



**DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY
217th MEETING OF THE BOARD OF DIRECTORS
Thursday, February 4, 2016
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 January 7, 2016 Minutes**
- IV. **Chairman's Overview**
- V. **Committee Reports**
 1. **Governance Committee (Ellen Boardman)**
 2. **Human Resources and Labor Relations Committee (Bradley Frome)**
 3. **Environmental Quality and Sewerage Services Committee (James Patteson)**
 4. **Water Quality and Water Services Committee (Rachna Butani)**
 5. **Finance and Budget Committee (Sarah Motsch)**
- VI. **CEO/General Manager's Report (CEO/General Manager George Hawkins)**
- VII. **Summary of Contracts (FYI)**
- VIII. **Consent Items (Joint Use)**
 1. **Approval to Execute Option Year Two of Contract No. WAS-12-066-AA-RE, Polydyne, Inc. - Resolution No. 16-11 (Recommended by Environmental Quality and Sewerage Services Committee 1/21/16)**
 2. **Approval to Execute Contract No. WAS-11-049-AA-GA, Electric Motor and Contracting Co. – Resolution No. 16-12 (Recommended by Environmental Quality and Sewerage Services Committee 1/21/16)**
- IX. **Consent Items (Non-Joint Use)**
 1. **Approval to Execute Change Order No. 01 of Contract No. 130040, Fort Myer Construction Corporation – Resolution No. 16-13 (Recommended by Water Quality and Water Services Committee 1/21/16)**
 2. **Approval of Contract No. 14-PR-CCO-06, Mueller Systems, LLC – Resolution No. 16-14 (Recommended by Water Quality and Water Services Committee 1/21/16)**
- X. **Executive Session – To discuss legal, confidential and privileged matters pursuant to Section 2-575(b)(4) of the D.C. Official Code¹**

XI. 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, February 18, 2016 @ 9:30 a.m. (5000 Overlook Avenue, SW)
- Water Quality and Water Services Committees – Thursday, February 18, 2016 @ 11:00 a.m. (5000 Overlook Avenue, SW)
- D.C. Retail Water and Sewer Rates Committee – Tuesday, February 23, 2016 @ 9:30 a.m.
- Audit Committee – Thursday, February 25, 2016 @ 9:30 a.m. (5000 Overlook Avenue SW)
- Finance and Budget Committee – Thursday, February 25, 2016 @ 11:00 a.m. (5000 Overlook Avenue SW)



DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

BOARD OF DIRECTORS

GOVERNANCE COMMITTEE

MEETING MINUTES

January 13, 2016

Committee Members

Ellen O. Boardman, Chairperson
Alan Roth
Rachna Butani
Matthew Brown

D.C. Water Staff

George Hawkins, General Manager
Randy Hayman, General Counsel
Linda Manley, Board Secretary

Chairperson Boardman convened the meeting at 9:00 a.m. Korey Gray, Compliance Officer, addressed Agenda Item # 2 –DC Water Works! Employment Programs Update.

For the first two (2) months of fiscal year 2016, there were forty one (41) active Goods and Service projects. This is a reduction of five (5) projects from FY 2015. In total, Goods and Service projects provided 541 job positions, 343 of which were filled by residents within the user jurisdictions, including 111 District residents. There were no new hires between October and November 2015.

For the first two (2) months of fiscal year 2016, there were fourteen (14) active Major Construction projects. This is no change to the number of active projects from FY 2015. In total, major construction projects provided 2,973 positions, 1,407 of which were filled by user jurisdiction residents, including 338 District residents. There were no new hires between October and November 2015.

Next, Mr. Gray provided an update on the mini job fair coordinated with American Contracting and Environmental Services (ACE) on October 19, 2015. From the fair, ACE hired one (1) individual as a permanent (skilled) employee and three (3) individuals as apprentices.

Finally, Mr. Gray provided the Committee with a compliance review of FY 2015, addressing local contractor employment numbers, compliance reviews, and utilization of certified businesses. There were ninety eight (98) active projects which employed a combined 5,236 workers. Of this total, 2,893 (55%) were residents of the user jurisdiction, including 727 (14%) residents of the District of Columbia. Also in FY 2015, DC Water contractors had a combined 137 new hires. Of

this total, 117 (85%) were residents of the user jurisdiction, including 41 (30%) residents of the District of Columbia.

In FY 2015, DC Water conducted twenty-one (21) compliance orientations and two (2) re-orientations, 223 project site visits and interviews, twenty eight (28) compliance reviews, and eleven (11) investigations. This collective effort resulted in recovering \$139,000 in wage restitutions for employees of DC Water's contractors.

With respect to certified business utilization, in FY 2015, DC Water awarded a combined \$345.5 million in contracts, modifications and change orders. Of this total, \$117.7 million in contracts were awarded to certified business enterprises. The details of these totals are:

- Small Purchases, Large Goods and Services, and Non-EPA Construction Awards totaled \$98.5 million. Of this amount, certified local and local/small business enterprises were awarded \$29.4 million (30%).
- Micro Purchases, Sole Source Awards, Legal, Financial, Benefits and other Exempt Awards totaled \$25.6 million. Of this amount, certified local and local/small business enterprises were awarded \$5.9 million (23%).
- Non-discretionary/EPA eligible awards totaled \$151.3 million. Of this amount, certified minority and women owned businesses were awarded \$56.3 million (37%).
- EPA Fair Share Objective awards totaled \$70.0 million. Of this amount, certified minority and women owned businesses were awarded \$26 million (37%).

Next, General Counsel Randy Hayman described proposed revisions to DC Water's Standards of Conduct Policy regarding speaking engagements. Mr. Hayman explained that DC Water (also "the Authority") took into account comments provided by the Committee at the last Committee meeting and made several revisions to the provision regarding conflicts of interest. Currently, the proposed Policy allows for an employee who is speaking at a conference or similar event on behalf of the Authority to accept an offer of free attendance at the event on the day of the employee's appearance, when provided by the sponsor of the event and if authorized by management as applicable. The Authority deems it a conflict of interest for a vendor or prospective vendor to pay for an employee's travel and attendance to speak at a conference on behalf of the Authority. Therefore, while the Policy allows an organizing sponsor to pay for an employee's travel and attendance to speak at a conference, it excludes any sponsor who is a DC Water vendor or prospective vendor.

The Committee discussed the need to define adequately the scope of the vendor exclusion. The Committee agreed that the language should be clear and precise in this respect. Mr. Hayman indicated that the Office of General Counsel will conduct a further review and provide additional recommendations at the next meeting.

Mr. Hayman then discussed the post-employment restrictions contained in the Standards of Conduct Policy. In general, under the Policy, an employee who is separated from employment with the Authority is barred for eighteen (18) months following separation from the Authority from working on behalf of any other employer or assisting any other person on any Authority project in which the employee was personally and substantially involved while employed by the Authority. This restriction may be exempted only by express authorization of the General Manager. Mr. Hayman indicated that this provision of the Policy was presented to and discussed with the

Committee at the last meeting, among other occasions. To date, it has been determined that no changes to this provision are needed. However, Mr. Hayman welcomed any additional comments or questions by the Committee. Mr. Hayman stated the provision also will be presented to the Board for appropriate review and feedback.

The Committee then entered into a closed executive session to discuss cybersecurity matters. 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
January 13, 2016

MEETING MINUTES

Committee Members Present

Bradley Frome, Chairman
Matthew Brown
Rachna Butani
Ellen Boardman

DC Water Staff Present

George Hawkins, General Manager
Randy Hayman, General Counsel
Linda R. Manley, Board Secretary

1. Call to Order

Chairman Bradley Frome called the meeting to order at 11:05 am and outlined a framework for the presentation of the Union's agenda items after which the General Manager was to respond. After each Union President introduced themselves with an overview of the members they represent, Chairman Frome introduced the first agenda item.

- A. The need to form a labor management partnership program at DC Water because there is a poor labor management relationship.

Ms. Milton described the relationship between management and the Union as poor. She distributed a labor/management partnership document from DC's Department of Public Works (DPW) and cited her desire to create a similar partnership at DC Water to alleviate her perceived poor relationship between labor and management.

Barry Carey, President, AFSCME 2091 and Michele Hunter, President, NAGE emphasized the significance of a labor/management partnership at DC Water. Jonathan Shanks, President, AFGE 872, also shared the views of his colleagues and stated his union has difficulty accomplishing tasks with management.

Mr. Frome asked if there were regular meetings with management and Mr. Shanks responded regular management meetings with his union had recently halted.

Mr. Frome asked about the regularly scheduled GM/Union quarterly meetings and

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Mr. Shanks stated the meetings were an opportunity for the Union to raise grievances or other matters to the General Manager's attention.

Ms. Boardman asked what the distinction was between the quarterly General Manager meetings and the labor management partnership meetings. Ms. Milton stated the purpose of the quarterly meetings is to permit the Unions to raise concerns on behalf of their respective members while the purpose of the partnership is to work on positive initiatives as a team.

Mr. Hawkins stated any topics for a labor/management partnership meeting could be incorporated in the regularly scheduled Union/General Manager quarterly meeting. He stated he was not opposed to a labor/management meeting as long as there is a purpose clearly identified, rather than simply creating a schedule to regularly meet without specific goals and further commented he might be receptive to having a partnership but would like to know more about the objectives for one.

- B. Failure to timely pay an arbitrator – example of poor labor management relationship at DC Water. This is the first time in the history of the Authority that an arbitrator had to contact FMCS, the Union and the General Manager seeking Authority payment for their services regarding an arbitration case at DC Water. After contacting the General Manager, the arbitrator was paid.

Ms. Milton stated the Office of Labor Relations deliberately delayed payment to an arbitrator following an unfavorable award in order to discourage this specific arbitrator from providing services to DC Water. Ms. Milton stated this was the first time in the history of DC Water an arbitrator was delayed payment for three months and remarked regardless of an unfavorable decision to a party, it is important that there is mutual respect between the parties, the contract, and the process.

Mr. Hawkins stated there were questions about the identified invoices and this resulted in the postponed payment. Mr. Hawkins further stated the Authority pays substantiated invoices in a timely fashion and clarified there has been instances in the past where arbitrators have not been paid in a timely fashion at the fault of the Union. Mr. Hawkins agreed neither party should take the outcomes of arbitrations personally or have it affect the established business processes.

- C. A discussion on the direction of the Authority and the impact it will have on bargaining unit employees.

Mr. Carey stated he had conversations with Charles Kiely, Assistant General Manager, Customer Care and Operations about the need for the Union to be informed about the direction of the Authority. It is Mr. Carey's goal to be well informed about the future of DC

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Water in order to keep his members adequately prepared for approaching changes. Jonathan Shanks echoed these concerns. Mr. Hawkins stated this was a fair request.

- D. Discussion on the Civil Service Retirement Buyout for employees at DC Water. The Unions have not been informed about this buyout proposal that is before the Board for consideration.

Ms. Milton stated this question was raised at the quarterly meeting on January 8, 2016, but the General Manager stated he was not permitted to speak on the matter.

Mr. Hawkins replied the subject is scheduled for presentation to the Finance and Budget Committee during closed session and therefore could not be presented publicly at this time. Mr. Hawkins is amendable to disclosure if the Finance Committee agrees to move a particular option to the full board as the recommendation will be presented publicly.

Ms. Milton asserted she was the person who requested the buyout and to look at offering retirees part-time employment as an option. She believed this was an example of an opportunity for the Union to provide feedback and partner with management.

Chairman Frome asked if there is an avenue for the Union to be involved in such matters or if it is prohibited as he would like to have the Union's input if permissible.

For the most part these type of matters have to go through the committee process according to General Counsel Randy Hayman, and the General Manager and staff may gain input from alternate avenues if they deem it necessary. Hearing the General Counsel's response, Mr. Frome stated as chairman, he would like to talk about how to structure this matter to allow the Union's input in this process.

In response to Ms. Boardman's questions about the next step in the Civil Service Retirement Buyout process, Mr. Hawkins reiterated proposals will be presented to the Finance Committee in January during closed session and if the committee makes a recommendation it will be presented in the public session.

- E. The minutes for the HR Committee meetings are not on the website for the DC Water/HR and Labor Relations Committee under Board Meeting Minutes and Agendas. No HR and Labor Relations Committee minutes listed for 2014-2015.

Board Secretary, Linda Manley addressed this matter by explaining all committee meeting minutes are posted on the website, however the Information Technology team was working to archive particular sections of the website and any archived minutes requests will be honored.

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2. Operator Certification Training Program Presentation (DDCS)

Mr. Kiely began his presentation by providing the Committee a brief historical overview stating approximately 7 years ago he began discussions with Mr. Hawkins about how the system operators were functioning without certifications and DC Water was the only Enterprise where system operators were not mandated to be certified and the structure within the Water and Sewer departments needed to change to address these issues related to vertical assets. Mr. Kiely then discussed the 1992 revisions to the Safe Drinking Water Act which determined all states had to comply with certifications, but because DC is technically not a state, DC Water did not have to comply. To that end, Mr. Kiely advocated for a certification program and started notifying the previous and then current union leadership his plans to institute a certification program. Mr. Kiely began conversations with the entire staff at the Department of Distribution and Conveyance Systems (DDCS) about these proposed changes and the certification program in the summer of 2014.

The Authority secured the Maryland Center for Environmental Training (MCET) to conduct the training. MCET completed an initial assessment and created a tailored training program specifically for DC Water employees. Mr. Kiely explained employees were provided 18 months to complete the training and provided 2 opportunities to pass the test and presented the following training results:

- Six of the original 16 employees who were required to participate in the training and sit for the certification examination **PASSED** after completing the MCET training
- Five of the original 16 employees only marginally participated because they were exempt from certification as a requirement for their job due to years of service.
- Five of the original 16 employees where certification is a requirement for their jobs failed to register for the examination to our knowledge.

After the 2014 reorganization, it was decided the certification program needed to begin and the Union with Management agreed employees with 20+ years would be Grandfathered.

Ms. Boardman specifically asked how many employees participated in the exam prep sessions. Mr. Kiely stated he could only speak to the employees that passed the exam, which were 6 employees because employees had to sign-up individually with the test administrator.

Ms. Boardman asked Mr. Kiely if the operator certification is legally required or a best practice; he answered "both". Specifically, Mr. Kiely stated the operator certification program is a best practice and adopted across the country. Further, the operator position is extremely important to the organization as it controls how DC Water distributes portable water across the District and the manner sewerage is sent to the wastewater treatment plant.

Chairman Frome asked questions surrounding how the operator certification program applies to DC since DC is not a state. Mr. Hawkins stated he was not sure if there has been a formal decision rendered about whether or not the District of Columbia must comply with this rule or not

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but as a manner of practice, DC Water has not complied with this rule because DC is not a state and the question as to compliance has not been squarely answered. However, as every other similar utility requires a similar certification, DC Water must as well.

Mr. Wilson agreed with Mr. Kiely about the numerous conversations surrounding the operator certification requirements prior to the start of the training program. Although, it was Mr. Wilson's position employees did not miss classes because they called out sick, but rather because they were scheduled to work and the department was understaffed. Mr. Wilson stated he discussed his concern about the adequacy of the training with management and requested sufficient training for his members. Mr. Wilson stated he spoke directly with the Association of Boards of Certification (ABC) and it was his understanding the certification program takes more than the stated 18 months, although he plans to gather his supporting data and formally present to the Board for review at a later time.

Board member, Rachna Butani stated if the entire country is requiring certifications, then DC Water should also mandate certifications for operators. Chairman Frome specifically asked how many employees need certification. Ms. Boardman then asked if we could identify the 5 employees who missed the training due to being scheduled for work and facilitate their training.

Finally, Mr. Frome stated if the operator certification is required anywhere else in the country, then we need to ensure the remaining 5 employees are provided adequate training to pass the exam and we should work specifically with those employees to ensure that they receive the training they need in order to obtain the required certifications.

3. Achieving Excellence - CDL Presentation

Before starting his second presentation on CDLs, Mr. Kiely opined about the fact that the District of Columbia is requiring anyone doing electrical work be required to have a Journeyman license.

Barry Carey, Local 2091 President stated the electricians having been doing DC Water specific work, not necessarily standard electrical work and so it is unfair to expect these employees to train in an estimated 6 months and pass the exam.

Mr. C. Mustaafa Dozier, Chief of Staff, stated the Authority is scheduled for an arbitration on the instant matter on February 23, 2016 and as such this matter cannot be further discussed.

Mr. Kiely stated his presentation would answer questions raised by Local 872 regarding the CDL requirement. Specifically, Local 872 previously asserted the Authority is requiring a CDL for jobs where the employees do not use CDL equipment. Mr. Kiely stated he and Mr. Hawkins reviewed specific areas where they thought they could reduce contractors in order to incorporate DC Water employees to do the work which would increase union membership. This was an initiative Mr. Kiely shared with the Union. Mr. Kiely stated he conducted a hard review of operations to see where the Authority could consolidate positions to leverage employees and spoke about equipping employees with the training necessary to obtain a CDL in order to utilize DC Water

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employees and shrink the amount of work outsourced. Mr. Kiely stated this would drive cost down and provide for a flexible workforce.

To that end, in 2011 job descriptions were updated requiring a CDL. This allowed the work to determine assignments and the changes created promotional opportunities. Mr. Hawkins honed in on Mr. Kiely's point regarding a flexible workforce. Mr. Hawkins was proud to state creating these requirements have allowed the Authority to utilize DC Water employees, instead of relying on outside parties. Finally Mr. Kiely stated the goal is to leverage our workforce to be responsive to our ratepayers, especially because we have an old infrastructure and a lot of work to do.

