



**DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY
218th MEETING OF THE BOARD OF DIRECTORS**

Thursday, March 3, 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 February 4, 2016 Minutes**
- IV. Chairman's Overview**
- V. Committee Reports**
 - 1. [Environmental Quality and Sewerage Services Committee \(James Patteson\)](#)
 - 2. [Water Quality and Water Services Committee \(Rachna Butani\)](#)
 - 3. [D.C. Retail Water and Sewer Rates Committee \(Rachna Butani\)](#)
 - 4. [Audit Committee \(Nicholas Majett\)](#)
- 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 One of Contract No. WAS-14-PR-PCM-01, M.C. Dean, Inc. - Resolution No. 16-15](#) (Recommended by Environmental Quality and Sewerage Services Committee 2/18/16)
 - 2. [Approval to Execute Contract No. WAS-15-PR-DWT-52, W.K. Merriman, Inc.. – Resolution No. 16-16](#) (Recommended by Environmental Quality and Sewerage Services Committee 2/18/16)
 - 3. [Approval to Execute Contract No. 150230, James G. Davis Construction – Resolution No. 16-17](#) (Recommended by Environmental Quality and Sewerage Services Committee 2/18/16)
 - 4. [Approval to Execute a Memorandum of Understanding with John F. Kennedy Center for the Performing Arts – Resolution No. 16-18](#) (Recommended by Environmental Quality and Sewerage Services Committee 2/18/16)
- IX. **Executive Session** – To discuss legal, confidential and privileged matters pursuant to Section 2-575(b) of the D.C. Official Code¹**

X. 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)

- Governance Committee – Wednesday, March 9, 2016 @ 9:30 a.m. (5000 Overlook Avenue SW)
- Human Resource and Labor Relations Committee – Wednesday, March 9, 2016 @ 11:00 a.m. (5000 Overlook Avenue, SW)
- Environmental Quality and Sewerage Services Committee – Thursday, March 17, 2016 @ 9:30 a.m. (5000 Overlook Avenue, SW)
- Water Quality and Water Services Committees – Thursday, March 17, 2016 @ 11:00 a.m. (5000 Overlook Avenue, SW)
- D.C. Retail Water and Sewer Rates Committee – Tuesday, March 22, 2016 @ 9:30 a.m. (5000 Overlook Avenue SW).
- Finance and Budget Committee – Thursday, March 24, 2016 @ 11:00 a.m. (5000 Overlook Avenue SW)



**DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY
BOARD OF DIRECTORS**

**MEETING MINUTES
THURSDAY, FEBRUARY 4, 2016**

Present Directors

Matthew Brown, Chairman, District of Columbia
Obiora “Bo” Menkiti, District of Columbia
James Patteson, Fairfax County
Ellen O. Boardman, District of Columbia
Bradley W. Frome, Prince Georges County
Alan Roth, District of Columbia
Rachna Butani Bhatt, District of Columbia
Elisabeth Feldt, Montgomery County

Present Alternates

Sarah Motsch, Fairfax County
Howard Gibbs, District of Columbia
Ana Harvey, District of Columbia

DC Water Staff

George S. Hawkins, CEO/General Manager
Mark Kim, Chief Financial Officer
Meena Gowda, Acting General Counsel
Linda R. Manley, Board Secretary

Chairman Brown called the 217th Meeting of the District of Columbia Water and Sewer Authority’s Board of Directors to order at 9:39 a.m. Ms. Manley called the roll and a quorum was established.

Approval of the January 7, 2016 Minutes

Chairman Brown asked for a motion to approve the January 7, 2016 minutes. The motion to approve the January 7, 2016 minutes was moved and unanimously approved by the Board of Directors.

Chairman's Overview

Chairman Brown provided a summary of Board and D.C. Water accomplishments and activities during the month of January 2016. Of special note was the meeting of the Human Relations and Labor Relations Committee with the unions. He thanked all of the unions for participating in this annual meeting and thought it was a very productive conversation. The Flint water situation was raised by Chairman Brown and he said that it should remind everyone that it is important for D.C. Water to be honest and open and to always think about ways to improve. He thanked Ms. Maldonado and stated that she represents the ideal in self-examination, honesty and forthrightness. This was exhibited during her presentation to the Water Quality and Water Service Committee.

The modification of the Clean Rivers Consent Decree was finalized and Chairman Brown indicated that it was tremendous news for the Authority. It means that D.C. Water can invest \$90 million to build green infrastructure. Also, Chairman Brown announced that this modification deleted a tunnel and modified the design of another, thus saving long-term costs. Five additional years for completion were added to the project. Chairman Brown indicated that this was worked on during the terms of three different D.C. Water Board Chairmen, Willy Walker, Allen Lew, and himself, and three different mayors, Adrian Fenty, Vincent Gray, and current Mayor Muriel Bowser. He thanked George Hawkins, Carlton Ray, Len Benson, Randy Hayman, John Lisle, Alan Heymann, John Cassidy, Dave Evans, Bethany Bezak, and others for their efforts.

Chairman Brown thanked everyone who helped the Authority with the response to Snowzilla. He asked a number of employees to stand for recognition.

Gus Bass was recognized by the Chairman for his 59 years of service and his work running the Capital Procurement Office, Department of Engineering and Technical Services. He thanked Board members Nicholas Majett and Sarah Motsch for attending Mr. Bass's retirement celebration.

Chairman Brown recognized Board member Alan Roth who has served the Board since 2007. He pointed out that Mr. Roth served as chairman of the former Customer Services Committee, chairman of the Governance Committee, chairman of the D.C. Water and Sewer Retail Rates Committee, and vice chair of several committees. Chairman Brown spoke about Mr. Roth's many strengths which include his preparedness, knowledge of details, good questioning, passion, and desire to improve D.C. Water. He announced that Mr. Roth was leaving the D.C. Board and also his position with the U.S. Telecom Association and that Mr. Roth would be spending the next year figuring out what he wanted to do in the next chapter of his life. Chairman Brown mentioned that D.C. Water is a better place because of Mr. Roth. On behalf of the Board the Chairman wished him the best.

Mr. Roth was provided an opportunity to address the Board. He stated that it was a great honor to serve the people of D.C. and the region for nine years. Mr. Roth note that he learned a lot from the Board, members of the staff, and employees of the Authority. He thanked Linda Manley, Board Secretary, and her staff for the thousand little things that they do to make the Board members' jobs easier.

Mr. Roth mentioned a number of programs and activities of D.C. Water that he was particularly proud of having been a part of or participating in. One was the work done on the Procurement Manual by Korey Gray, Compliance Manager, Chair Ellen Boardman and the Governance Committee, and General Counsel Randy Hayman and his legal team which now makes clear the definition of a responsible contractor. Other worthy mention was of Len Benson, Chief Engineer and his team for the brilliant execution of mind blowing engineering feats, the General Manager and his staff for the Board recommended local residents' employment programs for contractors to hire and train local residents for jobs; and the complete restructuring of retail rates managed by CFO Mark Kim, Assistant General Manager Charles Kiely, Customer Care Director Lauren Preston, Chief Information Officer Tom Kuczynski, and all of their teams.

A special thank you went out to all of D.C. Water's staff, and especially line staff who go out there every day in all extremes of weather. Mr. Roth commended the Board for hiring a Board member, George Hawkins, as General Manager, an incredible leader. He concluded by stating that the Board was a high functioning unit and that the best evidence of that was the fact that D.C. Water never appears in the newspaper. Mr. Roth said it had been a real pleasure to be part of that and a part of all the work done.

Chairman Brown presented Mr. Roth with a plaque thanking him for all his dedication and outstanding leadership on the Board.

Governance Committee

Reported by: Ellen Boardman, Chair

Ms. Boardman reported that the Committee met on January 13, 2016 and received a briefing from Korey Gray, Compliance Manager, on the employment programs, including statistical information on goods and services, active major construction contracts, and non-major construction projects, and how any positions were filled with D.C. residents and user jurisdiction residents (see minutes on website). The compliance review of contracts for 2015 showed that of 11 investigations Mr. Gray's office recovered \$139,000 in wage restitution for employees of D.C. Water contractors.

General Counsel Randy Hayman presented information to the Committee on D.C. Water's Standards of Conduct Policy relating to speaking engagements and the extent to which D.C. Water employees who resign/retire may work for D.C. Water contractors and vendors. There was a lot of discussion by the Committee of these issues and Ms. Boardman stated that the members are pleased the policies are moving forward.

Human Resources and Labor Relations Committee

Reported by: Bradley W. Frome, Chair

Mr. Frome informed the Board that the Committee met with all of the unions to discuss issues of concern. Among those issues were a request from the unions to form a Labor/Management Partnership Program at D.C. Water. The Committee asked about the current relationship with Management, including the quarterly meetings with the General Manager, and how this program would differ. Much discussion revolved around including in the quarterly meetings an opportunity for the unions to bring up grievances and also to discuss more positive initiatives.

Mr. Frome reported that the second issue raised was the alleged failure by D.C. Water to timely pay an arbiter who reached a decision favoring the unions. It was alleged that this was

deliberately done to punish the arbitrator. Management responded that there were questions with some of the charges and that as soon as this was resolved, the invoices would be paid.

The issue of the civil service retirement buy-out was discussed and the unions were informed that another committee was handling this issue. The Committee agreed that unions should be brought into the process in a legal and respectful manner.

Chair Frome indicated that the next issue was on operator certification and what could be done to assist the 5 employees out of 16 who had taken the training but had not yet passed the certification test. They will continue to address this issue.

The ongoing issue concerning commercial driver licenses was raised and Management explained that the idea of more CDL positions was to further a more flexible workforce while they bring more contract work back in-house. The unions were concerned about whether this was excluding certain employees from promotions.

Chair Frome said that the Committee then went into Executive Session to discuss personnel matters.

Environmental Quality and Sewerage Services Committee

Reported by: James Patteson, Chair

Mr. Patteson stated that the Committee met by phone due to the snow and the fact that members were working on snow issues. Aklile Tesfaye, Assistant General Manager for Wastewater Treatment, updated the Committee on Blue Plains' performance. The Blue Plains Plant is being operated under the new EPA limits and is still performing very well. For nitrogen the concentration was 2 milligrams per liter, and the cumulative for the year was 2.7 million pounds, well below the permit limit of 4.4. Mr. Patteson indicated that his discussions with Mr. Tesfaye revealed that this is a significant achievement which allows for weather differentials and future growth.

Mr. Patteson stated that the Combined Heat and Power Facility is still under commissioning and producing 32 percent of the energy required by the Plant, which is on target. With respect to the NPDES renewal of the permit and the 14 items being evaluated, there were 3 significant items that are being negotiated: classification of Outfall 001, design capacity expansion from 370 mgd to 384 mgd because of the storm water to be treated when the tunnel system is completed, and the E. coli limit which is under appeal about how it is calculated. According to Mr. Patteson, this appeal may delay ultimate issuance of the permit.

Chair Patteson indicated that Carlton Ray, Director, LTCP, Clean Rivers Project, gave an update on the Northeast Boundary Design-Build Project for which the goal is to advance the completion date to December 2022. He also highlighted some of the flood mitigation projects, including the Irving Street Green Infrastructure Project, McMillan Storm water storage projects, and the First Street Tunnel Project.

Two joint use contracts were recommended for approval by the Board.

Water Quality and Water Services Committee

Reported by: Rachna Butani Bhatt, Chair

Chair Butani Bhatt stated that the Committee met for a three-hour historically long meeting to address some questions raised by Committee members on certain projects, schedule overruns, work quality, and the roles of the contractors. Ms. Maldonado, Director of Engineering and Technical Services, provided four presentations, two which gave a big picture understanding of the overall project processes and two that addressed two specific projects, large valve replacements and small diameter water main replacements. She was assisted by Deidre Saunders, Manager of Construction Management. Both discussed some of the delays in projects which included the District Department of Transportation's (DDOT) temporary restoration patch requirement for street pavement cuts that the staff believes should be discarded so that project crews can proceed directly to permanent restoration patching. Another issue is the DDOT inspectors who come on construction sites and negotiate with staff and contractors on how much pavement needs to be replaced. Sometimes there is no meeting of minds which results in higher costs that are unjustified. There are also delays in the arrival of DDOT inspectors at the beginning of projects. There also are quality control issues with the way the patches are applied and the way plates are installed that cover some cuts. These issues and others sometimes result in traffic delays, damage to vehicles, and other inconveniences to residents. A Committee member recommended that D.C. Water's General Manager and Chairman of the Board meet with DDOT's top leaders to resolve the issues. They were informed that efforts have already begun to organize a meeting. Another Committee member suggested that D.C. Water's staff hold a pre-construction conference with DDOT inspectors prior to cutting the street so that reasonable limits can be placed on the amount of pavement to be restored.

Also addressed were delays in a specific project and how they had handled the contractor who was not in compliance with the contract schedules. The contractor who was new to D.C. Water and new to working in the City will be assessed liquidation damages and the bad experiences will negatively impact the contractor's selection in the future. Ms. Maldonado summarized lessons learned and indicated that she will come back to the Committee and present methods for avoiding all of these and other process and contracting problems.

Ms. Butani Bhatt indicated that Charles Kiely, Assistant General Manager for Customer Care and Operations, updated the Committee on Total Coliform Testing and Lead and Copper Rule Monitoring. There were zero positives samples in January and so far in December and as of the reporting date in February. This is expected in cold months. He also reported that the Lead and Copper Rule Testing Report was presented to EPA on January 10, 2016, with 3.7 parts per billion. Ms. Butani Bhatt gave kudos to the Drinking Water Division and to the Office of General Counsel for all of their efforts and they believe optimum corrosion control has been achieved. This was one of the lowest levels in the history of the Authority.

During the Committee meeting David Wall, Manager of the Fire Hydrant Program, reported that there were 31 defective fire hydrants out of approximately 9,400. Ms. Butani Bhatt stated that it was the lowest since she had joined the Board and she thought since D.C. Water assumed responsibility for the program.

Ms. Butani Bhatt stated that two contracts were recommended for approval by the Board with a caveat that contractors be reminded of the importance of scheduling and quality of work. She noted that it is important that D.C. Water hold contractors accountable for quality work.

Mr. Roth thanked the Committee for the meeting that he probably provoked. He stated that DDOT inspectors are not adequately supervising the work done by contractors which results in old deteriorating temporary paving causing traffic congestion and other inconveniences to citizens. Mr. Roth said that D.C. Water does a much better job than any other utility on repair work.

Ms. Butani Bhatt thanked Mr. Roth for his comments. She said she is especially appreciative of the General Manager and other staff focusing on meeting with DDOT leaders to resolve these issues. Ms. Butani Bhatt stated that she agrees that there should be better quality control in terms of plates and patches because that is what the public sees. She believes Management heard this in the meeting. Hopefully the contractors will appreciate the kind of quality D.C. Water expects.

Finance and Budget Committee

Reported by: Sarah Motsch

Ms. Motsch stated that the Committee met on Thursday, January 28, 2016. Gayle Alexander-Reeves, Budget Director, reviewed the December 2015 Financial Report with the Committee. Total revenues were about 26 percent of the budget, operating expenses were at 21 percent of the budget, and capital disbursements were at about 31 percent of budget. The financial results for fiscal year 2015 were all favorable. The financial audit was completed and an unmodified clean opinion was issued in December 2015.

Robert Hunt, Treasurer, and Ms. Chris Lover of Public Financial Management briefed the Committee on the recent Board refunding and indicated that the bond sale was a tremendous success. The new 2016A bonds refunded a portion of other bonds and saved the Authority an estimated \$56.8 million over the life of the bonds. This is an annual average debt service savings of \$3.3 million.

Ms. Motsch stated that this is an extremely amazing accomplishment as a result of the judgment, skills, and timing of the D.C. Water group and results in a savings to the rate payers. The Board set a threshold of about 5 percent in terms of return on investment, and D.C. Water was able to achieve a 10 percent return.

The Committee also received an update on the Digester Project by Ms. Dandach in response to a request by the Committee to compare the expected cost benefits from the beginning of the conceptual phase to now when it is in the commissioning phase and generating about a third of the required power.

Ms. Motsch reported that a presentation on health costs was delivered by Otho Milbourne, Benefits Manager. He reported that D.C. Water is continuing to address its potential exposure to the excise tax which will be implemented in 2020 instead of 2018. It is estimated that it could cost D.C. Water \$5.5 million between 2019 and 2023. Mr. Milbourne stated that the Authority is looking at a gradual redesign of medical plans to lower exposure to that tax.

Ms. Motsch reported that the Committee then went into Executive Session.

General Manager's Report

Reported by: George S. Hawkins, CEO/General Manager

General Manager Hawkins congratulated Board member Alan Roth for his long period of service to the Authority and commended him on always being more than prepared to play a role in whatever committee he chaired or participated on. He stated that the organization is better because of Mr. Roth's great passion. Mr. Hawkins also thanked Mr. Roth for his hard questions on issues that sometimes cause them to rise on D.C. Water's priority list as board concerns should. He wished him well and stated that Mr. Roth would always have friends and allies at D.C. Water.

Snowzilla and D.C. Water's response to emergencies were highlighted by Mr. Hawkins. With the cold snap and variation in temperature over a number of days, there were water main breaks. He thanked Mr. Shanks, AFGE President, other staff from his department, and staff from other departments. In order to repair the water main, the crews had to locate the break under loads of snow, locate and shut valves, shovel all of the snow for access, mark out all the other utilities before excavation, all while additional snow was falling. Mr. Hawkins reported that they had major calls every six or eight hours, with many more also received. He said he listened to the calls and was amazed as usual of the detail and care taken with each incident. Mr. Hawkins commended everyone involved and stated that he believes D.C. Water has the best employees of any agency he has been engaged in.

Mr. Hawkins mentioned the water crisis in Flint, Michigan and indicated that they get requests for comments on how D.C.'s crisis in the early 2000s connects with Flint. In both cases a sudden change occurred which triggered lead leaching into the water. He stated that D.C. Water is sharing its hard-won experience when asked to be of service. The General Manager assured everyone that D.C. Water is continuing efforts to make sure that its constituents are safe and protected from lead in water. He informed everyone that the problems are almost never in the source of water or the water main but in the service lines that connect water mains to the plumbing in residences or buildings. Mr. Hawkins said that that is why they always encourage everyone to participate in D.C. Water's free monitoring program to measure water at the tap.

General Manager Hawkins spoke about the Green Infrastructure Project and the fact that with the modification finally going to effect in January 2016 one of his interests outlined during his interview for his position eight years ago is finally becoming part of D.C. Water's long-term control plan. Mr. Hawkins thanked the team for their extraordinary flexibility and innovation and spoke about how the design and other aspects of the plan had changed over the years. He asked the team to stand for recognition.

