



**DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY
215th MEETING OF THE BOARD OF DIRECTORS**

Thursday, December 3, 2015

9:30 a.m.

5000 Overlook Avenue, SW

Room 407

- I. **Call to Order (Chairman Matthew Brown)**
- II. **Roll Call (Linda Manley, Board Secretary)**
- III. **Approval of November 5, 2015 Minutes**
- IV. **Chairman's Overview**
- V. **Committee Reports**
 1. **Governance Committee (Alan Roth)**
 2. **Human Resource and Labor Relations Committee (Bradley Frome)**
 3. **D.C. Retail Water and Sewer Rates Committee (Alan Roth)**
 4. **Environmental Quality and Sewerage Services Committee (James Patteson)**
 5. **Joint Meeting of Environmental Quality and Sewerage Services and Water Quality and Water Services Committees (James Patteson)**
 6. **Water Quality and Water Services Committee (Howard Gibbs)**
 7. **Finance and Budget Committee Meeting (Timothy Firestine)**
- VI. **CEO/General Manager's Report (CEO/General Manager George Hawkins)**
- VII. **Ethics Requirements Under Board of Ethics and Government Accountability (BEGA) (Randy Hayman, General Counsel)**
- VIII. **Summary of Contracts**
- IX. **Consent Items (Joint Use)**
 1. **Approval to Execute Option Year One of Contract No. 14-PR-HCM-08, Kaiser Foundation Health Plan - Resolution No. 15-92 (Recommended by Human Resource and Labor Relations Committee 11/10/15)**
 2. **Approval to Execute Option Year Three of Contract No. WAS-11-038-AA-MB, Delta Dental – Resolution No. 15-93 (Recommended by Human Resource and Labor Relations Committee 11/10/15)**
 3. **Approval to Execute Option Year Two of Contract No. WAS-11-038-AB-MB, United Concordia – Resolution No. 15-94 (Recommended by Human Resource and Labor Relations Committee 11/10/15)**

4. [Approval to Execute Option Year Four of Contract No. WAS-11-034-AA-MB, Connecticut General Life \(Medical\) - Resolution No. 15-95](#) (Recommended by Human Resource and Labor Relations Committee 11/10/15)
5. [Approval to Execute Option Year Two of Contract No. WAS-12-050-AA-MB, Connecticut General Life \(Life\) – Resolution No. 15-96](#) (Recommended by Human Resource and Labor Relations Committee 11/10/15)
6. [Approval to Execute Option Year Three of Contract No. WAS-12-063-AA-RA, Allied Barton Security Services – Resolution No. 15-97](#) (Recommended by Environmental Quality and Sewerage Services Committee 11/19/15)
7. [Approval to Execute a Modification to Contract No. GS11T08BSD6012, Verizon – Resolution No. 15-98](#) (Recommended by Environmental Quality and Sewerage Services Committee 11/19/15)
8. [Approval to Execute Contract No. 15-PR-DMS-45, Lakeside Equipment Company – Resolution No. 15-99](#) (Recommended by Environmental Quality and Sewerage Services Committee 11/19/15)
9. [Approval to Execute an Extension of Option Year Four of Contract No. WAS-10-047-AA-JH, Alpine Trading Company, Inc. – Resolution No. 15-100](#) (Recommended by Environmental Quality and Sewerage Services Committee 11/19/15)
10. [Approval to Execute Contract No. 150120, Compliance EnviroSystems, LLC – Resolution No. 15-101](#) (Recommended by Environmental Quality and Sewerage Services Committee 11/19/15)
11. [Approval of Revisions to Blue Horizon 2020 – Resolution No. 15-102](#)
12. [Approval of Fiscal Year 2016 – 2025 Ten-Year Financial Plan – Resolution No. 15-103](#) (Recommended by DC Retail Water and Sewer Rates Committee 11/17/15 and Finance and Budget Committee 11/20/15)
13. [Approval of Proposed Fiscal Year 2016 -2025 Capital Improvement Program – Resolution No. 15-104](#) (Recommended by Environmental Quality and Sewerage Services/Water Quality and Water Services 11/19/15 and Finance and Budget 11/20/15 Committees)
14. [Approval of Intent to Reimburse Capital Expenditures with Proceeds of a Borrowing – Resolution No. 15-105](#) (Recommended by Finance and Budget Committee 11/20/15)
15. [Approval of Proposed Fiscal Year 2017 Operating Budget – Resolution No. 15-106](#) (Recommended by Finance and Budget Committee 11/20/15)
16. [Approval of FY 2015 Transfer of Excess Operating Funds – Resolution No. 15-107](#) (Recommended by Finance and Budget Committee 11/20/15)

X. Consent Item (Non-Joint Use)

1. [Approval of Proposed Fiscal Year 2017 and Fiscal Year 2018 Metered Water and Sewer Service Rates, Right-of-Way \(ROW\), Payment-in-Lieu of Taxes \(PILOT\) Fee, and Clean Rivers Impervious Area Charge \(CRIAC\) – Resolution No. 15-108](#) (Recommended by DC Retail Water and Sewer Rates Committee 11/17/15)

XI. Executive Session – To discuss legal, confidential and privileged matters pursuant to Section 2-575(b)(4) of the D.C. Official Code¹

XII. Adjournment

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

Upcoming Committee Meetings (5000 Overlook Avenue SW (Blue Plains – 4th Floor)

- Environmental Quality and Sewerage Services Committee – Thursday, December 17, 2015 @ 9:30 a.m. (5000 Overlook Avenue, SW)
- Joint Meeting of Environmental Quality and Sewerage Services Committee – Thursday, December 17, 2015 @ 10:00 a.m. (5000 Overlook Avenue SW)
- Water Quality and Water Services Committees – Thursday, December 17, 2015 @ 11:00 a.m. (via conference call)
- DC Retail Water and Sewer Rates Committee – Friday, December 18, 2015 @ 9:30 a.m. (5000 Overlook Avenue, SW)
- Finance and Budget Committee – Friday, December 18, 2015 @ 11:00 a.m. (5000 Overlook Avenue SW)



DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

BOARD OF DIRECTORS

GOVERNANCE COMMITTEE

MEETING MINUTES

November 10, 2015

Committee Members

David Lake, Vice Chairperson
Alan Roth
Rachna Butani
Matthew Brown

D.C. Water Staff

George Hawkins, General Manager
Randy Hayman, General Counsel
Linda Manley, Board Secretary
Korey Gray, Compliance Officer

Acting Chairperson Lake convened the meeting at 9:00 a.m. The Chairperson requested Korey Gray, Compliance Officer, to address Agenda Item # 2 – DC Water Works! Employment Programs Update.

Mr. Gray reported that DC Water’s goods and services employment data through September 2015 reflected an increase of eight (8) workers since August. This includes one (1) new hire, who is a resident of DC Water’s user jurisdictions. Two (2) new projects became active over the same period. In total, goods and service projects show 633 job positions, 377 of which were filled by residents within the user jurisdictions, including 125 who were District residents. Since the beginning of FY 2015, there were 30 new hires, 26 of whom were from the user jurisdictions, including 13 who are District residents.

The non-major construction projects data for September showed an increase of twenty-three (23) positions since August (all transfers). In total, non-major construction projects show 1,630 positions, 1,109 of which were filled by user jurisdiction residents, including 264 who were District residents. Since the beginning of FY 2015, there were 51 new hires, including 41 from the user jurisdictions, 14 of whom are District residents.

The major construction projects data for September showed an increase of fifty-four (54) positions since August. This includes four (4) new hires, three of whom are residents of the District of Columbia. In total, major construction projects show 2,973 positions, 1,407 of which were filled by residents of user jurisdictions, including 338 who were District residents. There have been

fifty-six (56) new hires on major projects. Of the new hires, 50 were from user jurisdictions, including 14 who were District residents.

Mr. Gray then provided an update on the DC Water Job Centers. Between October 2014 and September 2015, a total of 39 people were hired through the Job Center. Thirty-eight (38) of the new hires were residents of the user jurisdictions, including 13 who were District residents. Mr. Gray gave the Committee a breakdown of the hiring contractors and the type of jobs created.

Next, the Committee received an update on a mini-job fair coordinated with American Contracting and Environmental Services (ACE). This "Targeted Employment Event" was held on Monday, October 19, 2015 from 9:30am – 2:00pm. For this event, ACE had five (5) open slots in its apprenticeship program in the following trades: Carpenter, Millwright, and Pipefitter.

Following new procedures for conducting job fairs, up to fifty (50) individuals were invited to participate in the event. To develop the invitation list, 80 individuals were prescreened based on their background and expressions of interest.

The primary source for the candidates was the DC Water Works Job Center database. The database identified thirty-nine (39) candidates. Additional candidates were provided by the DC Water Works Resource Partners.

Once the invitation list was developed, ACE was provided with the resumes of the interviewees. Forty-three (43) individuals attended. Of the forty-three candidates, eighteen (18) were selected by ACE to participate in second round interviews. Included in this number were two (2) candidates that ACE is interested in hiring as journeymen. The remaining candidates will be interviewed for participation in the apprenticeship program.

The next item on the Agenda pertained to the Authority's new policy regarding employee ethics, conflicts of interest, and standards of conduct. To that end, General Counsel Hayman presented to the Committee copies of the Authority's new Standards of Conduct Policy. General Manager Hawkins advised that, while the policy will continue to be refined and finalized, it is important to have an ethics policy currently in place to ensure full compliance with internal auditing requirements. Presently, the policy is applicable to non-union employees and has been submitted to the unions for review. The Authority will continue to work with the Committee and the Board in developing and implementing a complete Standards of Conduct policy as appropriate.

Mr. Hayman added that DC Water Board Members are separately covered under the Code of Conduct administered by the Board of Ethics and Government Accountability (BEGA). At the forthcoming Board of Directors meeting, Mr. Hayman will be taking steps to ensure that the Board members are advised and reminded of the laws and regulations governing conflicts of interest, financial disclosure, and related ethical obligations under the relevant provisions of the DC Code of Conduct. In addition to providing copies of such provisions to the Board, Mr. Hayman will make a brief power point presentation regarding the main aspects of the ethics code applicable to members of the Board.

Turning to the Standards of Conduct policy applicable to non-union employees, Mr. Hayman described the main provisions of the policy with particular emphasis on the items raised by the Committee in the previous meeting. Regarding gifts, Mr. Hayman described the rules for non-union employees and explained that the rules are closely aligned with BEGA's ethics requirements. The Authority considered the question raised in the last Committee meeting about allowing exceptions similar to those provided under Congressional guidelines. Mr. Hayman

relayed that the exceptions in the congressional guidelines were specific to the roles, structure, and circumstances attendant to Members of Congress, and it was determined the Authority's Standards of Conduct should remain aligned with the mission, goals, and objectives of the Authority, especially as policies and procedures were already in place governing items such as procurement of contracts. To reduce ambiguity and avoid confusion, it was determined that a simple and straightforward policy that did not contain extensive exceptions was the better course.

Director Roth stated that he was the Committee member who raised the issue of congressional exceptions at the last meeting. Upon seeing the language of the Authority's Standards of Conduct Policy, Director Roth agreed that the provisions adequately addressed the sort of situations he believed should be considered—such as attendance at a conference, meals, etc. As a result, he had no further concerns with the policy.

With respect to speaking engagements, Mr. Hayman explained that the Authority deems it a conflict for a vendor to pay for an employee's travel and attendance to speak at a conference. Therefore, while the policy will allow an organizing sponsor to pay for an employee's travel and attendance to speak at a conference, it will not apply to any sponsor who is also a DC Water vendor.

Director Butani indicated that she was supportive of not using ratepayer money to fund travel and attendance at conferences, and stressed that even the appearance of impropriety or potential conflict should be avoided. She added that the language should be absolutely clear it does not apply to DC Water vendors. Mr. Hayman agreed and indicated that the Office of General Counsel will take this into account when finalizing the policy.

As to the hiring of employees, Mr. Hayman explained that the policy allows discretion for the General Manager to issue an exemption on the post-employment restrictions. Mr. Hawkins added his view that the exemption is not intended to be used without limitation and that it be supported by a justifiable need which must be clearly set forth in writing so as to ensure full transparency.

Acting Chairperson Lake expressed concern that the post-employment restrictions appear confusing when it comes to re-hiring a former employee back to the Authority versus accepting employment elsewhere. The Committee emphasized that the exemption should not create a loophole that allows a person or entity to gain an advantage through the exemption. Mr. Hayman agreed to further analyze the issue and provide a response at the next meeting.

No executive session was scheduled. There being no further business, the meeting was adjourned at approximately 10:30 a.m.



**DISTRICT OF COLUMBIA
WATER AND SEWER AUTHORITY**

BOARD OF DIRECTORS
Human Resources and Labor Relations
Committee
November 10, 2015

MEETING MINUTES

Committee Members Present

Matthew Brown
Bradley Frome
Rachna Butani (via conference)
James Patterson (via conference)

DC Water Staff Present

George Hawkins, General Manager
Randy Hayman, General Counsel
Rosalind Inge, AGM Support Services
Linda R. Manley, Board Secretary

1. Call to Order

Bradley Frome called the meeting to order at 11:07 a.m.

2. Wastewater Collections Training Program Presentation

This discussion was tabled and will be added to the next meeting scheduled for January 2016.

3. 2016 Health and Welfare Benefits Renewals

Otho Milbourne updated the Committee on DC Water's 2016 Health and Welfare Benefits Renewal. This presentation included the annual premium rate increases proposed by health and welfare vendors along with final rates negotiated by DC Water's Benefits Consultant. Also included in the presentation were plan design changes to the medical plans (Cigna HMO, Cigna PPO, and Kaiser HMO) offered by the Authority, as well as the overall medical premium savings achieved.

4. Action Items

Otho Milbourne requested the Committee's recommendation on the following contracts: Kaiser Foundation Plan of the Mid-Atlantic States, Delta Dental PPO, United Concordia Dental HMO, Connecticut (Medical) General Life Insurance Company and Connecticut General Life Insurance Company (Life). Bradley Frome called for the motion to accept the proposal. The motion was seconded and approved.

5. Part-Time Benefits Presentation

At present, DC Water employees who are scheduled to work part-time are not benefits eligible. After surveying local jurisdictions--Montgomery County, Prince George's, Fairfax

Human Resources and Labor Relations Committee
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County, Fairfax Water, WSSC and DC Government—DC Water's Benefits Unit developed a comparable part-time benefits program. The benefits offered to part-time employees will include medical, dental, vision, life, AD&D, short and long term disability insurance, retirement, and leave. Benefits for part-time employees will be effective January 1, 2016.

6. Executive Session

The Committee moved into an executive session at 11:24 a.m. and reconvened into open session at 12:05 p.m.

9. Adjournment

The meeting adjourned at 12:15 p.m.



**DISTRICT OF COLUMBIA
WATER AND SEWER AUTHORITY**

Board of Directors

DC Retail Water and Sewer Rates Committee

Tuesday, November 17, 2015

9:30 a.m.

MEETING MINUTES

Committee Members in Attendance

Alan Roth, Chairperson
Matthew Brown
Rachna Butani
Howard Gibbs

DC Water Staff

George Hawkins, General Manager
Mark Kim, Chief Financial Officer
Randy Hayman, General Counsel
Linda Manley, Board Secretary

Call to Order

Chairman Roth called the DC Retail Water and Sewer Rates Committee meeting to order at 9:37 a.m.

FY 2017 & FY 2018 Proposed Rates, Charges & Fees (Attachment A)

Mr. Kim briefly updated the Committee on the status of rate redesign implementation. He stated that DC Water has engaged our Internal Auditors to conduct a post implementation audit to be completed in January 2016 with the results of the final report to be presented to the Committee.

Mr. Kim then presented the multi-year FY 2017 and FY 2018 rate proposal to the Committee for its review and approval. He highlighted potential benefits and potential risks of a multi-year rate structure, which not only offers greater certainty over revenue streams but also provides greater budget discipline. It facilitates better alignment of expenditures with revenues and helps to achieve favorable credit rating agency treatment. Potential risks/considerations include reduced financial flexibility, limited ability to modify approved rate increases, if necessary, and conservatism in financial projections.

Mr. Kim exhibited the slide showing the utilities with single and multi-year rates. A number of utilities adopted rates ranging from two to five years. Chairman Roth commented that the utilities slide did not show complete information like financial condition and credit ratings, which are crucial to determine the success of the multi-year rate approach. Mr. Hawkins noted that five to ten years is a long period to make accurate projections. He emphasized that two to three years has multiple benefits and is more advisable.

Mr. Kim presented a high-level breakdown of the proposed multi-year rates. DC Water retail rates for Water and Sewer would increase 5 percent each for FY 2017 and FY 2018. There is a proposed 2 percent increase per year in PILOT fee, whereas the ROW fee remains same for FY 2017 but would increase by 1 percent in FY 2018. The largest rate increases are for Clean Rivers IAC – 9.6% and 13.2% proposed, respectively, for FY 2017 and FY 2018. There are no proposed increases in the customer metering fee or Water System Replacement Fee (WSRF). Mr. Gibbs asked who set the stormwater/infrastructure fee.

Mr. Hawkins replied that the fee was set by District legislation. The stormwater fee will remain the same at \$2.67 per ERU, both for FY 2017 and FY 2018.

Mr. Kim compared the average monthly bill of the residential customer with the low income CAP customer. He explained that the average monthly bill of single-family residential customer would increase under the rate proposal from \$96.53 to \$101.46 in FY 2017 and \$107.65 in FY 2018. The low income CAP customer's average monthly bill would increase from \$53.59 to \$56.80 in FY 2017 and \$61.11 in FY 2018. This represents a CAP customer discount of 44% in FY 2017 and 43% in FY 2018. The CAP customers receive a discount up to 4 Ccf of water, sewer, PILOT and ROW and 100 percent of the WSRF.

Mr. Roth noted that with declining consumption over recent years, 6.69 Ccf used for average monthly consumption for single-family residential customers may no longer represent accurate average usage. Mr. Hawkins mentioned that the current average consumption is 6.20 Ccf, which would reduce the average monthly bill below \$100 for FY 2017. Mr. Roth suggested consideration of a revised display for the spring town halls that would present a more current picture of average monthly consumption and what a typical consumer might expect to see in his or her bill.

Mr. Kim gave a brief overview of the following financial plan objectives:

- DC Water ten-year financial plan serves as the fiscal roadmap to achieve the Board's strategic plan
- It is one of management's key tools to monitor progress in meeting financial goals and targets
- It also ensures meeting or exceeding all debt-related legal and policy requirements, as well as maintaining sufficient liquidity to meet all current financial obligations
- DC Water's financial plan objectives focus on:
 - minimizing rate increases while meeting all financial obligations;
 - satisfying all indenture requirements and Board policies; and
 - maintaining the DC Water's current credit ratings of AA+/Aa2/AA

Mr. Kim explained the ten-year Capital Improvement Plan (CIP) and mentioned that the proposed ten-year total CIP of \$3.66 billion is less than the \$3.8 billion CIP Board adopted last year. Capital spending is projected to peak in FY 2016, with annual declines through FY 2024.

Mr. Kim updated the Committee on Mr. Roth's follow-up question on the Federal consumption trends. He explained that water consumption billed to federal accounts has shown a significant reduction compared to prior years, and the Authority has revised its future forecasts for federal revenue primarily due to four factors:

- Executive Order (EO) 13514 signed by the President created a requirement for federal agencies to reduce potable water and landscaping use water by 2 percent annually through conservation measures until 2020; Authority conversations and investigations with federal property managers show that significant progress is being made toward this goal through plumbing fixtures replacement.
- In the District, the Telework Enhancement Act (the "Telework Act") has resulted in a significant shift to employees working from home, reducing water used at the workplace, and, pursuant to the Telework Act, GSA has strategically reduced the number of buildings it owns and operates in the District in favor of placing employees in shared rental spaces. In the latter case, the water reduction observed in federal buildings is partially made up in the commercial customer billing of DC Water.
- There have been significant adjustments made to federal bills as a result of property sales and transfers between the federal and District governments.
- The Authority accelerated a testing and calibration program on large capacity meters installed at federal properties and observed that some of the meters had degraded and were measuring less water than was actually being consumed. Where possible, the Authority is retroactively billing for the difference in consumption.

Mr. Kim updated the Committee on the Authority's 10-year financial plan and noted that the Authority can manage a 5 percent annual rate increase through the next ten years. Mr. Kim also noted that last year's financial plan projected the need for rate increases of 6.5 percent in FY 2017 and 6.0 percent in FY 2018.

Due to the restructuring of the rates and implementation of the new fixed Water System Replacement Fee (WSRF), management is more confident that revenues are sufficient to justify lowering of rate increases going forward. This is a significant improvement over all prior long range projections.

Mr. Brown asked how this two year rate proposal would translate in the spring with respect to the public hearing process. Mr. Hawkins responded that the process in the spring would look exactly like prior years except that the proposal would have two years. Chairperson Roth inquired whether we would have the flexibility to pull back the second year and move forward with a one-year rate proposal if there is a strong negative reaction against the two year approach during the public hearing process in the spring. Mr. Hawkins replied in the affirmative. Mr. Hayman stated that both rate proposals will be published separately and if there is a change, we would be able to adjust each proposal.

Chairman Roth asked whether the Rate Stabilization Fund (RSF) should be drawn down to give rate payers relief. Mr. Kim stated that since 2008, the Authority has drawn down over \$114 million from the RSF (while only contributing \$78 million over that same period), leaving a current balance of approximately \$32 million at the end of FY 2015. Today, given the Authority's improved financial projections, management is striving to replenish the RSF to the \$100 million level, which is reasonable for an organization spending approximately \$1.0 billion a year.

Mr. Hawkins stated that the percentage of joint use CIP is decreasing due to the completion of large joint use projects like ENR and Digesters. Mr. Brown asked how much of water and sewer charges were mandated and if that can be shown separately on the chart. Chairman Roth elaborated on Mr. Brown's request and seconded his request for a chart.

Action Items (Attachment B)

Mr. Kim referred the Committee to the following action items.

Action Item #1:

Proposal of FY 2017 & FY 2018 Retail Rates, Charges and Fees.

- 5 percent increase in FY 2017 & FY 2018

The Committee approved (Action Item #1)

Action Item #2:

Proposal of Ten Year Financial Plan FY 2016 – FY 2025

- Ten-year CIP disbursement budget
- Projected water and sewer rate increases

The Committee approved (Action Item #2)

FY 2015 Net Income – Budget vs. Actual (Attachment C)

Mr. Kim reviewed and explained the changes for Board approved FY 2015 financial plan against FY 2015 actual (subject to change, preliminary unaudited year-end projections). The expenses were lower than projected due primarily to higher digesters savings than projected and due to the non-issuance of debt in FY 2015. We ended the year with approximately \$60.0 million net income, \$17.50 million of which was transferred to RSF, \$22.28 million was moved to Pay-go for capital expenditures, and the remaining balance of \$20.05 million was added to operating cash reserves.

Mr. Roth complimented Mr. Kim on the excellent presentation and thanked staff for their efforts.

Blue Horizon 2020 Strategic Plan (Attachment D)

The Committee agreed to move the Blue Horizon 2020 Strategic Plan to the December committee meeting.

DC Retail Water and Sewer Rates Committee Workplan

FY 2016 Proposed DC Retail Rates Committee Workplan (Attachment F)

Mr. Kim briefly updated the Committee on the FY 2016 Proposed DC Retail Rates Committee Workplan and stated that the Workplan is currently on schedule.

Executive Session

No executive session

Agenda for December 18, 2015 Committee Meeting (Attachment G)

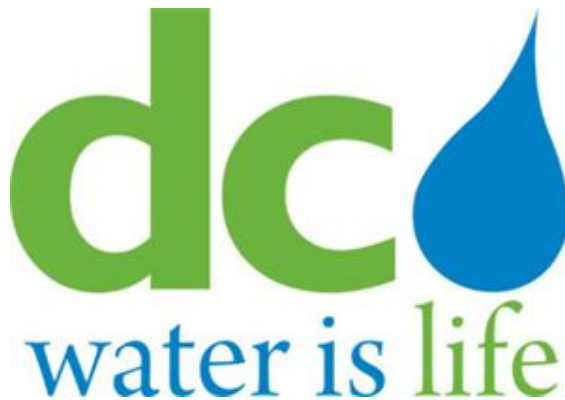
Mr. Kim briefly updated the Committee on the December meeting.

Adjournment

The meeting was adjourned at 11:25 a.m.

FOLLOW-UP ITEMS – DC Retail Water and Sewer Rates Committee Meeting (November 17, 2015)

There were no follow-up items



**District of Columbia
Water and Sewer Authority**

Board of Directors

**Environmental Quality and Sewerage
Services Committee**

Thursday, November 19, 2015

9:30 a.m.

MEETING MINUTES

Committee Members Present

James Patteson, Chairperson
Matthew Brown
Rachna Butani
Howard Gibbs
David Lake

DC Water Staff Present

George Hawkins, CEO and General Manager
Len Benson, Chief Engineer
Randy Hayman, General Counsel
Linda Manley, Secretary to the Board

I. Call to Order

Mr. Patteson, Chairperson, called the meeting to order at 9:30 AM.

II. AWTP STATUS UPDATES

1. BPAWTP Performance

Mr. Aklile Tesfaye, Assistant General Manager for Wastewater Treatment, reported that the monthly average influent flow was 269 MGD. 3.04-inches of precipitation fell during the September reporting period. The enhanced nitrogen removal facility is performing well, producing a low total nitrogen (TN) concentration of 2.29 mg/l. Mr. Tesfaye noted that since the January 1, 2015 EPA mandated effluent TN limit, the plant has removed approximately 1.4 million pounds of TN over the required limit. Overall, plant performance was excellent with 100% permit compliance. Biosolids production was 441 wet tons per day (wtpd). Mr. Tesfaye reported that DC Water received written confirmation from the Virginia Department of Environmental Quality (VDEQ) that Blue Plains Digested Biosolids meets EPA Class "A" Biosolids classification, which will enable DC Water to market the product for commercial use. Mr. Tesfaye noted that a similar application was submitted to Maryland Department of the Environment (MDE) for the Class "A" Biosolids certification. The Committee asked whether the Class "A" Biosolids classification from VDEQ could apply to the rest of country. Mr. Tesfaye responded that each state has its own certification criteria.

Mr. Tesfaye commented that the Combined Heat and Power (CHP) facility continues to operate in the commissioning phase with all systems in service undergoing testing and optimization. The average energy generated from CHP during the commissioning phase was 163 MWH/day or 28%

of the 591 MWH/day Blue Plains energy demand. The Committee asked whether an after-action review has been conducted to compare assumptions made prior to commencing the Biosolids program, such as payback, to the actual results achieved for the constructed/operating facility. Mr. Tesfaye responded that the CHP facility is still in the commissioning phase and such an analysis can be provided once the commissioning phase is complete. The Committee commented that the four graphs separately depicting the electricity usage and energy sources do provide the distinction between energy supplied by CHP and the energy purchased from PEPCO; however, they requested that the data be consolidated to show the information on one or two graphs. Mr. Tesfaye responded he will look into doing this.

III. UPDATES: POTOMAC INTERCEPTOR SEWER

1. Odor Abatement Project

Ms. Liliana Maldonado, Director of Engineering and Technical Services (DETS), reported that all sites are operational with the exception of the DC Site 1995 because the facility is shut down until the spent media is replaced with the carbon media blend. There were odor complaints for DC Site 1995 where a combination of recent rain events and anaerobic odor production from canal draining operations may have been contributing factors. It is expected that the media replacement will alleviate the odor complaints in the near future.

Maryland Site 4 (Little Falls PS) experienced odor complaints; however, no odor source was traced or confirmed during the investigation. Weekly site inspection will continue as part of the maintenance and operation (O&M) of the facilities.

Maryland Site 27 (Old Angler's Inn) experienced odor complaints and upon investigation, no source was located or confirmed and there have not been any other complaints received since then. The new carbon media blend was checked and samples were taken of the exhausted air and it was confirmed that the system is performing per design. DC Water will continue to monitor the site and make adjustments as needed.

Ms. Maldonado noted that construction at all sites is essentially complete and the facilities have been turned-over to the Operating Departments for operation and maintenance. The Engineering Department will provide support, as needed, for design, physical configuration, and/or treatment process issues that may arise during the normal course of operations. The Committee asked if airflow balancing between sites has occurred. Ms. Maldonado responded each site has been calibrated but there has been no balancing of the entire PI system. Ms. Maldonado added the model is being updated and there are plans to perform additional air flow tests at each location during the spring.

IV. ACTION ITEM - JOINT USE

1. Contract No. WAS-12-063-AA-RA, Allied Barton Security Services
2. Contract No. GS11T08BJD6001, Verizon
3. Contract No. 15-PR-DMS-45, Lakeside Equipment Company
4. Contract No. WAS-10-047-AA-JH, Alpine Trading Company, Inc.
5. Contract No. IFB No. 150120 – Compliance Enviro Systems, LLC
6. DCFA #449-WAS, AECOM Services of DC

Mr. Dan Bae, Director Procurement, presented action items 1 through 4 and Mr. Len Benson, Chief Engineer, presented action items 5 and 6.

Action Item 1 is a request to exercise option year 3 for the protective services contract. The Committee inquired as to why the option year-3 cost is higher than the previous and whether it included inflation. Mr. Bae noted that he will provide additional information to explain the cost differential. The Committee asked if the budget for the option years was provided at the time of award. Ms. Teresa Scott, Manager Goods and Services, responded that the option year budgets were provided at the time of award.

Action Item 2 is a request to execute a modification to add funding for telecommunication services. The Committee commented that the fact sheet did not provide an explanation or reason for the modification. Mr. Bae responded he will provide additional explanation and information for the requested modification. The Committee asked whether telecommunication services will be advertised next year after the contract period expires. Mr. Bae responded that no advertisement is planned at this time but that this can be revisited if appropriate.

Action Item 3 is a request to execute a contract to replace sixteen (16) grit classifiers. Mr. Bae noted the selected vendor's proposal was higher than the other two bids and that the contract was awarded to Lakeside Equipment Company because they met all the specification requirements. The Committee suggested the description for this project include information indicating that this was a best-value procurement and explaining the scoring methodology utilized to arrive at the recommendation for award. Mr. Bae confirmed and responded he will make these changes.

Action Item 4 is a request to execute an extension of option year 4 for work uniforms and miscellaneous work clothing. Mr. Bae noted a new solicitation will be issued in early 2016.

Action Item 5 is a request to execute a construction contract for the cleaning and inspection of the UPIRS adjacent to the Kennedy Center. Mr. Benson noted the sewer is filled to 80% of its capacity and the work must be completed by March 31, 2016.

Action Item 6 was withdrawn and will be presented at the December 2015 committee meeting.

The Committee suggested the fact sheet template utilized by the Procurement Department be evaluated to provide for consistent and relevant information when presenting; for example, the MBE/WBE commitments, the number of option years, etc. This type of information would minimize the need for repetitive questions.

The Committee will recommend the action items to the full Board.

V. CIP QUARTERLY REPORT

Ms. Liliana Maldonado reported year-end FY15 CIP disbursements were 3.7% below the baseline. Ms. Maldonado proceeded to the dashboard reports (page 6 of 10) and noted that 66% of the KPI projects were started/completed on-time or early; and 86% of the KPI projects were started/completed early, on time, or no more than 1 Quarter late. Ms. Maldonado highlighted the graphs depicting the progression of the projects from planning, through design, construction, and substantial completion and emphasized that there is more control during planning and design and

less during construction due to unforeseen site conditions and contractor performance issues that may result in construction delays; thus the trends observed are reasonable. The Committee asked whether construction substantial completion KPI dates are adjusted for weather, contract modifications, and other excusable delays. Ms. Maldonado responded the contractor is expected to meet the required completion date(s) unless there is an approved change order that extends the completion date. Schedules are updated on an annual basis to account for known and approved changes. Ms. Maldonado commented that a more comprehensive set KPIs is being evaluated to measure overall project objectives, with compliance with schedule being one of several performance metrics that could be considered to measure the success of a project. The Committee asked to clarify the reporting of “planned” status for the various projects in the KPI report tables. Ms. Maldonado responded that when the CIP is being developed and updated, a schedule is developed for each project based on all information known at the time and this becomes the baseline schedule for the project. The baseline schedule is then used to forecast the project status for each of the project milestones. As the project progresses, the status will reflect whether project met the planned date for completion or is forecasted to be completed earlier or later than planned. The Committee suggested that a legend for the dashboards graphics presented on page 6 of 10 be included to clarify the report. Ms. Maldonado responded that a legend will be provided.

The Committee inquired as to the reasons for the reported delay in construction start for the St. Elizabeth Water Tank project. Ms. Maldonado acknowledged that permitting has been a contributing factor to the delays in advertisement of the project and explained that certain permits had to be obtained prior to construction start to minimize potential construction delays. Ms. Maldonado also noted that the St. Elizabeth project is anticipated to be advertised soon. Mr. Benson explained that DC Water has reached an agreement with the Commission of Fine Arts (CFA) to proceed with construction of the tank while a mitigation plan is being developed. The Committee asked how long is the contractor’s bid valid for. Mr. Benson responded that ninety (90) calendar days is typical; meaning, DC Water has 90 calendar days from bid opening to execute a contract. The Committee asked whether 90 calendar days was sufficient. Mr. Benson responded that achieving the 90 calendar days requirement has not been an issue.

VI. OTHER BUSINESS/EMERGING ISSUES

None.

VII. EXECUTIVE SESSION

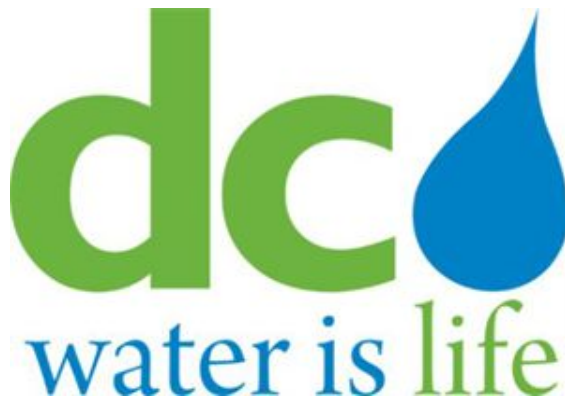
No executive session was held.

VIII. ADJOURNMENT

The meeting was adjourned at 10:18am.

Follow-up Items

1. Revise/simplify electricity usage and source graphs from Pepco and CHP to show the information on one or two graphs.
2. Evaluate fact sheet templates to provide for consistent and relevant information such as MBE/WBE commitments, number of option years, whether additional modifications are anticipated, etc.
3. Provide a legend for the KPI dashboard graphs.



District of Columbia

Water and Sewer Authority

Board of Directors

**Joint Meeting of the Environmental
Quality and Sewerage Services and
Water Quality and Water Services
Committees**

Thursday, November 19, 2015

10:00 a.m.

MEETING MINUTES

Committee Members Present

Rachna Butani, Chairperson
James Patteson, Chairperson
David Lake
Matthew Brown
Howard Gibbs

DC Water Staff Present

George Hawkins, CEO and General Manager
Len Benson, Chief Engineer
Randy Hayman, General Counsel
Linda Manley, Secretary to the Board

I. Call to Order

Ms. Rachna Butani, Chairperson, called the meeting to order at 10:25am.

II. FY 2016 – FY 2025 CAPITAL IMPROVEMENT PROGRAM (CIP)

Ms. Butani commented that the CIP update is being presented in the joint committee meeting as a continuation of the November Board meeting discussion. Mr. Len Benson, Chief Engineer, explained that the Lifetime Budget includes the entire cost of any projects that have any activity occurring in the 10-year budget period of FY2016 through FY2025.,

Mr. Benson commented that the DETS-managed projects amount to \$9.743 billion and factoring in capital equipment and Washington Aqueduct, and labor, the Total Capital Budget for FY2016 through FY2025 is \$10.4 billion as shown in attachment A-1 of the meeting materials. Mr. Benson explained that “dropped projects” are projects that have been completed and closed out and will be dropped from the Lifetime Budget the following year; “deferred projects” are projects that were not included in the FY2016 because of the need to balance risks with available budget and the resulting prioritization of projects. \$237 million of projects were deferred. “Project changes” refers to projects already in the CIP that experienced changes in their estimated cost.

Mr. Benson provided the DC Clean River (DCCR) Project as an example of “project change” by explaining that this was the first year where the estimated 2002 costs for the Potomac and Rock Creek Tunnel projects have been adjusted to 2030 dollars per their expected completion date.

Mr. Benson explained that the “New Projects” (slide 6) category may include some projects starting in year 2016 and others starting in year 2025. The budget for the Wastewater Treatment service area includes projects/systems that are near the end of their useful life and thus require replacement. The Sewer System service area budget includes the larger sewers where inspections and requests from the Department of Sewer Services (DSS) have resulted in an increased priority for these projects and the corresponding budgets and anticipated project start dates have been adjusted accordingly. Mr. Benson noted the Water System budget includes projects for facilities nearing the end of their useful life and will be closely monitored to determine whether the equipment may last another year(s) or if the equipment may need to be replaced earlier than the estimated start year for each project.

Mr. Benson explained that Project Changes (slide 7) represent projects already in the Lifetime Budget where there has been a budget increase either because of revised cost estimates or added scope to the project.

Mr. Benson explained that the proposed Capital Project Disbursement (slide 8) for the DETS-managed capital projects is \$3.36 billion and after factoring in capital equipment and Washington Aqueduct, the proposed Total CIP disbursement is \$3.66 billion. Mr. Benson highlighted the trend in capital spending decrease starting in FY 2017.

Mr. Benson explained the aggregated spending for each service area by year is depicted in the stacked graphs (slide 9). Mr. Benson noted that the Non-Process Facilities service area was added to provide more clarity and includes the new headquarters building, where previously costs/budgets associated with this facility were included in the combined sewer overflow (CSO) service area since the new headquarters building will be located on the Main Pumping Station parcel. Mr. Benson noted a decreasing trend in the disbursements for Blue Plains due to completion of mandated projects, and a decrease in DCCR disbursements approaching FY2022, when the Northeast Boundary Tunnel is scheduled to be completed.

Mr. Benson commented DCCR will have a period between FY2022 through FY2025 when green infrastructure (GI) will be the focus. Then, the Potomac River Tunnel Project will start with an expected increase in DCCR disbursements as a result. Mr. Benson noted a constant disbursement in the Water and Sewer service areas over the 10-year period with approximately \$50 million planned spending for sewer and \$60 million for water each fiscal year. The Committee commented the stacked graphs clearly depict the service areas disbursement trends well.

Mr. Hawkins commented on the line graph (slide 11) depicting the disbursements and highlighted that a majority of capital project funding was shared with suburban jurisdictions (wholesale customers) in the past for Blue Plains (light blue line) and that now, with the major projects at Blue Plains near completion, the Blue Plains disbursement is decreasing. Mr. Hawkins commented that the funding for other service areas is mostly paid for by the DC rate payers (retail customers). Mr. Hawkins explained that a significant portion of the rate increase for the retail customers is because a higher percentage of the capital program is anticipated to be allocated to the retail customers in the future. The Committee asked if the same or similar graph has been provided to the wholesale customers for them to understand the periods of increased user share and the decreasing disbursement planned for Blue Plains. Mr. Benson responded that the same graph will be presented to the Financing and Budget Committee meeting the next day and to the representatives of the wholesale customers at their annual meeting and tour planned for the same day.

Mr. Benson explained the “prioritization-of-spending line graph” and noted that known mandates

are decreasing; high-priority projects are steadily decreasing; and good engineering projects are remaining constant. The Committee commented that perhaps the decreased spending shown for mandates in the out-years (FY25) should be tempered with the many unknowns with regards to potential future regulatory requirements. Mr. Hawkins responded that the “mandate” heading should be revised to “Known Mandates” for clarity of definition. Mr. Benson added that the Chesapeake Bay Total Maximum Daily Load (TMDL) mid-term review in 2018 may result in new mandates to be implemented by 2023/2024 for example, which could impact the CIP budget but are not quantified at this time since potential timing and impacts are unknown.

Mr. Benson explained that the FY 2015 actual disbursement (slide 14) was 96.3% of the planned disbursements.

Mr. Benson explained that the Unfunded Projects or “below the line projects” (slide 15) are not included in the 10-year CIP budget. The listed projects are being monitored to identify if and when the projects might need to be included in the CIP. Mr. Benson noted some projects for CIP consideration, such as the Full Plant Deammonification project, will warrant business case evaluation to determine potential return on investment. Mr. Benson commented that any new projects added to the 10-CIP would push out an equivalent cost for lower critical/priority project(s) to maintain the 10-year CIP disbursement budget target.