Mr. Shanks stated he and Mr. Kiely never discussed the CDL issue and the men and women working at DC Water have been working without any certifications and certifications do not make employees work safer. It is Mr. Shanks' belief that DC Water is unique and should not be compared with the surrounding counties. Further, Mr. Shanks stated the CDL requirement does not make employees work better but simply providing a road block to employees continuing their employment at DC Water because of the medical requirements.

Board member, Rachna Butani, replied to Mr. Shanks' comments explaining one cannot simply stay the same and as things change, requirements change. It is Ms. Butani's belief a flexible workforce is in the interest of the organization and in the interest of the employees as it provides for job security.

Ms. Milton raised a concern regarding the CDL requirement demographic. Specifically, she requested the board to review the CDL requirement where it is not likely CDL equipment is used. She believes the CDL requirement may have a discriminatory impact on a certain class of people.

Mr. Wilson also commented stating his members are not opposed to obtaining new certifications.

4. Executive Session

Mr. Hayman requested a motion to move into Executive Session to discuss personnel matters pursuant to D.C. Official Code Section 2-575(b)(10). Ms. Manley conducted a roll call and the Committee convened into an Executive Session at 1:30 p.m.

The Committee reconvened into open session and adjourned at 1:45p.m.



**District of Columbia
Water and Sewer Authority**

Board of Directors

**Environmental Quality and Sewerage
Services Committee**

Thursday, January 21, 2016

9:30 a.m.

MEETING MINUTES

Committee Members via Conference Call

James Patteson, Chairperson
Howard Gibbs
Bo Menkiti

DC Water Staff Present

George Hawkins, CEO and General Manager
Len Benson, Chief Engineer
Gregory Hope, Principal Counsel
Linda Manley, Secretary to the Board

I. Call to Order

Mr. Patteson, Chairperson, via conference call called the meeting to order at 9:38 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 283 MGD. 4.84-inches of precipitation fell during the December reporting period. The enhanced nitrogen removal facility is performing well, producing a low total nitrogen (TN) concentration of 2.08 mg/l. Mr. Tesfaye noted that December 31, 2015 signified a full year since the January 1, 2015 EPA-mandated effluent TN limit with a cumulative discharged TN of 2.7 million pounds, which is well below the permit effluent limit of 4,377,580 pounds per year. Overall, plant performance was excellent with 100% permit compliance. Biosolids production was 452 wet tons per day (wtpd).

Mr. Tesfaye remarked 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 was 195 MWH/day or 32% of the 606 MWH/day Blue Plains energy demand as depicted in the revised Blue Plains monthly energy consumption chart. The Committee asked whether the energy generated from the CHP facility should start to level off now that the facility is generating the projected goal of approximately 30% of the average Blue Plains energy demands. Mr. Tesfaye responded that current energy generation is positive; however, the CHP facility is still in the optimization phase and stated that an update will provided to the Committee after the testing and data analysis have been completed.

III. NPDES RENEWAL STATUS UPDATE

Mr. Tesfaye explained that there are a total of fourteen (14) requested NPDES permit revisions; however, only three significant items (as shown in slide 5): Classification of Outfall 001, Design capacity of Blue Plains Outfall 002, and E. coli TMDL, which are being presented at the status update. Mr. Tesfaye explained that the new system configuration after the Tunnel Pumping Station and Wet-Weather Treatment Facility are constructed in year 2018 DC Water is requesting that to re-classify Outfall 001 as a separate CSO outfall as depicted in slide 6. Mr. Tesfaye highlighted several advantages as outlined in slide 7 for the re-classification of Outfall 001 as a CSO. Mr. Tesfaye explained that the design capacity for Blue Plains is requested to be revised from 370 MGD to 384 MGD due to the quantification of additional stormwater flow to be treated at Blue Plains as a result of the tunnel system (slide 9), which was not included in the 1984 Blue Plains Feasibility Study that established the 370 MGD design capacity for the plant. Mr. Tesfaye explained DC Water is appealing the Blue Plains E. coli loading allocation under EPA's new TMDL for E. coli for the Potomac River (slide 10). Mr. Tesfaye noted that EPA is reviewing the requested permit revisions and the permit issuance may be affected by the E. coli TMDL appeal (slide 11).

IV. NORTHEAST BOUNDARY DESIGN-BUILD PROJECT UPDATE

Mr. Carlton Ray, Director Clean Rivers, provided a background summary consisting of the 2012 severe flood event pictures in the Bloomingdale and LeDroit Park neighborhoods (slide 2) and described the Mayor's Flood Prevention Task Force that resulted in over 25 recommendations and more specifically the engineering measures for short-term, medium-term and long-term flood mitigation solutions (slides 3-4).

Mr. Ray explained that the medium-term flood mitigation projects consisting of the Irving Street Green Infrastructure and McMillan Stormwater Storage projects were completed in spring 2014, and the mining for the First Street Tunnel Project was completed on December 23, 2015. Mr. Ray noted that the long-term solution consists of constructing the Northeast Boundary Tunnel (NEBT) Project, which has a consent decree requirement for operation by March 2025. However, DC Water has established a target operation date of December 2022 based on the Mayor's task force recommendations. Mr. Ray highlighted many of the project benefits and noted that the NEBT is expected to reduce CSO to the Anacostia River by 98% (slide 5). Mr. Ray explained that the NEBT alignment has been adjusted to minimize private property acquisitions and noted that all properties and easements on the alignment have been obtained. Mr. Ray explained that the NEBT construction was divided into phases: Division U first, which will result in the relocation of the utilities at the eleven (11) shaft locations and staging areas as depicted on slide 6; and Division J, which will result in the construction of the NEBT and diversion facilities (slide 7).

Mr. Ray explained that the NEBT is the largest project that the Clean Rivers Project has undertaken and will consist of approximately 27,000 linear feet of 23-foot diameter tunnel including diversion chambers, deep shafts, adits, and underground connections (slide 8). Mr. Ray stated that DC. Water would meet or exceed the MBE/WBE goals on this project.

Mr. Ray introduced Mr. Moussa Wone, Manager Tunnel Design, who provided an overview of a typical diversion facility. Mr. Wone described the process of conveying flows from near-surface sewer structures to deep structures by way of a drop shaft to an adit that connects the shaft to the tunnel as illustrated in slide 10. Mr. Wone provided an example of the diversion facility planned at the Rhode Island Avenue site and Mr. Wone noted that the diversion facility will

typically include some ground/street level improvements and drop shafts that are generally visible from above grade. Mr. Wone explained that the majority of the construction is done below grade (slides 11-15).

Mr. Ray presented the next steps on the project by indicating that the proposed Division U contract is expected to be presented in the March 2016 Committee Meeting for a planned construction NTP of April 2016. Division J has a planned construction NTP of April 2017 (slide 17).

V. ACTION ITEM - JOINT USE

1. Contract No. WAS-12-066-AA-RE, Polydyne, Inc.
2. Contract No. WAS-11-049-AA-GA, Electric Motor and Contracting Co., Inc.

The Committee reviewed the two action items while the conference call connection was being re-established and will recommend the two actions to the full Board. The additional Committee members concurred with his recommendation.

ACTION ITEM – NON JOINT USE

1. None

VI. OTHER BUSINESS/EMERGING ISSUES

None.

VII. EXECUTIVE SESSION

An executive session was not held.

VIII. ADJOURNMENT

The meeting was adjourned at 10:36am.

Follow-up Items

1. Mr. Aklile Tesfaye will provide an update after the CHP optimization and data analysis are completed to report if the project goal of 30% average energy generation was achieved.



DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

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

**MEETING MINUTES
THURSDAY, JANUARY 21, 2016
(via conference call)**

Present Board Members

Rachna Butani Bhatt, Chair
Kendrick Curry
Alan Roth
Howard Gibbs

Present D.C. Water Staff

George Hawkins, General Manager
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. She stated that the agenda was being modified to first discuss the Capital Improvement Program (CIP) and contracting project issues and then the other items would be addressed.

II. Water and Sewer CIP Briefing

Ms. Butani Bhatt introduced Liliana Maldonado, Director of the Engineering and Technical Services Department, who presented the water and sewer CIP briefing. Ms. Maldonado stated that there were four presentations that would address some of the questions that were raised by the Committee. The last two presentations provide more detailed answers. She indicated that she thought it was important to understand the large picture which included the background process that is used for these types of contracts.

Ms. Maldonado reported that the water and sewer CIP is different from the work that the Board is use to hearing reports on in the Environmental Quality and Sewerage Services Committee meetings which relates more to Clean Rivers and the Blue Plains work. There are two types of projects that they have been asked questions about. In the large valve replacement category there are four active contracts and they have been asked the status of one specific location within one of the contracts. Ms. Maldonado stated that the total dollar value that they are

managing is about \$10.8 million. The contracts have 53 locations where the work is being done. Of those locations, Ms. Maldonado indicated that they were talking in this presentation about one where they have had some challenges. She noted that for the small diameter water main portion of the CIP they have five active construction contracts for a total of 38 different locations where work is being done. They have received questions related to two specific locations within contracts 9A and 9B. Ms. Maldonado reported that there is a lot of work going on in the city with regards to both small diameter water mains and large valve replacement work. She stated that they are having good success with all of that work but every now and then they do have specific locations where some challenges present themselves. This is the context of how this fits into a larger water and sewer CIP.

III. Large Valves Replacement Process for Complete Installation

Ms. Maldonado reported on the large valve replacement process for complete installation. Her briefing showed how contracts get developed and executed in the field. The handouts distributed on the contracts are available on-line and include the Business Process Flow Diagram for the installation of large valves. She walked the Committee through the entire Flow.

Ms. Butani Bhatt stated that one of the issues was about the projects where they are plated or backfilled and it is done so poorly that people in the community are very concerned about their vehicles and feel like the plates should have been put in lower so that they do not cause traffic congestion. She wanted to know to what extent D.C. Water goes out and checks the quality of the backfilling and plating work that has been done to see if it could be done better in a way that would not affect traffic, inconvenience people in that area, and have the potential to damage vehicles. Ms. Maldonado asked Deidre Saunders, Manager of the Construction Management Division, DETS, to answer the question on their quality assurance process. Ms. Saunders stated that their guidelines are based on the District's Department of Transportation (DDOT) requirements for backfill, as well as for temporary asphalt restoration. She reported that the inspector on her staff does the initial quality control and over time they are normally out there every two or three days still working at the site and checking on the work. Ms. Butani Bhatt said that the Board has received complaints and that she has been very disappointed in some of the backfill or plating.

Mr. Roth announced that he was leaving for another appointment and wanted to state his concerns with the final stages of the project when the work was done and the time comes to close the project. His issues are about the lag times between the temporary restoration of the roadway and the final restoration. With the Fort Meyer contract he is not sure who is responsible for what went wrong on 14th Street. Based on his reading of the presentation the timetable shows that it takes way too long to go from the backfill and temporary restoration of the roadway to completion and permanent restoration. He believes D.C. Water should not be supplicants before DDOT and that they need to get the General Manager, the Chairman of the Board, the Director of DDOT, the City Administrator, and if necessary, the Mayor to get together and solve the problem. It takes way too long and it is clearly unnecessary. The end result is that the work that is being done is causing incredible disruption on major arteries of the City and inconveniencing people in the City. He believes D.C. Water does a much better job of finishing off this work than virtually any other utility.

Ms. Butani Bhatt stated that she has also expressed frustrations in terms of quality control for what she has seen in the areas that she pointed out. She told Mr. Roth that she believes management has heard them and understands that they have some issues with the quality control in terms of watching the contractors.

Mr. Hawkins informed Mr. Roth that they are taking this to heart and will make sure D.C. Water's quality assurance and inspection program does as tough a job as possible. He stated that they are scheduling a meeting with the DDOT Director about the issues Mr. Roth raised.

Ms. Maldonado then moved back to presenting the process. When she reached Slide No. 18, she indicated that they are done with the mechanical work on the job and go to temporary restoration. It only takes a few hours in a day to do the temporary restoration. Ms. Maldonado stated that they have questioned the need for the temporary restoration step because if they could eliminate that step from the process, she believes the 35 days between temporary and permanent restoration could be cut to a 2-week period. Ms. Maldonado informed the Committee that when they have emergency projects they have been able to negotiate the temporary restoration step out of the process because DDOT is comfortable with the quality of the work D.C. Water's contractors do. She welcomes anything the Board can do to help them work with DDOT in coming up with some agreement where they can eliminate that step, especially in areas where traffic is very congested or at very critical intersections.

There are also issues related to the scope of paving. When they bid their contracts out, they make certain assumptions as to the amount of pavement that they have to replace and sometimes the costs are 100 percent over what they estimated. The DDOT inspector has flexibility to decide what he or she believes is an appropriate limit of restoration. Ms. Saunders stated that they use DDOT's standards on paving but sometimes DDOT does not follow them and there is a lot of interpretation and negotiation in the field that goes on between DDOT, the contractor, and D.C. Water's staff to try to arrive at an acceptable answer. Sometimes it does not end with a reasonable agreement and they have no choice but to do what DDOT asks them to do.

Mr. Gibbs asked if they have pre-construction conferences with the contractors to say this is what is being done, this is what D.C. Water will disturb, and not disturb. It seems to him that they are coming out and saying fix this and that, even if D.C. Water and the contractors had never touched the area. Ms. Saunders stated that they do not meet with them at the beginning of a project but she considers it an excellent suggestion and will add it to the list of issues for discussion with DDOT. Ms. Maldonado noted that they do document the condition of the site before they touch it and when it is completed with photos. Often they refer to those photos and argue with the DDOT inspectors for days and still get no resolution.

Mr. Curry stated that it sounds to him that it needs to be a higher level meeting with DDOT to start to hammer out the memorandum of understanding and D.C. Water needs to elevate the priority of it and put a timeline on it. If they can reduce the responsiveness from 35 days downward toward 14 or less, he asked what is taking so long with regard to calling the meeting and setting some times and getting the MOU done. Ms. Maldonado replied that she, Gus Bass, Carlton Ray, and Deidre Saunders have held meetings with DDOT but to no avail. She believes the issues need to be elevated to the agency head level and that they need help from D.C.

Water's General Manager and the Board members who might have some relationships with people who could be helpful. Mr. Hawkins indicated that changes need to be made and that he has discussed the issues with Matthew Brown, D.C. Water Board Chairman, who is also the D.C. Budget Director, and past DDOT Director. He agrees and believes discussions need to be raised to the top level.

Mr. Curry requested from staff, the cost impact of reducing something from 35 days down to 14. He asked how much would be saved. Ms. Saunders said that she does not have the numbers now but will calculate the costs in time and the damages to vehicles if a plate shifts. Mr. Curry stated that the cost is a major driver and they want to wisely spend D.C. Water's resources. Ms. Maldonado said that this information would be prepared and provided to Mr. Hawkins for his meeting.

IV. Large Valve Replacement at 14th Street, Between F and G Streets, N.W.

Ms. Maldonado stated that the prime contractor on the job is Flippo and the subcontractor for the restoration work is Fort Meyers. She presented the work outline and milestones on slides. Ms. Maldonado indicated that they are very happy with the work Flippo does on projects. On this project the planned dates on the restoration process, temporary first step and then the permanent last, were about two months apart. She reported that one of the challenges they see in their work is that the volume of concrete that they need is very small in comparison with a lot of the construction activity going on in the City and that they are not a priority. They sometimes are last in line on a given day and there is no guarantee on time delivery of the concrete. Ms. Butani Bhatt said that D.C. Water should be on the suppliers' priority work list no matter what the quantity is. She indicated that sitting down with them and discussing this issue is very important.

Ms. Maldonado then went through some of the challenges encountered on this particular job. It experienced some delays that were due to unique conditions at the site. DDOT did not approve the normal work hours that D.C. Water typically sees in other projects. The contractor could only do work between 9:30 a.m. and 3:30 p.m. which amounted to a five-hour workday instead of eight after time is taken setting up and closing down. Five hours is not sufficient.

This location was also a very congested traffic corridor, so there were a lot of challenges with the traffic control plan. Another challenge was that there were significant utilities in the area too close to where D.C. Water's valve replacement was happening which required a change in their planned field work from the use of mechanical equipment for excavation to having to hand excavate so that they did not cause damage to the utilities. These and other site conditions resulted in legitimate delays that were outside of the control of the contractors and they had to come up with alternative approaches during the construction effort. Ms. Maldonado reported on their inability to use the traditional manhole in the location. They believe it was a two-week delay just for these two issues.

Ms. Maldonado indicated that they examined the lessons learned on the projects and looked back at what they could have done differently. They are now waiting for the final walk through by DDOT on January 31 before officially closing the job.

IV. Small Diameter Water Main Locations: P Street Between 26th to 28th Street, N.W., and R Street Between Wisconsin and 30th Street, N.W.

Ms. Maldonado stated that issues with one of these projects was raised by Mr. Roth and one by Ms. Butani Bhatt. These projects are where they have had some challenges with the contractor. Locations are under different projects but they are with the same contractor. There are 38 locations associated with these two projects. The description of the work is the installation of small diameter water mains, fire hydrants, and valves in multiple locations.

The contractor is Judlau, Inc., from New York, a reputable utility contractor with experience working in Manhattan and in heavily developed, congested areas. Ms. Maldonado stated that from a technical perspective, the due diligence was done for this contract award, and they were the apparent low bidder, and their technical references were very strong. However, this contractor had never worked in D.C. before, so they were both a new contractor to the Washington, D.C. metro area and a new contractor to D.C. Water. One of the things discussed with Board members previously was the fact that there are only a handful of contractors who are able to do this type of work, so they were excited to see a reputable contractor come and be willing to get into this market.