What he calls smart financing was also mentioned by Mr. Hawkins and he outlined some of their experiences in working toward going to the bond market at the right time. After all their preparation, they were prepared when the slowdown in China occurred which dropped commodity prices and drove people into bonds. When interest rates dropped they were able to put together a \$40 million transaction to take to the market. With interest rates continuing to drop, they hit the market and saved the rate payer \$55 million over the term of the bonds. Mr. Hawkins pointed out members of the team who were present and some who were absent.

Mr. Hawkins introduced several employees who recently received promotions or were recently hired.

Consent Items (Joint Use)

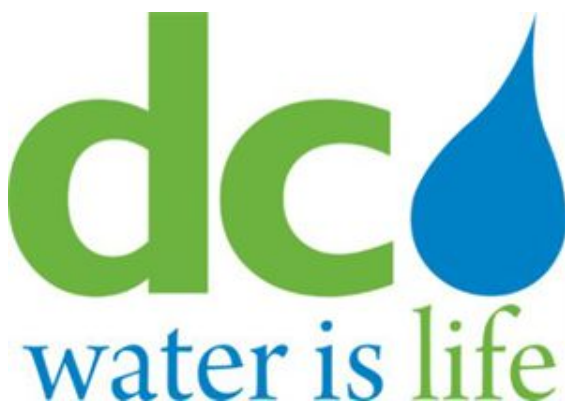
Chairman Brown asked for a motion to approve joint use items. Mr. Patteson moved to approve Resolutions No. 16-11 and 16-12, and it was seconded. The motion to approve Resolutions No. 16-11 and 16-12 was unanimously approved by the members of the Board.

Consent Items (Non-Joint Use)

Chairman Brown asked for a motion to approve non-joint use items. Ms. Boardman moved to approve Resolutions No. 16-13 and 16-14, and it was seconded. The motion to approve Resolutions No. 16-13 and 16-14 was unanimously approved by the District of Columbia members of the Board.

There being no need for an executive session, Chairman Brown adjourned the meeting at 10:51 a.m.

Secretary to the Board of Directors



**District of Columbia
Water and Sewer Authority**

Board of Directors

**Environmental Quality and Sewerage
Services Committee**

Thursday, February 18, 2016

9:30 a.m.

MEETING MINUTES

Committee Members

James Patteson, Chairperson
Howard Gibbs
Bo Menkiti
Matthew Brown
David Lake
Elisabeth Feldt
Rev. Kendrick Curry

DC Water Staff Present

George Hawkins, CEO and General Manager
Len Benson, Chief Engineer
Meena Gowda, Acting General Counsel
Linda Manley, Secretary to the Board

I. Call to Order

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

II. AWTP STATUS UPDATES

1. BPAWTP Performance

Mr. Aklile Tesfaye, Assistant General Manager for Wastewater Treatment, reported that the monthly-average influent flow was 283 MGD. 2.68-inches of precipitation fell during the January reporting period. The enhanced nitrogen removal facility is performing well, producing a low total nitrogen (TN) concentration of 2.92 mg/l. Mr. Tesfaye commented that winter storm Jonas snow precipitation as measured at Ronald Reagan Washington National Airport was 18.8-inches that resulted in the plant influent flow remaining higher than average by approximately 70 MGD for about 10 consecutive days. Overall, plant performance was excellent with 100% permit compliance. Biosolids production was 385 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 140 MWH/day or 23% of the 620 MWH/day Blue Plains energy demand as depicted in the Blue Plains monthly energy consumption chart. Mr. Tesfaye commented that the lower energy generated was attributed to several planned and unplanned events such as winter storm Jonas where the turbines were shut down as a precautionary measure to prevent moisture build-up at the turbine intake and the use of the produced gas to test the boilers instead of using for the CHP turbines. The Committee asked whether shutting down the turbines would be a standard procedure during heavy storm events. Mr. Tesfaye

responded that these type of situations are part of the learning curve as well as the testing and optimization phase to develop the SOP for the facility. The Committee inquired to the energy demand increase for the January 2016 period. Mr. Tesfaye responded that the energy demand is seasonal and the demand fluctuation is expected.

The Committee requested for a progress update on Bloom product marketing. Mr. Tesfaye responded that a presentation will be provided to the Committee at the appropriate time after the May 12th product launch when more information and feedback are available.

III. INTERMUNICIPAL AGREEMENT (IMA) REGIONAL COMMITTEE ANNUAL REPORT

Mr. Len Benson, Chief Engineer, introduced Ms. Tanya Spano, Chief Regional Water Quality Management to present the IMA Regional Committee annual report 2015. Ms. Spano noted that the Blue Plains Intermunicipal Agreement of 2012 was the basis for the 2015 IMA annual report. Ms. Spano provided an overview of the 2012 IMA and 2015 annual report (slide 3) and highlighted that Blue Plains treats approximately 48% of the regions wastewater flow capacity. Ms. Spano explained that the IMA Regional Committee is responsible for evaluating Flow Management and Long-term Planning (slide 5) for flows to the Potomac Interceptor (PI) and to Blue Plains. Ms. Spano remarked that the Blue Plains Service Area (BPSA) Emergency Planning is still being developed to evaluate/assess options in the event there is (are) impacts, to Blue Plains and/or to the service areas. Ms. Spano explained that the Financial Commitments are based on different parameters for each of the three (3) classes of DC Water owned MJUF assets, i.e., BPAWTP, sewers other than the LTCP, and the LTCP (slide 6). Ms. Spano remarked that the Flow and Load Measurement and Management, (slide 6) (BPSA Billing Meter Assessment Study and the proposed BPSA Billing Meter Service Contract) will be discussed in the following BPSA Billing Meter Study presentation. Ms. Spano concluded the IMA annual report presentation with the accomplishments achieved in the report period for Biosolids Management and Legal Matters (slide 7).

IV. BPSA BILLING METER STUDY

Ms. Spano explained the presentation will focus on the Flow and Load Measurement and Management for the implementation of the 2012 IMA Operating Agreement #3, more specifically billing meters (slides 2 and 3). Ms. Spano remarked that the 2000 Metcalf & Eddy Assessment produced the first BPSA billing meter report that evaluated 53 billing meters; in 2008 RJN Group evaluated an 88 billing meter system. Ms. Spano commented that the 2008/2009 billing meter study concluded that overall the 88 billing meter network was well calibrated and functioning as intended. Ms. Spano remarked that RJN Group was contracted in 2015 to evaluate/assess any changes to meter system since the 2009 BPSA Billing Meter Study. Ms. Spano noted that the cost for the billing meter study will be allocated based on the corresponding number of meters in the jurisdiction (slide 6). Ms. Spano explained that the IMA-RC and the RJN Group will develop a scope of work contract to have all the BPSA billing meters maintained and calibrated by a single service contractor to ensure the same standard and consistency are being provided to the meters (slides 5, 7 and 8). Ms. Spano explained that the BPSA billing meter service contract will be a long-term contract and that DC Water would solicit and manage said service contract and the cost would be allocated to the jurisdiction based on the number of meters previously mentioned. The

Committee asked if there has been a general consensus from the jurisdiction to have a single contractor to service all the billing meters. Ms. Spano responded there is general support from the jurisdiction to develop a scope of work and noted that scope details are in development and will be integrated with the jurisdictions current billing meter maintenance schedule as applicable. The Committee commented that the billing meters are a critical component to evaluate/validate the user jurisdiction cost for wastewater flow to Blue Plains. The Committee noted that due to a combination of the lack of maintenance, poor condition, and/or the meter(s) near its flow capacity an evaluation/assessment to modernize the BPSA billing meter network is warranted. The Committee asked if the BPAWTP capital cost splits are based on the billing meters. Another Committee member responded that the cost splits are based on planning studies that were completed prior to the 1985 IMA that allocated the cost splits. The Committee added that the billing meters are used for quarterly billing and to track/verify actual flows coming from the various jurisdictions. Mr. Benson highlighted that there are check meters, in addition to the billing meters, to verify and ensure accuracy of the reported flows from the billing meters.

V. DIVISION PR-B, CSO 021 DIVERSION FACILITIES

Mr. Chris Allen, Deputy Director Clean Rivers, explained that Division PR-B CSO 021 would typically be part of the Potomac River Tunnel; however, due to the Kennedy Center for the Performing Arts (KCPA) expansion, the CSO 021 diversion facilities construction had to be accelerated to mitigate future conflicts and risks associated with construction of the diversion facilities after the KCPA expansion. Mr. Allen highlighted that over 70% of the CSO volume that discharges into the Potomac River occurs at CSO 021. Mr. Allen introduced Mr. John Cassidy, Project Manager DC Water Clean Rivers Project, to explain the memorandum of understanding (MOU) between DC Water and KCPA for the construction of the CSO 021 diversion facilities and the granting of easements to access DC Water assets on the KCPA property.

Mr. Cassidy stated that the MOU addressed three main topics (slide 8): DC Water Upper Potomac Interceptor Relief Sewer (UPIRS) Sewer Cleaning Project (topic 1); Easement for existing sewers and future facilities (topic 2); and Construction of CSO 021 diversion facilities project (topic 3). Mr. Cassidy explained that topic 1 as it relates to the CSO 021 diversion facilities was to construct a temporary construction access off of the Rock Creek and Potomac Parkway and to provide temporary easement for the UPIRS sewer cleaning project that is expected to be completed by March 31, 2016 (slide 9). The Committee inquired to whether it was common to not have an easement or a right-of-entry to access the sewers. Mr. Allen responded that easements were not considered prior to DC Home Rule when the Federal government owned the property and constructed the sewer as well. Mr. Cassidy noted that easements for the DC Water Potomac Interceptor (PI) sewer and assets on the KCPA property could not be found. Mr. Cassidy explained that, topic 2, of the MOU was to prepare the easements to grant DC Water access to construct and maintain existing sewers and new CSO facilities on the KCPA property (slide 10) and noted that the proposed easements are illustrated in slide 11. Mr. Cassidy explained that construction of CSO 021 diversion, topic 3, approach is similar to the Forest City agreement for the construction of the Tingey Street Diversion. Mr. Cassidy explained that the CSO 021 diversion facilities would be constructed over the existing CSO outfall with the drop shaft depth at the Potomac River Tunnel elevation, but the connection to the tunnel will not be built until the exact alignment (which is being evaluated as part of the environmental impact assessment (EIS) study) is determined (slide 12). Mr. Cassidy noted that the connection to the proposed drop shaft would work for either of the two proposed Potomac Tunnel alignments. Mr. Cassidy highlighted that the MOU, topic 3, was developed as such to have clear delineation between CSO 021 diversion

facility construction and that of the KCPA expansion to minimize construction conflicts. The CSO 021 diversion facilities construction, under a separate contract with DC water, will be performed by the KCPA expansion contractor, Davis Construction (slide 13). Mr. Cassidy presented the costs of the MOU for the topics 1, 2, and 3 and note that the cost will be in addition to the construction cost for the CSO 021 diversion facilities that will be discussed later (slide 14). Mr. Cassidy explained that three (3) alternatives were evaluated and resulted in Alternative 1 being recommended (slide 16), and estimated costs for the alternatives summarized in slide 17. The Committee inquired if the estimated cost of \$34 million for Alternative 1 includes the MOU costs of \$4.629 million that was presented in slide 14. Mr. Cassidy responded that the MOU costs are in addition to the estimated \$34 million. Mr. Cassidy remarked that the scope is to construct the CSO 021 diversion facility, drop shaft, and ventilation control facility structures only (slide 18). DC Water will return in the 2022/2023 timeframe to install the mechanical equipment and place the facility in operation when the Potomac River Tunnel is expected to be in service. The Committee inquired if the diversion facility will eliminate combined sewer overflow to CSO 021 and will remove CSO 021. Mr. Cassidy responded that the CSO 021 will be needed because the proposed Potomac River Tunnel has a defined storage capacity and that CSO 021 will still be utilized for larger storm events. The Committee asked whether the Kennedy Center master plan considered potential odor from the ventilation facility. Mr. Cassidy responded that the Potomac River Tunnel will alleviate odors in the sewer by removing the inflatable dam that currently ponds the sewer in the upstream system thereby causing odors to be released. Mr. Cassidy noted that the location of the ventilation control facility was selected through significant coordination with the Kennedy Center and that the location was actually proposed by the Kennedy Center. The Committee asked if the CSO odor control was part of the Potomac Interceptor sewer odor abatement project previously completed. Mr. Cassidy explained that the two serve separate yet parallel sewers in that the Potomac Interceptor is the sanitary sewer which is located below the CSO sewer and the PI flows to the Potomac Pumping Station; the CSO sewer is the sewer that discharges to the Potomac River during large storm events. Mr. Cassidy explained that Davis Construction was selected through the procurement approach highlighted on slide 20. The Committee inquired to why item #3 in slide 22 show a contingency of 10% for Forest City and only 4% for Davis Construction. Mr. Cassidy responded that Forest City was a design-build whereas Davis Construction will receive 100% design documents which is the reason for the estimated 4% contingency. Mr. Cassidy summarized the schedule for the Division PR-B CSO 021 procurement, planned contract execution of March 10, 2016, and substantial completion in May 2018.

VI. ACTION ITEM - JOINT USE

1. Contract No. 150230, James G. Davis Construction Corporation
2. Authorization to Execute Memorandum of Understanding with John F. Kennedy Center for the Performing Arts
3. Contract No. 14-PR-PCM-01, M.C. Dean
4. Contract No. 15-PR-DWT-52, W.K. Merriman, Inc.

Mr. Len Benson, Chief Engineer, presented action items 1 and 2 and Mr. Dan Bae, Director Procurement, presented action items 3 and 4.

Action Item 1 is a request to execute a construction contract with James G. Davis Construction to construct CSO 021 diversion facility that was presented above.

Action Item 2 is a request to execute a memorandum of understanding with the Kennedy Center that was presented above. The Committee inquired to the purpose of Project A4 for UPIRS cleaning. Mr. Benson responded that Project A4 cost was for the contractor to construct the construction access road off Rock Creek and Potomac Parkway for the CSO 021 diversion facility construction work. The Committee asked if the MOU is a lump sum payment. Mr. Cassidy responded that the MOU is a lump sum payment that is due 60 days after the MOU is executed. The Committee inquired if DC Water has executed a similar type of contract in the form of an MOU in the past and if there any complication for this type of procurement method to reimburse the Kennedy Center for associated cost to support the CSO 021 diversion facility construction. Mr. Benson responded that the MOU agreement was the recommended vehicle by DC Water OGC and Mr. John Bosley, Chief Procurement Officer. The Committee inquired to the enforceability and remedy in the event Davis Construction has an issue with the Kennedy Center and the work is not completed. Mr. Bosley responded that DC Water has indemnities and are also named insurers on Davis Construction contract, and as well, has remedies available under contract law.

Action Item 3 is a request to exercise year one of the annual maintenance, repair and calibration of instrumentation control equipment.

Action Item 4 is a request to execute a new contract for the supply and delivery of calcium hydroxide to the Blue Plains AWTP.

ACTION ITEM – NON JOINT USE

1. None

The Committee will recommend all action items to the full Board for action. The Committee requested to have a further discussion on the MOU agreement with the full board.

VII. QUARTERLY CIP REPORT

Ms. Liliana Maldonado, Director of Engineering and Technical Services (DETS), reported that the CIP disbursement is projecting a 1.7% variance above the baseline. Ms. Maldonado summarized the status of 34 KPI out of the 125 active projects as depicted in presentation slide 74. The Committee inquired to how the KPI dates are set and when the dates are reset. Ms. Maldonado responded that the schedules are re-baselined annually based on new information, scope changes, and any appurtenant issues. The Committee asked if the re-baseline is based on the Board approved annual 10-year CIP budget and Ms. Maldonado confirmed that the schedule and budget are progressed from the approved CIP budget. The Committee asked for a presentation on the status of the KPI recommendation to measure and report overall project objectives as suggested in the November 19, 2015 committee meeting. Ms. Maldonado responded a presentation will be scheduled. Ms. Maldonado noted that slides 75 through 78 color code to highlight a projects "To Date" status.

VIII. OTHER BUSINESS/EMERGING ISSUES

None.

IX. EXECUTIVE SESSION

An executive session was not held.

X. ADJOURNMENT

The meeting was adjourned at 11:03am.

Follow-up Items

1. Mr. Tesfaye to provide a presentation on the Bloom product marketing status after the May 12th product launch when more information and feedback are available.
2. The Committee requested to have a further discussion on the MOU agreement with the full board.
3. Schedule a presentation on the KPI recommendation to measure and report overall project objectives as suggested in the November 19, 2015 committee meeting.



DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

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

**MEETING MINUTES
THURSDAY, February 18, 2016**

Present Board Members

Rachna Butani Bhatt, Chair (via Phone)
Matthew Brown, Board Chairman
Bo Menkiti (via Phone)
Howard Gibbs
Rev. Kendrick Curry

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
Meena Gowda, Acting General Counsel

I. Call to Order

Ms. Butani called the meeting to order.

II. 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 January and so far in February. This is expected in the months when the water is cold. He stated that they have achieved optimum corrosion control in their treatment process, which is good news.

B. Lead and Copper Rule Monitoring

Mr. Kiely stated that they have 50 samples so far, 26 being analyzed in the laboratory. There are no results so far.

III. Fire Hydrant Upgrade Program

David Wall, Manager of the Fire Hydrant Program, indicated that of the approximately 9,450 public fire hydrants, 54 are out of service. This is a slight increase from last month but pretty

flat. Thirty-five are due to defect, .37 percent, which is below the Board mandated maximum level of 1 percent. He stated that they are continuing to work to get that number down to zero.

Mr. Wall reviewed the map of out of service hydrants and noted that there were no significant areas identified or areas with operational issues.

IV. Spring Cleaning

Mr. Kiely reported that they now have underway some major reconstruction work at the Brentwood Reservoir which is the largest. Brentwood ties into the spring cleaning and can only be taken out of service during the colder months. In July, August, and September the Brentwood Reservoir is always required because the McMillan Reservoir cannot provide adequate water for the entire city. Construction activities must be coordinated with the Washington Aqueduct who has to deal with their clear wells. Clear wells is the term used to describe the water that is coming into the Distribution System after it has been treated. Mr. Kiely indicated that DC Water works hand and hand with the Aqueduct to schedule the work in Brentwood so the work can start with the clean wells in March and that takes eight weeks. This ties into D.C. Water's annual spring cleaning which is usually done for six weeks but it cannot be stopped until all the construction activity stops. This year it is being extended for an extra ten days.