Mr. Benson explained that the CIP Issues/Sensitivities (slide 16) and noted regulatory/consent decree unknowns were previously discussed. Mr. Benson commented that the DC Water cost for the DC PLUG is unknown. Mr. Benson noted the ramped up condition assessment for the large sewers has the potential to create new CIP projects based on the criticality of the findings.

III. ASSET MANAGEMENT PROGRAM UPDATE

Ms. Liliana Maldonado, Director of Engineering and Technical Services (DETS), introduced Mr. Craig Fricke, Manager Enterprise Asset Management, who will be leading the asset management effort moving forward and to provide an update to the Asset Management Program (AMP). Mr. Fricke presented the AMP governance structure (slide 23). Mr. Fricke explained the governance structure has two levels consisting of the Steering Team, which is comprised of executive management; and the Working Team, which is comprised of all operational areas of DC Water and support and subject matter expert (SME) resources such as strategic planning, financing, IT, and engineering project controls. Mr. Fricke noted one of the responsibilities of the Work Team members is to be liaisons to their respective departments. Mr. Fricke explained the governance structure will enable the expedited transition from consultant-led effort to a DC Water led effort. Mr. Fricke remarked that the transition is already taking place and continues to progress.

Mr. Fricke commented that the current approach to the AMP is to integrate and leverage the extensive efforts that have been performed in the water, sewer, and wastewater programs and to accelerate results. Mr. Fricke explained that the primary AMP objective is to integrate the asset management activities across all the program areas while focusing on strategic objectives and metrics to drive and focus the AMP efforts. Mr. Fricke noted that over the next year initial asset management plans for water, sewer, and wastewater will be developed.

Mr. Fricke explained that the AMP key elements (slide 26) include using the risk framework developed in Phase 1 to assess risk for water and sewer system assets in the authority; develop business case guidelines for alternative selection; develop project prioritization criteria; and

develop an enterprise asset management plan that would roll-up or provide an executive summary of the individual water, sewer and wastewater asset management plans.

Mr. Fricke explained that the water, sewer and wastewater Facility Plans have been developed considering asset management and that the approach moving forward will be to transform these Facility Plans into asset management plans by incorporating and normalizing of asset risk assessment throughout the authority; balancing risk and level of service and cost; identifying performance indicators; and using predictive modeling and analytics to quantify potential impacts; and calculating potential return on investment (ROI) if an action is taken on a specific facility/equipment. Mr. Fricke noted Facility Plans typically focus on capital improvement recommendations; whereas an asset management plan also incorporates O&M and business process improvements such as equipment data capture to optimize equipment performance and extend the equipment's beneficial use. The asset management plan also includes a long-term investment plan. Mr. Fricke presented a graphical illustration (slide 28) of a typical asset management plan decision matrix.

Mr. Fricke presented a sample of the Top-Down Risk Assessment (slide 29) that was completed for the major vertical assets outside of Blue Plains. Mr. Fricke noted a similar risk assessment has been performed to date for 24 of the 35 asset systems at Blue Plains. Mr. Fricke explained that the high level risk assessment is useful for focusing and prioritizing specific asset systems where a more detailed risk assessment is warranted. The Committee inquired how continuity is maintained if the assessment is not performed by the same staff. Mr. Fricke acknowledged the challenge and noted that developing a framework with procedures, guidelines and consistent criteria and definitions will help maintain the continuity. Mr. Fricke further noted the risk assessment will evolve to include also a bottoms-up analysis that will be documented in the maintenance management system.

The Committee inquired if the relative risk score includes repair history and performance criteria. Mr. Fricke responded that there are templates used to calculate the risk score, such as the likelihood of failure template, which consists of maintenance history, physical condition and asset performance among other factors. There is also a consequence of failure template. The Committee inquired if the template for consequence of failure includes the nature of the consequence. Mr. Fricke responded that consequence can be defined as potential impacts to public image and/or health and safety for example. Ms. Maldonado provided an example whereas the consequence-score for a major trunk sewer failure for a sewer with no redundancy or bypass capability will be higher; whereas, a trunk sewer with a bypass line will score lower on the consequence matrix.

Mr. Fricke indicated that three business case evaluation process pilots will be conducted for each service area. The three projects were selected because alternatives and costs have already been identified, which will now warrant the application of the business case methodology to determine the best alternative. Ms. Maldonado noted that a difference with the Phase 2 AMP approach is that the analysis of alternatives will incorporate the O&M cost and will account for benefits for projects that may initially have a high capital cost but may result in significant cost savings over the life-cycle of the project. This approach will enable ROI evaluation and/or for quantification of pay-back or savings, and potential social and/or environmental benefits in other areas of the enterprise. Previously, it has been difficult to consistently quantify the overall benefits to the enterprise for a particular project when considering only the capital cost.

Mr. Fricke presented a draft graphical illustration of the Capital Project Prioritization Process (slide 31) consisting of 8 initial criteria and weights. Once the DC Water criteria are determined, scoring

scales will be developed for each, which will then be applied to representative projects. The results will be used to calibrate the scales for each criterion and/or to refine the criteria as needed. The Committee inquired to the definition of the “public image” criteria since a failure of a system may result in health and safety issues that might then impact DC Water’s image. Mr. Fricke explained that the “public image” criteria will be evaluated during the piloting of the 3 selected projects and discussed with the steering team as to its applicability within the overall project prioritization criteria. The Committee inquired if notes/records will be maintained and stored to provide a history that documents the rationale for the decision making process. Mr. Fricke responded that records development and maintenance will be part of the guidebook and/or standard operating procedures (SOP) set up under the AMP. Ms. Maldonado noted that a standard template for capturing the information and discussions was developed in Phase 1 and will be modified to include the Phase 2 work and to document key issues or insight that factored into the project scoring. The prioritization scores and supporting documentation and notes will be part of a database that is updated at least annually when the CIP is updated.

Mr. Fricke presented the draft asset management metrics for the water, sewer and wastewater service areas that will be used to baseline and establish performance targets for each service area. Mr. Fricke noted that water and sewer performance metrics may be more directly related to impact on customers; whereas, the vertical asset metrics may be related to regulatory compliance, proactive and reactive maintenance, and/or operational readiness. The Committee requested that the 3- to 5-year timeline and spending for the AMP be closely monitored. Mr. Fricke responded that the commitments and spending will be monitored. The Committee requested that a presentation be provided to the entire BOD members to provide a clear understanding of the AMP objectives and when they can expect to begin seeing CIP project prioritization results. Ms. Maldonado responded that the CIP update planned for the spring of 2016 will incorporate the results of the AMP risk assessment work done to date. Ms. Maldonado noted that not all assets in the enterprise will be assessed in the coming year; however, the objective will be to evaluate a significant portion of assets including those with high risks per the top-down risk assessment to better inform the updated 2016 CIP.

IV. ACTION ITEM – JOINT USE

1. Recommendation for Board Action – Project Lifetime Budget
2. Recommendation for Board Action –Disbursements

Mr. Benson requested for approval to send forward the 10-year Disbursement Plan and Lifetime Budget to the full board and referenced the above FY2016 – FY2025 CIP summary for the request.

The Committee will recommend the action items to the full Board for approval.

V. OTHER BUSINESS/EMERGING ISSUES

None

VI. EXECUTIVE SESSION

No executive session was held.

VII. ADJOURNMENT

The meeting was adjourned at 11:21am.

Follow-up Items

None



DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

**BOARD OF DIRECTORS
WATER QUALITY AND WATER SERVICES COMMITTEE**

**MEETING MINUTES
THURSDAY, NOVEMBER 19TH, 2015**

Present Board Members

Rachna Butani, Chair
Matthew Brown, Board Chairman
Howard Gibbs

Present D.C. Water Staff

George Hawkins, CEO/General Manager
Randy Hayman, General Counsel
Charles Kiely, Assistant General Manager
for Customer Care and Operations
Linda Manley, Secretary to the Board

I. Call to Order

Ms. Butani called the meeting to order.

II. Water Quality Monitoring

A. Total Coliform Rule (TCR) Testing

Charles Kiely, Assistant General Manager updated the Committee on Total Coliform Rule Testing. Mr. Kiely reported that with regards to our sampling results for the Total Coliform Rule (TCR), we had one positive sample in October and zero positives so far in November. We sampled the water distribution system upstream and downstream of the positive sample result and the samples were all negative for total coliform indicating that everything is fine in the water distribution system.

B. Lead and Copper Rule Monitoring

Mr. Kiely stated that with regards to the Lead and Copper Rule (LCR) sampling, 65 samples have been analyzed at the laboratory and we are currently at 4.9 parts per billion (ppb) well under the LCR action level of 15 ppb. There are an additional 27 samples at the laboratory waiting to be analyzed and we should have no problems in reach the required 100 samples by the end of December.

III. Fire Hydrant Upgrade Program

David Wall, Manager of Distribution, reported that they are running around 9,453 public hydrants. There has been a decrease in out of service hydrants from 59 down to 43 total, from September to October. Of those, 43 are defective, with 15 related to temporary construction or obstruction.

There also has been a reduction in hydrants out of service for more than 120 days. Mr. Wall stated that they have been focused on addressing those and will continue to for the next month or two.

Mr. Walls reported that there were no new areas of concentrated out of service hydrants on the map.

IV. Update on Private Fire Hydrants

Mr. Walls reported that there were no new areas of concentrated out of service hydrants on the map. Mr. Wall also reported and updated about our obligation to Private Fire Hydrants, he explained that we have no obligation to fire hydrants, but we do collect the data and present it.

There being no other comments or questions, Ms. Butani adjourned the meeting.



**DISTRICT OF COLUMBIA
WATER AND SEWER AUTHORITY**

Board of Directors

Finance and Budget Committee

Friday, November 20, 2015

11:00 a.m.

MEETING MINUTES

Committee Members via (Conference- Call)

Timothy L. Firestine, Committee Chairperson
Matthew Brown

DC Water Staff

Mark T. Kim, Chief Financial Officer
Len Benson, Chief Engineer
Randy Hayman, General Counsel
Linda Manley, Secretary to the Board

Call to Order

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

October 2015 Financial Report

Mr. Mark Kim, Chief Financial Officer, reported that at the end of October, with approximately 8 percent of the fiscal year completed, revenues are slightly ahead with a total of \$57.1 million or 9.8 percent of the budget; expenditures are slightly under budget with \$35.6 million, or 6.6 percent of the budget; and capital disbursements were higher than projected with \$71.7 million, or 13 percent of the capital disbursements budget. The higher than planned capital disbursements were attributable to year-end invoices processed during the month as part of the closing process.

CFO Kim noted that we are on track with both our financing programs, including the Forward Purchasing Agreement (FPA) and Extendable Municipal Commercial Paper (EMCP) which is the diversification of our commercial paper program. The documents have been executed and expect a close in December.

FY 2015 Net Income - Budget vs. Actual

Next, Mr. Kim gave an overview of the net income concept, explained the process as to how management arrived at the year-end results which are subject to year-end financial audit. Mr. Kim recommended action on approval of \$17.5 million transfer from the operating surplus to the Rate Stabilization Fund (RSF). Mr. Firestine recommended that for oversight purposes, the action should be modified to include request for the transfer to Capital (Pay-go) and the remaining balance to the Operating Cash Reserve account.

FY 2017 Proposed Budget

Mr. Kim provided an overview of the FY 2017 budget proposal which includes a proposed Operating Budget of \$535.8 million, FY 2016 – FY 2025 Capital Disbursements Budget of \$3.6 billion, FY 2016 – FY 2025 Capital Lifetime Budget of \$10.4 billion and Operating Revenues of \$592.8 million.

He explained the underlying budget assumptions and associated risks to support the management's projected budget decreases of \$5.8 million in operating and \$0.18 billion in the ten year capital disbursement budgets. He noted that the main drivers of the operating budget were the reduced debt service cost due to delay of bond issuance from FY 2015 to early FY 2016, and materialized savings from the digester project in the areas of utilities, chemicals and biosolids hauling costs. In response to Mr. Brown's enquiry on budget revisions for identified savings from debt service during the year, Mr. Kim explained that budget adjustments, if any, are usually made prior to the start of the fiscal year.

CFO Kim also reiterated management's plan to continue to maintain the authorized headcount at the Board-approved level until single digit vacancy rate is achieved. He mentioned that the current Labor Contract Agreement expired in September 2015 and thus there are no anticipated pay increases in the budget proposal. Mr. Firestine inquired about the escalating health care costs and stated that the acceleration appears to be above industry standards. Mr. Kim explained that management is working with Human Capital Management department to redesign the employee benefits plan in view of the impact of the Cadillac Tax in FY 2019.

Regarding the Proposed FY 2017 operating revenues, Mr. Kim explained the revenue sources by their customer class. He mentioned that the projected decline in the federal revenues is due to an executive order to federal agencies to reduce water and electricity consumption, coupled with the federal telework and commuting act to reduce footprint in the District, transfer of federal properties and large metering issues at restricted federal properties. Mr. Kim also explained that the fundamental shift in the proportionate share of revenues from wholesale customers to retail customer is attributable to the completion of significant construction projects at the Blue Plains.

Digester Project Update

Mr. Len Benson, Chief Engineer, provided an update of the digester project and reported on the program's background, benefits, and construction project status. He noted that though the project was delayed, DETS is more confident on the operational performance of the project.

Mr. Kim provided an overview of the budget impact explaining that the FY 2016 approved budget was not adjusted for savings from the digesters due to the timing of the project performance deliverables. However, the wholesale customer's share of the projected costs was duly adjusted for savings from electricity. The FY 2017 budget proposal includes cost reductions of \$8.5 million in the areas of chemicals, electricity and biosolids hauling. These projections are based on current performance of the Digester project pending full optimization which might result in future cost reductions.

Action Items

The Committee recommended the following action items for the Board's consideration:

- FY 2017 Proposed Operating Budget
- FY 2016 – FY 2025 Ten Year Financial Plan
- FY 2016 – FY 2025 Capital Improvement Program (Cash & Lifetime), subject to responses by management on questions submitted by Board Chairman Brown via email
- Intent to Reimburse Capital Expenditures with Proceeds of a Borrowing
- Transfer of FY 2015 operating surplus to the Rate Stabilization Fund, PAYGO and Cash Reserve

Follow-up Items

1. Provide breakdown of the other transfers/credits in the FY 2015 Net Income analysis **(Chairman Firestine)**
2. Provide cost/benefit analysis of the estimated operational savings from Digester project in comparison to the original project assumptions **(Chairman Firestine)**
3. Provide responses to questions raised on the Ten Year Capital budget proposal **(Mr. Brown)**
4. Provide benchmark analysis on the escalating health care costs for employees in comparison to similar entities and industry trends **(Chairman Firestine)**

Adjournment

Hearing no further business Chairperson Firestine adjourned the meeting at 12:20 p.m.



MANAGER'S

ember 201

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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 |

Message from the CEO/GM

Greetings to the Board! I look forward to seeing everyone at the Board meeting, after having seen most of you at the Board retreat at the Bolger Center.

Retreat.

The Executive Team and staff who helped develop the agenda and materials for the Board Retreat are hugely grateful for the full day participation and engagement of most of our Board members. We thought the conversation and discussion was excellent and melded commentary from both our veteran Board members and several who have more recently joined. The day was planned to focus on how staff intends to report to the Board on a handful of outcome measures that will demonstrate our progress toward improving our core work. Everything we seek to do has to be based on this fundamental goal. The afternoon was a fascinating discussion about how DC Water can open up new avenues to gain new revenue and reduce pressure on our wholesale and retail ratepayers.

We agree with some comments we heard that the fascinating efforts discussed in the afternoon can never be undertaken at the expense of the core work discussed in the morning. We will all need to remain vigilant on that score – although we are mindful that our capacity to provide services to other entities relies on our ability to maintain and/or improve our performance on our core work – so we are hopeful the two will be mutually supportive. Again, we are grateful that a large contingent of our Board members invested so much time in our joint enterprise in addition to the already heavy Committee and Board schedule. Many hands have joined to help prepare for the retreat, but I want to highlight the efforts of every member of the executive team and our Strategic Planning Officer Sarah Neiderer, as well as Linda Manley and her excellent crew in taking on all the event planning.

Finance

Mark Kim and his team have kept busy with two new hallmarks to highlight. The first is the introduction of the 2017 proposed budget and associated capital program and financial plan. For the first time in my tenure, we are seeking a reduced level for our 2017 operating budget, in parallel with a reduced capital plan and financial plan. Part of this reduction is due to the expected reduction from the peak of our capital program, and part is due to the savings we are realizing from various projects to optimize our performance. In parallel, Mark's team has also proposed a two year rate approval – with each year (2017 and 2018) at lower rates than were predicted even in our financial plan last year. Although not unusual in the industry (many utilities have 3, 5 and even 10 year approvals), this is a first for DC Water. Proposing a two year plan with lower than planned rate increases will require a level of budget discipline that will both push DC Water, and rely on our efforts at cost controls and performance improvements.

As I noted last month: for new Board members, the Board approves a proposed budget in December and we transmit that budget and associated rate proposal to the District for inclusion in the submission to Congress. In essence, this approved budget forms a ceiling for our proposed budget for the relevant years – because to go above the approved level would require an additional submission to Congress (something possible, but to be avoided.) We engage in an extensive outreach program in the spring along with continuing to refine the budget with the Board. After a formal public hearing on the rates in May, the Board makes final decisions about the budget and rates in July of next year, which then become effective on October 1, 2016.

Message from the CEO/GM

Rates

We are now almost two months into the fundamentally new rate structure that came into effect on October 1. We segregated bills after the rate change implementation to perform one final test before sending bills out to our customers. I am again delighted to report that no errors were found and a full set of bills were sent to each customer classification that were accurate for the billing period. We will continue to monitor customer bills until every customer is billed a full month of WSRF fees because of the significant changes made to our rate structure. I find it hard to overstate how this effort has been an all-hands-on-deck for our customer service, IT and finance departments – and I want to particularly tip my hat to AGM Charles Kiely and his management team for working through the entire customer information system to prepare it and deliver on this change. We will continue to report to the Retail Rates Committee about implementation lessons that we learn, and any further corrections that are necessary.

External Affairs

Website: Session totals for the period of October 16 through November 15, 2015
 Total Sessions: 71,247
 New Sessions: 37,966

Government Relations

On October 23, 2015 members of DC Water staff met with Ward Six Councilmember Charles Allen for a briefing on the plans for the new DC Water headquarters building. The project is located in Ward Six in the Capitol Riverfront neighborhood. The Councilmember is supportive of the project and elected to send a letter in support of DC Water's Planned Unit Development (PUD) application that is currently under consideration by the DC Zoning Commission.

The Fiscal Year 2016 federal payment for the Clean Rivers Project remains uncertain. Congress passed a stopgap Fiscal Year 2016 appropriations bill that will expire December 11, 2015. President Obama has indicated that he will veto another stop gap bill if it reaches his desk. DC Water continues to advocate for federal payments for the Clean Rivers Project, and recently hosted appropriations staffers on a tour of the First Street Tunnel.

Media Relations

- DC Water supported a First Street Tunnel Media Hard Hat Day on October 23 with Skanska. The event was attended by nearly all local media and received wide coverage.
- October 26: *Associated Press Television* – Robert Bumsted toured Bioenergy Facilities, returned for GM interview. Released the piece and it was picked up by media outlets across the country. [Video here.](#)
- October 27: *Voice of America* (Eurasia) – Roman Mamonov toured Bioenergy Facilities and interviewed Mr. Hawkins. He is still working on the piece, which has the potential to be translated in as many as 40 languages by VOA Central.
- November 3: For *PE Magazine*, the magazine for the National Society of Professional Engineers, Eva Kaplan-Leiserson toured Bioenergy Facilities with Chris Peot and later interviewed Mr. Hawkins by phone. Still in production.
- November 5: Two broadcast crews from Ukrainian news media toured Bioenergy Facilities. Still in production.

Message from the CEO/GM

- November 10: Phone interview with Mr. Hawkins and Arthur Delancey from the *Huffington Post*, regarding Flint, MI lead issue.
- November 12: Chuck Sweeney went onto the *Absolutely Mindy Show*, a Sirius XM national children's program, to discuss LIVE how water towers work and other fun facts about water.

Press Releases issued:

October 23, 2015: First Street Tunnel Media Hard Hat Day

Media Results:

- [Waste 360: DC Water Authority Unveils WTE Project](#)
- [Greenbiz: Can DC Help Flush Away Misconceptions About Biosolids?](#)
- WMAL: [DC's Halloween 'Poop Tour' May Just Be A Big Hit](#)
- Municipal Water Leader: George Hawkins was the cover story
- FOX 5: [FOX 5 takes a tour below the streets of the nation's capital \(click link for video\)](#)
- Cities Today: [DC Water turns sewage into electricity](#)
- ASCE: [Clean Air Meets Clean Water](#)
- Skanska (blog): [We're freezing the ground in D.C.](#)
- Washington DC – [US capital generates clean energy from waste water](#)
- Greater, Greater Washington: [Public officials who communicate their plans, listen to feedback, and then fix errors aren't idiots](#)
- DC-ist: [Is D.C. Water Hatching Alien Eggs? An Update on the First Street Tunnel Project](#)
- CNS MD: [DC Underground Tunnel to Combat Flooding From Sewers \(click link for video\)](#)
- Greater Greater Washington: [What WMATA can learn from DC Water \(and its leader\)](#)
- WTOP: [An early look inside new 1st Street NW sewage tunnel](#)
- WJLA: [After two years of construction, D.C. Water offers first underground tunnel tour](#)
- Associated Press: [DC Water to show off tunnel project meant to reduce runoff](#)
- WaterWorld: [DC Water unveils \\$470M waste-to-energy project using first-of-its-kind technology](#)
- WEF: [Mission Complete: DC Water's First Tunnel Boring Machine Finishes 7.2-km Tunnel](#)
- WEF: [Tunnel Boring Machine Completes Its Mission to Help DC Water Reduce Overflows](#)

Drinking Water Marketing and Communications

- The Office of External Affairs shared information about drinking water quality during a presentation to employees at the U.S. Department of Interior.
- Drinking water safety and conservation tips were shared with seniors at a wellness event sponsored by DC's Office of Aging.
- DC Water staff met with a representative from Water Smart Software to learn about low-income customer engagement opportunities.

Message from the CEO/GM

- Water saving tips were presented at the monthly meeting of the Adams Mill Condo Association.
- After a latex product was discharged into the Potomac River, DC Water developed key public messages and coordinated with the Washington Aqueduct on media responses. The Office of External Affairs participated in several after action discussions following the spill to identify communication gaps and opportunities for improvement.
- DC Water partnered with the Washington Aqueduct to design an educational tour of Dalecarlia for 100 high school chemistry students, including a presentation about drinking water distribution and safety.
- The Office of External Affairs developed background information and key messages for a Huffington Post interview about DC Water's experience with elevated lead levels.
- The Office of External Affairs participated in a source water availability exercise, coordinated by DC Water's Office of Emergency Management.

Meetings/Presentations/Events

- DC Water provided an update on the Consent Decree Modification to its DC Clean Rivers Project during the October monthly meeting of ANC 3C.
- As part of its Environmental Education program, DC Water provided an Environmental Lesson at Maret School in Northwest DC, discussing water pollution and the DC Clean Rivers Project.
- DC Water hosted a public meeting to present to interested community stakeholders next steps for Green Infrastructure (GI) program implementation and seek input on potential locations to implement these GI practices. The meeting focused on field investigations that are underway in the Rock Creek sewershed-in the area from 3rd Place, NW to First Street, NE, and from Oglethorpe Street, NW to Gallatin Street, NW.
- DC Water hosted for interested Media and community members a two-day tour of its First Street Tunnel Project shaft site, project field office, and Adams Street/Flagler Place and First Street/V Street construction staging areas. Most noteworthy, this was a rare opportunity for Bloomingdale residents to go underground and see the progress made on construction of this massive tunneling project running through their neighborhood.
- As part of its ongoing outreach campaign to community stakeholders along the future Northeast Boundary Tunnel alignment, DC Water met with Mt. Bethel Baptist Church to share important updates regarding design of the tunnel.
- DC Water provided an update on the Consent Decree Modification to its DC Clean Rivers Project during the November monthly meeting of ANC 4A.
- DC Water participated in the Ward 4 Senior Day event, hosted by Ward 4 Councilmember Brandon Todd, and held at Riggs-LaSalle Recreation Center. In support of this event, DC Water provided the following items: "4 Ways to Reduce Your Water Bill" flyer; Customer Assistance Program brochures; and select giveaway items.

Message from the CEO/GM

- DC Water attended the November monthly meeting of Single-Member District ANC 4B07. During the meeting, DC Water provided a presentation on its upcoming Sewer Cleaning and Lining Project in the Lamond-Riggs community.
- DC Water provided an update on the Consent Decree Modification to its DC Clean Rivers Project during the November monthly meeting of ANC 3B.

Customer Newsletter

The October bill insert was the Clean Rivers Project News with articles on Lady Bird completing her tunnel segment, the christening of Lucy and her status, GI projects, the standard FAQs and the Main Pumping Station structures. The additional insert, per the Rate Redesign Communications Plan, was a visual primer on how to read your new bill.

Social Media

| Twitter | 10/1-11/1 | FY 14-15 Growth | Total since 10/1/15 | % growth since 10/15 |
|------------------|-----------|-----------------|---------------------|----------------------|
| New Followers | 358 | 4,195 | 488 | 8.5% |
| Total Followers | 11,342 | 4,195 | 11,342 | |
| Mentions | 752 | 8,232 | 752 | 9.1% |
| Retweets | 391 | 4,666 | 391 | 8.4% |
| Favorites | 493 | 2,192 | 493 | 22.5% |
| | | | | |
| Facebook | | | | |
| New Fans | 61 | 598 | 61 | 10.2% |
| Total Fans | 2,020 | | 2,020 | |
| Impressions | 74.8K | 892.5K | 74.8K | 8.4% |
| Users | 37.9K | 412.9K | 37.9K | 9.1% |
| Interactions | 1.3K | 11.7K | 1.3K | 11.1% |
| | | | | |
| Instagram | | | | |
| New Followers | 41 | 427 | 41 | 9.6% |
| Followers | 468 | | | |
| Likes | 277 | 1513 | 277 | 18.3% |
| Comments | 12 | 230 | 12 | 5.2% |

Tours

In addition to the regular schedule of tours listed below, the Office of External Affairs and wastewater hosted special Halloween themed tours of Blue Plains October 28-30. The “#2 Tour”

Message from the CEO/GM

as it was dubbed, attracted dozens of District residents and workers and generated positive media coverage for the Authority.







- 12 guests from Kinship Care Program
- 4 visitors from San Francisco Water Authority
- 12 visitors from Sierra Club - Prince George's County
- 35 guests from US AID training course
- 12 graduate students from University of Maryland
- 72 DC residents for Halloween tours
- 4 guests from MWCOG
- 16 visitors from US-China Business Training
- 16 students from George Mason High School
- 7 visitors from Cedar Lane Unitarian Universalist Church
- 8 senior citizens, DC residents
- 12 George Washington University Law students

ORGANIZATIONAL PERFORMANCE DASHBOARD (OCTOBER, 2015)

Financial Highlights

| | | | |
|---|--|--|---|
| Net Operating Cash Actual 15899 Target 6246 (\$ tho) | Operating Revenues Actual 57 Target 48 (\$ mil) | Operating Expenses Actual 36 Target 45 (\$ mil) | Capital Disbursements Actual 72 Target 48 (\$ mil) |
| Operating Cash Balance Actual 182 Target 126 (\$ mil) | Delinquent Account Receivables Actual 2 Target 3 (%) | Core Investments Yield Actual 0.03 Target 0.72 (%) | Short Term Investment Yield Actual 0.87 Target 0.04 (%) |

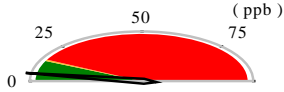
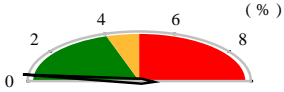
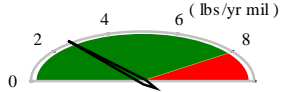
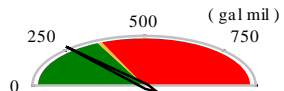
Customer Care and Operations Highlights

| | | | |
|---|--|---|--|
| Call Center Performance  Oct 90 85 (% of calls rec) | Command Center Performance  Oct 93 85 (% of calls rec) | First Call Resolution  Oct 82 75 (% of calls rec) | Emergency Response Time  Oct 100 90 (% of calls rec) |
| Fire Hydrants out of Service  Oct 43 96 (count) | Fire Hydrant Insp. and Maint. 5 (count) | Fire Hydrants Replaced  Oct 2 250 (YTD count) | Permit Processing within SLA 91 (%) |

Low Income Assistance Program

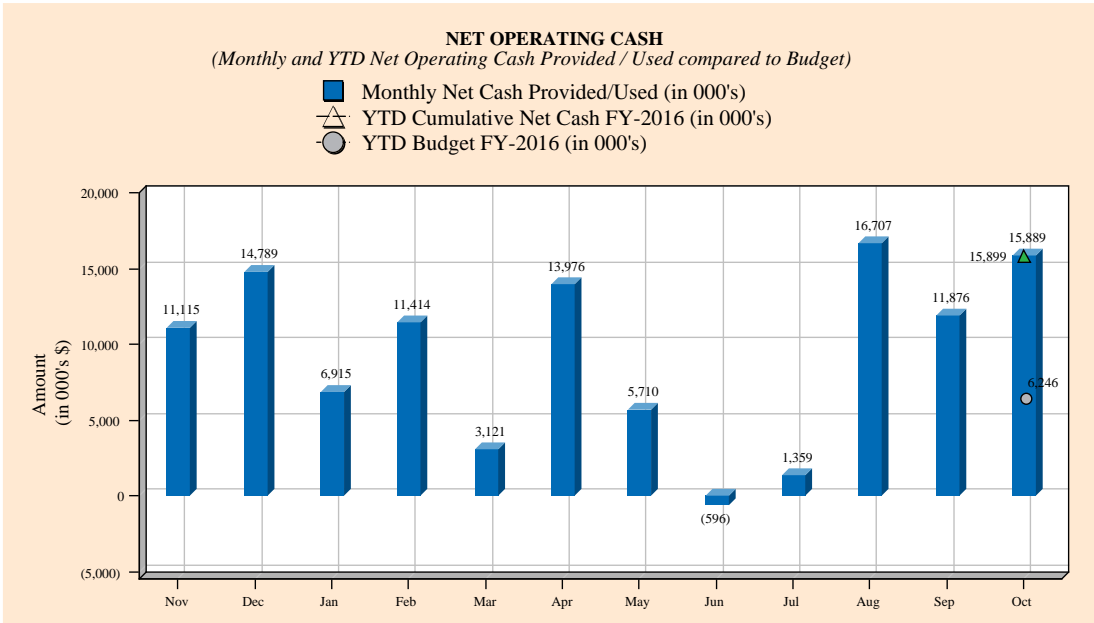
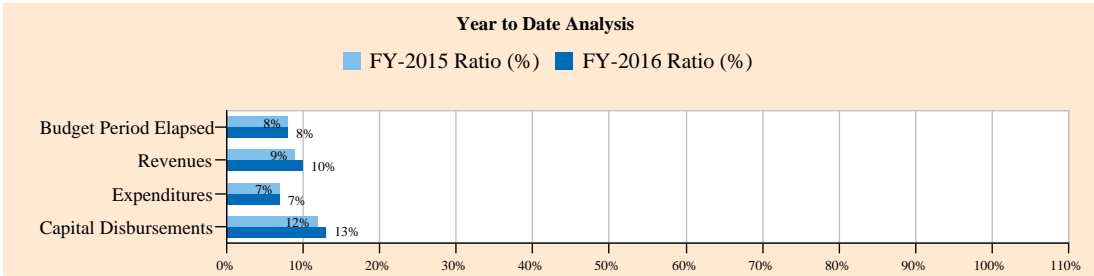
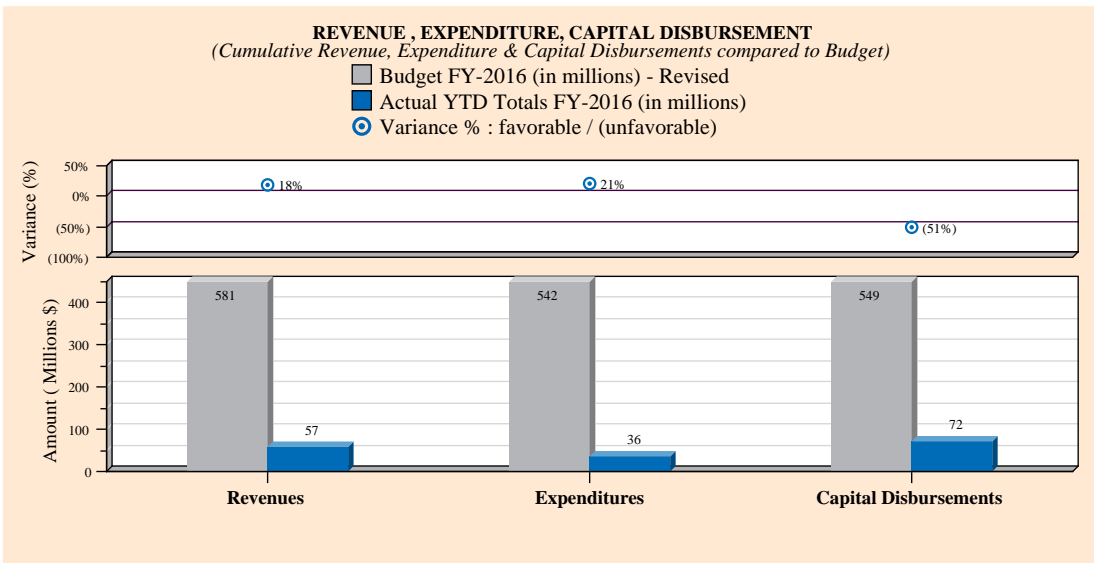
| | |
|---|---|
| Splash Contributions Actual 8 Target 7 (\$ tho) | Customer Assistance Program Previous 52 Current 51 (\$ tho) |
|---|---|

Operational Highlights

| | | | |
|--|--|--|--|
| Lead Concentration  25 50 75 (ppb) | Total Coliform Rule  2 4 6 8 (%) | Biosolids Production 441 (wet tons) | Total Nitrogen  2 4 6 8 (lbs/yr mil) |
| Plant Effluent Flow  250 500 750 (gal mil) | Excess Flow 24 (gal mil) | Water Main Leaks 15 (count) | Water Valve Leaks 1 (count) |
| Non-Revenue Water Sold 10 Purchased 14 (CCF mil) | Sewer Main Backups 8 (count) | Sewer Lateral Backups 198 (count) | Dry Weather CSO 0 (events) |
| Recruitment Activity Filled 9 Open 83 (count) | Electricity Usage 16460 (MWh) | Employee Lost Time Accidents 7 (count) | Vendor Payments Actual 98 Target 97 (%) |

FINANCIAL HIGHLIGHTS

FINANCIAL PERFORMANCE SUMMARY



Net cash to date for October was above budget by \$10 Million

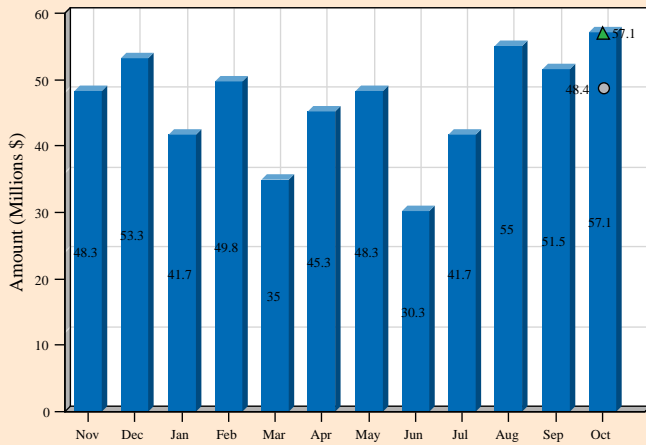
FINANCIAL HIGHLIGHTS

REVENUES AND OPERATING EXPENSES

OPERATING REVENUES

Monthly & Cumulative Revenue compared to YTD Budget

- Actual Monthly Revenue
- △ YTD Cumulative Revenue FY-2016
- YTD Cumulative Budget FY-2016

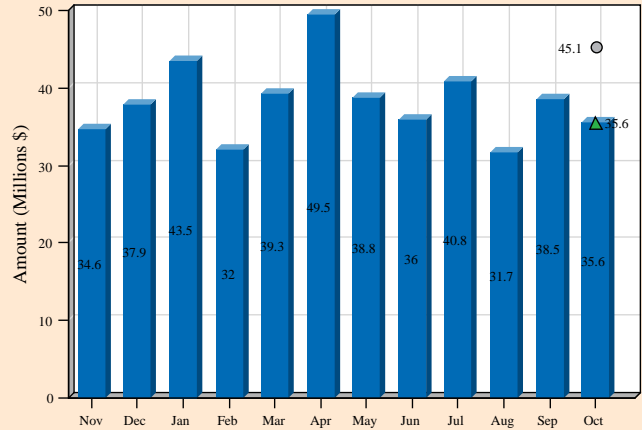


Revenue to date for October was above budget by \$9 Million

OPERATING EXPENSES

Monthly & Cumulative Expenditure compared to YTD Budget

- Actual Monthly Expenses
- △ YTD Cumulative Expenditure FY-2016
- YTD Cumulative Budget FY-2016



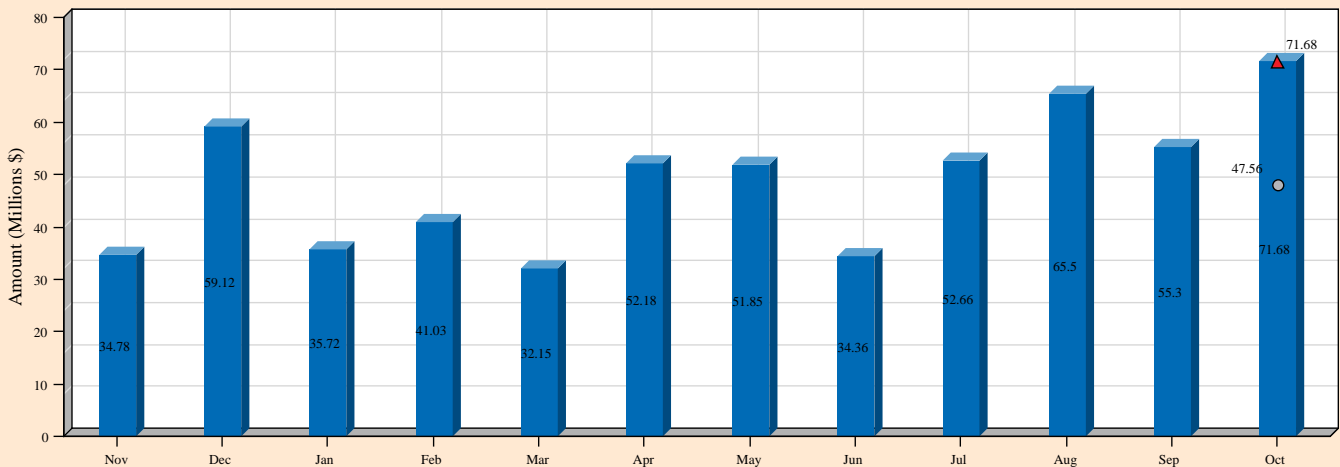
Expenditure to date for October was below budget by \$10 Million

CAPITAL SPENDING

CAPITAL DISBURSEMENTS

Monthly & Cumulative Disbursements compared to YTD Budget

- Actual Monthly Disbursements
- △ YTD Cumulative Disbursements FY-2016
- YTD Cumulative Budget FY-2016



