



DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY
313th MEETING OF THE BOARD OF DIRECTORS
Thursday, November 7, 2024
9:30 am

This meeting will be broadcasted via livestream: <https://dcwater.com/watch-board-meetings>

- I. **Call to Order (Rachna Butani Bhatt, Interim Chairperson)**
- II. **Roll Call (Michelle Rhodd, Board Secretary)**
- III. **[Approval of the October 3, 2024, Meeting Minutes](#)**
- IV. **Chairperson's Overview**
- V. **Committee Reports**
 1. [Governance Committee \(Christopher Herrington\)](#)
 2. [Environmental Quality and Operations Committee \(Sarah Motsch\)](#)
 3. [DC Retail Water and Sewer Rates Committee \(Howard Gibbs\)](#)
 4. [Finance and Budget Committee \(Anthony Giancola\)](#)
 5. [Audit and Risk Committee \(Floyd Holt\)](#)
 6. [Emergency Meeting of the Human Resources and Labor Relations Committee \(Jed Ross\)](#)
- VI. **[CEO and General Manager's Report \(David L. Gadis\)](#)**
- VII. **Consent Items (Joint Use)**
 1. [Approval to Award Base Year and Two Option Years of Contract No. 10491, Calcium Hydroxide, W.K. Merriman, Inc. – Resolution No. 24-77](#) (Recommended by the Environmental Quality and Operations Committee 10-17-24)
 2. [Approval to Award Base Year and One Option Year of Contract No. 250030, On Call Structural Rehabilitation, Structural Preservation Systems, LLC – Resolution No. 24-78](#) (Recommended by the Environmental Quality and Operations Committee 10-17-24)
 3. [Adoption of Master Agreement on Compensation between District of Columbia Water and Sewer Authority and the Unions Comprising Compensation Unit 31 \(AFGE Locals 631, 872 and 2553; AFSCME Local 2091; and NAGE Local R3-06\) – Resolution No. 24-79](#) (Recommended by the Human Resources and Labor Relations Committee 10-31-24)
- VIII. **Consent Items (Non-Joint Use)**
 1. [Approval to Execute Change Order No. 002 of Contract No. 220160, Major Sewer Rehabilitation 1-5 Northeast Boundary, Spiniello Companies – Resolution No. 24-80](#) (Recommended by the Environmental Quality and Operations Committee 10-17-24)
- IX. **Executive Session¹ (Rachna Butani Bhatt, Acting Chairperson)**
- X. **Adjournment (Rachna Butani Bhatt, Acting Chairperson)**

This meeting is governed by the Open Meetings Act. Please address any questions or complaints arising under this meeting to the Office of Open Government at opengovoffice@dc.gov.

Upcoming Committee Meetings | via Microsoft Teams

- November 14th @ 11:00 am Human Resources & Labor Relations Committee
- November 14th @ 1:00 pm Executive Committee
- November 19th @ 11:00 am Finance and Budget Committee
- November 20th @ 9:30 am Environmental Quality and Operations Committee

Next Board of Directors' Meeting

December 5, 2024 @ 9:30 am

¹The 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 certain matters, including but not limited to: matters prohibited from public disclosure pursuant to a court order or law under DC Official Code § 2-575(b)(1); terms for negotiating a contract, including an employment contract, under DC Official Code § 2-575(b)(2); obtain legal advice and preserve attorney-client privilege or settlement terms under DC Official Code § 2-575(b)(4)(A); collective bargaining negotiations under DC Official Code § 2-575(b)(5); facility security matters under DC Official Code § 2-575(b)(8); disciplinary matters under DC Official Code § 2-575(b)(9); personnel matters under DC Official Code § 2-575(b)(10); third-party proprietary matters under DC Official Code § 2-575(b)(11); train and develop Board members and staff under DC Official Codes § 2-575(b)(12); adjudication action under DC Official Code § 2-575(b)(13); civil or criminal matters or violations of laws or regulations where disclosure to the public may harm the investigation under DC Official Code § 2-575(b)(14); and other matters provided under the Act.



**312TH BOARD OF DIRECTORS MEETING
MINUTES OF THE MEETING
OCTOBER 3, 2024
(Via Microsoft Teams)**

DIRECTORS PRESENT

District of Columbia Members

1. Rachna Butani Bhatt, Interim Chairperson
2. Anthony Giancola, Principal
3. Howard Gibbs, Principal
4. Richard Jackson, Principal
5. Jedd Ross, Alternate

Prince George's County Members

1. Floyd Holt, Principal
2. Jared McCarthy, Principal
3. Jonathan Butler, Alternate

Montgomery County Members

1. Fariba Kassiri, Principal
2. Jeffrey Seltzer, Alternate
3. Amy Stevens, Alternate

Fairfax County Member

1. Christopher Herrington, Principal

DC WATER STAFF

1. David Gadis, Chief Executive Officer, and General Manager
2. Marc Battle, Chief Legal Officer and EVP, Government and Legal Affairs
3. Matthew Brown, Chief Financial Officer Finance and EVP, Finance, Procurement and Compliance
4. Wayne Griffith, Chief Administration Officer, and EVP
5. Jeffrey Thompson, Chief Operating Officer, and EVP
6. Michelle Rhodd, Secretary to the Board

The 312th meeting of the District of Columbia Water and Sewer Authority's Board of Directors was called to order by Interim Chairperson Rachna Butani Bhatt at 9:36 a.m. The meeting was held via Microsoft Teams and streamed live at dcwater.com. Board Secretary Michelle Rhodd called the roll, and a quorum was established.

Representatives of the DC Mayor's office attended to swear in three returning Board members representing the District of Columbia: Anthony Giancola, Howard Gibbs, and Richard Jackson. Vida Rangel guided the Board members through the oath of office.

I. APPROVE MINUTES

Chairperson Bhatt asked for a motion to approve the minutes of the September 5, 2024, meeting.

Upon a motion duly made the Board of Directors approved the minutes of the September 5, 2024, meeting as presented.

II. CHAIRPERSON'S OVERVIEW

Chairperson Rachna Bhatt opened the meeting, noting an executive session would be held to discuss two items.

III. COMMITTEE REPORTS

Human Resources and Labor Relations Committee with Union Presidents Report Reported by Jed Ross

Jed Ross reported on the meeting held on September 11.

Mr. Ross provided an overview of the HR Committee's authority and roll, noting that it follows Board governance procedures, takes on issues and items raised to the committee, and has the authority to raise items to the Board. The Committee provides oversight by asking questions and seeking follow-up, and it recommends new bylaws, regulations, or rules to guide the Authority.

Jermaine Quattlebaum, Executive Vice-President of AFGE 631, reported employee morale is low morale and the Authority is experiencing high turnover, suggesting a need for more outside oversight of the leadership by the Board. Concerns include unchecked spending on contractors and travel, rising residential water rates, and the reassignment of engineering jobs to contractors.

Jonathan Shanks, President of AFCE 872, reported that Authority employees have been required to pay traffic tickets issued to DC Water vehicles for parking in restricted areas or bus zones while performing work. A delay in delivering tickets is resulting in some fines

doubling before the employee receives the ticket. Mr. Ross noted that DC Government employees are not exempt from the DDOT rule for these zones. Management is addressing the issue from a labor relations perspective, seeking a Memorandum of Understanding with the City to address the matter. Additionally, the Authority is working with the City to have some fines dismissed.

Kevin Poge, AFSCME 2019, discussed continued problems with Oracle regarding deductions taken out of employee checks when they get extra payments. Mr. Quattlebaum noted issues requesting leave and discussed a since-resolved issue with benefits not appearing in Oracle. Mr. Ross invited the Union presidents to continue to report any unaddressed issues with the Oracle system.

Mr. Quattlebaum discussed the elimination of telework under the Chief Operating Officer cluster and the impact to affected employees. He went on to report on Americans with Disabilities Act (ADA) requests for reasonable accommodations, noting that employees seeking reasonable accommodations under the ADA were experiencing long wait times for decisions. Mr. Quattlebaum stated that telework is critical for those awaiting ADA accommodations. Mr. Ross informed the Committee that that matter will be discussed offline with Management and the Union to protect employee privacy and comply with federal law related to ADA.

Amber Jackson, Vice President of Employment, Labor, & Compliance reported that the Authority received an All-Star award from goDCgo for the Authority's transportation benefits and commuter subsidies. A compensation study is underway and expected to be completed in December. Talent acquisition filled 172 positions since October 1, 2023, while the Summer Internship Expo provided an opportunity for interns to present on their work. Succession planning is ongoing, and the Authority continues to provide tuition assistance to help employees advance in their careers. The Temporary Alternative Duty (TAD) program has allowed many employees with medically cleared temporary restrictions to return to work.

Committee member Jonathan Butler inquired about new hires and asked for the number of departures during the same period. Ms. Jackson stated that departure data is not quantified in a way to support a direct comparison. She noted that for FY23, there were 1.97% involuntary and 5.5% voluntary departures; for FY24 to date, there were 1.64% involuntary and 6.27% voluntary resignations or retirements, for a total turnover rate of 8.63% annualized for the year.

Special Meeting of the Human Resources and Labor Relations Committee Report Reported by Jed Ross

Mr. Ross reported that a Special Meeting of the Human Resources and Labor Relations Committee was held on October 1 to discuss collective bargaining under D.C. Official Code § 2-575(b)(5).

*Special Meeting of the Executive Committee Report
Reported by Rachna Butani Bhatt*

Ms. Bhatt reported that the Executive Committee held a Special Meeting on September 17 to discuss personnel matters under D.C. Official Code § 2-575(b)(10).

*Environmental Quality and Operations Committee Report
Reported by Howard Gibbs*

Howard Gibbs reported on the meeting held on September 19.

Nicholas Passarelli, Vice President, Wastewater Operations, summarized the performance of Blue Plains Advanced Wastewater Treatment Plant (BPAWTP), noting that all parameters were within the national pollution discharge elimination standards permit limits. The tunnel systems and wet weather treatment facilities captured 180 million gallons without overflows. On-site energy generation from the Combined Heat and Power (CHP) facility and solar panels was 22 percent of the average treatment plant consumption. Approximately 1,400 wet tons were sold as Bloom, toward a goal of 65,000 tons for the fiscal year. To date, 53,000 tons have been marketed.

Sylvia Okogi, Acting Senior Manager, Water Operations, reported that DC Water is meeting the service level of fewer than 1% of fire hydrants out of service. Maureen Schmelling, Director, Water Quality provided a water quality monitoring update, confirming that DC Water is in compliance with the lead and copper rule and the total coliform rule. Paul Guttridge, Director of CIP Infrastructure Management, provided an update on the Capital Improvement Program and DC Water KPIs, noting that disbursements are expected to be 94 percent of the baseline budget. Of 36 scheduled KPIs, 14 were achieved within the threshold and 12 were outside of the threshold. Ten more KPIs are expected to be completed within the threshold. Ryu Suzuki, Director Wastewater Engineering, provided an emergency response update, highlighting ongoing emergency responses for the Potomac Interceptor, Manhole 31, the East-West Outfall Relief Sewer, and the Anacostia Main Interceptor. The Blue Plains Flood Wall Project will begin in June 2025.

Forty DC Water employees will have completed Design-Build Institute of America certification training by the end of October 2024. Moussa Wone, Vice President, Clean Rivers, presented the status of the DC Clean Rivers Program, noting areas of focus for the project. He discussed a proposed approach to the rehabilitation of the Potomac Interceptor which includes the delivery of larger projects to increase efficiency. William Elledge Director, Engineering & Technical Services presented on the Lead-Free DC Program and small diameter water main progress, noting that lead service line replacements are expected to meet the annual goal although recently, fewer lead service lines have been encountered. Mr. Guttridge introduced a task order report for the three Master Service Agreements used to deliver capital upgrades. Saili Kharkar, Vice-

President and Senior Technical Advisor discussed the emergency repair response, noting that some repairs can wait for a planned response.

The Committee recommended seven joint-use and non-joint-use action items for Board approval.

*DC Retail Water and Sewer Rates Committee Report
Reported by Howard Gibbs*

Mr. Gibbs reported on the meeting held on September 24.

Matthew Brown presented the monthly financial report for August 31, 2024. Overall, revenue was slightly favorable to budget by approximately 2.5 percent. Accounts delinquent over 90 days increased by dollar amount, with the multi-family category accounting for approximately 55% of these delinquencies. Mr. Brown reviewed the Developer Deposits report, noting that the deposits backlog has been a longstanding problem. He also noted a new line item in added to the report to track accounts where developers have been asked for additional information to assist in processing their refunds.

Mr. Brown reviewed the Committee Workplan, noting objectives that had been completed for the year including the 2023 cost of service for engineering inspection study; the 2023 cost of service for stormwater charges and recovery methodology; the DC Water Cares RAP program extension to FY 2024; establishing retail rates for FY 2025 and FY 2026; the 2023 cost of service for water, sewer and CRAIC; the establishment of new DC Water customer assistance program CAP+; and the fire protection service fee for FY 2025, FY 2026, and FY 2027.

*Finance and Budget Committee Report
Reported by Anthony Giancola*

Mr. Giancola reported on the meeting held on September 26.

Matthew Brown presented the August 2024 financial report. Total operating revenue was \$855.4 million or 96 percent of the budget, operating expenses were \$610.8 million or 82.8%, and capital disbursements were \$423 million or 83.2% of the budget.

Mr. Butler inquired about the metric of staff vacancies over 180 days, and whether these positions are fully funded. Mr. Brown noted these vacancies are partially funded as some positions are considered for elimination. The vacancy rate in the budget was adjusted from 6 to 8 percent to better reflect anticipated vacancies. The total number of vacancies is between 170 and 180 positions.

Interest earnings to date were \$10.8 million against a budget of \$7.4 million, due to a policy adjustment to invest more progressively. Delinquent accounts over 90 days were

up to a total of \$32.62 million or 11,555 accounts, of which 55 percent are from the multifamily category. The Chairperson requested that the legal and finance team provide available mechanisms to begin to legally encourage payment of multifamily and commercial delinquencies.

Mr. Brown highlighted a new Overtime by Department report in response to a request by Mr. Giancola to provide the percentage of regular pay. Mr. Giancola stated that it would be helpful to review the overtime trend and consider budget adjustments if it is consistent.

A Capital Improvement program quarterly update highlighted a revised 2024 budget of \$448.6 million. Spending is very close to the baseline estimate and is anticipated to be 94 to 95 percent of baseline spending by year end, a major improvement over previous years. FEMA has confirmed funding to build the last section of the flood wall to protect the plant from a 500-year flood. Mr. Giancola noted that the Authority may begin considering planning for a 1,000-year storm.

Tanya DeLeon, Manager, Risk Management, reviewed the Rolling Owner Controlled Insurance Program (ROCIP), which provides a high level of insurance coverage for construction contractors at reduced rates using the Authority's buying power. Program benefits include support for minority and small business partners, enhanced risk services, lower construction costs, and broader insurance coverage with higher limits. Ms. DeLeon discussed the avoided insurance cost of \$3.6 million, which reflects the cost contractors would pay if they purchased insurance directly. This cost is transferred to the Authority and the Authority realizes savings by making larger purchases at discounted rates. She asked for the Committee to recommend that the Board to pay Chubb Insurance Company \$963,026 pursuant to the ROCIP IV final audit and reconciliation

Ivan Boykin, Vice President of Finance, reviewed the Authority's bond ratings, which are excellent, and discussed the impact of even a small rating reduction on the interest costs of DC's planning borrowing of \$3.3 billion to fund the \$7.7 billion capital program.

The Committee recommended one action item to the Board.

IV. CEO AND GENERAL MANAGER'S REPORT

CEO and General Manager David Gadis provided the report and highlighted two items related to the Healthy, Safe and Well, Resilient, and Sustainable imperatives.

