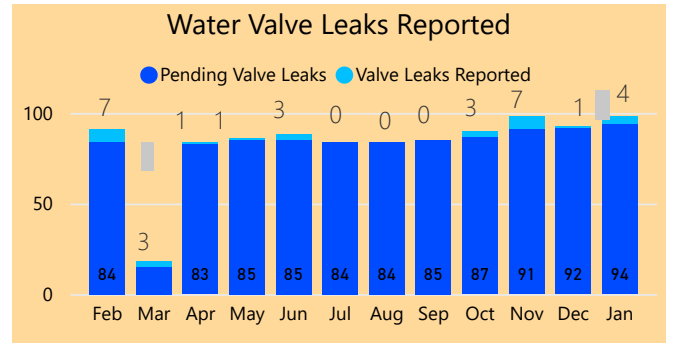
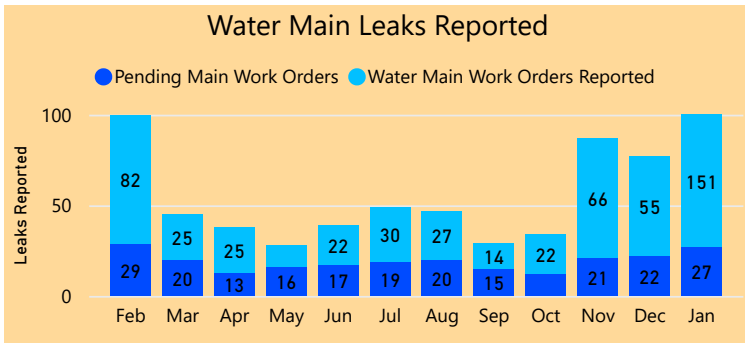
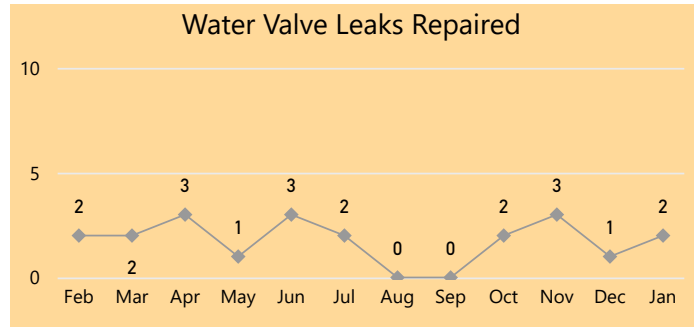
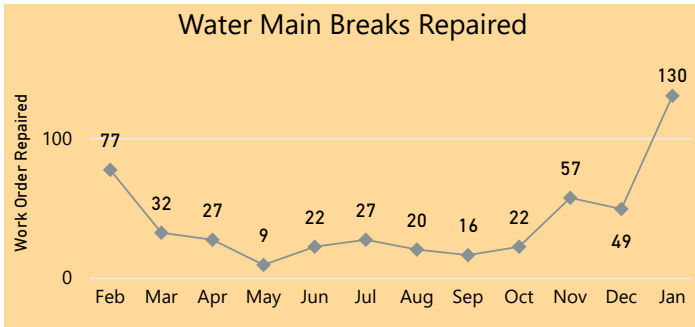
In Jan 2022 effluent flow was below permit by 89 MGD.



Excess flow events were recorded at 0 MG in Jan 2022.

OPERATIONS AND ENGINEERING

Water Distribution Operations

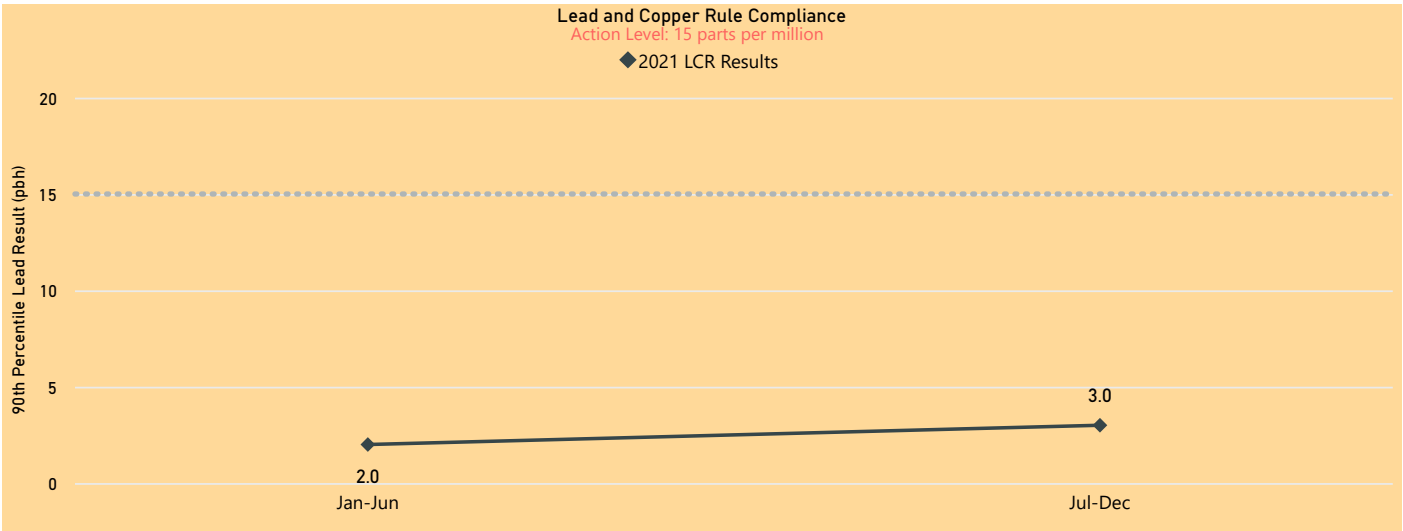


There were 151 Water Main Work Orders reported in January.

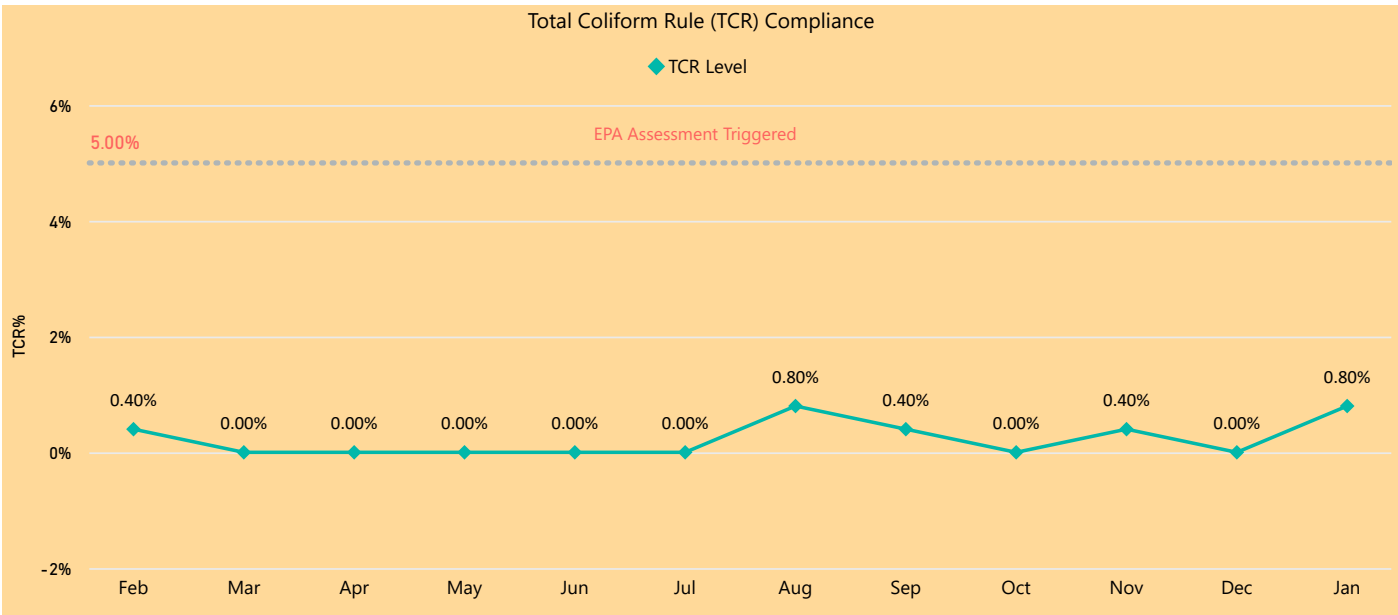
4 leaks were reported in January.

OPERATIONS AND ENGINEERING

Drinking Water Quality



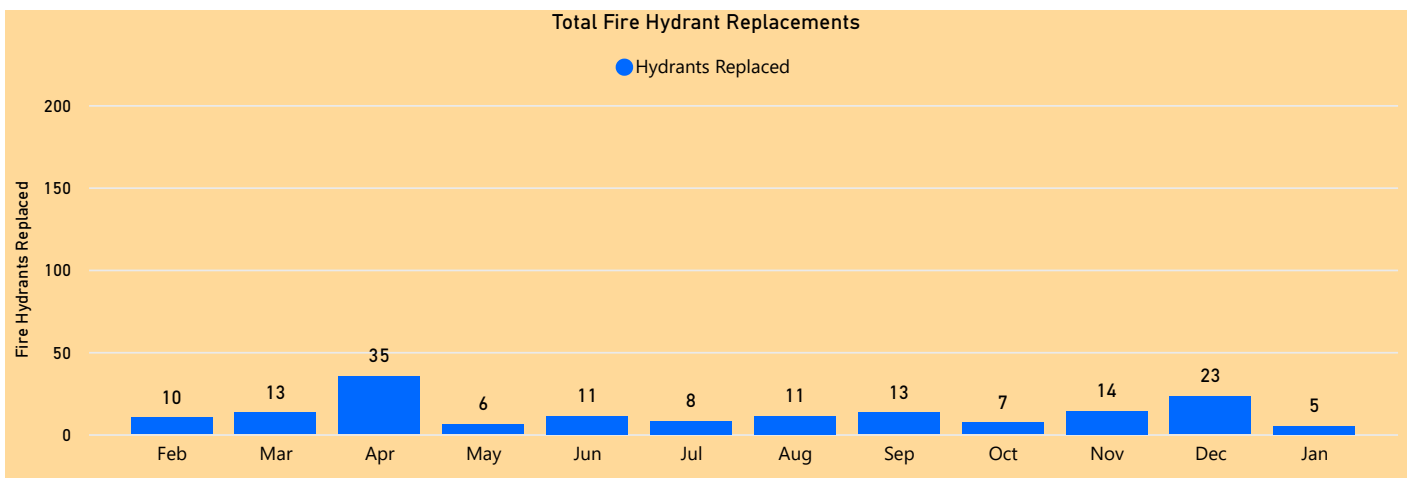
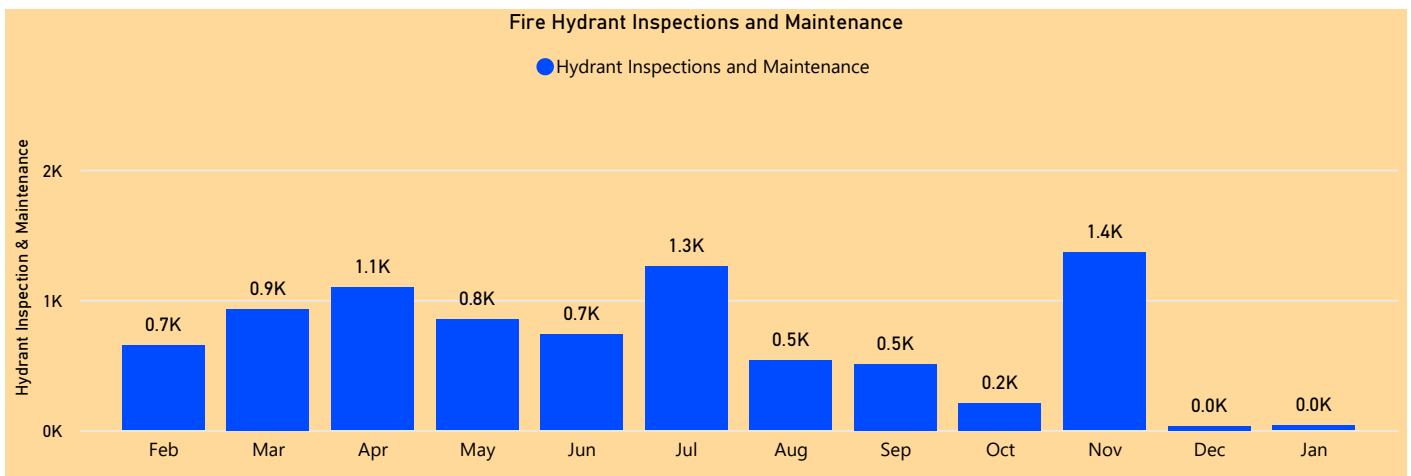
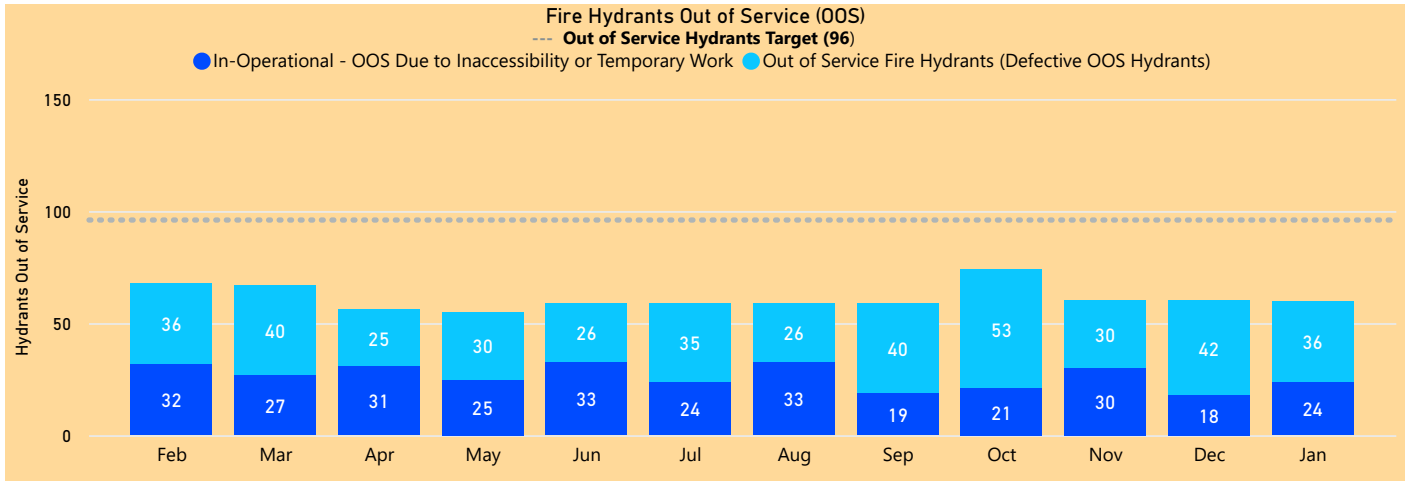
90th percentile of lead level for the 1st semester 2022 is pending