Disbursements to date for October were above budget by \$24 Million

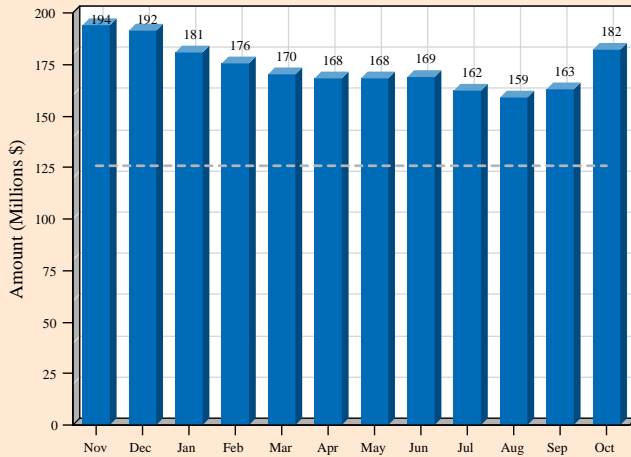
FINANCIAL HIGHLIGHTS

OPERATING CASH AND RECEIVABLES

OPERATING CASH BALANCE

Average Daily Cash Balance compared to Operating Reserve Target

- Actual Cash Balance FY-2016
- Operating Reserve Target - (126 Million)

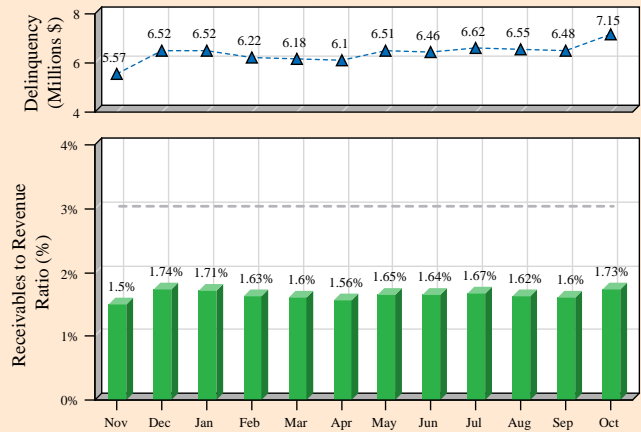


Cash Balance for October was above target by \$56 million

DELINQUENT ACCOUNT RECEIVABLES

Delinquency & Receivables to Revenue Ratio compared to Target

- Receivables to Revenue Ratio
- ▲ Delinquencies FY-2016 (in millions)
- Target: Receivables to Revenue Ratio (3%)



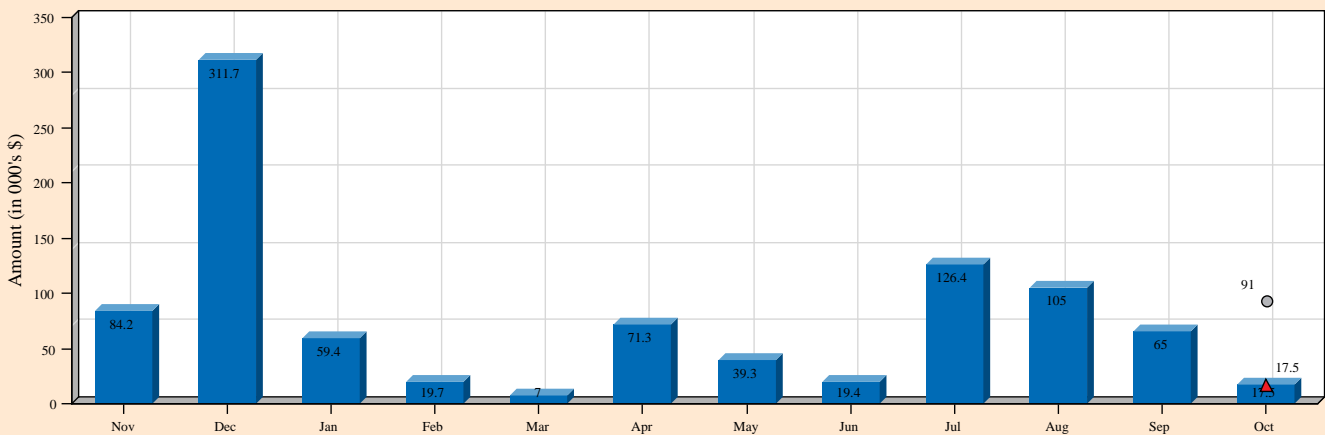
October Receivables to Revenue Ratio 1.7%, Delinquency \$7.2 Million

INVESTMENT EARNINGS

INVESTMENT CASH EARNINGS

Monthly & Cumulative Earnings compared to YTD Budget

- Monthly Earnings (in 000's)
- △ YTD Cumulative Earnings FY-2016 (in 000's)
- YTD Cumulative Earnings Budget FY-2016 (in 000's)



Earnings to date for October were below Projected Budget by \$74,000

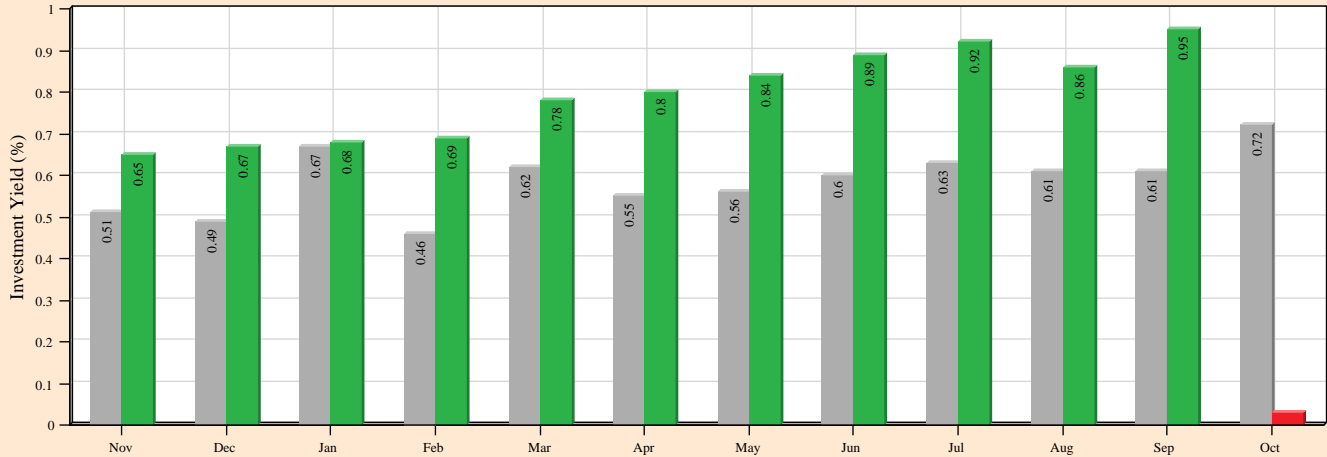
FINANCIAL HIGHLIGHTS

INVESTMENT YIELD

CORE INVESTMENTS YIELD

Monthly Yield compared to Merrill Lynch Benchmark

- Actual Monthly Yield (%)
- Merrill Lynch 1-3 Year Treasury Index - Book Value (%)

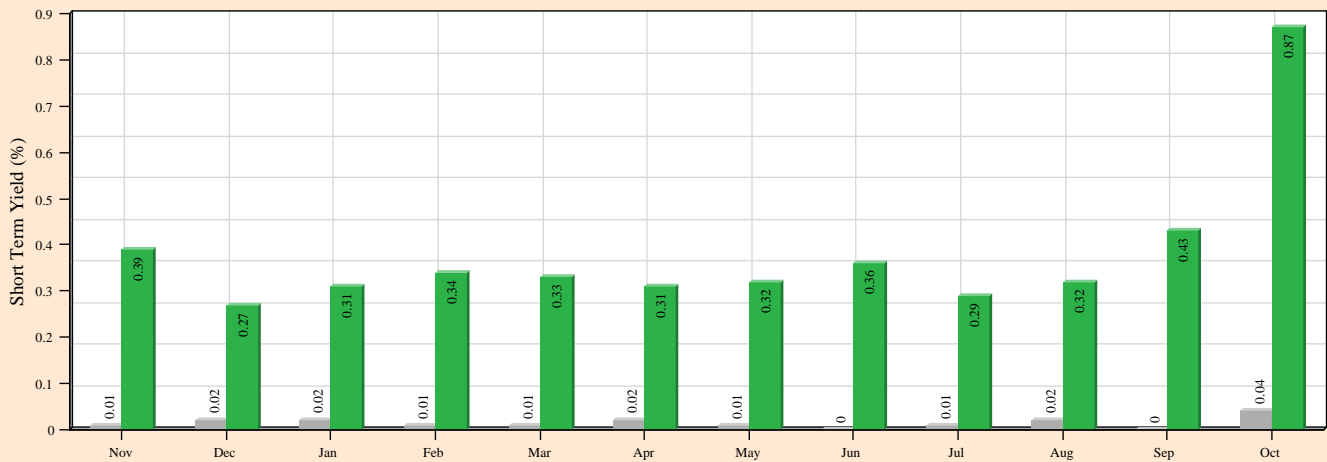


Yield for October was lower than the treasury index by 0.69%

SHORT TERM INVESTMENT YIELD

Short Term Yield compared to Merrill Lynch Benchmark

- Actual Monthly Yield (%)
- Merrill Lynch 3-Month Treasury Index - Book Value (%)



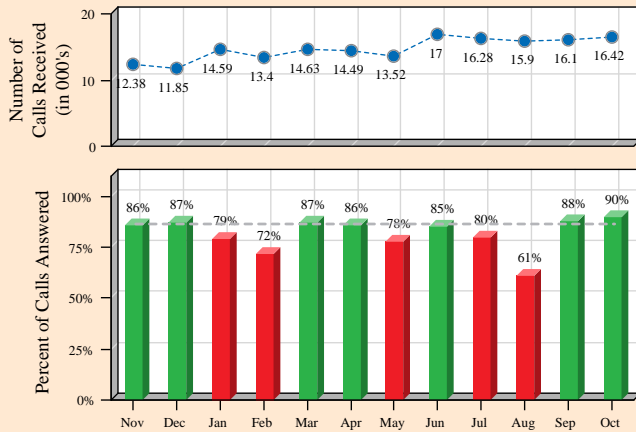
Short Term Yield for October was higher than the Merill Lynch yield by 0.83%

CUSTOMER CARE AND OPERATIONS HIGHLIGHTS

CUSTOMER SERVICE

CALL CENTER PERFORMANCE
Calls Answered within 40 Seconds compared to Target

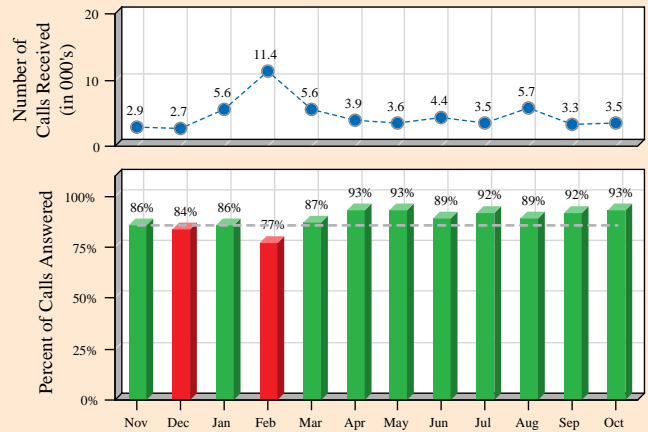
- Call Center: Calls answered (%)
- No of Calls - Call Center (in 000's)
- Target -Call Center (85%)



Performance for October was above target by 5%

COMMAND CENTER PERFORMANCE
Calls Answered within 40 Seconds compared to Target

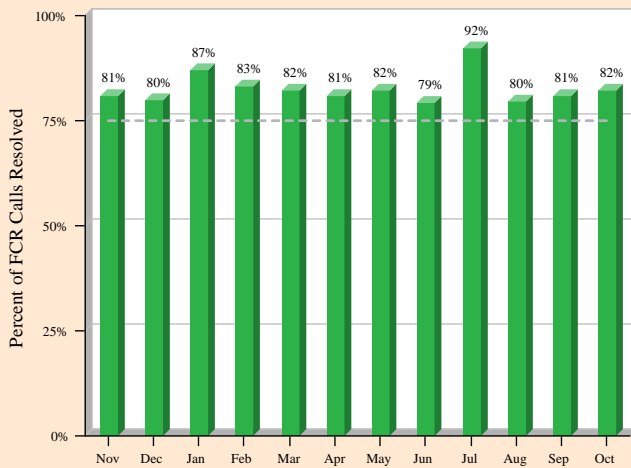
- Command Center: Calls answered (%)
- No of Calls - Command Center (in 000's)
- Target -Command Center (85%)



Performance for October was above target by 8%

FIRST CALL RESOLUTION (FCR)
Calls resolved on first contact compared to Target

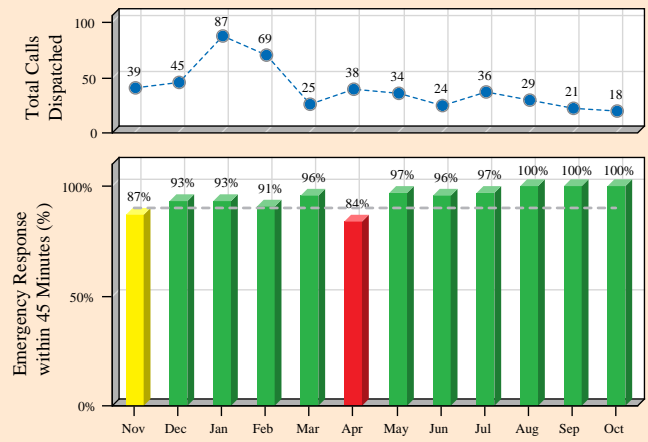
- FCR (%)
- FCR Target (75%)



Performance for October was above target by 7%

EMERGENCY RESPONSE TIME
Calls responded to within 45 Minutes compared to Target

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



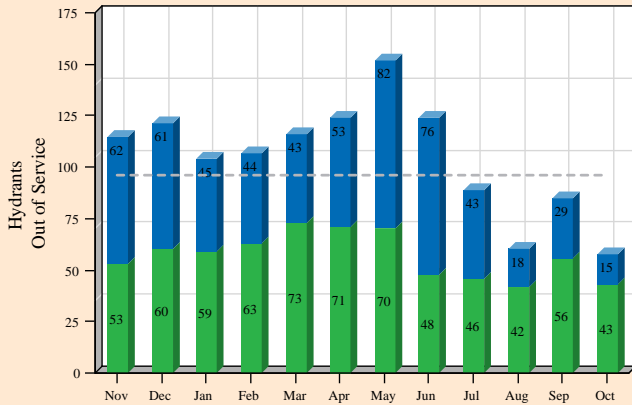
Performance for October was above target by 10%

CUSTOMER CARE AND OPERATIONS HIGHLIGHTS

FIRE HYDRANTS

FIRE HYDRANTS OUT OF SERVICE (OOS)
Total Hydrants Out of Service against Target

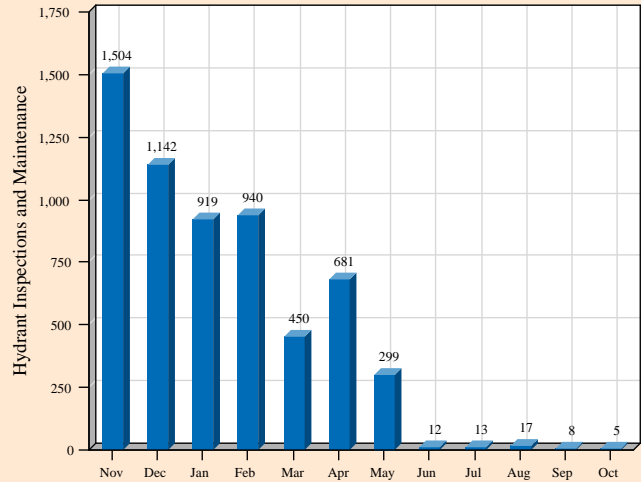
- Out of Service Fire Hydrants (Defective OOS Hydrants)
- In-Operational - OOS Due to Inaccessibility or Temporary Work
- Out of Service Hydrants Target (96)



Fire Hydrant Inspections and Maintenance

Total Hydrant Inspection and Maintenance Work Orders Completed per Month

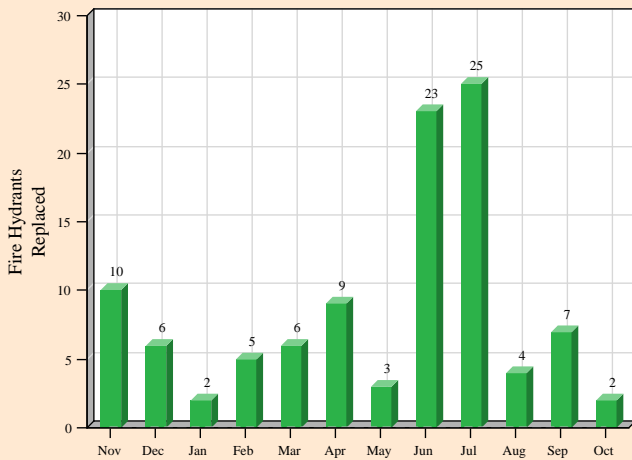
- Hydrant Inspections and Maintenance



FIRE HYDRANT REPLACEMENTS

Total Hydrants Replaced per Month

- Hydrants Replaced
- Annual Replacement Target (250)

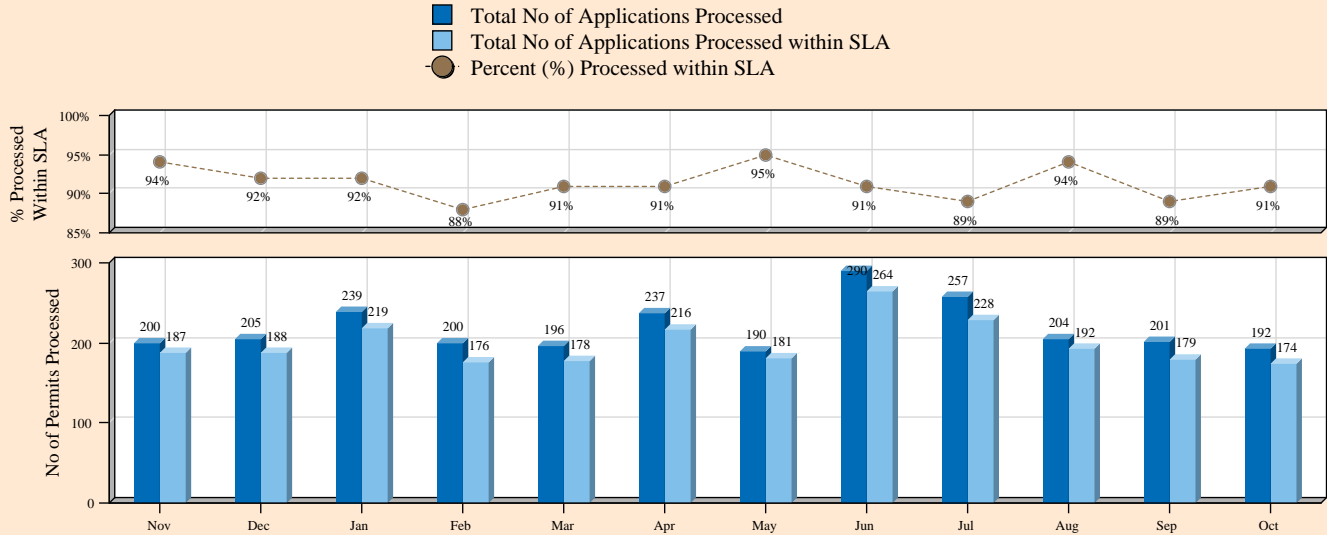


Total replacements as of October were 2 against annual projections of 250

CUSTOMER CARE AND OPERATIONS HIGHLIGHTS

PERMIT PROCESSING

TOTAL APPLICATIONS PROCESSED WITHIN SERVICE LEVEL AGREEMENT (SLA)



SLA Examples: Raze Permit - 14days, Sheeting and Shoring - 14 days, Preliminary Plan Review - 45 days

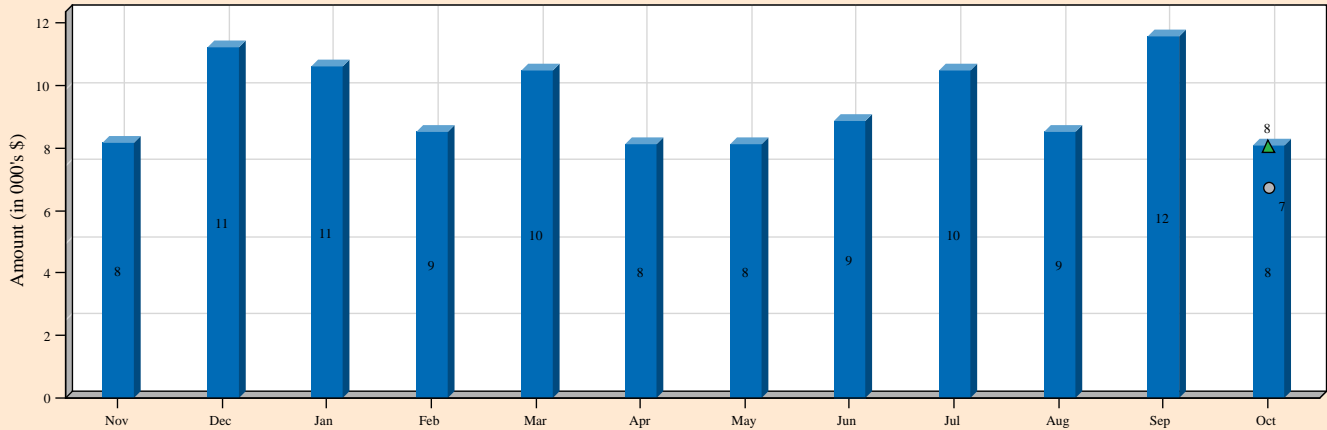
Permits not processed within SLA in October were 9% Note that different SLA's range from 7 days to 45 days

LOW INCOME ASSISTANCE PROGRAM

SPLASH PROGRAM

SPLASH CONTRIBUTIONS
 Monthly and Cumulative Contributions compared to YTD Target

- Monthly Contributions (in 000's)
- △ YTD Cumulative Contributions FY-2016 (in 000's)
- Projected YTD Target FY-2016 (in 000's)

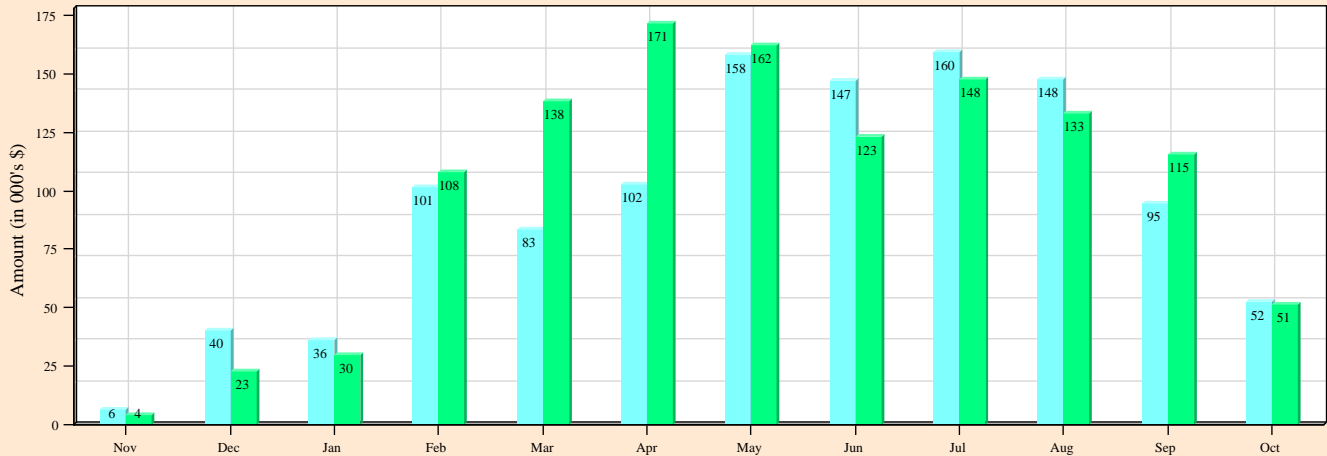


Total SPLASH Contributions to date for October were above target by \$1,000

CUSTOMER ASSISTANCE PROGRAM (CAP)

CUSTOMER ASSISTANCE PROVIDED
 Monthly Assistance Provided compared to corresponding Previous Year Periods

- Actual Monthly Amount - Previous Year (in 000's)
- Actual Monthly Amount - Current Year (in 000's)

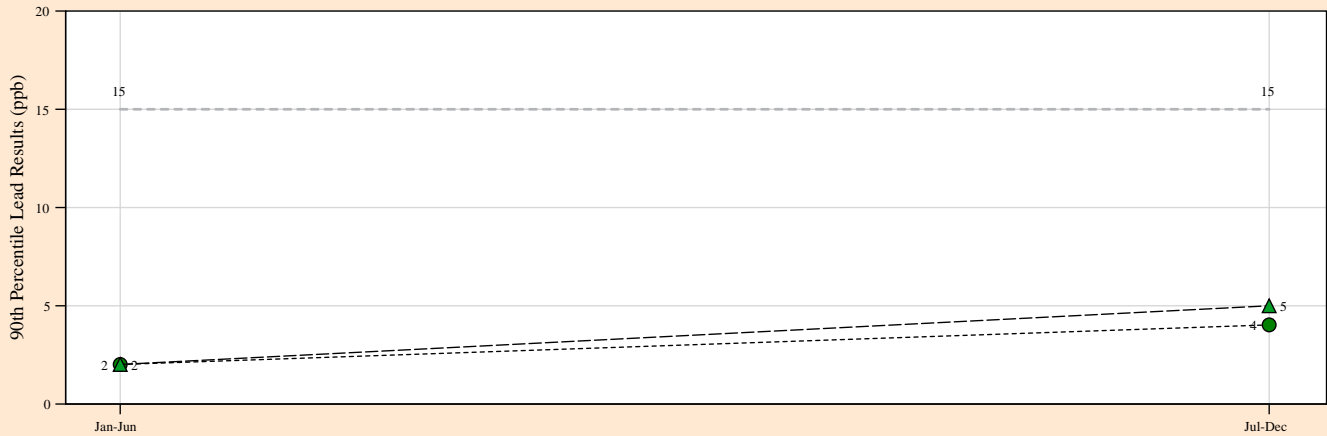


OPERATIONAL HIGHLIGHTS

DRINKING WATER QUALITY

LEAD AND COPPER RULE (LCR) COMPLIANCE
Semi-Annual LCR Monitoring Results

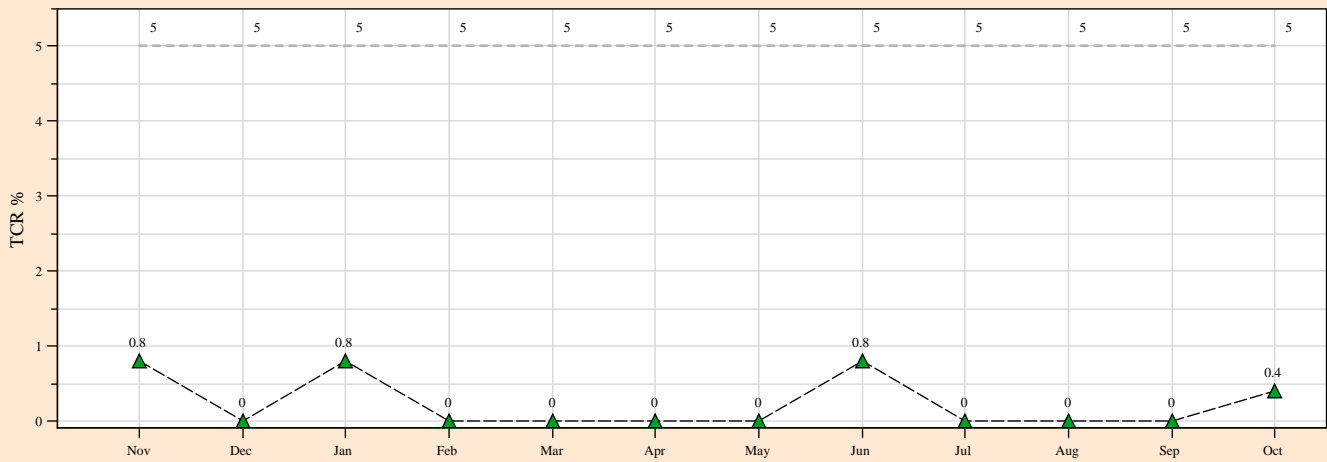
- 2014 LCR Results
- △ 2015 LCR Results
- Action Level : 15 parts per billion (ppb)



Jul-Dec 2015 results to date

TOTAL COLIFORM RULE (TCR)
Total Coliform Positives compared to EPA Maximum Contaminant Level (MCL)

- △ TCR Level
- EPA Maximum Contaminant Level (5%)



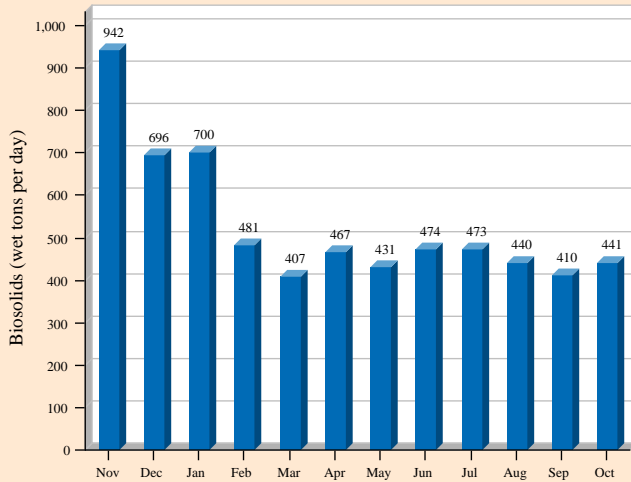
Coliform Positives were recorded in October at 0.4%

OPERATIONAL HIGHLIGHTS

WASTEWATER TREATMENT

BIOSOLIDS PRODUCTION
Average Daily Biosolids Production

■ Average Daily Biosolids Hauled

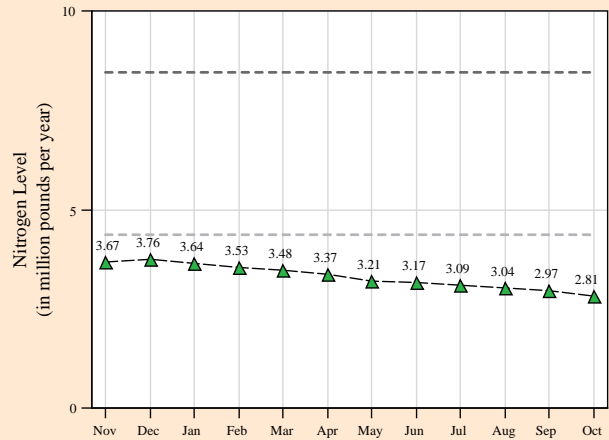


Biosolids Average Daily Production for October was 441 wet tons per day

TOTAL NITROGEN

Total Nitrogen compared to Current and 2015 Permit Levels

△ Nitrogen Rolling 12 months (lbs/yr)
 - - - Proposed Limit for 2015 - 4.38 Million (lbs/yr)
 - - - Current Permit Limit - 8.47 Million (lbs/yr)

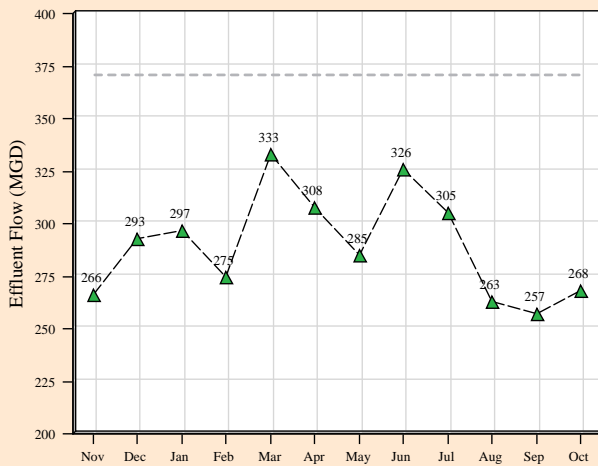


Nitrogen level for October was below permit by 5.7 million lbs/yr

PLANT EFFLUENT FLOW

Effluent Flow compared to Plant Design Average Limit

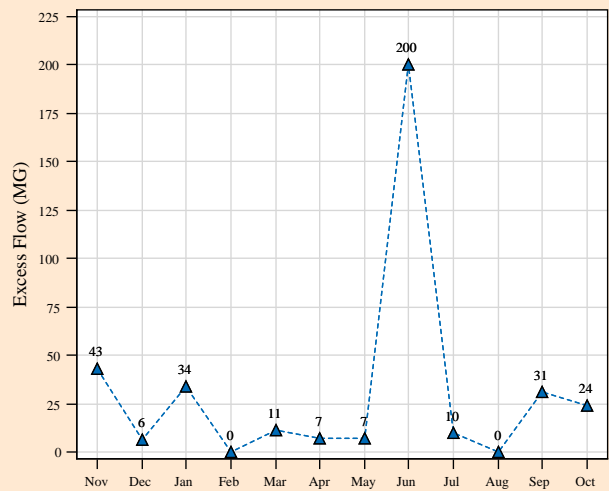
△ Effluent Flow
 - - - Design Average (370 mgd)



In October, Effluent flow was below design by 102 MGD

EXCESS FLOW

△ Excess Flow

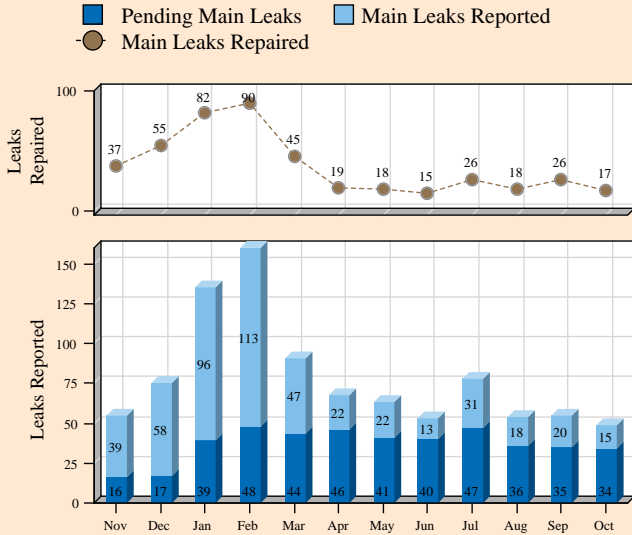


24 Million Gallons per day excess flow were recorded in October 2015

OPERATIONAL HIGHLIGHTS

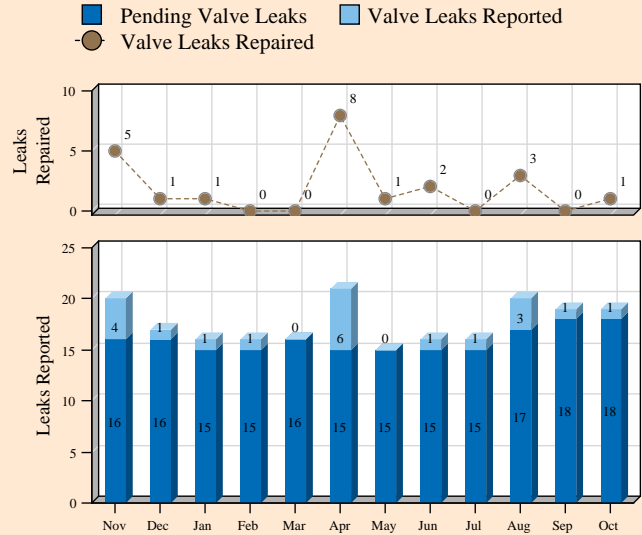
WATER DISTRIBUTION OPERATIONS

WATER MAIN LEAKS



There were 15 main leaks reported in October

WATER VALVE LEAKS



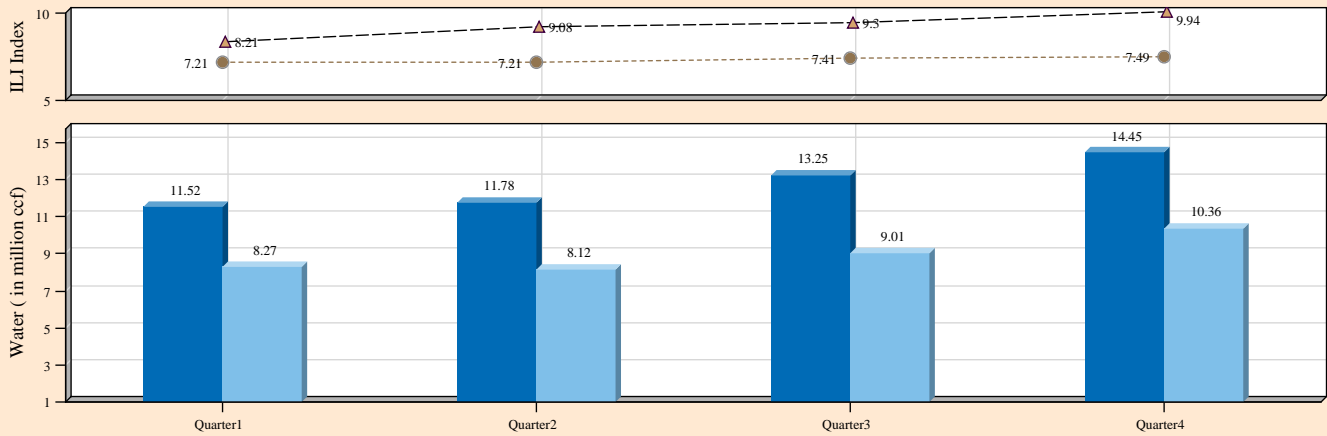
1 leak was resolved in October

WATER BALANCE

NON-REVENUE WATER

Volume of Water Purchased and Sold per Quarter

- FY-2015: Water Purchased
- FY-2015: Water Sold
- FY-2014: Infrastructure Leakage Index
- ▲ FY-2015: Infrastructure Leakage Index



In the fourth quarter 10.4 out of 14.5 million cubic feet of water was sold

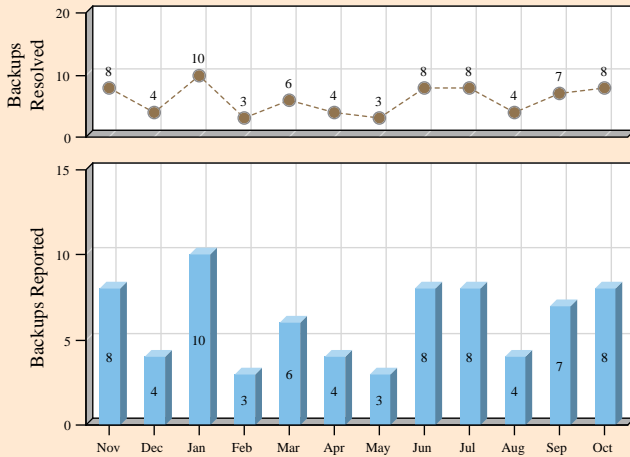
OPERATIONAL HIGHLIGHTS

SEWER SYSTEM OPERATIONS

SEWER MAIN BACKUPS

Sewer Mains Backed Up and Relieved per Month

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

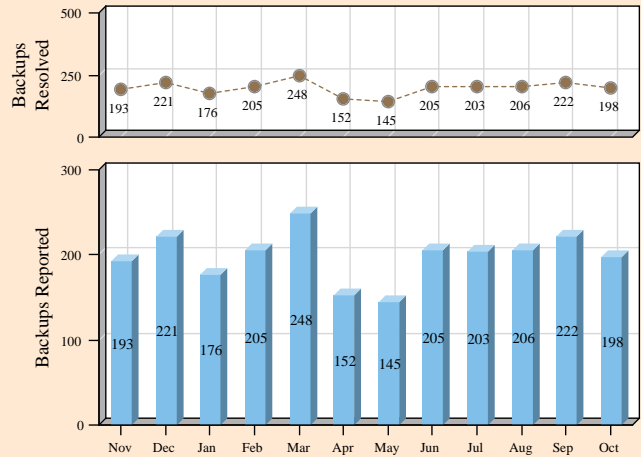


No pending main backups reported

SEWER LATERAL BACKUPS

Sewer Laterals Backed Up and Relieved per Month

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



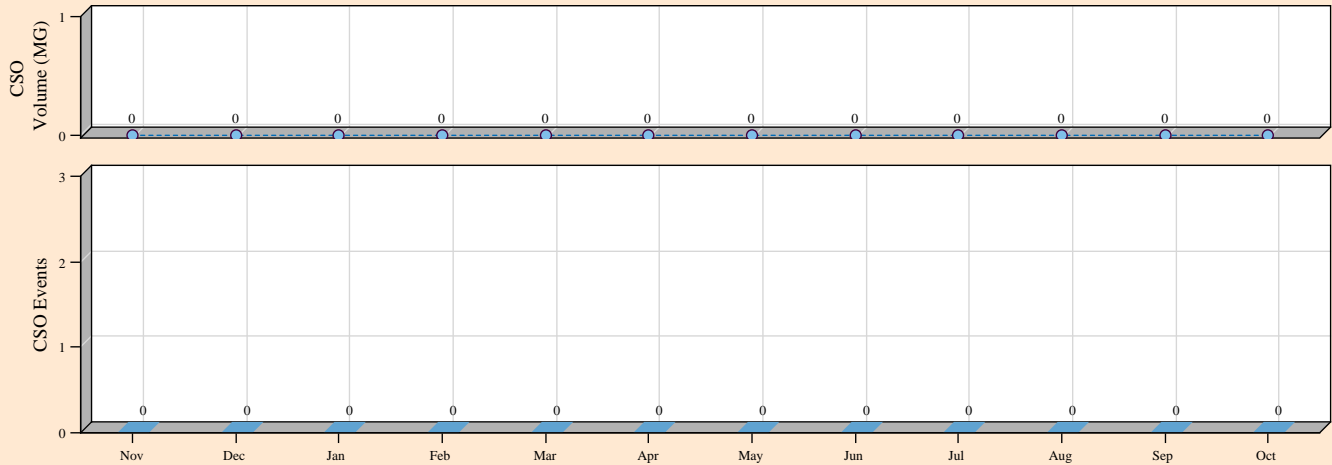
No pending lateral backups reported

COMBINED SEWER SYSTEM

DRY WEATHER CSO EVENTS

Combined Sewer Overflow Volume and No of Events per Month

- Number of CSO Events
- Overflow Volume (MG)