Mr. Kiely informed the Committee of why these spring cleaning steps are taken annually. Chloramine systems do a spring cleaning where the secondary treatment is changed from chloramines, which is a mixture of chlorine and ammonia, to free chlorine. In unlined cast iron water mains like D.C. Water's bacteria can grow which feeds on ammonia. In order to prevent nitrification, they change it to eliminate the continuous feed source and any contaminants that may occur as the water gets warm. It is a normal treatment process which begins in March and usually completes at the end of April. This year it is extended to the first week in May. There is much discussion of spring cleaning every year, so customers expect it.

Mr. Kiely stated that there was one more agenda item of emerging issues. General Manager Hawkins indicated that the staff has been working very hard on follow-up issues for the meeting with DDOT leaders. They are developing an agenda and discussing issues along with examples so that the meeting can be as productive as possible. He stated that they will come back to the Committee with a report on the meeting. Chairman Brown agreed that this is important and that areas have been identified that should be coordinated with DDOT to improve the way everyone works in the city streets.

Ms. Butani Bhatt then adjourned the meeting.



**DISTRICT OF COLUMBIA
WATER AND SEWER AUTHORITY**

Board of Directors

DC Retail Water and Sewer Rates Committee

Tuesday, February 23, 2016

9:30 a.m.

MEETING MINUTES

Committee Members in Attendance

Rachna Butani, Acting Chairperson
Matthew Brown
Howard Gibbs
Ellen Boardman

DC Water Staff

George Hawkins, General Manager
Syed Khalil, Manager Financial Planning
Gregory Hope, Principal Counsel
Linda Manley, Secretary to the Board
Brian McDermott, Director Permit Operations
Sarah Neiderer, Special Assistance P&IO

Call to Order

Chairman Butani called the DC Retail Water and Sewer Rates Committee meeting to order at 9:31 a.m.

Retail Rate Implementation – Audit Review (Attachment A)

Chairperson Butani asked Mr. Dan Whelan of RSM to provide progress update on the Retail Rates Implementation. Mr. Whelan explained that RSM did a Pre-Implementation and a Post-Implementation audit in two phases. Ms. Jill Reyes mentioned that Ms. Kelly Johnson did the majority of the field work. Ms. Reyes briefly updated the Committee that RSM got involved around May and started attending some Steering Committee meetings to understand the process and offer some controls and suggestions.

Ms. Reyes explained that the purpose of the pre-implementation review was to obtain an understanding of the proposed FY 2016 retail rates and related proposed rate structure changes and to assist management with facilitation of the rates implementation plan execution for completeness and accuracy. The scope was based on the following objectives:

- To obtain and review the Rate Design Implementation Plan, including monitoring and reporting on the status of the plan
- To assess the data clean-up process, including:
 - Proper classification of property type (identification of premise changes)
 - Validating meter size accuracy
- To review existing business rules (not system requirements) established for the rates implementation and make recommendations, as applicable
- Identify any additional requirements for the rate design implementation
- To evaluate the design, completeness and effectiveness of the Retail Rates Implementation (RRI) User Acceptance Testing (UAT) approach

RSM performed detailed testing and validation of data clean-up efforts, including premise and meter size validation and changes; as well as performed customer site visits and independent premise validation on a sample basis, and traced changes to ECIS. In addition, RSM re-performed and observed User Acceptance Testing (UAT) procedures, as well as monitored that any testing exceptions noted were researched, analyzed and corrected. RSM found no material exceptions in data clean-up validation or UAT validation. RSM provided management with recommendations for post-implementation activities, including additional data clean-up documentation requirements and updating Standard Operating Procedures.

The post-implementation scope process was based on the following objectives:

- To assess the data clean-up process, including proper classification of proper type (identification of premise changes)
- Invoice testing to recalculate and verify that bills sent to customers are accurate
- Review of billing adjustments made during October-December 2015

RSM performed detailed testing and validation of data clean-up efforts, including premise validation and changes; as well as performed customer site visits and independent premise validation on a sample basis, and traced changes to ECIS. RSM also re-calculated a sample of customer invoices to validate that the correct billing rates were utilized post-implementation, which occurred October 1, 2015. No exceptions were noted during Internal Audit's testing of 200 customer invoices between 10/01/2015 and 11/12/2015.

The Customer Service team will continue to ensure that the system updates are operating effectively and the customer data is accurate. Other tasks that the Customer Service team has completed or are in-process include:

- Continuing data clean-up and validation
- Formalizing a process for meter downsizing, which requires approval from the permitting department
- Analysis of Account receivable collection and aging as a result of the rate changes; and
- Updating of SOPs, as needed

System Availability Fee – Public Comments

Mr. Hawkins gave a brief overview of the System Availability Fee (SAF) and the public comments process. He informed the Committee that staff has recommended that the SAF action item be removed from the agenda in order to have time to evaluate the comments received. The Committee agreed. He also noted that the emails with public comments will be reviewed based on merit. There were three comments received on Friday and the majority of the comments came over the weekend and Monday. Copies of the comments were provided to the Committee. Mr. Hawkins stated that a thorough summary of the emails and comments will be provided at the next Retail Water and Sewer Rates Committee meeting along with proposed actions. Mr. Hawkins mentioned that the comments are grouped in six categories:

- Technical - how does the SAF work? Questions regarding clarity on SAF rules?
- Methodology - how was the new SAF determined?
- Process questions - was there a SAF public meeting/public hearing to make sure that DC Water follow the legal requirements?
- SAF Dollar Amount is too high - comparison of the dollar amount with other jurisdictions and difference between Review Fee and SAF.
- Timing - how this new SAF will impact a project already in the pipeline.
- Affordable Housing/Non-profit organizations - general comments to grant SAF exemptions for affordable housing and non-profit organizations.

Chairperson Butani recommended to allow additional time for the SAF comments. Mr. Brown commented that he encourages District governmental agencies to submit their comments in order for them to be thoughtfully considered. He also noted that DC Water must follow the rule making process to make sure that it is correct. Mr. Hawkins mentioned that the SAF is a fee and not a rate which follows a different process. Mr. Hope informed the Committee that there were two different requirements for rates and fees:

- The Administrative Procedures Act requires a public notice of any proposed rate or fee, and the rulemaking must be published in the D.C. register
- DC code requires a public hearing for any changes to its water and sewer rates

Mr. Hawkins mentioned if we extended the SAF public comment process, it would be published in the D.C. Register the following Friday. Mr. Hope replied that the notice would state the time period extended, but there must be time to review the comments.

Mr. Gibbs voiced a concern that an appropriate amount of time be allotted to review the public comments. Chairman Butani recommended to extend the commentary period to three weeks. The Committee agreed. At the end of the commentary period, all comments would be evaluated and summarized and recommendations formulated based upon this review. Mr. Hawkins concluded by saying that we will get the message out regarding the public comment period immediately following today's meeting. Chairman Butani asked the staff to include the SAF presentation in the next Committee meeting.

Action Item (Attachment B)

Action item was withdrawn.

Water System Replacement Fee - 1.5" Meter Update (Attachment C)

Mr. McDermott provided the Committee background on the Water System Replacement Fee (WSRF) regarding 1.5" residential customer meters.

- On July 2, 2015, the District members of the DC Water Board of Directors (BOARD) adopted Resolution No. 15-67 establishing FY 2016 rates, fees and charges, as well as Resolution No. 15-68 amending the Water System Replacement Fee (WSRF) for residential customers served by a single two inch (2") meter for demand flow and fire flow to be charged the equivalent one and one-half inch (1.5") meter fee.
- On September 3, 2015, the District members of the DC Water Board of Directors (BOARD) adopted Resolution No. 15-72 to amend the Water System Replacement Fee for residential customers whose premises is served by a meter that is larger than one inch (1"), shall be charged a monthly Water System Replacement Fee for a one inch (1") meter.
- The DC Retail Water and Sewer Rates Committee directed staff to evaluate the data on the approximately 1,500 residential customers with a one and one-half inch (1.5") meter to determine how many have fire suppression systems and asked staff to provide quarterly update on the progress of the analysis.

Mr. McDermott provided the analysis of 1.5" residential meters.

- To date staff has reviewed 549 out of 1,600 1.5" residential customers meters
 - 197 are confirmed to be combined (36%)
 - Out of the 549 addresses investigated Permit Operations Department found scanned plans for approximately 145 addresses and ECIS data noted for about 70 more

- Of the 145 plans sets 127 (87%) showed combined fire and domestic

Permit Operations Department investigated about 34% of the addresses and found that 36% of those were confirmed as combined domestic and fire suppression services. It may be too soon to say that there is a high correlation between 1.5" service having fire suppression systems but preliminary numbers indicate there is. The data analysis is expected to be completed by the end of March 2016.

Blue Horizon 2020 Strategic Plan (Attachment D)

Ms. Neiderer gave an update on DC Water's Blue Horizon 2020 goals. She informed the Committee that the revisions to the Blue Horizon 2020 Strategic Plan have been adopted. DC Water's strategic direction is:

- Vision – To be a world-class utility;
- Values – Respect, Ethics, Vigilance and Accountability;
- Mission – Exceed expectations by providing high quality water services in a safe, environmentally friendly, and efficient manner

There are efforts on the way to define and achieve a world-class status. There are 9 goals, 27 objectives, 44 initiative and 146 milestones within the strategic plan. There were some revisions to Goal 5 "Assure Financial Sustainability and Integrity". Ms. Neiderer updated the Committee on the implementation progress of Goal 5 objectives and initiatives.

Ms. Boardman inquired what specifically is the "Responsible Resource Allocation" and how does it tie to the Blue Horizon 2020 Strategic Plan Goal 5. Ms. Neiderer replied that she will consult with Mr. Kim and provide an answer by the next Committee meeting.

Ms. Neiderer explained the final slide Goal 5 Initiative:

- Achieve treasury, debt and risk management objectives
- Achieve an affordable and fair rate structure
- Ensure robust internal controls at DC Water
- Ensure timely preparation, adoption and administration of DC Water's operating and capital budgets
- Ensure integrity of DC Water's Financial Systems

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

Mr. Khalil briefly updated the Committee on the FY 2016 Proposed DC Retail Rates Committee Workplan and stated that the Workplan is currently on schedule. Mr. Khalil informed the Committee that the SAF timeline will be modified based on the Committee recommendation to extend the SAF comment period. Mr. Khalil explained that the Potomac Interceptor Cost of Service Study (Vienna, Dulles, National Park Service and Navy) to establish rates for the next three year FY 2017 – FY 2019 would be presented to the Committee in their meeting to be held in April.

Ms. Boardman inquired about item #4 "**Water System Replacement Fee**" a). **Evaluate data on the 1,500 residential customers with 1.5" meters including how many have fire suppression meters and reassess the WSRF in FY 2016.** She noted that the project is a quarterly activity and asked when the project would be completed. Mr. McDermott responded that the project will be completed after all the 1,600 1.5" meters have been reviewed and he anticipated to complete it by the end of March.

Other Business

No other business

Executive Session

No executive session

Agenda for March 22, 2016 Committee Meeting (Attachment F)

Ms. Butani stated the agenda would shift based on the Committee recommendations today.

Adjournment

The meeting was adjourned at 10:16 a.m.

FOLLOW-UP ITEMS – DC Retail Water and Sewer Rates Committee Meeting (February 23, 2016)

1. What specifically is the “Responsible Resource Allocation” and how does it tie to the Blue Horizon 2020 Strategic Plan Goal 5. (Ms. Boardman) Status: March 2016.



DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

Board of Directors

Audit Committee

Thursday, February 25, 2016

9:30 a.m.

Meeting Minutes

COMMITTEE MEMBERS PRESENT

Nicholas Majett, Chairman, Audit Committee

Matthew Brown, Board Chairman

INTERNAL AUDIT STAFF PRESENT

Dan Whelan, RSM US LLP

Jennifer Murtha, RSM US LLP

Charles Barley, Jr., RSM US LLP

Victor Carraway, RSM US LLP

Kelly Johnson, RSM US LLP

DC WATER STAFF PRESENT

John Madrid, Controller

Linda R. Manley, Secretary to the Board

Mustaafa Dozier, Chief of Staff

Meena Gowda, Principal Counsel

EXTERNAL AUDIT STAFF PRESENT

Paul Geraty, KPMG

Richard McLean, KPMG

Steven Maex, KPMG

Call to Order (Item 1)

Mr. Nicholas Majett, called the Audit Committee meeting to order at 9:35am.

FY 2015 Financial Statements (Item 2)

Mr. John Madrid shared that the Authority's balance sheet remains strong with noticeable growth. The total net position of \$1.5 billion, which is an increase of \$179 million, resulted in approximately a 13% increase over the prior year. Operating revenue increased by \$76 million to \$549 million, representing a 16% increase, while operating expenses increased by \$22 million to \$378.7 million, representing a 6% increase over the prior year.

Mr. Madrid mentioned that the Authority maintained its credit rating of Aa2/AA+/AA for the prior year. In fact, he said this week Standard and Poor's Investors Service (S&P) upgraded DC Water credit rating to AAA status.

Mr. Madrid reported that the Authority's operating revenue remains well diversified and stable. Commercial still leads the highest concentration of revenue. Operating revenue increased by \$76.1 million where residential, commercial, and multi-family represent

approximately 62% of total revenue. Operating expenses were reasonably controlled experiencing an increase of approximately 6% to \$378.7 million. This increase was attributed to personnel and the (PILOT) right-of-way expenses. The Authority's net capital assets increased by \$543.3 million to \$5.5 billion from FY 2014 to 2015. Mr. Madrid mentioned that this increase represents a very high growth year relevant to capital spent that are mostly in the wastewater treatment areas of the Biosolids, Clean Rivers, and Enhanced Nitrogen Removal (ENR) projects. Mr. Madrid recounted an increase in net position by \$179 million over the prior year, representing a 13% increase, to \$1.5 billion in FY 2015.

External Auditor's Report (Item 3)

Mr. Paul Geraty gave an overview of the Authority's FY 2015 Financial Statements and single audits. He ran through the responsibilities of management, the Audit Committee, and KPMG in regards to financial reporting.

Mr. McLean informed the Board that KPMG issued a clean opinion on the Authority's FY 2015 Financial Statements. He stated that no material weaknesses were identified regarding internal controls over financial reporting. There was one significant deficiency in the area of IT. Mr. McLean noted that progress was achieved during the year. Deficiencies decreased from three in the prior year to one. There were no instances of non-compliance noted as it relates to report on compliance with laws, regulations, contracts, and grants. Mr. McLean shared that a Management Letter was issued consisting of control deficiencies that did not rise to the level of significant deficiencies or material weaknesses.

Mr. McLean advised that Note 2 of the financial statements describes the accounting policies and noted that there were no significant changes to the Authority's policies in FY 2015. There were no changes that resulted from the Authority's policies or new Governmental Accounting Standards Board (GASB) standards that had a material effect on the 2015 Financial Statements.

Mr. Maex reported that there was one significant deficiency found in the IT access management space within the Lawson system that was identified in a previous audit, but has not yet been remediated. KPMG identified a series of accounts with access to transactions processing within the system both on the IT and controllership side. There are individuals who have privilege access to those accounts. Mr. Maex noted that those accounts have been approved by management for specific individuals to have access for support and system processing purposes. It is important to note that no cases were identified indicating inappropriate access use. There were no other significant matters to report regarding the financial statements.

Mr. Geraty mentioned that in addition to the financial statements audit, KPMG performed two non-audit services, namely the Green bond attestation and IT system assessment. Mr. Geraty noted that these engagements do not impair KPMG's independence.

Pertinent to the single audit results, Mr. Geraty reported that KPMG tested two areas in FY 2015, namely the Construction Grants for Wastewater Treatment Works and Safe Drinking Water Act Program, both of which were appropriated by Congress and issued through the Environmental Protection Agency (EPA). On compliance for these programs, KPMG issued a clean opinion and found no questioned costs. Regarding internal controls over major programs, no material weaknesses or significant deficiencies were identified. These observations were consistent with the past two years.

Internal Audit Update (Item 4)

RSM Partner Mr. Whelan presented the FY 2016 audit plan status update. All FY 2015 audits have been completed. Additionally, FY 2016 retail rates implementation progress report and overtime report both have also been completed.

Ms. Johnson provided a status update on prior audit findings. She informed the Board that RSM closed 16 items, 15 remain open, and 9 are pending testing since the last Audit Committee meeting in October. She highlighted that in October 2014 when RSM took over the internal audit function, there were 82 items open of which 54 are now closed, representing 66% resolution. Further, she reported that RMS issued three reports in FY 2015, of which 8 items are opened, 2 are closed and 1 is pending testing.

Ms. Johnson provided an update regarding the Post-Implementation Retail Rates Progress Report. As part of the post-implementation process, RSM conducted testing and validation of data clean-up. Additionally, Ms. Johnson disclosed that re-calculation testing of 200 customers invoices was conducted to validate accuracy and that no exceptions were noted. Management has indicated that they will be formalizing Standards Operating Procedures (SOP) and will perform additional data clean-up as necessary. Ms. Johnson noted that RSM has a Customer Billing & Collections audit scheduled for this year.

Ms. Murtha presented RSM's overtime audit report and analysis. The scope of the audit included evaluation of authority and department-level overtime controls, focusing on five departments that make up 80% of the Authority's total overtime budget. Ms. Murtha shared that the Authority's implementation of the Ceridian DayForce system has led to increased transparency and automation in the overtime process.

RSM compared DC Water's overtime expenditures from FY 2014 to other local water authorities during the audit. Ms. Murtha advised that there is no perfect peer for DC Water, as there are differences of Union versus non-Union, not all authorities treat wastewater, technology, age of infrastructure, vacancy rates and response time to emergencies. Overall, DC Water appeared to be in line with its peers in overtime expenditures.

Ms. Murtha stated that several best practices were identified during fieldwork, but not all are being shared Authority-wide. Recommendations have been made to standardize the process for management reporting, evaluation and enforcement of overtime budget.

Ms. Johnson provided an update on the Hotline. She informed the Board that 3 cases were reported open during the last Audit Committee meeting in October. Since then, the hotline has received 8 calls, of which 2 are fraud claims. Ms. Johnson stated that 3 cases have been closed and 8 remain open.

Executive Session (Item 5)

There was a motion to move into Executive Session by Chairman Majett to discuss legal, confidential, and privileged matters pursuant to Section 2-575(b)(8) of the D.C. Official Code. It was so moved and seconded by the Board Chairman Brown and motion carried. Mr. Majett asked the Board Secretary, Ms. Linda Manley, to take the roll call. The Audit Committee went into Executive Section at approximately 10:27 a.m.