Coliform Positive was recorded at 0.008% for Jan 2022

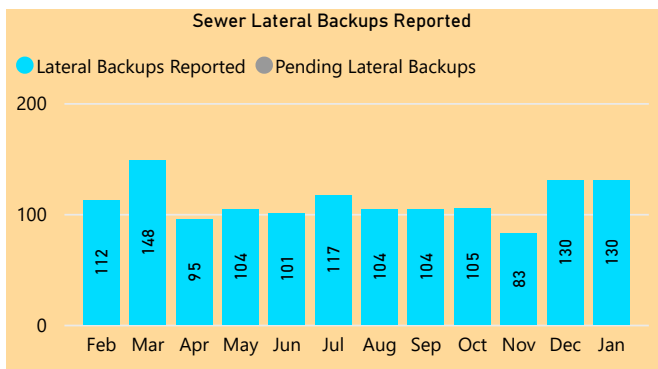
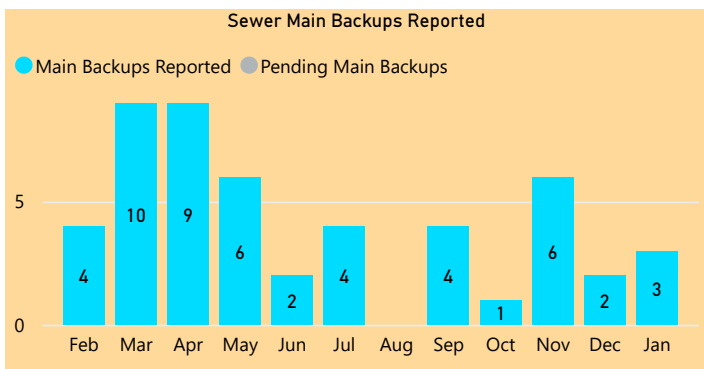
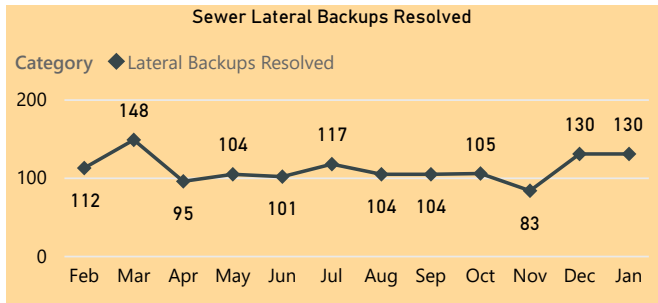
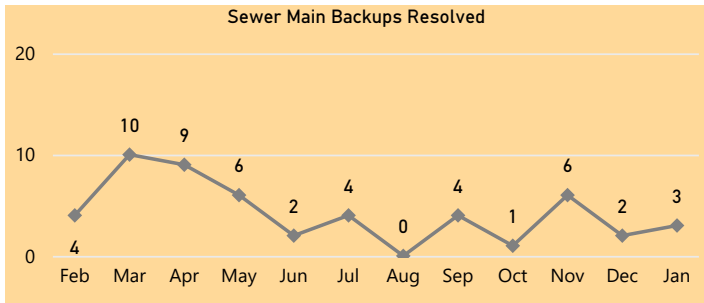
OPERATIONS AND ENGINEERING

Fire Hydrants



OPERATIONS AND ENGINEERING

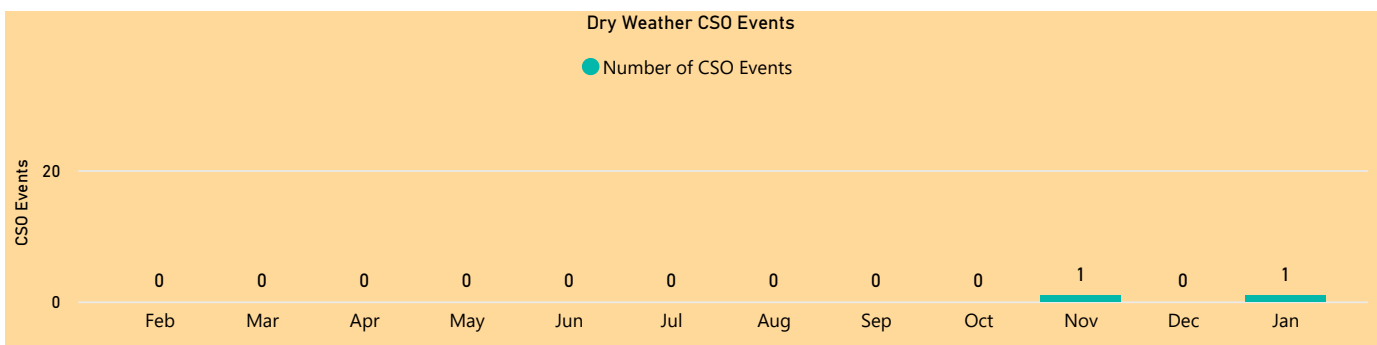
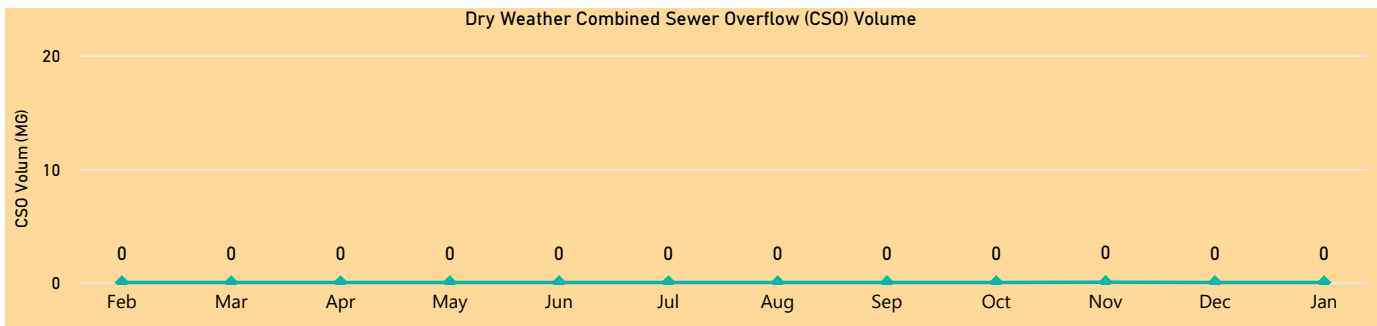
Sewer System Operations



0 pending main backup(s) reported

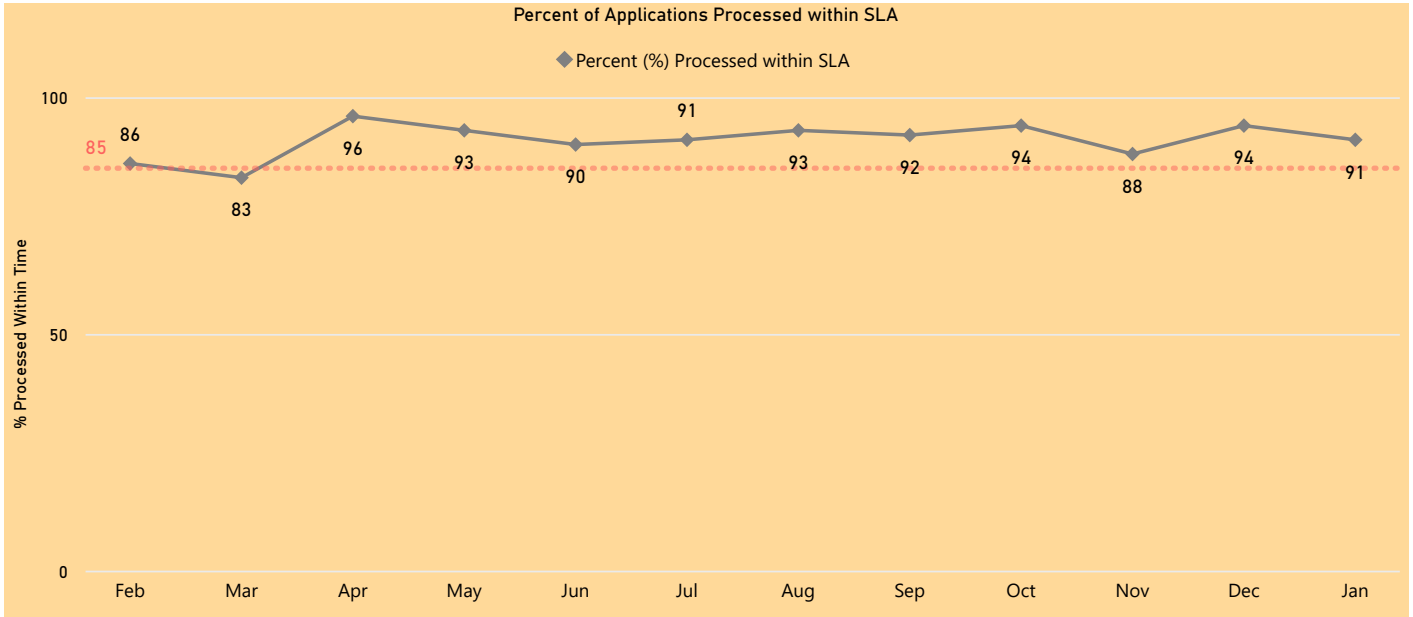
0 pending lateral backup(s) reported

Combined Sewer System

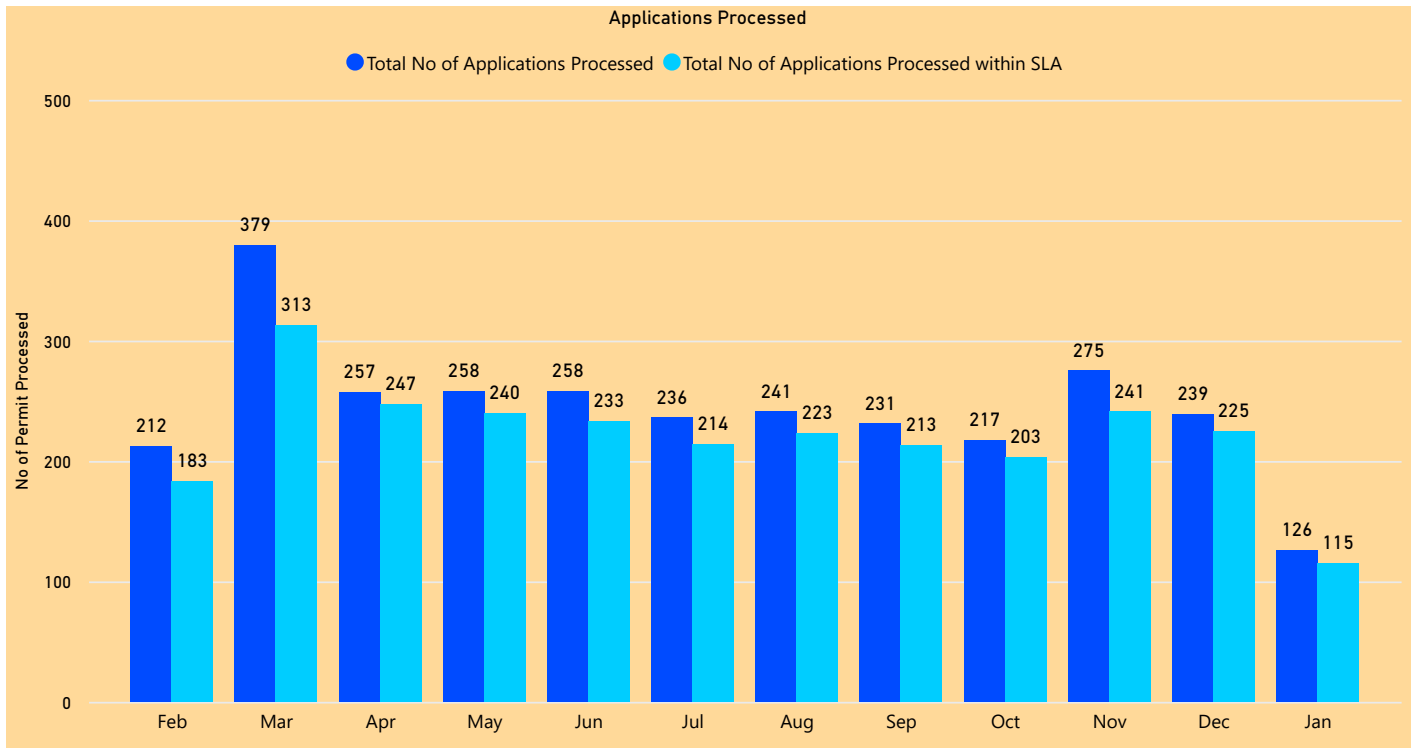


OPERATIONS AND ENGINEERING

Permit Processing

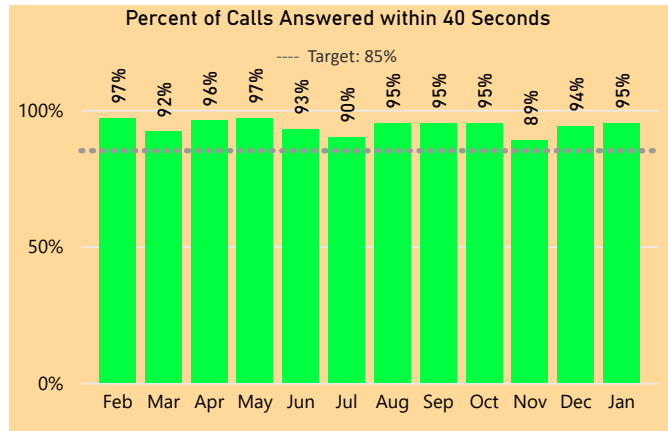
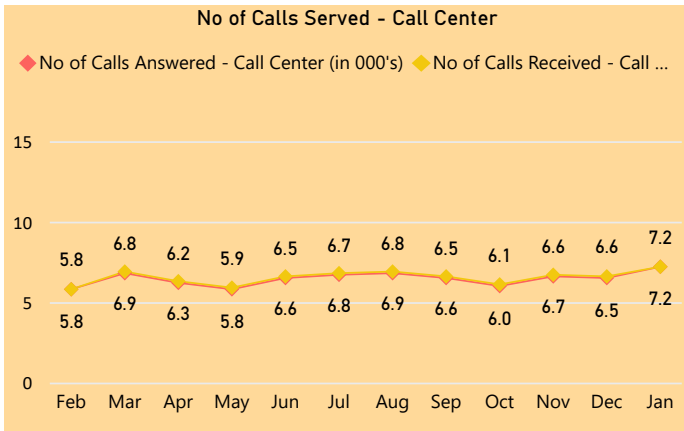


Permits processed in Jan 2022 were 6% above the SLA target 85%



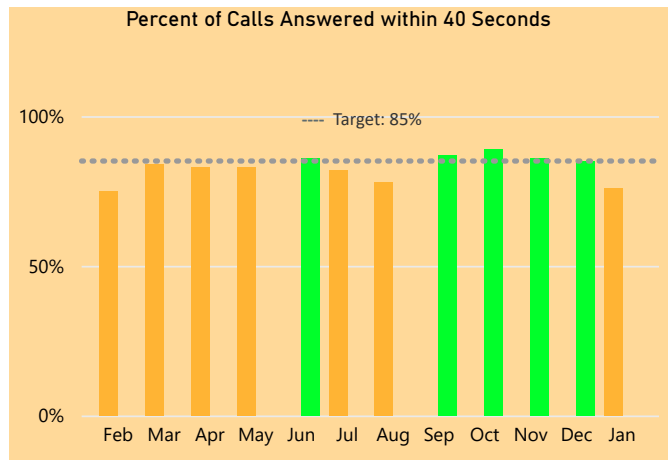
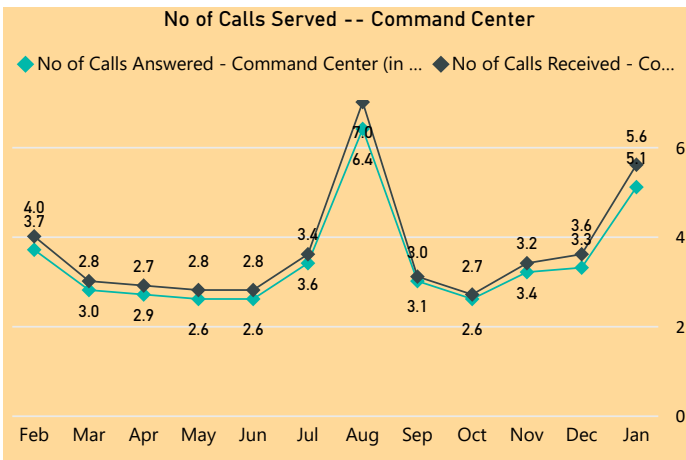
CUSTOMER EXPERIENCE

Customer Care - Call Center Performance



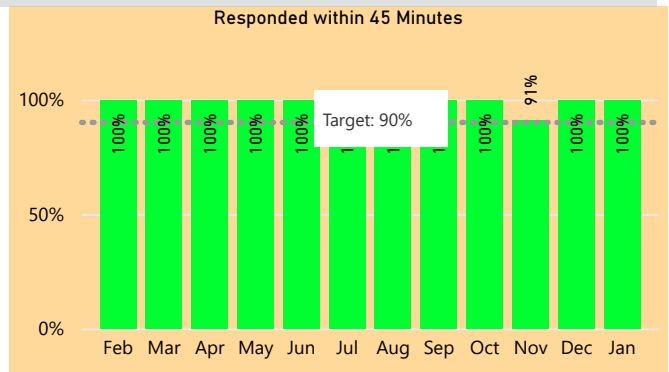
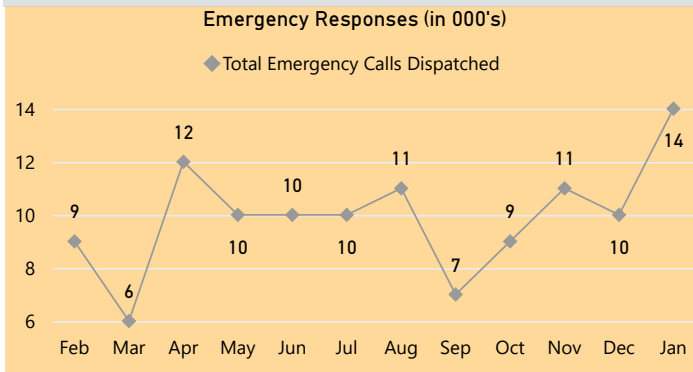
Call Center was above target by 10%.