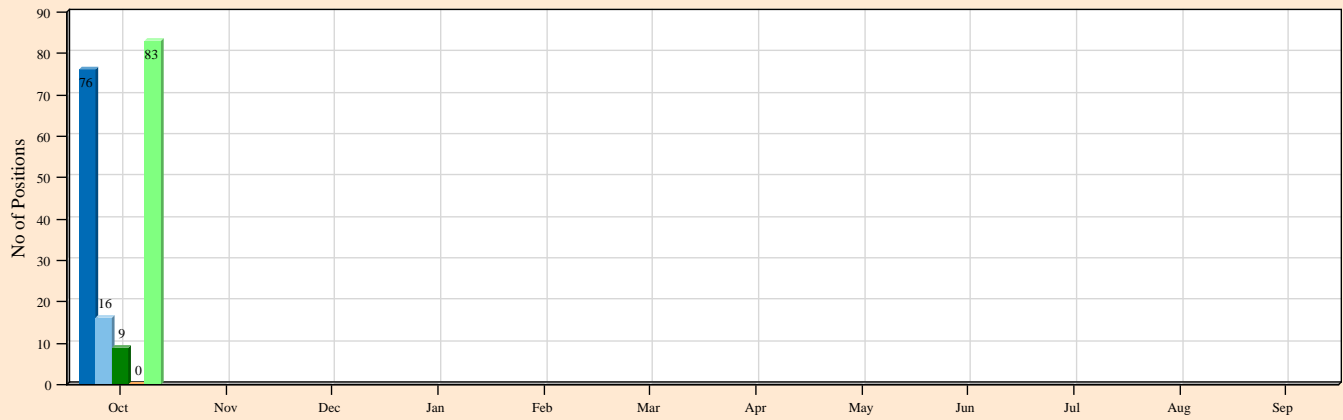
No dry weather Combined Sewer Overflow event was recorded in October 2015

OPERATIONAL HIGHLIGHTS

HUMAN RESOURCES

RECRUITMENT ACTIVITY

- FY-2016:Rolled Over Open Positions
- FY-2016:New Positions Added
- FY-2016:Positions Filled
- FY-2016:Positions Canceled
- FY-2016:Net Remaining Open Positions



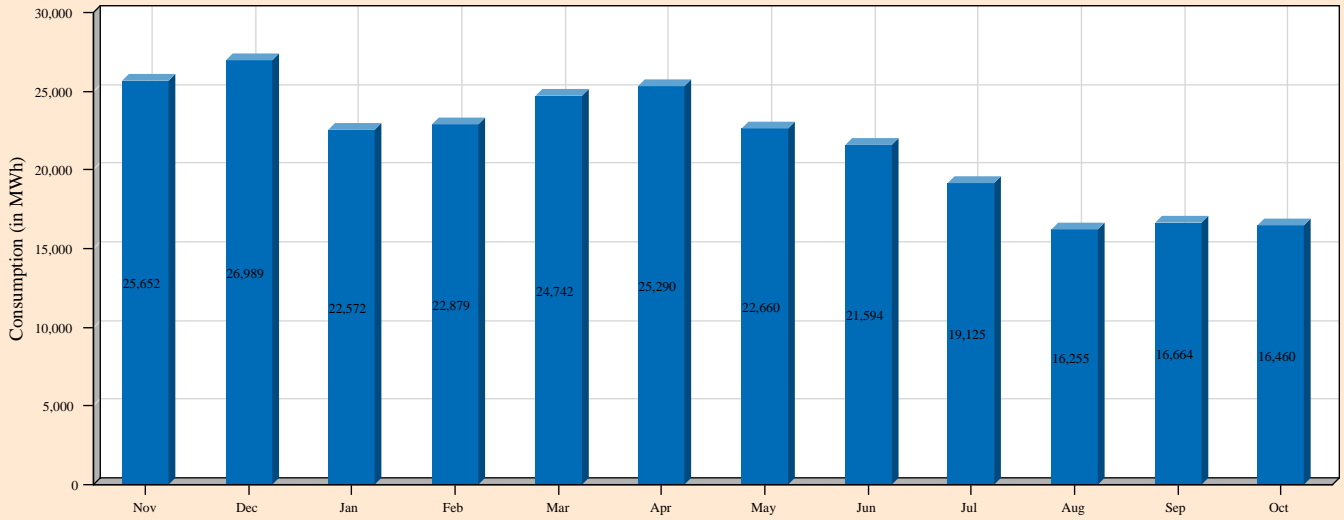
In October, we began the month with 76 positions, received 16 new positions, filled 9, No cancellations and ended the month with 83 positions

OPERATIONAL HIGHLIGHTS

ENERGY

ELECTRICITY USAGE SUMMARY

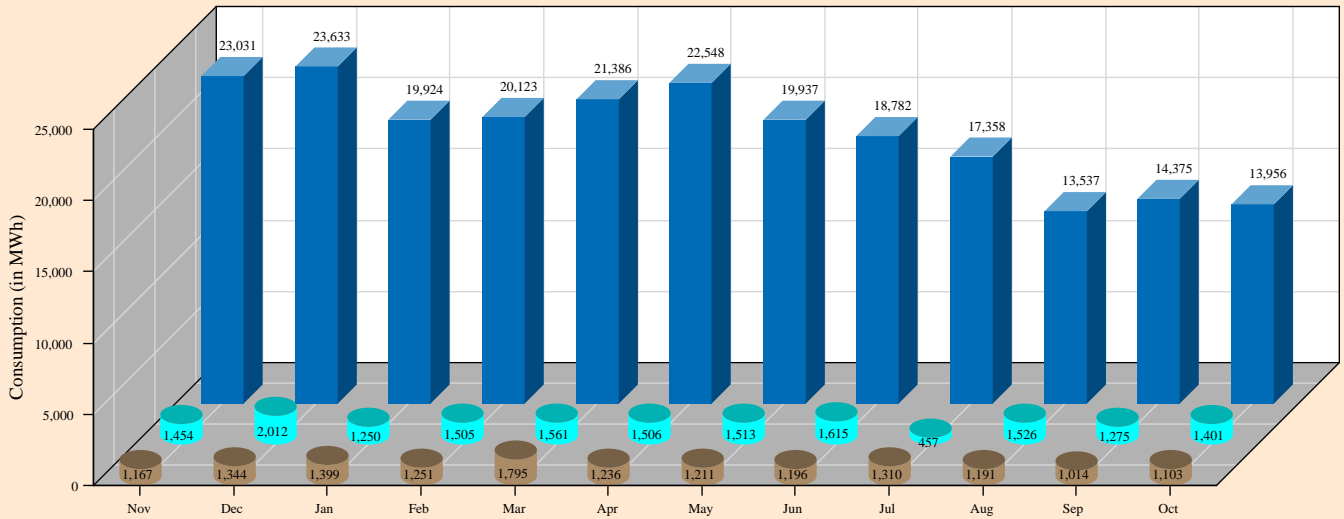
■ Total Consumption (MWh)



Electricity Consumption in October was 16,460 MWh

ELECTRICITY USAGE BY SERVICE AREA

■ Sewer Pumping ■ Water Pumping ■ Waste Water Treatment



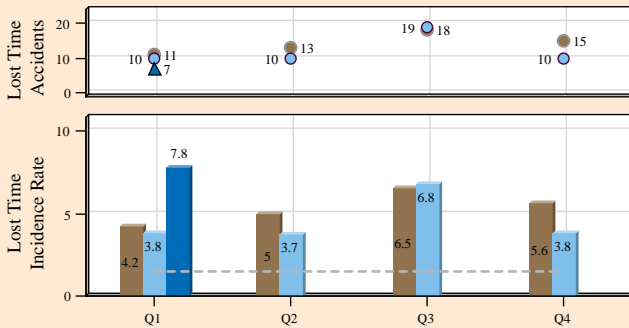
Wastewater treatment had the highest electricity consumption in October at 13,956 MWh

OPERATIONAL HIGHLIGHTS

SAFETY

EMPLOYEE LOST TIME INCIDENCE RATE

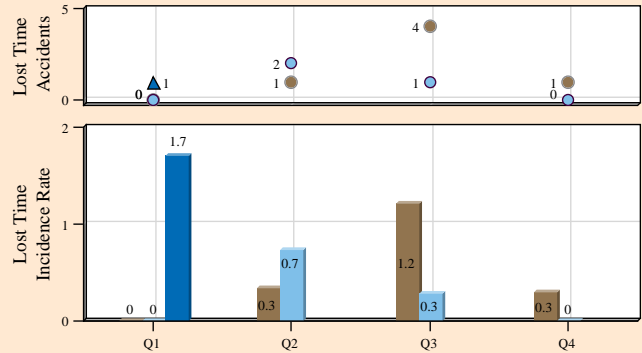
- FY-2014: LT Incidence Rate
- FY-2015: LT Incidence Rate
- FY-2016: LT Incidence Rate
- FY-2014: No of LT Accidents
- FY-2015: No of LT Accidents
- ▲ FY-2016: No of LT Accidents
- Target/National: LT Incidence Rate



In the 1st month of 1st quarter, 7 lost time accidents were reported

CONTRACTOR LOST TIME INCIDENCE RATE

- FY-2014: LT Incidence Rate
- FY-2015: LT Incidence Rate
- FY-2016: LT Incidence Rate
- FY-2014: No of LT Accidents
- FY-2015: No of LT Accidents
- ▲ FY-2016: No of LT Accidents

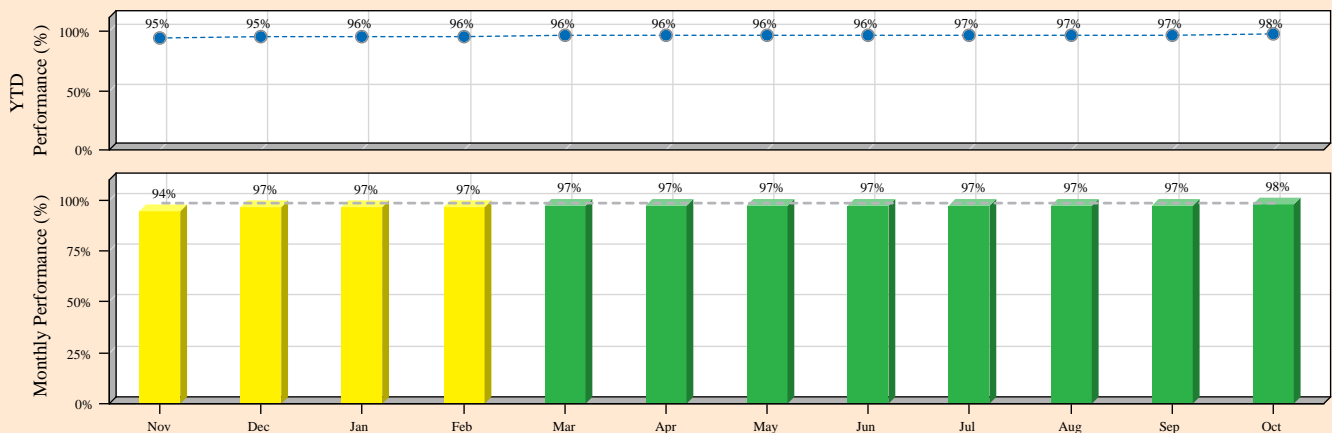


In the 1st month of 1st quarter, 1 lost time accidents was reported

VENDOR PAYMENTS

VENDOR PAYMENT PERFORMANCE
Percentage of Invoices Paid within 30 days

- Monthly Performance (%)
- YTD Performance (%)
- Monthly Target - (97%)



Monthly performance for October was above target by 1%

INTERPRETATION OF CHARTS:

FINANCIAL HIGHLIGHTS

Revenue, Expenditure, Capital Disbursement

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

Net Operating Cash

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

Operating Revenues

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

Operating Expenses

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

Capital Disbursements

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

Operating Cash Balance

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

Delinquent Account Receivables

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

Investment Cash Earnings

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

Core Investments Yield

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

Short Term Investment Yield

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

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

CUSTOMER CARE AND OPERATIONS HIGHLIGHTS

Call Center Performance

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

Command Center Performance

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

First Call Resolution (FCR)

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

Emergency Response Time

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

Fire Hydrants Out of Service (OOS)

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

Fire Hydrant Inspections and Maintenance

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

Fire Hydrant Replacements

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

Total Applications Processed within Service Level Agreement (SLA)

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

Dynamic Color Coding Legend

| *** | **** |
|--|--|
| Red- when the actual is 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, □)

LOW INCOME ASSISTANCE PROGRAM

SPLASH Contributions

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

Customer Assistance Program (CAP)

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

OPERATIONAL HIGHLIGHTS

Lead and Copper Rule (LCR) Compliance

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

Total Coliform Rule (TCR)

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

Biosolids Production

- Bar graph shows monthly average daily biosolids production

Total Nitrogen

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

Plant Effluent Flow

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

Excess Flow

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

Water Main Leaks

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

Water Valve Leaks

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

Dynamic Color Coding Legend

| *** | **** |
|--|--|
| 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, □)

Non Revenue Water

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

Sewer Main Backups

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

Sewer Lateral Backups

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

Combined Sewer dry weather Overflow (CSO) Events

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

Open Positions

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

Electricity Usage Summary

- Bar graph shows total electricity consumption per month

Electricity Usage by Service Area

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

Employee Lost Time Incidence Rate

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

Contractor Lost Time Incidence Rate

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

Dynamic Color Coding Legend

| | |
|---|---|
| *** | **** |
| <p>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, □)

Vendor Payment Performance

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

Dynamic Color Coding Legend

| *** | **** |
|--|--|
| <p>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, □)

E



District of Columbia Water and Sewer Authority
Randy E. Hayman, General Counsel

DC Ethics Law Summary Board of Directors

***Presented by Randy E. Hayman, General Counsel
December 3, 2015***



Background

DC's Government Ethics and Accountability Law (Ethics Law) is codified at DC Code §§1-1161.01, *et seq.*

DC's Board of Ethics and Government Accountability (BEGA) has general oversight of ethics issues under the DC Ethics Law. See <http://www.bega-dc.gov>

Applicability: DC Ethics Law imposes conduct and reporting standards on, *inter alia*, "Public Officials." DC Water Board Members are "Public Officials" as defined in the DC Ethics Law, because they are appointed by the Mayor. DC Code § 1-1161.01(47)(H) and 1-523.01(e).

Penalties for violations of DC Ethics Law include civil fines, employment actions and censure.



General Principles

- Maintain high level of ethical conduct in performing duties and refrain from action which would adversely affect public's confidence in integrity of DC Water.
- Use DC Water resources only for authorized activities.
- Do not give preferential treatment to any organization or individual.
- Take no actions creating the appearance of a violation of law or ethical standards.
- Satisfy lawful obligations, including financial obligations to federal, state, District and local governments.
- Do not hold personal or financial interests that conflict with the conscientious performance of DC Water duties.

Ref: DC Code §1-1161.01(7); DCMR §6-B1800

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General Principles (cont.)

- Do not engage in financial or other transactions using nonpublic government information or allow the improper use of such information to further any private interest.
- Do not solicit or accept any gift or other item of other than nominal value from a Prohibited Source, defined as an entity that (1) has, or is seeking to obtain a contract for goods or services with DC Water; (2) conducts operations that may be affected by DC Water activities; or (3) has an interest that may be affected by the performance or nonperformance of your DC Water duties.
- Do not engage in outside employment or activities, including seeking or negotiating for employment, that conflict with DC Water duties.

Ref: DC Code §1-1161.01(7); DCMR §6-B1800



Conflicts of Interest

No [Board Member] shall use his or her official position or title, or personally and substantially participate, through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise, in a judicial or other proceeding, application, request for a ruling or other determination, contract, claim, controversy, charge, accusation, arrest, or other particular matter, or attempt to influence the outcome of a particular matter, in a manner that the [Board Member] knows is likely to have a direct and predictable effect on the [Board Member's] financial interests or the financial interests of a person closely affiliated with the [Board Member].

Ref: DC Code §1-1162.23



Outside Activities

Do not engage in any outside employment or other activity incompatible with the full and proper discharge of your duties, such as:

- Activity that may interfere with ability to perform DC Water duties.
- Activity that may impair the efficient operation of DC Water.
- Using DC Water time or resources for other than official business, or government approved or sponsored activities.
- Maintaining an economic interest in or serving (with or without compensation) as an officer or director of an outside entity if that entity may be involved in an official government action or decision taken or recommended by the Board.
- Capitalizing on the Board Member's official title or position.
- Divulging official government information to any unauthorized person.

Permitted outside activity must occur on your own time and may not involve DC Water resources.

Ref: DC Code §1-1161.01(7); DCMR §6-B1807



Gifts

- Do not, directly or indirectly, give or accept gifts, payments, or other favors from outside sources that influence, or appear to influence, performance of duties.
- Do not, directly or indirectly, solicit or accept any gift from Prohibited Source.
- Gift is any gratuity, favor, discount, entertainment, hospitality, loan, forbearance, or other item having monetary value.
- Gift limits also exist for internal gifts between public officials and employees.

Ref: DC Code §1-1161.01(7); DCMR §6-B1803



Gifts

- Several exceptions to gift rules:
 - Unsolicited items of nominal value (\$10 per occasion; \$20 annual limit on all gifts from single source).
 - Gifts do not include discounts, rewards or other benefits generally available to all DC employees or to members of the public generally.
 - Free event attendance, food and beverages at hosted receptions where attendance relates to official duties or at events hosted by civic, charitable, government or community organizations.
 - Propriety of gift will turn on whether the gift is, or would appear to be, motivated by the recipient's official position.

Ref: DC Code §1-1161.01(7); DCMR §6-B1803

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Public Financial Disclosure Statement

Annually, by May 15, Board Members must file with BEGA a Public Financial Disclosure Statement (Disclosure Statement). Disclosure Statement must be updated during year for material changes to previously reported data. Disclosure Statement collects data on:

- Business ownership, stock, securities or other beneficial interests held by filer or immediate family (spouse, domestic partner, dependent children) exceeding in the aggregate \$1,000 or that producing more than \$200 in income, whether or not that entity does business with the District. This does not include such things as mutual funds or professionally managed retirement accounts.
- Business entities from which filer or immediate family received income or honoraria in excess of \$200, whether or not that entity does business with the District
- Any client for which filer performed service if that client has a contract with the District or stands to benefit from pending legislation.
- Business entities for which filer or immediate family served as officer, director, etc., whether or not that entity does business with the District

Ref. DC Code §§1-1162.24-25; DCMR §6-B1810



Public Financial Disclosure Statement

- Business entities for which filer or immediate family has a leave of absence, or offer or expectation of employment, whether or not that entity does business with the District.
- Individual liabilities of filer and immediate family exceeding \$1,000, exclusive of credit cards, mortgage and student loan debt.
- All DC real property owned by filer or immediate family (except personal residence).
- Professional/occupational licenses held by filer or immediate family.
- Gifts received from a Prohibited Source.

Disclosure Form includes a certification that filer: 1) is current on taxes; 2) has safeguarded District assets; 3) has not offered or accepted bribes; 4) has not received government funds through improper means; 5) has not raised or received funds in violation of DC Law, and; 6) has not received gifts intended to influence filer's actions.

Ref. DC Code §§1-1162.24-25; DCMR §6-B1810



DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY | 5000 OVERLOOK AVENUE, SW | WASHINGTON, DC 20032

Key Features of DC Ethics Laws For DC Water Board Members¹ December 3, 2015

DC's Government Ethics and Accountability Law (Ethics Law) is codified at DC Code §§1-1161.01, *et seq.*

DC's Board of Ethics and Government Accountability (BEGA) has general oversight of ethics issues under the DC Ethics Law. See <http://www.bega-dc.gov>

Applicability: DC Ethics Law imposes conduct and reporting standards on, *inter alia*, "Public Officials." DC Water Board Members are "Public Officials" under DC Ethics Law. DC Code § 1-1161.01(47)(H).

Code of Conduct: Key elements, as relevant to Board Members, include:

- Ethics Law Conflict of Interest provisions, DC Code § 1-1162.23.
- DC Code §§ 618.01-02 and implementing regulations at DCMR Title 6B, Ch. 18.

Key Conduct Standards: Overarching principle is to avoid an actual or appearance of a conflict of interest in the performance of duties and to maintain public trust. Avoid preferential treatment, safeguard government assets, and comply with all laws. There are specific limits on sources and amounts of gifts or other remuneration, outside employment, and post-employment activities. For example:

- Gifts are limited to \$10 per occasion, \$20 per year from a single donor; gifts from Prohibited Sources (e.g., entities contracting with or seeking to contract with DC Water) should be avoided
- Do not hold personal interest (including immediate family members) in entities contracting with DC Water or that have business with DC Water
- Outside employment and other activities should not interfere with your ability to perform your DC Water responsibilities

Code of Conduct Violations: Penalties include possible civil fines and censure. Compliance is viewed from the perspective of a reasonable person with all relevant facts.

Financial Reporting: Board members must file by May 15 annually a Public Financial Disclosure Statement. DC Code § 1-1162.24(a)(1). The form collects data on, *inter alia*:

- Financial and economic interests in businesses held by filer and immediate family whether or not such entities do business with the District. Immediate family means spouse, domestic partner and dependent children.

¹ This summary is for quick reference only. For details regarding a Board Member's conduct and reporting obligations, please consult the referenced statutes and forms, including any updates thereto after November 30, 2015.

- Liabilities of filer and immediate family (exclusive of revolving credit, home or student loans).
- DC real property owned by filer or immediate family.
- Occupational or professional licenses held by filer or immediate family.
- Gifts valued at more than \$100 received by filer or immediate family from a Prohibited Source.

The Public Financial Disclosure Form also includes certification that the filer: is current on taxes; has safeguarded District assets; has not offered or accepted bribes; has not received government funds through improper means; has not raised or received funds in violation of DC Law; and has not received gifts intended to influence filer's actions.

**DISTRICT OF COLUMBIA
OFFICIAL CODE
TITLE 1.
CHAPTER 11A.
GOVERNMENT ETHICS AND
ACCOUNTABILITY.
SUBCHAPTER II.
SUBPARTS C, D, & E**



§ 1-1161.01. Definitions.

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BOOK VIEW

SEARCH

HELP

- DC District of Columbia Official Code 2001 Edition.
- DC Division I Government of District.
- DC Title 1. Government Organization.
- DC Chapter 11A. Government Ethics and Accountability.
- DC Subchapter I. Definitions.

§ 1-1161.01. Definitions.

Current through October 23, 2012

For the purposes of this chapter, the term:

- (1) "Administrative decision" means any activity directly related to action by an executive agency to issue a Mayor's order, to cause to be undertaken a rulemaking proceeding (which does not include a formal public hearing) under Chapter 5 of Title 2, or to propose legislation or make nominations to the Council, the President, or Congress.
- (2) "Administrative Procedure Act" means Chapter 5 of Title 2.
- (3) "Affiliated organization" means:
 - (A) An organization or entity:
 - (i) In which the employee serves as officer, director, trustee, general partner, or employee;
 - (ii) In which the employee or member of the employee's household is a director, officer, owner, employee, or holder of stock worth \$1,000 or more at fair market value; or
 - (iii) That is a client of the employee or a member of the employee's household; or
 - (B) A person with whom the employee is negotiating for or has an arrangement concerning prospective employment.
- (4) "Business" means any corporation, partnership, sole proprietorship, firm, nonprofit corporation, enterprise, franchise, association, organization, self-employed individual, holding company, joint stock, trust, and any legal entity through which business is conducted, whether for profit or not.
- (5) "Business with which he or she is associated" means any business of which the person or member of his or her household is a director, officer, owner, employee, or holder of stock worth \$1,000 or more at fair market value, and any business that is a client of that person.
- (6) "Candidate" means an individual who seeks nomination for election, or election, to office, whether or not the individual is nominated or elected. For the purposes of this paragraph, an individual shall be deemed to seek nomination for election, or election, if the individual:
 - (A) Obtained or authorized any other person to obtain nominating petitions to qualify himself or herself for nomination for election, or election, to office;
 - (B) Received contributions or made expenditures, or has given consent to any other person to receive contributions or make expenditures, with a view to bringing about his or her nomination for election, or election, to office; or
 - (C) Knows, or has reason to know, that any other person has received contributions or made expenditures for that purpose, and has not notified that person in writing to cease receiving contributions or making expenditures for that purpose; provided, that an individual shall not be deemed a candidate if the individual notifies each person who has received contributions or made expenditures that the individual is only testing the waters, has not yet made any decision whether to seek nomination or election to public office, and is not a candidate. An individual deemed to be a candidate for the purposes of this chapter shall not be deemed, solely by reason of that status, to be a candidate for the purposes of any other law.
- (7) "Code of Conduct" means those provisions contained in the following:
 - (A) The Code of Official Conduct of the Council of the District of Columbia, as adopted by the Council;
 - (B) Sections 1-618.01 through 1-618.02;
 - (C) Chapter 7 of Title 2;
 - (D) Section 2-354.16;
 - (E) Chapter 18 of Title 6B of the District of Columbia Municipal Regulations;
 - (F) Parts C, D, and E of subchapter II, and part F of subchapter III of this chapter for the purpose of enforcement by the Elections Board of violations of § 1-1163.38 that are subject to the penalty provisions of § 1-1162.21.

§ 1-1161.01. Definitions.

(8) "Commodity" means commodity as defined in section 1a of the Commodity Exchange Act, approved September 21, 1922 (42 Stat. 888; 7 U.S.C. § 1a).

(9) "Compensation" means any money or an exchange of value received, regardless of its form, by a person acting as a lobbyist.

(10)(A) "Contribution" means

(i) A gift, subscription (including any assessment, fee, or membership dues), loan (except a loan made in the regular course of business by a business engaged in the business of making loans), advance, or deposit of money or anything of value, made for the purpose of financing, directly or indirectly,;

(j) The election campaign of a candidate;

(k) Any operations of a political, exploratory, inaugural, transition, or legal defense committee; or

(l) The campaign to obtain signatures on any initiative, referendum, or recall measure, or to bring about the ratification or defeat of any initiative, referendum, or recall measure, or any operations of a political committee involved in such a campaign;

(m) A contract, promise, or agreement, whether or not legally enforceable, to make a contribution for any such purpose;

(n) A transfer of funds between political committees or between an exploratory committee and a political committee; or

(o) The payment, by any person other than a candidate or a political, exploratory, inaugural, transition, or legal defense committee, of compensation for the personal services of another person that are rendered to such candidate or committee without charge, or for less than reasonable value, for any such purpose or the furnishing of goods, advertising, or services to a candidate's campaign without charge, or at a rate which is less than the rate normally charged for such services.

(B) Notwithstanding subparagraph (A) of this paragraph, the term "contribution" shall not be construed to include:

(i) Services provided without compensation by a person (including an accountant or an attorney) volunteering a portion or all of the person's time on behalf of a candidate or a political, exploratory, inaugural, transition, or legal defense committee;

(ii) Personal services provided without compensation by a person volunteering a portion or all of the person's time to a candidate or a political, exploratory, inaugural, or legal defense committee;

(iii) Communications by an organization, other than a political party, solely to its members and their families on any subject;

(iv) Communications (including advertisements) to any person on any subject by any organization that is organized solely as an issue-oriented organization, which communications neither endorse nor oppose any candidate for office;

(v) Normal billing credit for a period not exceeding 30 days;

(vi) Services of an informational or polling nature, and related thereto, designed to seek the opinion(s) of voters concerning the possible candidacy of a qualified elector for public office, before such qualified elector's becoming a candidate;

(vii) The use of real or personal property, and the costs of invitations, food, and beverages voluntarily provided by a person to a candidate in rendering voluntary personal services on the person's residential premises for related activities; provided, that expenses do not exceed \$500 with respect to the candidate's election; and

(viii) The sale of any food or beverage by a vendor for use in a candidate's campaign at a charge less than the normal comparable charge, if the charge for use in a candidate's campaign is at least equal to the cost of such food or beverage to the vendor; provided, that expenses do not exceed \$500 with respect to the candidate's election.

(11) "Direct and predictable effect" means there is:

(A) A close causal link between any decision or action to be taken in the matter and any expected effect of the matter on the financial interest;

(B) A real, as opposed to a speculative possibility, that the matter will affect the financial interest; and

(C) The effect is more than *de minimis*.

(12) "Director of Campaign Finance" means the Director of Campaign Finance of the Elections Board created by § 1-1163.02.

(13) "Director of Government Ethics" means the Director of Government Ethics created by § 1-1162.06.

(14) "Domestic partner" shall have the same meaning as provided in § 32-701(3).

(15) "Election" means a primary, general, or special election held in the District of Columbia for the purpose of nominating an individual to be a candidate for election to office, or for the purpose of electing a candidate to office, or for the purpose of deciding an initiative, referendum, or recall measure, and includes a convention or caucus of a political party held for the purpose of nominating such a candidate.

(16) "Election Code" means subchapter I of Chapter 10 of this title.

(17) "Elections Board" means the District of Columbia Board of Elections established under the Election Code, and redesignated by § 1-1163.05.

(18) "Employee" means, unless otherwise apparent from the context, a person who performs a function of the District government and who receives compensation for the performance of such services, or a member of a District government board or commission, whether or not for compensation

(19) "Ethics Board" means the District of Columbia Board of Ethics and Government Accountability established by § 1-1162.02.

(20) "Executive agency" means:

(A) A department, agency, or office in the executive branch of the District government under the direct administrative control of the Mayor;

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- (B) The State Board of Education or any of its constituent elements;
- (C) The University of the District of Columbia or any of its constituent elements;
- (D) The Elections Board; and
- (E) Any District professional licensing and examining board under the administrative control of the executive branch.
- (21)(A) "Expenditure" means:
- (i) A purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value, made for the purpose of financing, directly or indirectly,
 - (I) The election campaign of a candidate;
 - (II) Any operations of a political, exploratory, inaugural, transition, or legal defense committee; or
 - (III) The election campaign to obtain signatures on any initiative, referendum, or recall petition, or to bring about the ratification or defeat of any initiative, referendum, or recall measure, or any operations of a political committee involved in such a campaign;
 - (ii) A contract, promise, or agreement, whether or not legally enforceable, to make an expenditure;
 - (iii) A transfer of funds between political committees or between an exploratory committee and a political committee; and
- (B) Notwithstanding subparagraph (A) of this paragraph, the term "expenditure" shall not be construed to include the incidental expenses (as defined by the Elections Board or Ethics Board) made by or on behalf of a person in the course of volunteering that person's time on behalf of a candidate or a political, exploratory, inaugural, transition, or legal defense committee or the use of real or personal property and the cost of invitations, food, or beverages voluntarily provided by a person to a candidate in rendering voluntary personal services on the person's residential premises for candidate-related activity if the aggregate value of such activities by such person on behalf of any candidate does not exceed \$ 500 with respect to any election.
- (22) "Exploratory committee" means any person, or group of persons, organized for the purpose of examining or exploring the feasibility of becoming a candidate for an elective office in the District.
- (23) "Gift" means a payment, subscription, advance, forbearance, rendering, or deposit of money, services, or anything of value, unless consideration of equal or greater value is received. The term "gift" shall not include:
- (A) A political contribution otherwise reported as required by law;
 - (B) A commercially reasonable loan made in the ordinary course of business; or
 - (C) A gift received from a member of the person's immediate family.
- (24) "Home Rule Act" means Chapter 2 of this title.
- (25) "Household" means a public official or employee and any member of his or her immediate family with whom the public official or employee resides.
- (26) "Immediate family" means the spouse or domestic partner of a public official or employee and any parent, grandparent, brother, sister, or child of the public official or employee, and the spouse or domestic partner of any such parent, grandparent, brother, sister, or child.
- (27) "Inaugural committee" means a person, or group of persons, organized for the purpose of soliciting, accepting, and spending funds and coordinating activities to celebrate the election of a new Mayor.
- (28) "Income" means gross income as defined in section 61 of the Internal Revenue Code (26 U.S.C. § 61).
- (29) "Internal Revenue Code" means the Internal Revenue Code of 1954, approved August 16, 1954 (88A Stat. 3; 26 U.S.C. § 1 et seq.), and the Internal Revenue Code of 1986, approved October 22, 1986 (100 Stat. 2086; 26 U.S.C. § 1 et seq.), as amended from time to time.
- (30) "Legal defense committee" means a person or group of persons, organized for the purpose of soliciting, accepting, and expending funds to defray the professional fees and costs for a public official's legal defense to one or more civil, criminal, or administrative proceedings.
- (31) "Legislative action" includes any activity conducted by an official in the legislative branch in the course of carrying out his or her duties as such an official, and relating to the introduction, passage, or defeat of any legislation in the Council.
- (32)(A) "Lobbying" means communicating directly with any official in the legislative or executive branch of the District government with the purpose of influencing any legislative action or an administrative decision.
- (B) The term "lobbying" shall not include:
- (i) The appearance or presentation of written testimony by a person on his or her own behalf, or representation by an attorney on behalf of any such person in a rulemaking (which includes a formal public hearing), rate-making, or adjudicatory hearing before an executive agency or the Tax Assessor;
 - (ii) Information supplied in response to written inquiries by an executive agency, the Council, or any public official;
 - (iii) Inquiries concerning only the status of specific actions by an executive agency or the Council;
 - (iv) Testimony given before the Council or a committee of the Council, during which a public record is made of such proceedings or testimony submitted for inclusion in such a public record;
 - (v) A communication made through the instrumentality of a newspaper, television, or radio of general circulation, or a publication whose primary audience is the organization's membership; and
 - (vi) Communications by a bona fide political party.

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- (33)(A) "Lobbyist" means any person who engages in lobbying.
- (B) Public officials communicating directly or soliciting others to communicate with other public officials shall not be deemed lobbyists for the purposes of this chapter; provided, that a public official does not receive compensation in addition to his or her salary for such communication or solicitation and makes such communication and solicitation in his or her official capacity.
- (34) "Merit Personnel Act" means Chapter 6 of this title.
- (35) "Office" means the office of Mayor, Attorney General, Chairman of the Council, member of the Council, member of the State Board of Education, or an official of a political party.
- (36) "Official in the executive branch" means:
- (A) The Mayor;
- (B) Any officer or employee in the Executive Service;
- (C) Persons employed under the authority of §§ 1-609.01 through 1-609.03 (except § 1-609.03(a)(3)) paid at a rate of DS-13 or above in the General Schedule or equivalent compensation under the provisions of subchapter XI of Chapter 6 of this title designated in § 1-609.08 (except paragraphs (9) and (10) of that section); or
- (D) Members of boards and commissions designated in § 1-523.01(e).
- (37) "Official in the legislative branch" means any candidate for Chairman or member of the Council in a primary, special, or general election, the Chairman or Chairman-elect or any member or member-elect of the Council, officers, and employees of the Council appointed under the authority of §§ 1-609.01 through 1-609.03 or designated in § 1-609.08.
- (38) "Official of a political party" means:
- (A) National committeemen and national committeewomen;
- (B) Delegates to conventions of political parties nominating candidates for the Presidency and Vice Presidency of the United States;
- (C) Alternates to the officials referred to in subparagraphs (A) and (B) of this paragraph, where permitted by political party rules; and
- (D) Such members and officials of local committees of political parties as may be designated by the duly authorized local committees of such parties for election, by public ballot, at large or by ward in the District.
- (39) "Open Government Office" means the District of Columbia Open Government Office established by § 2-592.
- (40) "Open Meetings Act" means subchapter IV of Chapter 5 of Title 2.
- (41) "Particular matter" is limited to meaning a deliberation, decision, or action that is focused upon the interests of specific persons, or a discrete and identifiable class of persons.
- (42) "Person" means an individual, partnership, committee, corporation, labor organization, and any other organization.
- (43) "Person closely affiliated with the employee" means a spouse, dependant child, general partner, a member of the employee's household, or an affiliated organization.
- (44) "Political committee" means any proposer, individual, committee (including a principal campaign committee), club, association, organization, or other group of individuals organized for the purpose of, or engaged in promoting or opposing:
- (A) A political party;
- (B) The nomination or election of a person to office; or
- (C) Any initiative, referendum, or recall.
- (45) "Political party" means an association, committee, or organization that nominates a candidate for election to any office and qualifies under subchapter I of Chapter 10 of this title to have the names of its nominees appear on the election ballot as the candidate of that association, committee, or organization.
- (46) "Prohibited source" means any person that:
- (A) Has or is seeking to obtain contractual or other business or financial relations with the District government;
- (B) Conducts operations or activities that are subject to regulation by the District government; or
- (C) Has an interest that may be favorably affected by the performance or non-performance of the employee's official responsibilities.
- (47) "Public official" means:
- (A) A candidate for nomination for election, or election, to public office;
- (B) The Mayor, Chairman, and each member of the Council of the District of Columbia holding office under Chapter 2 of this title;
- (C) The Attorney General;
- (D) A Representative or Senator elected pursuant to § 1-123;
- (E) An Advisory Neighborhood Commissioner;
- (F) A member of the State Board of Education;
- (G) A person serving as a subordinate agency head in a position designated as within the Executive Service;

§ 1-1162.23. Conflicts of interest.

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§ 1-1162.23. Conflicts of interest.

Current through October 23, 2012

(a) No employee shall use his or her official position or title, or personally and substantially participate, through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise, in a judicial or other proceeding, application, request for a ruling or other determination, contract, claim, controversy, charge, accusation, arrest, or other particular matter, or attempt to influence the outcome of a particular matter, in a manner that the employee knows is likely to have a direct and predictable effect on the employee's financial interests or the financial interests of a person closely affiliated with the employee.

(b) An employee other than an elected official may seek a waiver, and the prohibition in subsection (a) of this section shall not apply, if the employee:

- (1) Advises the employee's supervisor and the Ethics Board of the nature and circumstances of the particular matter;
- (2) Makes full disclosure of the financial interest; and
- (3) Receives in advance a written determination made by both the supervisor and the Ethics Board that:

- (A) The interest is not so substantial as to be deemed likely to affect the integrity of the services that the government may expect from the employee; or
- (B) Another legally cognizable basis for waiver exists.

(c)(1) Any elected official who, in the discharge of the elected official's official duties, would be required to act in any matter prohibited under subsection (a) of this section shall make full disclosure of the financial interest, prepare a written statement describing the matter and the nature of the potential conflict of interest, and deliver the statement to:

- (A) In the case of a member of the Council, the Council Chairman; or
- (B) In the case of an elected official other than a member of the Council, the Ethics Board.