On September 24, Mr. Gadis represented the Authority at the joint press conference with the Interstate Commission on the Potomac River Basin (the ICPRB) and other regional partners to call attention to the urgent need for a second source of drinking water in the region. Mr. Gadis spoke to the results of the ICPRB study, A Nation's Capital Without Water, and the economic consequences of a supply disruption. DC Water's teams are now focused on ways options to address the situation.

On September 6, 2024, Jeff Thompson, Chief Operating Officer, and Mr. Kharkar represented the Authority in a significant briefing to the National Security Council at the White House. In collaboration with the Metropolitan Water Council of Governments and regional partners, the briefing addressed the capital's heavy reliance on the Potomac River as a primary water source, recalling an algae treatment failure at the Aqueduct that caused a boil water advisory and revealed that the capital's emergency water supply was far less than the estimated 24 hours. Potential solutions included utilizing the BPAWTP's high quality effluent as an alternate water source, desalination, and adding additional reservoirs. Discussions emphasized maintaining affordability, and the need for substantial federal support given the national security implications.

On September 12 and 15, 2024, the Authority held two hazardous materials response tabletop exercises which comprised two scenarios, to practice for potential crises.

Ms. Bhatt asked that the ICPRB report be circulated to the Board.

Board member Jeffrey Seltzer inquired about the Second Source Project, asking if the Army Corps of Engineers feasibility study for alternatives would include working with the Authority. Mr. Gadis confirmed working with the Army Corps but noted that the Army Corps study is looking at a wider region and not all areas in the region are experiencing the same needs as the capital.

Board member Jared McCarthy asked that a future briefing include regional tie-ins and how these might cover the District in an emergency.

Mr. Giancola encouraged continued discussion about how federal funding can be obtained for these emergency mitigation projects.

V. CONSENT ITEMS (JOINT USE)

1. Approval of CEO and General Manager's Performance Evaluation, Salary Increase, Bonus, and Amendments to Employment Agreement – **Resolution No. 24-68** (Recommended by the Executive Committee 09-17-24)
2. Approval to Execute Supplemental Agreement No. 1 of Contract No. DCFA #536-WSA, Program Management for CSO Long-Term Control Plan and Other Services, Greeley and Hansen LLC – **Resolution No. 24-69** (Recommended by the Environmental Quality and Operations Committee 09-19-24)
3. Approval to Award Three Base Years and Two Option Years of Contract No. DCFA #550-WSA, Process Facilities Program Management (PFPM), Stantec Consulting Services, Inc. – **Resolution No. 24-70** (Recommended by the Environmental Quality and Operations Committee 09-19-24)

4. Approval to Extend Contract No. 10039 for Three-Year Term (IT Software Maintenance Renewal), Geographic Information System Software Maintenance Enterprise Agreement, Environmental Systems Research Institute, Inc. – **Resolution No. 24-71** (Recommended by the Environmental Quality and Operations Committee 09-19-24)
5. Approval to Execute Option Year 2 of Contract No. 10279, Security Systems, Pavion (d/b/a Enterprise Security) – **Resolution No. 24-72** (Recommended by the Environmental Quality and Operations Committee 09-19-24)
6. Approval to Execute Extension No. 4 of Contract No. 20-PR-CFO-30, ROCIP IV Insurance Services, AON Risk Insurance Services – **Resolution No. 24-73** (Recommended by the Finance and Budget Committee 09-26-26)

Upon a motion duly made, the Board of Directors voted to approve the Joint Use resolutions as presented.

VI. Consent Items (Non-Joint Use)

1. 1. Approval to Amend a Participation Project Between District of Columbia Department of Transportation (DDOT) and DC Water, S Street Revitalization from 7th Street NW to Florida Avenue NW – **Resolution No. 24-74** (Recommended by the Environmental Quality and Operations Committee 09-19-24)
2. Approval to Execute Change Order No. 0005 of Contract No. 200030, Small Diameter Water Main Replacement-16A, Capitol Paving of D.C., Inc. – **Resolution No. 24-75** (Recommended by the Environmental Quality and Operations Committee 09-19-24)
3. Approval to Add Four Additional Contractors to Contract No. 230020, Small Diameter Water Main Replacement (SDWMR) Program – **Resolution No. 24-76** (Recommended by the Environmental Quality and Operations Committee 09-19-24)

Upon a motion duly made, the Board of Directors voted to approve the Joint Use resolutions as presented.

VII. EXECUTIVE SESSION

The Board met in executive session to discuss: a personnel matter under DC Official Code § 2-575(b)(10); and a public health and safety matters under D.C. Official Code § 2-575(b)(8).

VIII. ADJOURN

There being no further business to come before the Board, the meeting adjourned at 11:57 a.m.

Michelle Rhodd
Secretary to the Board of Directors



**GOVERNANCE COMMITTEE
MINUTES OF THE MEETING**

OCTOBER 9, 2024
(via Microsoft Teams)

COMMITTEE MEMBERS PRESENT

1. Christopher Herrington, Chairperson, Principal, Fairfax County
2. Jon Monger, Vice-Chair, Principal, Montgomery County
3. Rachna Butani Bhatt, Principal, District of Columbia
4. Fariba Kassiri, Principal, Montgomery County

BOARD MEMBER PRESENT

1. Jared McCarthy, Principal, Prince George's County

DC WATER STAFF

1. David Gadis, Chief Executive Officer, and General Manager
2. Michelle Rhodd, Secretary to the Board

The Governance Committee meeting was called to order by Christopher Herrington, Chairperson, at 9:31 AM. The meeting was held via Microsoft Teams. Board Secretary Michelle Rhodd called the roll.

I. GOVERNMENT AFFAIRS UPDATE

The Government Affairs update was shared via email in advance of the meeting. There were no questions.

Barbara Mitchell, Associate General Counsel and Director, Office of Legal Affairs informed the Committee that on October 8, 2024, the EPA made final their lead and copper rule requiring that drinking water systems across the country identify and replace lead pipes within 10 years. This decision makes DC Water's aspirational rule mandate.

II. DC WATER WORKS FY24 ANNUAL UPDATE

Korey Gray, Vice President Compliance and Interim Chief Procurement Officer, presented the FY24 DC Water Works program update.

Water Works exceeded its target of 75% local hires to fill new jobs created by contractors or procurements entered into by DC Water with contractors.

Mr. Gray discussed the program's wraparound support for workers that access the skills training and job readiness program. Water Works offers several support services, including case management, counseling, mentorship, transportation support, education and special services, and childcare support.

In FY24, 119 positions were filled through the program; 102 or 85.7% were within the user jurisdiction, of which 41 or 34.34% were DC residents; 17 hires were outside the user jurisdiction.

In total, 27 contractors hired staff through the program.

A question was raised by Board Chair and Committee Member Rachna Bhatt concerning the relatively high number of laborer positions fill by individuals who live outside the user jurisdiction. Mr. Gray responded by indicating that, for the purposes of this report, laborer is a broad category and includes general labor being done on construction, as well as, goods and service projects. Moreover, some of the work, particularly for goods and services projects, is not always performed at a DC Water site. For example, a Baltimore based goods and services firm recruited four laborers who will be working out of their Baltimore office. Ultimately, the majority of those hired were residents of Baltimore. When shops outside the user jurisdiction add positions to fulfill DC Water contracts, they are still recorded as hires under the program.

Ms. Bhatt asked that the report be parsed out to differentiate different types of positions and locations where work is taking place. She asked for more detail on the work performed in Baltimore. Mr. Gray noted that he and the team would prepare a summary of the laborer positions as requested.

Of the new hires, 15% were females. Mr. Gray noted that efforts continue to work with the DC Water Works strategic partners to identify and target more female hires. Most hires were from Wards 7 and 8, followed by Ward 5. The program is intentionally targeting the east side.

Mr. Gray reviewed the program's five-year achievement graph noting that all KPIs were within norms and the goal of 75% local hires has been met or exceeded for each year.

In FY24, 12 positions were filled through strategic partner referrals, ten through the District Department of Employment Services and two through the District of Columbia Infrastructure Academy.

Mr. Gray discussed the DC Water Apprenticeship Program, which provides a direct pathway to employment with DC Water. Last year, two apprentices from the first cohort graduated. Two apprentices are remaining in Cohort 1. One apprentice is in his fifth year of a five-year fleet program and the last one is in his last year of a plumbing apprenticeship. Cohort two was seated in October 2022 and comprises 11 apprentices, ten from the District of Columbia and one from Prince George's County. Three were sufficiently advanced to graduate early in 2024 as journeymen. To date, nearly 80% of apprentices in the program have graduated on schedule and remain in careers with DC Water.

Mr. Gray discussed the Lead-Free DC Community Activators Program, which seated 15 participants in cohort one in May 2024; 14, or 93%, completed the program. Cohort two was seated in August 2024 with 12 participants.

Mr. Gray next discussed two new initiatives piloted this year. The first is the High School Youth Pilot Program, in collaboration with Anacostia High School and Cesar Chavez Public Charter School. This program combines classroom training with hands-on experience with DC Water. Four interns were seated in April 2024. Three completed the program, two are continuing to college, and one was placed with the Lead-Free DC Activator Training Program.

Mr. Gray shared slides documenting the experience of one intern who completed the high-school program and highlighted the interaction between the interns and one of the DC Water apprentices.

The second new initiative was the DC Water High School Engagement and Workforce Development Program. The program is similar to the internship but more fleshed out to include engagement and outreach, curriculum alignment, student identification, exposure, and career placement. The goal is to create pathways to employment upon high school graduation. In the first year, the program is authorized to take up to 10 participants for the pilot from Anacostia High School and IDEA Public Charter School. The high schools' guidance counselor offices will provide mentorship.

DC Water Works outreach and engagement will begin in October 2024 with dedicated events and sites for tours of DC Water.

Mr. Gray highlighted awards and recognition for the program, including DC Water's recognition for a Community Leadership Award at the National Association of Clean Water Agencies Conference.

Mr. Herrington commended Mr. Gray for the success of the program and for adding gender information to the report. Mr. Herrington went on to note that the proportion of

female hires remains low. Mr. Gray stated that there is a focus on recruiting females, especially in the apprenticeship program.

III. EXECUTIVE SESSION

The Committee continued the remainder of the meeting in executive session to obtain legal advice and preserve attorney-client privilege or settlement terms under DC Official Code § 2-575(b)(4)(A).

IV. ADJOURNMENT

There being no further business, the meeting was adjourned at 11:03 AM.



**MINUTES OF THE MEETING
ENVIRONMENTAL QUALITY AND OPERATIONS COMMITTEE
October 17, 2024
(via Microsoft Teams)**

COMMITTEE MEMBERS PRESENT

1. Sarah Motsch, Chairperson, Alternate, Fairfax County
2. Howard Gibbs, Vice-Chairperson, Principal, District of Columbia
3. Jared McCarthy, Principal, Prince George's County
4. Richard Jackson, Principal, District of Columbia

BOARD MEMBERS PRESENT

1. Jonathan Butler, Alternate, Prince George's County

DC WATER STAFF PRESENT

1. David Gadis, CEO and General Manager
2. Marc Battle, Chief Legal Officer and EVP, Government and Legal Affairs
3. Wayne Griffith, Chief Administration Officer and EVP
4. Jeffrey Thompson, Chief Operating Officer and EVP
5. Michelle Rhodd, Secretary to the Board

The Environmental Quality and Operations Committee meeting was called to order by Sarah Motsch, Chairperson at 2:06 PM. The meeting was held via Microsoft Teams. Michelle Rodd, Secretary to the Board called the roll.

Minutes of the October 17, 2024 Environmental Quality & Operations Committee Meeting

I. BPAWTP PERFORMANCE UPDATE

Nicholas Passarelli, Vice President, Wastewater Operations, presented a summary of the performance of Blue Plains Advanced Wastewater Treatment Plant (BPAWTP) for September 2024. Specific details of the presentation can be found on pages 5 to 8 of the Environmental Quality and Operations Committee meeting package 10.17.2024 (the meeting package). The average flow through to complete treatment was 262 million gallons per day (MGD) for the month, and the peak daily flow was 373 MGD which occurred on September 26th. It was reported that all NPDES permit requirements were met. Mr. Passarelli explained that if the design average monthly flowrate exceeds 384 MGD, performance could be affected, and this limit is written into the permit. If this were to become a common occurrence, EPA will need a plan to accommodate the higher average flows.

Mr. Passarelli discussed the performance of the Anacostia tunnel system and wet weather treatment at BPAWTP. It was noted that precipitation for the month was 2.80" and the combined wet weather flows captured by the tunnel system was 130 million gallons. There were no flows through Outfall 001 and no overflows from the Tunnel System during the month.

Mr. Passarelli discussed electrical energy use and onsite generation at BPAWTP. Onsite energy generation from the Combined Heat and Power (CHP) facility and solar panels for the month was 26% of the average consumption at BPAWTP. The CHP Facility generated an average of 6.7 megawatts (MW), of which 5.5 MW was transferred to the Blue Plains grid. The solar system generated an average of 0.8 MW for the month. The average electrical consumption for the month was 28.1 MW and the total purchased power from PEPCO averaged 21.8 MW. By the end of June 2024, DC Water saved over \$2.5 million cumulatively in FY24 due to power generated onsite at BPAWTP (instead of purchasing from PEPCO).

Mr. Passarelli discussed biosolids production and Bloom marketing at BPAWTP. During August, over 13,400 wet tons of biosolids were produced; approximately 2,100 wet tons were sold as Bloom, and the remaining 12,600 wet tons were land applied through existing land application contracts. At the fiscal years end, just over 55,000 tons of Bloom have been sold, compared to the goal of 65,000 tons for the fiscal year.

II. Service Line Identification Pilot Update

William Elledge, Director, Engineering & Technical Services, presented an update on the service line material identification pilot program. This pilot program is investigating multiple methods of service line material identification that do not require excavation of test pits. Specific details about this presentation can be found on pages 9 to 26. Mr. Elledge described how test pits are currently used to identify pipe material and the disruptive way in which the pit is dug at the meter and property line. The Lead Free

program is looking for a less intrusive way to identify the service line material. Drawbacks associated with test-pitting relate to cost, time, permitting, and disruption of residential areas that have value to the property owners.

The Lead and Copper Rule Improvements (LCRI) require DC Water to replace 10% of the service lines that are either verified lead, suspected lead, suspected non-lead, or no information, to be compliant; this equates to around 9,000 replacements per year. In contrast DC Water estimates 34,000 lead service lines remaining to be replaced, with an annual replacement goal of 3,400. Therefore, it is critical to verify the suspected non-lead as quickly as possible.

New challenges associated with alternative identification methods include turning off the water to the property and the availability/buy-in of the customers. Mr. Elledge stressed that the non-invasive method must be completely accurate, minimize inconveniences to property owners, be easy to deploy, and minimize the size of crew that must be present to operate the technology. Forty-three homes have been identified for the pilot study, which included properties with suspected lead, suspected non-lead, and no information.

Four technologies were identified for the pilot, and two have been identified to move forward: Electro Scan's "Swordfish", and EDT's Service Line Material Identification Testing (SMIT). Preliminary observations were that Swordfish cannot make it through all plumbing configurations (about 10-15 percent of all homes), and EDT needs additional calibration. More information will be gained at the conclusion of the pilot study.

Board member Jonathan Butler inquired if there was a significant difference in mobilization and set up time between the two technologies. Mr. Elledge confirmed that there is no significant difference; both require a pair of workers in the field and can test the service lines fairly quickly. The primary criteria that will determine which technology DC Water chooses will be how accurate the technologies are.