Customer Care - Command Center Performance



Command Center was below target by 9% due to increased call volume...

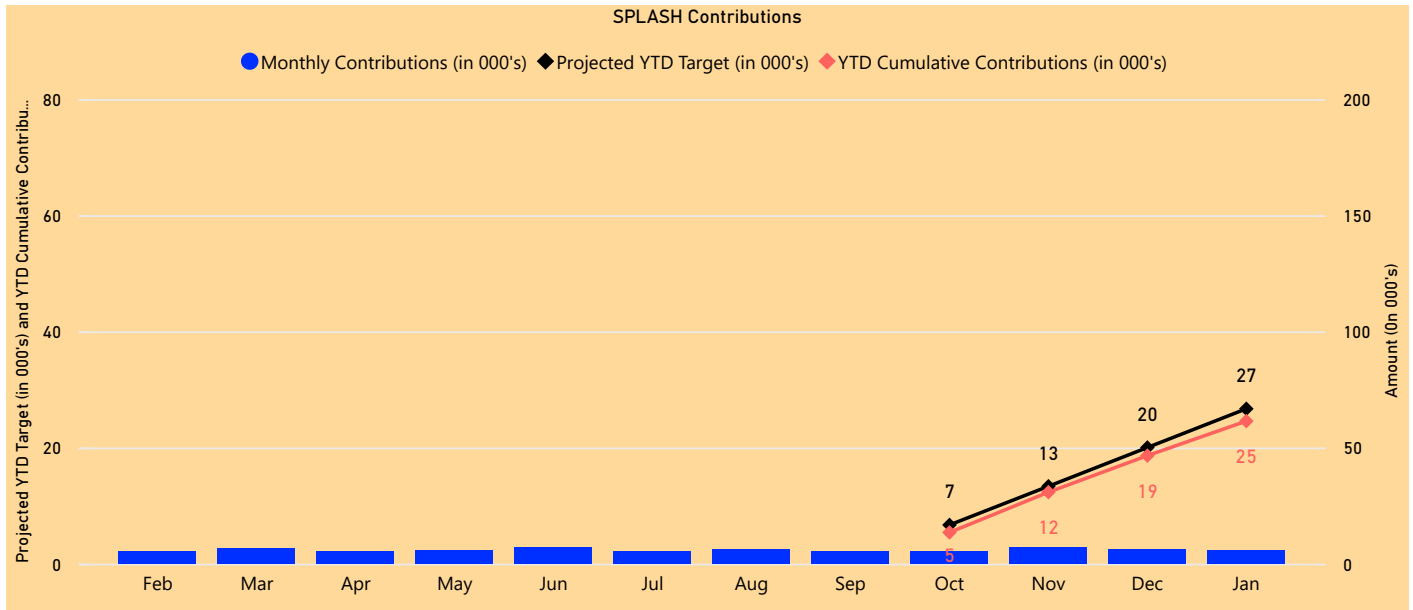
Customer Care - Emergency Response Time



Performance for Jan 2022 was above target by 10%.

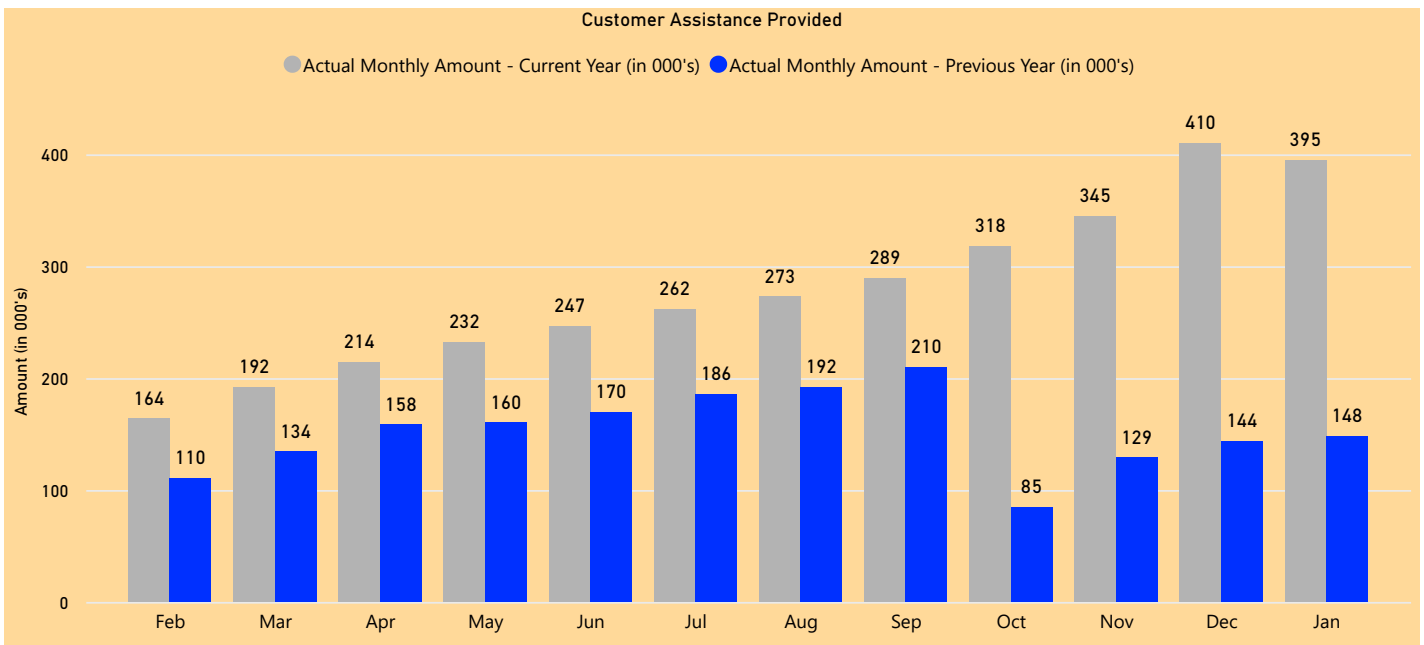
LOW INCOME ASSISTANCE PROGRAM

SPLASH Program



Total SPLASH contributions to date were below target by \$.73k due to lower employee and customer contributions compared to last year.

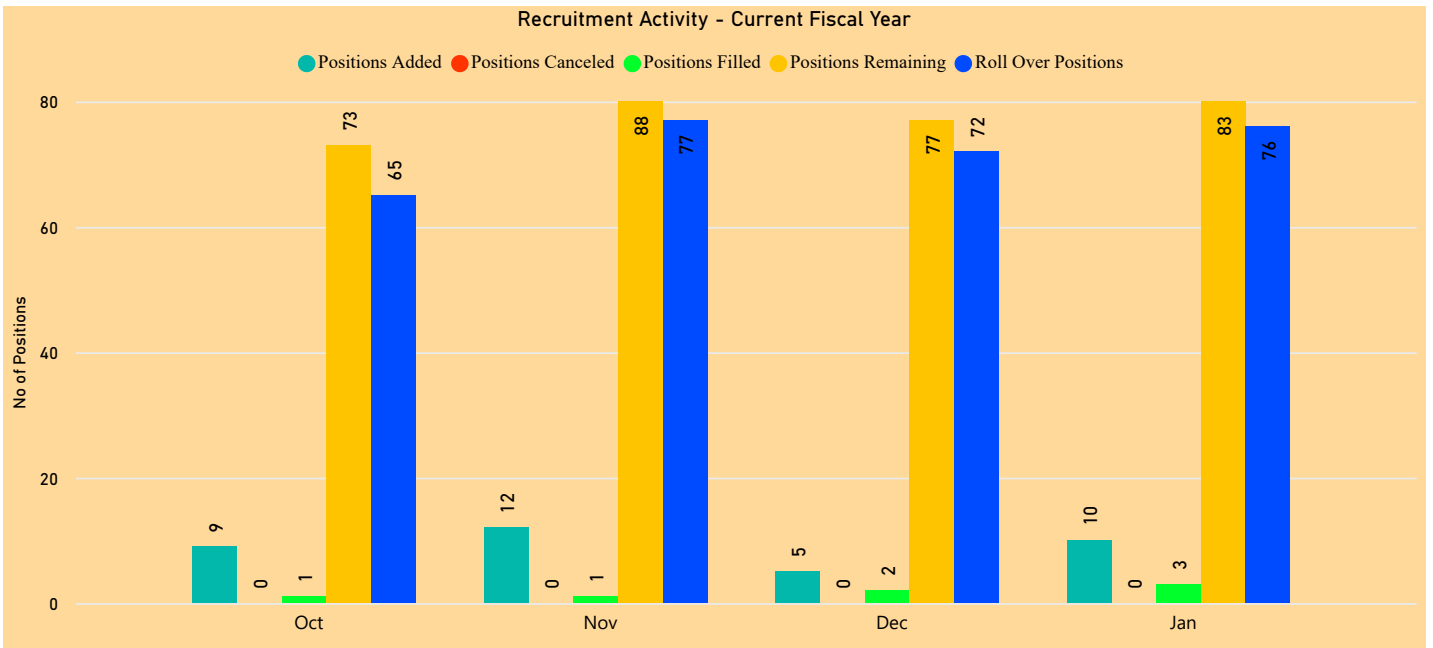
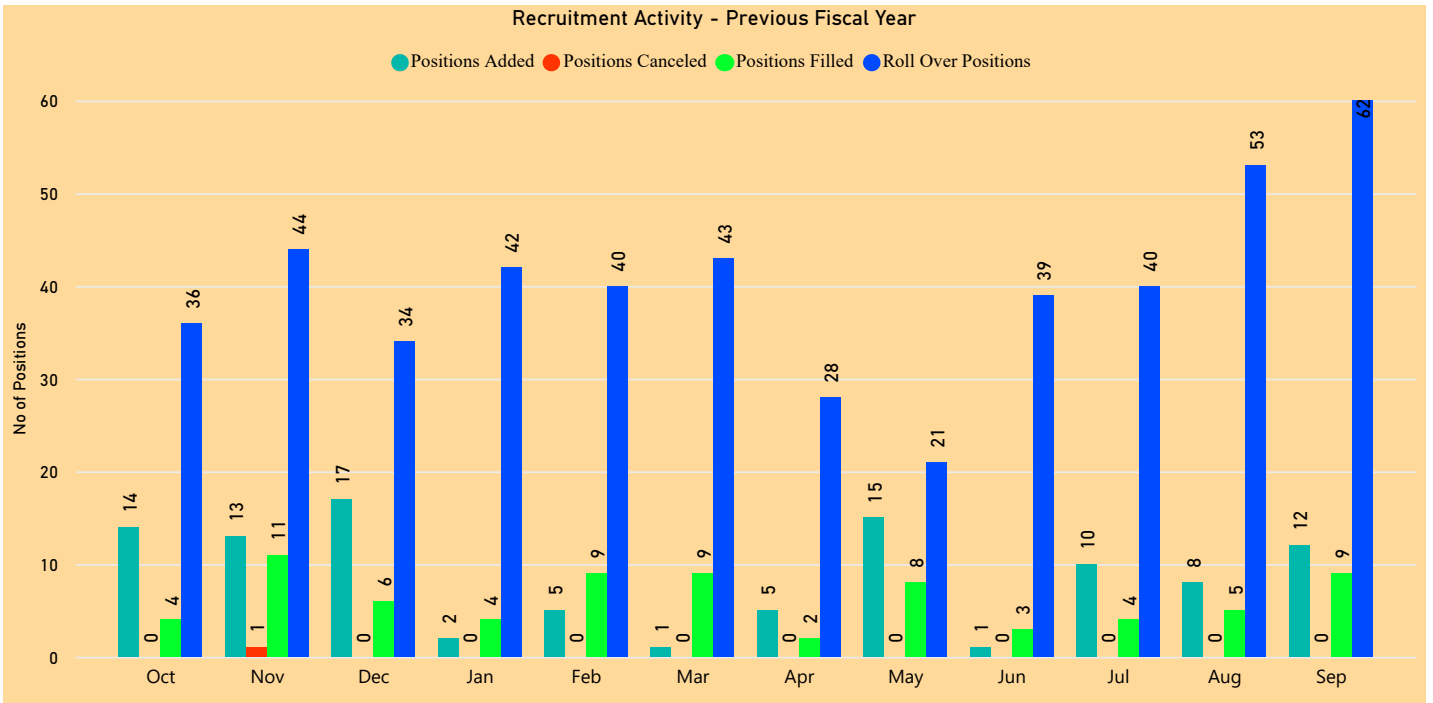
Customer Assistance Program (CAP)



Total CAP account credits were \$246.36k higher than last year due to inclusion of STAY DC customers that were added to the CAP program.