(2) Any employee other than an elected official who, in the discharge of the employee's official duties, would be required to act in any matter prohibited under subsection (a) of this section shall:

- (A) Make full disclosure of the financial interest;
- (B) Prepare a written statement describing the matter and the nature of the potential conflict of interest; and
- (C) Deliver the statement to the employee's supervisor and to the Ethics Board.

(3) During a proceeding in which an elected official would be required to take action in any matter that is prohibited under subsection (a) of this section, the Chairman shall:

- (A) Read the statement provided in paragraph (1) of this subsection into the record of proceedings; and
- (B) Excuse the elected official from votes, deliberations, and other actions on the matter.

(4) No Councilmember excused from votes, deliberations, or other actions on a matter shall in any way participate in or attempt to influence the outcome of the particular matter, in a manner that is likely to have a direct and predictable effect on the employee's financial interests or the financial interests of a person closely affiliated with the employee.

(5) Upon receipt of the statement provided in paragraph (2) of this subsection, the employee's supervisor shall assign the matter to another employee who does not have a potential conflict of interest.

(d)(1) An employee shall not receive any compensation, salary, or contribution to salary, gratuity, or any other thing of value from a source other than the District government for the employee's performance of official duties.

(2) No employee or member of the employee's household may knowingly acquire:

§ 1-1162.23. Conflicts of interest.

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(A) Stocks, bonds, commodities, real estate, or other property, whether held individually or jointly, the acquisition of which could unduly influence or give the appearance of unduly influencing the employee in the conduct of his or her official duties and responsibilities; or

(B) An interest in a business or commercial enterprise that is related directly to the employee's official duties, or which might otherwise be involved in an official action taken or recommended by the employee, or which is related to matters over which the employee could wield any influence, official or otherwise.

(Apr. 27, 2012, D.C. Law 19-124, § 223, 59 DCR 1852.)

HISTORICAL AND STATUTORY NOTES

Legislative History of Laws

For history of Law 19-124, see notes under § 1-1161.01

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§ 1-1161.01. Definitions.

(H) A member of a board or commission listed in § 1-523.01(e); and

(I) A District of Columbia Excepted Service employee paid at a rate of Excepted Service 9 or above, or its equivalent, who makes decisions or participates substantially in areas of contracting, procurement, administration of grants or subsidies, developing policies, land use planning, inspecting, licensing, regulating, or auditing, or acts in areas of responsibility that may create a conflict of interest or appearance of a conflict of interest; and any additional employees designated by rule by the Ethics Board who make decisions or participate substantially in areas of contracting, procurement, administration of grants or subsidies, developing policies, land use planning, inspecting, licensing, regulating, or auditing, or act in areas of responsibility that may create a conflict of interest or appearance of a conflict of interest.

(48) "Registrant" means a person who is required to register as a lobbyist under the provisions of § 1-1162.27.

(49) "Security" means a security as defined in section 2(1) of the Securities Act of 1933, approved May 27, 1933 (48 Stat. 74; 15 U.S.C. § 77b(1)).

(50) "Tax" means the taxes imposed under Chapter 1 of the Internal Revenue Code, under Chapter 18 of Title 47, and under the District of Columbia Public Works Act of 1954, approved May 18, 1954 (88 Stat. 101; D.C. Official Code § 34-2101 *passim*); and any other provision of law relating to the taxation of property within the District.

(51) "Transactions in securities or commodities" means any acquisition, holding, withholding, use, transfer, or other disposition involving any security or commodity.

(52) "Transition committee" means any person, or group of persons, organized for the purpose of soliciting, accepting, or expending funds for office and personnel transition on behalf of the Chairman of the Council or the Mayor.

(Apr. 27, 2012, D.C. Law 19-124, § 101, 58 DCR 1662.)

HISTORICAL AND STATUTORY NOTES

Legislative History of Laws

Law 19-124, the "Board of Ethics and Government Accountability Establishment and Comprehensive Ethics Reform Amendment Act of 2011", was introduced in Council and assigned Bill No. 19-511, which was referred to the Committee on Government Operations. The Bill was adopted on first and second readings on December 6, 2011, and December 20, 2011, respectively. Signed by the Mayor on February 27, 2012, it was assigned Act No. 19-318 and transmitted to both Houses of Congress for its review. D.C. Law 19-124 became effective on April 27, 2012.

References in Text

The District of Columbia Public Works Act of 1954, referenced in paragraph (50) of this section, is primarily codified at § 9-101 16, subchapter I of Chapter 21 of Title 34, Chapter 23 of Title 34, §§ 34-2401 04, 34-2401.25, and 34-2405 02, subchapter IV of Chapter 24 of Title 34, and §§ 50-1501 02 and 50-1501 03.

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§ 1-1162.24. Public reporting.

Current through October 23, 2012

(a)(1) Public officials, except Advisory Neighborhood Commissioners, shall file annually with the Ethics Board a public report containing a full and complete statement of:

(A) The name of each business entity, including sole proprietorships, partnerships, trusts, nonprofit organizations, and corporations, whether or not transacting any business with the District of Columbia government, in or from which the public official or his or her spouse, domestic partner, or dependent children:

- (i) Has a beneficial interest, including, whether held in such person's own name, in trust, or in the name of a nominee, securities, stocks, stock options, bonds, or trusts, exceeding in the aggregate \$1,000, or that produced income of \$200;
- (ii) Receives honoraria and income earned for services rendered in excess of \$200 during a calendar year, as well as the identity of any client for whom the official performed a service in connection with the official's outside income if the client has a contract with the government of the District of Columbia or the client stands to gain a direct financial benefit from legislation that was pending before the Council during the calendar year. The report required by this part shall include a narrative description of the nature of the service performed in connection with the official's outside income;
- (iii) Serves as an officer, director, partner, employee, consultant, contractor, volunteer, or in any other formal capacity or affiliation; or
- (iv) Has an agreement or arrangement for a leave of absence, future employment, including date of agreement, or continuation of payment by a former employer;

(B) Any outstanding individual liability in excess of \$1,000 for borrowing by the public official or his or her spouse, domestic partner, or dependent children from anyone other than a federal or state insured or regulated financial institution, including any revolving credit and installment accounts from any business enterprise regularly engaged in the business of providing revolving credit or installment accounts, or a member of the person's immediate family;

(C) All real property located in the District (and its actual location) in which the public official or his or her spouse, domestic partner, or dependent children, has an interest with a fair market value in excess of \$1,000, or that produced income of \$200; provided, that this provision shall not apply to personal residences occupied by the public official, his or her spouse, or domestic partner;

(D) All professional or occupational licenses issued by the District of Columbia government held by a public official or his or her spouse, domestic partner, or dependent children;

(E) All gifts received year by a public official from a prohibited source in an aggregate value of \$100 in a calendar;

(F) An affidavit stating that the public official has not caused title to property to be placed in another person or entity for the purposes of avoiding the disclosure requirements of this subsection; and

(G) A certification that the public official has:

- (i) Filed and paid his or her income and property taxes;
- (ii) Diligently safeguarded the assets of the taxpayers and the District;
- (iii) Reported known illegal activity, including attempted bribes, to the appropriate authorities;
- (iv) Not been offered or accepted any bribes;
- (v) Not directly or indirectly received government funds through illegal or improper means;
- (vi) Not raised or received funds in violation of federal or District law; and
- (vii) Not received or been given anything of value, including a gift, favor, service, loan gratuity, discount, hospitality, political contribution, or promise of future employment, based on any understanding that the public official's official actions or judgment or vote would be influenced.

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(2) The Ethics Board may, on a case-by-case basis, exempt a public official from this requirement or some portion of this requirement for good cause shown.

(b) Except as otherwise provided by this section, all papers filed under this section shall be kept by the Ethics Board in the custody of the Director of Government Ethics for no less than 6 years. The Ethics Board shall publicly disclose before the 2nd day of June each year the names of the candidates, officers, and employees who have filed a report. The Director of Government Ethics shall dispose of papers filed pursuant to this section in accordance with Chapter 17 of Title 2.

(c) Reports required by this section shall be filed before October 2nd of each year. If a public official ceases before October 1st to hold the office or position, the occupancy of which imposes upon him or her the reporting requirements set forth in subsection (a) of this section, the public official shall file the report within 3 months after leaving the office or position. The Ethics Board shall publish, in the District of Columbia Register, before November 2nd each year, the name of each public official who has:

- (1) Filed a report under this section;
- (2) Sought and received an extension of the deadline filing requirement and the reason for the extension; and
- (3) Not filed a report and the reason for not filing, if known.

(d) Reports required by this section shall be in a form prescribed by the Ethics Board. The Ethics Board may provide for the grouping of items of income, sources of income, assets, liabilities, dealings in securities or commodities, and purchases and sales of real property, when separate itemization is not feasible or is not necessary for an accurate disclosure of the income, net worth, dealing in securities and commodities, or purchases and sales of rental property of any individual.

(e) All reports filed under this section shall be maintained by the Ethics Board as public records.

(f) For the purposes of a report required by this section, a person shall be considered to have been a public official if he or she has served as a public official for more than 30 days during any calendar year in a position for which reports are required under this section.

(g) The Ethics Board shall provide for the annual auditing of all reports filed pursuant to this section.

(h) The Mayor shall develop a list of each business entity transacting any business with the District government, or providing a service to the District for consideration, to include the business name, address, principals, and brief summary of the business transacted within the immediately preceding 6 months. The list shall be available online and published on January 1st and July 1st annually.

(Apr. 27, 2012, D.C. Law 19-124, § 224, 59 DCR 1882)

HISTORICAL AND STATUTORY NOTES

Emergency Act Amendments

For temporary (90 day) amendment of section, see § 1072(a) of Fiscal Year 2013 Budget Support Emergency Act of 2012 (D.C. Act 19-383, June 19, 2012, 59 DCR 7764).

For temporary (90 day) addition of section, see § 1074 of Fiscal Year 2013 Budget Support Emergency Act of 2012 (D.C. Act 19-383, June 19, 2012, 59 DCR 7764).

For temporary (90 day) amendment of section, see § 1072(a) of Fiscal Year 2013 Budget Support Congressional Review Emergency Act of 2012 (D.C. Act 19-413, July 25, 2012, 59 DCR 9290).

For temporary (90 day) addition of section, see § 1074 of Fiscal Year 2013 Budget Support Congressional Review Emergency Act of 2012 (D.C. Act 19-413, July 25, 2012, 59 DCR 9290).

Legislative History of Laws

For history of Law 19-124, see notes under § 1-1161.01.

Editor's Notes

D.C. Law 19-168 amends this section effective January 1, 2013.

§ 1-1162.25. Confidential disclosure of financial interest.

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§ 1-1162.25. Confidential disclosure of financial interest.

Current through October 23, 2012

- (a) Any employee, other than a public official, who advises, makes decisions or participates substantially in areas of contracting, procurement, administration of grants or subsidies, developing policies, land use planning, inspecting, licensing, policy-making, regulating, or auditing, or acts in areas of responsibility that may create a conflict of interest or appearance of a conflict of interest, as determined by the appropriate agency head, shall file, before October 2nd of each year, with that agency head a report containing a full and complete statement of the information required by § 1-1162.24. Advisory Neighborhood Commissioners shall file the report required by this section.
- (b) Upon review of the confidential report, any violation of the Code of Conduct found by the agency head shall be forwarded immediately to the Ethics Board for review.
- (c) On or before September 1st of each year, each agency head shall designate the persons in the agency required to submit a confidential report by name, position, and grade level, and shall supply this list to the Ethics Board and the D.C. Ethics Counselor on or before September 15th of each year.

(Apr 27, 2012, D C Law 19-124, § 225, 59 DCR 1882)

HISTORICAL AND STATUTORY NOTES

Emergency Act Amendments

- For temporary (90 day) amendment of section, see § 1072(b) of Fiscal Year 2013 Budget Support Emergency Act of 2012 (D.C. Act 19-389, June 19, 2012, 59 DCR 7784)
- For temporary (90 day) addition of section, see § 1074 of Fiscal Year 2013 Budget Support Emergency Act of 2012 (D.C. Act 19-383, June 19, 2012, 59 DCR 7784).
- For temporary (90 day) amendment of section, see § 1072(b) of Fiscal Year 2013 Budget Support Congressional Review Emergency Act of 2012 (D.C. Act 19-413, July 25, 2012, 59 DCR 8290).
- For temporary (90 day) addition of section, see § 1074 of Fiscal Year 2013 Budget Support Congressional Review Emergency Act of 2012 (D.C. Act 19-413, July 25, 2012, 59 DCR 8290)

Legislative History of Laws

For history of Law 19-124, see notes under § 1-1161.01

Editor's Notes

D.C. Law 19-168 amends this section effective January 1, 2013.

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§ 1-1162.26. Limitations on honoraria and royalties.

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§ 1-1162.26. Limitations on honoraria and royalties.

Current through October 23, 2012

(a) Except as provided in subsections (b) and (c) of this section, neither the Mayor, the Attorney General, the Chairman of the Council, nor any member of the Council or of the State Board of Education, nor any member of his or her immediate family, shall receive honoraria exceeding \$10,000 in the aggregate during any calendar year. For the purposes of this subsection, the term "honorarium" means payment of money or anything of value for an appearance, speech, or article; provided, that a reimbursement for or payment of actual and necessary travel expenses incurred shall not be considered honoraria. For the purposes of computing the \$10,000 limit on honoraria established under this subsection, an honorarium shall be considered received in the year in which the right to receive the honorarium accrues.

(b) Except as provided in subsection (c) of this section, neither the Mayor, the Chairman of the Council, nor any member of the Mayor's or of the Chairman of the Council's immediate family shall accept royalties for works of the Mayor or of the Chairman of the Council that exceed \$10,000 in the aggregate during any calendar year. For the purposes of computing the limit on royalties established under this subsection, a royalty shall be considered received during the calendar year in which the right to receive the royalty accrues.

(c) For the purposes of this section, any royalty or part of a royalty, or any honorarium or part of an honorarium paid to a charitable organization by or on behalf of a public official shall not be calculated as part of an aggregate total.

(Apr. 27, 2012, D.C. Law 19-124, § 226, 59 DCR 1862.)

HISTORICAL AND STATUTORY NOTES

Legislative History of Laws

For history of Law 19-124, see notes under § 1-1161.01

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§ 1-1162.27. Persons required to register.

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§ 1-1162.27. Persons required to register.

Current through October 23, 2012

(a) Except as provided in § 1-1162.28, a person shall register with the Director of Government Ethics pursuant to § 1-1162.29 and pay the required registration fee if the person receives compensation or expends funds in an amount of \$250 or more in any 3-consecutive-calendar-month period for lobbying. A person who receives compensation from more than one source shall register under this section if the person receives an aggregate amount of \$250 or more in any 3-consecutive-calendar-month period for lobbying. Failure to register as required by this section shall result in a civil penalty.

(b)(1) Except as provided in paragraph (2) of this subsection, the registration fee for lobbyists shall be \$250.

(2) The registration fee for lobbyists who lobby solely for nonprofit organizations shall be \$50.

(c)(1) There is established as a nonlapsing fund the Lobbyist Administration and Enforcement Fund ("Lobbyist Fund"), which shall be administered by the Ethics Board. The funds in the Lobbyist Fund shall be used by the Ethics Board solely for the purpose of administering and enforcing this subchapter.

(2) All fees collected under subsection (b) of this section by the Ethics Board shall be deposited into the Lobbyist Fund. All funds deposited into the Lobbyist Fund, and any interest earned on those funds, shall not revert to the unrestricted fund balance of the General Fund of the District of Columbia at the end of a fiscal year, or at any other time, but shall be continually available for the uses and purposes set forth in paragraph (1) of this subsection without regard to fiscal year limitation, subject to authorization by Congress.

(Apr 27, 2012, D.C. Law 19-124, § 227, 59 DCR 1862.)

HISTORICAL AND STATUTORY NOTES

Legislative History of Laws

For history of Law 19-124, see notes under § 1-1161.01

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§ 1-1162.28. Exceptions.

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§ 1-1162.28. Exceptions.

Current through October 23, 2012

(a) A person need not register with the Director pursuant to § 1-1162.29 if the person is:

- (1) A public official, or an employee of the United States acting in his or her official capacity;
- (2) A publisher or working member of the press, radio, or television who, in the ordinary course of business, disseminates news or editorial comment to the general public;
- (3) A candidate, member, or member-elect of an Advisory Neighborhood Commission; or
- (4) An entity specified in § 47-1802.01(4), whose activities do not consist of lobbying, the result of which shall inure to the financial gain or benefit of the entity.

(b) Any person who is exempt from registration under any provision of this section, except a person exempt from registration under the provisions of subsection (a)(1) of this section, may be a registrant for other purposes under this part; provided, that no activity engaged in by the person shall constitute a conflict of interest under the provisions of § 1-1162.23. Registrants have no obligation to report activities in furtherance of exempt activities under this section in activity reports required under § 1-1162.30.

(Apr. 27, 2012, D.C. Law 19-124, § 228, 59 DCR 1862.)

HISTORICAL AND STATUTORY NOTES

Legislative History of Laws

For history of Law 19-124, see notes under § 1-1161.01

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§ 1-1162.29. Registration form.

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§ 1-1162.29. Registration form.

Current through October 23, 2012.

(a) Each registrant shall file a registration form with the Director of Government Ethics, signed under oath, on or before January 15th of each year, or no later than 15 days after becoming a lobbyist (and on or before January 15th of each year thereafter). If the registrant is not an individual, an authorized officer or agent of the registrant shall sign the form. A registrant shall file a separate registration form for each person from whom he or she receives compensation.

(b)(1) The registration shall be on a form prescribed by the Director of Government Ethics and shall include:

- (A) The registrant's name, permanent address, and temporary address while lobbying;
- (B) The name and address of each person who will lobby on the registrant's behalf;
- (C) The name, address, and nature of the business of any person who compensates the registrant and the terms of the compensation; and
- (D) The identification, by formal designation, if known, of matters on which the registrant expects to lobby.

(2) The Director of Government Ethics shall publish in the District of Columbia Register on or before February 15th and on or before August 15th of each year a summary of all information required to be submitted under this subsection.

(c) No later than 10 days after a registrant files a registration form with the Director of Government Ethics, the Director of Government Ethics shall publish on the Ethics Board's website a summary of all information required to be submitted under this section.

(Apr. 27, 2012, D.C. Law 19-124, § 228, 69 DCR 1862)

HISTORICAL AND STATUTORY NOTES

Legislative History of Laws

For history of Law 19-124, see notes under § 1-1161.01

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§ 1-1162.30. Activity reports.

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 § 1-1162.30. Activity reports.

Current through October 23, 2012

(a) Each registrant shall file with the Director of Government Ethics between the 1st and 10th day of July and January of each year a report signed under oath concerning the registrant's lobbying activities during the previous 6-month period. If the registrant is not an individual, an authorized officer or agent of the registrant shall sign the form. A registrant shall file a separate activity report for each person from whom he or she receives compensation. The reports shall be public documents and shall be on a form prescribed by the Director of Government Ethics and shall include the following:

- (1) A complete and current statement of the information required to be supplied pursuant to § 1-1162.29;
- (2)(A) Total expenditures on lobbying broken down into the following categories:
 - (i) Office expenses;
 - (ii) Advertising and publications;
 - (iii) Compensation to others;
 - (iv) Personal sustenance, lodging, and travel, if compensated;
 - (v) Other expenses;
- (B) Each expenditure of \$50 or more shall also be itemized by the date, name, and address of the recipient, and the amount and purpose of the expenditure;
- (3) Each political expenditure, loan, gift, honorarium, or contribution of \$50 or more made by the registrant or anyone acting on behalf of the registrant to benefit an official in the legislative or executive branch, a member of his or her staff or household, or a campaign or testimonial committee established for the benefit of the official, be itemized by date, beneficiary, amount, and circumstances of the transaction; including the aggregate of all expenditures that are less than \$50;
- (4) Each official in the executive or legislative branch and any member of the official's staff, including personal and committee staff, who has a business relationship or a professional services relationship with the registrant shall be identified by name and the nature of the business relationship with the registrant;
- (5) Each official in the executive or legislative branch with whom the registrant has had written or oral communications during the reporting periods related to lobbying activities conducted by the registrant shall also be included in the report, identifying the official with whom the communication was made; and
- (6) Each person whom the registrant has given compensation to lobby on his or her behalf shall also be listed in the report.
- (b) Each registrant shall obtain and preserve all accounts, bills, receipts, books, papers, and documents necessary to substantiate the activity reports required to be made pursuant to this section for 5 years from the date of filing of the report containing these items. These materials shall be made available for inspection upon requests by the Director of Government Ethics after reasonable notice.
- (c) Each registrant who does not file a report required by this section for a given period is presumed not to be receiving or expending funds that are required to be reported under this part.

(Apr. 27, 2012, D.C. Law 19-124, § 230, 59 DCR 1862.)

HISTORICAL AND STATUTORY NOTES

Legislative History of Laws

For history of Law 19-124, see notes under § 1-1161.01

§ 1-1162.30. Activity reports.

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**DISTRICT OF COLUMBIA
MUNICIPAL REGULATIONS
TITLE 6.
SUBTITLE B.
(Government Personnel)
CHAPTER 18.
§§ 1800-1811.
EMPLOYEE CONDUCT.**



D.C. DEPARTMENT OF HUMAN RESOURCES

NOTICE OF FINAL RULEMAKING

The Director of the D.C. Department of Human Resources, with the concurrence of the City Administrator, pursuant to Mayor's Order 2008-92, dated June 26, 2008; and in accordance with the provisions of Chapter XVIII of the District of Columbia Government Comprehensive Merit Personnel Act of 1978, effective March 3, 1979 (D.C. Law 2-139; D.C. Official Code § 1-618.01 *et seq.*) (2012 Repl. & 2013 Supp.), hereby gives notice that final rulemaking action was taken to adopt the following rules to amend in its entirety Chapter 18, Employee Conduct, of Subtitle B of Title 6, Government Personnel, of the District of Columbia Municipal Regulations (DCMR).

The main purpose of amending the rules is to ensure the provisions reflect changes resulting from the Board of Ethics and Government Accountability Establishment and Comprehensive Ethics Reform Amendment Act of 2011 ("Ethics Act"), effective April 27, 2012 (D.C. Law 19-124; D.C. Official Code § 1-1161.01 *et seq.*), and the District of Columbia Government Comprehensive Merit Personnel Amendment Act of 2012 ("Act"), effective March 14, 2012 (D.C. Law 19-115; 59 DCR 461 (January 27, 2012)). Specifically, the rules have been amended to reference the Board of Ethics and Government Accountability ("BEGA") as the primary District government entity responsible for the enforcement of ethics-related matters; to add a new Section 1806, Restrictions on the Employment of Relatives (Nepotism); and to amend Section 1899, Definitions, to add definitions for the terms "Agency," "Code of Conduct," "Days," "Filers," "Former Government Employee," "Particular government matter involving a specific party," "Public official," "Relative," "Remedial action," and "Special government employee," and to amend the term "Employee". Additional changes were made throughout the chapter.

Comments were received from the Board of Ethics and Government Accountability following publication of the Notice of Proposed Rulemaking on January 3, 2014 at 61 DCR 000091. Based on those comments specific non-substantive changes were made to the notice. Those revisions include the change of "BEGA Act" to "Ethics Act"; "Director of Government Ethics" to "District of Columbia Office of Government Ethics;" and the "Board of Ethics and Government Accountability" to "Office of Government Ethics", throughout the chapter. In addition, non-substantive changes were made to correct typographical errors in Subsections 1810.4 (c) and (d).

The rules were adopted as final on April 7, 2014 and will become effective upon publication in the *D.C. Register*.

Chapter 18, Employee Conduct, of Subtitle B of Title 6 (Government Personnel) of the District of Columbia Municipal Regulations, is amended to read as follows:

1800 APPLICABILITY AND BASIC EMPLOYEE OBLIGATIONS

1800.1 This chapter applies to the ethical responsibilities of all employees pursuant to Chapter XVIII of the District of Columbia Government Comprehensive Merit Personnel Act of 1978, effective March 3, 1979, as amended (D.C. Law 2-139; D.C. Official Code § 1-618.01 *et seq.*).

- 1800.2 Each employee has a responsibility to the District of Columbia and its citizens to place loyalty to the laws and ethical principles above private gain. To ensure that every citizen can have complete confidence in the integrity of the District government, each employee shall respect and adhere to the principles of ethical conduct set forth in this section, as well as the District of Columbia Employee Ethics Pledge and in supplemental agency regulations and policies.
- 1800.3 The following general principles apply to every employee and form the basis for the standards contained in this chapter. Where a situation is not specifically covered by another provision of law or policy, employees shall apply the following principles set forth in this section in determining whether their conduct is proper:
- (a) Government service is a public trust, requiring employees to place loyalty to the laws and ethical principles above private gain.
 - (b) Employees shall not hold financial interests that conflict with the conscientious performance of duty.
 - (c) Employees shall not engage in financial transactions using nonpublic government information or allow the improper use of such information to further any private interest.
 - (d) An employee shall not, except as permitted by Section 1803 of this chapter, solicit or accept any gift or other item of monetary value from any person or entity seeking official action from, doing business with, or conducting activities regulated by the employee's agency, or whose interests may be substantially affected by the performance or nonperformance of the employee's duties.
 - (e) Employees shall put forth honest effort in the performance of their duties.
 - (f) Employees shall not knowingly make unauthorized commitments or promises of any kind purporting to bind the government.
 - (g) Employees shall not use public office or position for private gain.
 - (h) Employees shall act impartially and not give preferential treatment to any private organization or individual.
 - (i) Employees shall protect and conserve government property and shall not use it for other than authorized activities.
 - (j) Employees shall not engage in outside employment or activities, including seeking or negotiating for employment, that conflict with their official government duties and responsibilities.

- (k) Employees shall report credible violations of the District Code of Conduct and this chapter to appropriate authorities.
- (l) Employees shall satisfy in good faith their lawful obligations, including all just financial obligations to federal, state, District and local governments.
- (m) Employees shall adhere to all federal, state, and local laws and regulations.
- (n) Employees shall not take actions creating the appearance that they are violating the law or the ethical standards set forth in this chapter. Whether particular circumstances create an appearance that the law or these standards have been violated shall be determined from the perspective of a reasonable person with knowledge of the relevant facts.

1800.4 An employee may not do indirectly what he or she may not do directly under this chapter.

1801 EMPLOYEE COOPERATION

1801.1 Employees shall immediately and directly report credible violations of the District Code of Conduct and violations of this chapter to the District of Columbia Office of Government Ethics, the District of Columbia Office of the Inspector General, or both.

1801.2 An employee shall not interfere with or obstruct any investigation conducted by a District or federal agency.

1801.3 An employee shall fully cooperate with any investigation, enforcement action, or other official function of the Office of Government Ethics.

1801.4 Coercive, harassing, or retaliatory action shall not be taken against any employee acting in good faith under this section.

1802 REMEDIAL ACTION

1802.1 A violation of this chapter or supplemental agency regulations and policies shall be cause for appropriate corrective or disciplinary action to be taken under the procedures applicable to the employee.

1802.2 It is the responsibility of the employing agency to initiate appropriate remedial, corrective, or adverse action in individual cases. Such action may be in addition to any other action or penalty prescribed by law.

1802.3 An employee who violates the Code of Conduct shall be subject to applicable civil and criminal penalties pursuant to Section 221 of the Board of Ethics and Government Accountability Establishment and Comprehensive Ethics Reform

Amendment Act of 2011 (D.C. Law 19-124; D.C. Official Code § 1-1162.21). Penalties imposed by BEGA are separate and apart from any corrective or disciplinary action taken by the employing agency.

1803 GIFTS FROM OUTSIDE SOURCES

1803.1 This section contains standards that prohibit an employee from soliciting or accepting any gift from a prohibited source or given because of the employee's official position unless the item is excluded from the definition of a gift or falls within one of the exceptions set forth in this section.

1803.2 Except as otherwise provided in this section, an employee shall not, directly or indirectly, solicit or accept a gift:

- (a) From a prohibited source; or
- (b) Given because of the employee's official position or duties.

1803.3 Notwithstanding any exception provided in this section, an employee shall not:

- (a) Accept a gift in return for being influenced in the performance or nonperformance of an official act;
- (b) Solicit or coerce the offering of a gift; or
- (c) Accept gifts from the same or different sources on a basis so frequent that a reasonable person would be led to believe the employee is using his or her public office for private gain.

1803.4 For purposes of this section, the following meanings apply:

- (a) "Gift" means any gratuity, favor, discount, entertainment, hospitality, loan, forbearance, or other item having monetary value. It includes services as well as gifts of training, transportation, local travel, lodgings and meals, whether provided in-kind, by purchase of a ticket, payment in advance, or reimbursement after the expense has been incurred. It does not include:
 - (1) Modest items of food and refreshments, such as soft drinks, coffee and donuts, offered other than as part of a meal;
 - (2) Greeting cards and items with little intrinsic value, such as plaques, certificates, and trophies, which are intended solely for presentation;
 - (3) Unsolicited advertising or promotional items of nominal value, such as pens and note pads;

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- (4) Unsolicited items received by employees for the purposes of evaluation or review, provided the employee has no beneficial personal interest in the eventual use or acquisition of the item by the employee's agency;
- (5) Food and beverages, of nominal value, consumed at hosted receptions where attendance is related to the employee's official duties;
- (6) Admission to and the cost of food and beverages consumed at events sponsored by or in conjunction with a civic, charitable, governmental or community organization, when the admission, food and beverages are of a nominal value;
- (7) Unsolicited gifts from dignitaries from the federal government, a state or territory, or a foreign country that are of a nominal value and intended to be personal in nature and, in the case of a foreign country, are permitted under 5 U.S.C. § 7342;
- (8) Loans from banks and other financial institutions on terms generally available to the public;
- (9) Opportunities and benefits, including favorable rates and commercial discounts, available to the public or to a class consisting of all government employees or all uniformed members of the Metropolitan Police Department and/or Fire and Emergency Medical Services Department, whether or not restricted on the basis of geographic considerations;
- (10) Rewards and prizes given to competitors in contests or events, including random drawings, open to the public unless the employee's entry into the contest or event is required as part of his official duties;
- (11) Pension and other benefits resulting from continued participation in an employee welfare and benefits plan maintained by a former employer;
- (12) Anything which is paid for by the District or secured by the District under a District contract;
- (13) Any gift accepted by the District government under specific statutory authority; or
- (14) Anything for which market value is paid by the employee.

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003803

- (b) "Prohibited source" means any person or entity who:
 - (1) Is seeking official action by the employee's agency;
 - (2) Does business or seeks to do business with the employee's agency;
 - (3) Conducts activities regulated by the employee's agency;
 - (4) Has interests that may be substantially affected by performance or nonperformance of the employee's official duties; or
 - (5) Is an organization in which the majority of its members are described in subparagraphs (1) through (4) of this subsection.
- (c) A gift is accepted or solicited because of the employee's position if it is from a person other than an employee and would not have been solicited, offered, or given had the employee not held the status, authority or duties associated with his District government position.
- (d) A gift which is accepted or solicited indirectly includes a gift:
 - (1) Given with the employee's knowledge and acquiescence to his parent, sibling, spouse, child, or dependent relative because of that person's relationship to the employee, or
 - (2) Given to any other person or entity, including any charitable organization, on the basis of designation, recommendation, or other specification by the employee.

1803.5 The prohibitions set forth in this section do not apply to gifts accepted under the circumstances described in paragraphs (a) through (e) of this subsection, and an employee's acceptance of a gift in accordance with one of those paragraphs will be deemed not to violate the principles set forth in Section 1800.

- (a) An employee may accept unsolicited gifts having a market value of \$10 or less per source per occasion, provided that the aggregate market value of individual gifts received from any one person under the authority of this paragraph shall not exceed \$20 in a calendar year, except when the offer of the gift would appear to a reasonable person to be intended to influence the employee in his or her official duties.
- (b) An employee may accept a gift given under circumstances which make it clear that the gift is motivated by a family relationship or personal friendship rather than the position of the employee.

- (c) An employee may accept meals, lodgings, transportation and other benefits:
 - (1) Resulting from the business or employment activities of an employee's spouse or domestic partner when it is clear that such benefits have not been offered or enhanced because of the employee's official position; or
 - (2) Resulting from the employee's authorized outside business or employment activities when it is clear that such benefits have not been offered or enhanced because of the employee's official status.
- (d) When an employee is assigned to participate as a speaker or panel participant or otherwise to present information on behalf of the agency at a conference or other event, his acceptance of an offer of free attendance at the event on the day of his presentation is permissible when provided by the sponsor of the event. The employee's participation in the event on that day is viewed as a customary and necessary part of his performance of the assignment and does not involve a gift to him or to the agency. Any such assignment must be made by the employee's agency head, or other designee, in writing.
- (e) When an employee's attendance is in the interest of the agency, as determined by the Mayor or designee, in writing, because it will further agency programs and operations, the employee may accept an unsolicited gift of free attendance at all or appropriate parts of a widely attended gathering of mutual interest to a number of parties from the sponsor of the event or, if more than 50 persons are expected to attend the event and the gift of free attendance has a market value of \$350 or less, from a person other than the sponsor of the event. A gathering is widely attended if it is expected that a large number of persons will attend and that persons with a diversity of views or interests will be present, for example, if it is open to members from throughout the interested industry or profession or if those in attendance represent a range of persons interested in a given matter. For employees subject to a leave system, attendance at the event shall be on the employee's own time or, if authorized by the employee's agency, without charge to the employee's leave account.

1803.6 Whenever an employee accepts a contribution, award or payment in accordance with Paragraphs 1803.5(d) or (e), the agency shall maintain the following records for a period of no less than two (2) years:

- (a) The name of the recipient;
- (b) The name of the organization;
- (c) The amount and nature of the contribution, award, or payment and the purpose for which it is to be used; and

(d) A copy of the written authorization.

1803.7 An employee who receives a gift that cannot be accepted under the provisions of this section shall inform the person offering the gift that District government ethics rules do not permit acceptance of gifts, and:

- (a) Return the gift to the donor, donate the gift to a tax exempt organization pursuant to 26 U.S.C. § 501(c)(3), or reimburse the donor the market value of the gift; or
- (b) If the gift is perishable and it would not be practical to return it to the donor, donate the gift to charity, share it with office staff, or destroy it.
- (c) The actions set forth in (a) and (b) above may be taken one time only with respect to any donor.

1803.8 In accordance with 18 U.S.C. § 209, an employee shall not receive any salary or anything of monetary value from a private source as compensation for his or her services to the government.

1804 GIFTS BETWEEN EMPLOYEES

1804.1 Except as provided in Subsection 1804.6, this section contains standards that prohibit an employee from giving, donating to, or soliciting contributions for, a gift to an official superior and from accepting a gift from a co-worker receiving less pay than the employee, unless the item is excluded from the definition of a gift or falls within one of the exceptions set forth in this section.

1804.2 Except as otherwise provided in this section, an employee may not:

- (a) Directly or indirectly, give a gift to or make a donation toward a gift for an official superior; or
- (b) Solicit a contribution from another employee for a gift to their official superior or the other employee's official superior.

1804.3 Except as provided in this section, an employee may not, directly or indirectly, accept a gift from an employee receiving less pay than themselves unless:

- (a) The two employees are not in a subordinate-official superior relationship;
- (b) There is a personal relationship between the two employees that would justify the gift; and
- (c) The gift was not given or solicited to gain or induce any professional advantage.

- 1804.4 Notwithstanding any exception provided in this section, an official superior shall not coerce a subordinate to make or contribute to a gift.
- 1804.5 For purposes of this section, the following meanings apply:
- (a) "Gift" has the meaning set forth in Section 1803. For purposes of that definition an employee will be deemed to have paid market value for any benefit received as a result of their participation in any carpool or other such mutual arrangement involving another employee or other employees if he or she bears their fair proportion of the expense or effort involved.
 - (b) "Official superior" means any other employee including but not limited to an immediate supervisor, whose official responsibilities include directing or evaluating the performance of the employee's official duties or those of any other official superior of the employee. For purposes of this section, an employee is considered to be the subordinate of any of his official superiors.
 - (c) "Solicit" means to request contributions by personal communication or by general announcement.
 - (d) "Voluntary contribution" means a contribution given freely, without pressure or coercion. A contribution is not voluntary unless it is made in an amount determined by the contributing employee, except that where an amount for a gift is included in the cost for a luncheon, reception or similar event, an employee who freely chooses to pay a proportionate share of the total cost in order to attend will be deemed to have made a voluntary contribution. Except in the case of contributions for a gift included in the cost of a luncheon, reception or similar event, a statement that an employee may choose to contribute less or not at all shall accompany any recommendation of an amount to be contributed for a gift to an official superior.
- 1804.6 The prohibitions set forth in Subsections 1804.2 and 1804.3 do not apply to a gift given or accepted under the circumstances established in Paragraphs (a) and (b) of this subsection. A contribution or the solicitation of a contribution that would otherwise violate Subsections 1804.2 and 1804.3 may only be made in accordance with Paragraph (c) of this subsection.
- (a) On an occasional basis, including any occasion on which gifts are traditionally given or exchanged, the following may be given to an official superior or accepted from a subordinate or other employee receiving less pay:
 - (1) Items, other than cash, with an aggregate market value of \$10 or less per occasion;

- (2) Items such as food and refreshments to be shared in the office among several employees;
 - (3) Personal hospitality provided at a residence which is of a type and value customarily provided by the employee to personal friends; and
 - (4) Items given in connection with the receipt of personal hospitality if of a type and value customarily given on such occasions.
- (b) A gift appropriate to the occasion may be given to an official superior or accepted from a subordinate or other employee receiving less pay:
- (1) In recognition of infrequently occurring occasions of personal significance such as marriage, illness, or the birth or adoption of a child; or
 - (2) Upon occasions that terminate a subordinate-official superior relationship, such as retirement, resignation, or transfer.
- (c) An employee may solicit voluntary contributions of nominal amounts from fellow employees for an appropriate gift to an official superior and an employee may make a voluntary contribution of a nominal amount to an appropriate gift to an official superior:
- (1) On a special, infrequent occasion as described in paragraph (b) of this section; or
 - (2) On an occasional basis, for items such as food and refreshments to be shared in the office among several employees.
- (d) An employee may accept such gifts to which a subordinate or other employee receiving less pay than himself or herself has contributed.

1804.7 For the purposes of Subsections 1804.3 and 1804.4 of this section, the term nominal means an individual cash donation of no more than ten dollars (\$10) or an individual voluntary gift of no more than ten dollars (\$10) in market value.

1805 FINANCIAL INTERESTS AND DISCLOSURES

~~1805.1~~ It is the policy of the District government to avoid conflicts of interest concerning the award, implementation, monitoring, and performance of contracts for services. Accordingly, as a means of assisting District government agencies to evaluate real or potential conflicts of interest in this area, each employee will be required to disclose to his or her employing agency upon appointment, such previous

employment relationships (whether in the private or public sectors) as the employing agency may direct, including full disclosure of any ongoing economic benefits to the employee from previous employment relationships.

1805.2 For the purposes of this section, the following terms apply:

- (a) "Ongoing economic benefit from a former employer" shall include any pension, annuity, stock option, bonus, cash or in-kind distribution in satisfaction of equitable interest, payment of all or a portion of the premiums on a life or health insurance policy, or any other comparable benefit.
- (b) A "former employer" is any person or organization:
 - (1) For whom or for which the employee has, within the one (1) year preceding his or her employment by the District government, served as an officer, director, trustee, general partner, agent, attorney, consultant, contractor, or employee; or
 - (2) From whom or from which the employee receives an ongoing economic benefit.

1805.3 The employing agency shall inform each new hire of the requirement to disclose employment relationships as described in Subsection 1805.1. A new hire with employment relationships to disclose shall so inform his or her immediate supervisor and a person designated by the agency head, and complete D.C. Standard Form 36, Previous Employment Relationships, within thirty (30) days of the effective date of the new appointment.

1805.4 The head of the employing agency will communicate the information required to be disclosed under this subsection to each new hire, and advise the employee in writing of the restrictions imposed by this subsection.

- (a) For one (1) year after the date of initial employment with the District government, an employee required to make a disclosure under this section will be screened from and shall not participate in any manner, in the District government's decision to enter into, extend, modify, or renew a contract or consultancy engagement with the employee's former employer (hereafter, "procurement action").
- (b) The one-year (1-year) restriction from participation in any procurement action prescribed in paragraph (a) will be extended for as long as the employee receives an ongoing economic benefit from a former employer. It will be the employee's responsibility to advise his or her immediate supervisor and a person designated by the agency head of the continued receipt of the ongoing economic benefit from a former employer.