Ms. Maldonado indicated that the two contracting questions were on contract 9A and 9B, and one of the challenges they faced with the new contractor was that they were the apparent low bidder on both of these contracts. The two contracts were bid two months apart. D.C. Water did not have any experience with them yet in the field to concern them that there was going to be a problem in terms of their capabilities and capacity to get the work done. It takes contracts months to get the permits and all the other things they need to start the work.

For contract 9A, the P Street location, notice to proceed was given on November 12, 2013 and currently they are 90 percent complete. According to Ms. Maldonado they were supposed to finish the project by May 2015, so they are essentially 8 months late. Because of some of the challenges they encountered, D.C. Water approved a no cost time extension which basically allows them to continue the work and they have to eat up any costs associated with the extended time for completion. They have given them an October completion date and they have been informed that they will be assessed liquidated damages on this project. Ms. Saunders and her team had concerns from the beginning on the contractor's lack of progress. They met with them fairly early in the late Spring of 2014 to basically ask them a bunch of questions around whether they were sure they were on track and to make sure that they understood that D.C. Water was watching very closely and was very concerned that they were not making sufficient progress.

On contract 9B which is the R Street location, it was awarded in March 2014, about four months after the first contract. Currently they are 85 percent complete with an original completion date of October 2015 and so far they have approved a 68-day time extension to December of 2015. Ms. Maldonado went over the list of issues encountered by the contractor which included them being very slow staffing up the project, being new to the area, and having no local staff. They communicated on numerous occasions about the problems and the contractor would show improvement and then revert back. In July they met with them and discussed the problems and were assured that they had it under control and everything would be finished on time. A

Committee member asked why they were not fired at that point. Ms. Saunders stated that they looked at termination at that point and spoke to the President of the company who committed to resources that were never delivered. They felt that in terminating them it would actually cost the Authority more money and it takes time, the community would be left in a partial state, and someone would have to maintain the location until it was assigned to another contractor. They decided to stick it out.

Ms. Butani Bhatt asked if they had performance bonds on the contractor and Ms. Saunders said yes. Ms. Butani Bhatt stated that she does not feel any agency should be afraid to terminate the contractor when performance bonds are in place. It will cost money but if you are terminating for cause, the performance bonds should kick in and all of the costs experienced by D.C. Water would be covered by the bonding company. She asked if they had written to the bonding company informing them of the issues. Ms. Saunders replied, no. She said they felt they were prosecuting progress with them and when they communicated with the contractor, they would see some progress. Ms. Butani Bhatt stated that they have to follow through in writing to the bonding company who is the only entity that will put a lot of pressure on the contractor to perform consistently. If they feel like the contractor is failing, they can go after everything and take it from the contractor, personal assets and company assets. She encouraged them to utilize this tool in every situation where D.C. Water holds a bond on a contractor.

Ms. Maldonado gave the schedules for completion of 9A. Ms. Saunders stated that 9A had now been completed. On 9B they were working on the times and it is scheduled to be completed in April.

Some of the lessons learned and potential solutions they have discussed were presented by Ms. Maldonado. They are not making recommendations at this time because they need to continue working on their ideas. Lessons learned included how to increase assistance to new contractors to this area so that they fully understand D.C. Water's requirements. They will continue to work to attract additional competent contractors and provide more assistance to them on key elements of D.C. Water's and the City's processes that may be unique from what others do. Ms. Maldonado stated that the final completion dates are not tied now to specific locations but to the overall contract, so they may develop a schedule of milestones and a schedule of values for the projects that allow them to tie in cash flow to specific locations so that they incentivize the contractor to get in and out as quickly as possible in the locations that are most critical to D.C. Water and the City.

Ms. Maldonado also presented actions to avoid when working with contractors who are poor performers. They have most of the things in the contracting documents but they need to take a closer look and review the language from a contract management and legal perspective and see if they can tighten it more. More of these actions are listed in the handout which is on the website.

Ms. Maldonado said that they will continue to look at all possible solutions to the challenges and also to continue to benchmark with others to make improvements. They are not ready yet for recommendations on what they want to do differently. She wants to reach the level where she feels they have done sufficient evaluation and that everything makes sense. Ms. Maldonado

indicated that they will be hearing more in the next year or so because it is weighing heavily on her mind and because as the number of projects continues to increase, they have to look at alternative ways to get the work done by using creating contracting, as well as procurement approaches, to get to the best possible outcomes.

Ms. Butani Bhatt asked if the Board members had additional questions on the presentations. Mr. Gibbs asked if the contractor will be allowed to continue to bid on projects. Ms. Saunders stated that when the contracts are completed, the contractor will be assessed liquidation damages to date and that will go on their record. The contractor is well aware of the implications when they respond to any other advertisements or bids that D.C. Water has. That is a death nail for contractors. Their performance evaluation will probably be a 1 on a schedule from 1-4. They will probably be considered non-responsive/responsible based on those factors. Ms. Maldonado assured the Committee that they will bring this to them for discussion before they move forward.

V. Water Quality Monitoring

A. Total Coliform Testing (TCR)

Charles Kiely, Assistant General Manager for Customer Care and Operations, reported that there were zero positives in December and so far in January. This is expected in the cold months.

B. Lead and Copper Rule Monitoring

Mr. Kiely stated that they filed the Lead and Copper Rule Testing on January 10, 2016 with the U.S. Environmental Protection Agency and they came in at 3.7 parts per billion, rounded to 4. He gave kudos to the Drinking Water Division and the Office of the General Counsel. Mr. Kiely mentioned the struggles D.C. Water had back in 2004 and what is going on today in Flint, Michigan. D.C. Water is really on top of this and it is the work of a small group of people, especially Jessica Edwards-Brandt with the Drinking Water Division, Maureen Schmeling, and Gregory Holt from the General Counsel's Office. They believe they have achieved optimum corrosion control with respect to the water treatment process. This is one of the lowest levels in the history of D.C. Water.

VI. Fire Hydrant Upgrade Program

David Wall, Manager, reported on the status of fire hydrants for December. They continue to work on reducing the out-of-service hydrants found to be defective and they are now down to 31 out of over 9,400 public hydrants. For the hydrants that have been out of service for over 120 days, they continue to work on those. Mr. Hawkins asked if this was the lowest percentage they have had and Mr. Wall replied, yes, since he has been on-board. There was nothing to note on the map of clustered out-of-service hydrants.

VII. Non-Joint Use Contracts

Mr. Kiely presented the two contracts. The first one is for Mueller Systems for interim positive displacement meters. This is basically to extend the current contract and they are going out

later this year for a larger contract. These are in support of the Water Main Replacement Program.

The second contract is for Fort Meyer to add money to the water main infrastructure repair and replacement contract. This is for a modification, contract extension which is important for winter months. Mr. Kiely stated that the contractor has performed good.

Mr. Curry asked about the Fort Meyer contract and if this was change order number one. Mr. Kiely said there had been no other modifications under this contract.

Ms. Butani asked that Mr. Roth's comments be considered seriously. D.C. Water has to expect the best from its contractors, not excuses. She understands that things happen but she encourages everyone to hold the contractors accountable and to use the means and methods available to keep them in line. Give them feedback on what D.C. Water's expectations are. Mr. Hawkins agreed and welcomed this type of direction from the Board and will act on it.

There were no additional comments or questions on the two contracts. The Committee recommended both contracts for full Board approval.

Ms. Butani Bhatt thanked everyone for participating in the conference call and adjourned the meeting.



**DISTRICT OF COLUMBIA
WATER AND SEWER AUTHORITY**

Board of Directors

Finance and Budget Committee

Thursday, January 28, 2016

11:00 a.m.

MEETING MINUTES

Committee Members via (Conference- Call)

Timothy L. Firestine, Committee Chairperson

Committee Members in Attendance

Sarah Motsch, Acting Chairperson

Ana Harvey

DC Water Staff

George Hawkins, CEO & General Manager

Gail Alexander-Reeves, Director, Budget

Robert Hunt, Director, Finance

Meena Gowda, Acting General Counsel

Otho Milbourne, Manager, Benefits

Diala Dandach, Supervisor, WWT Plant Design

Linda Manley, Secretary to the Board

Other Presenters and Guests

Chris Lover, Public Financial Management (PFM)

Call to Order

Chairman Firestine via of teleconference requested that Sarah Motsch Chair the meeting. Ms. Motsch called the meeting to order at 11:00 a.m.

December 2015 Financial Report

Ms. Gail Alexander-Reeves, Budget Director, reported that first quarter financials are on track with budgetary expectations and targeted performance metrics. Total revenues are at \$148.9 million or 26 percent of budget, operating expenses at \$112.3 million or 21 percent of budget and capital disbursements at \$168.2 million or 31 percent of budget in the respective category. This month's report includes the quarterly performance reports for accounts payable and grants. The grants report excludes funding for the Congressional CSO appropriation of \$14 million that has not been received.

The Authority's financial results for FY 2015 were all favorable to budget and the financial audit completed. An unmodified (clean) opinion was issued on December 18, 2015. Staff will continue to monitor the financial impacts of emergency response to water main breaks and snow removal during the historic storm event. Ms. Reeves mentioned that the detailed documents of the Board-approved FY 2017 budgets have been published on the website.

Ms. Reeves, provided feedback from staff's visit to some random Alternative Payment Sites (APS) within the District to check the quality of their customer service. The report from the visit was favorable, and staff will continue to conduct impromptu site visits.

Financing Update/PJM Presentation

Mr. Robert Hunt, Finance Director and Mr. Chris Lover of Public Financial Management, DC Water's financial advisor, briefed the Committee on the recent bond refunding. The deal syndicate was led by Loop Capital Markets along with Goldman Sachs and Ramirez & Co. as Senior Managers and Fidelity Capital Markets, Siebert Brandford Shank & Co, US Bancorp and Wells Fargo Securities as Co-Managers.

The bond sale was a tremendous success due to the work of the Finance staff, our financial advisors, bankers and favorable market conditions at the time of the sale. The new 2016A bonds refunded a portion of the 2007A, 2008A, and 2009A bonds. The total par amount of the new bonds was \$389,110,000 and all in total interest rate of 3.53 percent. The net present value savings to the Authority is estimated at \$56.8 million over the life of the bonds with an average annual debt service savings of \$3.3 million. The net present value savings as a percentage of par was 14.1 percent. Included in the sale was a tender/exchange offer by Citigroup to exchange bonds being refunded they held with a comparable amount of new 2016A series bonds at a rate favorable to DC Water. The bonds received a strong demand in the market with many new first time investors in DC Water bonds.

Mr. Hawkins, CEO & General Manager, commented that the timing of the refinance was perfect, as the execution was on a day that interest rate was at the lowest in the past two years. The return on investment of the deal was at 10 percent compared to the Board's threshold of 5 percent. He also commended the financing team's accelerated efforts to take advantage of the market opportunity which resulted in this tremendous deal for the rate payers.

Digester Project Update

Ms. Diala Dandach, WWT Plant Design Supervisor, provided an overview of the cost/benefits analysis of the estimated operational savings from the Digester project in comparison to the original project assumptions. Ms. Dandach reviewed in detail the underlying assumptions, including construction cost uncertainties, for the major program phases – concept phase (2009), after bid phase (2012) and current phase (2016). She also explained that the 2009 O&M costs update were mainly based on a conceptual and comparative model which did not include all costs common to the alternatives.

Mr. Firestine inquired about the major drivers of the increased capital costs from the conceptual phase. Ms. Dandach explained that the variation between the \$475.7 million in 2012 and \$504.2 million in 2016 was mainly for low NOx emissions turbines and required conditioning of the gas in order to meet DC's non-attainment emissions regulatory requirements which was not planned for in 2009. This variation, at 25 percent of the initial cost, is lower than the 40-50 percent allowed for by the cone of uncertainty for engineering and construction projects at concept level design (1% to 5% design). Mr. Hawkins explained further that the largest variation was in the CHP, and it was driven by regulatory decision by the Department of Energy and Environment to continue with the non-attainment designation to achieve best level of air standards and thereby making DC Water

the leader with this kind of cleanest turbines in the world. Ms. Dandach also highlighted the second major cost difference in the Site preparation contract; this was decrease mainly due to more efficient substructure design and detailed layout of the buildings' footprints.

Ms. Dandach also explained the underlying assumptions for the operations and maintenance savings estimate of \$20.3 million highlighting that the savings estimated in the Zero base model are defined against the lime alternative and remain a significant benefit of the project. Mr. Hawkins further explained that had the digester project not been undertaken, it would have cost the Authority more to operate and maintain the lime stabilization process in addition to increased hauling costs and other risk concerns related to land application of Class B biosolids. He also noted the estimates do not include the debt service cost relating to capital expenditures to upgrade the lime system.

Mr. Hawkins will follow up with CFO Mark Kim to determine whether or not staff can provide debt service finance cost comparisons of the Digester project versus the old lime stabilization process.

Health Cost Presentation Update

Mr. Otho Milbourne, Benefits Manager, presented an overview of the Authority's health benefits and potential exposure to the excise tax which has been delayed from 2018 to 2020. He explained that this tax will be imposed on organizations with high-value health care plans where premiums exceed certain thresholds. DC Water's sponsored medical plans are considered high-value health care plans with high premiums and low deductibles. To avoid this potential excise tax estimated at \$5.5 million (cumulative from 2019 to 2023), the Authority initiated a gradual redesign of its medical plans which includes the following:

- Multiyear strategy to reduce healthcare premium
- Gradual plan design changes
- Increase copays, coinsurance and deductibles

Chairman Firestine inquired about the impact of these plan changes on union negotiations. Mr. Mustaafa Dozier, Chief of Staff, responded that the current compensation agreement that expired September 2015 with a duration clause does not have to be negotiated. However, these plan changes must be included in the upcoming bargaining with the unions.

Mr. Milbourne reported that the final rates negotiated for the 2016 healthcare employee benefits renewals were lower than both the initial rates and national averages.

Executive Session

The Committee moved into Executive Session at 12:25p.m., and reconvened into open session at 12:50 p.m.

Adjournment

Hearing no further business Acting Chair, Sarah Motsch adjourned the meeting at 12:44 p.m.

Follow-up Items

1. Determine whether or not staff can provide debt service finance cost comparisons of the Digester project versus the old lime stabilization process. **(Chairman Firestine)**



MANAGER'S

ary 2016

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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. January has been an auspicious start to the New Year. We have been busy, both on our own agenda, and in response to issues thrust upon all of us.

Green Infrastructure

When I applied to be considered as General Manager of DC Water in 2009, one of the principal strategic goals on my list was to incorporate Green Infrastructure into our remedy for combined sewers in Washington, DC. The Board had demonstrated leadership on this concept during the years I served on it – most clearly by directing \$1 million to Green Infrastructure in 2008 – supported by its most vocal champion David Bardin. The Board was doggedly supportive of my efforts throughout the seven years that have passed since – time and again hearing briefings and key updates – which ran the gamut from bright optimism and grey pessimism. Yet the Board was strong in its conviction that this was a good direction, and our team continued on its course – guided by the sense that good ideas would win the day over the multitude of obstacles. I am deeply pleased to report that the Board's commitment and faith in our team has been validated – the federal court in January entered a package modifying our existing Consent Decree to enable Green Infrastructure in our fair city. This outcome is a remarkable story of ideas, innovation, flexibility and perseverance – carried out by an all-star team led by Len Benson, Carlton Ray, Bethany Bezak, John Cassidy, John Lisle, Randy Hayman, Mark Kim and so many others. I strongly believe that our modified Clean Rivers Plan delivers a better outcome for the city and the people we serve. I have written more about it on my blog, with links to several other blog posts on Green Infrastructure: <http://georgehawkins.net/green-infrastructure-modification-approved/>.

Smart Finance

January was also a month where we delivered on the promise of a transaction we originally conceived of more than a year before. In short, we have been planning to take advantage of historically low interest rates to refinance a significant portion of our debt – issued in prior years at higher rates. The Board had approved this transaction in concept in the fall of 2014 and set as a floor that we should achieve at least a 5% return in present value (PV) savings. Staff, led by our star CFO Mark Kim and his team, set an organizational goal of achieving a 10% return. Although we came close to issuance several times, once by only a week or so – for many months we held our fire as we sought the 10% goal and sensed that better conditions might prevail. Some winds were blowing against us – quantitative easing by the Federal Reserve, which had helped reduce interest rates to spur the economy, was ceased in early 2015, and then in later 2015 the Federal Reserve increased its baseline interest rate for the first time in years. Yet in 2016, other more powerful forces drove a rally in the bond market – an economic slow-down in China in parallel with declining prices for many commodities, oil most significantly, caused worries about global economic growth and drove investors to US Treasuries as a safe haven against stock market declines and other potential losses. Increased demand for US Treasuries drove interest rates down – and we calculated that the 10% return was finally within reach. DC Water moved quickly to take advantage of these events – in 6 short weeks putting together a deal to refinance just over \$400 million of our existing debt at lower rates.

The fantastic news for our ratepayers is that this deal, consummated in January, delivered an astonishing 14% return in PV savings, which equates to about \$55 million in total savings – or about \$3.5 million a year for many years to come. I believe this refinancing deal, oversubscribed

Message from the CEO/GM

by investors, validates the investment ratepayers made in our team over many years of increasing water and sewer rates. These funds have been put to good use in improving our systems, retaining and recruiting the best talent, and step-by-step building a world class water enterprise. This effort has been recognized by the capital markets, and is now yielding tangible returns on that investment back to our ratepayers. I salute Mark Kim and his stellar team, and the Board for their support of this transaction.

What's in a Grade?