Adjournment (Item 6)

The Board moved back into public session. The Audit Committee meeting adjourned at 10:46 a.m.



MANAGER'S

h 2016

Table of Contents

Message from the CEO/GMI

Organizational Performance Dashboardi

Financial Highlights1

 Financial Performance Summary 1

 Revenues and Operating Expenses 2

 Capital Spending..... 2

 Operating Cash and Receivables 3

 Investment Earnings..... 3

 Investment Yield..... 4

Customer Care and Operations Highlights.....5

 Customer Service 5

 Fire Hydrants..... 6

 Permit Processing..... 7

Low Income Assistance Program.....8

 SPLASH Program..... 8

 Customer Assistance Program(CAP) 8

Operational Highlights9

 Drinking Water Quality..... 9

 Waste Water Treatment 10

 Water Distribution Operations..... 11

 Water Balance 11

 Sewer System Operations 12

 Combined Sewer System..... 12

 Human Resources 13

 Electricity Usage Summary..... 14

 Electricity Usage by Service Area 14

 Safety 15

 Vendor Payments 15

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. February was a bell-weather month, and not just because of the wildly varied weather.

AAA

The most dramatic event was the receipt of a decision by Standard and Poor's Investors Service (S&P) to upgrade DC Water's credit rating to AAA for senior lien revenue bonds and AA+ for subordinate lien revenue bonds. This marks the first time in history that DC Water has achieved the highest rating available by a rating agency. DC Water's credit rating helps determine the interest rates we must pay when we raise debt to finance our capital improvement program. Paying lower interest rates lowers the overall costs of the project and annual operations expenses. On a financial basis, the bottom line for a better credit rating is lower costs to the ratepayer.

There is a second message that is as compelling to us. DC WASA had no credit rating when the enterprise was formed in 1996. The Board and staff have worked from the onset to develop a modern billing operation with a rating structure that was fair yet firm. Business operations have improved consistently throughout the history of the enterprise. I honor all the people who have served on the Board and staff who have contributed to our continuous improvement. Yet I also believe that our progress has accelerated in recent years, perhaps building on the foundation that was set in the years before. This is a crowning achievement in particular for CFO Mark Kim and his Team FAB (Finance, Accounting and Budget) who have orchestrated a long list of innovations and improvements to our financial measures. These innovations have ranged from new rate structures, innovative financing structures, tightened budgeting, diversified revenue streams and particular attention to our low and fixed income customers. Their excellence is supported by budget development and execution by our entire executive team, along with a parallel string of innovations that enable us to deliver as good or better service at a lower cost.

I must tip my hat finally to the Board – and I appreciate Board Chair Matt Brown's comments in our press release and in his tweets! (Yes, Matt Brown is on twitter!) Our secret ingredient is our Board – a remarkable example of a regional governing body that provides substantive oversight, wise guidance, and ultimately leadership and support. I absolutely believe that S&P is aware and mindful of this strength, and regards it as a very strong asset. We will not rest on our laurels and will continue to work hard to improve. Yet this is clearly a moment to celebrate on our way.

Oversight Hearing

I testified before the DC Council Committee on Transportation and the Environment on February 25. I am pleased that we had few public witnesses to testify with any challenges to our work (except as I note below), which was highlighted by testimony by past Board member David Bardin. I was able to provide testimony highlighting the many positive accomplishments of DC Water, including the rating upgrade, and engaged in a positive back and forth with Committee Chair Mary Cheh about a host of our programs and issues. The tenor was very positive. I am distressed at testimony offered by Eric Bunn, the National Vice President for AFGE, on behalf of our unions. I will discuss this situation at greater length in another venue. Overall, this was a positive experience, we were televised live, and the hearing serves as both our oversight hearing for our performance in 2015, and our oversight hearing for our 2017 budget proposal.

Message from the CEO/GM

Lead

The national discussion about Flint and the attention on lead-in-water continues to draw DC Water in the news. I have been highlighting the very strong program that DC Water runs on lead and the success we have had working with the Aqueduct on treating the water properly to minimize lead corrosion. We still do have the challenge of thousands of lead service lines on the public and private sides of the lateral and there is action in Congress to provide funding to help remove these sources. I was able to be a guest on the Diane Rehm show for an hour on February 17 – which was both fun and I hope informative to the listeners. You can listen here:

<https://thedianerehmshow.org/shows/2016-02-17/beyond-flint-the-safety-of-americas-tap-water>

System Availability Fee

DC Water published in January our proposal to charge developers a system availability fee to connect to the water and sewer system based on the size of the meter. This is a fee charged by all the jurisdictions surrounding the District, except for Fauquier County. We received a number of comments on the proposal on the last day of the 30-day comment period and some verbal requests for an extension. In consultation with the DC Retail Rates Committee, we agreed to extend the comment period for three weeks until March 11. We are hopeful with this change, we will be able to review and summarize the comments in time to present a package with any proposed changes to the Retail Rates Committee on March 22. Comments have focused on the level of the fees, the timing of the fees relative to projects already in the pipeline, the methodology for setting the fees, and several specific technical questions. We look forward to engaging further with the Board, and believe we have a strong, open and transparent process to consider these decisions.

External Affairs

Website: Session totals for the period of January 16 through February 15, 2015
Total Sessions: 82,200
New Sessions: 47,047

Government Relations

President Obama released his FY 2017 budget request on February 9, 2016. The proposal to Congress includes a \$14 million payment to DC Water for the Clean Rivers Project. This is the same amount that was appropriated by Congress for the project in FY 2016.

The President's budget also includes a disappointing reduction to EPA's Clean Water State Revolving Fund by over \$414 million. The reduction to the Clean Water fund was used in part to increase the Drinking Water State Revolving Fund by \$158 million from the FY 2016 level. This is not the first time the President has proposed reducing EPA grants and Congress is unlikely to adopt the cut to the Clean Water fund as proposed.

DC Water staff is working with Mayor Bowser's office to host staff members from the U.S. House Appropriations Committee for a tour of the Clean Rivers Project in March. The tour is noteworthy since the House Committee has not provided funding for the Clean Rivers Project in their respective appropriations bill in recent years.

Message from the CEO/GM

Media Relations

As the drinking water crisis escalates in Flint, MI, more journalists seek the Washington, DC perspective. George Hawkins and OEA have been sought by national, regional and local journalists for interviews, background and fact-checks. A number of high profile stories have published. Mr. Hawkins has also been on the Kojo Nnamdi Show and the Diane Rehm Show this month. His editorial appeared in The Hill* (and can be found at the link provided below). Other media inquiries this month included the storm preparations, snow melt questions, freezing pipes, green infrastructure, wipes in the pipes and water main breaks.

The Hill, Feb 10

Trust in tap, in Flint and here at home

<http://thehill.com/blogs/congress-blog/energy-environment/268786-trust-in-tap-in-flint-and-here-at-home>

Press Releases

- DC Water and the Water Environment Federation Launch Development of a National Green Infrastructure Certification Program
- DC Water saves \$55 million; refunds \$385 million in public utility bonds
- Road Closures on Rock Creek Parkway Begin the Week of January 17
- Road Closures on Rock Creek Parkway Begin the Week of January 17 *Media Coverage*

Drinking Water Marketing and Communications

- External Affairs and Water Services designed a mailer for residential customers about the hydrant flushing program. The information will be shared with customers in advance of scheduled flushing work.
- While serving as the Vice Chair for the Public Education Committee, DC Water participated in the Chesapeake Water Environment Association meeting and distributed a survey to board members to identify communication priorities.
- External Affairs and the Department of Sewer Services developed a flier for residential customers about sewer backup prevention and the proper disposal of household grease.
- In coordination with DC Water's Compliance Program, External Affairs updated the cross-connection website content and designed new communication materials to help commercial and residential customers understand backflow prevention requirements.
- DC Water met with DOEE to brief Director Wells about the history and current state of DC Water's lead program.
- DC Water provided an overview of the lead program during a webinar hosted by Metropolitan Washington Council of Governments. The webinar offered a detailed briefing for regional health agencies and water utilities about Flint, Michigan's high-profile lead crisis and the implications for water systems in the Washington area.
- External Affairs developed summary information and talking points to inform DC Water's response to public and media inquiries regarding lead in drinking water.

Message from the CEO/GM

Meetings/Presentations/Events

- DC Water coordinated the second in a series of meetings with members of ANC 2E, Georgetown Business Improvement District and affected businesses to discuss ongoing and upcoming construction projects in the Georgetown and Burleith neighborhoods.
- DC Water attended the monthly meeting of ANC 2A to provide a presentation on its Small Local Sewer Main Cleaning and Lining Project in the Foggy Bottom area.
- DC Water attended the monthly meeting of ANC 7B to provide a presentation on its Pope Branch Stream Restoration Project.
- DC Water coordinated one of its series of site meetings with members of ANC 3B and other community stakeholders to provide important updates regarding potential sites of GI implementation throughout this ANC area.
- DC Water scheduled a briefing with the office of Ward 4 Councilmember Brandon Todd to share important information regarding ongoing and upcoming construction projects across the ward.
- DC Water coordinated the third in a series of meetings with members of ANC 2E, Georgetown Business Improvement District and affected businesses to discuss ongoing and upcoming construction projects in the Georgetown and Burleith neighborhoods.
- DC Water coordinated another of its series of site meetings with members of ANC 2E, Georgetown Business Improvement District and other community leaders and stakeholders to provide important updates regarding potential sites of GI implementation throughout the Georgetown and Burleith neighborhoods.
- DC Water attended the monthly meeting of ANC 4C to provide a presentation on its upcoming Small Diameter Water Main Replacement Project occurring on Rock Creek Church Road, NW and other area streets.

Customer Newsletter

The February issue of What's on Tap featured a cover story on the tunnel boring machine named Lucy finishing her dig of the First Street Tunnel. There was also an article on the annual chlorine switch that begins March 7. One article described how DC Water prioritizes repairs of broken water mains, "Which comes first?" and another described the techniques used for, and the importance of, asset management. Finally, the GM's Message described the ASCE report card on infrastructure, how we have improved and the fact that we do have solutions for the problems with water and sewer infrastructure. And those solutions are in progress now.

Tours

- 12 Infrastructure Professionals
- 10 Park Rangers from the National Park Service
- 60 students from Maret Junior High School
- 25 guests from Groundwork Anacostia River DC

Message from the CEO/GM

Social Media

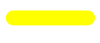





Twitter	1/1- 2/1/16	Total since 10/1/15	% growth since 10/1/15
New Followers	453	1267	35.8%
Total Followers	12,042		
Mentions	994	2,496	39.8 %
Retweets	527	1221	43.1%
Favorites	825	1900	43.4%
Facebook			
New Fans	69	201	34.3%
Total Fans	2,112		
Impressions	114.3K	269.4K	42.4%
Users	48.0K	125.5K	38.2%
Interactions	1,229	3,585	34.2
Instagram			
New Followers	27	106	41.4%
Followers	533		
Likes	484	1997	24.7%
Comments	31	261	11.8%

ORGANIZATIONAL PERFORMANCE DASHBOARD (JANUARY, 2016)

Financial Highlights

Net Operating Cash Actual 30105 Target 24984 (\$ tho)	Operating Revenues Actual 192 Target 194 (\$ mil)	Operating Expenses Actual 154 Target 180 (\$ mil)	Capital Disbursements Actual 197 Target 206 (\$ mil)
Operating Cash Balance Actual 148 Target 126 (\$ mil)	Delinquent Account Receivables Actual 2 Target 3 (%)	Core Investments Yield Actual 0.81 Target 0.79 (%)	Short Term Investment Yield Actual 0.45 Target 0.25 (%)


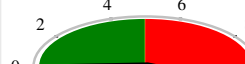


Customer Care and Operations Highlights

Call Center Performance  jan 83 85 (% of calls rec)	Command Center Performance  jan 91 85 (% of calls rec)	First Call Resolution  jan 85 75 (% of calls rec)	Emergency Response Time  jan 94 90 (% of calls rec)
Fire Hydrants out of Service  jan 35 96 (count)	Fire Hydrant Insp. and Maint. 12 (count)	Fire Hydrants Replaced  jan 19 250 (YTD count)	Permit Processing within SLA 86 (%)

Low Income Assistance Program

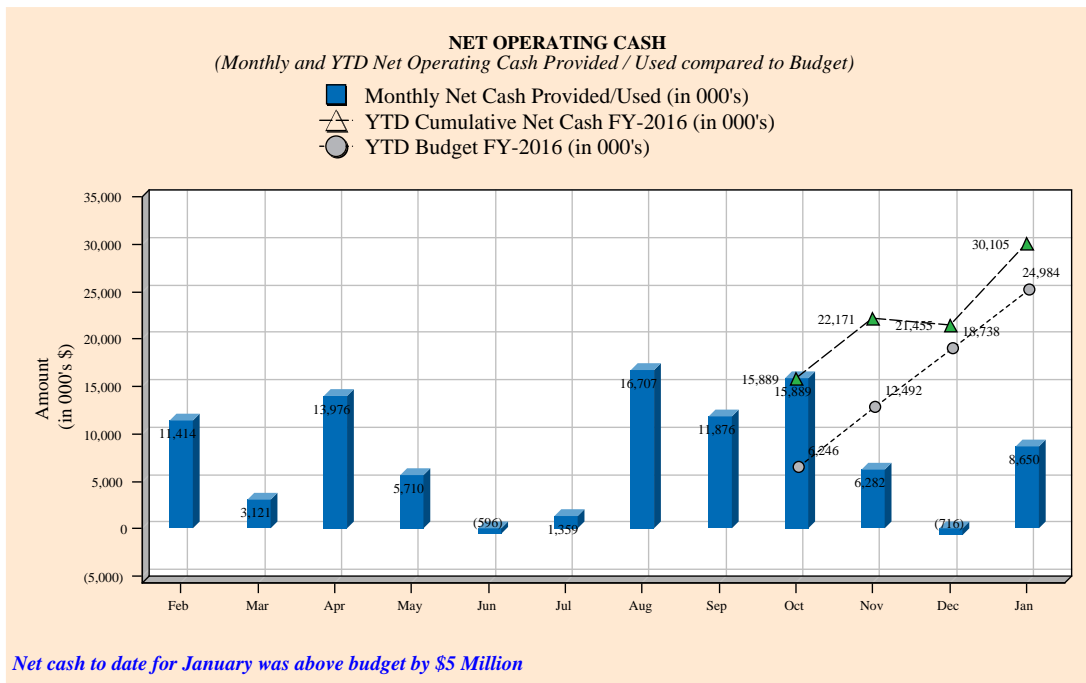
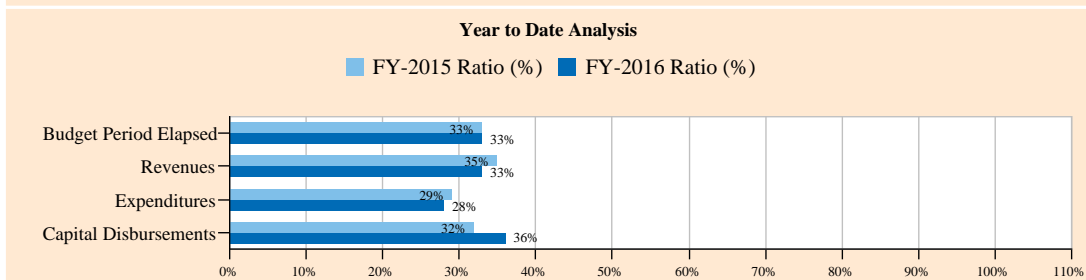
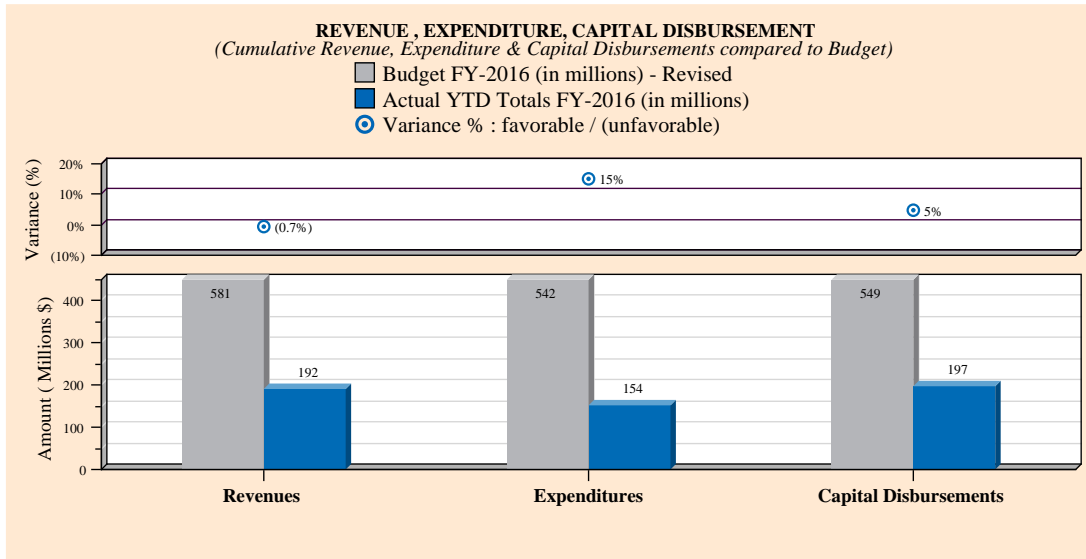
Splash Contributions Actual 34 Target 27 (\$ tho)	Customer Assistance Program Previous 30 Current 53 (\$ tho)
--	---

Operational Highlights

Lead Concentration  (ppb)	Total Coliform Rule  (%)	Biosolids Production 385 (wet tons)	Total Nitrogen  (lbs/yr mil)
Plant Effluent Flow  (gal mil)	Excess Flow 5 (gal mil)	Water Main Leaks 79 (count)	Water Valve Leaks 0 (count)
Non-Revenue Water Sold 9 Purchased 11 (CCF mil)	Sewer Main Backups 9 (count)	Sewer Lateral Backups 185 (count)	Dry Weather CSO 0 (events)
Recruitment Activity Filled 11 Open 63 (count)	Electricity Usage 17878 (MWh)	Employee Lost Time Accidents 4 (count)	Vendor Payments Actual 98 Target 97 (%)