Committee member Howard Gibbs questioned the \$50 incentive for pilot customers. Mr. Elledge noted other cities' difficulties to get these studies done and how the \$50 bonus to rate payers was an idea that helped DC gain more participation from customers. Committee member Howard Gibbs inquired whether any of these technologies used in the pilot study resulted in increased lead levels in the surveyed lines. Mr. Elledge confirmed that the Swordfish does increase this risk based on the method (having a probe inserted into the line).

III. ACTION ITEMS

Joint Use

1. **Agreement No. DCFA-535-WSA – Goods and Services Contract Award Year for Calcium Hydroxide (Lime) – W.K. Merriman, Inc**
2. **PDB Contract No. DCFA-550-WSA – On Call Structural Rehabilitation – Structural Preservation Systems, LLC**

Non-Joint Use

1. **Contract Change Order No. 200030 – Major Sewer Rehabilitation 1-5 Northeast Boundary – Spiniello Companies**

John Pappajohn, Director of Procurement, Goods & Services presented Joint Use Action Item 1, Salil Kharkar, Vice-President and Senior Technical Advisor presented Joint Use Action Item 2, and David Parker, Vice President, Engineering & Technical Services presented Non-Joint Use Action Item 3.

Mr. Butler brought up the fact that Action Item 2 could see a lot of money going out the door, and therefore asked if there would be any monitoring of the participation rate to fulfill the on-call contract. There will be monitoring, and participation rate will vary depending on the project. Furthermore, Mr. Butler asked if it was possible to incorporate local firms into this contract and maybe have a requirement of mentorship of the local firms by the prime, so that DC businesses may be able to eventually be the prime. The work is very niche and only a single firm responded to perform the work, however this is something Mr. Kharkar agreed would benefit DC Water and something that could be implemented in the future.

Korey Gray, Vice President, Contract Compliance and Business Development followed on to what Mr. Butler brought up in terms of having DC firms mentored by the prime to become primes themselves in the future. Meetings have occurred in the last few days to identify potential firms that would be good targets for mentorship/protégé programs under the contractor.

Mr. Gibbs asked how the error occurred to prompt the change order, which is Action Item 3, and it was determined that the engineering documents and bid form had different quantities, so there was an error with the original bid documents.

The Committee recommended moving all Joint Use and Non-Joint Use Action Items to the full Board for approval.

IV. ADJOURNMENT

The meeting was adjourned at 2:44 pm.



**MINUTES OF THE MEETING
DC RETAIL WATER AND SEWER RATES COMMITTEE
OCTOBER 22, 2024
(via Microsoft Teams)**

COMMITTEE MEMBERS PRESENT

1. Howard Gibbs, Chairperson
2. Rachna Bhatt, Principal
3. Anthony Giancola, Principal
4. Richard Jackson, Principal
5. Jed Ross, Alternate

DC WATER STAFF

1. David L. Gadis, Chief Executive Officer and General Manager
2. Matthew T. Brown, Chief Financial Officer and EVP, Finance, Compliance and Procurement
3. Marc K. Battle, Chief Legal Officer and EVP, Legal and Government Affairs
4. Wayne Griffith, Chief Administration Officer and EVP
5. Michelle Rhodd, Secretary to the Board

The DC Retail Water and Sewer Rates Committee meeting was called to order by Howard Gibbs, Chairperson, at 9:30 AM. Board Secretary Michelle Rhodd called the roll.

I. MONTHLY REPORT TO THE DC RETAIL WATER AND SEWER RATES COMMITTEE

Matthew Brown, Chief Financial Officer, presented the Monthly Financial Report noting that the fiscal year had ended on September 30, 2024. Revenue for FY24 was favorable to budget by 2.7%. As of September 30, 2024, all categories except Other Revenue are slightly ahead of budget. The District Government and Residential, Commercial, and Multi-Family categories are ahead of budget due to higher than anticipated consumption. The Federal, DC Housing Authority, Metering Fee, Water System Replacement Fee, Wholesale, PILOT, and Right-of-Way fee categories are also favorable as compared to the budget. The shortfall against budget for Other Revenue is mainly due to Developer Fees and the System Availability Fee.

Mr. Brown noted that the Board had authorized up to \$2 million from the Rate Stabilization Fund to cover costs for the new Payment Plan Incentive Program. However, the amounts

applied to the incentive program were less than anticipated and the withdrawal was not required.

Delinquencies greater than 90 days increased in September by both dollar amount and the number of delinquent accounts, driven primarily by multi-family accounts which comprise 54% of the total delinquent balance.

Committee member Anthony Giancola asked how bond agencies have reacted to the delinquency balance when verifying the Authority's annual bond ratings. Mr. Brown noted that peer water and sewer agencies across the country are experiencing similar delinquency issues. DC's customer assistance program has been instrumental in keeping the Authority's residential delinquencies lower. When speaking with bond agencies, Mr. Brown noted that the delinquency amount is small as a percentage of total revenue, and with the Federal Government category being a stabilizing factor since they're paid quarterly and consistently. He agreed that as the balance rises it may become a factor in bond ratings.

Mr. Brown discussed an update to the developer deposits information in the report which now summarizes deposit balances for both under and over ten years. Deposits from 2015 to the present generally represent projects that are ongoing which are incurring charges against water and sewer inspections or deposits held against damages related to developer construction. Deposits from 2014 and earlier are generally for completed projects and represent the backlog that is being addressed. The new report format highlights that of the total of \$37.2 million credit balance, only just under \$4 million is for deposits from 2014 or earlier.

Mr. Giancola stated he had asked if there was a target for the amount owing on developer deposits. He noted that the total delinquent of \$34 million had significantly reduced to \$26 million, and suggested \$26 million may be an appropriate target. Mr. Brown advised that the amount is difficult to estimate as the deposits for each year are dependent on the number and size of the projects each year. He discussed the upcoming miscellaneous fees project that will review the possibility of flat fees for activities that are currently reimbursable.

Committee Chair Howard Gibbs noted that 2,039 accounts had initially requested refunds and asked for an update on the number of accounts for which refunds had been provided.

II. VOICE OF THE CUSTOMER SURVEY

Meisha Thomas, Director of Customer Care, presented the results of the FY24 Voice of the Customer Satisfaction Survey, which was administered by Walker Information Systems.

Elliott Moran of Walker Information Systems presented the survey results, including recommendations and plans for future surveys.

The initial survey, based on Blueprint 2.0, was conducted in 2022. Wave two took place from July 1 to August 13, 2024. This initial survey served as a baseline for future comparisons. Wave three is planned for 2026, aligning with the Blueprint 2.0 strategic plan. In 2027, the action items identified in the 2026 survey will be actioned, and future survey strategies will be adapted as needed.

A total of 83,645 survey invitations were sent, with 5,875 customers completing the survey and 2,637 opting for the extended version. Respondents were generally older, with lower representation in the 35-44 age group, and skewed toward higher education levels.

The overall customer experience score was 76%, a three-point decline from 2022. Factors contributing to this decline included rate increase communications, boil water advisories, a payment processor change, and bill comprehension issues. Sustainability scores remained flat since 2022 and were significantly lower than other imperatives, with customers not linking sustainability to affordability, which was the way it was measured on the survey.

Strengths identified in the survey included high scores in communications (86%). Mr. Moran highlighted the Authority's decision to follow up with survey respondents to be a best-in-class customer experience process. Customers also showed increased awareness of customer assistance programs.

The survey identified system reliability as the leading driver of negative customer experiences, with top concerns being aging infrastructure, taste/odor issues, low water pressure, and slow progress on infrastructure projects. The bill format remains a major pain point. A bill layout and readability research project are scheduled for 2025.

Mr. Moran noted that 76% of customers had good, very good, or excellent experience with DC Water. Committee Chair Howard Gibbs expressed concern that one in four customers have not had a favorable experience.

Service reliability was rated very high overall at 93%. Other reliability drivers include quality of service, customer service, billing statements, and emergency responsiveness.

Mr. Giancola inquired if Walker Information Systems conducted the prior survey and noted increased customer communications over the last two years, raising awareness and concerns about issues like lead pipes and PFAS. Mr. Moran confirmed Walker's involvement in the first survey and emphasized that setting expectations is key to customer experience. Kirsten Williams agreed that aging infrastructure issues impact customers industry-wide, and the communications team is working on effective messaging. Mr. Gibbs noted that many people do not read beyond the headline, and Mr. Moran highlighted the importance of message testing for optimal wording.

Overall recommendations and priorities include continuing to close the loop with

customers, deepening community commitment messaging, expediting main and sewer line replacements, and refining sustainability messaging.

Key demographic findings indicated that higher-income respondents and those with lower education levels rated affordability lower. Respondents aged 35-44 rated their experience lower overall, while those over 65 rated all imperatives higher. Survey reliability across genders was very high, with many respondents expressing concerns about water quality. Asian and Native American respondents gave the lowest ratings for affordability, citing consistent price increases and lack of billing communications.

Ms. Thomas noted that the survey results had been shared with the Senior Executive Team. Next steps include developing action plans for identified issues and implementing them. The next survey is scheduled for early in the 2026 fiscal year, aligning with the 18-month survey cycle.

Mr. Giancola asked for clarification on the survey schedule, noting that it did not always align with the 18-month interval. He suggested that surveys should not be conducted too frequently to allow time for changes to be implemented before resurveying. Ms. Thomas confirmed that the goal of moving forward is to maintain an 18-month interval to ensure sufficient time for initiatives to take effect.

Mr. Gibbs inquired about the target for favorability ratings. Mr. Moran explained that the first survey established a baseline, and the second survey provides an opportunity to measure growth and set new goals. Ms. Thomas added that under Blueprint 2.0, the goal is to achieve an 82% favorability rating this year and 85% by the end of the five-year plan.

III. FY 2025 WATER AND SEWER RATES COMMITTEE WORKPLAN

Mr. Brown reviewed the proposed FY2025 committee work plan, highlighting the 2025 Potomac Interceptor Cost of Service Study and the 2025 Cost of Service Study to Establish Miscellaneous Fees and Charges. He noted that next year is another rate making year.

IV. AGENDA FOR NOVEMBER 19, 2024, COMMITTEE MEETING

The November 19, 2024, meeting will include the monthly report and any other items the Committee wishes to discuss.

V. EXECUTIVE SESSION

The Committee met in executive session to discuss legal, confidential or privileged matters under DC Official Code § 2-575(b)(4)(A).

VI. ADJOURNMENT

The meeting adjourned the meeting at 11:07 am.



**MINUTES OF THE MEETING
FINANCE AND BUDGET COMMITTEE
OCTOBER 24, 2024
(Via Microsoft Teams)**

COMMITTEE MEMBERS PRESENT

1. Anthony Giancola, Chair, Principal, District of Columbia
1. Jonathan Butler, Vice Chair, Alternate, Prince George's County
2. Andrea Crooms, Alternate, Prince George's County
3. Richard Jackson, Principal, District of Columbia
2. Sarah Motsch, Alternate, Fairfax County
3. Jon Monger, Principal, Montgomery County

DC WATER STAFF

1. David L. Gadis, Chief Executive Officer & General Manager
2. Marc K. Battle, Chief Legal Officer and Executive Vice President
3. Matthew T. Brown, Chief Financial Officer & EVP Finance, Procurement and Compliance
4. Wayne Griffith, Chief Administration Officer & EVP
5. Jeffrey Thompson, Chief Operating Officer & EVP
6. Michelle Rhodd, Secretary to the Board

The Finance and Budget Committee meeting was called to order by Anthony Giancola, Chairperson, at 9:30 AM. Board Secretary Michelle Rhodd called the roll.

I. MONTHLY REPORT TO THE FINANCE AND BUDGET COMMITTEE

Matthew Brown, Chief Financial Officer, discussed the recent TD Bank investigation and settlement over money laundering allegations and noted that bonds issued by TD bank had been downgraded from an A1+ to A1. Finance is tracking the impact of this downgrade and will provide updates as they are available.

Lola Oyeyemi, Vice President, Budget presented the September 2024 Financial Report, which was the final report for FY24. Based on preliminary numbers, the Authority ended the year with estimated revenue approximately 2.7 percent above budget, estimated operating expenditures approximately 2.2 percent below budget, and capital disbursements approximately 6.1 percent below budget. These results are largely consistent with projects.

Preparations are under way for the audit and the green bond attestation report. A management review is ongoing for the Proposed FY 2026 operating and ten-year capital budget requests in preparation for delivering the CEO's proposed budget to the Board in January.

Operating revenue at year end was \$914 million or 2.7 percent above budget. Significant positive variances were in the Residential, Commercial, and Multi-Family category, which was 4.2 percent ahead of budget due to higher than anticipated consumption and higher CRIAC in the Residential and Commercial categories. All Other revenue category was 9 percent below budget due to lower than anticipated income from developer fees and the system availability fee. The Rate Stabilization Fund was not utilized due to less than anticipated credits given under Payment Plan Incentive Program. Interest earnings were higher by \$3.9 million as compared to the revised budget.

Operating expenses at year end were \$691 million or 98 percent of budget. A major variance was in personnel, which was 95 percent of budget. Ms. Oyeyemi noted that 10 percent of positions were vacant but higher overtime offset these savings. Ms. Oyeyemi also noted that the price of critical spare parts had risen significantly, increasing the Supplies and Chemicals category. These increases will be incorporated into future budgets. Utilities costs were below budget due to reduced utility costs for the year.

Capital at year end was \$483.5 million or 93.9 percent of budget. Spending was consistent with assumptions during the mid-year review. The Combined Sewer Overflow area was 7.1 percent over budget mainly due to the DC Clean Rivers Program which is progressing ahead of forecast and ended the year above budget.

Cash investments ended the year at approximately \$594 million, including a rate stabilization fund balance of \$35.64 million.

The year end delinquent accounts balance was approximately \$33.9 million for 11,832 delinquent accounts. Overtime was over budget by approximately \$26 percent. Developer deposits ended with a credit balance of approximately \$37.2 million and a debit balance of approximately \$10.8 million. In FY24, 105 accounts received refunds totaling approximately \$1.8 million. The goal for accounts payable performance for the year was 97 percent. At the end of the year performance was at 96 percent.

Chairperson Anthony Giancola noted that inflation and a change in investment policy, which is very conservative and minimizes risk taking, had resulted in an increase in income. He highlighted the performance of the developer deposits team to get down to just over \$26 million in deposits held by the Authority. He also noted the high cost of

overtime and noted the Authority may need to budget differently for this item going forward.

II. FY 2025 COMMITTEE WORKPLAN

Mr. Brown reviewed the FY 2025 Committee Workplan noting the beginning of the new fiscal year. He highlighted the work of Ms. Oyeyemi and her team in preparing the FY 2025 budget to be presented to the Board in January 2025.

Mr. Brown provided an overview of recent accomplishments at the Authority, which included the 26th consecutive unqualified audit opinion on the financial statements for FY 2024. The Authority also maintained its AAA, Aa I and AA+ bond ratings from S&P, Moody's, and Fitch, respectively. The FY 2025 operating expenditure budget, ten-year capital program, and ten-year financial plan were completed, and customers were provided lower two-year rates for FY 2025 and FY 2026 compared to previous forecasts. The customer assistance program was expanded with a new payment plan incentive and leak assessment programs. With respect to budget management, a linkage of strategy was achieved for Blueprint 2.0 and the FY 2025 budget process. Savings were leveraged to mitigate the significant inflationary cost pressures on critical parts and supplies, and the vacancy rate was lowered through increased hiring efforts and the elimination of 11 hard to fill positions.

Mr. Brown highlighted the achievement of winning the coveted Triple Crown award from the government finance officers association (GFOA) for the Authority's audit, budget and annual financial report.