The American Society of Civil Engineers (ASCE) released its grade for the infrastructure of the District of Columbia – and gave an overall grade of C-. As part of this effort, ASCE graded drinking water infrastructure at C+ and sewer infrastructure also at C+. Gosh, how can we be pleased by a C+ grade for an essential infrastructure that we have been working so hard on now for many years? The answer is that a grade is only a snapshot in time, and really only gains true significance in what it reveals about the trend in performance. A C+ for something that used to be an “A” is an absolute disaster, while a C+ for something that used to be a D or F is heading in a wonderful direction. ASCE announced their report card with our First Street Tunnel project in the background, and I suggested in my comments that it is in the latter context that we view this report with some degree of pride and hope, although never complacency. I have written more about this subject on my blog as well: <http://georgehawkins.net/sometimes-progress-starts-with-getting-a-low-grade/>

SnowZilla

I am amazed that as everything else unfolded in January, our region was the recipient of one of the most powerful winter storms on record. Snowzilla, as many have called it, dumped from 17 to 36 inches on various communities in the region – including 26 inches in my front yard! We know that DC Water's services never stop even when the District and region come to a standstill – which requires equal measures of planning, preparation, execution, and then the blood, sweat and tears of our folks who are still at work – doing their essential jobs. I have written to the Board to update them on our preparations and performance several times, so will not go into detail here. Let me just say again that Team Blue is at its best when the going is tough, and I salute Charles Kiely, Jonathan Reeves and the essential employees who stepped forward throughout the organization.

External Affairs

Website: Session totals for the period of December 16 through January 15, 2015
 Total Sessions: 65,632
 New Sessions: 34,937

Government Relations

The DC Council Committee on Transportation and the Environment is scheduled to hold a performance oversight and Fiscal Year 2017 budget hearing for DC Water on February 25, 2016. The hearing will cover year-to-date performance of the Authority and the proposed Fiscal Year 2017 rates and fees.

Message from the CEO/GM

Media Relations

- The Bailey Bioenergy Facility reaped continued international coverage, with two or more media tours per week. *Agence France Presse* covered the story, which aired in Europe during the climate convention in Paris. *Voice of America* toured the plant and interviewed Mr. Hawkins and Chris Peot for an international story. *Univision* toured the plant and conducted an interview in Spanish with Ryu Suzuki for a national/international story in Spanish. *People's Television* is working with the Nature Conservancy on a documentary about the water cycle and the value of water. OEA organized a sewer entry with SAM 101 in November and they returned to film the bioenergy facilities a couple weeks later. *climateNexus* also came and did an on-camera interview with Bill Brower.
- George Hawkins graced the cover of the November/December issue of the new print magazine *Municipal Water Leader*.

Press Releases

- Road Closure On Bingham Drive Begins January 20
- Protect your pipes and keep hydrants visible
- DC Water's tunnel boring machine Lucy makes it home for the holidays
- D.C. Civil Engineers to Release Inaugural Infrastructure Report Card
- DC Agreement to Implement Green Infrastructure to Control Combined Sewer Overflows Entered in Federal Court
- DC Water leads multi-agency functional exercise for emergency management

Media Coverage

- *Huffington Post*: How The Federal Government Botched Flint's Water Crisis
http://www.huffingtonpost.com/entry/flint-lead-water-epa_569522a8e4b086bc1cd5373c
- The Hill is Home: HOW TO HELP YOUR HOME SURVIVE THE COLD
<http://thehillishome.com/2016/01/how-to-help-your-home-survive-the-cold/>
- Circle of Blue: 2016 Preview: Investors Will See Tighter Connection Between Water and Climate
<http://www.circleofblue.org/waternews/2016/world/2016-preview-investors-will-see-tighter-connection-between-water-and-climate/>
- Washington Post: Microbeads' soon will be banned from toothpaste and soaps
https://www.washingtonpost.com/local/microbeads-soon-will-be-banned-from-toothpaste-soaps-shampoos/2016/01/07/254166a8-b4c1-11e5-a842-0feb51d1d124_story.html
- Water online: D.C. Water Roleplays Extensive Contamination Drill
<http://www.wateronline.com/doc/d-c-water-roleplays-extensive-contamination-drill-0001>
- Proud Green Building: DC Water uses technology to convert wastewater to energy
<http://www.proudgreenbuilding.com/news/dc-water-uses-technology-to-convert-wastewater-to-energy/>
- WJLA: 7 On Your Side investigates D.C. community battling sewage backups
<http://wjla.com/features/7-on-your-side/7-on-your-side-investigates-dc-community-battling-sewage-backups>

Message from the CEO/GM

- *ibtimes*: Energy Companies Brace For Lower Prices In 2016, Possible Reconsolidations
<http://www.ibtimes.com/energy-companies-brace-lower-prices-2016-possible-reconsolidations-2240202>
- *Washington Business Journal*: D.C. Water completes First Street Tunnel, with flood relief for Bloomingdale, LeDroit Park residents
http://www.bizjournals.com/washington/breaking_ground/2015/12/d-c-water-completes-first-street-tunnel-with-flood.html
- *Greenwich Times*: Dig completed for Washington stormwater tunnel
<http://www.greenwichtime.com/news/article/Dig-completed-for-Washington-stormwater-tunnel-6717346.php>
- *DC-ist*: Boring Over: First Street Tunnel Completed, Construction Remains
http://dcist.com/2015/12/first_street_tunnel_is_complete.php
- *Water online*: DC Water Gets Charged Up On Human Excrement
<http://www.wateronline.com/doc/dc-water-gets-charged-up-on-human-excrement-0001>
- *Washington Post*: Tunnel boring machine completes 2,700-foot dig beneath part of D.C.
https://www.washingtonpost.com/local/tunnel-boring-machine-completes-2700-foot-dig-beneath-part-of-dc/2015/12/22/c844fc30-a8ea-11e5-9b92-dea7cd4b1a4d_story.html
- *Forever Green*: Forever Green
<http://www.bondbuyer.com/news/markets-buy-side/forever-green-1092352-1.html>
- *Digitaltrends.com*: DC water treatment plant uses human excrement to generate 13MW of electricity
<http://www.digitaltrends.com/cool-tech/solid-waste-electricity/>

Drinking Water Marketing and Communications

- External Affairs participated in a multi-agency functional water emergency exercise, facilitated by Horsley Witten. During the 3-day exercise, DC Water staff and partner agencies developed and executed a response plan for a potential drinking water contamination incident.
- DC Water promoted the TapIt Metro D.C. program at the Georgetown Patagonia store during a high-volume holiday shopping day.
- DC Water finalized plans to support the 2016 DC Stem Fair to encourage student interest in water science and promote District participation in the Stockholm Junior Water Prize Competition.

Meetings/Presentations/Events

- During a briefing with key staff from the Office of Ward 7 Councilmember Yvette Alexander, DC Water provided an overview and status update on all current and future construction projects within that ward.
- During a briefing with key staff from the Office of Ward 8 Councilmember LaRuby May, DC Water provided an overview and status update on all current and future construction projects within that ward.
- In support of an upcoming Small Local Sewer Cleaning and Lining Project in the Foggy Bottom community, DC Water met on site with a local affected business to carefully

Message from the CEO/GM

explain the need to access a portion of the sewer through a manhole located in the yard space, in public property.

- In support of an upcoming Local Sewer Rehabilitation Project in the Shaw/Mt. Vernon Square communities, DC Water met on site with Events DC to carefully explain the scope of the project while coordinating work activities with the upcoming calendar of events being held at the Convention Center.
- DC Water attended the January monthly meeting of the Benning Ridge Civic Association to share information on current and future construction projects happening both inside and immediately surrounding the Benning Ridge community. In addition, general information on the water system replacement fee and lifeline rate was also provided. As a thoughtful giveaway item to this predominantly senior attendee population, DC Water handed out approximately 50 reusable DC Water blue bags, and residents were very appreciative of receiving this item.
- As part of continued coordination efforts with ANC 2E and the Georgetown Business Improvement District regarding the construction projects that will affect them, DC Water met with these two groups to share important information on current and upcoming Small Diameter Water Main Replacement Projects, site selection for implementation of Green Infrastructure techniques, and a sewer rehabilitation project on O Street, NW and other area streets.
- DC Water attended a follow up meeting with ANC 2E and the Georgetown Business Improvement District to share updates on site selection for Green Infrastructure implementation in the Potomac River sewershed.
- DC Water attended the monthly meeting of ANC Single-Member District 4D02 to provide updates on site selection for Green Infrastructure implementation in that area.
- DC Water attended a meeting with residents in the 200 block of F Street, NE to carefully explain the scope of an upcoming Small Diameter Water Main Replacement Project, particularly the Lead Service Replacement portion of the project. This “cozy” meeting was held at a resident’s home, 223 F Street, NE. The residents were overall very appreciative that DC Water “took time from our busy schedules to come out and speak with the residents.”
- As part of its Environment Education program, DC Water provided a tap water environmental lesson at Houston Elementary School.

Customer Newsletter

The January issue of the customer newsletter included highlights for the year and an article on the closing of the business office at 810 First Street, along with an insert on the new walk-in payment centers.

Tours







- 30 guests from NEED Project Energy Industry Studies Program
- 10 Interested Infrastructure Professionals

ORGANIZATIONAL PERFORMANCE DASHBOARD (DECEMBER, 2015)

Financial Highlights

Net Operating Cash Actual 21455 Target 18738 (\$ tho)	Operating Revenues Actual 149 Target 145 (\$ mil)	Operating Expenses Actual 112 Target 135 (\$ mil)	Capital Disbursements Actual 168 Target 156 (\$ mil)
Operating Cash Balance Actual 145 Target 126 (\$ mil)	Delinquent Account Receivables Actual 2 Target 3 (%)	Core Investments Yield Actual 0.81 Target 1.04 (%)	Short Term Investment Yield Actual 0.39 Target 0.07 (%)

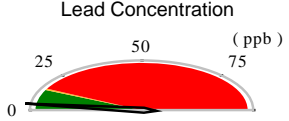
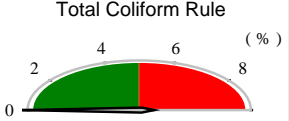
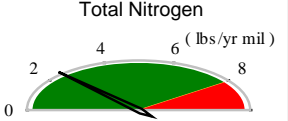
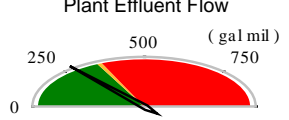
Customer Care and Operations Highlights

Call Center Performance  Dec 89 85 (% of calls rec)	Command Center Performance  Dec 94 85 (% of calls rec)	First Call Resolution  Dec 84 75 (% of calls rec)	Emergency Response Time  Dec 100 90 (% of calls rec)
Fire Hydrants out of Service  Dec 31 96 (count)	Fire Hydrant Insp. and Maint. 635 (count)	Fire Hydrants Replaced  Dec 16 250 (YTD count)	Permit Processing within SLA 93 (%)

Low Income Assistance Program

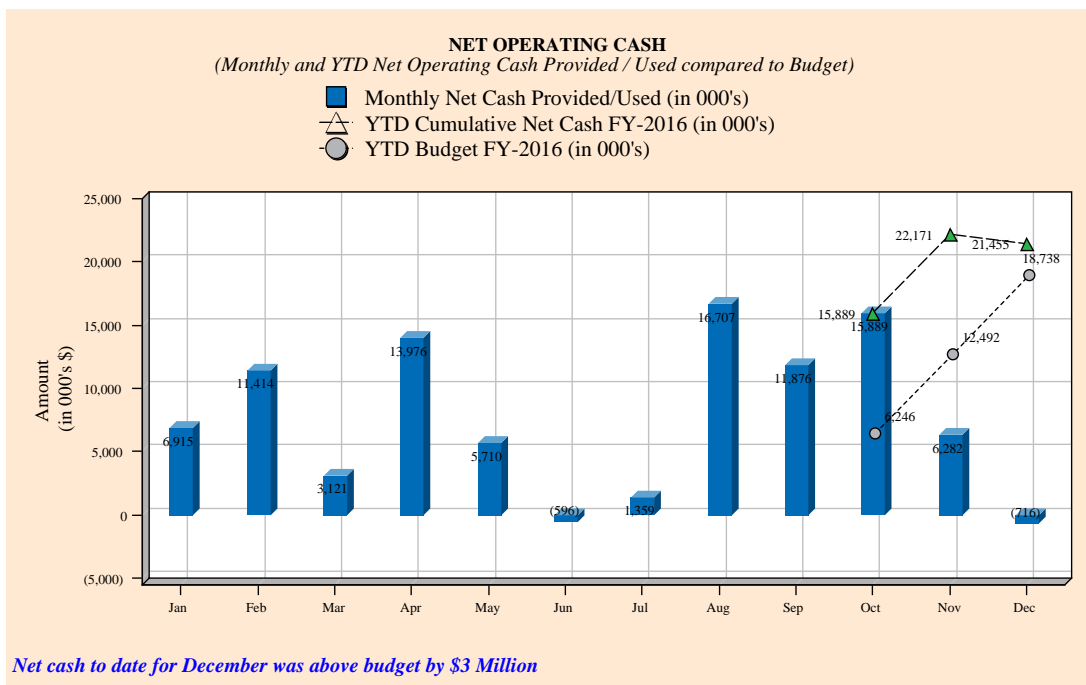
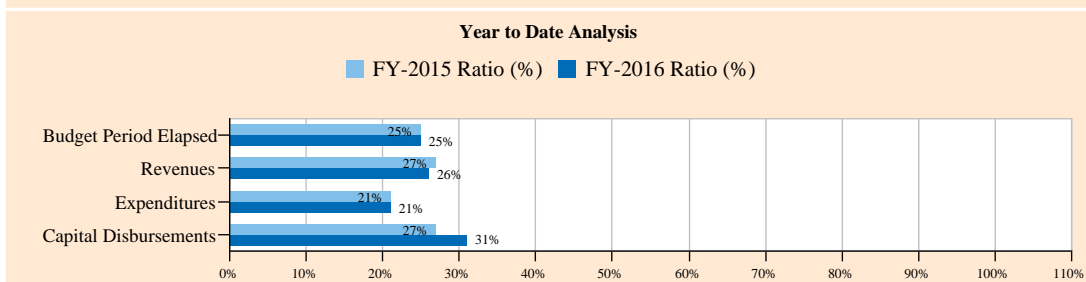
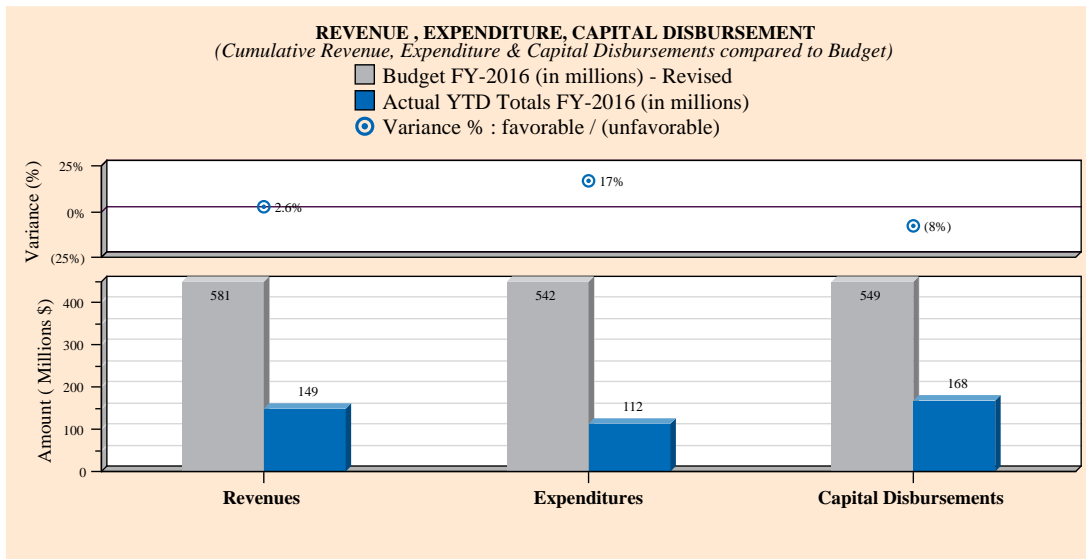
Splash Contributions Actual 25 Target 20 (\$ tho)	Customer Assistance Program Previous 23 Current 32 (\$ tho)
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Operational Highlights

Lead Concentration  25 50 75 (ppb)	Total Coliform Rule  2 4 6 8 (%)	Biosolids Production 428 (wet tons)	Total Nitrogen  2 4 6 8 (lbs/yr mil)
Plant Effluent Flow  250 500 750 (gal mil)	Excess Flow 23 (gal mil)	Water Main Leaks 26 (count)	Water Valve Leaks 6 (count)
Non-Revenue Water Sold 9 Purchased 11 (CCF mil)	Sewer Main Backups 5 (count)	Sewer Lateral Backups 180 (count)	Dry Weather CSO 0 (events)
Recruitment Activity Filled 15 Open 69 (count)	Electricity Usage 15074 (MWh)	Employee Lost Time Accidents 14 (count)	Vendor Payments Actual 98 Target 97 (%)