FINANCIAL HIGHLIGHTS

FINANCIAL PERFORMANCE SUMMARY



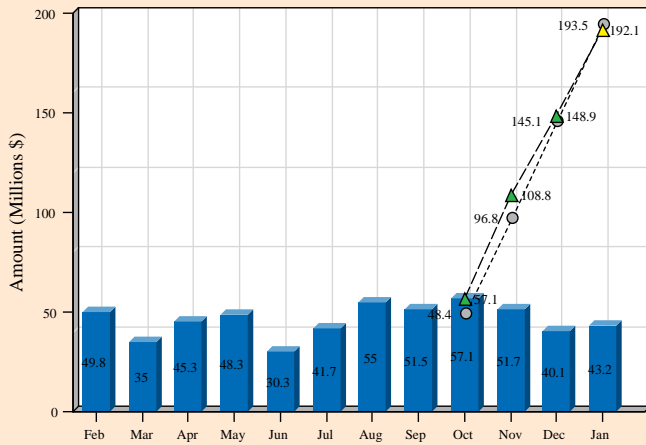
FINANCIAL HIGHLIGHTS

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

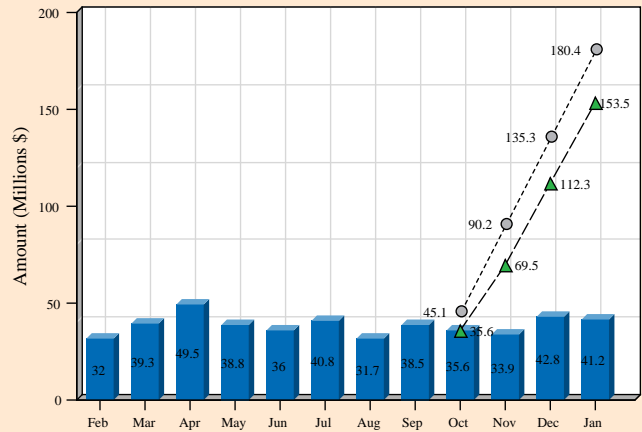


Revenue to date for January was below budget by \$1 Million

OPERATING EXPENSES

Monthly & Cumulative Expenditure compared to YTD Budget

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



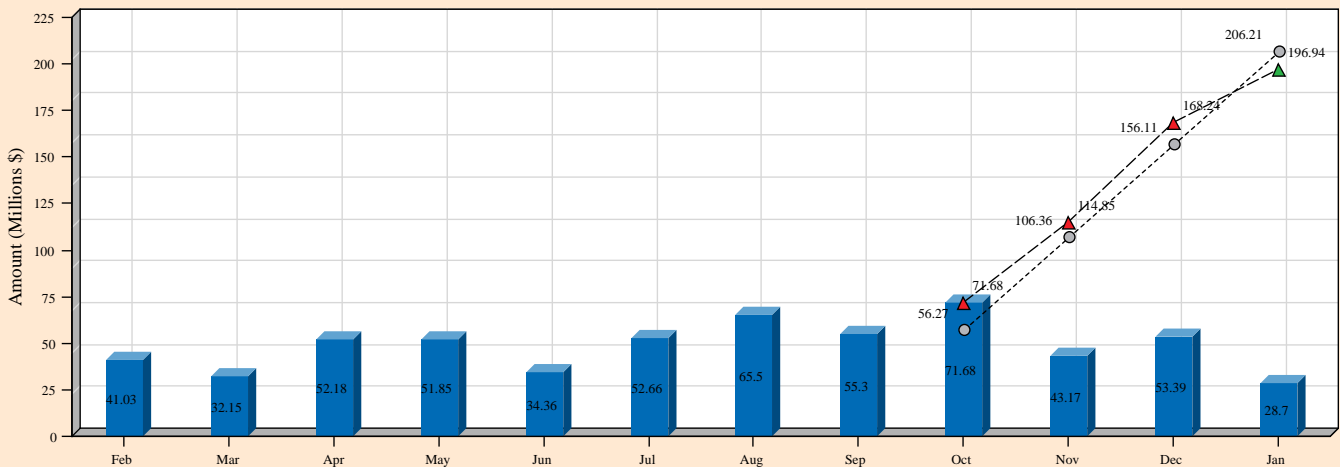
Expenditure to date for January was below budget by \$27 Million

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 January were below budget by \$9 Million

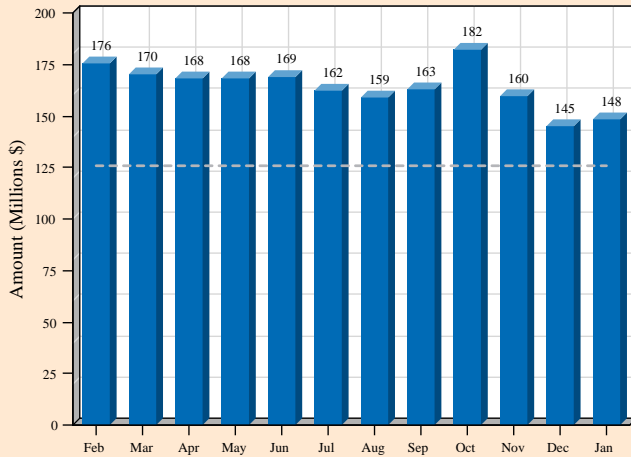
FINANCIAL HIGHLIGHTS

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)

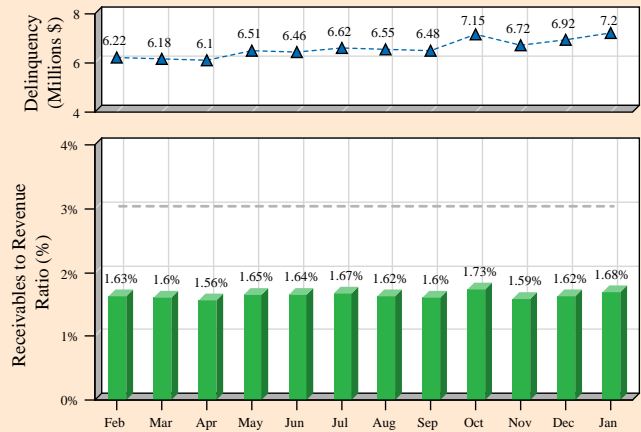


Cash Balance for January was above target by \$23 million

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%)



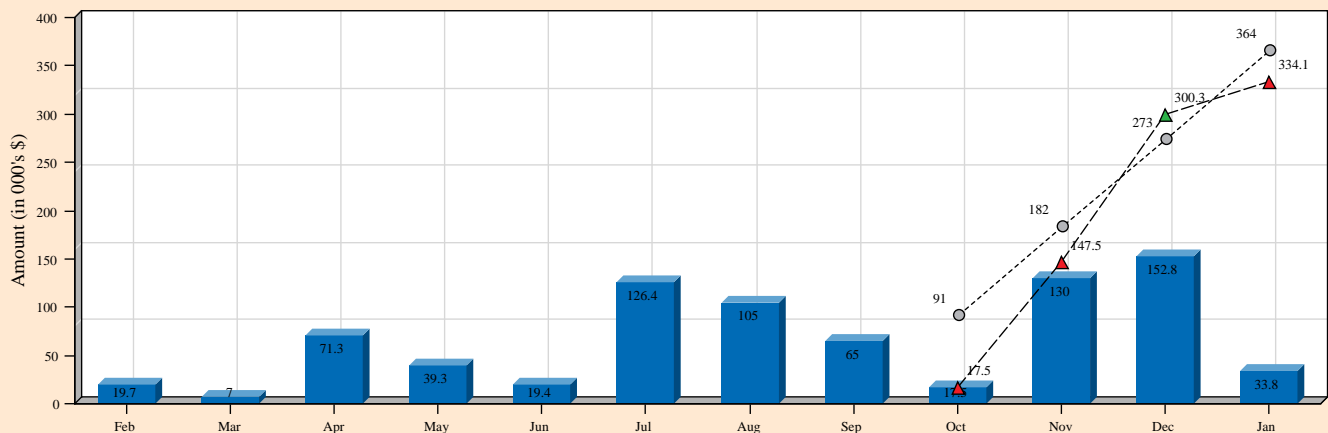
January Receivables to Revenue Ratio 1.7%, Delinquency \$7.2 Million

INVESTMENT EARNINGS

INVESTMENT CASH EARNINGS

Monthly & Cumulative Earnings compared to YTD Budget

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



Earnings to date for January were below Projected Budget by \$30,000

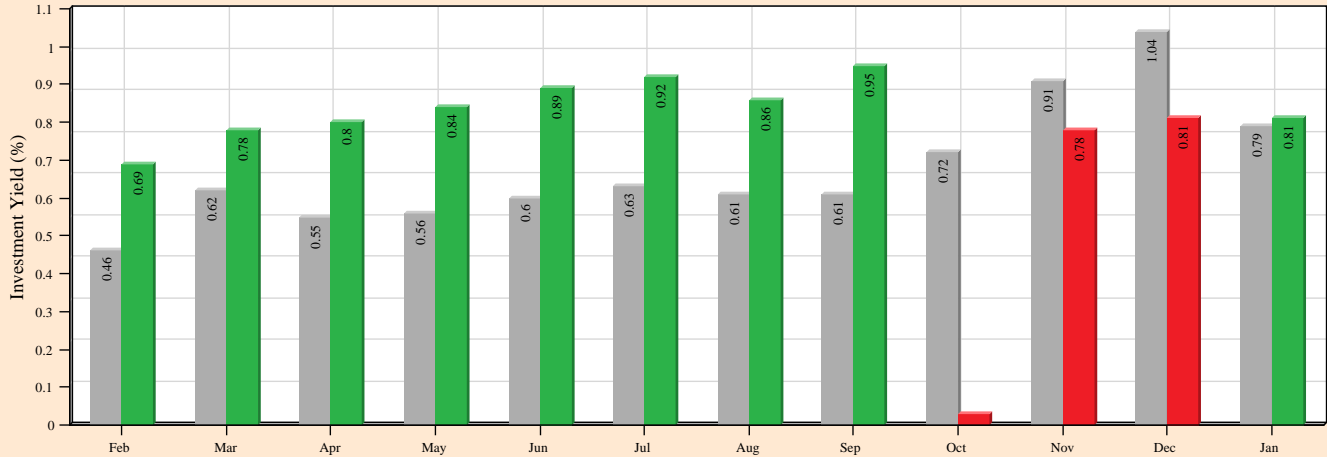
FINANCIAL HIGHLIGHTS

INVESTMENT YIELD

CORE INVESTMENTS YIELD

Monthly Yield compared to Merrill Lynch Benchmark

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

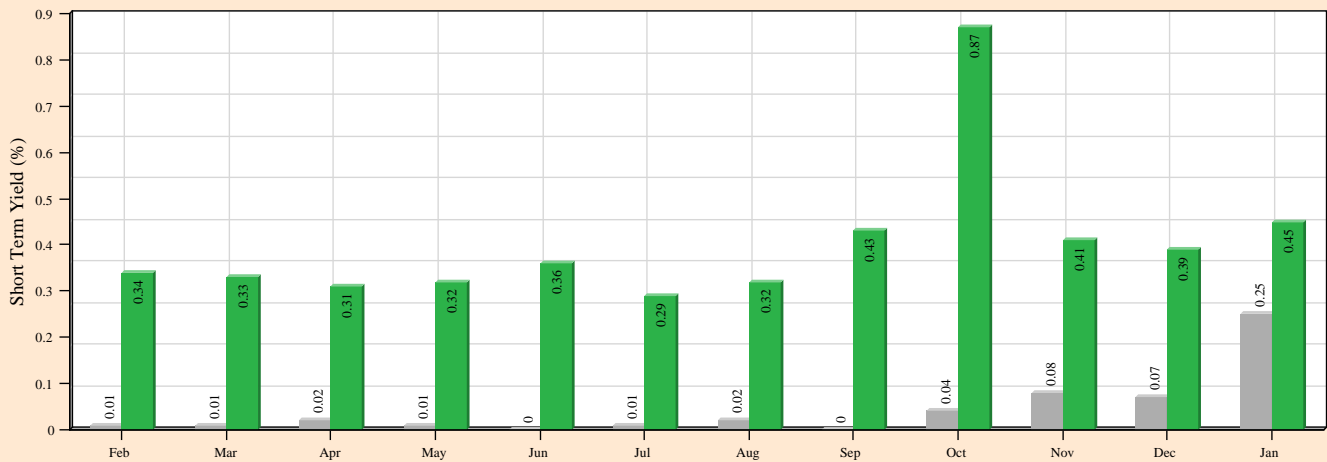


Yield for January was higher than the treasury index by 0.02%

SHORT TERM INVESTMENT YIELD

Short Term Yield compared to Merrill Lynch Benchmark

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



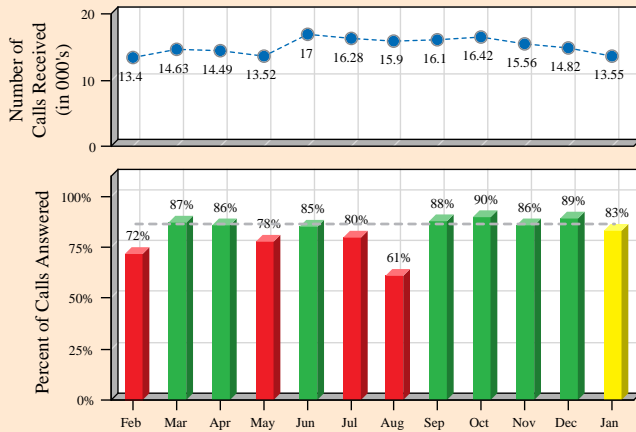
Short Term Yield for January was higher than the Merrill Lynch yield by 0.20%

CUSTOMER CARE AND OPERATIONS HIGHLIGHTS

CUSTOMER SERVICE

CALL CENTER PERFORMANCE
Calls Answered within 40 Seconds compared to Target

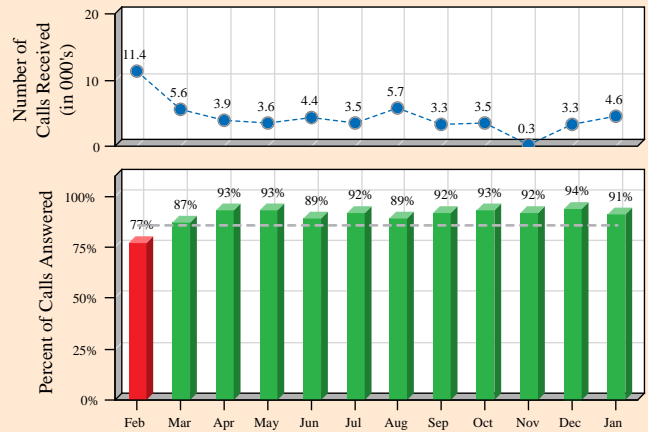
- Call Center: Calls answered (%)
- No of Calls - Call Center (in 000's)
- - - Target -Call Center (85%)



Performance for January was below target by 2%

COMMAND CENTER PERFORMANCE
Calls Answered within 40 Seconds compared to Target

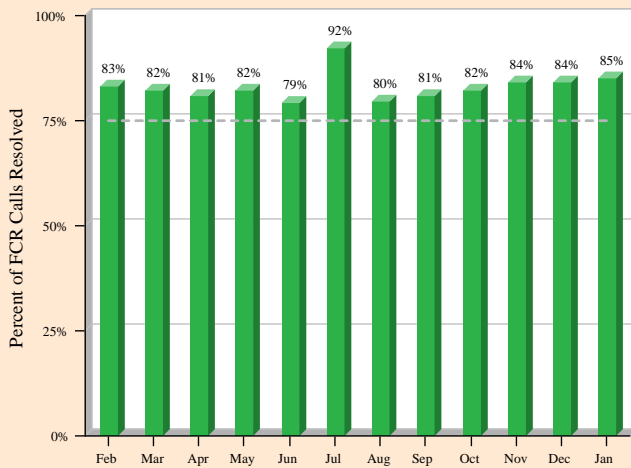
- Command Center: Calls answered (%)
- No of Calls - Command Center (in 000's)
- - - Target -Command Center (85%)



Performance for January was above target by 6%

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

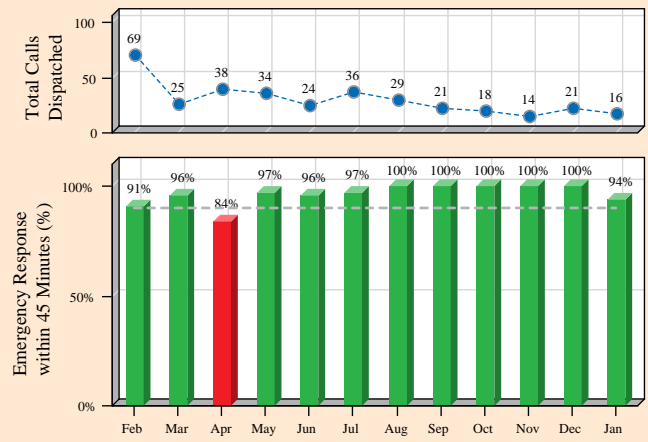
- FCR (%)
- - - FCR Target (75%)



Performance for January was above target by 10%

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

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



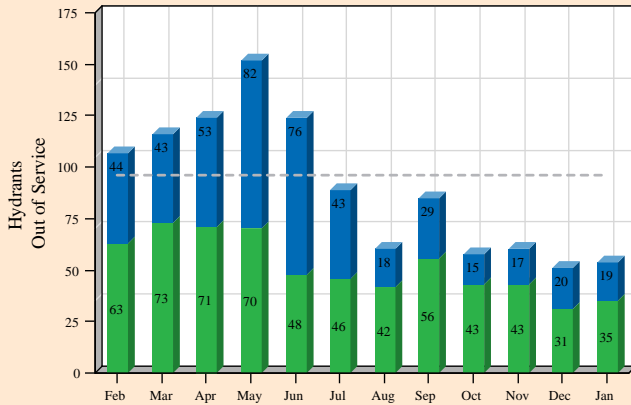
Performance for January was above target by 4%

CUSTOMER CARE AND OPERATIONS HIGHLIGHTS

FIRE HYDRANTS

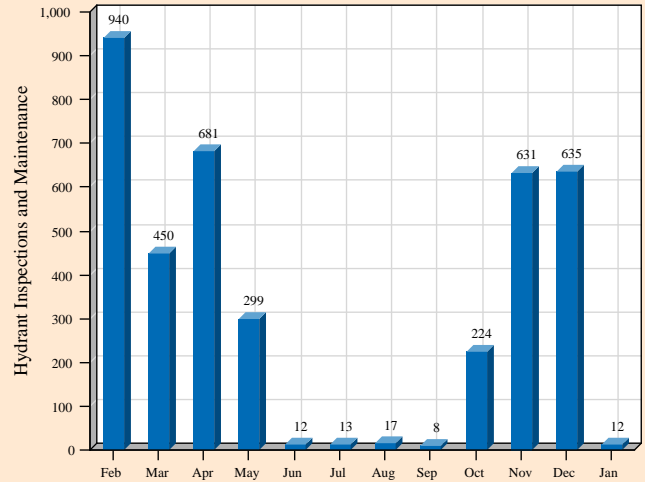
FIRE HYDRANTS OUT OF SERVICE (OOS)
Total Hydrants Out of Service against Target