PEOPLE AND TALENT

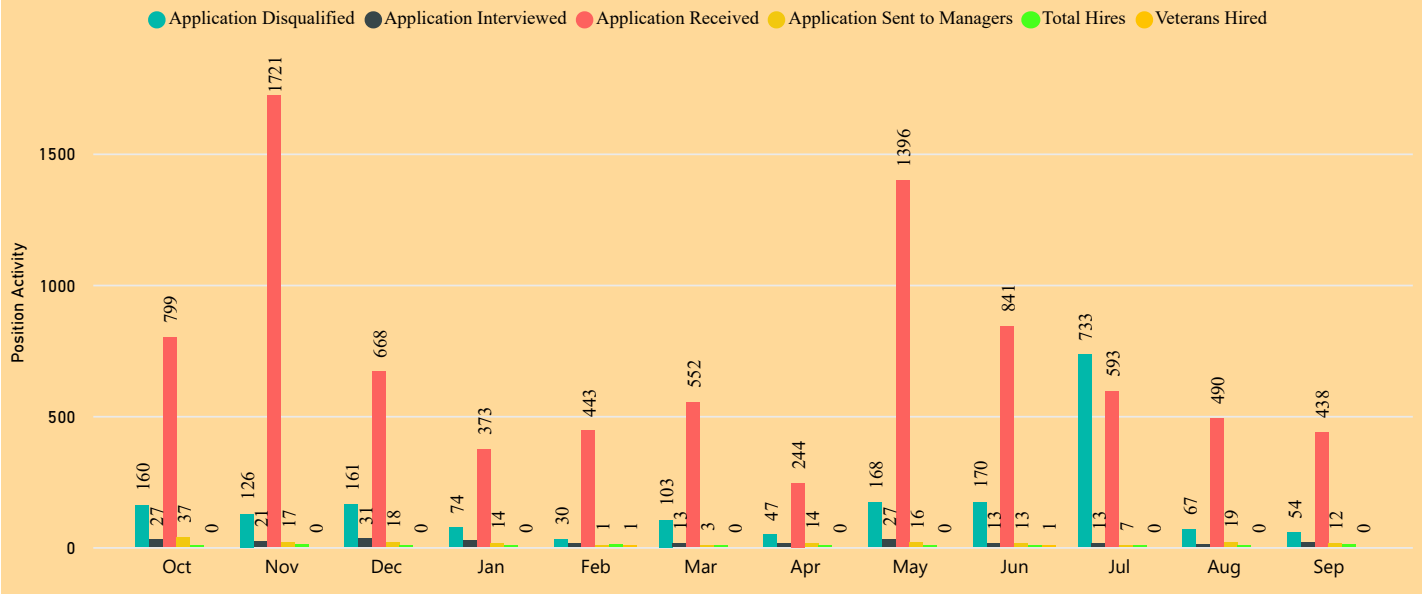
Human Resources



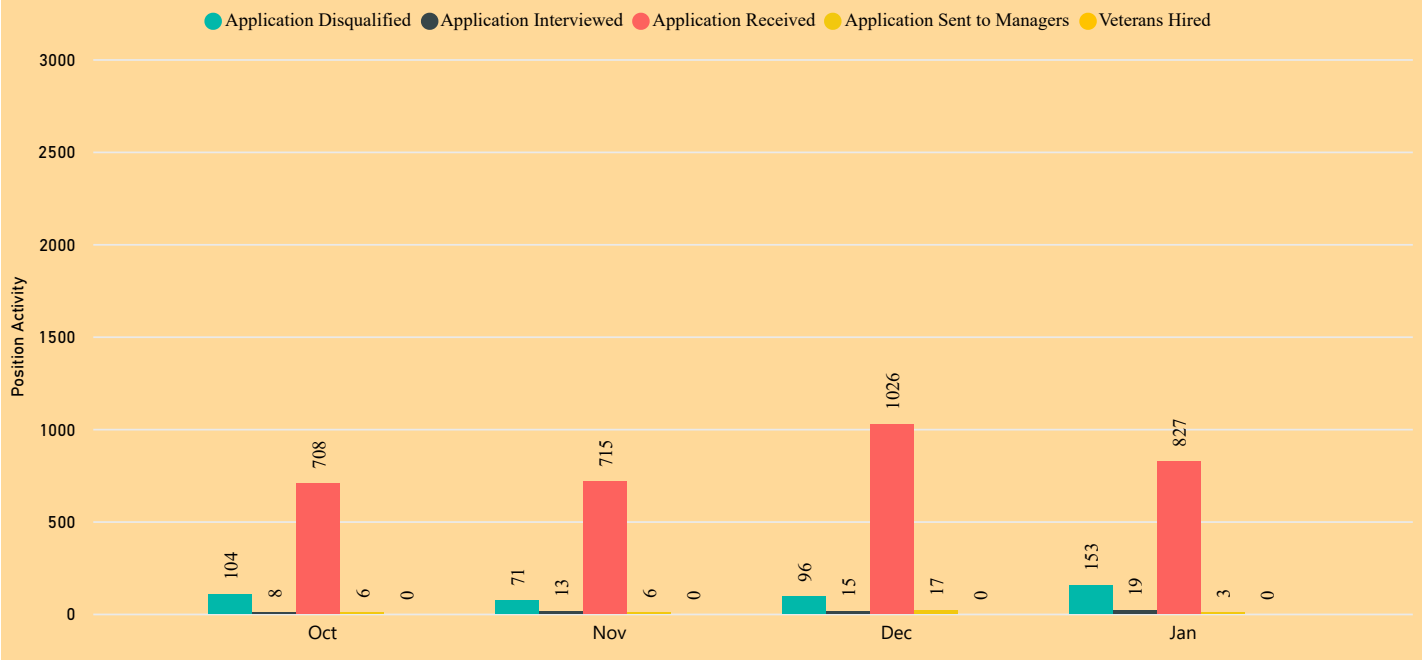
PEOPLE AND TALENT

Human Resources

Recruitment Performance Metric - Previous Fiscal Year

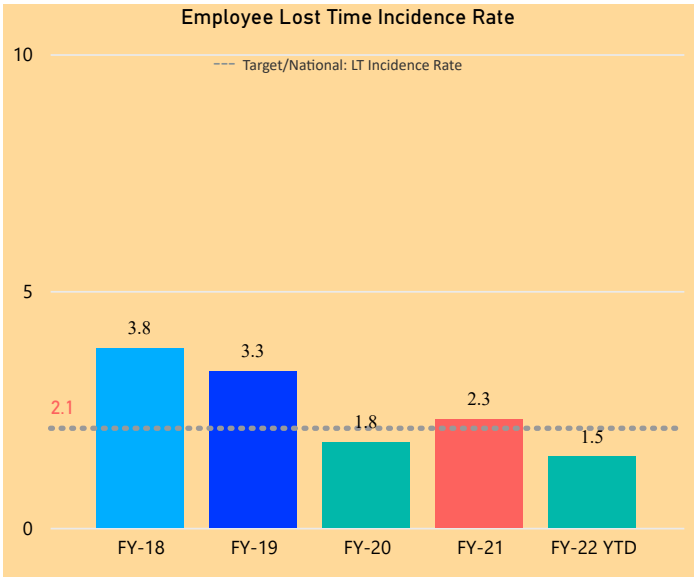
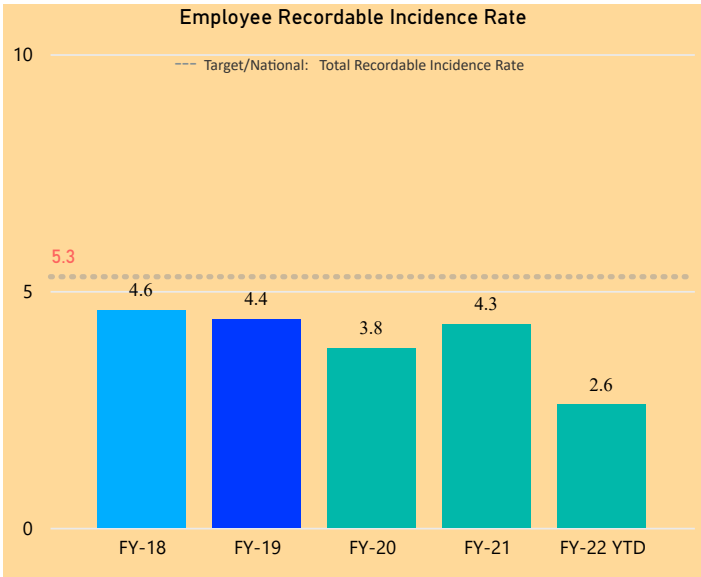


Recruitment Performance Metric - Current Fiscal Year



ADMINISTRATION

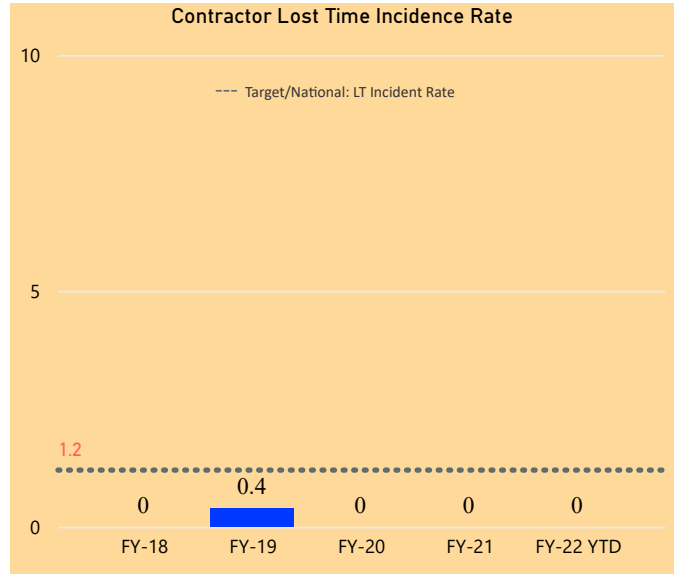
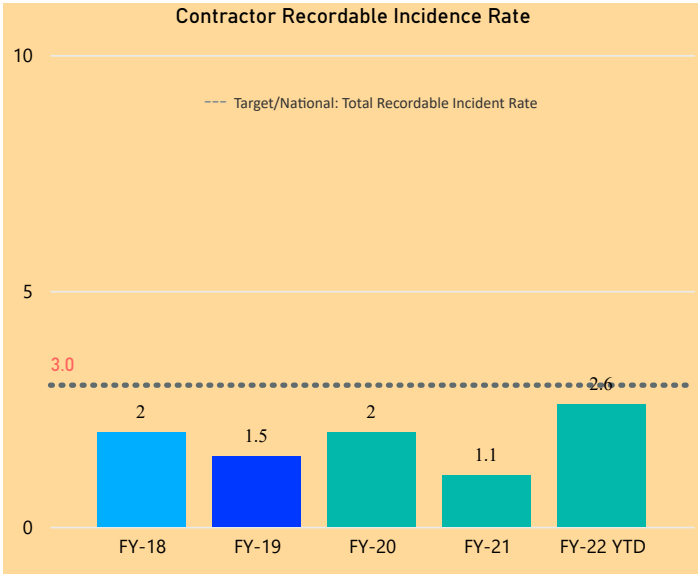
Safety



There have been 5 lost time incidents in FY 2022 YTD

ADMINISTRATION

Safety



There have been 0 lost time incidents in FY 2022 YTD.

INTERPRETATION OF CHARTS:

FINANCIAL HIGHLIGHTS

Revenue, Expenditure, Capital Disbursement

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

Net Operating Cash

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

Operating Revenues

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

Operating Expenses

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

Capital Disbursements

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

Operating Cash Balance

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

Delinquent Account Receivables

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

Investment Cash Earnings

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

Core Investments Yield

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

Short Term Investment Yield

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

Dynamic Color Coding Legend

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

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

A

Vendor Payment Performance

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

OPERATIONS & ENGINEERING

Electricity Usage Summary

- Bar graph shows total electricity consumption per month

Electricity Usage by Service Area

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

Biosolids Production

- Bar graph shows monthly average daily biosolids production

Total Nitrogen

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

Plant Effluent Flow

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

Excess Flow

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

Non-Revenue Water

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

Lead and Copper Rule (LCR) Compliance

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

Total Coliform Rule (TCR)

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

Water Main Leaks

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

Dynamic Color Coding Legend

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

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

- Line graph denoted by (O) shows the number of main leaks repaired per month

Water Valve Leaks

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

Fire Hydrants Out of Service (OOS)

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

Fire Hydrant Inspections and Maintenance

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

Fire Hydrant Replacements Per Month

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

Sewer Main Backups

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

Sewer Lateral Backups

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

Combined Sewer dry weather Overflow (CSO) Events

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

Total Applications Processed within Service Level Agreement (SLA)

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

Dynamic Color Coding Legend

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

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

CUSTOMER EXPERIENCE

CUSTOMER CARE

Call Center Performance

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

Command Center Performance

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

First Call Resolution (FCR)

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

Emergency Response Time

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

LOW INCOME ASSISTANCE PROGRAM

SPLASH Contributions

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

Customer Assistance Program (CAP)

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

PEOPLE AND TALENT

HUMAN RESOURCES

Open Positions

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

Dynamic Color Coding Legend

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

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

ADMINISTRATION

SAFETY

Employee Lost Time Incidence Rate

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

Contractor Lost Time Incidence Rate

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

Dynamic Color Coding Legend

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

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



Summary of Contracts on Consent Agenda

284th Meeting of the DC Water Board of Directors

Thursday, March 3, 2022

Joint Use Contracts

Resolution No. 22-14, execute additional funding and exercise Option Years Four and Five of Contract No. WAS-13-048-AA-SS, Constellation New Energy, Inc. The purpose of the additional funding is to continue providing Wastewater Treatment Operations and Department of Pumping and Sewer Operations with electricity services and to purchase electrical generation capacity. The purpose of the option years requested earlier than the planned schedule FY23 and FY24 is to allow DC Water to take maximum advantage of soft spots in the wholesale market to lock in block power purchases through September 30, 2024. The total contract amount is \$40,050,000.

Resolution No. 22-15, execute Phase Two (2) of Contract No. 190010, Ulliman Schutte Construction, LLC. The purpose of phase two (2) is to complete 60 percent – 100 percent design, and obtain all required permits before the construction start, and to obtain environmental studies related to Land Water Conservation Fund. In addition, slip line approximately 140 linear feet of existing 78 inch diameter pipe to reduce the collapse risk of the existing deteriorated pipe, etc. The phase two (2) contract amount is \$29,932,284.

Resolution No. 22-16, execute approve Contract No. DCFA #511-WSA, Carollo Engineers, Inc. The purpose of the contract is to replace the effluent filter underdrains to provide an adequate number of filters available to filter peak flows and enable NPDES permit compliance and to replace washwater pumps and air scour blowers. The contract amount is \$7,999,000.

Resolution No. 22-17, execute additional funding for Option Year Two (2) of Contract No. 20-PR-DFM-18, KLSL Consulting, LLC. The purpose of the additional funding is to continue providing temporary services to maintain DC Water's vehicle and large equipment used throughout the Authority for the Fleet Management Department. The additional funding amount is \$1,700,000.

Non-Joint Use Contracts

Resolution No. 22-22, execute Change Order No. 1 of Contract No. 190050, Fort Myer Construction Corp. The purpose of the change order is to address reduction of crew availability in performing certain rehabilitation due to health and safety precautions related to COVID. The change order amount is \$7,000,000.

Resolution No. 22-23, execute additional funding to Option Year Three (3) of Contract No. 18-PR-CFO-55, First Data Merchant Services, LLC. The purpose of the additional funding is to cover on-going processing fees in addition to on-going increases in interchange fees, the use of corporate and reward cards by commercial customers and payment aggregators. The additional funding amount is \$1,600,000.

Presented and Adopted: March 3, 2022

SUBJECT: Approval to add Funding and Exercise Option Years Four and Five of Contract No. WAS-13-048-AA-SS, Constellation New Energy, Inc.

**#22-14
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
D.C. WATER AND SEWER AUTHORITY**

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("the Authority") at its meeting on March 3, 2022 upon consideration of a joint use matter, decided by a vote of ___() in favor and ___() opposed to approve to add Funding and Exercise Option Years Four and Five 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 execute additional funding and exercise Option Years Four and Five of Contract No. WAS-13-048-AA-SS, Constellation New Energy, Inc. The purpose of the additional funding is to continue providing Wastewater Treatment Operations and Department of Pumping and Sewer Operations with electricity services and to purchase electrical generation capacity. The purpose of the option years requested earlier than the planned schedule FY23 and FY24 is to allow DC Water to take maximum advantage of soft spots in the wholesale market to lock in block power purchases through September 30, 2024. The total contract amount is \$40,050,000.

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)**

Approval to add funding in the amount of \$10,050,000.00 for the remainder of fiscal year 2022 and exercise option years 4 and 5 in the amount of \$15,000,000.00, respectively for a total of \$40,050,000.00.

CONTRACTOR/SUB/VENDOR INFORMATION

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

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:	5
Option Year 1 Value:	Included in Original Contract Value
Option Year 1 Dates:	03-12-2019 - 03-11-2020
Option Year 1 Modification Value:	Included in Original Contract Value
Option Year 1 Modification Dates:	10-01-2019 – 09-30-2020
Option Year 2 Value:	Included in Original Contract Value
Option Year 2 Dates:	10-01-2020 – 09-30-2021
Option Year 3 Value:	Included in Original Contract Value
Option Year 3 Dates:	10-01-2021– 09-30-2022
Option Year 3 Modification Value:	\$10,050,000.00
Option Year 3 Modification Dates:	10-01-2021 – 09-30-2022
Option Year 4 Value:	\$15,000,000.00
Option Year 4 Dates:	10-1-2022 – 9-30-2023
Option Year 5 Value:	\$15,000,000.00
Option Year 5 Dates:	10-01-2023–9-30-2024

Purpose of Request:

The funds for Option Year 4 and Option Year 5 are being requested earlier than the planned schedule for FY23 and FY24 to allow DC Water to take maximum advantage of soft spots in the wholesale market to lock in block power purchases through September 30, 2024. This request is increasingly critical because of the volatile electric energy market that currently exists and is predicted to last for the next several years.