FINANCIAL HIGHLIGHTS

FINANCIAL PERFORMANCE SUMMARY



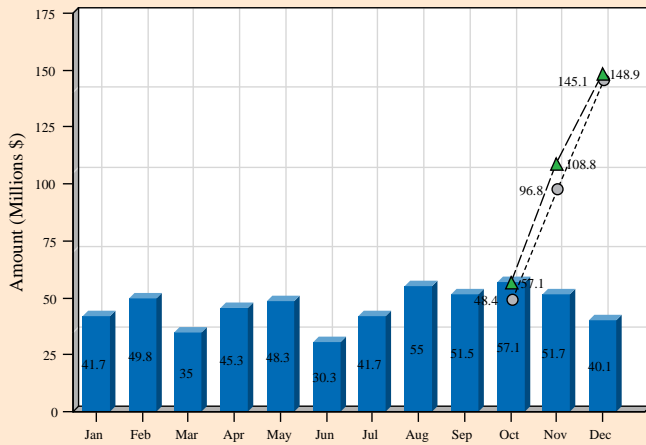
FINANCIAL HIGHLIGHTS

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

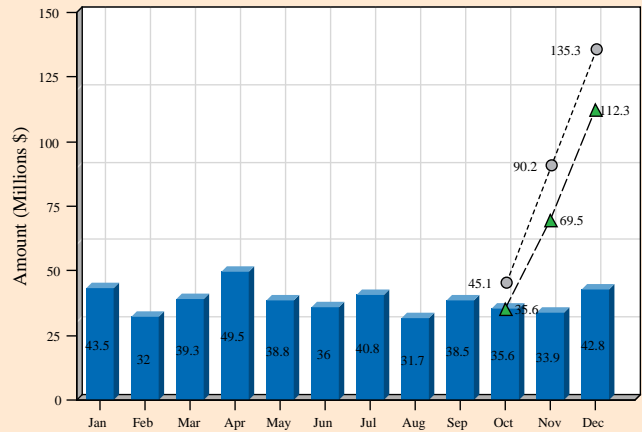


Revenue to date for December was above budget by \$4 Million

OPERATING EXPENSES

Monthly & Cumulative Expenditure compared to YTD Budget

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



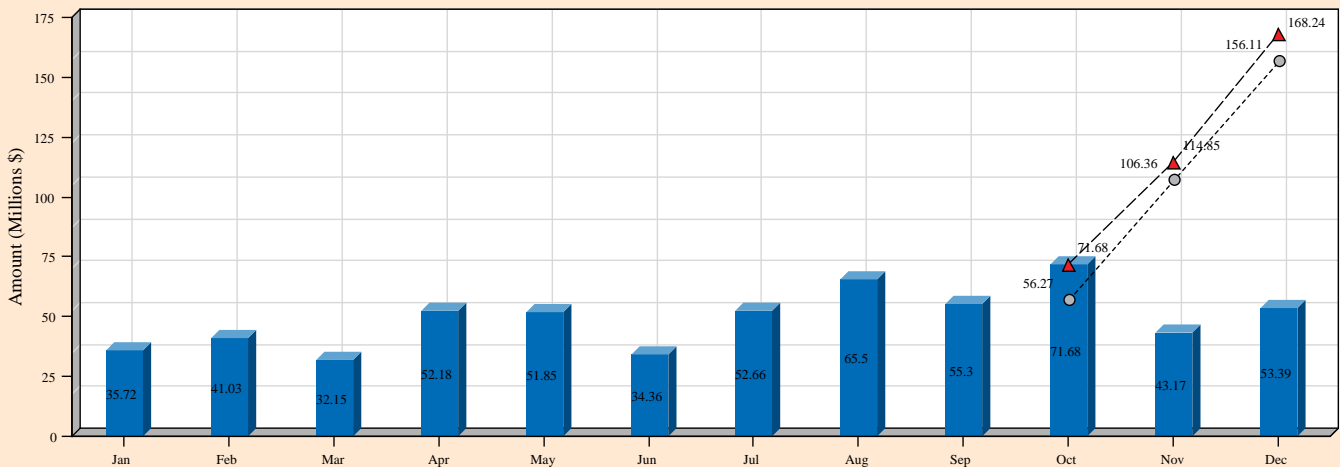
Expenditure to date for December was below budget by \$24 Million

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 December were above budget by \$12 Million

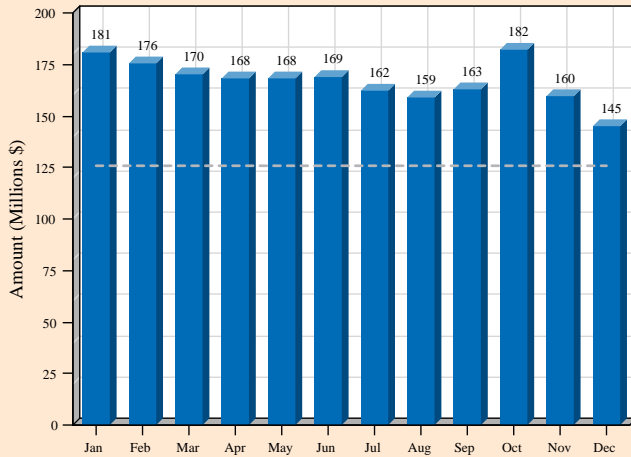
FINANCIAL HIGHLIGHTS

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)

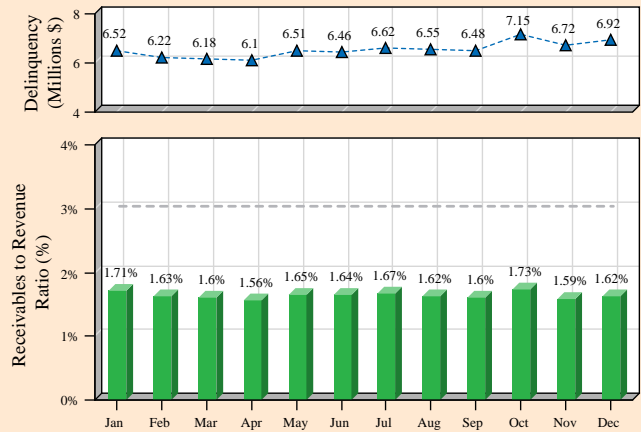


Cash Balance for December was above target by \$20 million

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%)



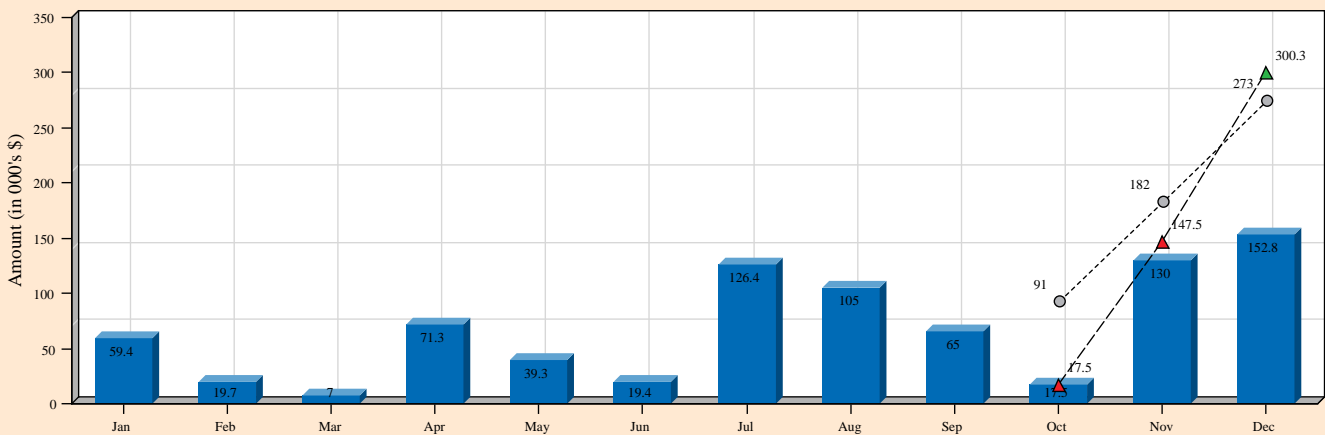
December Receivables to Revenue Ratio 1.6%, Delinquency \$6.9 Million

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 December were above Projected Budget by \$27,000

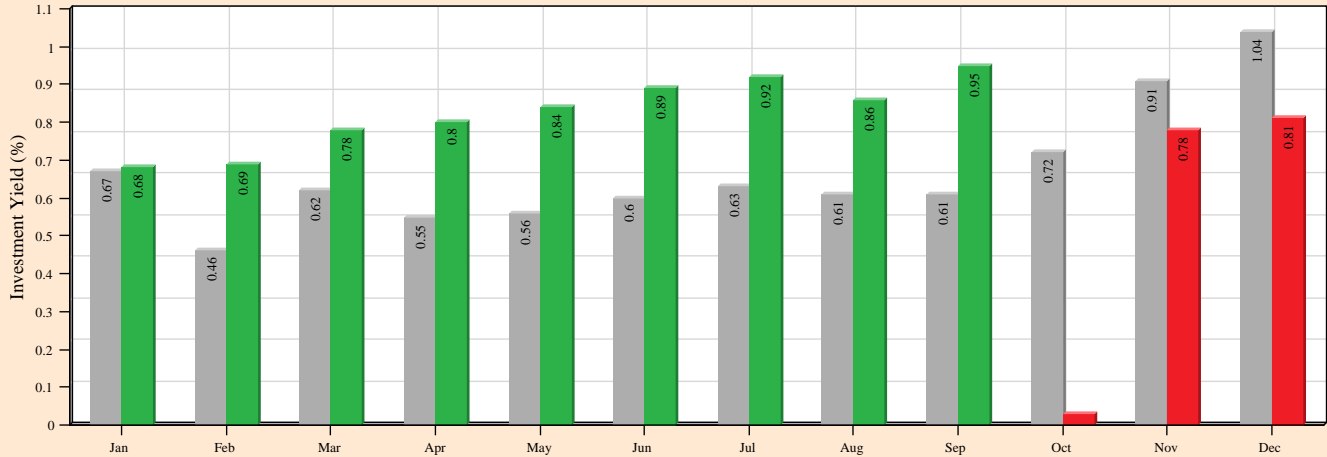
FINANCIAL HIGHLIGHTS

INVESTMENT YIELD

CORE INVESTMENTS YIELD

Monthly Yield compared to Merrill Lynch Benchmark

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

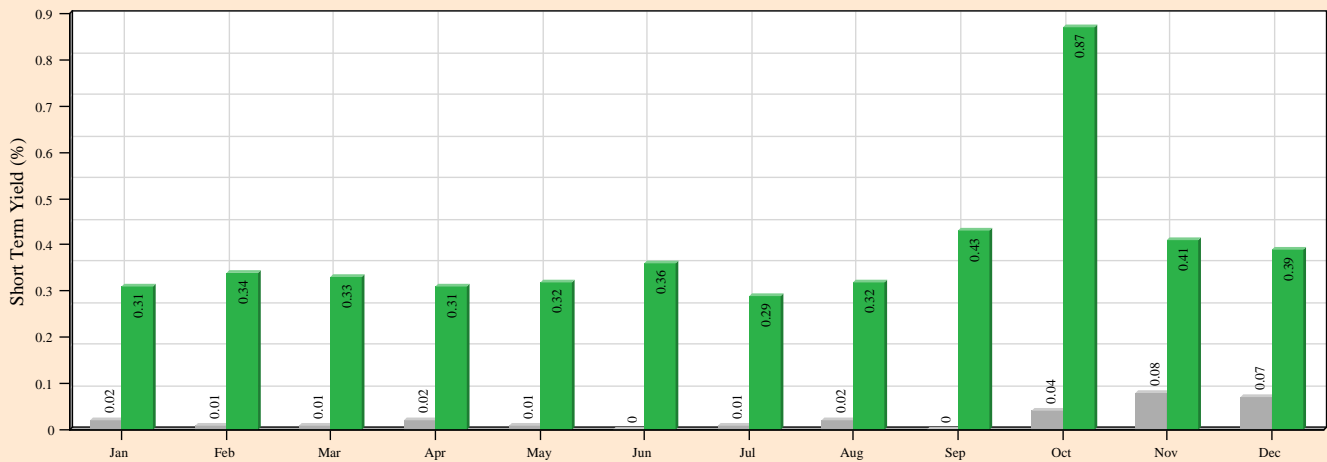


Yield for December was lower than the treasury index by 0.23%

SHORT TERM INVESTMENT YIELD

Short Term Yield compared to Merrill Lynch Benchmark

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



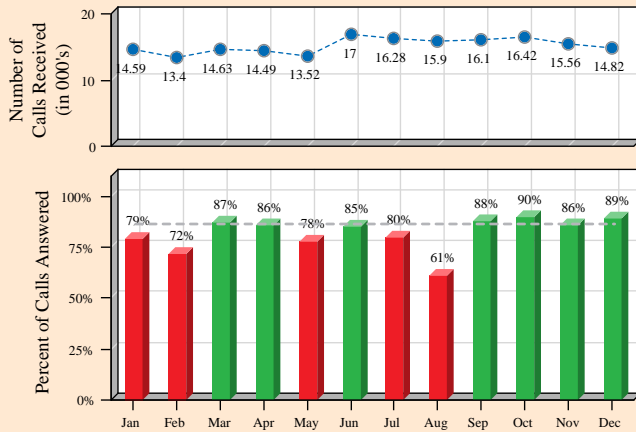
Short Term Yield for December was higher than the Merill Lynch yield by 0.32%

CUSTOMER CARE AND OPERATIONS HIGHLIGHTS

CUSTOMER SERVICE

CALL CENTER PERFORMANCE
Calls Answered within 40 Seconds compared to Target

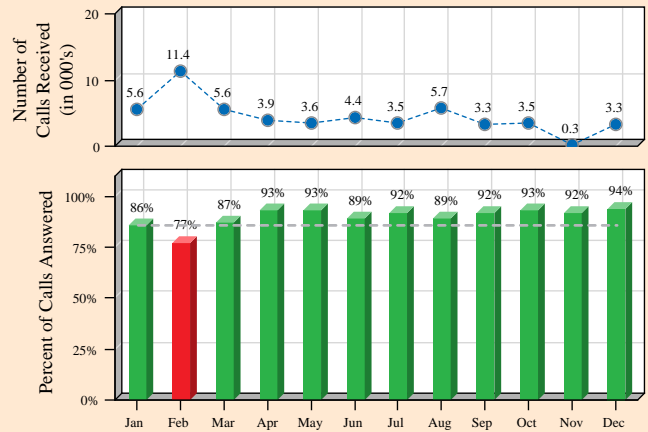
- Call Center: Calls answered (%)
- No of Calls - Call Center (in 000's)
- Target -Call Center (85%)



Performance for December was above target by 4%

COMMAND CENTER PERFORMANCE
Calls Answered within 40 Seconds compared to Target

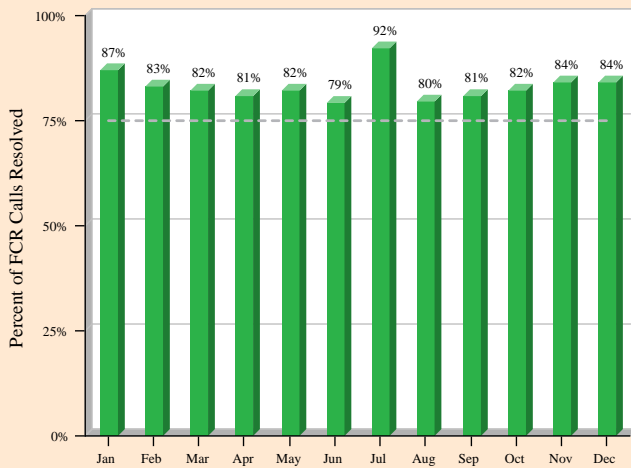
- Command Center: Calls answered (%)
- No of Calls - Command Center (in 000's)
- Target -Command Center (85%)



Performance for December was above target by 9%

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

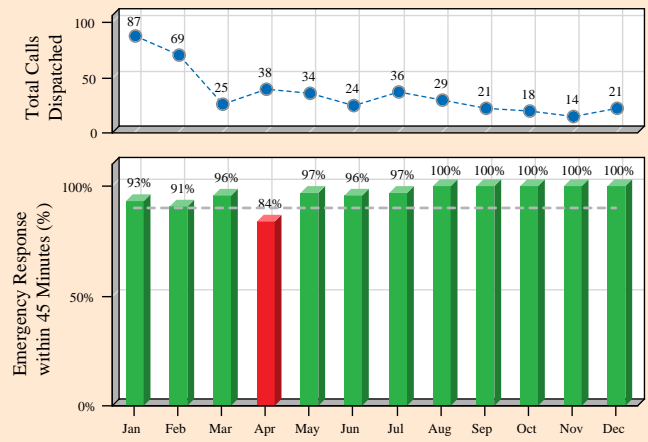
- FCR (%)
- FCR Target (75%)



Performance for December was above target by 9%

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

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



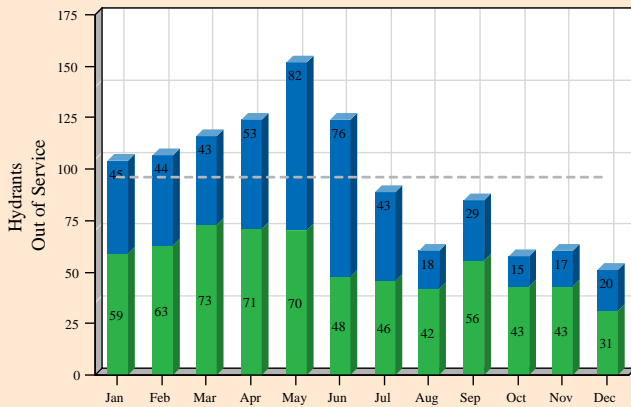
Performance for December was above target by 10%