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



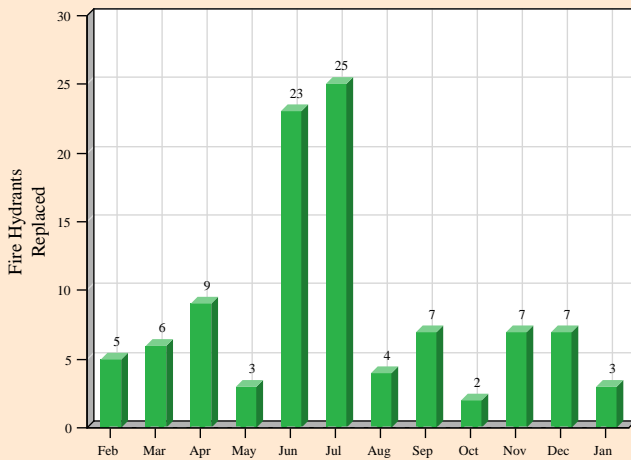
Fire Hydrant Inspections and Maintenance
Total Hydrant Inspection and Maintenance Work Orders Completed per Month

- Hydrant Inspections and Maintenance



FIRE HYDRANT REPLACEMENTS
Total Hydrants Replaced per Month

- Hydrants Replaced
- Annual Replacement Target (250)



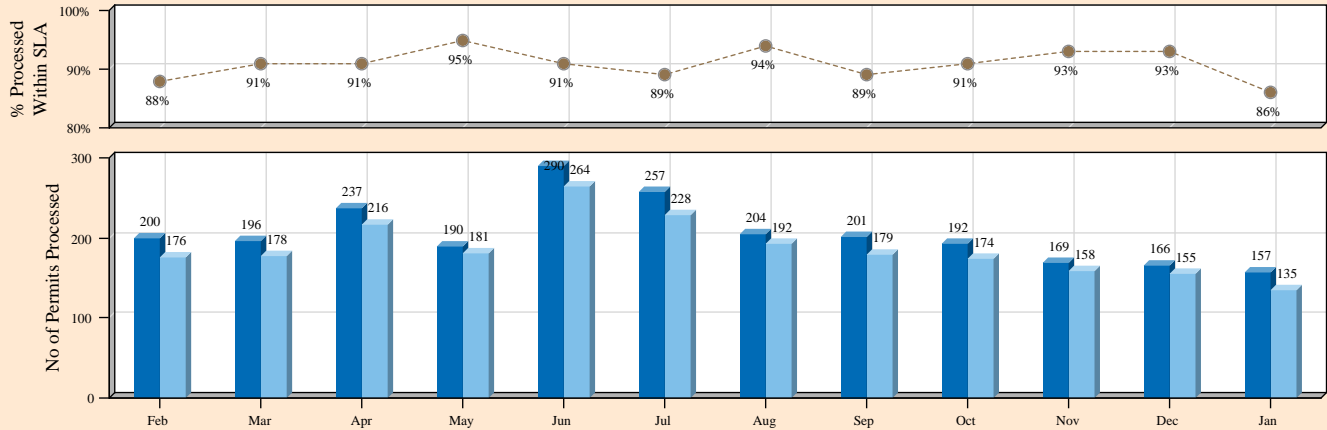
Total replacements as of January were 19 against annual projections of 250

CUSTOMER CARE AND OPERATIONS HIGHLIGHTS

PERMIT PROCESSING

TOTAL APPLICATIONS PROCESSED WITHIN SERVICE LEVEL AGREEMENT (SLA)

- Total No of Applications Processed
- Total No of Applications Processed within SLA
- Percent (%) Processed within SLA



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

Permits not processed within SLA in January were 14% Note that different SLA's range from 7 days to 45 days

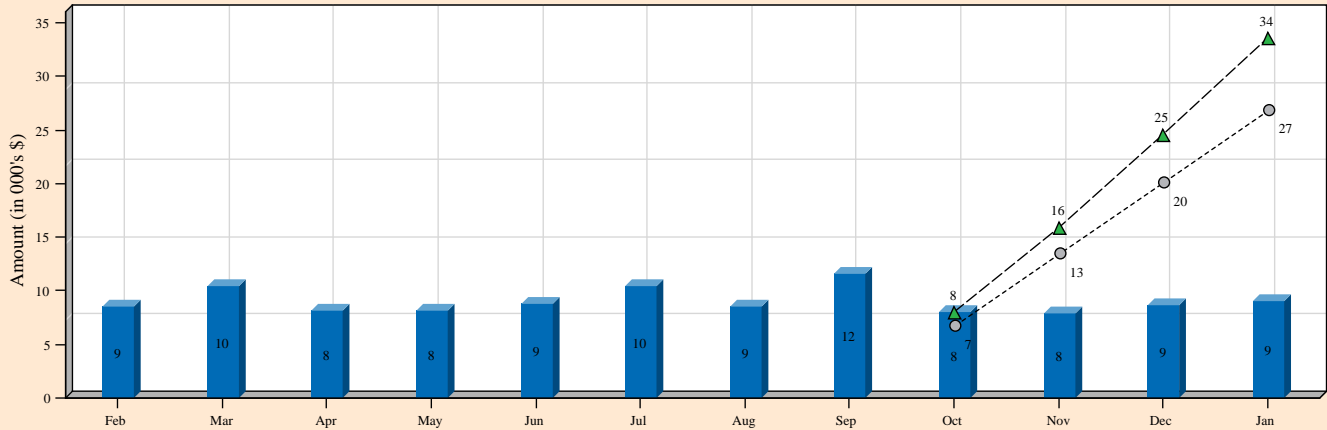
LOW INCOME ASSISTANCE PROGRAM

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)



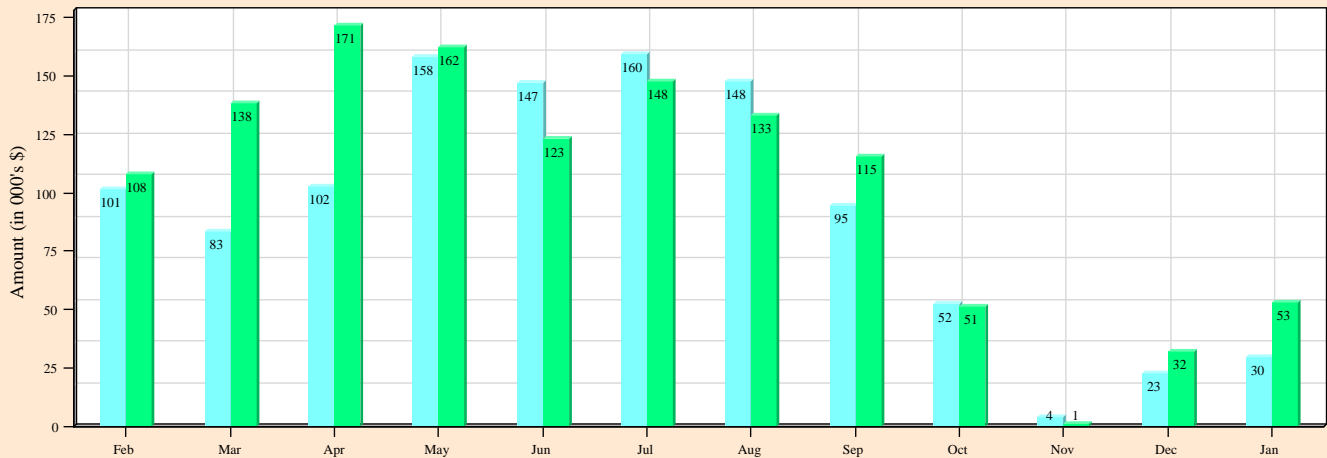
Total SPLASH Contributions to date for January were above target by \$7,000

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)

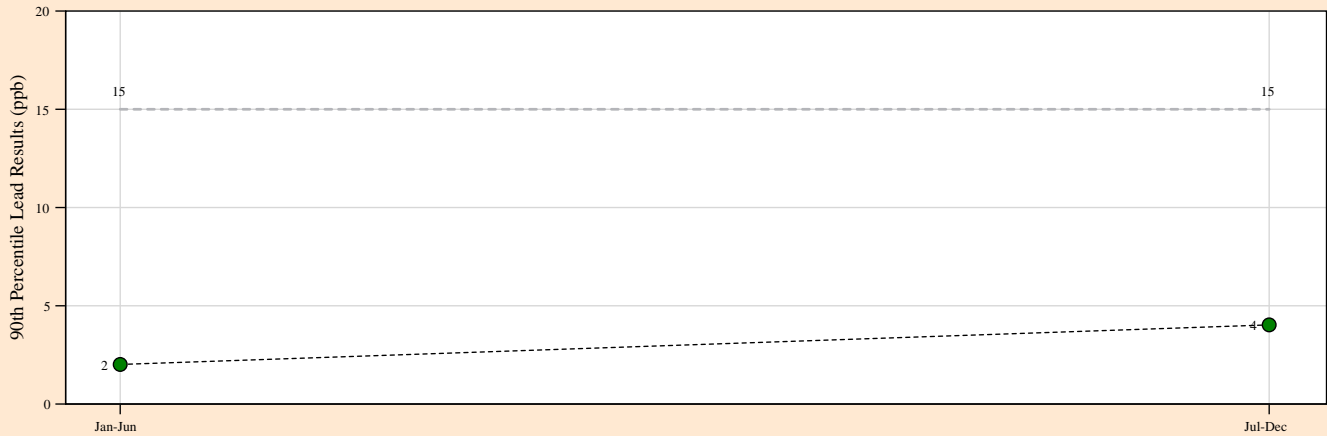


OPERATIONAL HIGHLIGHTS

DRINKING WATER QUALITY

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

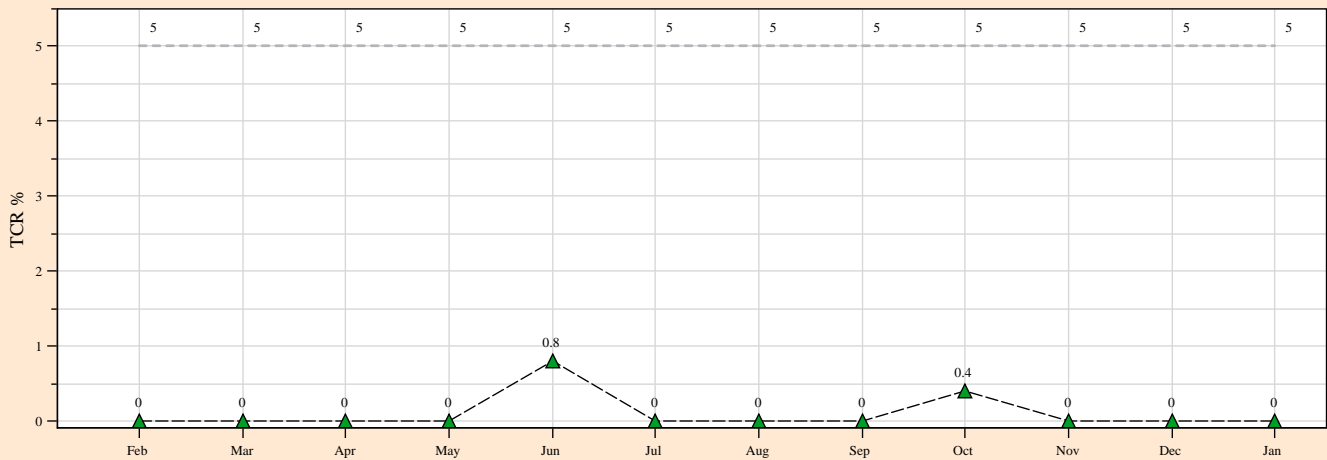
- 2015 LCR Results
- △ 2016 LCR Results
- Action Level : 15 parts per billion (ppb)



Jan-Jun 2016 results to date

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

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



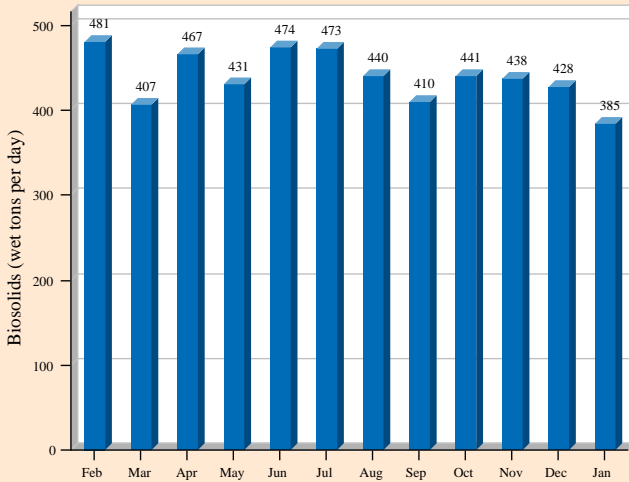
No Coliform Positives were recorded in January

OPERATIONAL HIGHLIGHTS

WASTEWATER TREATMENT

BIOSOLIDS PRODUCTION
Average Daily Biosolids Production

■ Average Daily Biosolids Hauled

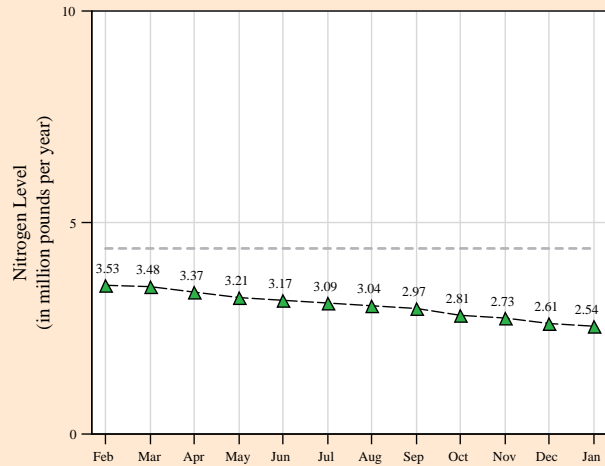


Biosolids Average Daily Production for January was 385 wet tons per day

TOTAL NITROGEN

Total Nitrogen compared to New Permit Levels

△ Nitrogen Annually Load (lbs/yr)
--- New Permit Limit - 4.38 Million (lbs/yr)

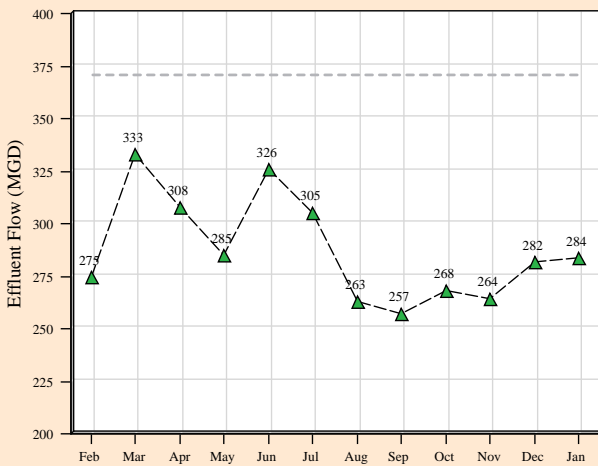


Nitrogen level for January was below permit by 1.8 million lbs/yr

PLANT EFFLUENT FLOW

Effluent Flow compared to Plant Design Average Limit

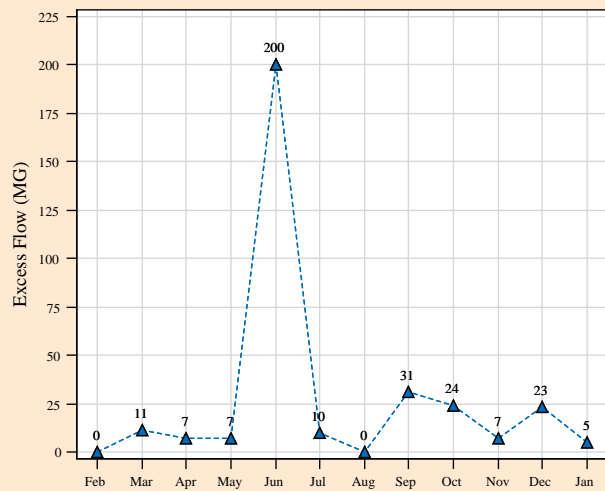
△ Effluent Flow
--- Design Average (370 mgd)