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 - 09-30-2022: \$91,375,000.00
 Cumulative Contract Spending: 03-12-2014 - 09-30-2021: \$85,127,531.00

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:	Aklile Tesfaye

ESTIMATED USER SHARE INFORMATION

User	Share %	Dollar Amount
District of Columbia	42.79%	\$14,566,786.00
Washington Suburban Sanitary Commission	41.94%	\$14,277,425.00
Fairfax County	9.83%	\$3,346,377.00
Loudoun Water	4.85%	\$1,651,061.00
Other (PI)	.59%	\$200,851.00
TOTAL ESTIMATED DOLLAR AMOUNT	100 %	\$34,042,500.00

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	70.05%	\$4,208,254.00
Washington Suburban Sanitary Commission	21.95%	\$1,318,646.00
Fairfax County	5.15%	\$309,386.00
Loudoun Water	2.54%	\$152,591.00
Other (PI)	.31%	\$18,623.00
TOTAL ESTIMATED DOLLAR AMOUNT	100 %	\$6,007,500.00

Aklile Tesfaye / 2/11/2022
 Aklile Tesfaye Date
 VP, Wastewater Treatment Operations

Kenrick St. Louis / 2/11/2022
 Kenrick St. Louis Date
 VP, Pumping and Sewer Operations

Matthew T. Brown
 Digitally signed by Matthew T. Brown
 Date: 2022.02.11 16:30:14 -05'00'
 Matthew T. Brown Date
 CFO and EVP of Finance and Procurement

Dan Bae
 Digitally signed by Dan Bae
 Date: 2022.02.11 16:23:17 -05'00'
 Dan Bae Date
 VP of Procurement and Compliance

David L. Gadis / 2/24/2022
 David L. Gadis Date
 CEO and General Manager

Presented and Adopted: March 3, 2022

SUBJECT: Approval to Execute Phase Two (2) of Contract No. 190010, Ulliman Schutte Construction, LLC

**#22-15
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
D.C. WATER AND SEWER AUTHORITY**

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("the Authority") at its meeting on March 3, 2022 upon consideration of a joint use matter, decided by a vote of ___() in favor and ___() opposed to approve Phase Two (2) of Contract No. 190010, Ulliman Schutte Construction, LLC.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Phase Two (2) of Contract No. 190010, Ulliman Schutte Construction, LLC. The purpose of phase two (2) is to complete 60 percent – 100 percent design, and obtain all required permits before the construction start, and to obtain environmental studies related to Land Water Conservation Fund. In addition, slip line approximately 140 linear feet of existing 78 inch diameter pipe to reduce the collapse risk of the existing deteriorated pipe, etc. The phase two (2) contract amount is \$29,932,284.

Secretary to the Board of Directors

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

ACTION REQUESTED

PROGRESSIVE DESIGN-BUILD CONTRACT - PHASE 2

**Rehabilitation of The PI Between MH31 and MH30
(Joint Use)**

Approval to execute Phase 2 for \$29,932,284. The modification exceeds the Chief Executive Officer's approval authority.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME:	SUBS:	PARTICIPATION:
Ulliman Schutte Construction, LLC 14420 Albemarle Point Place Suite 110 Chantilly, VA 20151	DBE/WBE Planned Goals Design Work	
	DBE Participation	28.8 %
	WBE Participation	7.4 %
	Construction Work	
	DBE Participation	21.0 %
	WBE Participation	0.9 %
<u>Headquarters</u> Miamisburg, OH 45342	*See Attachment A	

- Project achieved its DBE/WBE goals through Phase 1.
- Certified firm percentages do not include the work to be performed under contingencies and allowances as the detailed scope for these items is, by definition, unknown. However, as the scopes for these items become available, the prime contractor is committed to working with certified firms to achieve the overall goals for the project.
- Ulliman Schutte established a Mentor-Protégé relationship with one of its subs, Com-Bro, in support of the DBE utilization for this project.

DESCRIPTION AND PURPOSE

Phase 1 Value (Design development) guaranteed max price:	\$ 2,561,444.00
Phase 2 Value (Final Design & Construction) guaranteed max price:	\$29,932,284.00
Current Contract Value, including this Phase:	\$32,493,728.00
Original Contract Time:	540 Days (1 Year, 6 Months)
Time extension, this Phase:	605 Days
Total contract time extension:	753 Days
Contract Start Date (NTP):	05-12-2020 (Phase 1 NTP)
Anticipated Contract Completion Date:	12-17-2023
Contract completion %:	60% Design Completed

Purpose of the Contract:

The Potomac Interceptor (PI) provides wastewater conveyance for Loudon, Fairfax, and Montgomery Counties. This contract provides final design and construction services to renew three pipe segments. As a Progressive Design-Build contract, work is completed in two phases:

- Phase I: Design up to 60%.
- Phase II: Completion of design, construction, and restoration.

Phase 1 Scope:

- Complete Phase 1 which is design up to 60%

Phase 2 Scope:

- Complete 60% - 100% design, obtain all required permits before the construction start, and environmental studies related to Land Water Conservation Fund (LWCF).
- Slip line approximately 140 linear feet of existing 78 inch diameter pipe to reduce the collapse risk of the existing deteriorated pipe and facilitate the construction of the downstream junction chamber.
- Build new 66 inch and 78 inch diameter pipes to replace the existing deteriorated 78 inch diameter pipe and 66 inch diameter steep sloped pipe.

- Build three new junction chambers to facilitate the flow diversion from existing pipe to new pipe and back to the existing pipe. One junction chamber will house the vortex flow insert.
- Install a vortex flow insert to dissipate energy at new MH31 and reduce high flow velocities downstream.

PROCUREMENT INFORMATION

Contract Type:	Guaranteed Max Price	Award Based On:	Qualifications, Technical and delivery Proposals
Commodity:	Design and Construction	Contract Number:	190010
Contractor Market:	Open Market		

BUDGET INFORMATION

Funding:	Capital	Department:	Engineering and Technical Services
Service Area:	Sanitary	Department Head:	Mark Babbitt (Acting)
Project:	LZ		

ESTIMATED USER SHARE INFORMATION

MJ41 – Vortex Flow Insert

User	Share %	Dollar Amount
Fairfax County	48.60%	\$ 332,652.91
Loudoun County & Potomac Interceptor	51.40%	\$ 351,818.09
Total Estimated Dollar Amount	100.00%	\$ 684,471.00

MJ49 – New Structures and Pipes, Final Design and Permits

User	Share %	Dollar Amount
Washington Suburban Sanitary Commission	17.46%	\$ 4,620,307.45
Fairfax County	40.11%	\$ 10,614,005.27
Loudoun County & Potomac Interceptor	42.43%	\$ 11,227,929.28
Total Estimated Dollar Amount	100.00%	\$ 26,462,242.00

MJ50 – Slip Lining on the existing 78" pipe

User	Share %	Dollar Amount
Washington Suburban Sanitary Commission	39.50%	\$ 1,100,300.55
Fairfax County	29.40%	\$ 818,957.87
Loudoun County & Potomac Interceptor	31.10%	\$ 866,312.58
Total Estimated Dollar Amount	100.00%	\$ 2,785,571.00

Combined Allocation

User	Share %	Dollar Amount
District of Columbia	0.00%	\$
Washington Suburban Sanitary Commission	19.11%	\$ 5,720,608.00
Fairfax County	39.31%	\$ 11,765,616.05
Loudoun County & Potomac Interceptor	41.58%	\$ 12,446,059.95
Total Estimated Dollar Amount	100.00%	\$ 29,932,284.00

Kishia L Powell
 Digitally signed by Kishia L Powell
 Date: 2022.02.07 13:33:44 -05'00'

Kishia Powell
 COO and EVP
 _____ Date


 Dan Bae
 VP Director of Procurement
 Digitally signed by Dan Bae
 C=US, E=dan.bae@dwater.com, O=District of Columbia Water and Sewer Authority, OU=VP of Procurement & Compliance, CN=Dan Bae
 Date: 2022.02.07 13:54:21 -05'00'

Dan Bae
 VP Director of Procurement
 _____ Date

Matthew T. Brown
 Digitally signed by Matthew T. Brown
 Date: 2022.02.08 10:05:03 -05'00'

Matthew T. Brown
 CFO and EVP
 Finance and Procurement
 _____ Date


 David Gadis
 Digitally signed by David Gadis
 Date: 2022.02.24 09:36:48 -05'00'

David L. Gadis
 CEO and General Manager
 _____ Date

**Progressive Design Build Contract 190010
Rehabilitation of the PI between MH31 and MH30
Attachment A - Certified Firm Participation Detailed Table**

Phase	Work Area	DBE/WBE Firm	Amount	DBE Percentage	WBE Percentage
Phase 1	Design Work	CEM	\$23,872.69	1.27%	
		Schnabel	\$244,180.89	12.98%	
		Shrewsberry & Assoc.	\$173,764.00	9.24%	
		Aldea	\$26,360.00	1.40%	
		Savin Engineers	\$121,435.00	6.45%	
		River to Tap (R2T)	\$57,211.00	3.04%	
		SZ PM Consultants	\$12,465.28	0.66%	
		Precision Measurements	\$25,934.28		1.38%
		Dramby	\$161,982.75		8.61%
	Subtotal	\$847,205.89	35.04%	9.99%	
	Construction	DP Consultants	\$18,000.00	0.00%	2.65%
Subtotal		\$18,000.00	0.00%	2.65%	
Phase 2	Design Work	Shrewsberry & Assoc.	\$155,600.00	13.99%	
		Savin Engineers	\$81,200.00	7.30%	
		River to Tap (R2T)	\$40,177.00	3.61%	
		SZ PM Consultants	\$35,707.00	3.21%	
		Precision Measurements	\$8,009.00	0.72%	
		Dramby	\$82,516.00		7.42%
		Subtotal	\$403,209.00	28.83%	7.42%
	Construction	Stocks General Contracting	\$805,500.00	3.87%	
		Hi-Mark Construction, LLC	\$410,500.00	1.97%	
		Com-Bro Contracting, Inc.	\$473,000.00	2.27%	
		Adeb, Inc.	\$337,000.00	1.62%	
		G.E. Frisco Company, Inc.	\$455,450.00	2.19%	
		Best Fence	\$131,000.00	0.63%	
		MVP Steel Specialists, LLC	\$455,000.00	2.18%	
		Empire Landscaping	\$499,000.00	2.40%	
		E Trucking & Services, LLC	\$480,000.00	2.30%	
		Precision Measurements, Inc.	\$30,000.00		0.14%
		DP Consultants	\$89,620.00		0.43%
		Robnet	\$5,000.00		0.02%
		Jernigan Concrete Pumping	\$36,000.00		0.17%
		Green Petroleum	\$250,000.00	1.20%	
		Dot Drilling	\$27,000.00		0.13%
Dulles Geotechnical and Material Testing	\$73,000.00	0.35%			
Schnabel	\$5,000.00	0.02%			
Subtotal	\$4,562,070.00	21.00%	0.90%		

Presented and Adopted: March 3, 2022

SUBJECT: Approval to Execute Contract No. DCFA #511-WSA, Carollo Engineers, Inc.

**#22-16
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
D.C. WATER AND SEWER AUTHORITY**

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("the Authority") at its meeting on March 3, 2022 upon consideration of a joint use matter, decided by a vote of ___() in favor and ___() opposed to approve Contract No. DCFA #511-WSA, Carollo Engineers, Inc.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute approve Contract No. DCFA #511-WSA, Carollo Engineers, Inc. The purpose of the contract is to replace the effluent filter underdrains to provide an adequate number of filters available to filter peak flows and enable NPDES permit compliance and to replace washwater pumps and air scour blowers. The contract amount is \$7,999,000.

Secretary to the Board of Directors

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

ACTION REQUESTED

ENGINEERING SERVICES:

**Filter Underdrain and Backwash System Upgrades
(Joint Use)**

Approval to execute an architectural and engineering services contract not to exceed \$7,999,000.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME:	SUBS:	PARTICIPATION:
Carollo Engineers, Inc. 901 N Stuart St Arlington, VA 22203 <u>Headquarters</u> Phoenix, AZ 85034	C.C. Johnson & Malhotra, P.C. Washington DC	DBE 18.0%
	Savin Engineers, P.C. Landover, MD	DBE 12.0%
	Sigma Associates, Inc. Washington DC	WBE 5.0%
	PDH Associates, Inc. Potomac, MD	WBE 5.0%
	Mechanical Solutions, Inc. Whippany, NJ	1.4%
	Clemson Engineering Hydraulics Anderson, SC	0.5%

DESCRIPTION AND PURPOSE

Contract Value, Not-To-Exceed: \$7,999,000.00
 Contract Time: 2,768 Days (7 Years, 6 Months)
 Anticipated Contract Start Date: 03-29-2022
 Anticipated Contract Completion Date: 10-26-2029

Other firms submitting proposals/qualification statements:

- Arcadis District of Columbia *
- Milhouse Engineering and Construction, Inc.
- Rummel Klepper & Kahl (RK&K)
- Whitman Requardt & Associates, LLP *

* Asterisk indicates short listed firms.

Purpose of the Contract:

Replace the effluent filter underdrains to provide an adequate number of filters available to filter peak flows and enable NPDES permit compliance. Replace washwater pumps and air scour blowers.

Contract Scope:

Provide professional architectural/engineering and related services for the following design elements:

- Concrete and expansion joint rehabilitation for the filter walls, floor, gullet walls and flume channels
- New filter underdrain system, media retention cap (if needed), gravel (if needed), media, and air scour piping within the filter cell
- Washwater system upgrades, including pumps, discharge valves, and washwater pressure reducing valves and air scour system upgrades, including air scour blowers, blower discharge valves located inside the blower buildings and G&H valves located outside at each filter
- Electrical and I&C upgrades needed to support the upgraded mechanical equipment
- Enhanced services during construction

PROCUREMENT INFORMATION

Contract Type:	Fixed Price /Cost Plus Fixed Fee	Award Based On:	Highest Ranking Score
Commodity:	Engineering Design Services	Contract Number:	DCFA #511-WSA
Contractor Market:	Open Market		

BUDGET INFORMATION

Funding:	Capital	Department:	Wastewater Engineering
Service Area:	Wastewater	Department Head:	Dave Parker
Project:	IY		

ESTIMATED USER SHARE INFORMATION

User	Share %	Dollar Amount
District of Columbia	41.22%	\$3,297,187.80
Federal Funds	0.00%	\$
Washington Suburban Sanitary Commission	45.84%	\$3,666,741.60
Fairfax County	8.38%	\$ 670,316.20
Loudoun County & Potomac Interceptor	4.56%	\$ 364,754.40
Total Estimated Dollar Amount	100.00%	\$7,999,000.00

Kishia L Powell
 Digitally signed by Kishia L Powell
 Date: 2022.02.07 13:32:03 -05'00'

 Kishia Powell
 COO and EVP
 Date


 Dan Bae
 C=US, E=dan.bae@dcwater.com,
 O=District of Columbia Water and Sewer
 Authority, OU=VP of Procurement &
 Compliance, CN=Dan Bae
 2022.02.07 13:54:37 -05'00'

 Dan Bae
 VP Director of Procurement
 Date

Matthew T. Brown
 Digitally signed by Matthew T. Brown
 Date: 2022.02.08 10:03:39 -05'00'

 Matthew T. Brown
 CFO and EVP
 Finance and Procurement
 Date

David Gadis
 Digitally signed by David Gadis
 Date: 2022.02.24 09:36:13 -05'00'

 David L. Gadis
 CEO and General Manager
 Date

Presented and Adopted: March 3, 2022

SUBJECT: Approval to Execute Additional Funding for Option Year Two (2) of Contract No. 20-PR-DFM-18, KLSL Consulting, LLC

**#22-17
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
D.C. WATER AND SEWER AUTHORITY**

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("the Authority") at its meeting on March 3, 2022 upon consideration of a joint use matter, decided by a vote of ___() in favor and ___() opposed to approve Additional Funding for Option Year Two (2) of Contract No. 20-PR-DFM-18, KLSL Consulting, LLC

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute additional funding for Option Year Two (2) of Contract No. 20-PR-DFM-18, KLSL Consulting, LLC. The purpose of the additional funding is to continue providing temporary services to maintain DC Water's vehicle and large equipment used throughout the Authority for the Fleet Management Department. The additional funding amount is \$1,700,000.