1805.5 Notwithstanding the prohibitions set forth in Subsection 1805.4, the head of the employing agency may authorize an employee, required to make a disclosure under this section, to do any of the following as part of the employee's official duties:

- (a) Participate in the oversight or review of the work-product or performance of a former employer that is currently a contractor or consultant with the District government;
- (b) Serve as the District government's liaison with the former employer; or
- (c) Otherwise communicate with the former employer on matters pending before the employee's employing agency.

1805.6 The determination to require an employee to perform any of the duties listed in Subsection 1805.5 shall be based upon a written determination of the agency head, made in light of all relevant circumstances, that the interest of the District government in the employee's participation outweighs the concern that a reasonable person might question the integrity of the District government's programs or operations. Applying this standard, the agency head may determine that the employee's participation reasonably may be permitted in certain activities involving the employee's former employer, but not in others. In all instances under this section in which the employee is prohibited from participation, the employee will be screened from the receipt of any information regarding the former employer's matter that is pending before the District government.

1805.7 An agency head may delegate the responsibility for making any of the determinations prescribed in this section to other personnel in the agency. The person in the agency making any such determinations may consult with the Board of Government Ethics and Accountability.

1805.8 No District government employee or any member of his or her immediate household shall knowingly:

- (a) Acquire any stocks, bonds, commodities, real estate, or other property, whether held individually or in concert with others, the possession of which could unduly influence or give the appearance of unduly influencing the employee in the conduct of his or her official duties and responsibilities as a District government employee; or
- (b) ~~Acquire an interest in or operate any business or commercial enterprise~~ which is in any way related, directly or indirectly, to the employee's official duties, or which might otherwise be involved in an official action taken or recommended by the employee, or which is in any way related to

matters over which the employee could wield any influence, official or otherwise.

- 1805.9 A District government employee who is called upon to act for or on behalf of the District government in a matter relating to or involving a non-governmental entity in which the employee or a member of the employee's immediate family has a financial interest, shall make this fact known to his or her immediate supervisor and a person designated by the agency head, in writing, at the earliest possible moment. Unless a waiver of the conflict of interest is granted by BEGA pursuant to D.C. Official Code § 1-1162.23(b), the head of the employing District government agency subsequently shall determine whether or not the employee must divest him or herself of such interest, or merely disqualify him or herself from taking part in any official decision or action involving the matter.
- 1805.10 Nothing contained in this chapter shall preclude the Mayor from serving as an honorary chair or honorary member of a nonprofit entity's fundraising event, so long as the entity for which funds are raised supports a nongovernmental bona fide charitable activity benefiting the District of Columbia. Use of the Mayor's name or title in fundraising solicitations or announcements of general circulation shall be in accordance with such terms and limitations as the Mayor may prescribe by Mayor's order or by direction in particular cases. The authority granted by this subsection shall not extend to the use of the Mayor's name or title in solicitations made by or on behalf of the Mayor directly to individual contributors.
- 1806 RESTRICTIONS ON THE EMPLOYMENT OF RELATIVES (NEPOTISM)**
- 1806.1 In accordance with the District of Columbia Government Comprehensive Merit Personnel Amendment Act of 2012, effective March 14, 2012 (D.C. Law 19-115, D.C. Official Code § 1-618.04); and the Civil Service Act of 1967, effective October 13, 1978, as amended (Pub.L. 90-206, 5 U.S.C. § 3110), this section restricts the hiring and advancing of relatives by public officials.
- 1806.2 For purposes of this section, the following meanings apply:
- (a) "Public official" means an officer, employee, or any other individual in whom authority by law, rule, or regulation is vested, or to whom the authority has been delegated to select, appoint, employ, promote, reassign, demote, separate, or recommend individuals for any of these actions.
 - (b) A "hiring decision" means selecting, appointing, employing, promoting, reassigning, advancing, or advocating a personnel action.
- 1806.3 A public official may not directly or indirectly make a hiring decision regarding a position within his or her own agency with respect to a relative. Specifically, a public official may not appoint, employ, promote, evaluate, interview, or advance

(or advocate for such actions) any individual who is a relative in an agency in which the public official serves or exercises jurisdiction or control. A violation of this subsection shall constitute disciplinary cause and subject the public official to disciplinary action, up to, and including removal.

1806.4 Any hiring decision secured or effectuated in violation of this section shall be rescinded immediately.

1806.5 In addition to any other remedies available pursuant to law, including penalties imposed by the Office of Government Ethics, a public official who violates Subsection 1806.3 shall pay restitution to the District of Columbia for any gains received by the relative.

1806.6 When the agency contemplates making a hiring decision concerning a relative of a public official within the same agency, the public official must file a written recusal, which shall be included in the relative's official personnel file along with the subject personnel action.

1806.7 In the event of emergencies resulting from natural or manmade disasters, the Mayor may suspend the prohibitions of this section, as permitted by the District of Columbia Government Comprehensive Merit Personnel Amendment Act of 2012, effective March 14, 2012 (D.C. Law 19-115; D.C. Official Code § 1-618.04); and the Civil Service Act of 1967, effective October 13, 1978, as amended (Pub.L. 90-206; 5 U.S.C. § 3110(d)).

1807 OUTSIDE EMPLOYMENT AND PRIVATE REPRESENTATIONS

1807.1 A District government employee shall not engage in any outside employment or other activity incompatible with the full and proper discharge of his or her duties and responsibilities. Activities or actions that are not compatible with government employment include, but are not limited to the following:

- (a) Engaging in any outside employment, private business activity, or other interest that is reasonably likely to interfere with the employee's ability to perform his or her job, or which may impair the efficient operation of the District government;
- (b) Using government time or resources for other than official business, or government approved or sponsored activities;
- (c) Ordering, directing, or requesting subordinate officers or employees to perform during regular working hours any personal services not related to official District government functions and activities;
- (d) Maintaining financial or economic interest in or serving (with or without compensation) as an officer or director of an outside entity if there is any

likelihood that such entity might be involved in an official government action or decision taken or recommended by the employee;

- (e) Engaging in any outside employment, private business activity, or interest which permits an employee, or others, to capitalize on his or her official title or position;
- (f) Divulging any official government information to any unauthorized person or in advance of the time prescribed for its authorized issuance, or otherwise making use of or permitting others to make use of information not available to the general public;
- (g) Engaging in any outside employment, private business activity, or other interest which might impair an employee's mental or physical capacity to such an extent that he or she can no longer carry out his or her duties and responsibilities as a government employee in a proper and efficient manner;
- (h) Serving in a representative capacity or as an agent or attorney for any outside entity involving any matter before the District of Columbia, except as permitted by Subsection 1807.6 or 1807.7; or
- (i) Engaging in any outside employment, private business activity, or other interest which is in violation of federal or District law.

1807.2 A District government employee may receive compensation for engaging in teaching activities, writing for publication, consultative activities, and speaking engagements that are not prohibited by law, regulation, or agency standards, only if such activities are conducted outside of regular working hours, or while the employee is on annual leave, compensatory leave, exempt time off, or leave without pay.

1807.3 The information used by an employee engaging in an activity under Subsection 1807.2 of this section shall not draw on official data or ideas which have not become part of the body of public information, except nonpublic information that has been made available on request for use in such capacity, or unless the agency head gives written authorization for use on the basis that its use is in the public interest.

1807.4 If the employee receives compensation or anything of monetary value for engaging in an activity under Subsection 1807.2 of this section, the subject matter shall not be devoted substantially to the responsibilities, programs, or operations of his or her agency, to his or her official duties or responsibilities, or to information obtained from his or her government employment.

1807.5 An employee who is employed for not more than one hundred thirty (130) days during any period of three hundred sixty-five (365) consecutive days, to perform temporary duties, either on a full-time or intermittent basis, shall be subject to Subsection 1807.1(h) of this section only in relation to a particular matter involving specific parties in which he or she has at any time participated personally and substantially as a District government employee, or which is pending before his or her employing agency.

1807.6 Nothing in this section shall prevent an employee from acting without compensation as agent or attorney for another District employee who is the subject of any personnel action, if not inconsistent with his or her duties.

1807.7 Nothing in this chapter shall prevent an employee from acting, with or without compensation, as agent or attorney for his or her parent(s), spouse, domestic partner, child, or any person for whom, or for any estate for which, he or she is serving as guardian, executor, administrator, trustee, or other personal fiduciary except in those matters in which he or she has participated personally and substantially as a government employee, through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise, or which are the subject of the employee's official responsibility, provided that the government official responsible for appointment to the employee's position approves. This provision shall not abridge a government attorney's responsibilities under the District of Columbia Rules of Professional Conduct.

1808 GOVERNMENT PROPERTY

1808.1 An employee has a duty to protect and conserve government property and shall not use such property, or allow its use, for other than authorized purposes.

1808.2 For purposes of this section the following definitions apply:

- (a) "Government property" includes any form of real or personal property in which a federal, District, state, or local government agency or entity has an ownership, leasehold, or other property interest as well as any right or other intangible interest that is purchased with government funds, including the services of contractor personnel. The term includes office supplies, telephone and other telecommunications equipment and services, the government mails, automated data processing capabilities, printing and reproduction facilities, government records, and government vehicles.
- (b) "Authorized purposes" are those purposes for which government property is made available to members of the public or those purposes authorized by an agency head in accordance with law or regulation.

1809 ADDITIONAL STANDARDS

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- 1809.1 Each subordinate and independent agency of the District government may prescribe additional standards of ethical conduct and reporting requirements that are appropriate to the particular functions and activities of the agency, which are not inconsistent with law or this chapter.
- 1809.2 Additional standards of ethical conduct must be approved prior to implementation as follows:
- (a) Proposed standards shall be submitted to the Director of Government Ethics in writing for comment, if any;
 - (b) Following receipt of any comments from the Director of Government Ethics, or the expiration of no fewer than fifteen business (15) days, the proposed standards shall be submitted to the Department of Human Resources electronically for approval;
 - (c) Once approved, the proposed standards shall be transmitted to any implicated labor organization for review; and
 - (d) Following approval by the Department of Human Resources and any appropriate review by a labor organization, the standards shall be published to the impacted employees.
- 1810 PUBLIC REPORTING AND CONFIDENTIAL DISCLOSURE OF FINANCIAL INTERESTS**
- 1810.1 This section implements the financial interest disclosure requirements set forth in Section 224 of the Board of Ethics and Government Accountability Establishment and Comprehensive Ethics Reform Amendment Act of 2011 ("Ethics Act"), effective April 27, 2012 (D.C. Law 19-124; D.C. Official Code §§ 1-1162.24 and 1-1162.25).
- 1810.2 At the time of hire, each personnel authority shall provide each employee with a copy, whether in hard copy or electronic form, of the BEGA ethics manual, inclusive of the Code of Conduct.
- (a) No later than 90 days after commencement of employment, all required filers, as defined in Section 1899, shall certify that they have undergone ethics training developed or approved by the Board of Government Ethics and Accountability.
 - (b) ~~Filers shall certify on an annual basis that they have completed at least one ethics training program within the previous year.~~
- 1810.3 In accordance with Sections 1804 and 1806, no employee shall engage in outside employment or private business activity or have any direct or indirect financial

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interest that conflicts or would appear to conflict with the fair, impartial, and objective performance of officially assigned duties and responsibilities.

- 1810.4 For purposes of public reporting and confidential financial disclosures:
- (a) Each agency head shall provide to BEGA, no later than March 1st of each year, a list of all public officials within the agency, as defined by the Ethics Act. The list shall include the name, title, position, grade, home address, work email address (or personal email address if available and the employee no longer works for the agency), and work telephone number (or personal telephone number if available and the employee no longer works for the agency).
 - (b) Each agency head shall identify any employee other than a public official, who advises, makes decisions or participates substantially in areas of contracting, procurement, administration of grants or subsidies, developing policies, land use planning, inspecting, licensing, policy-making, regulating or auditing, or acts in areas of responsibility that may create a conflict of interest or appearance of a conflict of interest as determined by the appropriate agency head. Advisory Neighborhood Commissioners shall also file the report required by this section.
 - (c) On or before April 15th of each year, each agency head shall notify each designated person ("designees") in the agency of their requirement to submit a confidential disclosure of financial information ("confidential report") pursuant to Paragraph (a) of this subsection.
 - (d) On or before May 1st of each year, each agency head shall supply the list of designees to the Office of Government Ethics.
 - (e) Each designee shall file with their agency head a report containing a full and complete statement of the information required by D.C. Official Code § 1-1162.24 on or before May 15th of each year.
- 1810.5 When an agency head questions whether a specific individual should be designated pursuant to Subsection 1810.4, the matter shall be referred to the Director of Government Ethics for final resolution.
- 1810.6 Designees shall be notified in writing of the following:
- (a) That he or she has been designated; and
 - (b) That he or she may request a review of the designation by the agency head within five (5) days.
- 1810.7 Designees may request a review of their designation as follows:

- (a) An employee may submit a written request for review to the agency head within five (5) days of written notification of the designation;
 - (b) The agency head shall make a redetermination, in writing, within five (5) days of receipt of the request; and
 - (c) The agency head's redetermination denying requested relief shall be appealable, in writing, within five (5) days of receipt of the notice of denial to the Director of Government Ethics.
- 1810.8 The decision of the Director of Government Ethics respecting the designation shall be in writing and shall be issued within five (5) days of receipt and shall be final.
- 1810.9 The agency head or his or her designee shall review each employee's confidential report and each supplementary statement and, on or before June 1st of each year, shall certify or otherwise report to the Office of Government Ethics, indicating whether or not designees have filed the required report, and if not, shall provide a list of those designees who have failed to submit the required report. This report shall include information about successful and pending designation appeals.
- 1810.10 Confidential reports of employees shall be reviewed by the agency head or his or her designee. Any apparent violation of the Code of Conduct shall immediately be forwarded to the Office of Government Ethics.
- 1810.11 Confidential reports constitute a record and shall be maintained by the BEGA for a period no less than six (6) years.
- 1810.12 An employee who has been designated to submit a confidential report shall provide the information specified in this section.
- 1810.13 Each employee required to submit a confidential report shall be provided with the statement and its instructions by the person designated by the agency head.
- 1810.14 Notwithstanding the filing of the annual statement required by this section, each employee shall at all times avoid acquiring a financial interest that could result, or taking an action that would result, in a violation of the conflict-of-interest provisions of 18 U.S.C. § 208 or this chapter.
- 1810.15 ~~The interest (that is, any reportable interest specified in Subsections 1810.17 through 1810.21 of this section) of a member of an employee's immediate household shall be considered to be an interest of the employee.~~
- 1810.16 If any information required to be included on a confidential report or supplementary statement, including holdings placed in trust, is not known to the

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employee but is known to another person, the employee shall request that other person to submit information on his or her behalf.

1810.17 A person who is providing services to a District agency without compensation under the provisions of Section 4000 (Utilization of Voluntary Services) of these regulations shall be required to submit a confidential report if it is determined by the agency head that the volunteer's assignment is comparable to a position covered by this chapter requiring the submission of a confidential report.

1810.18 Each designated employee shall provide the following information pertaining to creditors:

- (a) The names and addresses of his or her creditors other than those to whom he or she may be indebted by reason of a mortgage on property which he or she occupies as a personal residence or to whom he or she may be indebted for current and ordinary household and living expenses such as household furnishings, automobile, education, vacation, and similar expenses; and
- (b) The character of the indebtedness, for example, personal loan, note, or security.

1810.19 Each designated employee shall provide the following information pertaining to interest in real property:

- (a) List his or her interest in real property or rights in lands, other than property which he or she occupies as a personal residence;
- (b) State the nature of the interest, for example, ownership, mortgage, lien, vestment, or trust;
- (c) Identify the type of property, for example, residence, hotel, apartment, farm, or undeveloped land; and
- (d) Give the address of the property (if rural, give RFD, county, and state).

1810.20 Each designated employee shall expressly indicate whether any person or entity identified in accordance with Subsections 1810.19 and 1810.20 of this section is (a) engaged in doing business with the District government or (b) regulated by any agency of the District government, except as to any licensing requirement under applicable law. If any change occurs regarding such persons or entities after the filing of an annual statement, the employee shall furnish the updated information by submission of a supplementary statement within ten (10) days of learning of the commencement or cessation of the business activity or the regulatory function.

1810.21 For purposes of Subsection 1810.21 of this section, a person or entity shall be deemed to be doing business with the District government if a contract or agreement has been formally entered into for supplying goods or services, including contracts for construction, to the District, or for extending a leasehold interest to the benefit of the District.

1810.22 If any information is to be supplied by other persons, for example, a trustee, attorney, accountant, or relative, the employee shall indicate the following information:

- (a) The name, title, company name (if appropriate), and address of each other person;
- (b) The date on which the information was requested by the employee to be supplied; and
- (c) The nature of the subject matter involved.

1810.23 In responding to the requests for information required under Subsections 1810.25 through 1810.23 of this section, the employee shall write "none," if applicable.

1810.24 The employee shall sign and date the confidential report, certifying the following:

- (a) That he or she has received and read the instructions and the prohibitions pertaining to conflicts of interest as they relate to his or her employment;
- (b) That, to the best of his or her knowledge and belief, he or she has no outside employment or other business interest other than the interests specifically listed and identified in accordance with Subsections 1810.19 through 1810.24 of this section; and
- (c) That the statements he or she provided are true, complete, and correct to the best of his or her knowledge and belief.

1810.25 Each employee shall submit a supplementary statement disclosing any additional financial interests not previously disclosed in the employee's annual report within ten (10) days of his or her commencement of any previously unreported outside employment, acquisition of financial or real property interests, or agreement of indebtedness, in the same manner and to the same extent as specified for the submission of annual reports required by this section.

~~1810.26~~ ~~When an employee identifies a person or entity in accordance with Subsections 1810.21 and 1810.22 of this section as either not engaged in doing business with the District government or not regulated by any agency of the District government and thereafter the person or entity commences either to do business with or to become subject to regulation by the District, the employee, within ten (10) days~~

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after learning of the commencement of the business or regulatory function, shall notify in writing his or her immediate supervisor and submit a supplementary report identifying the change in status.

- 1810.27 Each employee required by this section to submit an annual statement shall notify his or her immediate supervisor in writing immediately whenever an assignment is given the employee which may directly or indirectly affect any person or entity identified by the employee in accordance with Subsections 1810.19 through 1810.27 of this section.
- 1810.28 Upon notification under Subsection 1810.28 of this section, the supervisor may reassign the matter in the event of a conflict of interest or the appearance of a conflict of interest when, in the discretion of the supervisor, a reassignment is warranted under the circumstances.
- 1810.29 After the employee has been notified by the supervisor that reassignment is warranted, the employee shall submit a written recusal from the matter, which shall be maintained by the agency head.
- 1810.30 An employee may receive a waiver and work on a matter in which he or she has a conflict of interest, if he or she has received a waiver pursuant to Section 223 of the Ethics Act (D.C. Official Code § 1-1162.23) and the written approval of his or her agency head or designee.

1811 POST-EMPLOYMENT CONFLICT OF INTERESTS

- 1811.1 District employees shall comply with the provisions of 18 U.S.C. § 207 and implementing regulations set forth at 5 C.F.R. Part 2641, Subparts A and B.
- 1811.2 District government employees and public officials are subject to certain provisions of the federal criminal conflict of interest provisions set forth in 18 U.S.C. §§ 201-216. Questions regarding the application of 18 U.S.C. § 207, 5 C.F.R. Part 2641, or these regulations, to specific factual circumstances, may be addressed to the Board of Government Ethics and Accountability.
- 1811.3 A former government employee shall be permanently prohibited from knowingly acting as an attorney, agent, or representative in any formal or informal appearance before an agency as to a particular government matter involving a specific party if the employee participated personally and substantially in that matter as a government employee.
- 1811.4 A former government employee shall be permanently prohibited from making any oral or written communication to an agency with the intent to influence that agency on behalf of another person as to a particular government matter involving a specific party if the employee participated personally and substantially in that matter as a government employee.

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- 1811.5 A former government employee shall be prohibited for two (2) years after terminating District government employment from knowingly acting as an attorney, agent, or representative in any formal or informal matter before an agency if he or she previously had official responsibility for that matter.
- 1811.6 For purposes of Subsection 1811.5 of this section, a matter for which the former government employee had official responsibility is any matter that was actually pending under the former employee's responsibility within a period of one (1) year before the termination of such responsibility.
- 1811.7 The two-year (2-year) restriction period in Subsection 1811.5 of this section shall be measured from the date when the former employee's responsibility for a particular matter ends, not from the termination of government service, unless the two (2) occur simultaneously.
- 1811.8 A former employee shall be prohibited for two (2) years from knowingly representing or aiding, counseling, advising, consulting, or assisting in representing any other person (except the District of Columbia) by personal appearance before an agency as to a particular government matter involving a specific party if the former employee participated personally and substantially in that matter as a government employee.
- 1811.9 The two-year (2-year) period in Subsection 1811.8 of this section shall be measured from the date of termination of employment in the employee position held by the former employee when he or she participated personally and substantially in the matter involved.
- 1811.10 A former employee (other than a special government employee who serves for fewer than one-hundred and thirty (130) days in a calendar year) shall be prohibited for one (1) year from having any transactions with the former agency intended to influence the agency in connection with any particular government matter pending before the agency or in which it has a direct and substantial interest, whether or not such matter involves a specific party.
- 1811.11 The restriction in Subsection 1811.10 of this section is intended to prohibit the possible use of personal influence based on past governmental affiliations to facilitate the transaction of business. Therefore, the restriction shall apply without regard to whether the former employee had participated in, or had responsibility for, the particular matter, and shall include matters which first arise after the employee leaves government service.
- 1811.12 The restriction in Subsection 1811.10 of this section shall apply whether the former employee is representing another or representing him or herself, either by appearance before an agency or through communications with that agency.
- 1811.13 Communications from a former government employee shall be exempt from these prohibitions if he or she communicates with his or her agency solely to furnish

scientific or technological information under procedures acceptable to the agency concerned.

- 1811.14 Nothing in these regulations shall prevent a former government employee from giving testimony under oath, or from making statements required to be made under penalty of perjury.
- 1811.15 A former government employee may be exempted from the restrictions on post-employment practices if the Mayor (or designee), in consultation with the federal government's Director of the Office of Government Ethics, executes a certification published in the *D.C. Register*. The certification shall state that the former government employee has outstanding qualifications in a scientific, technological, or other technical discipline; is acting with respect to a particular matter which requires such qualifications; and the interest of the District of Columbia would be served by such former government employee's participation.
- 1811.16 The one-year (1-year) restriction stated in Subsection 1811.10 of this section shall not apply to appearances, communications, or representation concerning new matters by a former employee if the former employee is an elected official of a state or local government and is acting on behalf of that government, or is regularly employed by and acting on behalf of an agency or instrumentality of federal, state, or local government; an accredited, degree-granting institution of higher education; or a non-profit hospital or medical research organization.
- 1811.17 The one-year (1-year) restriction stated in Subsection 1811.10 of this section shall not apply to appearances or communications by a former employee concerning matters of a personal and individual nature, such as personal income taxes or pension benefits, or the application of these regulations to an undertaking proposed by a former employee. A former employee also may appear *pro se* (on his or her own behalf) in any litigation or administrative proceeding involving the individual's former agency.
- 1811.18 The one-year (1-year) restriction stated in Subsection 1811.10 of this section shall not prevent a former employee from making or providing a statement, which is based on the former employee's own special knowledge in the particular area that is the subject of the statement, provided that no compensation is thereby received, other than that regularly provided for by law or regulation for witnesses.

1899 DEFINITIONS

- 1899.1 In this chapter, the following terms have the meaning ascribed:

Agency – any unit of the District of Columbia government required by law, by the Mayor of the District of Columbia, or by the Council of the District of

Columbia to administer any law, rule, or any regulation adopted under authority of law. The term "agency" also includes any unit of the District of Columbia created or organized by the Council of the District of Columbia as an agency.

Code of Conduct – those provisions contained in the following:

- (a) The Code of Official Conduct of the Council of the District of Columbia, as adopted by the Council;
- (b) Sections 1801 through 1802 of the District of Columbia Government Comprehensive Merit Personnel Act of 1978, effective March 3, 1979 (D.C. Law 2-139; D.C. Official Code § 1-618.01);
- (c) Section 2 of the Official Correspondence Regulations, effective April 7, 1977 (D.C. Law 1-118; D.C. Official Code § 2-701 *et seq.*);
- (d) Section 416 of the Procurement Practices Reform Act of 2010, effective April 8, 2011 (D.C. Law 18-371; D.C. Official Code § 2-354.16);
- (e) Chapter 18 of Title 6-B of the District of Columbia Municipal Regulations;
- (f) Subtitles C, D, and E of Title II of the Ethics Act, and Subtitle F of Title III of the Ethics Act for the purpose of enforcement by BEGA of violations of Section 338 of the Ethics Act that are subject to the penalty provisions of Section 221 of the Ethics Act.

Days – calendar days, unless otherwise specified.

Filers – any person required to file financial disclosure, honoraria, and confidential disclosure of financial interest reports, as applicable, pursuant to D.C. Official Code §§ 1-1162.24 and 1-1162.25.

Former government employee – one who was and no longer is an employee or official of the District government.

Employee/Government Employee - an individual who performs a function of the District government and who receives compensation for the performance of such services (D.C. Official Code § 1-603.01(7)), or a member of a District government board or commission, with or without compensation (D.C. Official Code § 1-602.02(3)). It does not include an individual performing services for the District government as an independent contractor under a personal services contract.

Immediate household – consists of the employee's spouse and blood relations who are full-time residents of the employee's household, and the employee's minor children, irrespective of residence.

Official responsibility – the direct administrative or operating authority, whether intermediate or final, and either exercisable alone or with others, personally or through subordinates, to approve, disapprove, or otherwise direct governmental action.

Particular government matter involving a specific party – any judicial or other proceeding, application, request for a ruling or other determination, contract, claim, controversy, investigation, charge, accusation, arrest, or other particular matter in which the District government is a party or has a direct and substantial interest, and which has application to one (1) or more specifically identified persons or entities.

Person – an individual, a corporation, a company, an association, a firm, a partnership, a society, a joint stock company, or any other organization or institution.

Public official -- a candidate for nomination for election, or election, to public office; the Mayor, Chairman, and each member of the Council of the District of Columbia holding office under the Home Rule Act; the Attorney General; a Representative or Senator elected pursuant to Section 4 of the District of Columbia Statehood Constitutional Convention Initiative of 1979, effective March 10, 1981 (D.C. Law 3-171; D.C. Official Code § 1-123); an Advisory Neighborhood Commissioner; a member of the State Board of Education; a person serving as a subordinate agency head in a position designated as within the Executive Service; a member of a board or commission listed in Section 2(e) of the Confirmation Act of 1978, effective March 3, 1979 (D.C. Law 2-142; D.C. Official Code § 1-523.01(e)); a District of Columbia Excepted Service employee paid at a rate of Excepted Service 9 or above, or its equivalent, who makes decisions or participates substantially in areas of contracting, procurement, administration of grants or subsidies, developing policies, land use planning, inspecting, licensing, regulating, or auditing, or acts in areas of responsibility that may create a conflict of interest or appearance of a conflict of interest; and any additional employees designated by rule by BEGA who make decisions or participate substantially in areas of contracting, procurement, administration of grants or subsidies, developing policies, land use planning, inspecting, licensing, regulating, or auditing, or act in areas of responsibility that may create a conflict of interest or appearance of a conflict of interest.

Relative - with respect to a public official, an individual who is related to the public official as a father, mother, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, husband, wife, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather,

DISTRICT OF COLUMBIA

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stepmother, stepson, stepdaughter, stepbrother, stepsister, half-brother, or half-sister.

Remedial action – an action taken for the purpose of correcting a problem or issue.

Special government employee – any officer or employee of an agency who is retained, designated, appointed, or employed to perform temporary duties either on a full-time or intermittent basis, with or without compensation, for not to exceed one hundred and thirty (130) days during any period of three hundred and sixty five (365) consecutive days.



District of Columbia Water and Sewer Authority
Summary of Contracts on Consent Agenda
215th Meeting of the DC Water Board of Directors
Thursday, December 3, 2015

Joint-Use Contract

Resolution No. 15-92 - Execute Option Year One of Contract No. 14-PR-HCM-08, Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc. The purpose of the option is to continue providing the Health Maintenance Plan (HMO) medical plan to District of Columbia Water and Sewer Authority (DC Water) employees on/or after October 1, 1987. The option amount is \$3,865,498. (Recommended by Human Resource and Labor Relations Committee 11/10/15)

Resolution No. 15-93 – Execute Option Year Three of Contract No. WAS-11-038-AA-MB, Delta Dental. The purpose of the option is to provide employees a dental plan for Preferred Provider Organization (PPO). The option amount is \$506,475. (Recommended by Human Resource and Labor Relations Committee 11/10/15)

Resolution No. 15-94 - Execute Option Year Two of Contract No. WAS-11-038-AA-MB, United Concordia. The purpose of the option is to provide employees a dental plan for Health Maintenance Organization (HMO). The option amount is \$222,294. (Recommended by Human Resource and Labor Relations Committee 11/10/15)

Resolution No.15-95 – Execute Option Year Four of Contract No. WAS-11-034-AA-MB, Connecticut General Life Insurance Company (Medical). The purpose of the option is to continue providing DC Water employees two (2) medical plans: Preferred Provider Organization (PPO) as well as Health Maintenance Organization (HMO). The option amount is \$10,742,453. (Recommended by Human Resource and Labor Relations Committee 11/10/15)

Resolution No. 15-96 – Execute Option Year Two of Contract No. WAS-12-050-AA-MB, Connecticut General Life Insurance Company (Life). The purpose of the option is to continue providing DC Water employees with company-paid basic life insurance.

Employees have the option to purchase Supplemental Life Insurance, Accidental Death and Dismemberment Insurance and Dependent Life Insurance. The option amount is \$526,408. (Recommended by Human Resource and Labor Relations Committee 11/10/15)

Resolution No. 15-97 - Execute Option Year Three of Contract No. WAS-12-063-AA-RA, Allied Barton Security Services. The purpose of the option is to provide highly trained and reliable commissioned Special Police Officers (SPOs) to safeguard DC Water's property and personnel, to prevent and deter unauthorized access or removal of property and to assist DC Water in all other security related matters. The option amount is \$5,352,000. (Recommended by Environmental Quality and Sewerage Services Committee 11/19/15)

Resolution No.15-98 - Execute a Modification to Contract No. GS11T088JD6001, Verizon. The purpose of the option is to provide telecommunication services that includes SCADA, SCADA Frame Relay, SCADA ELAN (TLS) Data Network Circuits, Analog Lines, and Local Telephone Service throughout the Authority. The modification amount is \$780,150. (Recommended by Environmental Quality and Sewerage Services Committee 11/19/15)

Resolution No. 15-99 – Execute Contract No. 15-PR-DMS-45, Lakeside Equipment Company. The purpose of the contract is The Board of Directors hereby authorizes the General Manager to execute Contract for the fabrication, delivery and installation oversight for the replacement of sixteen (16) grit classifiers in the East and West Headworks Buildings. The current classifiers that are failing or have become inoperative. The contract amount is \$1,126,055. (Recommended by Environmental Quality and Sewerage Services Committee 11/19/15)

Resolution No. 15-100 – Execute Option Year Four of Contract No. WAS-10-047-AA-JH, Alpine Trading Company, Inc. The purpose of the extension is to continue supplying uniforms and other work clothing to the District of Columbia Water and Sewer Authority's (DC Water) employees Authority wide. The contract extension amount is \$600,000. (Recommended by Environmental Quality and Sewerage Services Committee 11/19/15)

Resolution No. 15-101 – Execute Contract No. 150120, Compliance EnviroSystems, LLC. The purpose of the contract is to clean and inspect the Upper Potomac Interceptor Relief Sewer (UPIRS) adjacent to the John F. Kennedy Center for the Performing Arts (Kennedy Center), etc. The contract amount is \$4,398,682. (Recommended by Environmental Quality and Sewerage Services Committee 11/19/15)

Presented and Adopted: December 3, 2015

SUBJECT: Approval to Execute Option Year One of Contract No. 14-PR-HCM-08, Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.

**#15-92
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 December 3, 2015 upon consideration of a joint use matter, decided by a vote of __() in favor and __() opposed to execute Option Year One of Contract No. 14-PR-HCM-08, Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Option Year One of Contract No. 14-PR-HCM-08, Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc. The purpose of the option is to continue providing the Health Maintenance Plan (HMO) medical plan to District of Columbia Water and Sewer Authority (DC Water) employees on/or after October 1, 1987. The option amount is \$3,865,498.

This Resolution is effective immediately.

Secretary to the Board of Directors

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

ACTION REQUESTED

**GOODS AND SERVICES CONTRACT OPTION
STAFF MODEL HMO MEDICAL PLAN
JOINT-USE (INDIRECT)**

PURPOSE

Approval to execute option year one (1) for staff model hmo medical plan in the amount of \$3,865,498.

CONTRACTOR/SUB/VENDOR INFORMATION

| | | | |
|--|-----------------------------|----------------------|-----------------------|
| PRIME: Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc. 2101 East Jefferson Street Rockville, Maryland 20852 | PARTICIPATION: 0% | SUBS: None | PARTICIPATION: |
|--|-----------------------------|----------------------|-----------------------|

DESCRIPTION AND PURPOSE

| Actions | Value | Period |
|-------------------------------------|----------------|---------------------|
| Original Contract | \$3,809,536.00 | 01/01/12 – 12/31/15 |
| Number of Option Years: 4 | | |
| Cumulative Contract Value | \$3,809,536.00 | 01-01/15 – 12/31/15 |
| Cumulative Contract Spend | \$2,962,047.84 | 01/01/15 – 09/30/15 |
| NEW ACTION: | | |
| Option Year One (1) | \$3,865,498.00 | 01/01/16 – 12/31/16 |
| New Cumulative Contract Value Total | \$7,675,034.00 | |

Purpose of the Contract:

To provide the Health Maintenance Organization (HMO) medical plan to District of Columbia Water and Sewer Authority (DC Water) employees on/or after October 1, 1987.

2016 Renewal Rate:

Kaiser initially submitted DC Water a rate increase of 1.6% for 2016. DC Water's benefits consultant performed an independent analysis of claims activity. This analysis projected costs based on the most recent claims. As a result, the consultant was able to negotiate and reduce the rate to 0%. The consultant further reduced the rate to -0.7% by making plan design changes.

Contractor's Past Performance:

The contractor's past performance has been satisfactory.

Note: Kaiser's premiums are billed and payable on a monthly basis. The premiums are determined by taking the monthly enrollment in each enrollment category, such as Employee, Employee + 1, and Employee + family, and multiplying it by the associated rate for that category.

No LSBE participation with this contract.

PROCUREMENT INFORMATION

| | | | |
|---------------------------|---|-------------------------|--------------|
| Contract Type: | Fixed Price | Award Based On: | Sole Source |
| Commodity: | Services | Contract Number: | 14-PR-HCM-08 |
| Contractor Market: | Open Market with LBE/LSBE Preference Points | | |

BUDGET INFORMATION

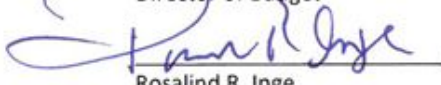
| | | | |
|----------------------|---------------|-------------------------|--------------------------|
| Funding: | Operating | Department: | Human Capital Management |
| Service Area: | DC Water Wide | Department Head: | Rick Green |

ESTIMATED USER SHARE INFORMATION

| User | Share % | Dollar Amount |
|---|----------------|-----------------------|
| District of Columbia | 84.40% | \$3,262,480.31 |
| Washington Suburban Sanitary Commission | 11.41% | \$ 441,053.32 |
| Fairfax County | 2.87% | \$ 110,939.79 |
| Loudoun County | 1.16% | \$ 44,839.78 |
| Potomac Interceptor | 0.16% | \$ 6,184.80 |
| Total Estimated Dollar Amount | 100.00% | \$3,865,498.00 |


 _____, 11/2/15
 Dan Bae Date
 Director of Procurement


 _____, 11/3/15
 Gail Alexander-Reeves Date
 Director of Budget


 _____, 11/3/15
 Rosalind R. Inge Date
 Assistant General Manager
 Support Services


 _____, 11/20/15
 George S. Hawkins Date
 General Manager

Presented and Adopted: December 3, 2015

**SUBJECT: Approval to Execute Option Year Three of Contract No.
WAS-11-038-AA-MB, Delta Dental**

**#15-93
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 December 3, 2015 upon consideration of a joint use matter, decided by a vote of ___() in favor and ___() opposed to execute Option Year Three of Contract No. WAS-11-038-AA-MB, Delta Dental.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Option Year Three of Contract No. WAS-11-038-AA-MB, Delta Dental. The purpose of the option is to provide employees a dental plan for Preferred Provider Organization (PPO). The option amount is \$506,475.

This Resolution is effective immediately.

Secretary to the Board of Directors

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

ACTION REQUESTED

**GOODS AND SERVICES CONTRACT OPTION
DENTAL INSURANCE PLAN (PPO)
JOINT-USE (INDIRECT)**

PURPOSE

Approval to execute option year three (3) for dental insurance plan in the amount of \$506,475.00.

CONTRACTOR/SUB/VENDOR INFORMATION

| | | | |
|--|-----------------------------|----------------------|-----------------------|
| PRIME: Delta Dental One Delta Drive Mechanicsburg, Pennsylvania 10755 | PARTICIPATION: 0% | SUBS: None | PARTICIPATION: |
|--|-----------------------------|----------------------|-----------------------|

DESCRIPTION AND PURPOSE

| Actions | Value | Period |
|-------------------------------------|----------------|---------------------|
| Original Contract | \$ 706,504.56 | 01/01/12 – 12/31/13 |
| Number of Option Years: 3 | | |
| Option Year one (1) | \$ 293,342.52 | 01/01/14 – 12/31/14 |
| Option year two (2) | \$ 449,088.00 | 01/01-15 – 12/31/15 |
| Cumulative Contract Value | \$1,448,935.08 | 01/01/12 – 12/31/15 |
| Cumulative Contract Spend | \$1,476,255.96 | 01/01/12 – 09/30/15 |
| NEW ACTION: | | |
| Option Year Three (3) | \$ 506,475.00 | 01/01/16 – 12/31/16 |
| New Cumulative Contract Value Total | \$1,955,410.08 | |

Purpose of the Contract:

To provide employees a dental plan for Preferred Provider Organization (PPO).

2016 Renewal Rate:

The rates for the Delta Dental PPO will increase by 7.2% over the current 2015 rates. DC Water's benefits consultant performed an independent analysis and determined that the rate increase was acceptable based on their analysis of claims activity.

Contractor's Past Performance:

The contractor's past performance has been satisfactory.

Note: No LSBE participation for this contract.

PROCUREMENT INFORMATION

| | | | |
|---------------------------|---|-------------------------|-----------------------|
| Contract Type: | Fixed Unit Price | Award Based On: | Highest Rated Offeror |
| Commodity: | Services | Contract Number: | WAS-11-038-AA-MB |
| Contractor Market: | Open Market with LBE/LSBE Preference Points | | |

BUDGET INFORMATION

| | | | |
|----------------------|---------------|-------------------------|--------------------------|
| Funding: | Operating | Department: | Human Capital Management |
| Service Area: | DC Water Wide | Department Head: | Rick Green |

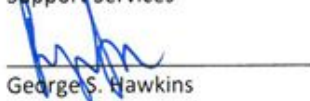
ESTIMATED USER SHARE INFORMATION

| User | Share % | Dollar Amount |
|---|----------------|---------------------|
| District of Columbia | 84.40% | \$427,464.00 |
| Washington Suburban Sanitary Commission | 11.41% | \$ 57,788.80 |
| Fairfax County | 2.87% | \$ 14,535.83 |
| Loudoun County | 1.16% | \$ 5,875.11 |
| Potomac Interceptor | 0.16% | \$ 810.36 |
| Total Estimated Dollar Amount | 100.00% | \$506,475.00 |


 Dan Bae
 Director of Procurement
 Date 11/2/15


 Gail Alexander-Reeves
 Director of Budget
 Date 11/3/15


 Rosalind R. Inge
 Assistant General Manager
 Support Services
 Date 11/3/15


 George S. Hawkins
 General Manager
 Date 11/20/15

Presented and Adopted: December 3, 2015

**SUBJECT: Approval to Execute Option Year Two of Contract No.
WAS-11-038-AA-MB, United Concordia**

**#15-94
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 December 3, 2015 upon consideration of a joint use matter, decided by a vote of __() in favor and __() opposed to execute Option Year Two of Contract No. WAS-11-038-AA-MB, United Concordia.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Option Year Two of Contract No. WAS-11-038-AA-MB, United Concordia. The purpose of the option is to provide employees a dental plan for Health Maintenance Organization (HMO). The option amount is \$222,294.