CUSTOMER CARE AND OPERATIONS HIGHLIGHTS

FIRE HYDRANTS

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

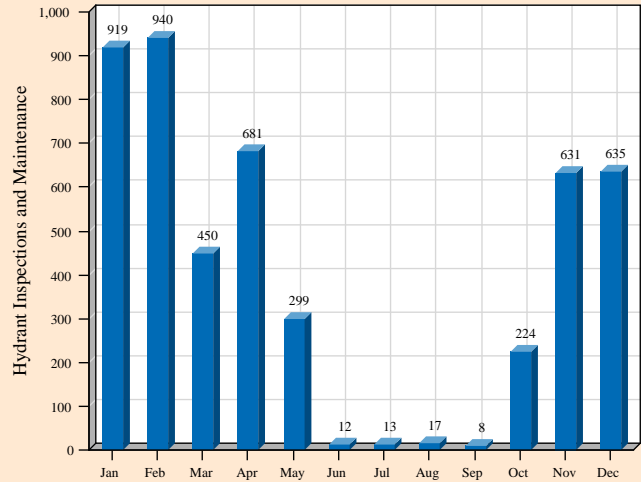
- Out of Service Fire Hydrants (Defective OOS Hydrants)
- In-Operational - OOS Due to Inaccessibility or Temporary Work
- Out of Service Hydrants Target (96)



Fire Hydrant Inspections and Maintenance

Total Hydrant Inspection and Maintenance Work Orders Completed per Month

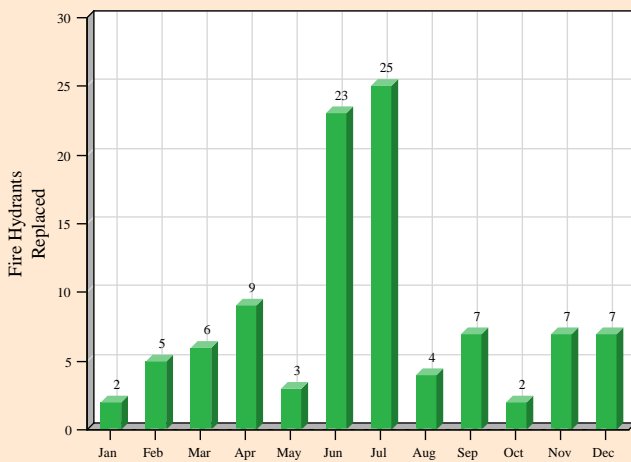
- Hydrant Inspections and Maintenance



FIRE HYDRANT REPLACEMENTS

Total Hydrants Replaced per Month

- Hydrants Replaced
- Annual Replacement Target (250)

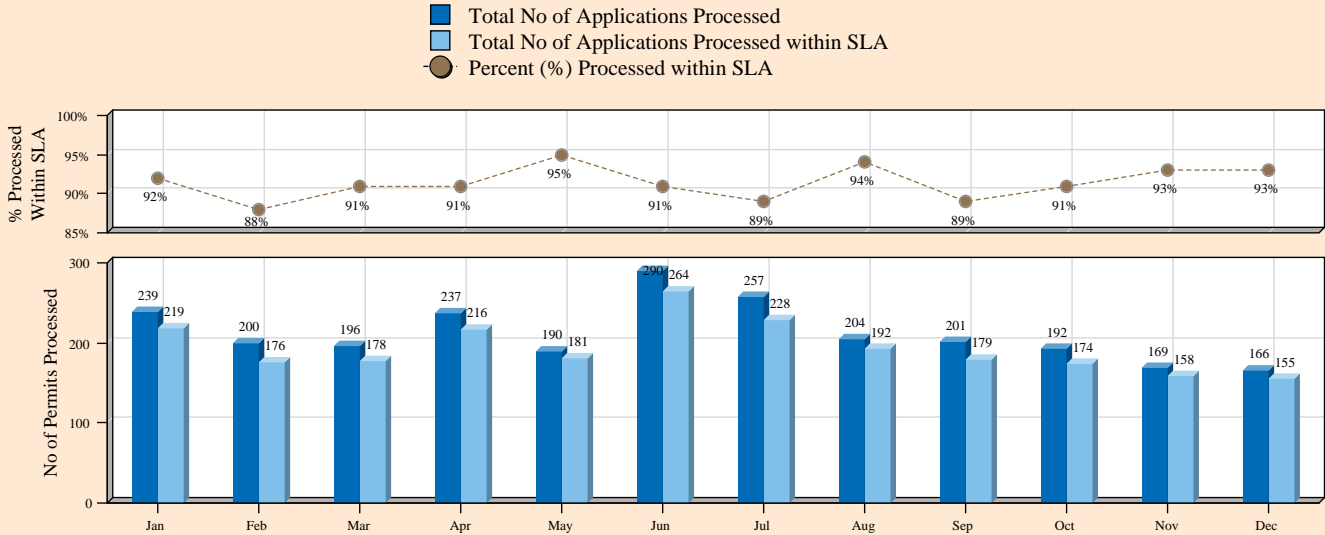


Total replacements as of December were 16 against annual projections of 250

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 December were 7% Note that different SLA's range from 7 days to 45 days

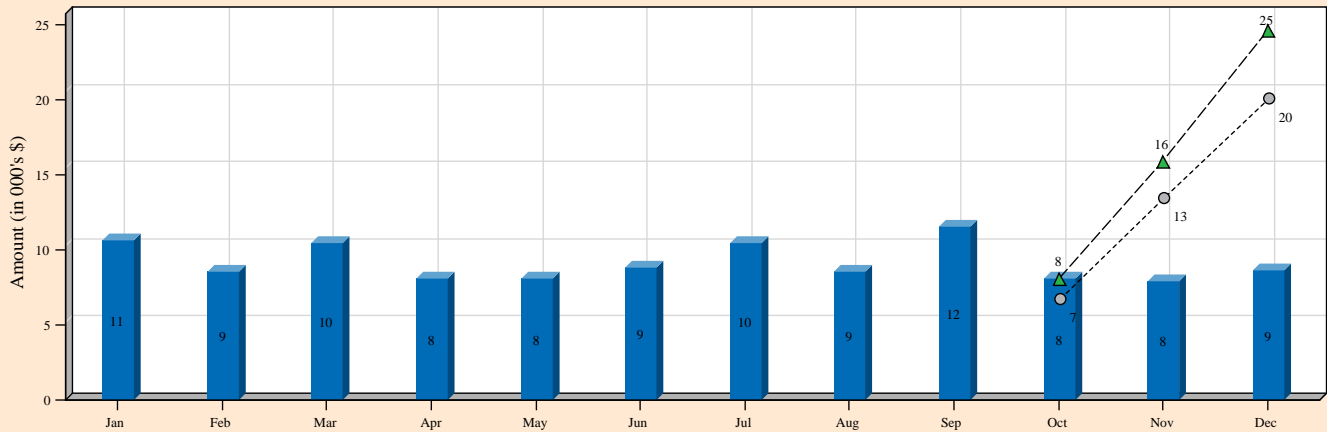
LOW INCOME ASSISTANCE PROGRAM

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)



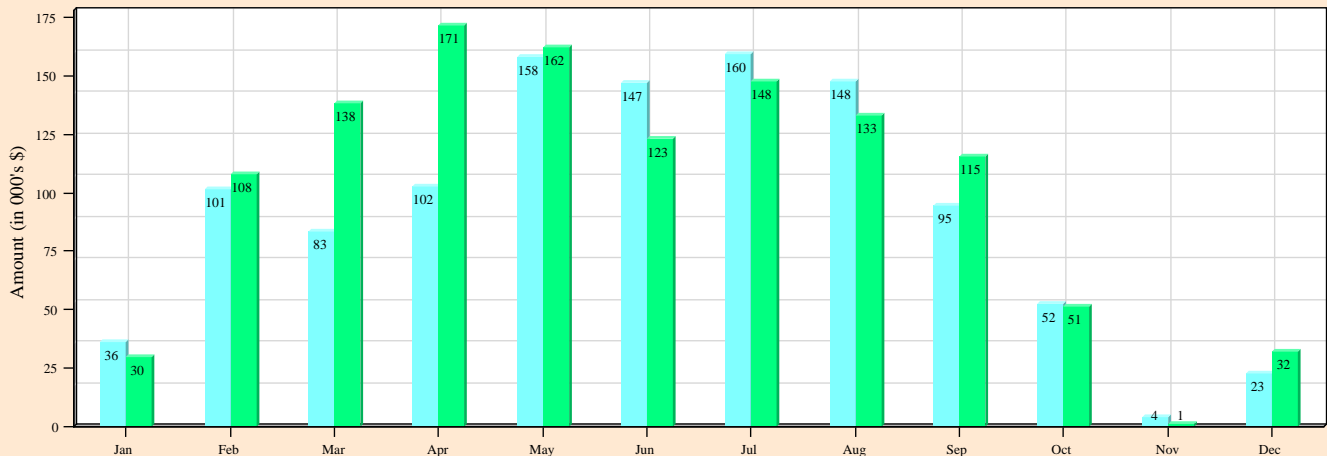
Total SPLASH Contributions to date for December were above target by \$5,000

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)

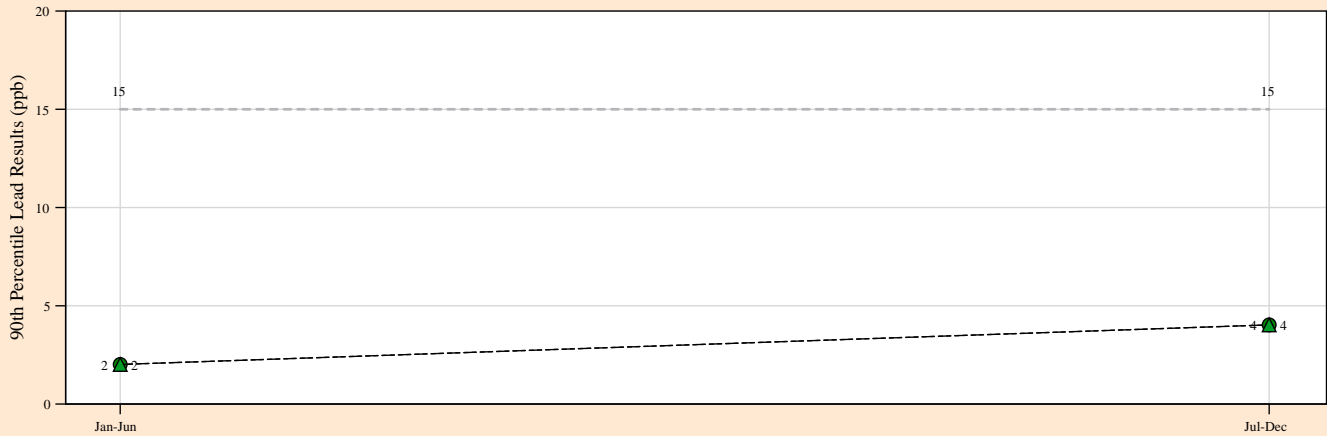


OPERATIONAL HIGHLIGHTS

DRINKING WATER QUALITY

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

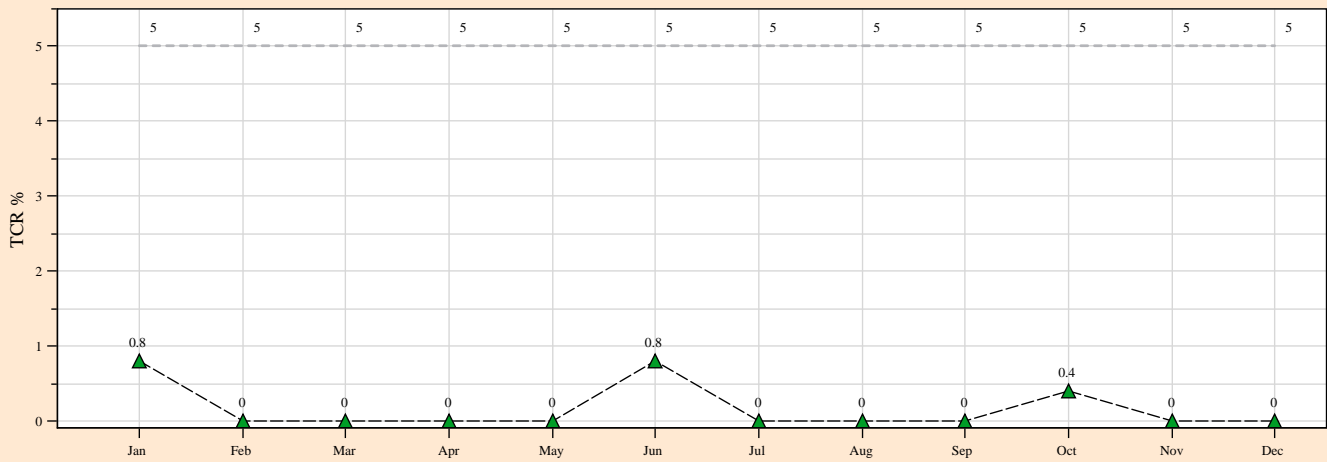
- 2014 LCR Results
- △ 2015 LCR Results
- Action Level : 15 parts per billion (ppb)



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%)



No Coliform Positives were recorded in December

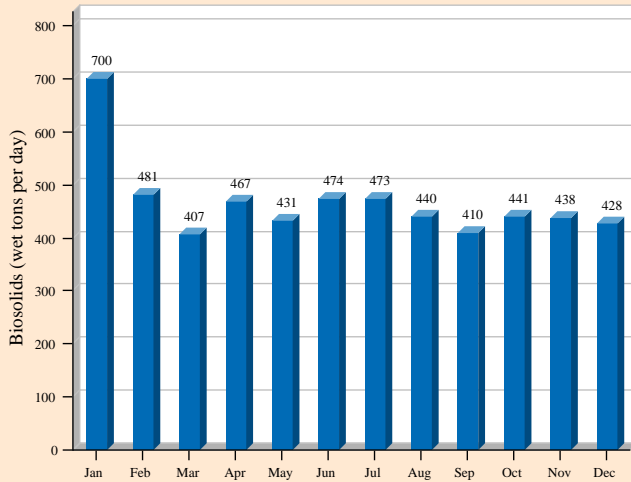
OPERATIONAL HIGHLIGHTS

WASTEWATER TREATMENT

BIOSOLIDS PRODUCTION

Average Daily Biosolids Production

■ Average Daily Biosolids Hauled



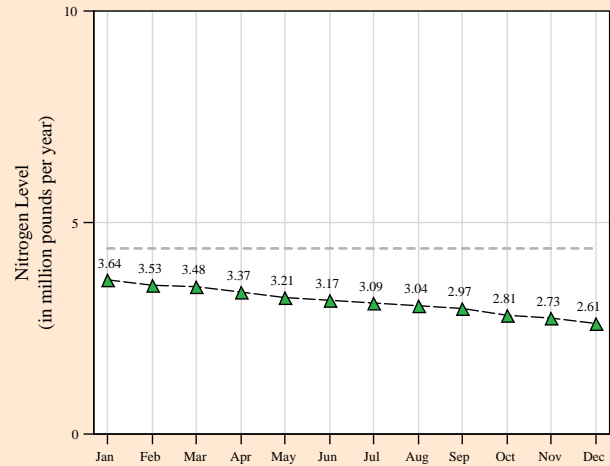
Biosolids Average Daily Production for December was 428 wet tons per day

TOTAL NITROGEN

Total Nitrogen compared to New Permit Levels

△ Nitrogen Annually Load (lbs/yr)

--- New Permit Limit - 4.38 Million (lbs/yr)



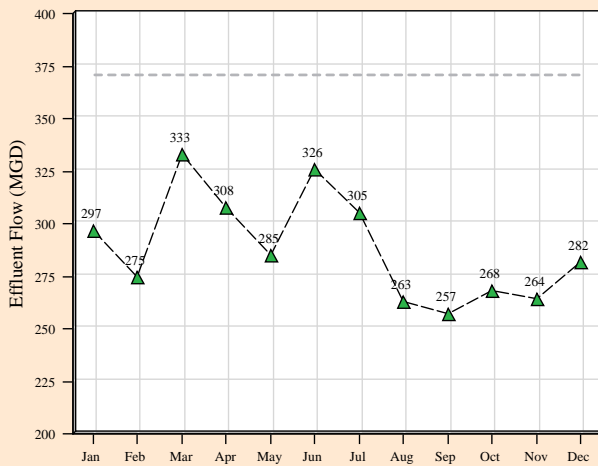
Nitrogen level for December was below permit by 1.8 million lbs/yr

PLANT EFFLUENT FLOW

Effluent Flow compared to Plant Design Average Limit

△ Effluent Flow

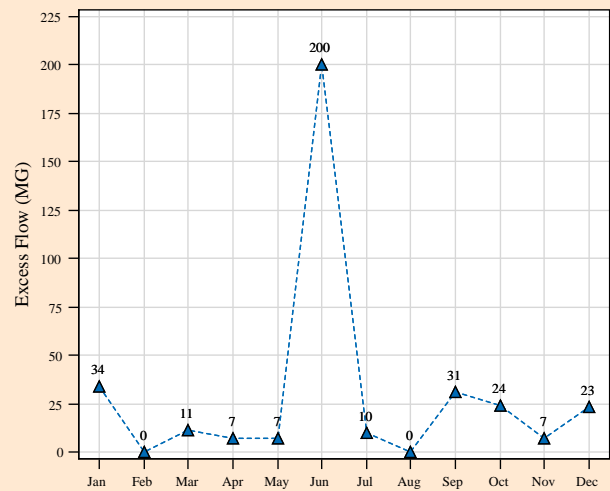
--- Design Average (370 mgd)