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 TWO
FLEET TEMPORARY STAFFING ADDITIONAL FUNDING
(Joint Use - Indirect)**

Approve additional funding for Option Year 2 for Temporary Staffing Services for the Fleet Management Department in the amount \$1,700,000.00

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME: KLSL Consulting, LLC 5335 Wisconsin Avenue, Suite 440 Washington, DC 20015	SUBS: N/A	PARTICIPATION: LSBE - 100%
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DESCRIPTION AND PURPOSE

Base Contract Value:	\$1,618,558.34
Base Contract Dates:	1/10/2020 – 1/09/2021
Number of Option Years in Contract	2
Modification 1 Value:	\$132,070.00
Modification Dates:	1/31/2020 – 1/09/2021
Option Year 1 Value:	\$1,864,000.00
Option Year 1 Dates:	1/10/2021 – 1/09/2022
Option Year 2 Value:	\$480,000.00
Option Year 2 Dates:	1/10/2022 – 1/09/2023
Additional Funding:	\$1,700,000.00

Purpose of the Contract:

To supply Temporary Staffing Services to the Fleet Management Department.

Contract Scope:

This contract provides temporary staffing services to maintain DC Water’s vehicle and large equipment used throughout the Authority for the Fleet Management Department.

Spending Previous Year:

Cumulative Contract Value:	01/10/2020 – 12/15/2021 - \$4,094,628.34
Cumulative Contract Spending:	01/10/2020 – 01/09/2022 - \$3,693,660.05

Contractor’s Past Performance:

According to the COTR, the Contractor’s quality of services, conforms to DC Water’s policies, procedures and contract terms; and invoicing all met expectations and requirements.

PROCUREMENT INFORMATION

Contract Type:	Fixed Rate	Award Based On:	Best Value
Commodity:	Good and Services	Contract Number:	20-PR-DFM-18
Contractor Market:	Open Market with Preference Points for LBE and LSBE Participation		

BUDGET INFORMATION

Funding:	Operating	Department:	Fleet
Project Area:	DC Water Wide	Department Head:	Tim Fitzgerald

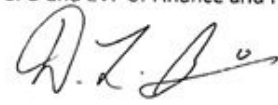
ESTIMATED USER SHARE INFORMATION

User – Operating	Share %	Dollar Amount
District of Columbia	70.05%	\$1,190,850.00
Washington Suburban Sanitary Commission	21.95%	\$373,150.00
Fairfax County	5.15%	\$87,550.00
Loudoun Water	2.54%	\$43,180.00
Other (PI)	0.31%	\$5,270.00
TOTAL ESTIMATED DOLLAR AMOUNT	100.00%	\$1,700,000.00

 Esq. 2/17/2022
 Maureen Holman Date
 VP, Shared Services


 Dan Bae Date
 VP of Procurement and Compliance

Digitally signed by Matthew T. Brown
 Date: 2022.02.08 18:05:53 -05'00'
 Matthew T. Brown Date
 CFO and EVP of Finance and Procurement

 2/24/2022
 David L. Gadis Date
 CEO and General Manager

Presented and Adopted: March 3, 2022
Subject: Approval of Proposed Fiscal Year 2022 - 2031 Capital Improvement Program

#22-18
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

The Board of Directors (“Board”) of the District of Columbia Water and Sewer Authority, (“DC Water”) at its meeting on March 3, 2022 upon consideration of a joint-use matter, decided by a vote of ____ () in favor and ____ () opposed, to take the following action with respect to the Fiscal Year 2022 - 2031 Capital Improvement Program.

WHEREAS, pursuant to Resolution #10-76, dated July 1, 2010, the Board’s Rate Stabilization Fund Policy requires an annually updated 10-Year Financial Plan, which includes a 10-Year Capital Disbursement Plan; and

WHEREAS, on April 1, 2021, through Resolution #21-29, the Board approved the Proposed Fiscal Year (FY) 2021 - 2030 Capital Improvement Program, which includes the FY 2021 - 2030 Capital Disbursement Plan and related Lifetime Budget; and

WHEREAS, on January 6, 2022, during the FY 2023 Budget Workshop, the Chief Executive Officer and General Manager, Chief Financial Officer and Executive Vice President, Finance and Procurement, and Chief Operating Officer and Executive Vice President, briefed Board members on the FY 2022 - 2031 Capital Improvement Program, which includes the proposed Revised FY 2022 CIP Disbursement Budget of \$567,507,000, the proposed 10-Year Disbursement Plan totaling \$6,419,899,000 and the proposed Lifetime Budget of \$13,377,458,000; and

WHEREAS, on January 20, 2022, the Environmental Quality and Operations Committee reviewed the budget proposals and discussed in detail the budget scenarios, budget drivers, strategic budget decisions, budget assumptions and risks; and

WHEREAS, on January 25, 2022, the Finance & Budget Committee and the DC Retail Water and Sewer Rates Committee, in a joint meeting, reviewed the budget proposals and discussed in detail the budget drivers, strategic budget decisions, budget assumptions, risks, and customer impacts; and

WHEREAS, on February 17, 2022, the Environmental Quality and Operations Committee, reviewed the budget proposals, alternative budget and rate scenarios and discussed in detail the budget drivers, budget assumptions, and risks, and recommended that the Board adopt the FY 2022 - 2031 Capital Improvement Program, which includes

the proposed Revised FY 2022 CIP Disbursement Budget of \$567,507,000, proposed 10-Year Capital Disbursement Plan totaling \$6,419,899,000, and related Lifetime Budget, totaling \$13,377,458,000; and

WHEREAS, on February 22, 2022, the DC Retail Water and Sewer Rates Committee reviewed the budget proposals and discussed in detail the budget drivers, strategic budget decisions, budget assumptions, risks, and customer impacts; and

WHEREAS, on February 24, 2022, the Finance & Budget Committee, reviewed the budget proposals, alternative budget and rate scenarios and discussed in detail the budget drivers, strategic budget decisions, budget assumptions, and customer impacts, and recommended that the Board adopt the FY 2022 - 2031 Capital Improvement Program, which includes the proposed Revised FY 2022 CIP Disbursement Budget of \$567,507,000, proposed 10-Year Capital Disbursement Plan totaling \$6,419,899,000, and related Lifetime Budget, totaling \$13,377,458,000.

NOW THEREFORE, BE IT RESOLVED THAT:

The Board hereby approves and adopts DC Water's FY 2022 - 2031 Capital Improvement Program, which includes the Revised FY 2022 CIP Disbursement Budget of \$567,507,000, Fiscal Year 2022 – 2031 Capital Improvement Program Disbursement Plan totaling \$6,419,899,000, and related Lifetime Budget totaling \$13,377,458,000 provided in Attachment A-1 and as further detailed in the Chief Executive Officer and General Manager's Proposed Fiscal Year 2023 Budget and accompanying materials presented on January 6, 2022.

This resolution is effective immediately.

Secretary to the Board of Directors

Capital Improvement Program

(\$ in thousands)	FY 2022 - 2031 CIP Disbursement Plan											Lifetime Budget
	Revised Budget											
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	10-yr Total	
NON PROCESS FACILITIES												
Facility Land Use	31,439	12,051	28,160	14,422	6,620	3,351	1,778	387	2,000	2,000	102,208	215,847
Subtotal	31,439	12,051	28,160	14,422	6,620	3,351	1,778	387	2,000	2,000	102,208	215,847
WASTEWATER TREATMENT												
Liquid Processing	38,445	38,619	48,123	55,524	72,091	103,072	93,670	68,370	47,909	91,689	657,512	1,241,281
Plantwide	16,672	18,017	35,092	39,270	48,087	47,586	18,673	25,240	23,834	10,018	282,489	502,039
Solids Processing	22,422	19,722	32,546	21,534	12,258	12,445	15,045	16,099	31,675	30,414	214,160	893,604
Enhanced Nitrogen Removal Facilities	8,438	2,216	1,784	74	-	2,206	1,861	11,664	23,293	8,965	60,502	808,182
Subtotal	85,978	78,574	117,545	116,402	132,436	165,310	129,249	121,373	126,710	141,086	1,214,664	3,445,105
COMBINED SEWER OVERFLOW												
DC Clean Rivers Program	147,347	106,774	66,064	85,968	147,762	165,363	214,664	143,867	39,054	-	1,116,863	2,992,358
Combined Sewer Overflow Program	4,919	10,929	11,240	19,218	14,179	6,396	5,459	9,306	12,350	6,306	100,303	223,714
Subtotal	152,267	117,704	77,304	105,185	161,941	171,760	220,123	153,173	51,403	6,306	1,217,166	3,216,072
STORMWATER												
Storm Local Drainage Program	22	197	1,511	2,496	1,072	1,612	1,773	1,357	234	180	10,455	18,025
Storm On-Going Program	1,572	899	866	519	876	842	1,084	1,287	935	900	9,780	9,994
Storm Pumping Facilities	5,232	10,296	3,063	2,584	2,741	3,417	1,417	1,579	4,948	7,642	42,918	64,227
Stormwater Program Management	23	35	35	40	230	286	346	275	212	-	1,483	13,178
Stormwater Trunk/Force Sewers	182	99	78	174	67	-	-	-	-	-	600	15,510
Subtotal	7,031	11,527	5,553	5,813	4,985	6,158	4,620	4,499	6,330	8,722	65,236	120,933
SANITARY SEWER												
Sanitary Collection System	1,948	8,147	27,697	34,534	46,713	50,712	47,945	46,871	31,138	30,057	325,762	506,422
Sanitary On-Going Projects	15,617	13,035	14,452	13,200	13,577	13,988	14,395	14,851	15,297	15,289	143,702	215,932
Sanitary Pumping Facilities	2,496	10,895	13,566	8,153	10,959	12,288	25,186	30,469	35,772	20,565	170,349	251,957
Sanitary Program Management	8,471	10,316	9,538	7,897	8,880	9,915	8,887	9,034	7,028	3,497	83,462	191,840
Interceptor/Trunk Force Sewers	39,553	60,990	85,574	67,184	80,271	119,043	87,412	48,030	40,133	10,662	638,851	1,000,291
Subtotal	68,084	103,383	150,828	130,967	160,400	205,946	183,824	149,256	129,368	80,069	1,362,125	2,166,442
WATER												
Water Distribution Systems	82,276	102,848	77,198	65,128	89,029	92,136	91,572	100,969	87,062	91,501	879,719	1,771,888
Lead Free DC Program	56,987	94,377	101,955	100,624	82,147	62,407	62,749	62,550	5,155	-	628,951	812,516
Water On-Going Projects	14,917	15,454	15,870	15,769	15,390	17,669	18,819	20,500	21,500	20,781	176,668	231,960
Water Pumping Facilities	3,581	4,765	12,016	5,559	5,484	2,171	3,297	527	3,084	1,229	41,711	73,904
DDOT Water Projects	-	-	-	-	-	-	-	-	-	-	-	-
Water Storage Facilities	2,645	4,813	8,229	3,651	4,876	9,526	9,147	3,136	3,241	2,211	51,475	156,199
Water Service Program Management	4,907	4,859	3,072	3,921	5,120	7,542	7,080	4,641	4,641	5,120	50,904	121,424
Subtotal	165,313	227,116	218,339	194,652	202,046	191,451	192,665	192,324	124,683	120,842	1,829,430	3,167,891
CAPITAL PROJECTS	510,112	550,355	597,728	567,442	668,428	743,975	732,259	621,011	440,494	359,025	5,790,828	12,332,290
CAPITAL EQUIPMENT	40,519	37,021	36,156	35,307	39,671	41,813	36,203	36,203	36,203	36,203	375,302	375,302
WASHINGTON AQUEDUCT	16,875	59,628	34,749	17,164	27,825	37,122	14,723	11,940	19,831	13,911	253,768	253,768
ADDITIONAL CAPITAL PROJECTS	57,394	96,649	70,905	52,471	67,496	78,935	50,926	48,143	56,034	50,114	629,070	629,070
LABOR												416,097
TOTAL CAPITAL BUDGETS	567,507	647,004	668,633	619,913	735,924	822,910	783,185	669,154	496,528	409,140	6,419,899	13,377,458

Presented and Adopted: March 3, 2022

SUBJECT: Approval of Fiscal Year 2022 - 2031 Ten-Year Financial Plan

**#22-19
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY**

The Board of Directors (“Board”) of the District of Columbia Water and Sewer Authority (“DC Water”) at the Board meeting held on March 3, 2022, upon consideration of a joint-use matter decided by a vote of ___ () in favor and ___ () opposed, to take the following action with respect to the Fiscal Year 2022 - 2031 Ten Year Financial Plan.

WHEREAS, prudent utility financial management requires a long-term financial plan that integrates common elements of the ten-year capital improvement program, future capital financing plans, projected operating and maintenance budgets, revenue requirements and projected rate increases to support long-term capital and operating needs; and

WHEREAS, the Board, in Resolutions 11-10, dated January 6, 2011 and 21-84, dated October 7, 2021, adopted a series of financial policies in the areas of capital financing, long-term financial planning, and rate-setting to assure the short-term and long-term financial health of DC Water; and

WHEREAS, adherence to these financial policies has allowed the DC Water to receive strong bond ratings that will reduce debt service costs over the ten-year planning period; and

WHEREAS, consistent with the Board policies and management financial targets, the General Manager has prepared a ten-year financial plan in conjunction with the proposed FY 2023 operating and capital budgets; and

WHEREAS, the ten-year financial plan is based on assumptions detailed in the proposed Fiscal Year 2023 Operating and Capital Budgets; and

WHEREAS, the proposed Fiscal Year 2022 - 2031 Ten Year Financial Plan is consistent with projections appearing in the attached Schedules A, B and C of this Resolution; and

WHEREAS, on January 25, 2022, the DC Retail Water and Sewer Rates and Finance and Budget Committees met jointly and reviewed the proposed Fiscal Year 2022 - 2031 Ten Year Financial Plan, and

WHEREAS, on February 22, 2022 and February 24, 2022, the DC Retail Water and Sewer Rates Committee and the Finance and Budget Committee, respectively, met, reviewed and recommended that the Board adopt the Fiscal Year 2022 - 2031 Ten Year Financial Plan as recommended by the General Manager.

NOW THEREFORE BE IT RESOLVED THAT:

1. The Board hereby accepts and approves the proposed Fiscal Year 2022 - 2031 Ten Year Financial Plan that is supported by the attached Schedule A, B and C and the proposed Fiscal Year 2023 Operating and Capital Budgets.

This resolution is effective immediately.

Secretary to the Board of Directors

Schedule A

District of Columbia Water & Sewer Authority
FY 2022 - FY 2031 Financial Plan
(In 000's)

OPERATING	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Retail*	\$ 622,165	\$ 667,024	\$ 689,378	\$ 735,355	\$ 778,670	\$ 830,705	\$ 879,018	\$ 939,516	\$ 991,672	\$ 1,041,654
Wholesale*	84,669	85,720	89,142	91,817	94,571	97,408	100,330	103,340	106,440	109,634
Other	41,153	47,249	49,184	51,608	55,781	60,678	59,678	58,527	58,854	59,895
RSF	52,100	-	-	-	-	-	-	-	-	-
Operating Receipts ⁽¹⁾	\$ 800,087	\$ 799,993	\$ 827,705	\$ 878,779	\$ 929,022	\$ 988,791	\$ 1,039,026	\$ 1,101,383	\$ 1,156,967	\$ 1,211,182
Operating Expenses	(364,345)	(374,597)	(386,094)	(398,023)	(409,935)	(422,213)	(434,869)	(447,914)	(461,361)	(475,221)
Debt Service	(223,513)	(234,679)	(245,482)	(272,262)	(289,036)	(311,322)	(338,312)	(358,587)	(367,280)	(374,011)
Cash Financed Capital Improvement	\$ (37,830)	\$ (46,692)	\$ (48,256)	\$ (58,828)	\$ (70,080)	\$ (74,763)	\$ (79,112)	\$ (84,556)	\$ (89,251)	\$ (93,749)
Net Revenues After Debt Service	\$ 174,400	\$ 144,025	\$ 147,872	\$ 149,666	\$ 159,971	\$ 180,492	\$ 186,733	\$ 210,326	\$ 239,076	\$ 268,202
Operating Reserve-Beg Balance	196,286	235,600	242,600	251,600	261,600	266,600	276,600	284,600	293,600	300,600
Other Misc (Disbursements)/Receipts										
Wholesale/Federal True Up	(8,460)	(9,188)	(4,500)	-	-	-	-	-	-	-
Project Billing Refunds	-	-	-	-	-	-	-	-	-	-
Transfers To RSF	-	-	-	-	-	-	-	-	-	-
Pay-Go Financing	(126,625)	(127,837)	(134,372)	(139,666)	(154,971)	(170,492)	(178,733)	(201,326)	(232,076)	(259,202)
Operating Reserve - Ending Balance	\$ 235,600	\$ 242,600	\$ 251,600	\$ 261,600	\$ 266,600	\$ 276,600	\$ 284,600	\$ 293,600	\$ 300,600	\$ 309,600
Rate Stabilization Fund Balance RSF ⁽²⁾	\$ (35,644)	\$ (35,644)	\$ (35,644)	\$ (35,644)	\$ (35,644)	\$ (35,644)	\$ (35,644)	\$ (35,644)	\$ (35,644)	\$ (35,644)
Senior Debt Service Coverage	589%	539%	646%	707%	681%	649%	666%	719%	724%	767%
Combined Debt Service Coverage	201%	187%	188%	185%	188%	190%	186%	189%	196%	204%
Actual/Projected Water/Sewer Rate Increases	7.8%	9.5%	3.3%	10.0%	7.5%	8.5%	8.0%	8.0%	7.5%	7.5%
*Operating Receipts \$ Increase/Decrease										
Retail	37,277	44,859	22,354	45,976	43,315	52,036	48,313	60,498	52,156	49,981
Wholesale	1,682	1,051	3,422	2,674	2,754	2,837	2,922	3,010	3,100	3,193
*Operating Receipts % Increase/Decrease										
Retail	6.4%	7.2%	3.4%	6.7%	5.9%	6.7%	5.8%	6.9%	5.6%	5.0%
Wholesale	2.0%	1.2%	4.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%

⁽¹⁾ Includes interest earnings on senior lien revenue bonds' debt service reserve fund

⁽²⁾ FY 2023 planned transfer of \$0.0 million to Rate Stabilization Fund and \$0.0 million utilization will keep the total fund balance at \$35.644 million.