Upcoming work for the committee includes the FY 2026 budget and 10-year capital program proposal to be introduced to the board in January. Mr. Brown noted that there is no work anticipated for revisions to the financial policies at this time. Major upcoming contract actions include the Risk Management Advisory Services Contract, the Liquidity Facility Contract, and the issuance of Series 2025 bonds.

Committee member Jonathan Butler asked if the cash on hand metric of 250 days is enough cash to support a full day's operation of the organization. Mr. Brown stated that it is 250 days of operating expenses which does not include debt service or capital.

III. OVERTIME ANALYSIS

Chris Collier, Vice President, Water Operations provided an overview of overtime usage noting it is used for planned maintenance based on shift schedules, emergency after hours work, seasonal workloads, unplanned absences, and other special projects. Of the

total overtime in 2024, 83% was incurred by operating departments comprising Wastewater Treatment Operations, Water Operations, and Pumping and Sewer Operations. The 14% increase in overtime costs year over year were a result of increased unplanned water system activities, vacancies, water main break activities, boil water events, and equipment outages. Mr. Brown noted that establishing a budget for overtime is complex as many events are difficult to anticipate.

Mr. Collier noted that overtime hours were incurred when water disruptions occurred outside regular business hours, to provide shift coverage through 24/7 operations where vacancies and staff availability reduced the ability to address issues, and special events coverage to support other agencies such as the NATO Summit in DC. The path forward includes developing and implementing specialized overtime task codes to give managers greater visibility of where overtime is spent. Mr. Collier noted the goal of knowing where very overtime dollar is spent.

Mr. Giancola noted that the most significant increase was over the last year and inquired if there was one single event that create the jump. Mr. Collier noted that it was a combination of factors.

David Gadis, General Manager and CEO noted that there had been a number of boil water issues due to the management of the Washington Aqueduct facility which drastically increased overtime.

Nichol Sowell, Senior Manager, Inspection and Maintenance discussed ongoing overtime drivers within the Department of Pumping and Sewer Operations. She noted that ongoing storm events, bottled water distribution for water main breaks, providing support to water crews during boil water events, and vacation shift coverage for distribution and collection operators were contributing factors. Drivers specific to 2024 included coverage for pump outage and heavy cleaning at the Rock Creek Pump Station which experienced a two-month outage, 24/7 coverage and response to emergencies, cleaning, and disinfection of the Brentwood Reservoir, the Van Ness Reservoir outage and Aqueduct support. Strategies to address overtime going forward include establishing the third shift to respond to sewer emergencies after hours, developing specialized task codes for visibility of overtime cost drivers, and increasing management oversight of overtime usage and reporting.

Mr. Collier noted addition work has been required for addressing maintenance issues with the Blue Plains biosolids facilities which see heavy wear from hot and gritty sludge and at ten years old is encountering issues.

Mr. Collier noted working with Finance and People and Talent to create five new FTEs to address the workload. Nick Passarelli, Vice President, Wastewater Operations noted a large wave of retirements in the Operations group. Mr. Giancola inquired if there is adequate staffing in Operations. Mr. Passarelli noted that there were positions to be filled and that efforts to fill the positions were ongoing. Mr. Giancola inquired if there are apprentice or journeyman programs to train new staff. Mr. Collier discussed the training pathway for new staff in Operations, which provides on the job training comprising an in-house journeyman program. Ms. Sowell stated that Department of Pumping and Sewer Operations has an apprenticeship program with four apprentices on the pumping side and three on sewer side. There are also apprentices in maintenance.

Mr. Giancola inquired if there are adequate backup pumps to put in place if one is lost. Ms. Sowell confirmed that there is a backup pump for most pumps and noted that the recent Rock Creek outage was due to two pumps being down.

IV. AGENDA FOR NOVEMBER 2024 COMMITTEE MEETING

The agenda for the November 2024 committee meeting was reviewed. It will include a quarterly update on the Capital Improvement Program.

V. EXECUTIVE SESSION

The Committee met in executive session to obtain legal advice and preserve attorney-client privilege or settlement terms under D.C. Official Code § 2-575(b)(4)(A).

VI. ADJOURNMENT

The meeting adjourned at 10:49 AM.



**MINUTES OF THE MEETING
AUDIT AND RISK COMMITTEE
OCTOBER 24, 2024
(via Microsoft Teams)**

COMMITTEE MEMBERS PRESENT

1. Floyd Holt, Principal, Chairperson, Prince George's County
2. Jed Ross, Alternate, Vice Chairperson, District of Columbia
3. Howard Gibbs, Principal, District of Columbia
4. Richard Jackson, Principal, District of Columbia
5. Anthony Giancola, Principal, District of Columbia

OTHER BOARD MEMBER

1. Jonathan Butler, Alternate, Prince George's County

DC WATER STAFF

1. David L. Gadis, Chief Executive Officer & General Manager
2. Marc K. Battle, Chief Legal Officer and EVP, Government and Legal Affairs
3. Matthew T. Brown, CFO and EVP, Finance, Procurement and Compliance
4. Wayne Griffith, Chief Administration Officer and EVP
5. Michelle Rhodd, Secretary to the Board

The Audit and Risk Committee meeting was called to order by Floyd Holt, Chairperson, at 11:01 AM. The meeting was held via Microsoft Teams. Board Secretary Michelle Rhodd called the roll.

I. INTRODUCTION OF NEW INTERNAL AUDITORS (CHERRY BEKAERT)

Wayne Griffith, Chief Administration Officer introduced Francis Cooper, Director of the Enterprise Program Management Office (EPMO), to discuss the transition to the Authority's new internal auditor, Cherry Bekaert after many years of stellar service from RSM.

Christian Fuellgraf of Cherry Bekaert introduced his team which includes himself in the role of relationship partner, Denise Lippuner, operations and financial audit partner, Neal Beggan, IT audit partner, Yani Diaz, senior manager, Paul Folkers, subject matter expert, and Tiffany McCoy, project manager.

Mr. Fuellgraf provided an overview of Cherry Bekaert, which he highlighted as a top 20 accounting and advisory firm with a focus on CFO solutions. Cherry Bekaert also provides technology support and tax and audit work.

Ms. Lippuner described the core services offered by Cherry Bekaert including digital advisory, risk advisory, and cybersecurity advisory services.

Ms. McCoy noted that her team had been onboarding into the organization and becoming familiar with the people, processes, and technologies at the Authority. This has included meetings with the RSM and DC Water leadership groups. RSM has provided a history of the work they have completed for the Authority over the last decade. Cherry Bekaert is prepared to execute the 2025 audit plan with the help of staff, executive leadership, and the Board. The aim is to provide a seamless transition with minimal impact to operations. She advised that the Authority could expect a similar look, feel, and cadence to reporting as they experienced with RSM and noted that any updates and changes would be implemented slowly.

II. INTERNAL AUDIT UPDATE

A. FY 2024 INTERNAL AUDIT PLAN STATUS UPDATE

Dan Whelan, RSM presented an audit update noting that all audits are completed. He stated that the transition process with Cherry Bekaert is going well, and Cherry Bekaert will have full responsibility for internal audit activities after this meeting.

Sophie Tomeo, RSM noted appreciation for the engagement with DC Water over the last 10 years. She noted that the Audit & Risk Committee has helped to hold RSM and Management accountable for improving the risk posture at DC Water.

Ms. Tomeo reviewed the Open High Risk Findings Dashboard which included four items: the DWO Work Order Management Audit, the Fleet Management Audit, the Genesys ITGC Review. and Internal and External Penetration Testing.

With respect to the Fleet Management Audit, she noted that the finding was due to a lack of current policies and procedures. To address this, Fleet has drafted a RACI chart and 15 Authority-wide Fleet SOPs and 10 Fleet policies. While fleet has done all it can to address the finding, during legal review issues items in the policies were identified which will require further time to consult with union representatives. No new target date has been set for this item.

After a full review of the Work Order Management Audit, Management plans to accept the risk related to the remaining gap between current data capture rates

which increased from 1.27 percent of labor hours and 46.56 percent of materials costs where required on work orders, to 87.72 percent of labor hours and 61.03 percent of materials cost data capture.

Challenges to achieving 100 percent capture, which contributed to Management's decision to accept the current capture rate, include the following:

- Material costs are not incurred for all work orders.
- Resource-intensive manual review is required to confirm accuracy of material cost capture.
- Reconfiguration of Maximo to allow for quick monitoring of material cost capture accuracy has halted due to the planned move to Cityworks software.

B. STATUS UPDATE ON PRIOR AUDIT FINDINGS

Emily Lowien provided a status update on prior audit findings, noting that none remain open from prior to FY23. There are four prior to FY23 findings in "pending testing" status but these are expected to close with follow up from Cherry Bekaert.

There are four open audit findings from FY23 audits, including those discussed in the Internal Audit Update, and two additional items, one which will move to testing this month and one for which a new target date is being determined with management.

In total 94 percent of all prior audit findings from FY17 to FY23 are closed.

C. TRAINING AND RECRUITING AUDIT

Stephanie McKee, RSM presented the training and recruiting audit update, which was conducted for the audit period July 1, 2023, to June 30, 2024.

For the training audit, the following four sub-processes were reviewed:

- Required training curriculum.
- Training assignment by role and tracking methods.
- Training completion and escalation processes.
- Maintenance of training records.

For the recruiting audit, the following six sub-processes were reviewed:

- Vacancy justification and requisition creation.
- Approval of job descriptions.
- Sourcing and screening requirements.
- Candidate interviewing.
- Evaluation and selection criteria.

- Compliance with EEO and applicable collective bargaining agreements.

Ms. McKee provided an overview of the training areas considered, which included those using DC Water's Oracle Human Capital Management (HCM) module, Talent Management, and the Cyber Security Services team. The Training Escalation Protocol was produced two years ago to ensure training compliance and since its introduction, the team has seen marked improvements in training compliance.

Ms. McKee provided an overview of the recruiting department at DC Water to give Board members an idea of the size and scope of the department. As of June 2024, the average time to hire for a position was 58.7 days, there were 78 total active vacancies, and the total active headcount was 1,219 employees.

Committee member Anthony Giancola noted that the vacancy rate is reported as both a total vacancy rate and an active vacancy rate and inquired about the progress of the review of long-term vacancies to determine which positions could be eliminated. Mr. Griffith noted that the Human Resources team was being very thorough in understanding opportunities to either eliminate vacant positions or repurpose them to meet new staffing needs.

Mr. Giancola stated that there are vacancies in Operations which may require staff reallocation to fill. He asked if there is a deadline to complete the vacant positions review. Matthew Brown, Chief Financial Officer stated that the goal is to complete the review before the budget presentation in January.

Mr. Giancola stated he looks forward to when reporting looks at all vacancies not just active vacancies and suggested it may be that there are not enough people working at People and Talent to address the vacancy issue.

Ms. McKee reported that there were two moderate risk findings as a result of the audit.

D. HOTLINE UPDATE

Samantha Bement presented the Fraud, Waste, and Abuse Hotline Update.

The call volume was low at just three calls in Q4. All previous calls for the year had been closed out. Of the three new calls, two were related to policy issues and one was a workplace violence issue. None of the new calls were related to fraud, waste, or abuse.

She noted an overall significant increase in calls over 2024 compared to recent years but stated that the majority of the calls were not related to fraud, waste, or abuse.

Four calls were related to fraud, waste, or abuse and were forwarded to the appropriate departments and addressed accordingly.

Ms. Bement confirmed that RSM was working with Cherry Bekaert to transition the Hotline role.

E. RISK ASSESSMENT RESULTS & PROPOSED FY25 AUDIT PLAN

Ms. Bement reviewed the risk assessment survey results.

The risk assessment involves meetings with Management and interviews with Management and members of the Board to understand changes within the Authority that might impact risk areas.

Two surveys were administered. There were six responses to the survey sent to Board members and 34 out of 50 members of Management responded to the Management survey. Based on the interview and survey information RSM updated the full risk register which was reconciled with ERM risks.

Ms. Tomeo reviewed the nine risk themes identified during the risk assessment and noted some themes were interdependent.

Asset Management and Aging Infrastructure must be balanced with *Spend Management and Affordability* and *Capital Program Funding and Execution* to address infrastructure needs with budgetary considerations. *Climate Change and Safeguarding of Assets* is of increasing importance with the increase in extreme weather events.

Cyber security risks are increasingly arising due to external threat actors. Related themes for DC Water are *Internal and External Threat Detection* and *Endpoint Security*. *Data Strategy and Management* relates to the identified data capture issues and is improving as the open audit findings are addressed.

Work Order Management escalated this year due to the upcoming transition to a new work order system.

Third Party Risk Management has been highlighted due to service provider issues such as the recent CrowdStrike event, which highlighted how a single vendor can impact organizations worldwide.

Ms. Tomeo reviewed the results of the Board and DC Leadership survey. There was alignment on the following top three enterprise-wide risks identified by both survey groups:

- Operational: Reliability (e.g., single source of water, asset failure, aging infrastructure).
- Financial: Revenue erosion and expenditure increase.
- Technological Cybersecurity.

The Board identified *Regulatory: New and changing regulations (e.g., federal, state, local)* as the fourth most important enterprise-level risk, while DC Water Leadership selected *Talent management (e.g., development, succession planning, skills)* as the fourth most important risk.

Mr. Giancola inquired if the six Board members that completed the survey were included in the list of those who completed interviews. Ms. Tomeo stated that it is not possible to know because Board survey was anonymous. She noted that the survey included an option to request an interview but no Board members who were not already on the interview list requested this option.

Mr. Giancola inquired about the fifth priority chosen by the Board. Ms. Tomeo stated that all but the top four priorities received one vote each so there was no clear selection for fifth place.

Ms. Tomeo reviewed the internal audit approach including the project types, which include cycle audits, ad hoc audits, and management assessments. The audit approach evaluates the design and operating effectiveness of the internal control environment. For management assessments, the internal audit will review and analyze existing processes and data to identify strategic improvement opportunities for management.

F. PROPOSED FY25 INTERNAL AUDIT PLAN

Ms. Tomeo reviewed the FY25 audit plan, beginning with those items that are completed as cycle audits. The planned cycle audits include Contract Compliance, Work Order Management Audit – Facilities, Strategic Plan Monitoring, and SCADA Penetration Testing.

Ad hoc audits will include a Budget Monitoring Audit, a Third-Party Vendor Management Audit, a Safety Audit, and a Cloud Security Audit.

Management assessments will include a Data Governance and Reporting Assessment and an AI Policy Governance Assessment.

Mr. Giancola stated that he has been on the Board for seven years and on the Audit Committee as chair or a Committee member for most of that time. For the duration, RSM was the Authority's internal auditor. He thanked and congratulated the RSM

team for their excellent work and service to DC Water. He noted his hope for a continuation of excellence with Cherry Bekaert. Howard Gibbs echoed this appreciation and wished everyone success in the future.

III. EXECUTIVE SESSION

The Committee met in executive session to discuss security matters under D.C. Official Code § 2-575(b)(8).

IV. ADJOURNMENT

The meeting adjourned at 12:31 PM.



**MINUTES OF THE EMERGENCY MEETING OF THE
HUMAN RESOURCES AND LABOR RELATIONS COMMITTEE
OCTOBER 31, 2024
(via Microsoft Teams)**

COMMITTEE MEMBERS PRESENT

1. Jed Ross, Chair, Principal, District of Columbia
2. Christopher Herrington, Fairfax County
3. Jonathan Butler, Alternate, Prince George's County
4. Rachna Bhatt, District of Columbia

DC WATER STAFF

1. David L. Gadis, CEO and General Manager
2. Marc Battle, Chief Legal Officer and EVP, Legal and Government Affairs
3. Matthew Brown, Chief Financial Officer and EVP Finance, Procurement and Compliance
4. Wayne Griffith, Chief Administration Officer and EVP
5. Jeffrey Thompson, Chief Operating Officer and EVP
6. Michelle Rhodd, Secretary to the Board

The Emergency Meeting of the Human Resources and Labor Relations Committee was called to order by Chairperson Jed Ross at 8:01 AM. The meeting was held via Microsoft Teams. Board Secretary Michelle Rhodd called the roll.