In January, Effluent flow was below design by 86 MGD

EXCESS FLOW

△ Excess Flow

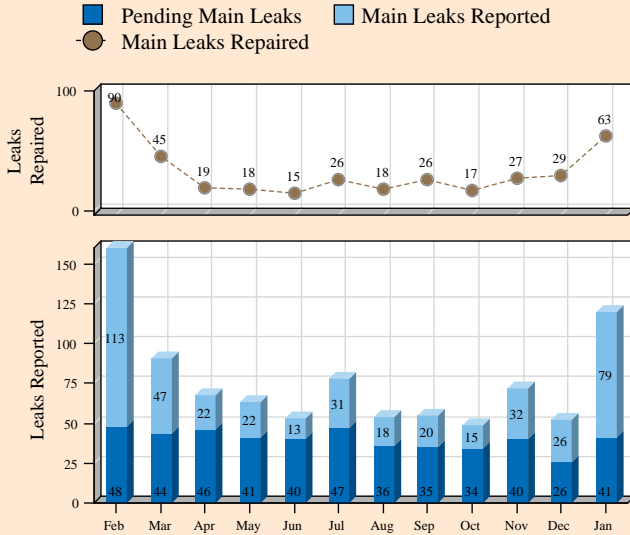


4.9 Million Gallons per day excess flow were recorded in January 2016

OPERATIONAL HIGHLIGHTS

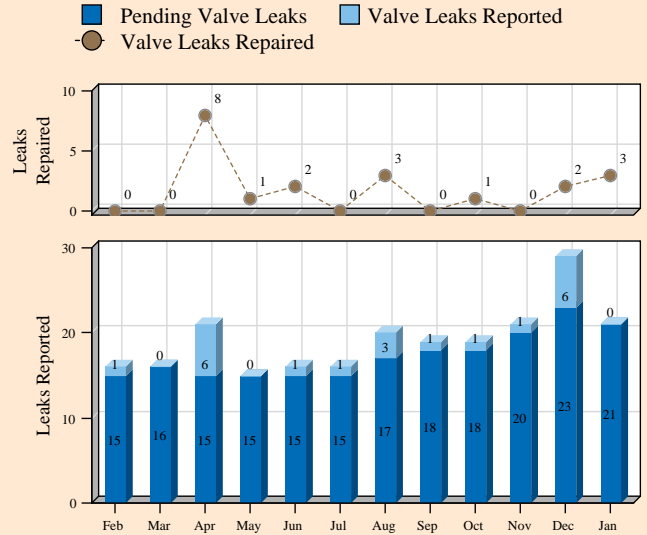
WATER DISTRIBUTION OPERATIONS

WATER MAIN LEAKS



There were 79 main leaks reported in January

WATER VALVE LEAKS



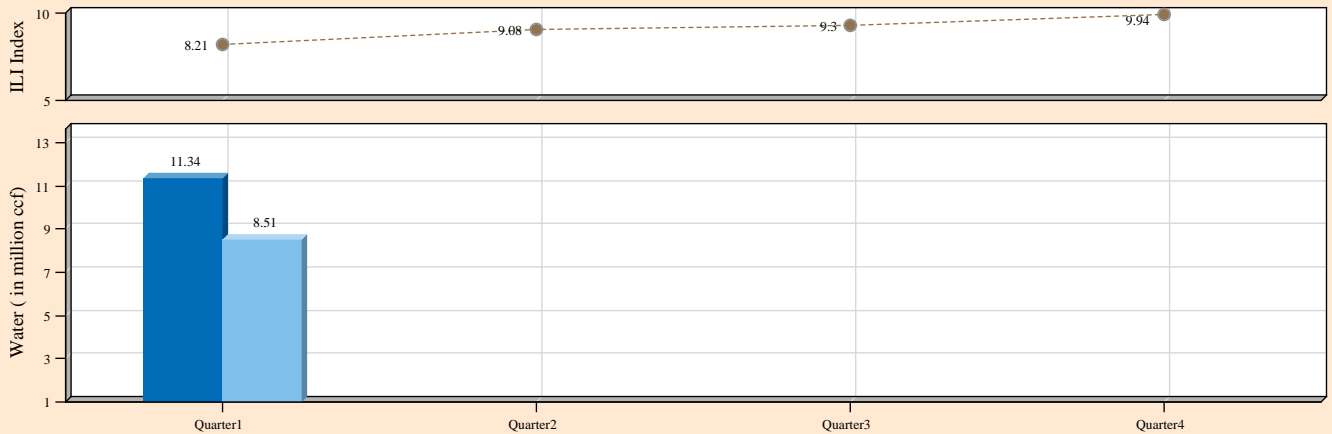
3 leaks were resolved in January

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

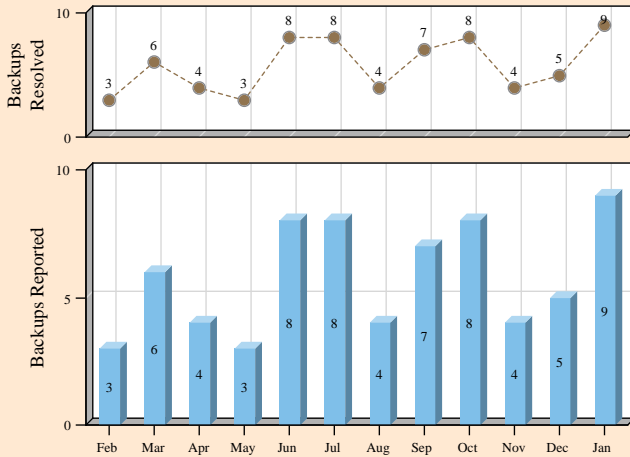
OPERATIONAL HIGHLIGHTS

SEWER SYSTEM OPERATIONS

SEWER MAIN BACKUPS

Sewer Mains Backed Up and Relieved per Month

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

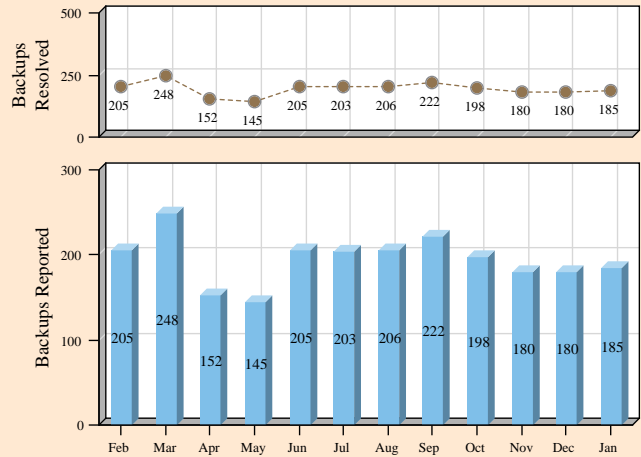


No pending main backups reported

SEWER LATERAL BACKUPS

Sewer Laterals Backed Up and Relieved per Month

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



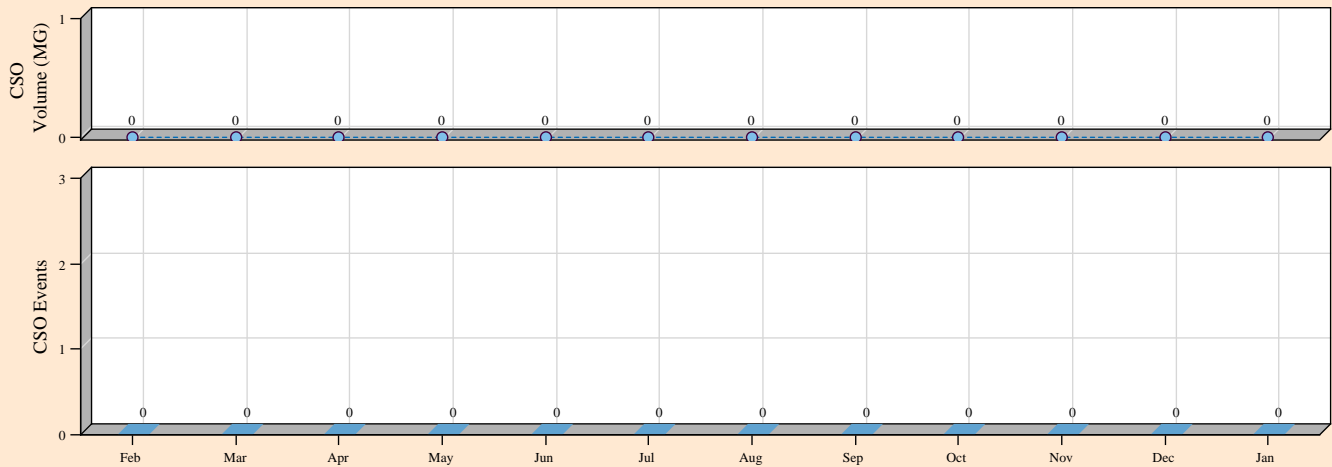
No pending lateral backups reported

COMBINED SEWER SYSTEM

DRY WEATHER CSO EVENTS

Combined Sewer Overflow Volume and No of Events per Month

- Number of CSO Events
- Overflow Volume (MG)



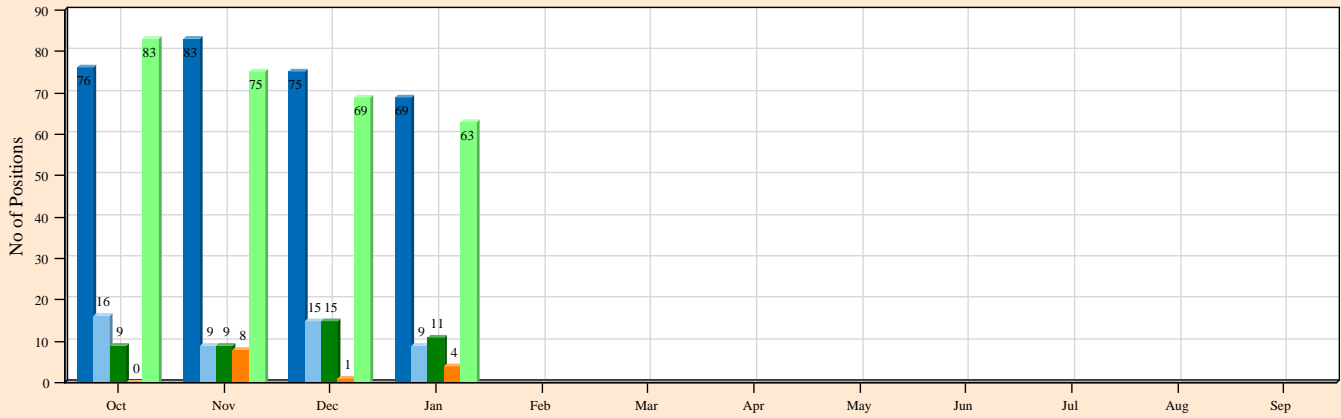
No dry weather Combined Sewer Overflow event was recorded in January 2016

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



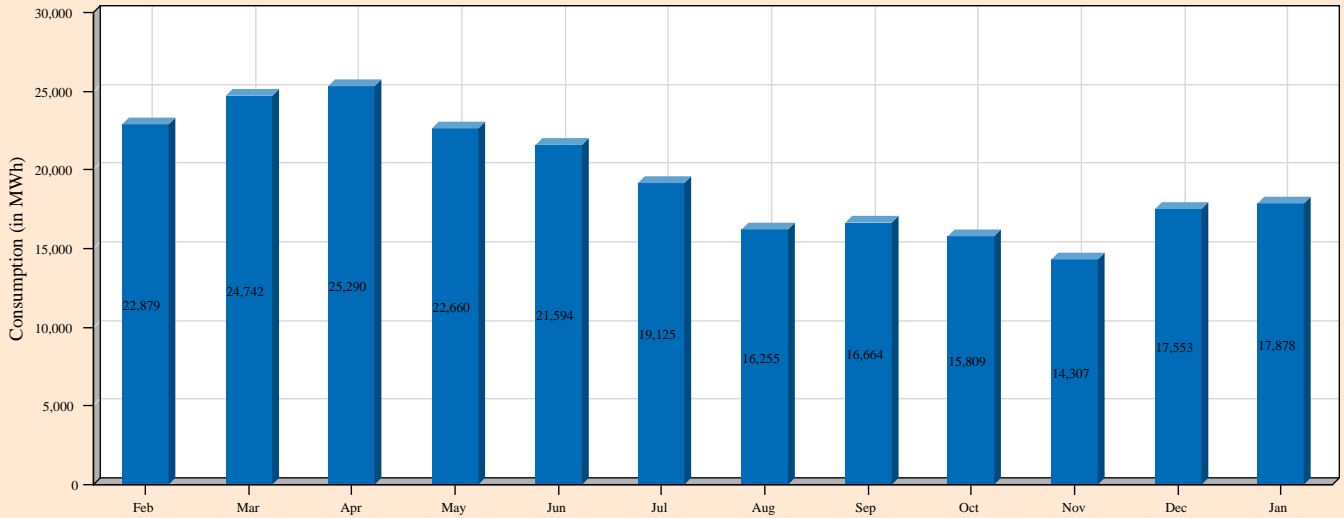
In January, we began the month with 69 positions, received 9 new positions, filled 11, 4 cancellations and ended the month with 63 positions

OPERATIONAL HIGHLIGHTS

ENERGY

ELECTRICITY USAGE SUMMARY

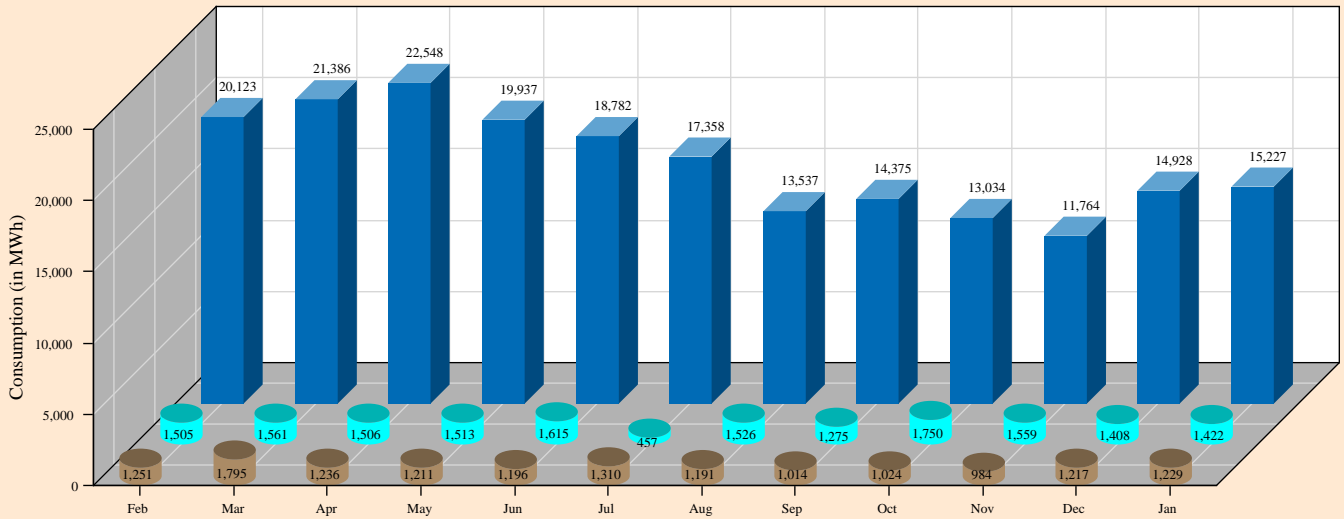
Total Consumption (MWh)



Electricity Consumption in January was 17,878 MWh

ELECTRICITY USAGE BY SERVICE AREA

Sewer Pumping Water Pumping Waste Water Treatment



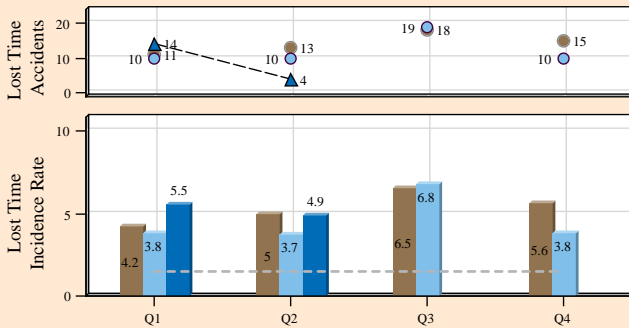
Wastewater treatment had the highest electricity consumption in January at 15,227 MWh

OPERATIONAL HIGHLIGHTS

SAFETY

EMPLOYEE LOST TIME INCIDENCE RATE

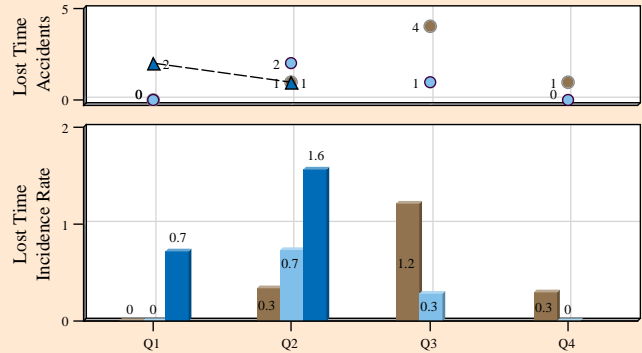
- FY-2014: LT Incidence Rate
- FY-2015: LT Incidence Rate
- FY-2016: LT Incidence Rate
- FY-2014: No of LT Accidents
- FY-2015: No of LT Accidents
- ▲ FY-2016: No of LT Accidents
- Target/National: LT Incidence Rate



In 1st month of 2nd quarter, 4 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

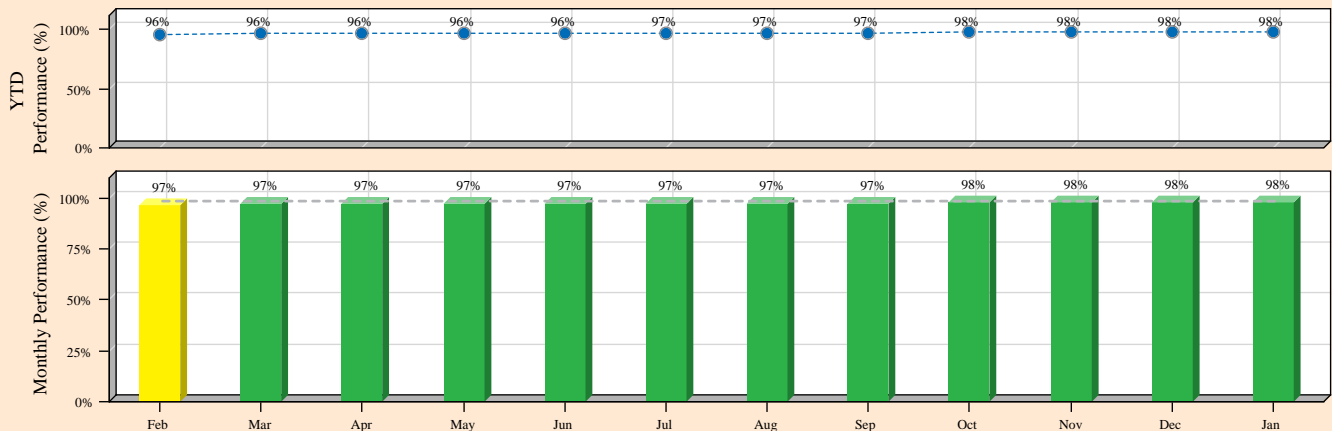


In 1st month of 2nd quarter, 1 lost time accident was reported

VENDOR PAYMENTS

VENDOR PAYMENT PERFORMANCE
Percentage of Invoices Paid within 30 days

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



Monthly performance for January was above target by 1%

INTERPRETATION OF CHARTS:

FINANCIAL HIGHLIGHTS

Revenue, Expenditure, Capital Disbursement

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

Net Operating Cash

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

Operating Revenues

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

Operating Expenses

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

Capital Disbursements

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

Operating Cash Balance

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

Delinquent Account Receivables

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

Investment Cash Earnings

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

Core Investments Yield

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

Short Term Investment Yield

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

Dynamic Color Coding Legend

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

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

A

CUSTOMER CARE AND OPERATIONS HIGHLIGHTS

Call Center Performance

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

Command Center Performance

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

First Call Resolution (FCR)

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

Emergency Response Time

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

Fire Hydrants Out of Service (OOS)