In December, Effluent flow was below design by 88 MGD

EXCESS FLOW

△ Excess Flow

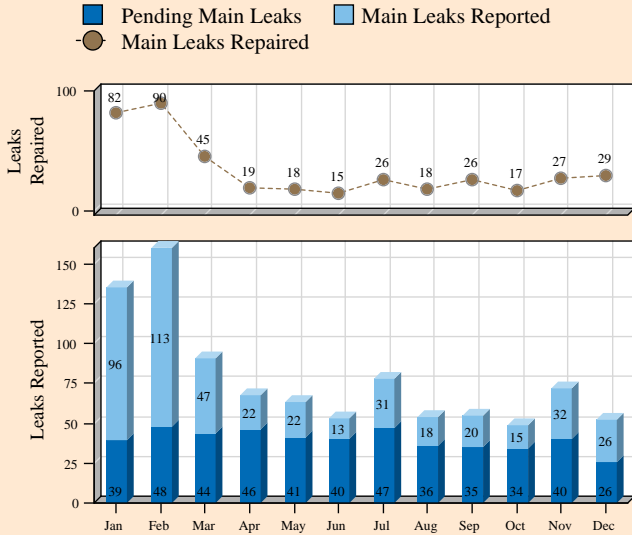


23.1 Million Gallons per day excess flow were recorded in December 2015

OPERATIONAL HIGHLIGHTS

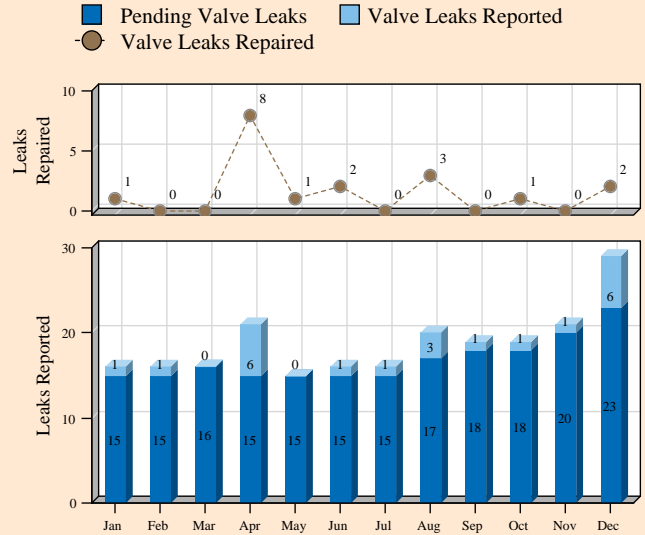
WATER DISTRIBUTION OPERATIONS

WATER MAIN LEAKS



There were 26 main leaks reported in December

WATER VALVE LEAKS



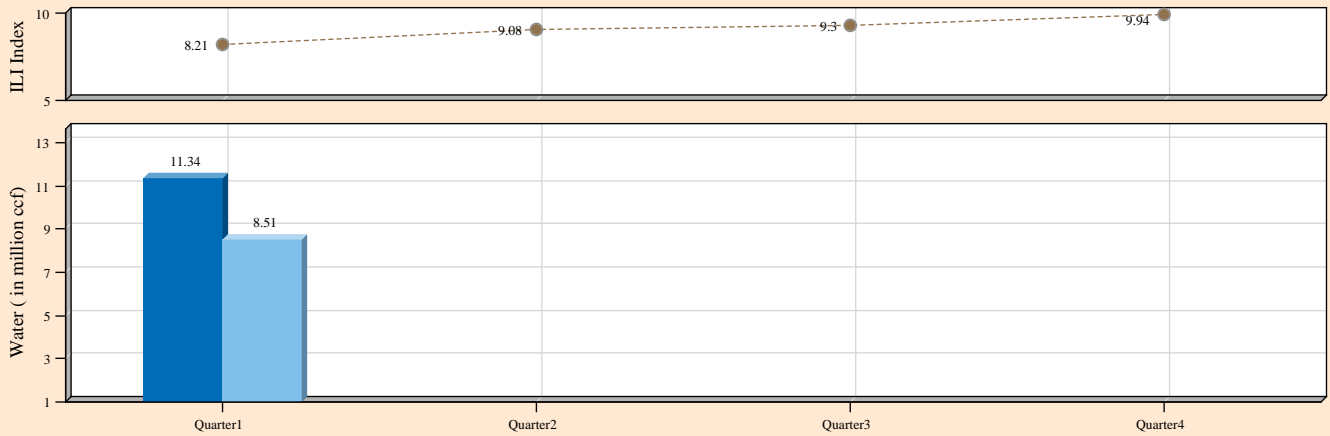
2 leaks were resolved in December

WATER BALANCE

NON-REVENUE WATER

Volume of Water Purchased and Sold per Quarter

- FY-2016: Water Purchased
- FY-2016: Water Sold
- FY-2015: Infrastructure Leakage Index
- ▲ FY-2016: Infrastructure Leakage Index



In the 1st quarter 8.5 out of 11.3 million cubic feet of water was sold

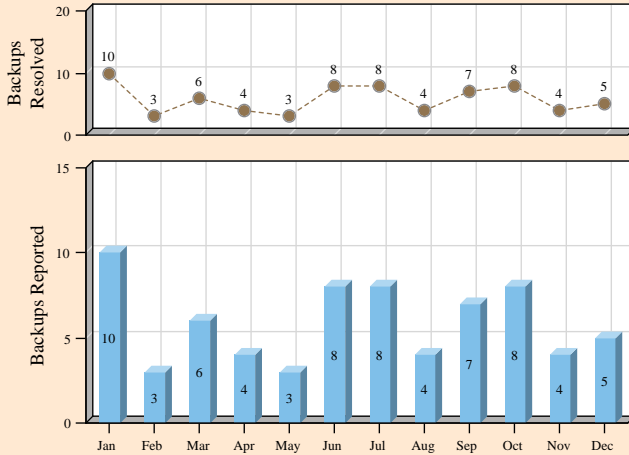
OPERATIONAL HIGHLIGHTS

SEWER SYSTEM OPERATIONS

SEWER MAIN BACKUPS

Sewer Mains Backed Up and Relieved per Month

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

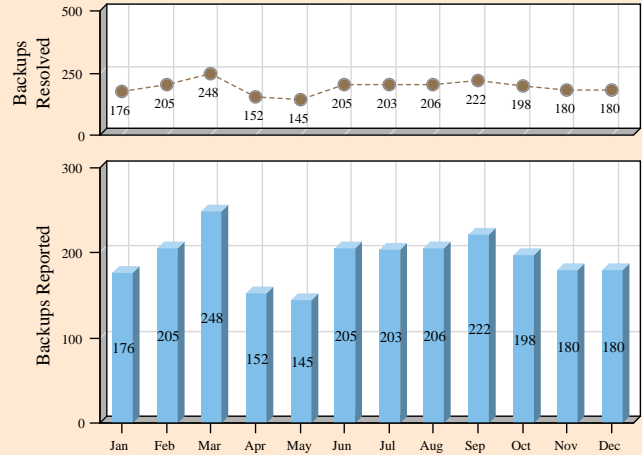


No pending main backups reported

SEWER LATERAL BACKUPS

Sewer Laterals Backed Up and Relieved per Month

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



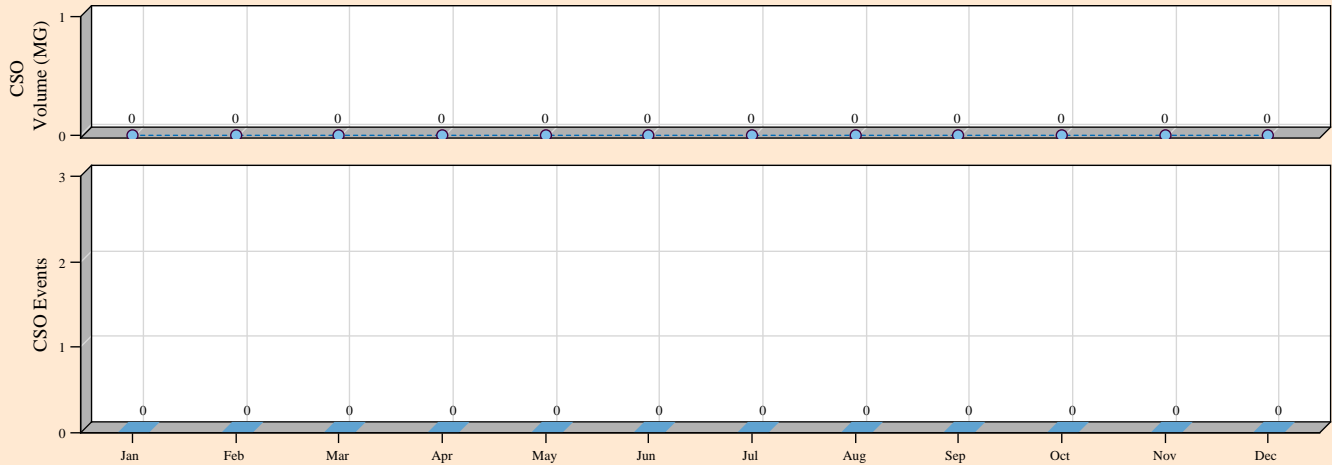
No pending lateral backups reported

COMBINED SEWER SYSTEM

DRY WEATHER CSO EVENTS

Combined Sewer Overflow Volume and No of Events per Month

- Number of CSO Events
- Overflow Volume (MG)



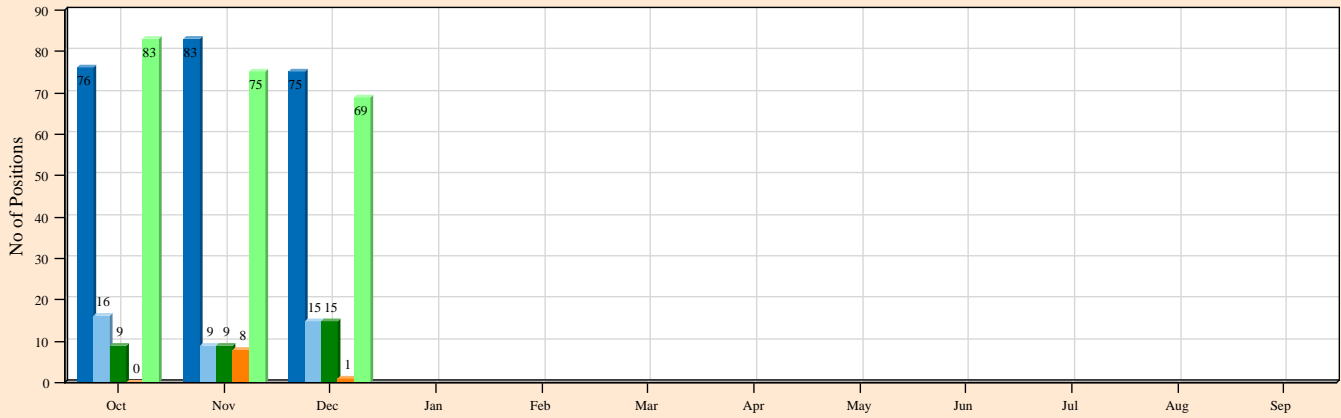
No dry weather Combined Sewer Overflow event was recorded in December 2015

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



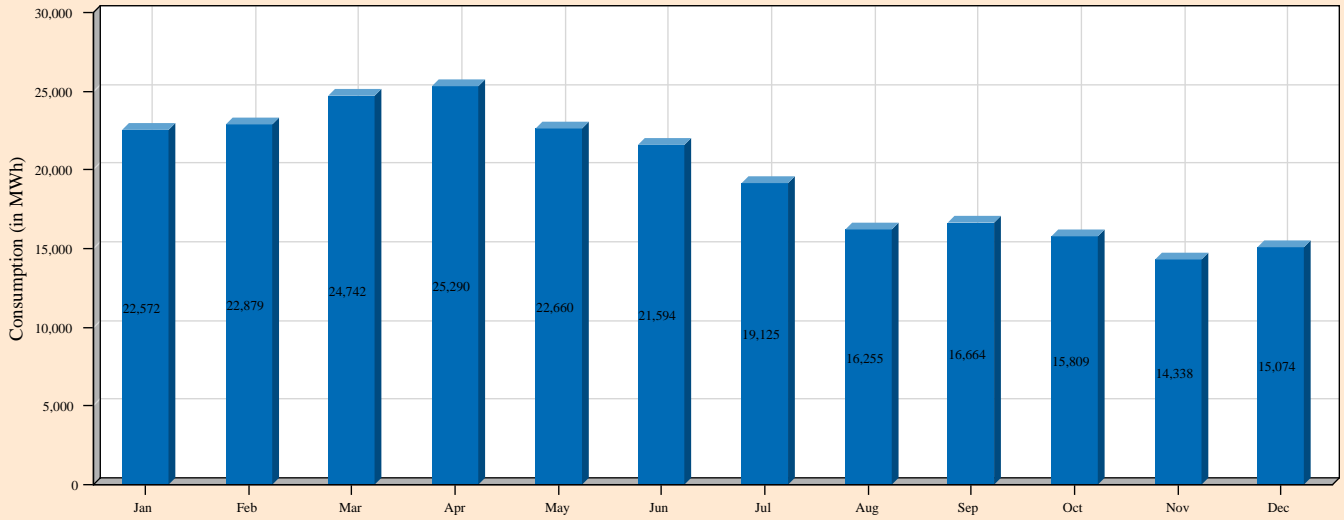
In December, we began the month with 75 positions, received 15 new positions, filled 15, 1 cancellation and ended the month with 69 positions

OPERATIONAL HIGHLIGHTS

ENERGY

ELECTRICITY USAGE SUMMARY

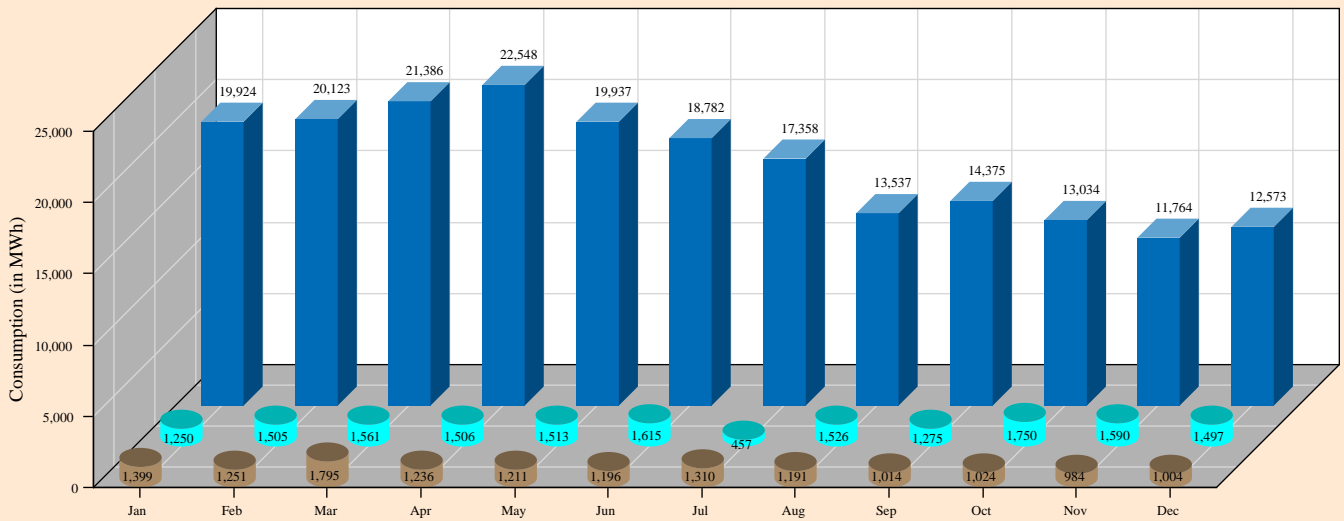
■ Total Consumption (MWh)



Electricity Consumption in December was 15,074 MWh

ELECTRICITY USAGE BY SERVICE AREA

■ Sewer Pumping ■ Water Pumping ■ Waste Water Treatment



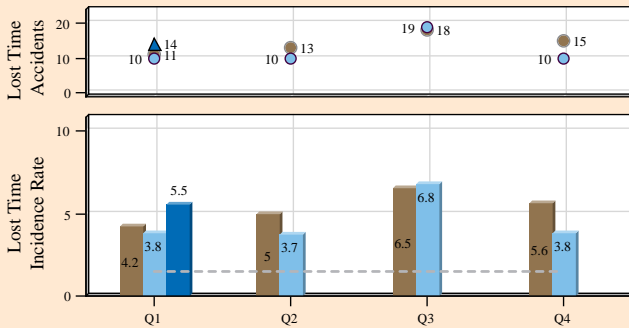
Wastewater treatment had the highest electricity consumption in December at 12,573 MWh

OPERATIONAL HIGHLIGHTS

SAFETY

EMPLOYEE LOST TIME INCIDENCE RATE

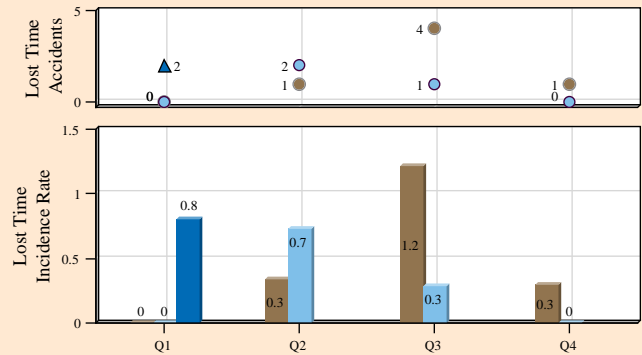
- FY-2014: LT Incidence Rate
- FY-2015: LT Incidence Rate
- FY-2016: LT Incidence Rate
- FY-2014: No of LT Accidents
- FY-2015: No of LT Accidents
- ▲ FY-2016: No of LT Accidents
- Target/National: LT Incidence Rate