I. MASTER COMPENSATION AGREEMENT DISCUSSION

Jed Ross, Committee Chair, initiated the discussion to move the Master Compensation Agreement to the full Board. Mr. Ross asked if they committee members have comments or concerns about the Agreement, to which there were none.

Mr. Ross also noted that the Master Compensation Agreement has been funded, ensuring that all board members are aware of the financial backing for the agreement. He concluded the meeting by noting that the Committee will move the Master Compensation Agreement to the full Board for consideration for approval.

II. ADJOURNMENT

There being other business to come before the Committee the meeting adjourned at 8:04 AM.



CEO's Report

NOVEMBER
2024



ACCOUNTABILITY TRUST TEAMWORK CUSTOMER FOCUS SAFETY WELL-BEING

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dc Highlights

Interim Chair Bhatt, and members of the Board, it is my pleasure to present you with the CEO's Monthly Report for November 2024. This report captures the highlights of the team's efforts over the past month, across the five cascading imperatives of the Blueprint 2.0 strategic plan: **Equitable, Sustainable, Resilient, Reliable, and Healthy, Safe and Well.** There are also individual reports from Finance and Procurement; Administrative; Customer Experience; Information Technology; Operations and Engineering; and People and Talent, as well as the monthly update from Internal Audit.



People and Talent Leadership Update



On Tuesday, October 1, I shared the news with staff that **Keith Lindsey** (Chief of Staff and EVP / Office of the CEO) has agreed to immediately shift his focus to leading our People and Talent team during recruitment for our vacant Chief People Officer and EVP position.

Mr. Lindsey is a natural fit for the next phase of our recruitment process, and I am grateful for his leadership and willingness to serve where he is needed most. Earlier this year, Keith oversaw the Authority's partnership with Accenture to analyze business needs across several areas, including People and Talent.

Mr. Lindsey's years of human resources experience, and previous term as interim lead for People and Talent will help ensure ongoing success.

Amber Jackson, who served as the initial People and Talent lead following Ms. Dorsey's departure, did a remarkable job leading our teams. She kept the department moving forward and provided excellent leadership for her teams during the initial transition. Her leadership was so impressive and well received by staff, that Ms. Jackson was offered, and accepted, a promotion to the position of Vice President, Employment, Labor, and HR Compliance.

Customer Service Week Appreciation



Monday, October 7, marked the beginning of Customer Service Week, an international celebration of the importance of customer service and the professionals who serve and support customers daily. As the primary first point of contact for those we serve, our Customer Care agents set the tone for the Authority's relationship with our customers.

In my note to staff celebrating the observance of Customer Service Week, I reminded them that not only are they the first point of contact, but they also lead by example. The professionalism and performance that this team delivers on a consistent basis raises the bar of expectations for all employees to provide outstanding customer service at each opportunity.

I would like to thank **Meisha Thomas** (Director, Customer Care / Administration) for both her team's ongoing performance, and ensuring that we celebrate the staff who take such good care of our customers.



Sustainable

Authority Promotes 'Imagine a Day Without Water' Externally, Internally, Digitally



On Thursday, October 17, the Office of Marketing and Communications led our celebration of 'Imagine a Day Without Water.' The team organized a thorough campaign aimed at both external and internal audiences, as well as those in digital spaces.

The Outreach team, led by **Emanuel Briggs** (Director, Community Affairs / Marketing and Communications) staged a pop-up event at Golden Triangle, near the very busy Farragut North Metro station. There, the team engaged with customers on the street to ask them what they would miss most during a day without water and educate them on Authority programs.

For employees, OMAC collaborated with People & Talent to produce a Lead and Learn event based on the theme of this year's campaign, 'What's Your Drop in the Bucket?' Kirsten Williams (Chief Communications and Stakeholder Engagement Officer and EVP / Marketing and Communications) moderated a panel discussion to allow employees to share the unique ways they contribute to the Authority's work and mission.

The panel featured **Marcus McKenzie** (Senior Manager, Customer Care CIS and Performance Control / Administration), **Renard Blanchard** (General Foreman, Water Services / Operations and Engineering), **Adam Baron** (Program Manager, Hazard Mitigation / Administration), and **Pade Zuokemefa** (Manager, Budget / Finance, Procurement, and Compliance) describing the many ways – often unexpected – that their teams contribute to our work and mission. I am very appreciative of the excellent work of **Bianca McKinney** (Communications Specialist / Marketing and Communications), who helped lead the logistics and planning of the session, which drew rave reviews from staff. **Dennis Samson** (Multimedia Specialist / Marketing and Communications) directed and produced this fantastic video of employees sharing their pride over their 'drops in the bucket'

Across the Authority's social media channels and our website, DC Water called attention to 'Imagine a Day Without Water,' in the hopes we never have to experience one. This year's celebration of 'Imagine a Day' was by far the largest in scope and reach that the Authority has ever planned, and once again sets the industry standard.



dc Highlights

Resilient

CFO Brown Moderates AWWA Financial and Legal Community Roundtable on Cybersecurity



On Wednesday, October 2, **Matt Brown** (Chief Financial Officer and EVP / Finance, Procurement, and Compliance) moderated a panel at the American Water Works Association (AWWA) Financial and Legal Community Program Roundtable on Cybersecurity, held near Dulles Airport. Mr. Brown was joined by experts Omid Rahmani from Fitch Ratings, David White from Axio, and Craig Jackson from Citizens Energy Group, and the panel discussed the financial challenges posed by these risks.

The conversation focused heavily on the role of finance in efforts to mitigate risk, recognizing that while

cybersecurity risks cannot be eliminated, they can be managed effectively. Some of the strategies that the panel highlighted were maintaining strong cash reserves, cyber defenses, securing appropriate insurance coverage, and developing comprehensive operational plans for recovery. The panel emphasized that proactive financial leadership is crucial in ensuring utilities are prepared for potential cyber threats while safeguarding their operational and financial health.

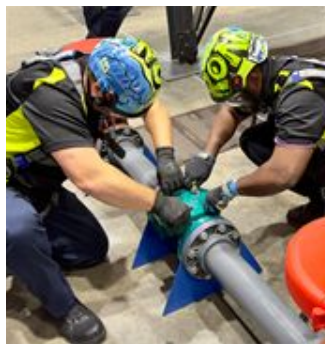
Reliable

Authority Expertise, Skill Highlighted at WEFTEC

In mid-October, the Water Environment Federation (WEF) held the Technical Exhibition and Conference (WEFTEC) at the Ernest N. Morial Convention Center in New Orleans. It is the largest annual water quality conference and exhibition in North America.

While at WEFTEC, we were proud to once again be recognized as a 'Utility of the Future Today' by the Federation. This award is given to utilities who are engaged in advancing resource recovery efforts, stakeholder relations practices, and establishing resilient, sustainable, and livable communities.

In addition to receiving our prestigious award, DC Water featured prominently throughout the event. Our renowned staff were called upon to lead and support presentations, panel discussions, technical sessions, and Team Blue Wave competed in WEFTEC Operations Challenge events.



Although the team delivered strong performances, including placing third in collections, and seventh overall, the team was unable to dominate the field as they did at Tri-Con. While the team has their sight set on winning every competition, they will take the lessons learned and apply them both in service and in competition.

dc Highlights



Healthy, Safe and Well

'Giving Back by Giving Blood' Donation Drive

dc water is life American Red Cross

Giving Back By Giving Blood

Blood Drive DC Water

Wednesday, October 9, 2024
10:00 a.m. to 3:00 p.m. • HQO Board Room

Call 1-800-RED-CROSS or visit RedCrossBlood.org and enter: "DC WATER" to schedule an appointment. Or save up to 15 minutes by visiting RedCrossBlood.org/RapidPass to complete your pre-donation reading and health history questions on the day of your appointment.

SCAN TO SCHEDULE AN APPOINTMENT

TREAT YOURSELF: Give blood for a \$10 Amazon.com Gift Card by email. Plus, automatically be entered for a chance to win a \$5,000 gift card. There will be three lucky winners! Terms Apply: rcblood.org/treat

On Wednesday, October 9, DC Water held a 'Giving Back by Giving Blood' donation drive, in support of the American Red Cross national campaign. **Edward Walters** (Program Manager, Critical Infrastructure Protection / Administration) organized and led a staff committee to organize, promote, and serve as liaisons with the Red Cross.

In all, 38 Authority employees supported the effort by donating blood, and the team organized a meaningful and timely contribution of urgently needed blood. Donors enjoyed refreshments and were monitored briefly before returning to duties.

I would like to thank Mr. Walters and the entire Committee for organizing an event that will make an impact in support of our Healthy, Safe, and Well, Resilient, and Equitable imperatives.

Authority and DDOT Execute MOU Amendment for FY 2025



I am very pleased to share that, in October, DC Water, and the District Department of Transportation (DDOT) executed a Memorandum of Understanding (MOU) that marks a significant milestone that will benefit both organizations and those we serve.

Reaching the MOU has taken considerable effort and cooperation from both agencies. The mutual support specified in the agreement will allow the Authority to accelerate the replacement of lead service lines across the District, ensuring that we can operate more efficiently, block-by-block, and DDOT will have the additional personnel required to manage an increased volume of permit requests and inspections.

Reaching the MOU with DDOT would not have been possible without the committed efforts of **Will Elledge** (Director, Engineering and Technical Services / Operations and Engineering), and our Lead Free DC team, and I applaud their results.



Divisions

The CEO report includes service level based key performance indicators. These are indicators for which the teams have established or confirmed response and resolution times in which to perform the related work. This is assisting us in identifying productivity and resource needs as well as benchmarking ourselves against other utilities. It is important to note that where teams may not meet the Service Level Targets set for a specific metric, it does not mean the work is not getting accomplished. The teams are doing a tremendous job and continue to strive to meet high performance expectations.

The data in the CEOs Monthly Report reflects the most recent information available at the time of production and printing.



Finance, Procurement, and Compliance

Financial Metrics

Metric	Target	June-24	July-24	Aug-24	Sept-24
Operating Cash Balance (millions \$)	\$306.5	\$303.9	\$328.1	\$324.3	\$320.5
Delinquent Account Receivables (%)†	3.30%	4.34%	4.26%	4.34%	4.48%
On-time Vendor Payments (%)††	97%	97%	96%	96%	96%
Investment Earnings Data (Thousands \$)	\$8.1	\$8.6	\$9.7	\$10.8	\$12.1
Core Investment Yield Data (%) - Merrill Lynch 1-3 Year Treasury Index *		4.8%	4.4%	4.0%	3.7%
Core Investment Yield Data (%) - Actual Monthly Yield †††	4.39%	4.5%	4.5%	4.2%	4.0%
Short Term Investment Yield Data (%) - Merrill Lynch 3-Month Treasury Index *		5.3%	5.2%	4.9%	4.6%
Short Term Investment Yield Data (%) - Actual Monthly Yield †††	5.03%	3.0%	4.5%	4.0%	4.0%
Days of Cash on Hand** and ***	267**	302	324	347	342***

Notes:

* Represent annual Treasury Index targets developed and provided by the Authority's investment advisor.

** 267 days of cash is the Board policy requirement for annual days of operating reserves excluding the Rate Stabilization Fund.

***342 days of cash is made up of 34 days in the Rate Stabilization Fund and 308 days in the operating cash balance.

Metrics Explanations:

† Delinquent account receivables as a percentage of 12-month rolling average revenue. The delinquent account receivables increased due to the impact of COVID-19.

†† The vendor payments goal may fluctuate slightly as we continue to research and resolve payments.

††† Investment earnings lag the benchmarks. We are in a rising interest rate environment. As lower yielding investments are sold and reinvested, performance is expected to improve.

Finance Highlights

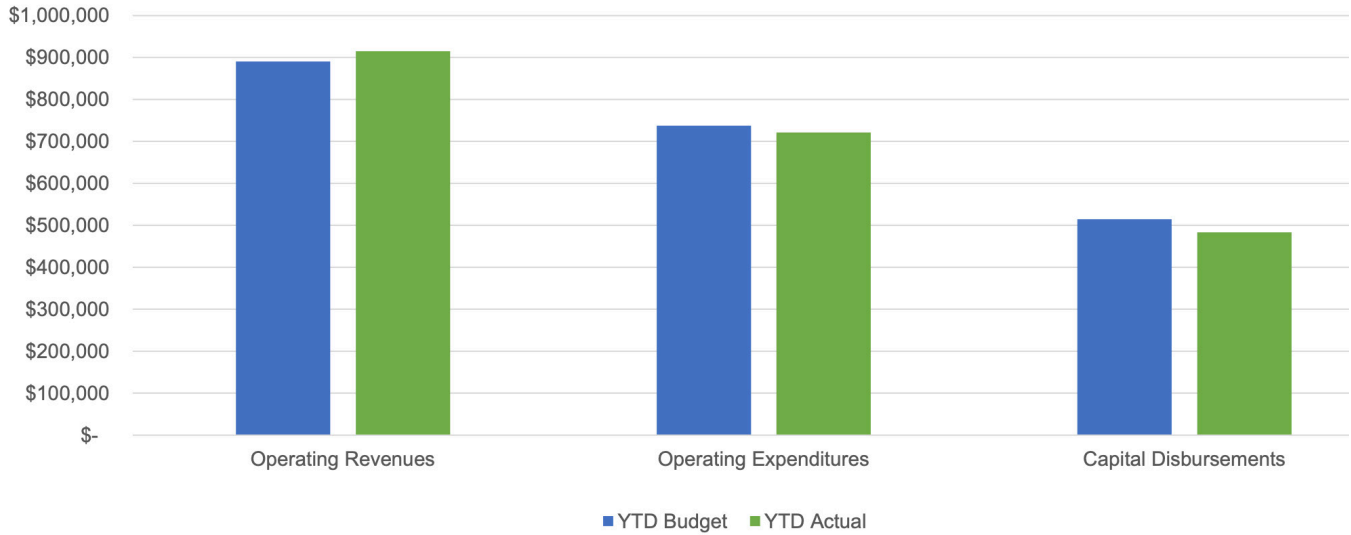
FY 2024 Financial Performance

The information presented here are preliminary estimates that could change based on year-end financial transactions and the annual financial statement audit. The FY 2024 year-end closeout activities, including preparation for the financial statements audit in accordance with United States Generally Accepted Principles, is currently underway and are expected to be completed in late December 2024.

DC Water ended FY 2024 favorably with actual revenues above budget and estimated operating expenditures and capital disbursements below budget. Total operating expenditures were \$721.1 million or 97.8 percent and capital disbursements were \$483.5 million or 93.9 percent of the respective budgets.

Total operating revenues were \$914.9 million or 102.7 percent of the revised budget. The higher receipts were mainly due to slightly higher CRIAC in the Residential and Commercial categories, and higher consumption in the Residential, Commercial and Multi-family categories as compared to the revised budget.