Schedule B

**District of Columbia Water & Sewer Authority
FY 2022 - FY 2031 Average Residential Customer Monthly Bill**

	Units	Current FY 2022	Proposed FY 2023	Proposed FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
DC Water Water and Sewer Retail Rates ⁽¹⁾	Ccf	\$ 78.92	\$ 86.07	\$ 89.03	\$ 97.94	\$ 105.30	\$ 114.27	\$ 123.40	\$ 133.30	\$ 143.27	\$ 154.01
DC Water Clean Rivers IAC ⁽²⁾	ERU	18.40	18.14	21.86	22.27	23.92	25.83	26.88	29.86	31.15	31.43
DC Water Customer Metering Fee	5/8"	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75
DC Water Water System Replacement Fee ⁽⁴⁾	5/8"	6.30	6.30	6.30	6.30	6.30	6.30	6.30	6.30	6.30	6.30
Subtotal DC Water Rates & Charges		\$ 111.37	\$ 118.26	\$ 124.94	\$ 134.26	\$ 143.27	\$ 154.15	\$ 164.33	\$ 177.21	\$ 188.47	\$ 199.49
Increase / Decrease		\$ 7.29	\$ 6.89	\$ 6.68	\$ 9.32	\$ 9.01	\$ 10.88	\$ 10.18	\$ 12.88	\$ 11.26	\$ 11.02
District of Columbia PILOT Fee ⁽¹⁾	Ccf	\$ 3.04	\$ 3.20	\$ 3.31	\$ 3.36	\$ 3.41	\$ 3.47	\$ 3.52	\$ 3.58	\$ 3.63	\$ 3.69
District of Columbia Right-of-Way Fee ⁽¹⁾	Ccf	1.03	1.03	1.03	1.03	1.08	1.08	1.08	1.14	1.14	1.14
District of Columbia Stormwater Fee ⁽³⁾	ERU	2.67	2.67	2.67	2.67	2.67	2.67	2.67	2.67	2.67	2.67
Subtotal District of Columbia Charges		\$ 6.74	\$ 6.90	\$ 7.01	\$ 7.06	\$ 7.16	\$ 7.22	\$ 7.27	\$ 7.39	\$ 7.44	\$ 7.50
Total Amount Appearing on DC Water Bill		\$ 118.11	\$ 125.16	\$ 131.95	\$ 141.32	\$ 150.43	\$ 161.37	\$ 171.60	\$ 184.60	\$ 195.91	\$ 206.99
Increase / Decrease Over Prior Year		\$ 7.40	\$ 7.05	\$ 6.79	\$ 9.37	\$ 9.11	\$ 10.94	\$ 10.23	\$ 13.00	\$ 11.31	\$ 11.08
Percent Increase in Total Bill		6.7%	6.0%	5.4%	7.1%	6.4%	7.3%	6.3%	7.6%	6.1%	5.7%

(1) Assumes average monthly consumption of 5.42 Ccf, or (4,054 gallons)

(2) Assumes average 1 Equivalent Residential Unit (ERU)

(3) District Department of the Environment stormwater fee of \$2.67 effective November 1, 2010

(4) DC Water "Water System Replacement Fee" of \$6.30 for 5/8" meter size effective October 1, 2015

Schedule C

District of Columbia Water & Sewer Authority
Retail Rates, Charges and Fees
FY 2022 – FY 2024

	Units	Current FY 2022	Proposed FY 2023	Proposed FY 2024
DC Water Retail Rates Water (Residential Lifeline 0 - 4 Ccf)	Ccf	\$3.63	\$4.28	\$4.38
DC Water Retail Rates Water (Residential > 4 Ccf)	Ccf	\$4.74	\$5.58	\$5.70
DC Water Retail Rates Water (Multi-Family)	Ccf	\$4.15	\$4.90	\$5.00
DC Water Retail Rates Water (Non-Residential)	Ccf	\$4.91	\$5.78	\$5.89
DC Water Retail Rates Sewer	Ccf	\$10.64	\$11.26	\$11.70
DC Water Clean Rivers IAC	ERU	\$18.40	\$18.14	\$21.86
DC Water Customer Metering Fee	5/8"	\$7.75	\$7.75	\$7.75
DC Water Water System Replacement Fee	5/8"	\$6.30	\$6.30	\$6.30
District of Columbia PILOT Fee	Ccf	\$0.56	\$0.59	\$0.61
District of Columbia Right-of-Way Fee	Ccf	\$0.19	\$0.19	\$0.19
District of Columbia Stormwater Fee	ERU	\$2.67	\$2.67	\$2.67

Presented and Adopted: March 3, 2022
Subject: Approval of Proposed Fiscal Year 2023 Operating Budget

#22-20
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

The Board of Directors (“Board”) of the District of Columbia Water and Sewer Authority, (“DC Water”) at the Board meeting on March 3, 2022, upon consideration of a joint-use matter, decided by a vote of ___ () in favor and ___ () opposed, to take the following action with respect to the Fiscal Year 2023 Proposed Operating Budget.

WHEREAS, on January 6, 2022, during the Fiscal Year 2023 Budget Workshop, the Chief Executive Officer and General Manager, Chief Financial Officer and Executive Vice President, Finance and Procurement, and members of the Senior Executive Team (SET) briefed Board members on the Proposed FY 2023 Operating Budget that totaled \$686,403,165; and

WHEREAS, on January 25, 2022, the Finance and Budget Committee in a joint session with the DC Retail Water and Sewer Rates Committee reviewed the budget proposals and discussed in detail, the budget drivers, strategic budget decisions, budget assumptions, risks and customer impact; and

WHEREAS, on February 24, 2022, the Finance and Budget Committee further reviewed the budget proposals, alternative budget and rate scenarios, and discussed in detail the budget drivers, strategic budget decisions, budget assumptions, risks and customer impact, and recommended that the Board adopt the FY 2023 Operating Budget that totals \$686,403,165, including \$15,000 for representation and \$9,000 for official meetings.

NOW THEREFORE BE IT RESOLVED THAT:

The Board hereby approves and adopts DC Water’s Proposed Fiscal Year 2023 Operating Budget totaling \$686,403,165, including \$15,000 for representation and \$9,000 for official meetings, and as further detailed in the Chief Executive Officer and General Manager’s Proposed Fiscal Year 2023 Budget and accompanying materials presented on January 6, 2022.

This resolution is effective immediately.

Secretary to the Board of Directors

Presented and Adopted: March 3, 2022
SUBJECT: Fiscal Year 2022-2023 Intent to Reimburse Capital Expenditures with Proceeds of a Borrowing

#22-21
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

The Board of Directors (“Board”) of the District of Columbia Water and Sewer Authority, (“DC Water”) at the Board meeting held on March 3, 2022, upon consideration of a joint-use matter, decided by a vote of ____ () in favor and ____ () opposed, to take the following action with respect to the Fiscal Year 2022-2023 Reimbursement of Capital Expenditures with Proceeds of a Borrowing.

WHEREAS, DC Water intends to acquire, construct and equip improvements to the “System,” which shall be considered “Costs of the System” as both terms are defined in the Master Indenture of Trust between DC Water and Wells Fargo Bank, N.A., dated April 1, 1998, including, but not limited to the items and List of Projects set forth in Exhibit A hereto (collectively, the “Projects”); and

WHEREAS, plans for the Projects have advanced and DC Water expects to advance its own funds to pay expenditures related to the Projects (“Expenditures”) prior to incurring indebtedness and to receive reimbursement for such Expenditures from proceeds of tax-exempt bonds or notes or taxable debt, or both.

NOW THEREFORE BE IT RESOLVED THAT:

1. DC Water utilizes the proceeds of tax-exempt bonds, taxable bonds or notes (the “Bonds”) or other debt in an amount not currently expected to exceed \$599,000,000 to pay costs of the Projects.
2. DC Water intends to use the proceeds of the Bonds to reimburse itself for Expenditures with respect to the Projects made on or after the date that is 60 days prior to the date of this Resolution. DC Water reasonably expects on the date hereof that it will reimburse the Expenditures with the proceeds of the Bonds or other debt.
3. Each Expenditure was or will be, unless otherwise supported by the opinion of bond counsel, either (a) of a type properly chargeable to a capital account under general federal income tax principles (determined in each case as of the date of the Expenditure), (b) a cost of issuance with respect to the Bonds, (c) a nonrecurring item that is not customarily payable from current revenues, or (d) a

grant to a party that is not related to or an agent of DC Water so long as such grant does not impose any obligation or condition (directly or indirectly) to repay any amount to or for the benefit of DC Water.

4. DC Water makes a reimbursement allocation, which is a written allocation by DC Water that evidences DC Water's use of proceeds of the Bonds to reimburse an Expenditure, no later than 18 months after the later of the date on which the Expenditure is paid or the Project is placed in service or abandoned, but in no event more than three years after the date on which the Expenditure is paid. DC Water recognizes that exceptions are available for certain "preliminary expenditures," costs of issuance, certain de minimis amounts, expenditures by "small issuers" and expenditures for any construction, the completion of which is expected to require at least five years.
5. The Board adopts this resolution confirming the "official intent" within the meaning of Treasury Regulations 26 CFR § 1.150-2 promulgated under the Internal Revenue Code of 1986, as amended.

This resolution is effective immediately.

Secretary to the Board of Directors

Exhibit A - List of Projects

Blue Plains Plantwide Projects
Blue Plains Enhanced Nitrogen Removal Facilities
Blue Plains Liquid and Solids Processing Projects
Sanitary Sewer System Projects
Combined Sewer System Projects
DC Clean Rivers Project
Stormwater Sewer System Projects
Water Pumping, Distribution and Storage Projects
Metering and Capital Equipment
Washington Aqueduct Projects

Presented and Adopted: March 3, 2022

SUBJECT: Approval to Execute Change Order No. 1 of Contract No. 190050, Fort Myer Construction Corp.

**#22-22
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
D.C. WATER AND SEWER AUTHORITY**

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("the Authority") at its meeting on March 3, 2022 upon consideration of a non-joint use matter, decided by a vote of ___() in favor and ___() opposed to approve Change Order No. 1 of Contract No. 190050, Fort Myer Construction Corp.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Change Order No. 1 of Contract No. 190050, Fort Myer Construction Corp. The purpose of the change order is to address reduction of crew availability in performing certain rehabilitation due to health and safety precautions related to COVID. The change order amount is \$7,000,000.

Secretary to the Board of Directors

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

ACTION REQUESTED

CONSTRUCTION CONTRACT CHANGE ORDER:

**Water Infrastructure Repair & Replacement Contract FY20-FY22
(Non-Joint Use)**

Approval to execute Change Order No. 01 for \$7,000,000.00. The modification exceeds the General Manager's approval authority.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME:	SUBS:	PARTICIPATION:
Fort Myer Construction Corp. 2237 33rd St NE Washington, DC 20018	S&J Services Hyattsville, MD DBE	32.0%
	United Construction Services LLC Upper Marlboro, MD WBE	6.0%

DESCRIPTION AND PURPOSE

Original Contract Value:	\$19,276,080.00	
Value of this Change Order:	\$ 7,000,000.00	
Cumulative CO Value, including this CO:	\$ 7,000,000.00	
Current Contract Value, including this CO:	\$26,276,080.00	
Original Contract Time:	1,095 Calendar Days	(3 Years)
Time extension, this CO:	0 Calendar Days	
Total CO contract time extension:	0 Calendar Days	
Contract Start Date (NTP):	10-01-2019	
Anticipated Contract Completion Date:	09-30-2022	
Cumulative CO % of Original Contract:	36.0%	
Contract completion %:	76.0%	

Purpose of the Contract:

To provide Indefinite Delivery and Indefinite Quantity (IDIQ) emergency water main rehabilitation and replacement of water service line in public and private space at various locations in Washington, DC. Scopes of work will be developed and issued to the contractor on a task order basis as needed by DC Water.

Original Contract Scope:

- Emergency rehabilitation of various size water mains.
- Rehabilitation and replacement of various types of valves, valve castings and valve boxes.
- Rehabilitation and replacement of fire hydrants, fire hydrants leads and lead service lines.
- Rehabilitation and replacement of Water Service Line in Public and Private Space.
- Cleaning and lining of six-, eight- and twelve-inch diameter water mains.
- CCTV Water Main Inspection.

Previous Change Order Scope:

- N/A

Current Change Order Scope:

- This change order is needed to address reduction of crew availability in performing certain rehabilitation due to health and safety precautions related to COVID. Under these restrictions, personnel are not able to work near a fellow coworker in the same excavation or sharing the same vehicle. Due to concerns surrounding the pandemic safety protocol and compounded by frequent

failures in the distribution system, we have seen increased demands on the Water Infrastructure Repair & Replacement (IR&R) contract in support of in-house crews due to the pandemic.

PROCUREMENT INFORMATION

Contract Type:	Unit Price	Award Based On:	Lowest responsive, responsible bidder
Commodity:	Construction	Contract Number:	190050
Contractor Market:	Open Market		

BUDGET INFORMATION

Funding:	Capital	Department:	Water Services
Service Area:	Water	Department Head:	Jason Hughes
Project:	KX		

ESTIMATED USER SHARE INFORMATION

User	Share %	Dollar Amount
District of Columbia	100.00%	\$7,000,000.00
Washington Suburban Sanitary Commission	0.00%	\$
Fairfax County	0.00%	\$
Loudoun County & Potomac Interceptor	0.00%	\$
Total Estimated Dollar Amount	100.00%	\$ 7,000,000.00

Kishia L
Powell

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Kishia Powell
COO and EVP

Date



Dan Bae
C:US, E:dan_bae@dowater.com, O:District
of Columbia Water and Sewer Authority,
OU:VP of Procurement & Compliance,
CN:Dan Bae
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Dan Bae
VP Director of Procurement

Date

Matthew T.
Brown

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Matthew T. Brown
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Matthew T. Brown
CFO and EVP
Finance and Procurement

Date

David
Gadis

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David Gadis
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David L. Gadis
CEO and General Manager

Date

Presented and Adopted: March 3, 2022

SUBJECT: Approval to add Funding to Option Year Three (3) of Contract No. 18-PR-CFO-55, First Data Merchant Services, LLC

**#22-23
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
D.C. WATER AND SEWER AUTHORITY**

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("the Authority") at its meeting on March 3, 2022 upon consideration of a non-joint use matter, decided by a vote of ___() in favor and ___() opposed to approve add funding to Option Year Three (3) of Contract No. 18-PR-CFO-55, First Data Merchant Services, LLC

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute additional funding to Option Year Three (3) of Contract No. 18-PR-CFO-55, First Data Merchant Services, LLC. The purpose of the additional funding is to cover on-going processing fees in addition to on-going increases in interchange fees, the use of corporate and reward cards by commercial customers and payment aggregators. The additional funding amount is \$1,600,000.