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

Fire Hydrant Inspections and Maintenance

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

Fire Hydrant Replacements

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

Total Applications Processed within Service Level Agreement (SLA)

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

Dynamic Color Coding Legend

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

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

LOW INCOME ASSISTANCE PROGRAM

SPLASH Contributions

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

Customer Assistance Program (CAP)

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

OPERATIONAL HIGHLIGHTS

Lead and Copper Rule (LCR) Compliance

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

Total Coliform Rule (TCR)

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

Biosolids Production

- Bar graph shows monthly average daily biosolids production

Total Nitrogen

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

Plant Effluent Flow

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

Excess Flow

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

Water Main Leaks

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

Water Valve Leaks

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

Dynamic Color Coding Legend

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

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

Non Revenue Water

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

Sewer Main Backups

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

Sewer Lateral Backups

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

Combined Sewer dry weather Overflow (CSO) Events

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

Open Positions

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

Electricity Usage Summary

- Bar graph shows total electricity consumption per month

Electricity Usage by Service Area

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

Employee Lost Time Incidence Rate

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

Contractor Lost Time Incidence Rate

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

Dynamic Color Coding Legend

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

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

Vendor Payment Performance

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

Dynamic Color Coding Legend

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

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

E



**Summary of Contracts on Consent Agenda
218th Meeting of the DC Water Board of Directors
Thursday, March 3, 2016**

Joint-Use Contracts

- 1. Resolution No. 16-15 – M. C. Dean - Execute Option Year One (1) of Contract No. 14-PR-PCM-01, M.C. Dean, Inc. The purpose of the option is to provide annual services for the maintenance, repair, calibration and installation services of various industrial instrumentation equipment, valve actuators, control systems and various equipment for the District of Columbia Water and Sewer Authority's (DC Water) Process Engineering Department (AWWTP). The option amount is \$1,200,000. (Recommended by the Environmental Quality and Sewerage Services Committee 2/18/16)**
- 2. Resolution No. 16-16 – W. K. Merriman, Inc. - Execute Contract No. 15-PR-DWT-52, W. K. Merriman, Inc. The purpose of the contract is to provide calcium hydroxide to the Blue Plains Advanced Wastewater Treatment Facility for DC Water's Department of Wastewater Treatment. The contract amount is \$1,334,400. (Recommended by the Environmental Quality and Sewerage Services Committee 2/18/16)**
- 3. Resolution No. 16 -17 – James G. Davis Construction - Execute Contract No. 150230, James G. Davis Construction. The purpose of the contract is to construct diversion facilities for combined sewer overflow (CSO) Outfall 021. The contract not-to-exceed amount is \$33,950,000. (Recommended by the Environmental Quality and Sewerage Services Committee 2/18/16)**
- 4. Resolution No. 16-18 – John F. Kennedy Center for the Performing Arts - Execute a Memorandum of Understanding (MOU) between John F. Kennedy Center for the Performing Arts and DC Water for the Kennedy Center Expansion. The purpose of the MOU is to provide the legal framework for construction of CSO 021 Diversion Facilities and other work at the Kennedy Center. The MOU not-to-exceed amount is \$4,629,410. (Recommended by the Environmental Quality and Sewerage Services Committee 2/18/16)**

Presented and Adopted: March 3, 2016

SUBJECT: Approval to Execute Option Year One (1) of Contract No. 14-PR-PCM-01, M.C. Dean, Inc.

**#16-15
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
D.C. WATER AND SEWER AUTHORITY**

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("the Authority") at its meeting on March 3, 2016 upon consideration of a joint use matter, decided by a vote of __() in favor and __() opposed to execute Option Year One (1) of Contract No. 14-PR-PCM-01, M.C. Dean, Inc.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Option Year One (1) of Contract No. 14-PR-PCM-01, M.C. Dean, Inc. The purpose of the option is to provide annual services for the maintenance, repair, calibration and installation services of various industrial instrumentation equipment, valve actuators, control systems and various equipment for the District of Columbia Water and Sewer Authority's (DC Water) Process Engineering Department (AWWTP). The option amount is \$1,200,000.

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

**Annual Maintenance, Repair and Calibration of Instrumentation Control Equipment
(Joint Use)**

Approval to exercise option year one (1) of the Annual Maintenance, Repair and Calibration of Instrumentation Control Equipment contract in the amount of \$1,200,000.00.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME:	SUBS:	PARTICIPATION:
M.C. Dean, Inc. 22461 Shaw Road Dulles, VA 20166		

DESCRIPTION AND PURPOSE

Base Year Contract Value: \$1,200,000.00
 Contract Base Period: 04-30-2015 – 04-29-2016
 Number of Option Years: 2
Option Year (1) Values: \$1,200,000.00
Option Year (1) Dates: 04-30-2016 – 04-29-2017

Purpose of the Contract:

To provide annual services for the maintenance, repair, calibration and installation services of various industrial instrumentation equipment, valve actuators, control systems and various equipment for the District of Columbia Water and Sewer Authority's (DC Water) Process Engineering Department (AWWTP).

Original Contract Scope:

Provide technical expertise, supervision, labor, transportation and replacement parts for repairs to ensure effective calibration, installation and maintenance services of instrumentation equipment, process control equipment and the SCADA system for the Blue Plains Wastewater Treatment Plant.

Spending Previous Year:

Cumulative Contract Value: 04-30-2015 to 04-29-2016: \$1,200,000.00
 Cumulative Contract Spending: 04-30-2015 to 01-04-2016: \$ 426,242.11

No LSBE participation with this procurement.

PROCUREMENT INFORMATION

Contract Type:	Fixed Price	Award Based On:	Highest Ranking Score
Commodity:	Service	Contract Number:	14-PR-PCM-01
Contractor Market:	Open Market with LBE and LSBE Preference Point		

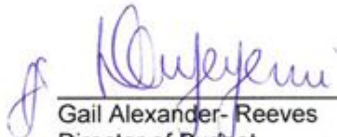
JOINT-USE (DIRECT)

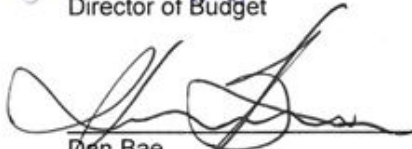
BUDGET INFORMATION

Funding:	Operating	Department:	Process Engineering
Service Area:	Blue Plains	Department Head:	Nicholas Passarelli

ESTIMATED USER SHARE INFORMATION

User	Share %*	Dollar Amount
District of Columbia	41.67%	\$500,040.00
Washington Suburban Sanitary Commission	43.21%	\$518,520.00
Fairfax County	10.45%	\$125,400.00
Loudoun County	4.02%	\$48,240.00
Potomac Interceptor	0.65%	\$7,800.00
TOTAL ESTIMATED DOLLAR AMOUNT	100.00%	\$1,200,000.00

 02/05/16
 Gail Alexander-Reeves
 Director of Budget
 Date

 1/14/16
 Dan Bae
 Director of Procurement
 Date

 01/27/16
 Aklile Tesfaye
 Assistant General Manager
 Blue Plains
 Date

 02/23/16
 George S. Hawkins
 General Manager
 Date

Presented and Adopted: March 3, 2016

**SUBJECT: Approval to Execute Contract No. 15-PR-DWT-52
W. K. Merriman, Inc.**

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

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("the Authority") at its meeting on March 3, 2016 upon consideration of a joint use matter, decided by a vote of ___() in favor and ___() opposed to execute Contract No. 15-PR-DWT-52, W. K. Merriman, Inc.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Contract No. 15-PR-DWT-52, W. K. Merriman, Inc. The purpose of the contract is to provide calcium hydroxide to the Blue Plains Advanced Wastewater Treatment Facility for DC Water's Department of Wastewater Treatment. The contract amount is \$1,334,400.

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:
Supply and Delivery of Calcium Hydroxide
(Joint Use)**

Approval to execute a contract for the supply and delivery of calcium hydroxide with a base year value of \$1,334,400.00.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME:	SUBS:	PARTICIPATION:
W. K. Merriman, Inc. 7038 Front River Road Pittsburgh, PA 15225	N/A	N/A

DESCRIPTION AND PURPOSE

Base Year Contract Value:	\$1,334,400.00
Contract Time:	5 Years
Anticipated Contract Start Date:	03-15-2016
Anticipated Contract Completion Date:	03-14-2017
Bid Opening Date:	10-14-2015
Bids Received:	2
Other Bids Received:	
Tricon Chemical Corp.	\$1,660,800.00
Preference Points Received:	\$100,000.00
Evaluation Bid Amount	\$1,334,400.00

Purpose of the Contract:

This contract is to provide calcium hydroxide to the Blue Plains Advanced Wastewater Treatment Facility for DC Water's Department of Wastewater Treatment. The Department of Wastewater Treatment has an on-going need for calcium hydroxide in slurry form (approximately 30-35% lime slurry) to feed the Nitrification Facility at the Blue Plains Wastewater Treatment Plant. The product is used in the BNR process for pH control. Estimated usage is 4,800 dry tons per year.

Contract Scope:

To furnish and deliver calcium hydroxide in the form of lime slurry.

Evaluated Bid Companies:

W. K. Merriman, Inc.	\$278.00 per dry ton	\$1,334,400.00 spend*
Tricon Chemical	\$346.00 per dry ton	\$1,660,800.00 spend*
		* Based on estimated quantity of 4,800 tons

Tricon is an LSBE firm. DC Water's LSBE program allows for LSBE bids to receive preference points and be evaluated as if they are the lesser of 10% or \$100,000 lower than actual. Even after reducing Tricon's bid by \$100,000, it is still significantly higher than W.K. Merriman pricing.

No LSBE participation

PROCUREMENT INFORMATION

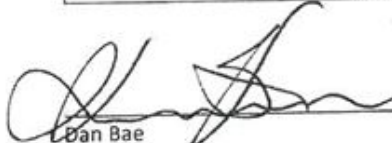
Contract Type:	Fixed Price Requirement Contract	Award Based On:	Lowest Responsive and Responsible Bidder.
Commodity:	Goods and Services	Contract Number:	15-PR-DWT-52
Contractor Market:	Open Market with Preference Points for LBE/LSBE participation		

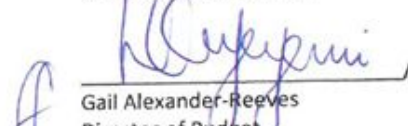
BUDGET INFORMATION


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

ESTIMATED USER SHARE INFORMATION

User	Share %	Dollar Amount
District of Columbia	41.67%	\$556,044.48
Washington Suburban Sanitary Commission	43.21%	\$576,594.24
Fairfax County	10.45%	\$139,444.80
Loudoun County & Potomac Interceptor	4.02%	\$53,642.88
Others	0.65%	\$8,673.60
TOTAL ESTIMATED DOLLAR AMOUNT		100.00%
		\$1,334,400.00


 Dan Bae
 Director of Procurement
 Date: 2/1/16


 Gail Alexander-Reeves
 Director of Budget
 Date: 02/05/16


 Aklile Tesfaye
 AGM, Blue Plains
 Date: 02/01/16


 George S. Hawkins
 General Manager
 Date: 02/23/16

Presented and Adopted: March 3, 2016
SUBJECT: Approval to Execute Contract No. 150230
James G. Davis Construction

#16-17
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
D.C. WATER AND SEWER AUTHORITY

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("the Authority") at its meeting on March 3, 2016 upon consideration of a joint use matter, decided by a vote of ___() in favor and ___() opposed to execute Contract No. 150230, James G. Davis Construction.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Contract No. 150230, James G. Davis Construction. The purpose of the contract is construct diversion facilities for combined sewer overflow (CSO) Outfall 021. The contract not-to-exceed amount is \$33,950,000.

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:

**Division PR-B – CSO 021 Diversion Facilities
(Joint Use)**

Approval to execute a construction contract not to exceed: \$33,950,000.00

The not to exceed value is based on pre-bid estimates. The final agreement along with associated MBE/WBE participation in accordance with DC Water standard practice will be determined upon receipt of all bids. This value will not be exceeded without Board approval.

CONTRACTOR/SUB/VENDOR INFORMATION

<p>PRIME: James G. Davis Construction Company 12530 Parklawn Drive Rockville, MD 20852</p>	<p>SUBS: MBE/WBE Participation Davis has committed to meet or exceed the US EPA Fair Share objectives in accordance with the contract documents.</p>	<p>PARTICIPATION: US EPA Fair Share Objective for Construction: MBE 32%/WBE6%</p>
---	--	--

DESCRIPTION AND PURPOSE

Contract Value, Not-To-Exceed:	\$33,950,000.00
Contract Time:	797 Days (2 Years, 2 Months)
Anticipated Contract Start Date (NTP):	03-24-2016
Anticipated Contract Completion Date:	05-30-2018

Purpose of the Contract:

To construct diversion facilities for combined sewer overflow (CSO) Outfall 021.

This work is required by a Consent Decree.

Contract Scope:

- Construction diversion structure, drop shaft, ventilation control structure and appurtenances for CSO Outfall 021

Federal Grant Status:

- The Construction contract is funded in part by prior Congressional appropriations for CSO projects.

PROCUREMENT INFORMATION

Contract Type:	Not to Exceed	Award Based On:	Best Value
Commodity:	Construction	Contract Number:	150230
Contractor Market:	Public-Private Partnership		

BUDGET INFORMATION

Funding:	Capital	Department:	DC Clean Rivers Project
Service Area:	Combined Sewer Overflow	Department Head:	Carlton Ray
Project:	CZ		

***ESTIMATED USER SHARE INFORMATION**


User	Share %	Dollar Amount
District of Columbia	92.9%	\$ 31,539,550.00
Federal Funds *	0.00%	
Washington Suburban Sanitary Commission	5.54%	\$ 1,880,830.00
Fairfax County	1.01%	\$ 342,895.00
Loudoun County & Potomac Interceptor	0.55%	\$ 186,725.00
Total Estimated Dollar Amount	100.00%	\$ 33,950,000.00

* Subject to future Federal appropriations. If future Congressional appropriation is received, DC share will decrease.

For  , 2/11/16
 Gail Alexander-Reeves
 Director of Budget
 Date

 , 2/12/16
 Dan Bae
 Director of Procurement
 Date

 , 2/11/16
 Leonard R. Benson
 Chief Engineer
 Date

 , 02/23/16
 George S. Hawkins
 General Manager
 Date

Presented and Adopted: March 3, 2016

**SUBJECT: Approval to Execute a Memorandum of Understanding
Between John F. Kennedy Center for the Performing Arts
and DC Water for the Kennedy Center Expansion**

**#16-18
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
D.C. WATER AND SEWER AUTHORITY**

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("the Authority") at its meeting on March 3, 2016 upon consideration of a joint use matter, decided by a vote of __() in favor and __() opposed to execute a Memorandum of Understanding Between John F. Kennedy Center for the Performing Arts and DC Water for the Kennedy Center Expansion.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute a Memorandum of Understanding (MOU) between John F. Kennedy Center for the Performing Arts and DC Water for the Kennedy Center Expansion. The purpose of the MOU is to provide the legal framework for construction of CSO 021 Diversion Facilities and other work at the Kennedy Center. The MOU not-to-exceed amount is \$4,629,410.

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

**Memorandum of Understanding Between John F. Kennedy Center for the
Performing Arts and DC Water for the Kennedy Center Expansion
(Joint Use)**

Approval to execute a Memorandum of Understanding with the Kennedy Center not to exceed \$4,629,410.00.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME:	SUBS:	PARTICIPATION:
John F. Kennedy Center for the Performing Arts 2700 F St., NW Washington, D.C. 20566	Not Applicable	Not Applicable

DESCRIPTION AND PURPOSE

MOU Value, Not-To-Exceed:	\$4,629,410.00
MOU Duration:	Until completion of CSO Diversion Facilities 021 or execution of easements, whichever is later
Anticipated MOU Start Date:	03-10-2016
Anticipated MOU Completion Date:	09-21-2019

Purpose of the MOU:

To provide the legal framework for construction of CSO 021 Diversion Facilities and other work at the Kennedy Center.

This work is required by a Consent Decree.

Scope of MOU:

- Provision of easements to DC Water for the existing DC Water sewers on the property
- Provision of easements to DC Water for the CSO 021 diversion facilities and future easements necessary to connect the CSO 021 diversion facilities to the Potomac Tunnel
- Provisions for the Kennedy Center to make improvements to a portion of the inflatable dam system at CSO 021
- Provisions to allow construction of the CSO 021 diversion facilities by DC Water
- Provision of permits to the Kennedy Center to construct the Kennedy Center's Expansion while protecting DC Water's sewers

PROCUREMENT INFORMATION

Contract Type:	Not applicable	Award Based On:	Not applicable
Commodity:	Not applicable	Contract Number:	Not applicable
Contractor Market:	Not applicable		

BUDGET INFORMATION

Funding:	Capital	Department:	DC Clean Rivers Project
Service Area:	Combined Sewer Overflow	Department Head:	Carlton Ray
Project:	A4 & CZ		

ESTIMATED USER SHARE INFORMATION


Project A4		
User	Share %	Dollar Amount
District of Columbia	22.1%	\$123,775.47
Federal Funds	0.00%*	
Washington Suburban Sanitary Commission	41.9%	\$234,669.33
Fairfax County	27.10%	\$151,778.97
Loudoun County & Potomac Interceptor	8.9%	\$49,846.23
Total Estimated Dollar Amount	100.00%	\$560,070.00

Project CZ		
User	Share %	Dollar Amount
District of Columbia	92.9%	\$3,780,416.86
Federal Funds	0.00%*	
Washington Suburban Sanitary Commission	5.54%	\$225,441.44
Fairfax County	1.01%	\$41,100.33
Loudoun County & Potomac Interceptor	0.55%	\$22,381.37
Total Estimated Dollar Amount	100.00%	\$4,069,340.00

Combined		
User	Share %	Dollar Amount
District of Columbia	84.33%	\$3,904,192.33
Federal Funds		
Washington Suburban Sanitary Commission	9.94%	\$460,110.77
Fairfax County	4.17%	\$192,879.30
Loudoun County & Potomac Interceptor	1.56%	\$72,227.60
Total Estimated Dollar Amount	100.00%	\$4,629,410.00

* Eligible for Federal Grant Funding at 50% of the District of Columbia share. Grant funding is insufficient to fund all eligible contracts. Federal Grant Funding may be used if additional funding becomes available or if other eligible projects are postponed.

For  2/11/16
 Gail Alexander-Reeves Date
 Director of Budget

 2/12/16

Dan Bae Date
Director of Procurement

 2-11-16

Leonard R. Benson Date
Chief Engineer

 02-23-16

George S. Hawkins Date
General Manager