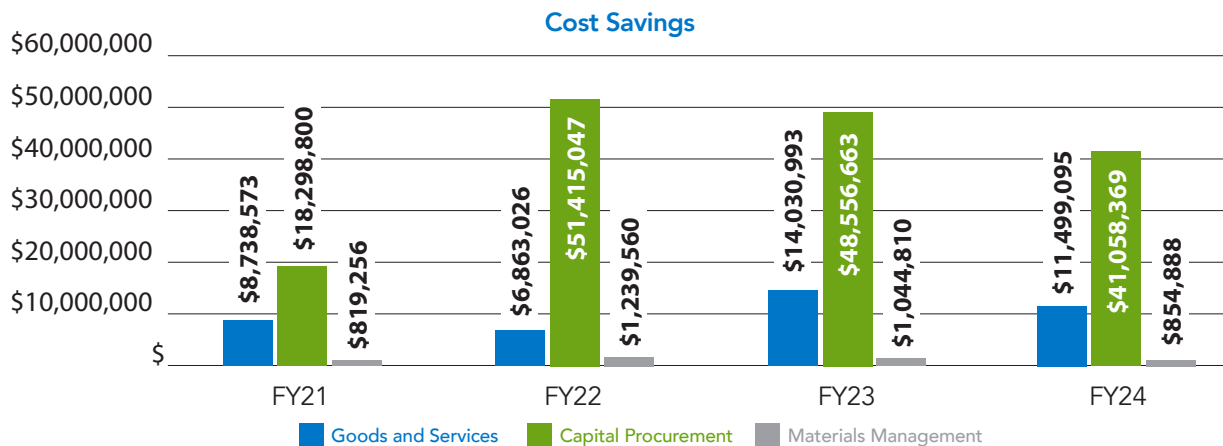
FY 2024 Year to Date Performance Budget vs. Actuals (\$000's)



Procurement

Cost Savings (negotiated savings and cost avoidance):

The chart shows the cost savings from FY 2021 to FY 2024 year-to-date achieved by Procurement through the competitive solicitation process in the Capital Project and Goods / Service solicitations and the cost avoidance achieved in the Materials Management through the inventory optimization. Procurement achieved a total savings of \$53,412,352 in FY 2024.



- continued

dc Finance, Procurement, and Compliance

Procurement – continued

Highlights

Contract Compliance

In October, six different procurement actions were approved. The value of the eligible procurement actions for this period totaled \$135.25 million. Of this total, the planned certified firm participation is \$43.38 million (in prime and subcontracting opportunities).

Program. There are now eleven qualified primes for the program, including four firms that have not primed with DC Water before, as well as, two certified firms.

- Murphy Pipeline was awarded its second task order (Task Order 19) with the Lead-Free DC Project.

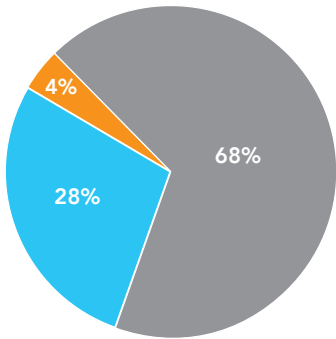
New Contractors

- Four new contractors were qualified to participate as primes in the Small Diameter Water Main Replacement

Contract Compliance

In October, six different procurement actions were approved. The value of the eligible procurement actions for this period totaled \$135.25 million. Of this total, the planned certified firm participation is \$43.38 million (in prime and subcontracting opportunities).

The following pie chart summarizes the certified firm participation:



Certified Firm Participation July 2024 Awards

Participation:
DBE: \$37.89M
WBE: \$5.49M
Non-certified: \$91.87M

Highlights:

- Thirty Certified Disadvantaged/Women Business Enterprises were awarded subcontracts on DC Water projects.
- Three new mentor protégé relationship was established.



As of this report, DC Water Contractors have filled no new positions in FY 25.



Fleet, Facilities, Safety, Security and Emergency Management

Administration Metrics

Metric	Target	June-24	July-24	Aug-24	Sept-24
Security: Camera operational uptime	90%	96%	96%	97%	96%
Security: Smart card readers operational uptime	90%	97%	97%	97%	96%
Security: Percent of security investigations completed within 21 days	95%	100%	100%	100%	100%
Facilities: Preventive Maintenance Completion Rate	90%	76%	76%	77%	84%
Facilities: Service Request Completion Rate	90%	87%	86%	91%	91%
Fleet: Preventive Maintenance (PM) on Schedule	96%	78%	79%	96%	86%
Fleet: Priority Vehicles/Equipment (In-Service)	96%	94%	91%	85%	63%
Safety: DC Water Employee Recordable Incident Rate (RIR) (FY)	< 4.9	1.7	1.8	1.7	1.7
Safety: DC Water Employee Lost Time Incident (LTI) (FY)	< 1.7	1.4	1.6	1.5	1.4
Safety: Contractor/ROCIP Recordable Incident Rate (RIR) (FY)	< 2.5	0.7	0.6	0.8	1
Safety: Contractor/ROCIP Lost Time Incident (LTI) (FY)	< 1.1	0.3	0.3	0.3	0.5

Facilities Justification:

The preventive maintenance (PM) metric for the month of September is 84 percent, showing a 7 percent increase over August performance. Facilities have been reviewing the facilities work order process to identify gaps and make refinements to show performance more accurately. With help from the Enterprise Program Management Team and the IT Maximo team we have made improvements that are reflected in the metrics. Facilities will continue to work with the EPMO team to recognize and implement opportunities for strategic restructuring and work order execution. The service request completion rate for September was 91 percent. This completion rate exceeds the 90 percent goal for this KPI.

Fleet Justification:

This will be the last month Fleet reports this data set. Fleet is proud to report both targets were met. The completion rate for Preventative Maintenance was 96 percent. Of the 25 units scheduled for preventative maintenance, 24 units were brought in for service and 14 were returned to the operation. 96 percent of vehicles were brought in on time for the scheduled service. Fleet's Priority One Vehicle availability was 84 percent for the month of September.

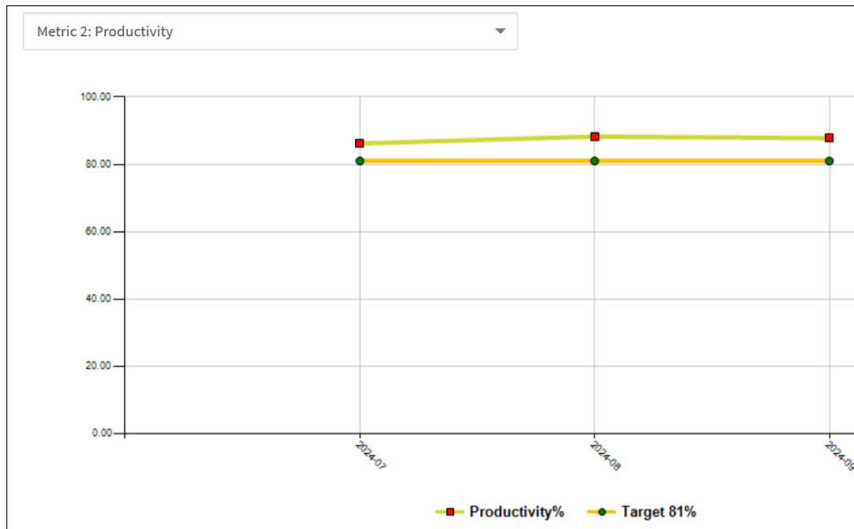
Additionally, 83 units were brought in for unscheduled service resulting in oil and filter changes, battery and safety checks, fluid top offs and repair of landscaping and seasonal equipment. Fleet responded to 44 roadside assistance calls and 47 fuel requests. Regarding disposals, a total of 9 vehicles were removed from Fleet and sent to auction. In the last year, a focused effort on disposals and auctions resulted in a profit increase of more than \$250,000.

Fleet Justification– continued

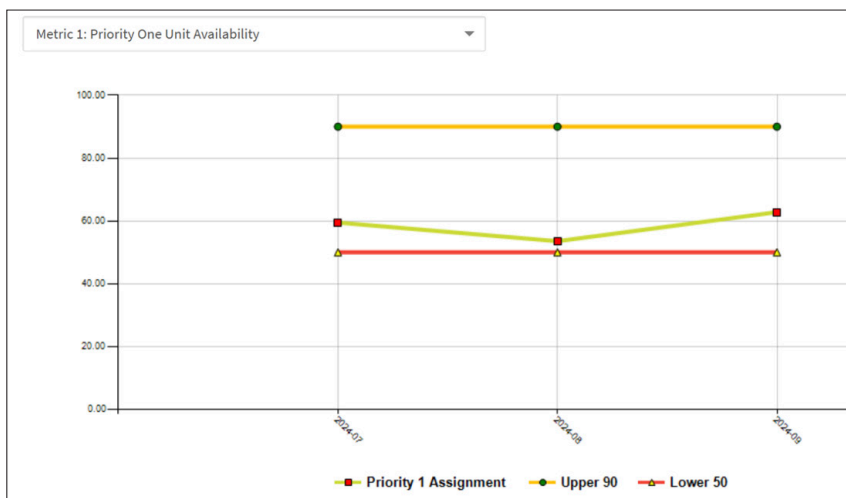
Fleet Justification– continued

The new data set is Fleet's focus on servicing and productivity which reflects the alignment of the operation with the contracted repair and maintenance services.

Productivity tracks technicians on productive versus nonproductive activities, which may be defined as breaks and on-site but unassigned duties while clocked in. In this period 88 percent of the technician hours were classed as productive. The target is 81 percent ensuring the balance of productive work verses necessary breaks etc.



Priority Assignment ensures the resources are being allotted appropriately to the immediate service and repair of our priority one units. In this period 63 percent of the technician hours were allocated to Priority 1 vehicles, this is an improvement from August (53 percent). The target range is 50-90 percent to support our goal of minimizing Priority 1 unit downtime.





Customer Assistance Programs (CAP)

In FY24, we connected eligible customers with funding, assisting 4,985 customers, which is 6 percent less than in FY23. The team is working with the DC Government to identify a larger population for assistance by creating an auto-enrollment program to consolidate all income-based assistance programs.

To increase awareness of the DC Water Cares programs, the team:

- Shared assistance opportunities through the IVR queue and incoming calls to the Contact Center.
- Sent bill messages and emails.
- Utilized DC Department of Energy and Environment's (DOEE) Utility Discount Program (UDP) marketing.
- Launched the Payment Plan Incentive Program.
- Created a Customer Assistance Video.
- Shared information at DC Water Community Events and Townhalls.

In FY25, DC Water will introduce two new assistance programs: CAP+ and Leak Assistance and Repair. CAP+ will support customers with greater needs, specifically those at 20 percent MFI or lower. The Leak Assessment program will provide certified plumber assessments and financial support from the DC Government to repair leaks, aiming to offer broader assistance and reduce water loss.

Program	FY2023 Enrolled	FY2023 Dollars	Sept Enrolled	Sept Dollars	# FY24 Enrolled	FY2024 Dollars	FY2024 Budget
CAP I	4,744	\$2,399,001	56	\$322,053	4,411	\$2,586,698	\$2,600,000
CAP II	351	\$139,714	6	\$19,211	360	\$160,586	\$300,000
CAP III	36	\$6,342	0	\$402	29	\$4,714	\$14,583
Non-Profit CRIAC Relief	182	\$875,585	65	\$330,906	185	\$997,487	\$1,022,410
DC Water Cares Residential (RAP)	2,816	\$2,930,302	0	\$-	1,660	\$1,105,135	\$1,105,135
Low-Income Housing Water Assistance Program	-	\$0	0	\$-	642	\$283,116	N/A
Homeowners Assistance Fund	293	\$256,835	45	\$27,828	68	\$38,871	N/A

dc Customer Experience

Customer Care

In FY24, the Department of Customer Care maintained productivity in both field and telework environments. Some of our significant accomplishments this year are:

- Processing and submitting the Federal Cost of Service bill timely and accurately.
- Resumed multifamily disconnection for condo properties.
- Recovered over \$3 million from accounts that were more than 60 days past due.
- Completed the Voice of the Customer Satisfaction Survey and increased participation by 50%.
- More than 42% of our department's FY24 hires were internal promotions.
- Increased customer service and reduced Council concern over residential disconnections by allowing the customers to restore service by creating a payment plan and paying a down payment.

In September 2024, the department met most of the metric targets. However, we missed the Estimated Bills as a Percentage of Meters Read target by 0.3%. The department is working to reduce estimated accounts through various strategies and plans to see improvement in this metric.

In FY24, we launched the Payment Plan Incentive Program to assist residential customers with outstanding balances in creating and maintaining payment plans. We posted the first credit adjustments in September 2024. The chart represents monthly participation and adjustment totals.

	Participants	Adjustments
September 2024	470	\$122,307
October 2024	147	\$36,068
Total Distribution	617	\$158,375

Monthly Participation and Adjustment Totals

Key Performance Indicators

Metric	Target/Service Level	July 24	Aug 24	Sept 24
% of bills issued on time (w/in 5 days)	97%	97%	97%	98%
% unbilled	< 2%	1.0%	1.1%	1.0%
Estimated bills as a percent of meters read	< 4%	4.1%	4.1%	4.3%
# of bill investigations (Disputes)	trend only	189	328	203
% of OPC inquiries resolved within 14 days	98%	100%	100%	100%
% of calls answered in 40 Seconds (Call Center)	85%	89%	88%	90%
Monthly call volume served (Call Center)	trend only	11,403	11,665	11,050
Average Wait Time (minutes)	<0:30	:22	:23	:23
Abandon rate	3%	1%	1%	3%
Emergency dispatch <= 10 Min (ECC)	> 92%	90%	100%	100%

IT Monthly Report

SR/WO Type	SL Target / SLA	July 24	Aug 24	Sept 24
Number of tickets submitted	Trend only	1243	1188	1057
Number of open tickets	Trend only	8	35	39
Helpdesk SLA	96%	98.60%	98.50%	98.80%
Number of active projects	Trend only	10	9	8
Number of completed projects	Trend only	9	11	12
On schedule performance	90%	90.91	90.91	90.91
On budget performance	90%	90.91	90.91	90.91
% AMI transmission	95%	91.49%	91.37%	91.18%

Making I.T. Happen!




