DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY
316th MEETING OF THE BOARD OF DIRECTORS
Thursday, February 6, 2024
9:30 am

This meeting will be available for viewing through a livestream: https://dcwater.com/watch-board-meetings

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I. Call to Order (Dr. Unique Morris-Hughes, Chairperson)

II. Roll Call (Michelle Rhodd, Board Secretary)

III. Executive Session[1] (Dr. Unique Morris-Hughes, Chairperson)

1. To obtain legal advice and preserve attorney-client privilege or settlement terms under DC Official Code § 2-575(b)(4)(A)
2. To discuss a personnel matter under DC Official Code § 2-575(b)(10)

IV. Approval of the January 13, 2025 Meeting Minutes

V. Chairperson's Overview

VI. Committee Reports

1. Environmental Quality and Operations Committee **(Sarah Motsch)**
2. Human Resources and Labor Relations Committee w/Union Presidents **(Jed Ross)**
3. Audit and Risk Committee **(Floyd Holt)**
4. DC Retail Water and Sewer Rates Committee **(Rachna Bhatt)**
5. Joint Meeting of the DC Retail Water and Sewer Rates & Finance and Budget Committees **(Anthony Giancola)**
6. Finance and Budget Committee **(Anthony Giancola)**

VII. CEO and General Manager's Report (David L. Gadis)

VIII. Consent Items (Joint Use)

No Actions

IX. Consent Items (Non-Joint Use)

1. Approval to Execute Amendment No. 1 of Contract No. 240070, Construction Manager at Risk (CMAR) Guaranteed Maximum Price (GMP), Division RC-C – Rock Creek Project C (GI), Fort Myer Construction Corporation – **Resolution No. 25-04** (Recommended by the Environmental Quality and Operations Committee 01/16/25)

X. Adjournment (Dr. Unique Morris-Hughes, 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

- February 20th @ 9:30 am — Environmental Quality and Operations Committee
- February 25th @ 9:30 am — DC Retail Water and Sewer Rates Committee
- February 27th @ 9:30 am — Finance and Budget Committee

Next Board of Directors' Meeting | via Microsoft Teams

March 6, 2025 @ 9:30 am

[1]The DC Water Board of Directors may go into executive session at this meeting pursuant to the District of Columbia Open Meetings Act of 2010, if such action is approved by a majority vote of the Board members who constitute a quorum to discuss 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.

315TH BOARD OF DIRECTORS MEETING
MINUTES OF THE MEETING
JANUARY 13, 2025
(Via Microsoft Teams)

DIRECTORS PRESENT

District of Columbia Members

1. Unique Morris-Hughes, Chair
2. Rachna Bhatt, Principal
3. Howard Gibbs, Principal
4. Richard Jackson, Principal
5. Jedd Ross, Principal

Prince George's County Members

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

Montgomery County Members

1. Jon Monger, Principal
2. Fariba Kassiri, Principal
3. Jeffrey Seltzer, Alternate
4. 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 315th meeting of the District of Columbia Water and Sewer Authority's Board of Directors was called to order by Chairperson Unique Morris-Hughes at 9:34 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.

I. APPROVE MINUTES

Chairperson Unique Morris-Hughes asked for a motion to approve the minutes of the December 5, 2024, meeting.

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

II. CHAIRPERSON'S OVERVIEW

Chairperson Morris-Hughes thanked board member Rachna Bhatt for serving as Acting Board Chairperson over the past few months. Dr. Morris-Hughes noted that while she is the first woman officially appointed to serve as Board Chair, Ms. Bhatt was the first to lead the Board. Next, Dr. Morris-Hughes welcomed Jed Ross as a principal member of the Board.

Dr. Morris-Hughes noted that her first action as Chair is to review the current committee structure and assignments to best leverage Board member time and talents. She discussed the Board's role in supporting the collective efforts of DC Water employees in serving the DC Mayor's office and DC residents.

III. COMMITTEE REPORTS

Emergency Meeting of the Executive Committee Report
Reported by Rachna Bhatt

Executive Committee Chair Rachna Bhatt reported on the Committee's December 6 meeting. The Committee met in executive session to discuss a legal, confidential, or privileged matter under D.C. Official Code § 2-575(b)(4)(A) and a personnel matter under D.C. Official Code § 2-575(b)(10).

Finance and Budget Committee Report
Reported by Jonathan Butler

Finance and Budget Committee Vice-Chair Jonathan Butler presented a summary of the committee meeting held on December 17, 2024.

Lola Oyeyemi presented the November 2024 financial report. At the end of the reporting period, 16.7 percent of the fiscal year was completed. Total operating revenue was approximately $176.8 million or 19.1 percent of the budget, with variances primarily in the Residential, Commercial, and Multi-Family category due to higher consumption. Ms. Oyeyemi reported that the Authority received partial payment from the district government, no payment from the DC Housing Authority, and the federal government and wholesale customers made quarterly payments in October and November 2024, respectively.