This Resolution is effective immediately.

Secretary to the Board of Directors

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

ACTION REQUESTED

**GOODS AND SERVICES CONTRACT OPTION
DENTAL SERVICES
JOINT-USE (INDIRECT)**

PURPOSE

Approval to execute option year two (2) for dental services in the amount of \$222,294.00.

CONTRACTOR/SUB/VENDOR INFORMATION

| | | | |
|---|-----------------------------|----------------------|-----------------------|
| PRIME: United Concordia 11311 McCormick Road, Suite 170 Hunt Valley, Maryland 21031 | PARTICIPATION: 0% | SUBS: None | PARTICIPATION: |
|---|-----------------------------|----------------------|-----------------------|

DESCRIPTION AND PURPOSE

| Actions | Value | Period |
|-------------------------------------|----------------|---------------------|
| Original Contract | \$ 473,205.12 | 01/01/12 – 12-31-13 |
| Number of Option Years: 4 | | |
| Option Year 1 | \$ 236,602.56 | 01/01/14 – 12/31/14 |
| Option Year 2 | \$ 217,609.00 | 01/01/14 – 12/31/15 |
| | | |
| Cumulative Contract Value | \$ 927,416.68 | 01/01/12 – 12/31/15 |
| Cumulative Contract Spend | \$ 829,922.96 | 01/01/12 – 09/30/15 |
| NEW ACTION: | | |
| Option Year Three (3) | \$ 222,294.00 | 01/01/16 -12/31/16 |
| New Cumulative Contract Value Total | \$1,149,710.68 | |

Purpose of the Contract:

To provide employees a dental plan for Health Maintenance Organization (HMO) to DC Water's employees hired on or after October 1, 1987.

2016 Renewal Rate:

The 2016 rates remain the same as the current 2015 rates.

Contractor's Past Performance:

The contractor's past performance has been satisfactory.

Note: No LSBE participation for this contract.

PROCUREMENT INFORMATION

| | | | |
|---------------------------|---|-------------------------|-----------------------|
| Contract Type: | Fixed Price | Award Based On: | Highest Rated Offeror |
| Commodity: | Services | Contract Number: | WAS-11-038-AB-MB |
| Contractor Market: | Open Market with LBE/LSBE Preference Points | | |

BUDGET INFORMATION

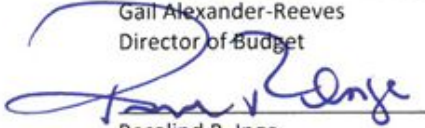
| | | | |
|----------------------|---------------|-------------------------|--------------------------|
| Funding: | Operating | Department: | Human Capital Management |
| Service Area: | DC Water Wide | Department Head: | Rick Green |

ESTIMATED USER SHARE INFORMATION

| User | Share % | Dollar Amount |
|---|----------------|----------------------|
| District of Columbia | 84.40% | \$ 187,616.14 |
| Washington Suburban Sanitary Commission | 11.41% | \$ 25,363.75 |
| Fairfax County | 2.87% | \$ 6,379.83 |
| Loudoun County | 1.16% | \$ 2,578.61 |
| Potomac Interceptor | 0.16% | \$ 355.67 |
| Total Estimated Dollar Amount | 100.00% | \$ 222,294.00 |


 Dan Bae
 Director of Procurement
 Date 11/3/15


 Gail Alexander-Reeves
 Director of Budget
 Date 11/3/15


 Rosalind R. Inge
 Assistant General Manager
 Support Services
 Date 11/3/15


 George S. Hawkins
 General Manager
 Date 11/22/15

Presented and Adopted: December 3, 2015

SUBJECT: Approval to Execute Option Year Four of Contract No. WAS-11-034-AA-MB, Connecticut General Life Insurance Company (Medical)

**#15-95
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 December 3, 2015 upon consideration of a joint use matter, decided by a vote of __() in favor and __() opposed to execute Option Year Four of Contract No. WAS-11-034-AA-MB, Connecticut General Life Insurance Company (Medical).

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Option Year Four of Contract No. WAS-11-034-AA-MB, Connecticut General Life Insurance Company (Medical). The purpose of the option is to continue providing DC Water employees two (2) medical plans: Preferred Provider Organization (PPO) as well as Health Maintenance Organization (HMO). The option amount is \$10,742,453.

This Resolution is effective immediately.

Secretary to the Board of Directors

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

ACTION REQUESTED

GOODS AND SERVICES CONTRACT OPTION

MEDICAL INSURANCE PLAN

JOINT- USE (INDIRECT)

PURPOSE

Approval to execute option year four (4) for medical services in the amount of \$10,742,453.00.

CONTRACTOR/SUB/VENDOR INFORMATION

| | | | |
|---|-----------------------------|----------------------|-----------------------|
| PRIME: Connecticut General Life Insurance Company 10490 Little Patuxent Parkway, Suite 400 Columbia, Maryland 21044 | PARTICIPATION: 0% | SUBS: None | PARTICIPATION: |
|---|-----------------------------|----------------------|-----------------------|

DESCRIPTION AND PURPOSE

| Actions | Value | Period |
|-------------------------------------|-----------------|---------------------|
| Original Contract | \$ 6,705,000.00 | 01/01/12 – 12/31/12 |
| Number of Option Years: 4 | | |
| Option Year 1 | \$ 8,120,014.00 | 01/01/13 – 12/31/13 |
| Option Year 2 | \$ 8,748,695.00 | 01/01/14 – 12/31/14 |
| Option Year 3 | \$ 9,276,195.00 | 01/01/15 – 12/31/15 |
| Cumulative Contract Value | \$32,849,904.00 | 01/01/12 – 12/31/15 |
| Cumulative Contract Spend | \$31,954,135.61 | 01/01/12 – 09/30/15 |
| NEW ACTION: | | |
| Option Year 4 | \$10,742,453.00 | 01/01/16 – 12/31/16 |
| New Cumulative Contract Value Total | \$43,592,357.00 | |

Purpose of the Contract:

To provide DC Water employees two (2) medical plans: Preferred Provider Organization (PPO) as well as a Health Maintenance Organization (HMO).

2016 Renewal Rate:

The final renewal rates for 2016 represent an increase of 8.7% over the current 2015 rates. Cigna provided DC Water a preliminary increase of 15.3% in premiums. After performing an independent analysis of claims activity, DC Water’s benefits consultant negotiated a reduction in the rates to 12.2%. This analysis estimated projected costs based on the most recent claims activity. The consultant further negotiated a reduction in the rate to 8.7%, after making plan design changes to both the Cigna Open Access PPO and the Cigna Network HMO plans.

Note: Connecticut General Life Insurance Company’s premiums are billed and payable on a monthly basis. The premiums are determined by taking the monthly enrollment in each enrollment category, such as Employee, Employee + 1, and Employee + Family, and multiplying it by the associated rate for that category.

Contractor’s Past Performance:

The contractor’s past performance has been satisfactory.

Note: No LSBE participation for this contract.

PROCUREMENT INFORMATION

| | | | |
|---------------------------|---|-------------------------|-----------------------|
| Contract Type: | Fixed Unit Price | Award Based On: | Highest Rated Offeror |
| Commodity: | Services | Contract Number: | WAS-11-034-AA-MB |
| Contractor Market: | Open Market with LBE/LSBE Preference Points | | |


BUDGET INFORMATION

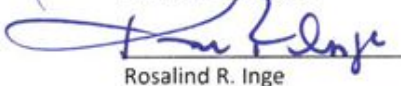
| | | | |
|----------------------|---------------|-------------------------|--------------------------|
| Funding: | Operating | Department: | Human Capital Management |
| Service Area: | DC Water Wide | Department Head: | Rick Green |

ESTIMATED USER SHARE INFORMATION

| User | Share % | Dollar Amount |
|---|----------------|------------------------|
| District of Columbia | 84.40% | \$ 9,066,630.33 |
| Washington Suburban Sanitary Commission | 11.41% | \$ 1,225,713.89 |
| Fairfax County | 2.87% | \$ 308,308.40 |
| Loudoun County | 1.16% | \$ 124,612.45 |
| Potomac Interceptor | 0.16% | \$ 17,187.93 |
| Total Estimated Dollar Amount | 100.00% | \$10,742,453.00 |

 / 11/3/15
 Dan Bae
 Director of Procurement
 Date

 / 11/3/15
 Gail Alexander-Reeves
 Director of Budget
 Date

 / 11/3/15
 Rosalind R. Inge
 Assistant General Manager
 Support Services
 Date

 / 11/20/15
 George S. Hawkins
 General Manager
 Date

Presented and Adopted: December 3, 2015

**SUBJECT: Approval to Execute Option Year Two of Contract No.
WAS-12-050-AA-MB, Connecticut General Life Insurance
Company (Life)**

**#15-96
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 December 3, 2015 upon consideration of a joint use matter, decided by a vote of __() in favor and __() opposed to execute Option Year Two of Contract No. WAS-12-050-AA-MB, Connecticut General Life Insurance Company (Life).

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Option Year Two of Contract No. WAS-12-050-AA-MB, Connecticut General Life Insurance Company (Life). The purpose of the option is to continue providing DC Water employees with company-paid basic life insurance. Employees have the option to purchase Supplemental Life Insurance, Accidental Death and Dismemberment Insurance and Dependent Life Insurance. The option amount is \$526,408.

This Resolution is effective immediately.

Secretary to the Board of Directors

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

ACTION REQUESTED

**GOODS AND SERVICES CONTRACT OPTION
GROUP LIFE INSURANCE SERVICES
JOINT-USE (INDIRECT)**

PURPOSE

Approval to execute option year two (2) for group life insurance services in the amount of \$526,408.00.

CONTRACTOR/SUB/VENDOR INFORMATION

| | | | |
|---|----------------------------|----------------------|-----------------------|
| PRIME: Connecticut General Life Insurance Company 10490 Little Patuxent Parkway, Suite 400 Columbia, Maryland 21044 | PARTICIPATION 0% | SUBS: None | PARTICIPATION: |
|---|----------------------------|----------------------|-----------------------|

DESCRIPTION AND PURPOSE

| Actions | Value | Period |
|-------------------------------------|----------------|---------------------|
| Original Contract | \$ 737,718.00 | 01/01/13 – 12/31/14 |
| Number of Option Years: 3 | | |
| Option Year 1 | \$ 484,222.00 | 01/01/15 – 12/31/15 |
| Cumulative Contract Value | \$1,221,940.00 | 01/01/13 – 12/31/15 |
| Cumulative Contract Spend | \$1,306,689.51 | 01/01/13 – 09/30/15 |
| NEW ACTION: | | |
| Option Year 2 | \$ 526,408.00 | 01/01/16 – 12/31/16 |
| New Cumulative Contract Value Total | \$1,748,348.00 | |

Purpose of the Contract:

To provide DC Water employees with company-paid basic life insurance. Employees have the option to purchase Supplemental Life Insurance, Accidental Death and Dismemberment Insurance and Dependent Life Insurance.

2016 Renewal Rate:

The final renewal rates for 2016 represent an increase of 14.7% over the current 2015 rates. DC Water's benefits consultant performed an independent analysis regarding claims activity. This analysis estimated projected costs based on the most recent claims activity. As a result, the consultant agreed that the 14.7% increase presented by Cigna was deemed acceptable.

Contractor's Past Performance:

The contractor's past performance has been satisfactory.

Note: No LSBE participation for this contract.

PROCUREMENT INFORMATION

| | | | |
|---------------------------|---|-------------------------|-----------------------|
| Contract Type: | Fixed Unit Price | Award Based On: | Highest Rated Offeror |
| Commodity: | Services | Contract Number: | WAS-12-050-AA-MB |
| Contractor Market: | Open Market with LBE/LSBE Preference Points | | |

BUDGET INFORMATION

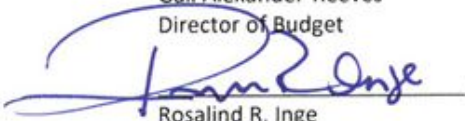
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|----------------------|---------------|-------------------------|--------------------------|
| Funding: | Operating | Department: | Human Capital Management |
| Service Area: | DC Water Wide | Department Head: | Rick Green |

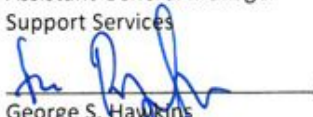
ESTIMATED USER SHARE INFORMATION

| User | Share % | Dollar Amount |
|---|----------------|---------------------|
| District of Columbia | 84.40% | \$444,288.35 |
| Washington Suburban Sanitary Commission | 11.41% | \$ 60,063.15 |
| Fairfax County | 2.87% | \$ 15,107.92 |
| Loudoun County | 1.16% | \$ 6,106.33 |
| Potomac Interceptor | 0.16% | \$ 842.25 |
| Total Estimated Dollar Amount | 100.00% | \$526,408.00 |


 Dan Bae
 Director of Procurement
 Date 11/3/15


 Gail Alexander-Reeves
 Director of Budget
 Date 11/3/15


 Rosalind R. Inge
 Assistant General Manager
 Support Services
 Date 11/3/15


 George S. Hawkins
 General Manager
 Date 11/20/15

Presented and Adopted: December 3, 2015

**SUBJECT: Approval to Execute Option Year Three of Contract No.
WAS-12-063-AA-RA, Allied Barton Security Services**

**#15-97
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 December 3, 2015 upon consideration of a joint use matter, decided by a vote of ___() in favor and ___() opposed to execute Option Year Three of Contract No. WAS-12063-AA-RA, Allied Barton Security Services.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Option Year Three of Contract No. WAS-12-063-AA-RA, Allied Barton Security Services. The purpose of the option is to provide highly trained and reliable commissioned Special Police Officers (SPOs) to safeguard DC Water's property and personnel, to prevent and deter unauthorized access or removal of property and to assist DC Water in all other security related matters. The option amount is \$5,352,000.

This Resolution is effective immediately.

Secretary to the Board of Directors

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

ACTION REQUESTED

GOODS AND SERVICES CONTRACT OPTION YEAR:

**PROTECTIVE SERVICES
(Joint Use/Indirect Cost)**

PURPOSE

Approval to exercise option year 3 for protective services contract in the amount of \$5,352,000.00.

CONTRACTOR/SUB/VENDOR INFORMATION

| | | | |
|---|-----------------------------|---|------------------------------|
| PRIME: Allied Barton Security Services 2034 Eisenhower Avenue, Suite 140 Alexandria, VA 22314 | PARTICIPATION: 0% | SUBS: Security Assurance Management 910 17 th Street, NW, Suite 220 Washington, DC 20006 LSBE | PARTICIPATION: 35% |
|---|-----------------------------|---|------------------------------|

DESCRIPTION AND PURPOSE

| Actions | Value | Period |
|-------------------------------------|-----------------|------------------------|
| Original Contract Value: | \$4,934,348.12 | 12/16/12 – 12/15/13 |
| Number of Option Years: 4 | | |
| Modification | \$441,502.47 | 12/16/13 – 1/15/14 |
| Option Year 1 | \$5,058,299.72 | 1/16/14 – 12/15/14 |
| Option Year 2 | \$4,852,254.74 | 12/16/14 – 12/15/15 |
| Cumulative Contract Value | \$15,286,405.05 | 12/16/2012 -12/15/2015 |
| Cumulative Contract Spend | \$12,171,984.10 | 12/16/12 – 11/4/15 |
| NEW ACTION: | | |
| Option Year 3 | \$5,352,000.00 | 12/16/15 – 12/15/16 |
| New Cumulative Contract Value Total | \$20,638,405.05 | |

Purpose of the Contract:

This contract will provide highly trained and reliable commissioned Special Police Officers (SPOs) to safeguard DC Water's property and personnel, to prevent and deter unauthorized access or removal of property and to assist DC Water in all other security related matters.

Contractor's Past Performance:

The contractor's past performance has been satisfactory.

PROCUREMENT INFORMATION

| | | | |
|---------------------------|---|-------------------------|---------------------|
| Contract Type: | Fixed Price | Award Based On: | Highest Ranked Firm |
| Commodity: | Goods and Services | Contract Number: | WAS-12-063-AA-RA |
| Contractor Market: | Open Market with preference for certified firms | | |

BUDGET INFORMATION

| | | | |
|----------------------|-----------|-------------------------|----------------|
| Funding: | Operating | Department: | Security |
| Service Area: | Security | Department Head: | Steve Caldwell |

ESTIMATED USER SHARE INFORMATION

| User | Share % | Dollar Amount |
|---|----------------|-----------------------|
| District of Columbia | 84.40% | \$4,517,088.00 |
| Washington Suburban Sanitary Commission | 11.41% | \$610,663.20 |
| Fairfax County | 2.87% | \$153,602.40 |
| Loudoun County | 1.16% | \$62,083.20 |
| Other Potomac Interceptor | 0.16% | \$8,563.20 |
| TOTAL ESTIMATED DOLLAR AMOUNT | 100.00% | \$5,352,000.00 |

 11/10/15
 Dan Bae Date
 Director of Procurement

 11/10/2015
 Gail Alexander-Reeves Date
 Director of Budget

 11/10/2015
 Rosalind Inge Date
 Assistant General Manager, Support Services

 11/20/2015
 George S. Hawkins Date
 General Manager

Presented and Adopted: December 3, 2015

**SUBJECT: Approval to Execute a Modification to Contract No.
GS11T088JD6001, Verizon**

**#15-98
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 December 3, 2015 upon consideration of a joint use matter, decided by a vote of __() in favor and __() opposed to execute a Modification to Contract No. GS11T088JD6001, Verizon.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute a Modification to Contract No. GS11T088JD6001, Verizon. The purpose of the option is to provide telecommunication services that includes SCADA, SCADA Frame Relay, SCADA ELAN (TLS) Data Network Circuits, Analog Lines, and Local Telephone Service throughout the Authority. The modification amount is \$780,150.

This Resolution is effective immediately.

Secretary to the Board of Directors

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

ACTION REQUESTED

**GOODS AND SERVICES CONTRACT MODIFICATION
TELECOMMUNICATION SERVICES
(JOINT-USE)**

PURPOSE

Approval to execute a modification to add funding to the contract for telecommunications services in the amount of \$780,150.

CONTRACTOR/SUB/VENDOR INFORMATION

| | | | |
|--|-----------------------------|--------------|-----------------------|
| PRIME: Verizon 22001 Loudoun County Parkway Ashburn, Virginia 20147 | PARTICIPATION: 0% | SUBS: | PARTICIPATION: |
|--|-----------------------------|--------------|-----------------------|

CONTRACT ACTIONS

| Actions | Value | Period |
|-------------------------------------|-----------------|---------------------|
| Original Contract | \$ 376,446.00 | 11/08/07 - 11/07/08 |
| Contract Modifications (#1 – #5) | \$ 6,397,812.82 | 11/08/08 - 11/07/13 |
| Contract Modifications (#6 - #8) | \$ 2,445,696.00 | 11/08/13 - 11/07/15 |
| Contract Modification (#9) | \$ 500,000.00 | 11/08/15 - 12/15/15 |
| Cumulative Contract Value | \$ 9,719,954.82 | 11/08/07 - 12/15/15 |
| Cumulative Contract Spend | \$ 6,991,029.11 | 11/08/07 - 10/31/15 |
| NEW ACTIONS: | | |
| Contract Modification | \$ 780,150.00 | 12/16/15 – 11/07/16 |
| New Cumulative Contract Value Total | \$10,500,104.82 | |

Purpose of the Contract:

To provide telecommunication services that includes SCADA, SCADA Frame Relay, SCADA ELAN (TLS) Data Network Circuits, Analog Lines, and Local Telephone Service throughout the Authority.

Contractor's Past Performance:

The contractor's past performance has been satisfactory.

Note: No LSBE participation for this contract.

PROCUREMENT INFORMATION

| | | | |
|---------------------------|----------------------------|-------------------------|----------------|
| Contract Type: | Fixed Price | Award Based On: | Not Applicable |
| Commodity: | Telecommunication Services | Contract Number: | GS11T08BJD6001 |
| Contractor Market: | GSA Schedule | | |

BUDGET INFORMATION

| | | | |
|----------------------|---------------|-------------------------|------------------------|
| Funding: | Operating | Department: | Information Technology |
| Service Area: | DC Water Wide | Department Head: | Thomas Kuczynski |

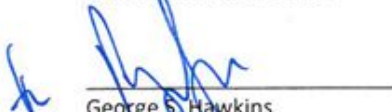
ESTIMATED USER SHARE INFORMATION

| User | Share % | Dollar Amount |
|---|----------------|----------------------|
| District of Columbia | 84.40% | \$ 658,446.60 |
| Washington Suburban Sanitary Commission | 11.41% | \$ 89,015.12 |
| Fairfax County | 2.87% | \$ 22,390.30 |
| Loudoun County | 1.16% | \$ 9,049.74 |
| Potomac Interceptor | 0.16% | \$ 1,248.24 |
| Total Estimated Dollar Amount | 100.00% | \$ 780,150.00 |

 11/5/15
 Dan Bae Date
 Director of Procurement

 11/5/15
 Gail Alexander-Reeves Date
 Director of Budget

 11/13/15
 Thomas Kuczynski Date
 Chief Information Officer

 11/20/15
 George S. Hawkins Date
 General Manager

Presented and Adopted: December 3, 2015

**SUBJECT: Approval to Execute a Contract No. 15-PR-DMS-45,
Lakeside Equipment Company**

**#15-99
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 December 3, 2015 upon consideration of a joint use matter, decided by a vote of ___() in favor and ___() opposed to execute Contract No. 15-PR-DMS-45, Lakeside Equipment Company.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Contract No. 15-PR-DMS-45, Lakeside Equipment Company. The purpose of the contract is for the fabrication, delivery and installation oversight for the replacement of sixteen (16) grit classifiers in the East and West Headworks Buildings. The current classifiers that are failing or have become inoperative. The contract amount is \$1,126,055.

This Resolution is effective immediately.

Secretary to the Board of Directors

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

ACTION REQUESTED

GOODS AND SERVICES CONTRACT:

REPLACE GRIT CLASSIFIERS

(Joint Use)

Approval to execute a contract to fabricate, deliver and provide installation oversight to replace sixteen (16) grit classifiers in the amount of \$1,126,055.00.

CONTRACTOR/SUB/VENDOR INFORMATION

| | | |
|--|---------------------|------------------------------|
| PRIME: Lakeside Equipment Company 1022 Devon Avenue Bartlett, Illinois 60103 | SUBS: N/A | PARTICIPATION: 0 % |
|--|---------------------|------------------------------|

DESCRIPTION AND PURPOSE

| | |
|---|-------------------------------|
| Base Year Contract Value: | \$1,126,055.00 |
| Contract Base Period: | 12 months |
| Number of Option Years in Contract: | 0 |
| Anticipated Contract Start Date: | December 1, 2015 |
| Anticipated Contract Completion Date: | November 30, 2016 |
| Proposal Closing Date: | August 17, 2015 |
| Proposals Received: | 3 |
| Preference Discount Received | \$0 |
| Unit Cost for per classifier: | \$62,046.66 - \$70,130.00 |
| Quantity for 16 classifiers and installation oversight: | \$999,750.08 - \$1,126,055.00 |

Purpose of the Contract:

To contract for the fabrication, delivery and installation oversight for the replacement of sixteen (16) grit classifiers in the East and West Headworks Buildings. The current classifiers that are failing or have become inoperative.

Contract Scope:

To provide structurally modified grit classifiers capable of meeting exacting specifications that are highly reliable and complies with the environmental and permitting regulations.

The procurement method used was a Request for Proposal (RFP), providing for award to be based on the proposal most advantageous to DC Water. The names of the other firms submitting proposals are as follows:

Proposals Received:

| | |
|----------------------------|----------------------------|
| Smith/Loveless, Inc | \$62,739.00 Per Classifier |
| SPIRAC, Inc. | \$62,046.66 Per Classifier |
| Lakeside Equipment Company | \$70,130.00 Per Classifier |

Despite the higher price, Lakeside Equipment Company's proposal best met DC Water requirements and best addressed the corrective measures to prevent premature failures and undesirable maintenance issues experienced with the current classifiers.

Note: No LSBE participation for this contract.

PROCUREMENT INFORMATION


| | | | |
|---------------------------|------------------------------------|-------------------------|--------------|
| Contract Type: | Goods and Services | Award Based On: | Best Value |
| Commodity: | Grit Classifiers | Contract Number: | 15-PR-DMS-45 |
| Contractor Market: | Open Market with Preference Points | | |


BUDGET INFORMATION

| | | | |
|----------------------|-------------------|-------------------------|----------------------|
| Funding: | Capital Equipment | Department: | Maintenance Services |
| Service Area: | Blue Plains AWTP | Department Head: | Anthony Mack |
| Activity: | EQP4830EP6 | | |

ESTIMATED USER SHARE INFORMATION

| User | Share % | Dollar Amount |
|---|----------------|-----------------------|
| District of Columbia | 41.93% | \$472,154.86 |
| Washington Suburban Sanitary Commission | 44.19% | \$497,603.70 |
| Fairfax County | 9.33% | \$105,060.93 |
| Loudoun County | 3.91% | \$44,028.75 |
| Other (Potomac Interceptor) | 0.64% | \$7,206.75 |
| TOTAL ESTIMATED DOLLAR AMOUNT | 100.00% | \$1,126,055.00 |

 11/6/15
 Dan Bae Date
 Director of Procurement

 11/9/15
 Gail Alexander-Reeves Date
 Director of Budget

 11/10/15
 Aklile Tesfaye Date
 Assistant General Manager
 Blue Plains

 11/20/15
 George S. Hawkins Date
 General Manager

Presented and Adopted: December 3, 2015

SUBJECT: Approval to Execute an Extension of Option Year Four of Contract No. WAS-10-047-AA-JH, Alpine Trading Company, Inc.

**#15-100
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 December 3, 2015 upon consideration of a joint use matter, decided by a vote of ___() in favor and ___() opposed to execute an Extension of Option Year Four of Contract No. WAS-10-047-AA-JH, Alpine Trading Company, Inc.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute an Extension of Option Year Four of Contract No. WAS-10-047-AA-JH, Alpine Trading Company, Inc. The purpose of the extension is to continue supplying uniforms and other work clothing to the District of Columbia Water and Sewer Authority's (DC Water) employees Authority wide. The contract extension amount is \$600,000.

This Resolution is effective immediately.

Secretary to the Board of Directors

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

ACTION REQUESTED

**GOODS AND SERVICES CONTRACT OPTION
WORK UNIFORMS AND MISCELLANEOUS WORK CLOTHING
(JOINT-USE/INDIRECT COST)**

PURPOSE

Approval to execute an extension of option year four (4) for work uniforms and miscellaneous work clothing in the amount of \$600,000.00.

CONTRACTOR/SUB/VENDOR INFORMATION

| | | | |
|---|---------------------------------|--------------------------|---------------------------------|
| PRIME: Alpine Trading Company, Inc. 400 Overpeck Avenue Englewood, New Jersey 07631 | PARTICIPATION: 0% | SUBS: None | PARTICIPATION: 0% |
|---|---------------------------------|--------------------------|---------------------------------|

DESCRIPTION AND PURPOSE

| Actions | Value | Period |
|-------------------------------------|----------------|---------------------|
| Original Contract | \$575,514.10 | 11/12/10 – 11/11/11 |
| Number of Option Years: 4 | | |
| Option Years 1 and 2 | \$852,125.00 | 11/12/11 – 12/11/13 |
| Option Years 3 and 4 | \$969,480.00 | 12/12/13 – 12/11/15 |
| Contract Modification 1 | \$37,500.00 | 11/12/11 – 12/11/11 |
| Contract Modification 2 | \$300,000.00 | 10/01/15 – 12/11/15 |
| | | |
| Cumulative Contract Value | \$2,734,619.10 | 11/12/10 – 12/11/15 |
| Cumulative Contract Spend | \$2,396,191.59 | 11/12/10 – 09/30/15 |
| | | |
| NEW ACTION: | | |
| Option Year 4 Extension | \$600,000.00 | 12/12/15 – 04/30/16 |
| New Cumulative Contract Value Total | \$3,334,619.10 | |

Purpose of the Contract:

To supply uniforms and other work clothing to the District of Columbia Water & Sewer Authority's (DC Water) employees Authority wide.

Contractor's Past Performance:

The contractor's past performance has been satisfactory.

Note:

No LSBE participation for this contract.

PROCUREMENT INFORMATION


| | | | |
|---------------------------|---|-------------------------|----------------------|
| Contract Type: | Fixed Unit Price Requirements Contract | Award Based On: | Highest Score Vendor |
| Commodity: | Goods and Services | Contract Number: | WAS-10-047-AA-JH |
| Contractor Market: | Open Market with LBE/LSBE Preference Points | | |

BUDGET INFORMATION

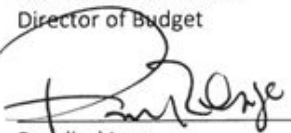
| | | | |
|----------------------|----------------|-------------------------|---------------------------|
| Funding: | Operating | Department: | Department of Procurement |
| Service Area: | Authority-wide | Department Head: | Dan Bae |

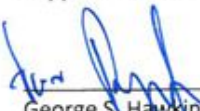
ESTIMATED USER SHARE INFORMATION

| User | Share % | Dollar Amount |
|---|----------------|----------------------|
| District of Columbia | 84.40% | \$ 506,400.00 |
| Washington Suburban Sanitary Commission | 11.41% | \$ 68,460.00 |
| Fairfax County | 2.87% | \$ 17,220.00 |
| Loudoun County | 1.16% | \$ 6,960.00 |
| Other Potomac Interceptor | 0.16% | \$ 960.00 |
| Total Estimated Dollar Amount | 100.00% | \$ 600,000.00 |


 Dan Bae
 Director of Procurement
 Date: 11/5/15


 Gail Alexander-Reeves
 Director of Budget
 Date: 11/9/15


 Rosalind Inge
 Assistant General Manager
 Support Services
 Date: 11/10/2015


 George S. Hawkins
 General Manager
 Date: 11/20/15

Presented and Adopted: December 3, 2015

**SUBJECT: Approval to Execute Contract No. 150120, Compliance
EnviroSystems, LLC**

**#15-101
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 December 3, 2015 upon consideration of a joint use matter, decided by a vote of ___() in favor and ___() opposed to execute Contract No. 150120, Compliance EnviroSystems, LLC.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Contract No. 150120, Compliance EnviroSystems, LLC. The purpose of the contract is to clean and inspect the Upper Potomac Interceptor Relief Sewer (UPIRS) adjacent to the John F. Kennedy Center for the Performing Arts (Kennedy Center), etc. The contract amount is \$4,398,682.

This Resolution is effective immediately.

Secretary to the Board of Directors

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

ACTION REQUESTED

CONSTRUCTION CONTRACT: 150120

**Cleaning and Inspection of the Upper Potomac Interceptor Relief Sewer
(Joint Use)**

Approval to execute a construction contract for \$4,398,682.00

CONTRACTOR/SUB/VENDOR INFORMATION

| PRIME: | SUBS: | PARTICIPATION: |
|---|---|-----------------------|
| Compliance EnviroSystems, LLC 1401 Seaboard Drive Baton Rouge, LA 70810 | Doetsh Environmental Services Warren, MI | 47.7% |
| | Savin Engineers, PC Washington, DC | 21.2% |
| | Appex Petroleum Upper Marlboro, MD | 11.0% |
| | Bulldog Dist. Trucking Silver Spring, MD | 2.2% |
| | R&R Contracting Baltimore, MD | 8.8% |

DESCRIPTION AND PURPOSE

| | |
|--|-----------------------------|
| Contract Value, Not-To-Exceed: | \$4,398,682.00 |
| Contract Time: | 108 Days (0 Year, 4 months) |
| Anticipated Contract Start Date (NTP): | 12-14-2015 |
| Anticipated Contract Completion Date: | 03-31-2016 |
| Bid Opening Date: | 10-14-2015 |
| Bids Received: | 3 |
| Other Bids Received | |
| Pipe and Plant Solution, Inc. | \$ 4,797,200.00 |
| National Water Main Cleaning Co. | \$ 7,992,600.00 |

Purpose of the Contract:

- Clean and inspect the Upper Potomac Interceptor Relief Sewer (UPIRS) adjacent to the John F. Kennedy Center for the Performing Arts (Kennedy Center), using specialized heavy cleaning equipment and combined CCT/sonar recording and sonar inspection techniques.
- The sediment deposit buildup between MH 35 and MH 37a of the UPIRS contributed to the April and May 2014 overflow at the National Crescent Trail. Timely cleaning of this portion of the UPIRS will minimize the risk of future overflows.
- Due to an on-going Kennedy Center expansion project at this location, DC Water must complete this cleaning work no later than March 31, 2016. Failure to meet that completion date could delay the cleaning project for several years and thereby place the Crescent Trail at significant risk.

Presented and Adopted: December 3, 2015

SUBJECT: Approval of Proposed Revisions to “Blue Horizon 2020 Strategic Plan”

**#15-102
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY**

The Board of Directors (“Board”) of the District of Columbia Water and Sewer Authority (“the Authority” or “DC Water”), at its meeting on December 3, 2015, decided by a vote of ___() in favor and ___() opposed to take the following action.

WHEREAS, the services provided by DC Water are essential and central to assuring a sustained vitality for the Washington, D.C. metro area; and

WHEREAS, the operations, management, finance, and governance of DC Water, like many water-sector utilities, are directly impacted by global, national, and local trends and challenges; and

WHEREAS, some of the more significant trends and challenges include: meeting future demands, more stringent regulatory requirements, aging infrastructure, changes in residential consumption patterns and workforce issues; and

WHEREAS, this convergence of issues has been characterized by increases in operational and capital costs, reductions in revenue, rising rates and customer affordability issues, all of which, if not properly addressed, could result in an unsustainable financial model; and

WHEREAS, the DC Water Board adopted the Blue Horizon 2020 Strategic Plan on March 7, 2013 to set a course of action for the future and to achieve DC Water’s mission; and

WHEREAS, during the period of March 7, 2013 through December 3, 2015, DC Water developed and implemented initiatives in furtherance of the Board’s strategic goals and objectives; and

WHEREAS, annually, the Board evaluates the Blue Horizon 2020 Strategic Plan to ensure the Plan continues to establish strategic goals aligned with DC Water's mission and is responsive to industry trends, regulatory mandates, operational and ratepayer priorities; and

WHEREAS, the Strategic Planning Committee of the Board, at its regularly scheduled meeting on July 16, 2015, recommended the adoption of revisions proposed to the Blue Horizon 2020 Strategic Plan by the General Manager to the Board; and

WHEREAS, the proposed revisions to the Strategic Plan include: Updated Goals and Objectives.

NOW THEREFORE BE IT RESOLVED THAT:

1. The Board hereby approves the revised Blue Horizon 2020 Strategic Plan for the District of Columbia Water and Sewer Authority Board of Directors as set forth in the attachments to this resolution.
2. The Board directs the General Manager to develop and implement initiatives that will ensure the accomplishment of the Board's objectives.
3. The Board directs the General Manager to develop mechanisms for reporting on the progress and achievement of the Board's strategic objectives.
4. This resolution is effective immediately.

Secretary to the Board of Directors



BLUE HORIZON 2020 STRATEGIC PLAN

Proposed Revisions





DC Water's Strategic Direction

Vision

To be a world-class utility

Values

Respect, Ethics, Vigilance and Accountability

Mission

Exceed expectations by providing high quality water services in a safe, environmentally friendly, and efficient manner



LEADERSHIP



VALUE



INNOVATION



Committee Assignments

Adopted in 2013

| GOAL | | COMMITTEE | GOAL CHAMPION |
|------|---|---|----------------|
| 1 | Develop, Maintain and Recruit a High Performing Workforce | Human Resources/Labor Relations | Rosalind Inge |
| 2 | Collaborate Locally, Regionally, and Nationally | Governance | John Lisle |
| 3 | Increase Board Focus on Strategic Direction | Strategic Planning | Randy Hayman |
| 4 | Enhance Customer/Stakeholder Confidence, Communications, and Perception | DC Retail and Sewer Rates | Charlie Kiely |
| 5 | Assure Financial Sustainability and Integrity | Finance and Budget | Mark Kim |
| 6 | Assure Safety and Security | Water Quality and Water Services | Aklile Tesfaye |
| 7 | Consider DC Water Role in Drinking Water Treatment | Water Quality and Water Services | Charlie Kiely |
| 8 | Optimally Manage Infrastructure | Environmental Quality and Sewerage Services | Len Benson |
| 9 | Enhance Operating Excellence Through Innovation, Sustainability, and Adoption of Best Practices | Audit | Biju George |



Committee Assignments

Revised

| GOAL | | COMMITTEE | GOAL CHAMPION |
|------|---|--|----------------|
| 1 | Develop, Maintain and Recruit a High Performing Workforce | Human Resources/Labor Relations | Rosalind Inge |
| 2 | Collaborate Locally, Regionally, and Nationally | Governance | John Lisle |
| 3 | Increase Board Focus on Strategic Direction | Strategic Planning | Randy Hayman |
| 4 | Enhance Customer/Stakeholder Confidence, Communications, and Perception | Water Quality and Water Services | Charlie Kiely |
| 5 | Assure Financial Sustainability and Integrity | Finance and Budget/DC Retail Water and Sewer Rates | Mark Kim |
| 6 | Assure Safety and Security | Human Resources/Labor Relations | Aklile Tesfaye |
| 7 | Consider DC Water Role in Drinking Water Treatment | Water Quality and Water Services | Charlie Kiely |
| 8 | Optimally Manage Infrastructure | Environmental Quality and Sewerage Services | Len Benson |
| 9 | Enhance Operating Excellence Through Innovation, Sustainability, and Adoption of Best Practices | Audit | Biju George |



Blue Horizon 2020

Proposed Revisions



Goal 1

Adopted in 2013

- **Goal**
 - Develop, Maintain and Recruit a High Performing Workforce
- **Objectives**
 - Improve employee and internal customer satisfaction levels
 - Achieve 100% of employees with required certifications and/or licenses by 2015
 - Increase workforce productivity using a composite measure

Proposed Revisions

- **Goal**
 - **Recruit, Develop, Train and Retain** a High Performing Workforce
- **Objectives**
 - Improve employee and internal customer satisfaction levels
 - **Maintain all** regulatory licenses and certifications as required by assigned job positions
 - Increase workforce productivity
 - **Implement organizational succession planning**
 - **Enhance employee performance management**
 - **Reward employee performance and contributions**



Goal 2

Adopted in 2013

- **Goal**
 - Collaborate Locally, Regionally, and Nationally
- **Objectives**
 - Achieve efficiencies through increased collaboration
 - Positively influence laws, policies, and regulations through collaborations

Proposed Revisions

- **Goal**
 - Collaborate Locally, Regionally, Nationally, **and Internationally**
- **Objectives**
 - **Increase DC Water’s collaboration and visibility locally, regionally, nationally, and internationally**
 - Positively influence laws, policies, and regulations through collaborations
 - **Collaborate with DC Water contractors to increase local hiring**



Goal 3

Adopted in 2013

- **Goal**
 - Increase Board Focus on Strategic Direction
- **Objectives**
 - Board and committee structure, frequency of meetings, and agendas are focused on the strategic plan
 - On-time implementation of Initiatives
 - Demonstrated progress on the objectives

Proposed Revisions

- **Goal**
 - Increase Board Focus on Strategic Direction
- **Objectives**
 - **Ensure the** Board and committees are fully informed about the strategic plan
 - On-time implementation of **objectives and** initiatives



Goal 4

Adopted in 2013

- **Goal**
 - Enhance Customer/Stakeholder Confidence, Communications, and Perception
- **Objectives**
 - Increase customer satisfaction
 - Improve stakeholder understanding and support of key issues facing DC Water

Proposed Revisions

- **Goal**
 - Enhance Customer **and Public** Confidence, Communications, and Perception
- **Objectives**
 - Increase customer satisfaction
 - Improve **public** understanding and support of DC Water



Goal 5

Adopted in 2013

- **Goal**
 - Assure Financial Sustainability and Integrity
- **Objectives**
 - Develop alternative revenue sources and achieve realistic revenue projections
 - Meet capital finance objectives as set by the Board
 - Meet affordability targets as set by the Board
 - Achieve high stakeholder confidence in financial procedures and results as measured by a stakeholder survey

Proposed Revisions

- **Goal**
 - Promote Financial Sustainability, Integrity and Responsible Resource Allocation
- **Objectives**
 - Achieve treasury, debt and risk management objectives
 - Achieve an affordable and fair rate structure
 - Ensure robust internal controls at DC Water
 - Ensure timely preparation, adoption and administration of DC Water's operating and capital budgets
 - Ensure integrity of DC Water's Financial Systems



Goal 6

Adopted in 2013

- **Goal**
 - Assure Safety and Security
- **Objectives**
 - Achieve consistent improvement on a composite of national safety indices annually
 - Successfully implement appropriate recommendations of the vulnerability assessment
 - Implement improvements to the safety program

No Proposed Revisions



Goal 7

Adopted in 2013

- **Goal**
 - Consider DC Water Role in Drinking Water Treatment
- **Objectives**
 - Determine by the end of fiscal year 2014 whether DC Water should take responsibility for drinking water treatment
 - Achieve consistent taste and odor quality in drinking water

Proposed Revisions

- **Goal**
 - Optimize Water Quality Treatment, Compliance and Efficiency
- **Objectives**
 - Optimize DC Water's role in drinking water treatment
 - Achieve distribution system optimization to enhance water quality
 - Ensure compliance with sewer and water systems permits and regulations
 - Advance innovation in drinking water and wastewater treatment processes



Goal 8

Adopted in 2013

- **Goal**
 - Optimally Manage Infrastructure
- **Objectives**
 - Replace and/or rehabilitate at least 1% of linear infrastructure annually
 - Reduce impact of infiltration & inflow and critical infrastructure failures
 - Optimize the ratio of preventive versus corrective maintenance
 - Improve cost effectiveness of infrastructure repair and replacement

No Proposed Revisions



Goal 9

Adopted in 2013

- **Goal**
 - Enhance Operating Excellence Through Innovation, Sustainability, and Adoption of Best Practices
- **Objectives**
 - Measure and evaluate specific indices of efficiency
 - Increase adoption of sustainability processes and programs
 - Achieve top quartile performance against peer group benchmarks
 - Receive external recognition for operating excellence and innovation

Proposed Revisions

- **Goal**
 - Enhance Operating Excellence Through Innovation, Sustainability, and Adoption of Best Practices
- **Objectives**
 - **Develop**, measure and evaluate specific indices of efficiency
 - **Achieve top quartile asset management performance against benchmarks**
 - Increase adoption of sustainability processes and programs
 - **Increase adoption of innovative processes and programs**
 - **Develop alternative revenue sources**

Presented and Adopted: December 3, 2015

SUBJECT: Approval of Fiscal Year 2016 - 2025 Ten-Year Financial Plan

**#15-103
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 held on December 3, 2015 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 2016 - 2025 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 and 13-57, has 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, the General Manager has prepared a ten-year financial plan in conjunction with the proposed FY 2017 operating and capital budgets; and

WHEREAS, the ten-year financial plan is based on assumptions detailed in the proposed Fiscal Year 2017 Operating and Capital Budgets; and

WHEREAS, the ten-year financial plan is consistent with projections appearing in the attached Schedules A, B and C of this resolution; and

WHEREAS, on November 17, 2015 and November 20, 2015, the DC Retail Water and Sewer Rates Committee and the Finance and Budget Committee, respectively, met, reviewed and recommended that the Board adopt the 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 2016 - 2025 Financial Plan that is supported by the attached Schedules A, B and C and the proposed Fiscal Year 2017 Operating and Capital Budgets.