Operations and Engineering

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

Key Performance Indicators

Metric	Target/Service Level	June-24	July-24	Aug-24	Sept-24
Wastewater Operations					
NPDES Permit Compliance , percent number of days	100%	100%	100%	100%	100%
Air Permit Compliance, percent number of days	100%	100%	100%	100%	100%
Biosolids Class A Exceptional Quality (EQ) Compliance, percent number of days	100%	100%	100%	100%	100%
Tunnel Dewatering Compliance, percent of events tunnel dewatered within 59 hours of end of rainfall	100%	100%	100%	100%	100%
Renewable Electrical Energy Generated On Site, percent of total use at Blue Plains AWTP	>20%	27%	24%	22%	24%
Reactive Maintenance , percent of total maintenance hours	<20%	29%	31%	29%	31%
Critical Asset Availability , percent of total critical assets at the Blue Plains AWTP	>95%	99%	98%	98%	96%
Sewer Operations					
Combined Sewer System (CSS) structures (all outfalls, regulators, tide gates) inspections	100%	100%	100%	100%	100%
* Municipal Separate Stormwater System (MS4) requirement to clean all catch basins in the MS4 Permit Area at least once annually (Jul 01- Jun 30)	14,700	14917	14944	15009	15019
* Inspection of catch basins in the CSO Anacostia tributary area at least twice per year (Jan 1- Dec 31)	11,400	3866	4299	5521	6698
* NPDES Permit to Clean and Inspect 85% of 10,700 CSS Area C/B (Jan 1- Dec 31)	9,095	876	2513	4300	5843
Miles per month Sewer Cleaning and Inspection to meet 1,400 Miles of Small Diameter (<12 inches) in 10Yr Cycle	>12	7.75	17.5	18.7	11
Sewer Backup (Investigation to Resolution) Within 24 Hours Excluding Line Breaks	>95%	98%	97%	98%	96%
Number of SSO's	Report	0	2	2	1
SSO's to Body of Water	Report	0	2	1	0
SSO's per 100 miles of pipe (YTD) (AWWA 2021 Utility Benchmarking Report)	2	2.05	2.2	2.4	2.4
SSO's per 100 miles of pipe (Water Body) (YTD)	Information Only	0.91	1.06	1.14	1.14
Combined Sewer System Overflows	0	0	0	0	0

Key Performance Indicators continued –


operations and Engineering

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

Key Performance Indicators continued

Metric	Target/Service Level	June-24	July-24	Aug-24	Sept-24
Pumping Operations					
Firm Pumping Capacity Maintained	100%	100%	100%	100%	100%
Reactive Maintenance	<20%	10%	13%	16%	16%
Critical Asset Availability	>95%	98%	98%	98%	98%
Water Operations					
Safe Drinking Water Compliance	100%	100%	100%	100%	100%
Total Fire Hydrants Replaced	>21/Month	23	23	22	21
Hydrant Flow Tests (Non-Winter Months)	>180	104	141	123	108
Fire Hydrant Operational Rate	99%	99.3%	99.8%	99.7%	99.5%
Priority 5 Emergency Water Service work orders completed w/in 24 hrs	>90%	100%	100%	100%	100%
Water Quality Complaint Resolution (within 48 hours)	>90%	90%	84%	86%	84%
Water Main Breaks	<28/Month	25	53	23	25
Water Main Break Rate /100 Miles (National Average is 25)	25	37.64	39.64	39.49	40.56
% of Hydrant Leaks in inventory that are not leaking	>90%	99%	99%	99%	99%
Permit Operations					
Overall On-time completion of Permit Reviews	85%	95%	91%	96%	95%

* Month-to-Month Cumulative Total for Catch Basin Inspection and Cleaning

Explanation of Missed Targets

Wastewater Operations Reactive Maintenance (<20 percent) – DC Water has adopted a manufacturing industry best practice benchmark of less than 20% reactive maintenance hours as a percentage of total maintenance hours. To our knowledge, there is no similar benchmark used in the public water utility sector. Blue Plains manages around 45,000 assets within our asset management/maintenance management system, and this stringent industrial benchmark is tracked as a marker for continuous improvement. Over the last four fiscal years, we have observed a descending trend in the percentage of total reactive maintenance hours, measured at an annual average, at the Blue Plains Advanced Wastewater Treatment Plant. The goal is to remain on the reduction path towards a benchmark that is appropriate for Blue Plains.

Hydrant Flow Tests (Non-Winter Months) (>180) – Hydrant Flow Tests (Non-Winter Months) (>180) During the month of September, the hydrant crew performed 180 hydrant flow tests. Of the 180 tests performed, 108 tests were approved, and 72 tests were re-tests due to system valves requiring further investigation and maintenance and other investigative activities. To consistently achieve the desired level of approved hydrant flow tests (>180/mo.), additional resources are required through a combination of filling existing internal positions and securing external support as part of the forthcoming valve and hydrant assessment program.

Water Quality Complaint Resolution (within 48 hours) – WQT resolved 38 complaints through phone call communications, visiting customer homes, and/or flushing hydrants. WQT is continuing to flush and assess seven complaints that did not meet our chlorine target levels. These areas are all located near dead-ends or pressure zone boundaries, except one area where a valve was found closed and is now open. The chlorine is lowest overall August through October in our distribution system as August is the peak water temperature month and increased microbial activity continues through October. The six areas near boundaries or dead-ends have high water age and are challenging to meet chlorine target levels during these months.

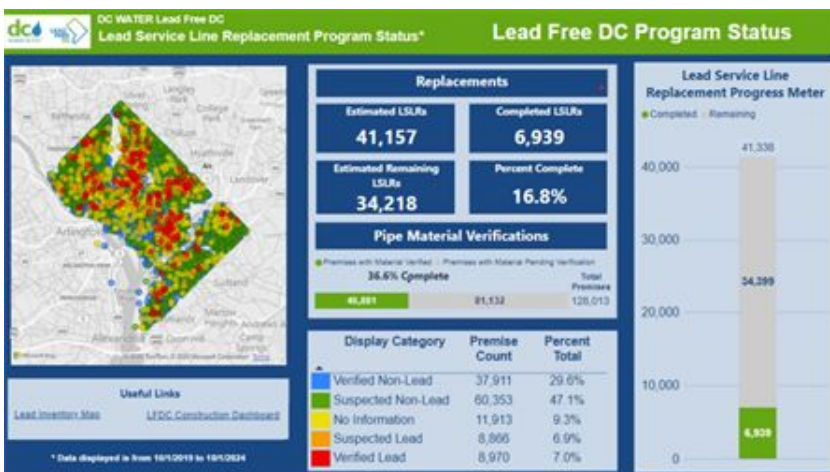
dc DC Water Capital Improvement Program

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



Lead Service Line Replacements: 2,190 in FY24 / 6,935 Total

- As of September 30, 2024, there have been 2,190 lead service line replacements exceeding the planned goal for FY24 by 10 replacements. The program has now replaced more than 6,935 LSLs since its launch.
- LFDC replaced 211 LSLs in September and the LPRAP program completed 36.
- LFG successfully completed the pilot testing program for trenchless pipe material identification technologies. Results will be shared in October.
- Construction packages 20 and 21 are being expedited to go out for bid in October.
- Continued canvassing during construction for Construction Packages 15 (1,394) and Construction Package 16 (2,430) and collected 35 percent and 51 percent signed ROE forms, respectively.
- Continued canvassing for Construction Packages 18 (3,667 homes) and 19 (5,185 homes) and collected 21 percent and 14 percent signed ROE forms, respectively.
- Participated in the following community events: H Street Festival (9/21), Hattie Holmes Fall Health Fair (9/17), DCPS Block Party (9/14), and DC State Fair (9/7).
- Delivered the following ANC presentations 8D (9/26), 4D (9/18), 3C (9/16), 7C (9/12), 8C (9/11), 8E (9/9), and 3D (9/4).



Current Project Status

- Potomac River Tunnel Contract B – Tunnel System Construction: Work at West Potomac Park site includes continued site set-up and construction of the Ohio Drive bypass road; to be named West Potomac Park Drive.
- Rock Creek Green Infrastructure Project C: NTP for the CMAR Preconstruction Phase was issued to Ft. Myer on September 27, 2024.
- Piney Branch Tunnel: Interviews with each of the three shortlisted teams, Clark, Kiewit, and Land, occurred the week of September 16.

People and Talent Metrics

Metric	Target	June-24	July-24	Aug-24	Sept-24
Vacancy Rate ¹	6%	12.1%	10.9%	11.3%	9.6%
Temporary Alternative Duty Program (TAD) ²	50% of WC claims eligible for TAD program	75% (25 out of 32)	79% (27 out of 32)	79.5% (35 of 44)	79.5% (35 of 44)
Self-Identified Veterans (Active) ⁴		26	28	28	28
Female Workforce (Active) ⁵		22.80%	23.2%	23.0%	22.9%

Key Performance Indicators (KPI) Benchmark

KPI Definition	Business Relevance
¹ "Vacancy Rate = 1 – (Filled Positions / Total Headcount); then converted into a percentage Total Headcount = Budgeted Headcount – Vacancies Greater than 180 Days Old	This KPI measures the organization's vacancy rate related to vacancies that are in the process of being filled (i.e., under management review before recruitment -OR- under recruitment)
² Percentage of Workers' Compensation claims eligible for placement into TAD program	The more claims eligible for TAD program will reduce overall Workers' Compensation costs and claim exposure for the Authority, leading to realized financial savings.
⁴ US Armed Services	This KPI is linked to workforce Diversity, Equity and Inclusion and growing the percentage of veterans in the workforce, with a focus on increasing the representation of veterans within the workforce.
⁵ Number of Female employees in the current workforce. Calculation - Number of female employees in the active workforce divided by the total number of employees in the active workforce at a specific point and time.	This KPI is linked to workforce Diversity, Equity and Inclusion and growing the percentage of women in the workforce, with a focus on increasing the representation of women in non-traditional roles.

Annual Turnover metrics:

Year	2020	2021	2022	2023	YTD2024 (Annualized)
Involuntary	0.58%	1.01%	0.78%	1.97%	1.83%
Voluntary (Resignation, Retirement)	4.08%	4.15%	5.77%	5.55%	6.31%
Other	0.25%	0.55%	0.10%	0.09%	0.23%
Total Turnover Rate	4.92%	5.71%	6.65%	7.61%	8.37%

*AWWA Benchmark: 7% turnover rate.

Government Affairs Highlights

DGLA has been monitoring the EPA's new Lead and Copper Rule Improvements. The newly issued final rule includes the following:

- All public water systems will be required to replace all lead service lines and galvanized requiring replacement lines within ten years of the compliance date of the rule, which will be three years after its publication in the Federal Register.
- Replacement is required whenever a public water system "controls" a lead service line. According to EPA, this is when a water system has "legal or physical access" to the line. If a water system does not replace a lead service line due to lack of access, it must explain its reasoning to the state.

- The final rule "eliminates regulatory text stating that water systems are not required to bear the cost of replacement of the portion of the service line that they do not own." The rule does not require water systems to cover the cost of private-side LSL replacement, but "strongly encourages" them to do so.
- Partial lead service line replacements are prohibited except for emergency repairs or in coordination with planned infrastructure work. If a water system has access it must fully replace the line. If owner consent is required, a "reasonable effort" to obtain consent through at least four different attempts must be made.

Legal Affairs Highlights

General Litigation

includes cases filed by and against DC Water. DGLA tracks all ongoing litigation and provides quarterly updates.

	4th Quarter FY 2024	FY 2024 YTD
Cases Managed	38	52
New Cases	7	26
Cases Closed	6	21
Amount Demanded of DC Water in Closed Cases	\$10,528,342.63	\$19,975,347.74
Amount Paid by DC Water in Closed Cases	\$15,000.00	\$69,150.00

Revenue Recovery Cases In FY 2024, DGLA has recovered \$934,500 for damages to DC Water infrastructure. DGLA has a case pending in DC Superior Court requesting \$1.5 million for damages to a DC Water sewer. This case is stayed pending private mediation. In addition to affirmative litigation, DGLA's revenue recovery efforts include petitioning the court to appoint receivers for delinquent multifamily (apartment) properties as well as enforcing our liens on properties going through foreclosure or bankruptcy proceedings. Currently, DGLA is managing 93 open bankruptcy cases and 185 open foreclosure cases, in addition to the receiverships discussed below. In FY 2024, 7 bankruptcies were discharged with full recovery of funds. DGLA also collected IAC charges from CSX in the amount of \$750,000.

FY 24 Receivership Review

Active Receiverships Appointed by Court	12 (ongoing)
Payment Plans Established	12 (post filing) 18 (pre filing) 30 total
Stayed Due to Bankruptcy Filing	5
Pending Hearing to Appoint Receivership	4
Paid in Full Before Filing	18 (\$781,837.39)
Paid in Full After Filing	10 (\$528,797.08)

Freedom of Information Act

DGLA manages requests from the public for information as required by the DC Freedom of Information Act (FOIA). Among other things, the FOIA requests received in September related to various DC Water infrastructure projects, DC Water vendor information, and insurance claims.

FOIA Data

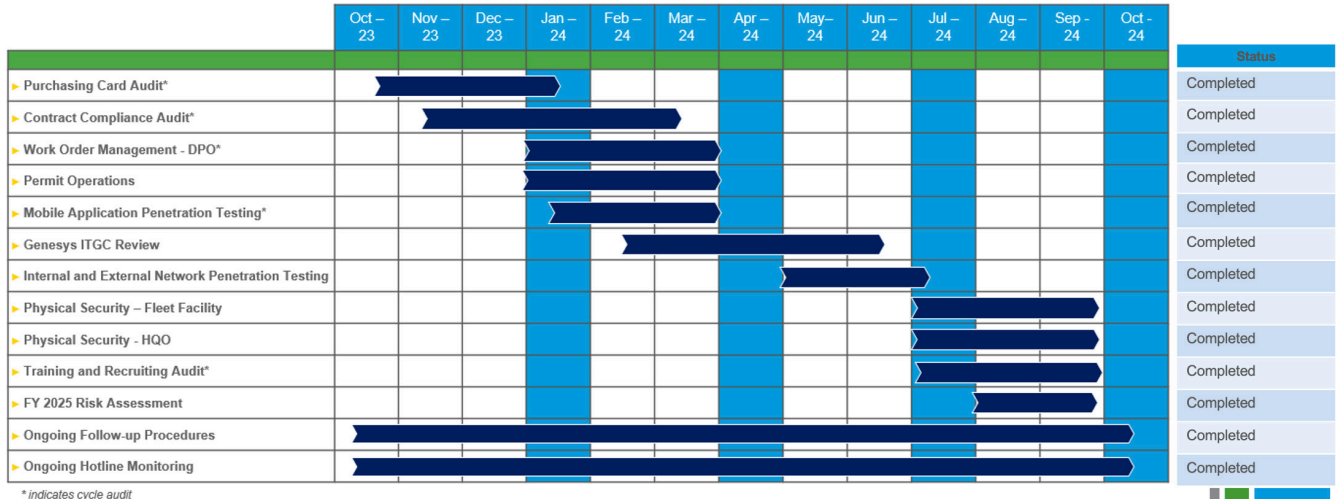
Open Requests	42
Requests Opened this Month	8
Requests Closed this Month	3

Other Legal Matters

Type of Legal Matter	# Reviewed/ Processed
Contracts	11
Agreements	1
Easements	1
Subpoenas	0

Internal audit plan FY2024 timeline

This timeline represents the FY 2024 audit plan and the status of each project. Annually the Internal Audit team, RSM, conducts a risk assessment and presents the results and the audit plan to the Audit & Risk Committee in October.



Open high risk prior audit findings

Audit FY	Issue Date	Audit Report	High Risk Open Finding	Original Target Date	New Target Date	# Extensions	
1	2023	7/27/2023	DWO Work Order Management Audit	Failure to capture work order labor and materials data	8/31/24	N/A	N/A
				Management has partially remediated this finding. Management plans to accept the risk related to the remaining gap between current data capture rates and target data capture rates. Detail regarding what has been accomplished to date and existing challenges that led to the decision for partial risk acceptance shared during October Audit & Risk Committee meeting.			
2	2023	10/26/2023	Fleet Management Audit	Lack of current policies and procedures	9/1/24	TBD	1
				Fleet has drafted a RACI chart, 15 Authority-wide Fleet SOPs and 10 Fleet policies. During legal review, OLA identified a need to collaborate with the union representatives to align the 10 policies with the collective bargaining agreements, which will result in an extended policy review window. All remediation activities owned by the Fleet department have been completed, but the policies will not be finalized until union review is completed.			
3	2024	7/18/2024	Genesys ITGC Review	Findings Issued in Executive Session	1/31/25	N/A	0
				Two findings remain open.			
4	2024	7/18/2024	Internal and External Penetration Testing	Finding Issued in Executive Session	1/31/25	N/A	0
				Two findings remain open.			

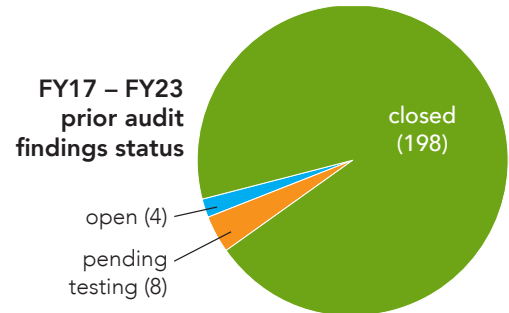
Open Prior Audit Findings

Audit Report / Subject	Issue Date	Open
Work Order Management Audit – DWO	7/27/2023	1
Fleet Management Audit	10/27/2023	3
		total
		4

█ At least one original remediation target date has been extended

In total, 94 percent of all prior audit findings from FY17 – FY23 are closed. Management’s target closure rate is 95 percent.