In 1st quarter, 14 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

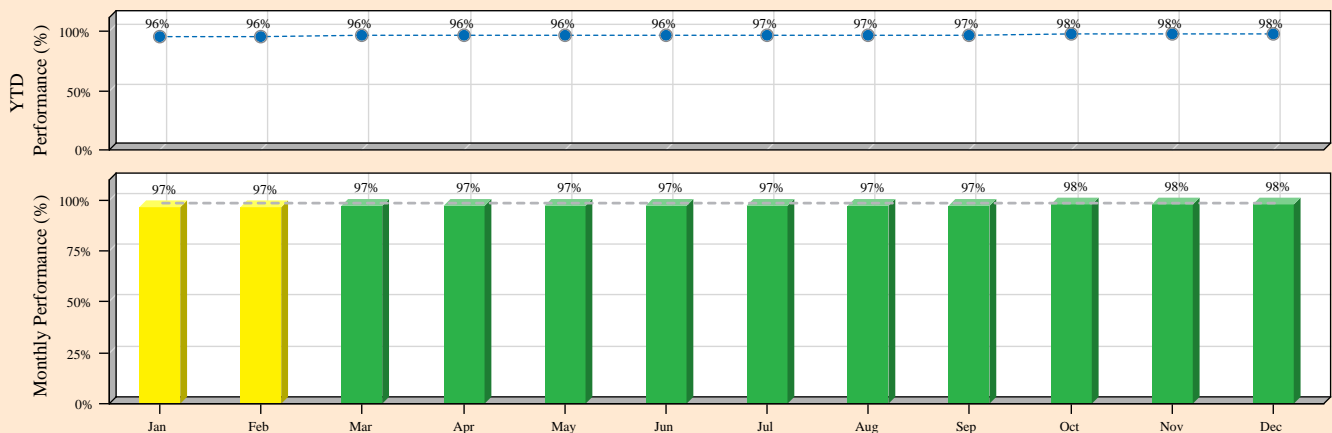


In 1st quarter, 2 lost time accidents were reported

VENDOR PAYMENTS

VENDOR PAYMENT PERFORMANCE
Percentage of Invoices Paid within 30 days

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



Monthly performance for December 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>*</p> <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>**</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>
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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



Summary of Contracts on Consent Agenda

217th Meeting of the DC Water Board of Directors

Thursday, February 4, 2016

Joint-Use Contracts

1. **Resolution No. 16-11**- Execute Option Year Two of Contract No. WAS-12-066-AA-RE, Polydyne, Inc. The purpose of the option is to provide polymer to the Blue Plains Advanced Wastewater Treatment Facility for solids dewatering, for the Department of Wastewater Treatment. The option amount is \$910,000. (Recommended by Environmental Quality and Sewerage Services Committee 1/21/16)
2. **Resolution No. 16-12** - Execute Option Year Four of Contract No. WAS-11-049-AA-GA, Electric Motor and Contracting Co., Inc. The purpose of the option is to provide personnel and parts necessary for the repair of various large electrical motors and Eddy Current drives at various DC Water facilities. The option amount is \$671,534. (Recommended by Environmental Quality and Sewerage Services Committee 1/21/16)

Non-Joint Use Contracts

1. **Resolution No. 16-13** - Execute Change Order No. 01 of Contract No. 130040, Fort Myer Construction Corporation. The purpose of the Change Order is to undertake some urgent special projects that required immediate action including large valve installations; lead service line replacements on 1300 block of Wallach PI, NW; and installation of bypass piping on 2500 block of Highwood PI, NE. The change order amount is not-to-exceed \$5,000,000. (Recommended by Water Quality and Water Services Committee 1/21/16)
2. **Resolution No. 16-14** - Extend Contract No. 14-PR-CCO-06, Mueller Systems, LLC. The purpose of the extension is to continue providing meters for installation at residential and small commercial servicing sites to ensure accurate measurement of water consumption by DC Water's customers. The extension amount is \$1,000,000. (Recommended by Water Quality and Water Services Committee 1/21/16)

Presented and Adopted: January 7, 2016

**SUBJECT: Approval to Exercise Option Year Two of Contract No.
WAS-12-066-AA-RE, Polydyne, Inc.**

**#16-11
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
D.C. WATER AND SEWER AUTHORITY**

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("the Authority") at its meeting on January 7, 2016 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-12-06-AA-RE, Polydyne, Inc.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Option Year Two of Contract No. WAS-12-066-AA-RE, Polydyne, Inc. The purpose of the option is to provide polymer to the Blue Plains Advanced Wastewater Treatment Facility for solids dewatering, for the Department of Wastewater Treatment. The option amount is \$910,000.

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 MODIFICATION:

**Polymer - Dewatering
(Joint Use)**

Approval to extend option year two of the contract for polymer for dewatering in the amount of \$910,000.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME: Polydyne, Inc. One Chemical Plant Road Riceboro, GA 31323	SUBS: Hardy & Son Trucking	PARTICIPATION: 15%
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DESCRIPTION AND PURPOSE

Original Contract Value:	\$1,803,739.00
Original Contract Dates:	01-01-2013 – 12-31-2013
Number of Option Years:	2
Modification No. 1 Values:	\$490,000.00
Modification No. 1 Dates:	01-01-2015 – 03-01-2016
Option Year (1) Value:	\$1,420,000.00
Option Year (1) Dates:	01-01-2014 – 12-31-2014
Option Year (2) Value:	\$1,420,00.00
Option Year (2) Dates:	03-02-2015 – 03-01-2016
Modification No. 2 Value:	\$910,000.00
Modification No. 2 Dates:	03-02-2016 – 12-31-2016

Purpose of the Contract:

To ensure the District of Columbia Water and Sewer Authority is able to meet its National Pollution Discharge Elimination System (NPDES) permits requirement under the Clean Water Act (CWA).

Contract Scope:

To provide polymer to the Blue Plains Advanced Wastewater Treatment Facility for solids dewatering, for the Department of Wastewater Treatment.

Spending Previous Years:

Cumulative Contract Value:	01-01-2013 – 03-01-2016 - \$5,133,739.00
Cumulative Contract Spending:	01-01-2013 – 01-13-2016 - \$4,574,103.90

Contractor's Past Performance:

The Contractor's past performance has been satisfactory.

Note:

This contract extension is to provide funds for continued testing of the contracted product. Polydyne has agreed to maintain current product pricing through the end of this contract extension.

PROCUREMENT INFORMATION

Contract Type:	Fixed Price Requirement Contract	Award Based On:	Lowest responsive and responsible bidder(s)
Commodity:	Goods and Services	Contract Number:	WAS-12-066-AA-RE
Contractor Market:	Open to Pre-Qualified Vendors Based on Field Trials of Samples Submitted.		

BUDGET INFORMATION

Funding:	Operating	Department:	Wastewater Treatment
Service Area:	Blue Plains AWTF	Department Head:	Salil Kharkar

ESTIMATED USER SHARE INFORMATION

User	Share %	Dollar Amount
District of Columbia	41.67%	\$379,197.00
Washington Suburban Sanitary Commission	43.21%	\$393,211.00
Fairfax County	10.45%	\$95,095.00
Loudoun County & Potomac Interceptor	4.02%	\$36,582.00
Others	0.65%	\$5,915.00
TOTAL ESTIMATED DOLLAR AMOUNT		\$910,000.00


 _____ 1/14/16
 Date

Gail Alexander-Reeves
 Director of Budget


 _____ 1/13/16
 Date

Dan Bae
 Director of Procurement


 _____ 1/01/16
 Date

Akile Tesfaye
 AGM, Blue Plains


 _____ 1/01/27/16
 Date

George S. Hawkins
 General Manager

Presented and Adopted: January 7, 2016

SUBJECT: Approval to Exercise Option Year Four of Contract No. WAS-11-049-AA-GA, Electric Motor and Contracting Co., Inc.

**#16-12
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
D.C. WATER AND SEWER AUTHORITY**

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("the Authority") at its meeting on January 7, 2016 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-11-049-AA-GA, Electric Motor and Contracting Co., Inc.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Option Year Four of Contract No. WAS-11-049-AA-GA, Electric Motor and Contracting Co., Inc. The purpose of the option is to provide personnel and parts necessary for the repair of various large electrical motors and Eddy Current drives at various DC Water facilities. The option amount is \$671,534.

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:

**Repair of Various Large Electrical Motors and Eddy Current Drives
(Joint Use)**

Approval to execute an option year four (4) for a contract for the repair of various electrical motors and Eddy Current drives in the amount of \$671,534.00.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME:	SUBS:	PARTICIPATION:
Electric Motor and Contracting Co., Inc 3703 Cook Blvd. Chesapeake, VA 23323		

DESCRIPTION AND PURPOSE

Original Contract Value:	\$634,518.48
Original Contract Dates:	01-23-2012—01-22-2013
No. of Option Years in Contract:	4
Option Year (1) Value:	\$0.00
Option Year (1) Dates:	01-23-2013—01-22-2014
Option Year (2) Value:	\$140,000.00
Option Year (2) Dates:	01-23-2014 – 01-22-2015
Option Year (3) Value:	\$694,518.48
Option Year (3) Dates:	03-24-2015 – 03-23-2016
Contract Modification Values:	\$360,000.00
Contract Modification Dates:	10-09-2013—03-23-2015
Option Year (4) Value:	\$671,534.00
Option Year (4) Dates:	03-24-2016 – 03-23-2017

Purpose of the Contract:

To repair various large electrical motors and Eddy Current drives at various DC Water facilities, for the departments of Maintenance Services and Water/Sewer Pumping Maintenance.

Contract Scope:

The contractor provides personnel and parts necessary for the repair of various large electrical motors and Eddy Current drives at various DC Water facilities.

Spending Previous Years:

Cumulative Contract Value:	01-23-2012 to 01-22-2016—\$1,689,036.96
Cumulative Contract Spending:	01-23-2012 to 01-04-2016—\$1,466,329.56

Contractor's Past Performance:

The contractor's past performance has been satisfactory.

No LSBE participation

PROCUREMENT INFORMATION

Contract Type:	Fixed Unit Price	Award Based On:	Lowest Responsive & Responsible Bidder
Commodity:	Services	Contract Number:	WAS-11-049-AA-GA
Contractor Market:	Open Market with LBE and LSBE Preference Participation.		

BUDGET INFORMATION


Funding:	Capital	Department:	Maintenance Services
Service Area:	Blue Plains	Department Head:	Anthony Mack

ESTIMATED USER SHARE INFORMATION

User	Share %	Dollar Amount
District of Columbia	41.54%	\$278,955.22
Washington Suburban Sanitary Commission	45.26%	\$303,936.29
Fairfax County	8.64%	\$58,040.68
Loudoun County	3.75%	\$25,182.53
Potomac Interceptor	0.81%	\$5,439.43
TOTAL ESTIMATED DOLLAR AMOUNT	100.00%	\$671,554.15

 1/14/16
 Gail Alexander-Reeves Date
 Director of Budget

 1/13/16
 Dan Bae Date
 Director of Procurement

 01/15/16
 Aklile Tesfaye Date
 AGM Blue Plains

 01/27/16
 George S. Hawkins Date
 General Manager

Presented and Adopted: February 4, 2016

SUBJECT: Approval to Execute Change Order No. 01 of Contract No. 130040, Fort Myer Construction Corporation

**#16-13
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 February 4, 2016 upon consideration of a non-joint use matter, decided by a vote of ___() in favor and ___() opposed to execute Change Order No. 01 of Contract No. 130040, Fort Myer Construction Corporation.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Change Order No. 01 of Contract No. 130040, Fort Myer Construction Corporation. The purpose of the Change Order No. 01 of Contract No. 130040, Fort Myer Construction Corporation. The change order amount is not-to-exceed \$5,000,000.

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

CONSTRUCTION CONTRACT CHANGE ORDER:

**Water Main Infrastructure Repair and Replacement Contract for FY14 - FY16
(Non-Joint Use)**

Approval to execute Change Order No. 01 not to exceed \$5,000,000.00. The modification will exceed the General Manager's approval authority.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME:	SUBS:	PARTICIPATION:
Fort Myer Construction Corporation 2237 33 rd Street, NE Washington, DC 20018 (LBE)		

DESCRIPTION AND PURPOSE

Original Contract Value:	\$ 15,778,427.50
Value of this Change Order:	\$ 5,000,000.00 (Not to Exceed)
Cumulative CO Value, including this CO:	\$ 5,000,000.00
Current Contract Value, including this CO:	\$ 20,778,427.50
Contract Time:	1095 Days (3 Years, 0 Months)
Time Extension, this CO:	0 Days
Total CO Contract Time Extension:	0 Days
Contract Start Date (NTP):	10-01-2013
Contract Completion Date:	09-30-2016
Cumulative CO % of Original Contract:	31.7%
Contract Completion %:	86%

Purpose of the Contract:

To perform emergency and non-emergency water main repair and replacement work

Contract Scope:

- Emergency repair of water distribution assets.
- Scheduled repair/replacement of water mains, valves, service lines and hydrants
- Special projects such as cleaning and lining of water mains

Previous Changer Order Scope:

- N/A

Current Change Order Scope:

- This contract was used to undertake some urgent special projects that required immediate action including large valve installations; lead service line replacements on 1300 block of Wallach PI, NW; and installation of bypass piping on 2500 block of Highwood PI, NE. Additionally a large project involving cleaning and lining of water mains at the American University Park was completed. These projects were larger and more complex than the average, routine emergency repairs and as a result have greatly impacted the contract threshold. In just two years from the start of a three-year-term contract, 86% of the contract limit has already been exhausted. The purpose of this change order is to increase the contract cost value to offset the costs associated with these special projects

Federal Grant Status:

- Construction Contract is not eligible for Federal grant funding assistance.

PROCUREMENT INFORMATION

Contract Type:	Unit Price	Award Based On:	Lowest responsive, responsible bidder
Commodity:	Construction	Contract Number:	130040
Contractor Market:	Open Market with Preference		

BUDGET INFORMATION

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


ESTIMATED USER SHARE INFORMATION

User	Share %	Dollar Amount
District of Columbia	100.00%	\$ 5,000,000.00
Federal Funds	0.00%	\$ 0.00
Washington Suburban Sanitary Commission	0.00%	\$ 0.00
Fairfax County	0.00%	\$ 0.00
Loudoun County & Potomac Interceptor	0.00%	\$ 0.00
Total Estimated Dollar Amount	100.00%	\$ 5,000,000.00


 Gail Alexander-Reeves Date
 Director of Budget


 Dan Bae Date
 Director of Procurement


 Charles Kiely Date
 Assistant General Manager,
 Customer Care & Operations


 George S. Hawkins Date
 General Manager

Presented and Adopted: February 4, 2016
SUBJECT: Approval to Extend Contract No. 14-PR-CCO-06
Mueller Systems, LLC

#16-14
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
D.C. WATER AND SEWER AUTHORITY

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("the Authority") at its meeting on February 4, 2016 upon consideration of a non-joint use matter, decided by a vote of __() in favor and __() opposed to extend Contract No. 14-PR-CCO-06, Mueller Systems, LLC.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to extend Contract No. 14-PR-CCO-06, Mueller Systems, LLC. The purpose of the extension is to continue providing meters for installation at residential and small commercial servicing sites to ensure accurate measurement of water consumption by DC Water's customers. The extension amount is \$1,000,000.

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 MODIFICATION:

**Positive Displacement Meters
(Non-Joint Use)**

Approval to extend the contract for positive displacement meters for an additional five (5) months in the amount of \$1,000,000.00.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME: Mueller Systems, LLC 10210 Statesville Boulevard P.O. Box 128 Cleveland, NC 27013	SUBS:	PARTICIPATION:
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DESCRIPTION AND PURPOSE

Original Contract Value:	\$500,000.00
Original Contract Dates:	04-15-2014—04-14-2015
No. of Option Years in Contract:	1
Modification 1-2 Value:	\$490,000.00
Modification 1-2 Dates:	10-31-2014—04-14-2015
Option Year 1 Value:	\$1,000,000.00
Option Year 1 Dates:	04-15-2015—04-14-2016
Modification 3 Value:	\$1,000,000.00
Modification 3 Dates:	04-15-2016—09-30-2016

Purpose of the Contract:

To provide Positive Displacement Meters in support of the District of Columbia Water and Sewer Authority's (DC Water) Department of Customer Care Operations, Meter Division.

Contract Scope:

To provide meters for installation at residential and small commercial servicing sites to ensure accurate measurement of water consumption by DC Water's customers.

Spending Previous Year:

Cumulative Contract Value:	04-15-2014 to 04-14-2016—\$1,990,000.00
Cumulative Contract Spending:	04-15-2014 to 12-31-2015—\$1,579,183.11

Contractor's Past Performance:

The contractor's past performance has been satisfactory

No LSBE participation

PROCUREMENT INFORMATION

Contract Type:	Fixed Price	Award Based On:	Single Bidder
Commodity:	Goods	Contract Number:	14-PR-CCO-06
Contractor Market:	Open market with LBE and LSBE		

BUDGET INFORMATION

Funding:	Capital	Department:	Department of Customer Care and Operations
Service Area:	DC Water servicing areas	Department Head:	Lauren Preston


ESTIMATED USER SHARE INFORMATION

User	Share %	Dollar Amount
District of Columbia	100.00%	\$ 1,000,000
Washington Suburban Sanitary Commission	0.00%	0
Fairfax County	0.00%	0
Loudoun County & Potomac Interceptor	0.00%	0
Others	0.00%	0
TOTAL ESTIMATED DOLLAR AMOUNT		\$ 1,000,000

 1/13/16
 Gail Alexander-Reeves Date
 Director of Budget

 1/13/16
 Dan Bae Date
 Director of Procurement

 1/13/16
 Charles Kiely Date
 Assistant General Manager
 Consumer Care and Operations

 01/27/16
 George S. Hawkins Date
 General Manager