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 THREE
MERCHANT CREDIT/DEBIT CARD PROCESSING SERVICES ADDITIONAL FUNDING
(Non-Joint Use – Indirect Cost)**

Approve additional funding for Option Year 3 for Merchant Credit/Debit Card Processing Services in the amount \$1,600,000.00.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME:	SUBS:	PARTICIPATION:
First Data Merchant Services, LLC 101 Hudson Street Jersey City, NJ 07302	N/A	N/A

DESCRIPTION AND PURPOSE

Original Contract Value:	\$720,000.00
Original Contract Dates:	01-01-2019—12-31-2019
No. of Option Years in Contract:	2
Contract Modification No. 1 Value:	\$755,000.00
Contract Modification No. 1 Dates:	08-01-2019—12-31-2019
Option Year 1 Value:	\$1,567,500.00
Option Year 1 Dates:	01-01-2020—12-31-2020
Contract Modification No. 2 Value:	\$257,350.00
Contract Modification No. 2 Dates:	10-01-2020—12-31-2020
Option Year 2 Value:	\$2,567,520.00
Option Year 2 Dates:	01-01-2021—12-31-2021
Option Year 2 Extension Value:	\$0.00
Option Year 2 Extension Dates:	01-01-2022—03-31-2022
Option Year 3 Value:	\$1,600,000.00
Option Year 3 Dates:	04-01-2022 —12-31-2022

Purpose of the Contract:

Contract to provide merchant credit/debit card processing services.

Contract Scope:

This contract includes electronic authorization, data capture and settlement services for all VISA, MasterCard and Discover credit and/or debit transactions generated by DC Water for processing of monthly residential and commercial water bills, sewer bills and permit bills.

Contract Additional Funding:

Approve additional funding in the amount of \$1,600,000.00. This amount covers on-going processing fees in addition to on-going increases in interchange fees, the use of corporate and reward cards by commercial customers and payment aggregators.

Spending Previous Year:

Cumulative Contract Value:	01-01-2019 - 12-31-2021: \$5,867,370.00
Cumulative Contract Spending:	01-01-2019 - 12-31-2021: \$5,150,495.53

Presented and Adopted: March 3, 2022

SUBJECT: Approval of Proposed Fiscal Year 2023 and 2024 Retail Metered Water and Sewer Service Rates, Right-of-Way (ROW), Payment-in-Lieu of Taxes (PILOT) Fee, Clean Rivers Impervious Area Charge (CRIAC), Retail Groundwater Sanitary Sewer Service Rate and High Flow Filter Backwash Sewer Rate

**#22-24
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 March 3, 2022 upon consideration of a non-joint use matter, decided by a vote of ___ () in favor and ___ () opposed, to approve the following action with respect to the proposed Fiscal Year 2023 and Fiscal Year 2024 Retail Metered Water and Sewer Rates, Clean Rivers Impervious Area Charge (IAC), Right-of-Way Occupancy Fee (ROW), Payment In Lieu of Taxes Fee (PILOT), Retail Groundwater Sanitary Sewer Service Rate and High Flow Filter Backwash Sewer Rate.

WHEREAS, pursuant to Resolution 11-10, dated January 6, 2011, the Board has adopted a revised rate setting policy that calls for rates, charges and fees that, together with other revenue sources, yield a reliable and predictable stream of revenues and will generate sufficient revenues to pay for DC Water’s projected operating and capital expenses; and

WHEREAS, the Board has adopted various financial policies that require revenues to ensure compliance with Board policies regarding maintenance of senior debt coverage and cash reserves; and

WHEREAS, pursuant to Resolution 13-79, dated July 3, 2013 and Resolution 17-52, dated September 7, 2017, DC Water established three classes of customers: residential, multi-family and non-residential, as promulgated in Section 4104 of Title 21 of the District of Columbia Municipal Regulations (DCMR); and

WHEREAS, on February 22, 2022 the DC Retail Water and Sewer Rates Committee met to consider the proposed rate, charges and fees changes for Fiscal Year (“FY”) 2023 and FY 2024; and

WHEREAS, the DC Retail Water and Sewer Rates Committee recommended that the Board consider for public comment, a combined retail water and sewer rate increase of \$1.27 per one hundred cubic feet (“Ccf”) (\$1.70 per 1,000 gallons) for the first 4 Ccf of Residential customer’s water use (Lifeline) for FY 2023 and \$0.54 per Ccf (\$0.73 per 1,000 gallons) for the first 4 Ccf of Residential customer’s water use (Lifeline) for FY 2024; and

WHEREAS, the proposed increase in the Lifeline (Residential customer’s first 4 Ccf of water usage) retail metered water and sewer rates will result in a combined water and sewer rate of \$15.54 per Ccf (\$20.77 per 1,000 gallons) of metered water and sewer use for FY 2023 and a combined water and sewer rate of \$16.08 per Ccf (\$21.50 per 1,000 gallons) for FY 2024; and

WHEREAS, the DC Retail Water and Sewer Rates Committee recommended that the Board consider for public comment, a combined retail water and sewer rate increase of \$1.46 per Ccf (\$1.95 per 1,000 gallons) for water usage greater than 4 Ccf for Residential customers for FY 2023 and a combined retail water and sewer rate increase of \$0.56 per Ccf (\$0.75 per 1,000 gallons) for water usage greater than 4 Ccf for Residential customers for FY 2024; and

WHEREAS, the proposed increase for water usage greater than 4 Ccf and the sewer rates for Residential customers will result in a combined water and sewer rate of \$16.84 per Ccf (\$22.51 per 1,000 gallons) of metered water and sewer use for FY 2023 and a combined water and sewer rate of \$17.40 per Ccf (\$23.26 per 1,000 gallons) of metered water and sewer use for FY 2024; and

WHEREAS, the DC Retail Water and Sewer Rates Committee recommended that the Board consider for public comment, a combined retail water and sewer rate increase of \$1.37 per Ccf (\$1.83 per 1,000 gallons) for Multi-family customers for FY 2023 and a combined retail water and sewer rate increase of \$0.54 per Ccf (\$0.72 per 1,000 gallons) for Multi-family customers for FY 2024; and

WHEREAS, the proposed increase in the water and sewer rates for Multi-family customers will result in a combined water and sewer rate of \$16.16 per Ccf (\$21.60 per 1,000 gallons) of metered water and sewer use for FY 2023 and a combined water and sewer rate of \$16.70 per Ccf (\$22.32 per 1,000 gallons) of metered water and sewer use for FY 2024; and

WHEREAS, the DC Retail Water and Sewer Rates Committee recommended that the Board consider for public comment, a combined retail water and sewer rate increase of \$1.49 per Ccf (\$2.00 per 1,000 gallons) for Non-Residential customers for FY 2023 and a combined retail rate increase of \$0.55 per Ccf (\$0.73 per 1,000 gallons) for Non-Residential customers for FY 2024; and

WHEREAS, the proposed increase in the water and sewer rates for Non-Residential customers will result in a combined water and sewer rate of \$17.04 per Ccf (\$22.78 per

1,000 gallons) of metered water and sewer use for FY 2023 and a combined water and sewer rate of \$17.59 per Ccf (\$23.51 per 1,000 gallons) of metered water and sewer use for FY 2024; and

WHEREAS, the DC Retail Water and Sewer Rates Committee recommended that the Board consider for public comment a decrease in the monthly Clean Rivers Impervious Area Charge of \$0.26 per Equivalent Residential Unit (“ERU”) for FY 2023 and an increase in the monthly Clean Rivers Impervious Area Charge of \$3.72 per ERU for FY 2024 to recover the \$2.99 Billion costs of the Combined Sewer Overflow Long-Term Control Plan (CSO-LTCP); and

WHEREAS, the DC Retail Water and Sewer Rates Committee recommended that the Board maintain the ROW fee at the current amount of \$0.19 per Ccf (\$0.25 per 1,000 gallons) of water used for FY 2023 and FY 2024 to recover the full cost of the District of Columbia government charges; and

WHEREAS, the DC Retail Water and Sewer Rates Committee recommended that the Board consider for public comment, an increase in the PILOT fee of \$0.03 per Ccf (\$0.04 per 1,000 gallons) for FY 2023 and an increase in the PILOT fee of \$0.02 per Ccf (\$0.03 per 1,000 gallons) for FY 2024 to recover the full cost of the District of Columbia government charges; and

WHEREAS, the DC Retail Water and Sewer Rates Committee recommended that the Board consider for public comment, an increase in the retail groundwater sanitary sewer service rate of \$0.59 per Ccf (\$0.79 per 1,000 gallons) for FY 2023 and an increase in the retail groundwater sanitary sewer service rate of \$0.08 per Ccf (\$0.11 per 1,000 gallons) for FY 2024; and

WHEREAS, the DC Retail Water and Sewer Rates Committee recommended that the Board consider for public comment, an increase in the high flow filter backwash sewer rate of \$0.18 per Ccf (\$0.24 per 1,000 gallons) for FY 2023 and an increase in the high flow filter backwash sewer rate of \$0.09 per Ccf (\$0.12 per 1,000 gallons) for FY 2024; and

WHEREAS, adoption of these rate and fee changes would increase the monthly bill of the average Residential customer using 5.42 Ccf (or 4,054 gallons) by approximately \$7.05 per month or \$84.60 per year for FY 2023 and by approximately \$6.79 per month or \$81.48 per year for FY 2024; and

WHEREAS, DC Water’s retail revenue projections for Fiscal Year 2023 reflects an approximate \$43.9 million increase; and

WHEREAS, DC Water’s retail revenue projections for Fiscal Year 2024 reflect an approximate \$30.1 million; and

WHEREAS, on February 22, 2022, the DC Retail Water and Sewer Rates Committee recommended that the Board approve the publication of the Notice of Proposed Rulemaking for the proposed rate and fee increases for public comment.

NOW THEREFORE BE IT RESOLVED THAT:

1. The Board finds that DC Water’s projected expenditures require that it propose, for public comment, the rate and fee increases described below:

Retail Metered Water Service Rates

- a. An increase in the rate for metered water services:

Metered Water Services

	FY 2022		FY 2023		FY 2024		FY 2023 vs. FY 2022 Incr. / (Decr.)		FY 2024 vs. FY 2023 Incr. / (Decr.)	
	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.
Residential customers - (0 – 4)	\$3.63	\$4.85	\$4.28	\$5.72	\$4.38	\$5.86	\$0.65	\$0.87	\$0.10	\$0.14
Residential customers – (> 4)	\$4.74	\$6.34	\$5.58	\$7.46	\$5.70	\$7.62	\$0.84	\$1.12	\$0.12	\$0.16
Multi-Family customers	\$4.15	\$5.55	\$4.90	\$6.55	\$5.00	\$6.68	\$0.75	\$1.00	\$0.10	\$0.13
Non-Residential customers	\$4.91	\$6.56	\$5.78	\$7.73	\$5.89	\$7.87	\$0.87	\$1.17	\$0.11	\$0.14

Retail Sewer Service Rates

- b. An increase in the rate for sanitary sewer services:

Sewer Services

	FY 2022		FY 2023		FY 2024		FY 2023 vs. FY 2022 Incr. / (Decr.)		FY 2024 vs. FY 2023 Incr. / (Decr.)	
	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.
Residential customers	\$10.64	\$14.22	\$11.26	\$15.05	\$11.70	\$15.64	\$0.62	\$0.83	\$0.44	\$0.59
Multi-Family customers	\$10.64	\$14.22	\$11.26	\$15.05	\$11.70	\$15.64	\$0.62	\$0.83	\$0.44	\$0.59
Non-Residential customers	\$10.64	\$14.22	\$11.26	\$15.05	\$11.70	\$15.64	\$0.62	\$0.83	\$0.44	\$0.59

Clean Rivers Impervious Area Charge (CRIAC)

- c. A decrease in the annual Clean Rivers Impervious Area Charge (CRIAC) from \$220.80 to \$217.68 per Equivalent Residential Unit (ERU) in FY 2023 and an increase in the annual Clean Rivers Impervious Area Charge (CRIAC) from \$217.68 to \$262.32 per Equivalent Residential Unit (ERU) in FY 2024.

The charge per ERU will be billed monthly at:

Clean Rivers Impervious Area Charge (CRIAC)

	FY 2022		FY 2023		FY 2024		FY 2023 vs. FY 2022 Incr. / (Decr.)		FY 2024 vs. FY 2023 Incr. / (Decr.)	
	ERU	ERU	ERU	ERU	ERU	ERU	ERU	ERU	ERU	ERU
Residential customers	\$18.40	\$18.14	\$21.86				(\$0.26)			\$3.72
Multi-Family customers	\$18.40	\$18.14	\$21.86				(\$0.26)			\$3.72
Non-Residential customers	\$18.40	\$18.14	\$21.86				(\$0.26)			\$3.72

**District of Columbia Pass Through Charge
Right-of-Way Occupancy / PILOT Fee**

d. There is no increase in the **Right-of-Way Occupancy Fee** in FY 2023 or FY 2024:

ROW

	FY 2022		FY 2023		FY 2024		FY 2023 vs. FY 2022 Incr. / (Decr.)		FY 2024 vs. FY 2023 Incr. / (Decr.)	
	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.
Residential customers	\$0.19	\$0.25	\$0.19	\$0.25	\$0.19	\$0.25	\$0.00	\$0.00	\$0.00	\$0.00
Multi-Family customers	\$0.19	\$0.25	\$0.19	\$0.25	\$0.19	\$0.25	\$0.00	\$0.00	\$0.00	\$0.00
Non-Residential customers	\$0.19	\$0.25	\$0.19	\$0.25	\$0.19	\$0.25	\$0.00	\$0.00	\$0.00	\$0.00

e. An increase in the **Payment-in-Lieu of Taxes Fee** for FY 2023 and FY 2024:

PILOT

	FY 2022		FY 2023		FY 2024		FY 2023 vs. FY 2022 Incr. / (Decr.)		FY 2024 vs. FY 2023 Incr. / (Decr.)	
	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.
Residential customers	\$0.56	\$0.75	\$0.59	\$0.79	\$0.61	\$0.82	\$0.03	\$0.04	\$0.02	\$0.03
Multi-Family customers	\$0.56	\$0.75	\$0.59	\$0.79	\$0.61	\$0.82	\$0.03	\$0.04	\$0.02	\$0.03
Non-Residential customers	\$0.56	\$0.75	\$0.59	\$0.79	\$0.61	\$0.82	\$0.03	\$0.04	\$0.02	\$0.03

f. An increase in the retail groundwater sewer service rate for FY 2023 and FY 2024:

Groundwater

FY 2022		FY 2023		FY 2024		FY 2023 vs. FY 2022 Incr. / (Decr.)		FY 2024 vs. FY 2023 Incr. / (Decr.)	
Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.
\$2.83	\$3.78	\$3.42	\$4.57	\$3.50	\$4.68	\$0.59	\$0.79	\$0.08	\$0.11

g. An increase in the high flow filter backwash sewer rate for FY 2023 and FY 2024:

High Flow Filter Backwash Sewer Rate

FY 2022		FY 2023		FY 2024		FY 2023 vs. FY 2022 Incr. / (Decr.)		FY 2024 vs. FY 2023 Incr. / (Decr.)	
Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.	Ccf	1,000 Gal.
\$3.03	\$4.05	\$3.21	\$4.29	\$3.30	\$4.41	\$0.18	\$0.24	\$0.09	\$0.12

- The General Manager is authorized to take all steps necessary in his judgment and as otherwise required to publish the Notice of Proposed Rulemaking and Notice of Public Hearing to initiate the public comment process and provide notice of the proposed rate adjustments and fees and the public hearing in accordance with D.C. Official Code § 34-2202.16(b), 21 DCMR Chapter 40, and the District of Columbia’s Administrative Procedures.

This resolution is effective immediately.

Secretary to the Board of Directors