*Note that the audit findings reported above represent open findings through the FY23 Audit Plan year



“Pending Testing” indicates that Management represents that the Action Plan is completed, but Internal Audit has not yet performed testing to validate the status.



Presented and Approved: November 7, 2024

SUBJECT: Approval to Award Base Year and Two Option Years of Contract No. 10491, Calcium Hydroxide, W. K. Merriman, Inc.

**#24-77
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 November 7, 2024 upon consideration of a joint use matter, decided by a vote of ____ () in favor and ____ () opposed to approve the award of a Base Year and Two Option Years of Contract No. 10491, W.K. Merriman, Inc.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute the Award of a Base Year and Two Option Years of Contract No. 10491, W.K. Merriman, Inc. The purpose of this contract is to supply and deliver calcium hydroxide which is used in the Nitrification Facility to adjust pH levels. The total value of the base year and two option years is \$3,070,000.00.

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 AWARD YEAR

**CALCIUM HYDROXIDE
(Joint Use)**

Approval to exercise base year and to approve funding for the base year and all option years (OY1 – OY2) for the supply and delivery of calcium hydroxide (also called “lime slurry”) in the amount of \$3,070,000.00.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME: W.K. Merriman, Inc. 8038 Front River Road Pittsburgh, PA 15225	SUBS: N/A	PARTICIPATION: N/A WBE – 100%
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DESCRIPTION AND PURPOSE

Base Period Contract Value:	\$993,000.00
Base Period Contract Dates:	12-01-2024 – 11-30-2025
No. of Option Years in Contract:	2
Total Option Year 1-2 Value:	\$2,077,000.00
Option Year 1-2 Dates:	12-01-2025 – 11-30-2027
Total Number of Proposal	2

Purpose of the Contract:

To supply and deliver calcium hydroxide. Calcium hydroxide is used in the Nitrification Facility to adjust pH.

Contract Scope:

This contract is to provide calcium hydroxide to the Blue Plains Advanced Wastewater Treatment Facility for DC Water’s Department of Wastewater Treatment (DWT). DWT has an ongoing need for calcium hydroxide in slurry form to feed the Nitrification Facility at the Blue Plains Wastewater Treatment Plant. The product is used in the Biological Nutrient Removal process for pH control.

To ensure supply security, calcium hydroxide was awarded to two companies with independent supply chains. W.K. Merriman, Inc. is awarded 90% (this request) and Suffolk Solutions is awarded 10%, of DC Water’s requirements.

This contract action exercises the base year. Option years will be exercised annually.

Supplier Selection:

An open-market RFP (DCW-SOL-24-10388) for calcium hydroxide supply and delivery was released on June 11, 2024. Two companies, W.K. Merriman and Suffolk Solutions, responded. Both of them are existing suppliers to DC Water.

The final selection, and percentage award distribution, is based on technical evaluation and pricing.

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PROCUREMENT INFORMATION

Contract Type:	Good and Services	Award Based On:	Best Value
Commodity:	Calcium Hydroxide	Contract Number:	10491
Contractor Market:	Open Market		

BUDGET INFORMATION

Funding:	Operating	Department:	Wastewater Treatment
Project Area:	Blue Plains	Department Head:	Nicholas Passarelli

ESTIMATED USER SHARE INFORMATION

User - Operating	Share %	Dollar Amount
District of Columbia	43.27%	\$1,328,389.00
Washington Suburban Sanitary Commission	41.18%	\$1,264,226.00
Fairfax County	10.02%	\$307,614.00
Loudoun Water	4.81%	\$147,667.00
Potomac Interceptor	0.72%	\$22,104.00
TOTAL ESTIMATED DOLLAR AMOUNT	100.00%	\$3,070,000.00

Signed by: Jeffrey F. Thompson 10/6/2024
F4AB0877-3A85-4501-88AF-12CD8F3F2AAD
 Jeffrey F. Thompson Date
 Chief Operating Officer, EVP

DocuSigned by: Korey Gray 10/7/2024
F4AB0877-3A85-4501-88AF-12CD8F3F2AAD
 Korey Gray Date
 Vice-President of Compliance and
 Interim Chief Procurement Officer

DocuSigned by: Matthew Brown 10/7/2024
F4AB0877-3A85-4501-88AF-12CD8F3F2AAD
 Matthew J. Brown Date
 CFO and EVP of Finance and Procurement
 and Compliance

David L. Gadis 10/21/2024
 David L. Gadis Date
 CEO and General Manager

Presented and Approved: November 7, 2024

SUBJECT: Approval to Award Base Year and One Option Year of Contract No. 250030, On Call Structural Rehabilitation, Structural Preservation Systems, LLC.

**#24-78
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 November 7, 2024 upon consideration of a joint use matter, decided by a vote of ____ () in favor and ____ () opposed to approve the award of a Base Year and One Option Year of Contract No. 250030, Structural Preservation Systems, LLC.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute the Award of a Base Year and One Option Year of Contract No. 250030, Structural Preservation Systems, LLC. The purpose of this contract is to provide emergency specialty structural design on linear and vertical assets that are at high risk of failure. The total value of the base year and one option year is not-to-exceed \$20,000,0000.

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

**PROGRESSIVE DESIGN-BUILD CONTRACT:
On Call Structural Rehabilitation
(Joint Use)**

Approval to execute a Progressive Design-Build (PDB) Emergency Capital Rehabilitation contract for \$20,000,000.00 for a contract period of one year plus one renewable period of one year.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME: Structural Preservation Systems, LLC 6955 San Tomas Rd. Elkridge, MD 21075	SUBS: DBE/WBE*	PARTICIPATION: TBD*
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*Certified DBE/WBE participation will be awarded on an individual task order basis. Structural has agreed with DC Water to perform continuous Good Faith Efforts to identify and provide opportunities to actively engage the certified business community to meet/exceed DC Water's business diversity, equity, and inclusion goals established for each task order they are awarded.

DESCRIPTION AND PURPOSE

Contract Value, Not-To-Exceed:	\$20,000,000.00
Contract Time:	730 Days (2 Years, 0 Months)
No. of Option Years in Contract	1
Anticipated Contract Start Date (NTP):	11-21-2024
Anticipated Contract Completion Date:	11-20-2026 (Including 1 Option Year)

Purpose of the Contract:

Conduct emergency specialty structural design and rehabilitation on linear and vertical assets that are at high risk of failure. This will be achieved through a collaborative design-build approach, incorporating targeted investigations by subject matter experts, followed by custom design and construction.

This work aims to align swift mitigation of asset failures as identified by the ongoing comprehensive condition assessments to enhance DC Water's resiliency management in a time-critical way.

Contract Scope:

- Collaborate closely with the DC Water team to assess asset failures, develop rehabilitation solutions, develop designs, and implement asset rehabilitation, of pipelines and sewer structures in a timely manner.
- Typical on-call PDB tasks include but not limited to criticality reviews, inspections, corrosion investigations and condition assessments of:
 - Pipelines
 - Sewer structures
 - Tanks

Federal Grant Status:

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

PROCUREMENT INFORMATION

Contract Type:	Fixed Price	Award Based On:	Qualification
Commodity:	Design and Construction	Contract Number:	250030
Contractor Market:	Sole Source (Limited Competition in the Market)		

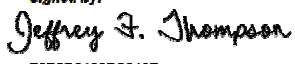
BUDGET INFORMATION


Funding:	Capital	Department:	Engineering and Technical Services
Service Area:	Water, Wastewater, Sewer	Department Head:	Ryu Suzuki
Project:	RU, RH, TL, KF		


****ESTIMATED USER SHARE INFORMATION**


User	Share %	Dollar Amount
District of Columbia	100.00%	\$ 20,000,000.00
Federal Funds	0.00%	\$
Washington Suburban Sanitary Commission	0.00%	\$
Fairfax County	0.00%	\$
Loudoun County & Potomac Interceptor	0.00%	\$
Total Estimated Dollar Amount	100.00%	\$ 20,000,000.00

** Work under this contract will be assigned as needed under specific task orders. It is anticipated that Joint Use work may be assigned during the contract period. As tasks are developed for work associated with specific facilities and costs are developed, the individual users will be notified and billed according to agreed cost-sharing.

Signed by:
 10/11/2024
E27CB9133EC8A0D
 Jeffrey F. Thompson / Date
 Chief Operating Officer and EVP

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 10/11/2024
282C0D86CCTEAD3
 Matthew T. Brown / Date
 Chief Financial Officer and EVP
 Finance, Procurement and Compliance

DocuSigned by:
 10/11/2024
40BDAE0B31E6429
 Corey R. Gray / Date
 Vice President of Compliance
 and Interim Chief Procurement Officer

 / 10/21/2024
 David L. Gadis / Date
 Chief Executive Officer and General Manager

Presented and Adopted: November 7, 2024

SUBJECT: Adoption of Master Agreement on Compensation between District of Columbia Water and Sewer Authority and the Unions Comprising Compensation Unit 31 (AFGE Locals 631, 872 and 2553; AFSCME Local 2091; and NAGE Local R3-06)

**#24-79
RESOLUTION
OF THE
BOARD OF DIRECTORS OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY**

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority, ("Authority") at its meeting on November 7, 2024, on consideration of a joint-use matter, decided by a vote of ___ () in favor and ___ () opposed, to take the following action regarding approval of the Master Agreement on Compensation between DC Water and the Unions comprising Compensation Unit 31 (AFGE Locals 631, 872 and 2553; AFSCME Local 2091; and NAGE Local R3-06).

WHEREAS, the District of Columbia Public Employee Relations Board has certified the Unions comprising Compensation Unit 31, as the exclusive collective bargaining agents for compensation and working conditions; and

WHEREAS, representatives of the Authority and Compensation Unit 31 have bargained in good faith to reach agreement on terms for a successor Master Agreement on Compensation for the period of October 1, 2023 to September 30, 2027; and

WHEREAS, the Human Resources and Labor Relations Committee met on _____, 2024, and has recommended the Board approve execution of a successor Master Agreement on Compensation ("Master Agreement"), with the Tentatively Agreed Articles to be incorporated but not merged into the Master Agreement; and

WHEREAS, the Master Agreement has been ratified by all Unions comprising Compensation Unit 31; and

WHEREAS, the Board has determined that provisions contained in the Master Agreement represent a joint effort by the Unions and the Authority to assure fairness to employees and efficient management by the Authority.

NOW THEREFORE BE IT RESOLVED:

1. The Board approves the Master Agreement between the Authority and the Unions comprising Compensation Unit 31.
2. The Master Agreement be effective, in accordance with its terms, for the period of October 1, 2023 to September 30, 2027.

3. The Chairman of the Board and the General Manager are authorized to execute the Master Agreement.
4. The General Manager is authorized to take all actions necessary to fully implement provisions contained in the Master Agreement.

Secretary to the Board

Presented and Approved: November 7, 2024

SUBJECT: Approval to Execute Change Order No. 002 of Contract No. 220160, Major Sewer Rehabilitation 1-5 Northeast Boundary, Spiniello Companies

**#24-80
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 November 7, 2024, upon consideration of a non-joint use matter, decided by a vote of ____ () in favor and ____ () opposed to approve to the execution of Change Order No. 002 of Contract No. 220160, Spiniello Companies.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Change Order No. 002 of Contract No. 220160, Spiniello Companies. The purpose of this contract is to provide rehabilitation to a section of the Northeast Boundary Truck Sewer, thereby extending the lifespan of the sewer and its associated structures. The total value of this change order is \$712,000.

This Resolution is effective immediately.

Secretary to the Board of Directors

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

ACTION REQUESTED

CONSTRUCTION CONTRACT CHANGE ORDER:

**Major Sewer Rehabilitation 1-5 Northeast Boundary
(Non-Joint Use)**

Approval to execute Change Order No. 002 for \$712,000. The modification exceeds the Chief Executive Officer's approval authority.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME:	SUBS:	PARTICIPATION:
Spiniello Companies 354 Eisenhower Parkway Livingston, New Jersey 07039	Shekinah Group, LLC New Brunswick, NJ	DBE 17.0%
	GML, LLC Jessup, MD	DBE 2.0%
	RAM Construction, LLC Olney, MD	WBE 6.0%

DBE Participation = 19% WBE Participation= 6% WBE

DESCRIPTION AND PURPOSE

Original Contract Value:	\$7,823,300.00
Total of Previous Change Orders:	\$ 4,098.16
Current Contract Value:	\$7,827,398.16
Value of this Change Order:	\$ 712,000.00
Total Contract Value, including this CO:	\$8,539,398.16
Original Contract Time:	560 Days(1 Year, 6 Months)
Time extension, this CO:	0 Days
Total CO contract time extension:	0 Days
Contract Start Date (NTP):	10-18-2023
Anticipated Contract Completion Date:	04-30-2025
Cumulative CO % of Original Contract:	9.2%
Contract completion %:	55.1%

Purpose of the Contract:

This project aims to rehabilitate a section of the Northeast Boundary Trunk Sewer, thereby extending the lifespan of the sewer and its associated structures. The majority of the work will be carried out using trenchless rehabilitation technologies, primarily Geopolymer Lining Systems (GLS).

Original Contract Scope:

- Structural rehabilitation using Geopolymer Lining System (GLS) for approximately nine hundred (900) linear feet of 22-foot circular and three hundred and seventy (370) linear feet of 6-foot by 9-foot combined sewer pipes with associated internal point rehab and lateral/pipe reinstatements.
- Structural rehabilitation using Geopolymer Lining System (GLS) on five (5) sewer manholes/structures.
- Internal sewer flow control, pipe cleaning, inspection, and erosion and sediment control of project site.

Previous Change Order Scope:

- Revised the General Wage Decision (GWD) dated March 31, 2023, from the Contract Labor Provisions and replaced it with the GWD dated September 1, 2023.

Current Change Order Scope:

- Revise schedule of prices for a 22-foot circular sewer pipelining quantity from eight hundred (800) linear feet to nine hundred (900) linear feet to align with the drawings and specifications, unit price cost remains unchanged.

PROCUREMENT INFORMATION

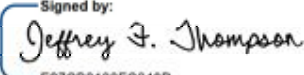
Contract Type:	Unit Price	Award Based On:	Lowest responsive, responsible bidder
Commodity:	Construction	Contract Number:	220160
Contractor Market:	Open Market		


BUDGET INFORMATION

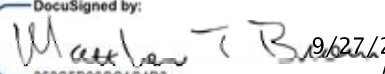
Funding:	Capital	Department:	Engineering and Technical Services
Service Area:	Sanitary	Department Head:	Ryu Suzuki
Project:	RC		


ESTIMATED USER SHARE INFORMATION

User	Share %	Dollar Amount
District of Columbia	100.00%	\$ 712,000.00
Washington Suburban Sanitary Commission	0%	\$
Fairfax County	0%	\$
Loudoun County & Potomac Interceptor	0%	\$
Total Estimated Dollar Amount	100.00%	\$ 712,000.00

Signed by:

 Jeffrey F. Thompson / 9/27/2024
637C83133FC8400
 Jeffrey F. Thompson Date
 Chief Operating Officer and EVP

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 Corey R. Gray / 9/27/2024
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 Corey R. Gray Date
 Vice President of Compliance
 and Interim Chief Procurement Officer

DocuSigned by:

 Matthew T. Brown / 9/27/2024
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 Matthew T. Brown Date
 Chief Financial Officer and EVP
 Finance, Procurement and Compliance


 David L. Gadis / 10/21/2024
 David L. Gadis Date
 Chief Executive Officer and General Manager