This resolution is effective immediately.

Secretary to the Board of Directors

Schedule A

District of Columbia Water & Sewer Authority
FY 2016 - FY 2025 Financial Plan
(In 000's)

| OPERATING | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 |
|--|--------------------|--------------------|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <i>Retail*</i> | 469,504 | 480,278 | 506,124 | 532,993 | 561,367 | 590,311 | 616,271 | 640,056 | 663,883 | 687,688 |
| <i>Wholesale*</i> | 79,458 | 79,946 | 82,344 | 84,814 | 87,359 | 89,979 | 92,679 | 95,459 | 98,323 | 101,273 |
| <i>Other</i> | 31,553 | 32,580 | 30,217 | 32,107 | 33,398 | 37,087 | 39,695 | 40,220 | 40,571 | 41,405 |
| <i>RSF</i> | - | - | - | - | - | - | - | - | - | - |
| Operating Receipts (1) | \$ 580,514 | \$ 592,803 | \$ 618,685 | \$ 649,914 | \$ 682,123 | \$ 717,378 | \$ 748,644 | \$ 775,735 | \$ 802,777 | \$ 830,366 |
| Operating Expenses | (324,202) | (320,531) | (329,834) | (342,414) | (352,367) | (362,616) | (373,168) | (384,034) | (395,223) | (406,743) |
| Debt Service | (157,640) | (169,346) | (188,374) | \$ (204,397) | \$ (222,365) | \$ (240,841) | \$ (250,777) | \$ (258,414) | \$ (265,823) | \$ (273,229) |
| Cash Financed Capital Improvement (CFCI) | \$ (23,475) | \$ (24,014) | \$ (25,306) | \$ (26,650) | \$ (28,068) | \$ (29,516) | \$ (30,814) | \$ (32,003) | \$ (33,194) | \$ (34,384) |
| Net Revenues After Debt Service | \$ 75,197 | \$ 78,912 | \$ 75,170 | \$ 76,454 | \$ 79,323 | \$ 84,405 | \$ 93,886 | \$ 101,284 | \$ 108,536 | \$ 116,010 |
| Operating Reserve-Beg Balance | 160,055 | 140,000 | 140,000 | 140,000 | 140,000 | 140,000 | 140,000 | 140,000 | 140,000 | 140,000 |
| Other Misc (Disbursements)/Receipts | | | | | | | | | | |
| Wholesale/Federal True Up | (17,179) | (24,201) | (4,752) | - | - | - | - | - | - | - |
| Customer Rebate | - | - | - | - | - | - | - | - | - | - |
| Transfers To RSF | (19,000) | - | (9,000) | (5,000) | (5,000) | (4,000) | (7,000) | (9,000) | (19,000) | (12,000) |
| Transfers To DC PILOT Fund | - | - | - | - | - | - | - | - | - | - |
| Pay-Go Financing | (59,073) | (54,711) | (61,419) | (71,454) | (74,323) | (80,405) | (86,886) | (92,284) | (89,536) | (102,194) |
| Operating Reserve - Ending Balance | \$ 140,000 | \$ 140,000 | \$ 140,000 | \$ 140,000 | \$ 140,000 | \$ 140,000 | \$ 140,000 | \$ 140,000 | \$ 140,000 | \$ 141,816 |
| Rate Stabilization Fund Balance RSF (2) | \$ (51,450) | \$ (51,450) | \$ (60,450) | \$ (65,450) | \$ (70,450) | \$ (74,450) | \$ (81,450) | \$ (90,450) | \$ (109,450) | \$ (121,450) |
| Senior Debt Service Coverage | 462% | 430% | 406% | 442% | 460% | 452% | 473% | 470% | 551% | 582% |
| Combined Debt Service Coverage | 153% | 159% | 157% | 159% | 156% | 155% | 156% | 157% | 155% | 159% |
| Actual/Projected Water/Sewer Rate Increases | 6.5% | 5.0% | 5.0% | 5.0% | 5.0% | 5.0% | 5.0% | 5.0% | 5.0% | 5.0% |
| *Operating Receipts \$ Increase/Decrease | | | | | | | | | | |
| Retail | 65,394 | 10,774 | 25,846 | 26,869 | 28,374 | 28,944 | 25,960 | 23,785 | 23,827 | 23,806 |
| Wholesale | (1,772) | 488 | 2,398 | 2,470 | 2,544 | 2,621 | 2,699 | 2,780 | 2,864 | 2,950 |
| *Operating Receipts % Increase/Decrease | | | | | | | | | | |
| Retail | 16.2% | 2.3% | 5.4% | 5.3% | 5.3% | 5.2% | 4.4% | 3.9% | 3.7% | 3.6% |
| Wholesale | -2.2% | 0.6% | 3.0% | 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 2016 planned transfer of \$19.0 million to Rate Stabilization Fund will bring the total fund balance to \$51.45 million

Schedule B

**District of Columbia Water & Sewer Authority
FY 2016 - FY 2025 Average Residential Customer Monthly Bill**

| | Units | Current FY 2016 | Proposed FY 2017 | Proposed FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 |
|--|-------|--------------------|---------------------|---------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| DC Water and Sewer Retail Rates ⁽¹⁾ | Ccf | \$ 59.12 | \$ 62.04 | \$ 65.16 | \$ 68.41 | \$ 71.86 | \$ 75.45 | \$ 79.26 | \$ 83.28 | \$ 87.43 | \$ 91.80 |
| DC Water Clean Rivers IAC | ERU | 20.30 | 22.24 | 25.18 | 28.19 | 31.43 | 34.67 | 37.16 | 39.06 | 40.84 | 42.49 |
| DC Water Customer Metering Fee | 5/8" | 3.86 | 3.86 | 3.86 | 3.86 | 3.86 | 3.86 | 3.86 | 3.86 | 3.86 | 3.86 |
| DC Water Water System Replacement Fee ⁽³⁾ | 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 | | \$ 89.58 | \$ 94.44 | \$ 100.50 | \$ 106.76 | \$ 113.45 | \$ 120.28 | \$ 126.58 | \$ 132.50 | \$ 138.43 | \$ 144.45 |
| Increase / Decrease | | \$ 11.30 | \$ 4.86 | \$ 6.06 | \$ 6.26 | \$ 6.69 | \$ 6.83 | \$ 6.30 | \$ 5.92 | \$ 5.93 | \$ 6.02 |
| District of Columbia PILOT ⁽¹⁾ | Ccf | \$ 3.14 | \$ 3.21 | \$ 3.28 | \$ 3.35 | \$ 3.41 | \$ 3.48 | \$ 3.55 | \$ 3.61 | \$ 3.68 | \$ 3.75 |
| District of Columbia Right-of-Way Fee ⁽¹⁾ | Ccf | 1.14 | 1.14 | 1.20 | 1.20 | 1.20 | 1.20 | 1.20 | 1.20 | 1.27 | 1.27 |
| District of Columbia Stormwater Fee ⁽²⁾ | 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 | | \$ 6.95 | \$ 7.02 | \$ 7.15 | \$ 7.22 | \$ 7.28 | \$ 7.35 | \$ 7.42 | \$ 7.48 | \$ 7.62 | \$ 7.69 |
| Total Amount Appearing on DC Water Bill | | \$ 96.53 | \$ 101.46 | \$ 107.65 | \$ 113.98 | \$ 120.73 | \$ 127.63 | \$ 134.00 | \$ 139.98 | \$ 146.05 | \$ 152.14 |
| Increase / Decrease Over Prior Year | | \$ 11.36 | \$ 4.93 | \$ 6.19 | \$ 6.33 | \$ 6.75 | \$ 6.90 | \$ 6.37 | \$ 5.98 | \$ 6.07 | \$ 6.09 |
| Percent Increase in Total Bill | | 13.3% | 5.1% | 6.1% | 5.9% | 5.9% | 5.7% | 5.0% | 4.5% | 4.3% | 4.2% |

(1) Assumes average monthly consumption of 6.69 Ccf, or (5,004 gallons)

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

(3) DC Water "Water System Replacement Fee" of \$6.30 effective October 1, 2015

***District of Columbia Water & Sewer Authority
Retail Rates, Charges and Fees***

| | Units | Current FY 2016 | Proposed FY 2017 | Proposed FY 2018 |
|--|-------|--------------------|---------------------|---------------------|
| DC Water Retail Rates Water (Residential Lifeline 0 - 4 Ccf) | Ccf | \$ 3.08 | \$ 3.23 | \$ 3.39 |
| DC Water Retail Rates Water (Residential > 4 Ccf) | Ccf | \$ 3.87 | \$ 4.06 | \$ 4.26 |
| DC Water Retail Rates Water (Multi-Family) | Ccf | \$ 3.45 | \$ 3.62 | \$ 3.80 |
| DC Water Retail Rates Water (Non-Residential) | Ccf | \$ 3.99 | \$ 4.19 | \$ 4.40 |
| DC Water Retail Rates Sewer | Ccf | \$ 5.44 | \$ 5.71 | \$ 6.00 |
| DC Water Clean Rivers IAC | ERU | \$ 20.30 | \$ 22.24 | \$ 25.18 |
| DC Water Customer Metering Fee | 5/8" | \$ 3.86 | \$ 3.86 | \$ 3.86 |
| DC Water Water System Replacement Fee | 5/8" | \$ 6.30 | \$ 6.30 | \$ 6.30 |
| District of Columbia PILOT Fee | Ccf | \$ 0.47 | \$ 0.48 | \$ 0.49 |
| District of Columbia Right of Way Fee | Ccf | \$ 0.17 | \$ 0.17 | \$ 0.18 |
| District of Columbia Stormwater Fee | ERU | \$ 2.67 | \$ 2.67 | \$ 2.67 |

Presented and Adopted: December 3, 2015
Subject: Approval of Proposed Fiscal Year 2016 - 2025 Capital Improvement Program

#15-104
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 December 3, 2015, 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 2016 - 2025 Capital Improvement Program (10-Year Disbursement Plan and Lifetime Budget).

WHEREAS, the Board's financial policies require an annually updated 10-Year Financial Plan, which includes a 10-Year Capital Disbursement Plan; and

WHEREAS, at the budget workshop on November 5, 2015, the Chief Financial Officer, Chief Operating Officer, and Chief Engineer, briefed Board members on the Proposed 10-Year Disbursement Plan totaling \$3,660,600,000 and related Lifetime Budget, which totals \$10,409,899,000; and

WHEREAS, on November 19, 2015, the Environmental Quality and Sewerage Services and the Water Quality and Water Services Committees, in a joint meeting, reviewed the budget proposals and discussed in detail the budget drivers, strategic budget decisions, budget assumptions, customer and operational impacts, and recommended that the Board adopt the Proposed 10-Year Disbursement Plan totaling \$3,660,600,000 and related Lifetime Budget, which totals \$10,409,899,000; and

WHEREAS, on November 20, 2015, the Finance and Budget Committee reviewed the budget proposals and discussed in detail the budget drivers, strategic budget decisions, budget assumptions, customer and operational impacts, and recommended that the Board adopt the Proposed 10-Year Disbursement Plan totaling \$3,660,600,000, and related Lifetime Budget, which totals \$10,409,899,000.

NOW THEREFORE, BE IT RESOLVED THAT:

The Board hereby approves and adopts DC Water's Fiscal Year 2016 – 2025 Capital Improvement Program with the 10-Year Disbursement Plan totaling \$3,660,600,000 and related Lifetime Budget, which totals \$10,409,899,000 (Attachment A-1), and as further detailed in the General Manager and CEO's Proposed Fiscal Year 2017 Budget Presentation dated November 5, 2015 and accompanying materials.

This resolution is effective immediately.

Secretary to the Board of Directors

DC Water Board of Directors - IX. Consent Items (Joint Use)

10-Year Disbursement Plan & Lifetime Budget

Attachment A-1

\$ in thousands

| | FY 2016 - FY 2025 Disbursement Plan | | | | | | | | | | | LifETIME Budget |
|--------------------------------------|-------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|--------------------|---------------------|
| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 | 10-Yr Total | |
| NON PROCESS FACILITIES | | | | | | | | | | | | |
| Facility Land Use | \$9,309 | \$28,613 | \$13,048 | \$6,979 | \$1,588 | \$1,684 | \$7,002 | \$2,475 | \$668 | \$2 | \$71,368 | \$139,297 |
| Subtotal | 9,309 | 28,613 | 13,048 | 6,979 | 1,588 | 1,684 | 7,002 | 2,475 | 668 | 2 | 71,368 | 139,297 |
| WASTEWATER TREATMENT | | | | | | | | | | | | |
| Liquid Processing | 16,193 | 23,871 | 33,857 | 38,248 | 20,311 | 18,334 | 21,093 | 9,546 | 4,208 | 9,838 | 195,499 | 808,430 |
| Plantwide | 15,798 | 16,207 | 17,013 | 22,534 | 36,598 | 26,048 | 28,560 | 34,936 | 24,521 | 16,636 | 238,853 | 496,407 |
| Solids Processing | 28,652 | 5,130 | 8,247 | 12,912 | 10,154 | 16,684 | 3,448 | 1,019 | 780 | 507 | 87,531 | 722,944 |
| Enhanced Nitrogen Removal Facilities | 107,994 | 72,606 | 53,445 | 5,834 | 3,917 | 947 | 600 | 1,252 | 5,520 | 23,161 | 275,277 | 1,039,198 |
| Subtotal | 168,637 | 117,814 | 112,562 | 79,528 | 70,980 | 62,014 | 53,700 | 46,753 | 35,028 | 50,142 | 797,159 | 3,066,979 |
| COMBINED SEWER OVERFLOW | | | | | | | | | | | | |
| D.C. Clean Rivers | 212,012 | 141,323 | 130,177 | 124,526 | 158,111 | 135,594 | 82,990 | 82,447 | 77,753 | 62,581 | 1,207,515 | 2,771,514 |
| Program Management | 1,832 | 2,844 | 3,033 | 2,333 | 2,593 | 2,404 | 3,890 | 4,359 | 3,060 | 1,846 | 28,195 | 64,563 |
| Combined Sewer | 9,261 | 6,958 | 14,950 | 19,086 | 8,567 | 8,996 | 8,549 | 2,860 | 3,224 | 12,220 | 94,671 | 338,918 |
| Subtotal | 223,105 | 151,125 | 148,159 | 146,945 | 169,272 | 146,994 | 95,429 | 89,666 | 84,037 | 76,648 | 1,330,380 | 3,174,995 |
| STORMWATER | | | | | | | | | | | | |
| Local Drainage | 223 | 66 | 822 | 290 | 8 | 63 | 608 | 265 | 844 | 1,024 | 4,214 | 16,636 |
| On-Going | 459 | 438 | 390 | 455 | 487 | 535 | 693 | 698 | 744 | 463 | 5,361 | 12,415 |
| Pumping Facilities | 0 | 126 | 774 | 964 | 78 | 1,280 | 4,787 | 23 | 0 | 0 | 8,031 | 25,000 |
| DDOT | 18 | 10 | 26 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 54 | 3,237 |
| Research and Program Management | 256 | 179 | 194 | 158 | 172 | 145 | 230 | 269 | 210 | 163 | 1,977 | 12,013 |
| Trunk/Force Sewers | 307 | 611 | 696 | 144 | 0 | 0 | 0 | 0 | 0 | 0 | 1,758 | 15,597 |
| Subtotal | 1,263 | 1,430 | 2,902 | 2,011 | 745 | 2,022 | 6,318 | 1,256 | 1,797 | 1,650 | 21,396 | 84,898 |
| SANITARY SEWER | | | | | | | | | | | | |
| Collection Sewers | 4,190 | 6,318 | 7,629 | 7,108 | 8,140 | 17,982 | 17,299 | 17,894 | 21,345 | 22,394 | 130,300 | 338,534 |
| On-Going | 7,463 | 9,299 | 8,734 | 7,223 | 6,334 | 7,421 | 7,749 | 8,139 | 8,440 | 8,637 | 79,440 | 209,243 |
| Pumping Facilities | 2,267 | 1,743 | 1,800 | 795 | 165 | 1,378 | 151 | 229 | 0 | 0 | 8,528 | 34,759 |
| Program Management | 6,742 | 12,269 | 10,382 | 6,036 | 5,827 | 4,840 | 6,521 | 7,442 | 6,756 | 5,278 | 72,092 | 133,321 |
| Interceptor/Trunk Force Sewers | 14,124 | 31,514 | 25,556 | 32,053 | 42,099 | 19,921 | 10,723 | 11,736 | 13,958 | 15,893 | 217,577 | 713,359 |
| Subtotal | 34,786 | 61,144 | 54,102 | 53,215 | 62,566 | 51,543 | 42,443 | 45,439 | 50,498 | 52,201 | 507,937 | 1,429,216 |
| WATER | | | | | | | | | | | | |
| Distribution Systems | 35,667 | 32,929 | 25,610 | 38,203 | 38,356 | 36,401 | 42,808 | 51,372 | 57,333 | 63,136 | 421,815 | 1,087,947 |
| Lead Program | 1,575 | 1,171 | 870 | 1,547 | 2,114 | 2,507 | 2,885 | 3,190 | 3,129 | 3,633 | 22,622 | 208,640 |
| On-Going | 5,105 | 7,116 | 5,306 | 6,310 | 5,931 | 5,716 | 5,799 | 5,879 | 6,171 | 6,338 | 59,672 | 135,714 |
| Pumping Facilities | 3,833 | 5,083 | 4,211 | 2,454 | 2,105 | 747 | 735 | 1,824 | 8,468 | 1,510 | 30,970 | 178,399 |
| DDOT | 893 | 627 | 389 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,909 | 33,933 |
| Storage Facilities | 9,515 | 9,115 | 3,427 | 7,420 | 3,779 | 7,582 | 2,459 | 2,188 | 1,343 | 557 | 47,387 | 101,834 |
| Program Management | 5,288 | 6,495 | 5,096 | 5,042 | 3,916 | 6,218 | 6,471 | 4,221 | 4,259 | 4,616 | 51,621 | 101,203 |
| Subtotal | 61,878 | 62,537 | 44,909 | 60,975 | 56,201 | 59,170 | 61,158 | 68,675 | 80,703 | 79,790 | 635,995 | 1,847,670 |
| CAPITAL PROJECTS | | | | | | | | | | | | |
| | 498,977 | 422,663 | 375,682 | 348,654 | 361,353 | 323,426 | 266,052 | 254,263 | 252,731 | 260,434 | 3,364,235 | 9,743,055 |
| CAPITAL EQUIPMENT | 39,226 | 38,737 | 27,127 | 26,289 | 10,401 | 10,035 | 9,413 | 9,119 | 8,896 | 8,915 | 188,156 | 205,861 |
| WASHINGTON AQUEDUCT | 10,838 | 10,838 | 10,838 | 10,888 | 11,018 | 11,199 | 11,184 | 11,054 | 10,816 | 9,537 | 108,209 | 108,209 |
| ADDITIONAL CAPITAL PROGRAMS | 50,063 | 49,575 | 37,964 | 37,177 | 21,419 | 21,234 | 20,597 | 20,173 | 19,712 | 18,452 | 296,365 | 314,070 |
| LABOR | | | | | | | | | | | | |
| | | | | | | | | | | | | 352,774 |
| TOTAL CAPITAL BUDGETS | \$549,040 | \$472,238 | \$413,646 | \$385,831 | \$382,772 | \$344,660 | \$286,649 | \$274,436 | \$272,442 | \$278,886 | \$3,660,600 | \$10,409,899 |

Presented and Adopted: December 3, 2015

**SUBJECT: Intent to Reimburse Capital Expenditures with Proceeds
of a Borrowing**

**#15-105
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 December 3, 2015, upon consideration of a joint-use matter, decided by a vote of ___ () in favor and ___ () opposed, to take the following action.

WHEREAS, DC Water intends to acquire, construct and equip the items and 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 \$443,000,000 to pay costs of the Projects. These costs include amounts heretofore unreimbursed pursuant to Resolution 15-20 of the Board adopted on February 5, 2015, plus amounts projected to be reimbursed during Fiscal Year 2016 – 2017.
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. The 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 Section 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 System
Non Process Facilities
Sanitary Sewer System
Combined Sewer System
DC Clean Rivers
Stormwater Sewer System
Water Pumping, Distribution and Storage
Metering and Capital Equipment
Washington Aqueduct

Presented and Adopted: December 3, 2015
Subject: Approval of Proposed Fiscal Year 2017 Operating Budget

#15-106
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 December 3, 2015, 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 2017 Proposed Operating Budget.

WHEREAS, at the budget workshop on November 5, 2015, Chief Financial Officer, Chief Operating Officer, and Chief Engineer, briefed Board members on the Proposed FY 2017 Operating Budget that totaled \$535,825,000; and

WHEREAS, on November 19, 2015, the Environmental Quality and Sewerage Services and the Water Quality and Water Service Committees, in a joint meeting, reviewed the budget proposals and discussed in detail the budget drivers, strategic budget decisions, budget assumptions, customer and operational impacts, and recommended that the Board adopt the FY 2017 Operating Budget that totals \$535,825,000; and

WHEREAS, on November 20, 2015, the Finance and Budget Committee reviewed the budget proposals and discussed in detail the budget drivers, strategic budget decisions, budget assumptions, customer and operational impacts, and recommended that the Board adopt the FY 2017 Operating Budget that totals \$535,825,000.

NOW THEREFORE BE IT RESOLVED THAT:

The Board hereby approves and adopts DC Water’s Proposed Fiscal Year 2017 Operating Budget totaling \$535,825,000 and as further detailed in the General Manager and CEO’s Proposed Fiscal Year 2017 Operating Budget Presentation dated November 5, 2015.

This resolution is effective immediately.

Secretary to the Board of Directors

Presented and Adopted: December 3, 2015
SUBJECT: FY2015 Transfer of Excess Operating Funds

#15-107
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

The members of the Board of Directors (“Board”) of the District of Columbia Water and Sewer Authority (“the Authority”) at the Board meeting held on December 3, 2015, decided by a vote of () in favor and () opposed, to approve the following action with respect to the transfer of excess operating funds: Seventeen Million Five Hundred Thousand Dollars (\$17,500,000) to the Rate Stabilization Fund, Twenty-two Million Two Hundred Eighty-three Thousand Five Hundred Sixty –five Dollars (\$22,283,565) to Pay-go and approximately Twenty Million Fifty-four Thousand Seven Hundred Fifty-seven Dollars (\$20,054,757) to Operating Cash Reserve.

WHEREAS, on November 1, 2007, the Board adopted Resolution #07-87, which approved a Rate Stabilization Fund Policy and authorized the General Manager to implement the policy; and

WHEREAS, on July 1, 2010, the Board adopted Resolution #10-76, which approved revisions to the Rate Stabilization Fund Policy, establishing timeframes for the General Manager to analyze the Authority’s financial performance and make recommendations to the Finance and Budget Committee for transfers to the Rate Stabilization Fund no later than July; and

WHEREAS, on January 6, 2011, the Board adopted Resolution #11-10, which approved a Revised Rate Setting Policy, which states “to the extent annual revenues exceed costs, the Board’s policy will continue to utilize all available options to mitigate future customer impacts and annual rate increases, including transferring some or all excess funds to the Rate Stabilization Fund”; and

WHEREAS, on February 5, 2015, the Board adopted Resolution #15-18, which approved a ten-year plan that authorized the transfer of Seven Million Five Hundred Thousand Dollars (\$7,500,000) from the Rate Stabilization Fund to the Authority’s FY 2015 operating budget; and

WHEREAS, upon consideration of the Authority’s financial performance in FY2015, on November 20, 2015, the Finance and Budget Committee recommended a transfer of

- 1) Seventeen Million Five Hundred Thousand Dollars (\$17,500,000) to the Rate Stabilization Fund

- 2) Twenty-two Million Two Hundred Eighty-three Thousand Five Hundred Sixty -five Dollars (\$22,283,565) to Pay-go
- 3) Approximately Twenty Million Fifty-four Thousand Seven Hundred Fifty-seven Dollars (\$20,054,757) to Operating Cash Reserve from the Authority's estimated FY2015 excess operating funds.

NOW THEREFORE BE IT RESOLVED THAT:

1. The Board approves a transfer of
 - a. Seventeen Million Five Hundred Thousand Dollars (\$17,500,000) to the Rate Stabilization Fund
 - b. Twenty-two Million Two Hundred Eighty-three Thousand Five Hundred Sixty-five Dollars (\$22,283,565) to Pay-go
 - c. Approximately Twenty Million Fifty-four Thousand Seven Hundred Fifty-seven Dollars (\$20,054,757) to Operating Cash Reserve from the Authority's estimated FY2015 excess operating funds.
2. This Resolution is effective immediately.

Secretary to the Board of Directors

Presented and Adopted: December 3, 2015

SUBJECT: Proposed Fiscal Year 2017 and Fiscal Year 2018 Metered Water and Sewer Service Rates, Right-of-Way (ROW), Payment-in-Lieu of Taxes (PILOT) Fee, and Clean Rivers Impervious Area Charge (CRIAC)

**#15-108
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 December 3, 2015 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 2017 and Fiscal Year 2018 Metered Retail Rates for Water and Sewer Service, Clean Rivers Impervious Area Charge (IAC), the Right-of- Way Occupancy Fee Pass Through Charge (ROW), and Payment In Lieu of Taxes Fee (PILOT).

WHEREAS, 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, the DC Retail Water and Sewer Rates Committee met on November 17, 2015 to consider the proposed rate, charge and fee changes for Fiscal Year (“FY”) 2017 and FY 2018; and

WHEREAS, DC Water has three classes of customers: residential, multi-family and non-residential, in accordance with Section 4104 of Title 21 of the District of Columbia Municipal Regulations (DCMR); 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 \$0.42 per one hundred cubic feet (“Ccf”) (\$0.56 per 1,000 gallons) for the first 4 Ccf of Residential customer’s water use (Lifeline) for FY 2017 and \$0.45 per one hundred cubic feet (“Ccf”) (\$0.60 per 1,000 gallons) for the first 4 Ccf of Residential customer’s water use (Lifeline) for FY 2018; and

WHEREAS, the increase in Lifeline water (Residential customer's first 4 Ccf) and sewer rates will result in a combined water and sewer rate of \$8.94 per Ccf (\$11.95 per 1,000 gallons) of metered water and sewer use for FY 2017 and a combined water and sewer rate of \$9.39 per Ccf (\$12.55 per 1,000 gallons) for FY 2018; 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 \$0.46 per Ccf (\$0.61 per 1,000 gallons) for water usage greater than 4 Ccf for Residential customers for FY 2017 and a combined retail water and sewer rate increase of \$0.49 per Ccf (\$0.66 per 1,000 gallons) for water usage greater than 4 Ccf for Residential customers for FY 2018; and

WHEREAS, the increase in water (Residential customers for water usage greater than 4 Ccf) and sewer rates will result in a combined water and sewer rate of \$9.77 per Ccf (\$13.06 per 1,000 gallons) of metered water and sewer use for FY 2017 and a combined water and sewer rate of \$10.26 per Ccf (\$13.72 per 1,000 gallons) of metered water and sewer use for FY 2018; 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 \$0.44 per Ccf (\$0.59 per 1,000 gallons) for Multi-family customers for FY 2017 and a combined retail water and sewer rate increase of \$0.47 per Ccf (\$0.63 per 1,000 gallons) for Multi-family customers for FY 2018; and

WHEREAS, the increase in Multi-family customer water and sewer rates will in a combined water and sewer rate of \$9.33 per Ccf (\$12.47 per 1,000 gallons) of metered water and sewer use for FY 2017 and a combined water and sewer rate of \$9.80 per Ccf (\$13.10 per 1,000 gallons) of metered water and sewer use for FY 2018; 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 \$0.47 per Ccf (\$0.63 per 1,000 gallons) for Non-Residential customers for FY 2017 and a combined retail rate increase of \$0.50 per Ccf (\$0.67 per 1,000 gallons) for Non-Residential customers for FY 2018; and

WHEREAS, the increase in Non-Residential customer water and sewer rates will result in a combined water and sewer rate of \$9.90 per Ccf (\$13.23 per 1,000 gallons) of metered water and sewer use for FY 2017 and a combined water and sewer rate of \$10.40 per Ccf (\$13.90 per 1,000 gallons) of metered water and sewer use for FY 2018; and

WHEREAS, the DC Retail Water and Sewer Rates Committee recommended that the Board consider for public comment a monthly increase in the Clean Rivers Impervious Area Charge of \$1.94 per Equivalent Residential Unit (ERU) for FY 2017 and a monthly increase in the Clean Rivers Impervious Area Charge of \$2.94 per Equivalent Residential

Unit (ERU) for FY 2018 to recover the \$2.6 billion costs of the Combined Sewer Overflow Long-Term Control Plan (CSO-LTCP); and

WHEREAS, the DC Retail Rates Committee recommended that the Board maintain the ROW fee at the current amount of \$0.17 per Ccf (\$0.23 per 1,000 gallons) of water used for FY 2017 and that the Board consider for public comment, an increase in the ROW fee of \$0.01 per Ccf (\$0.01 per 1,000 gallons) for FY 2018 to recover the full cost of the District of Columbia government; 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 \$0.01 per Ccf (\$0.01 per 1,000 gallons) for FY 2017 and an increase in the PILOT fee of \$0.01 per Ccf (\$0.01 per 1,000 gallons) for FY 2018 to recover the full cost of the District of Columbia government fees; and

WHEREAS, adoption of these rates and fee changes would increase the monthly bill of the average Residential customer using 6.69 Ccf (or 5,004 gallons) by approximately \$4.93 per month or \$59.16 per year for FY 2017 and by approximately \$6.19 per month or \$74.28 per year for FY 2018; and

WHEREAS, DC Water's retail revenue projections for Fiscal Year 2017 reflect an approximate \$19.2 million increase due to the proposed \$11.4 million increase in retail water and sewer rates, an approximate \$0.1 million increase due to the proposed PILOT fee increase, and an approximate \$7.7 million increase due to the proposed Clean Rivers IAC increase; and

WHEREAS, DC Water's retail revenue projections for Fiscal Year 2018 reflect an approximate \$25.9 million increase due to the proposed \$11.9 million increase in retail water and sewer rates, an approximate \$0.4 million increase due to the proposed PILOT fee increase, and an approximate \$13.6 million increase due to the proposed Clean Rivers IAC increase; and

WHEREAS, the public comment and notification process of the proposed rate and fee increases will occur over the next several months and it is the intent of the Board to take final action on the proposed rate and fee increases at the conclusion of the notification and comment period.

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:

| | FY 2016 | | FY 2017 | | FY 2018 | | FY 2017 vs. FY 2016 Incr. / (Decr.) | | FY 2018 vs. FY 2017 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) | \$3.08 | \$ 4.12 | \$3.23 | \$ 4.32 | \$3.39 | \$ 4.53 | \$ 0.15 | \$ 0.20 | \$ 0.16 | \$ 0.21 |
| Residential customers - (>-4) | \$3.87 | \$ 5.17 | \$4.06 | \$ 5.43 | \$4.26 | \$ 5.70 | \$ 0.19 | \$ 0.26 | \$ 0.20 | \$ 0.27 |
| Multi-Family customers | \$3.45 | \$ 4.61 | \$3.62 | \$ 4.84 | \$3.80 | \$ 5.08 | \$ 0.17 | \$ 0.23 | \$ 0.18 | \$ 0.24 |
| Non-Residential cutomers | \$3.99 | \$ 5.33 | \$4.19 | \$ 5.60 | \$4.40 | \$ 5.88 | \$ 0.20 | \$ 0.27 | \$ 0.21 | \$ 0.28 |

**Retail Sewer Service Rates
(Metered and Unmetered)**

b. An increase in the rate for metered sewer services:

| | FY 2016 | | FY 2017 | | FY 2018 | | FY 2017 vs. FY 2016 Incr. / (Decr.) | | FY 2018 vs. FY 2017 Incr. / (Decr.) | |
|---------------------------------|---------|------------|---------|------------|---------|------------|--|------------|--|------------|
| | Ccf | 1,000 Gal. | Ccf | 1,000 Gal. | Ccf | 1,000 Gal. | Ccf | 1,000 Gal. | Ccf | 1,000 Gal. |
| Residential customers | \$5.44 | \$ 7.27 | \$5.71 | \$ 7.63 | \$6.00 | \$ 8.02 | \$ 0.27 | \$ 0.36 | \$ 0.29 | \$ 0.39 |
| Multi-Family customers | \$5.44 | \$ 7.27 | \$5.71 | \$ 7.63 | \$6.00 | \$ 8.02 | \$ 0.27 | \$ 0.36 | \$ 0.29 | \$ 0.39 |
| Non-Residential cutomers | \$5.44 | \$ 7.27 | \$5.71 | \$ 7.63 | \$6.00 | \$ 8.02 | \$ 0.27 | \$ 0.36 | \$ 0.29 | \$ 0.39 |

c. An increase in the annual Clean Rivers Impervious Area Charge (CRIAC) from \$243.60 to \$266.88 per Equivalent Residential Unit (ERU) in FY 2017 and from \$266.88 to \$302.16 per Equivalent Residential Unit (ERU) in FY 2018.

The charge per ERU will be billed monthly at:

| | FY 2016 | FY 2017 | FY 2018 | FY 2017 vs. FY 2016 Incr. / (Decr.) | FY 2018 vs. FY 2017 Incr. / (Decr.) |
|----------------------------------|---------|---------|---------|--|--|
| | ERU | ERU | ERU | ERU | ERU |
| Residential customers | \$20.30 | \$22.24 | \$25.18 | \$1.94 | \$2.94 |
| Multi-Family customers | \$20.30 | \$22.24 | \$25.18 | \$1.94 | \$2.94 |
| Non-Residential customers | \$20.30 | \$22.24 | \$25.18 | \$1.94 | \$2.94 |

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

- There is no increase in the **Right-of-Way Occupancy Fee** in FY 2017:
- An increase in the **Right-of-Way Occupancy Fee** for FY 2018:

| | FY 2016 | | FY 2017 | | FY 2018 | | FY 2017 vs. FY 2016 Incr. / (Decr.) | | FY 2018 vs. FY 2017 Incr. / (Decr.) | |
|---------------------------------|---------|------------|---------|------------|---------|------------|--|------------|--|------------|
| | Ccf | 1,000 Gal. | Ccf | 1,000 Gal. | Ccf | 1,000 Gal. | Ccf | 1,000 Gal. | Ccf | 1,000 Gal. |
| Residential customers | \$0.17 | \$ 0.23 | \$0.17 | \$ 0.23 | \$0.18 | \$ 0.24 | \$0.00 | \$0.00 | \$ 0.01 | \$ 0.01 |
| Multi-Family customers | \$0.17 | \$ 0.23 | \$0.17 | \$ 0.23 | \$0.18 | \$ 0.24 | \$0.00 | \$0.00 | \$ 0.01 | \$ 0.01 |
| Non-Residential cutomers | \$0.17 | \$ 0.23 | \$0.17 | \$ 0.23 | \$0.18 | \$ 0.24 | \$0.00 | \$0.00 | \$ 0.01 | \$ 0.01 |

- d. An increase in the **Payment-in-Lieu of Taxes Fee** for FY 2017 and FY 2018:

| | FY 2016 | | FY 2017 | | FY 2018 | | FY 2017 vs. FY 2016 Incr. / (Decr.) | | FY 2018 vs. FY 2017 Incr. / (Decr.) | |
|---------------------------------|---------|------------|---------|------------|---------|------------|--|------------|--|------------|
| | Ccf | 1,000 Gal. | Ccf | 1,000 Gal. | Ccf | 1,000 Gal. | Ccf | 1,000 Gal. | Ccf | 1,000 Gal. |
| Residential customers | \$0.47 | \$ 0.63 | \$0.48 | \$ 0.64 | \$0.49 | \$ 0.65 | \$ 0.01 | \$ 0.01 | \$ 0.01 | \$ 0.01 |
| Multi-Family customers | \$0.47 | \$ 0.63 | \$0.48 | \$ 0.64 | \$0.49 | \$ 0.65 | \$ 0.01 | \$ 0.01 | \$ 0.01 | \$ 0.01 |
| Non-Residential cutomers | \$0.47 | \$ 0.63 | \$0.48 | \$ 0.64 | \$0.49 | \$ 0.65 | \$ 0.01 | \$ 0.01 | \$ 0.01 | \$ 0.01 |

2. The General Manager is authorized to take all steps necessary in his judgment and as otherwise required, to initiate the public comment process and shall provide notice of the proposed rate adjustments and fees in the manner provided by 21 DCMR Chapter 40 and the District of Columbia’s Administrative Procedures.

This resolution is effective immediately.

Secretary to the Board of Directors