Year-to-date operating expenses were approximately $104.6 million or 13.3 percent of the budget. The vacancy rate was 8.7 percent based on the authorized headcount. Capital disbursements were $81.0 million or 11.1 percent of the budget, which is 55 percent higher than spending for the same period last year. Increased spending is anticipated as planned projects progress throughout the year. Delinquent accounts increased in number and value to $35.4 million for 11,854 accounts or 9.2 percent of total customer accounts. Multi-family customers accounted for 55 percent of this total.

Committee Chair Anthony Giancola inquired if there was a plan to address the growth in delinquent accounts. Wayne Griffith, Chief Administration Officer, stated that there is a collaborative effort between Legal Affairs, Finance and Budget, and Customer Service to develop strategies to resolve these accounts efficiently.

Mr. Butler asked whether improved revenue is anticipated should federal government employees return to the office. Matthew Brown, Chief Financial Officer, stated that a potential return to work would result in higher consumption. He noted that revenue from the federal government is based on forecasted billing and a true-up process adjusts for any discrepancies.

Tanya DeLeon, Risk Manager, provided an update on the Rolling Owner Controlled Insurance Program (ROCIP) and Owner Controlled Insurance Program (OCIP), highlighting the program’s crucial role in protecting the Authority from financial and reputational damage. She emphasized the program’s benefits for minority and small business owners who may struggle to meet required insurance levels independently allowing them to take advantage of the Authority’s competitive wholesale rates. To date, approximately $32.3 million has been saved through avoided costs and about 261 projects have been covered, including 3,001 contractors enrolled on projects valued at approximately $6 billion.

Environmental Quality and Operations Committee Report
Reported by Howard Gibbs

Environmental Quality and Operations Committee Vice Chair Howard Gibbs presented a summary of the committee meeting held on December 19, 2024.

Nicholas Passarelli briefed the committee on the performance of Blue Plains Advanced Wastewater Treatment Plant (BPAWTP) for November 2024. All parameters were within the national pollution discharge elimination standard permit limits. The tunnel systems and wet weather treatment captured 56 million gallons with no overflows. On-site energy generation was 24 percent of the plant's average consumption. A total of 3,000 wet tons of biosolids were sold as bloom, toward the FY24 goal of 70,000 tons.

Chris Collier, Vice President Water Operations provided the fire hydrant quarterly update. DC Water is meeting the out-of-service level of 1 percent or less.

Maureen Schmelling, Director, Water Quality presented a comprehensive update on water quality monitoring efforts. DC Water continues to comply with the total coliform rule and the lead and copper rule. Regulatory changes from the EPA, which will be implemented in 2028, include a reduction in the action level for lead from 15 ppb to 10 ppb and changes to the sampling method. DC Water has begun adapting its procedures ahead of the changes.

Mr. Collier and Ryu Suzuki, Director of Wastewater Engineering updated the Committee on the low-service area boil water advisory that occurred in early December when a 30-inch prestressed concrete cylinder pipe in Anacostia Park failed, leading to a low-pressure issue in the low-service area that affected about 2,800 customers. The boil water advisory was issued in the afternoon of December 3 and lifted by 6:00 a.m. on December 6. The main had been previously identified as high risk. The Engineering Department has started bringing on-call condition assessment contractors under the Water Program Management contract to assess the condition of about 4 miles of large-diameter water mains in FY2025.

Mr. Suzuki presented an update on an upcoming project for the Anacostia Area Sewer Rehabilitation, highlighting the need for urgent repairs and upgrades to this critical sewer infrastructure. The proposed plan includes a progressive design-build contract aimed at fully cleaning and structurally rehabilitating 3.7 miles of non-reinforced concrete pipe, with an estimated cost of approximately $94 million. The Anacostia Force Main has a focused repair plan that includes installing automatic release valves in areas with known gas pockets with an estimated cost for these repairs of around $15 million, significantly lower than the initial estimate of $200 million for a complete overhaul. Fourteen miles of heavy clearing and rehabilitation of the East and West Outfall Sewers and North and South Interconnecting Branch Sewers are also scheduled at an estimated cost of $454 million.

The Committee recommended moving four action items to the full Board for approval.

The Committee met in executive session to discuss, establish, or instruct the public body staff on negotiating the price and other material terms of a contract, in accordance with the Open Meetings Act of 2010 § 2-575(b)(2)

Governance Committee Report
Reported by Christopher Herrington

Christopher Herrington presented a summary of the committee meeting held on January 8.

Christopher Peot provided an FY24 review of Blue Drop program activities and the Committee discussed the redistribution of net revenues. 2024 was a successful year with an aggressive goal of approximately 70,000 tons of bloom sales, which was not met due to weather constraints. Mr. Peot discussed a plan to improve inventory control during wet weather to maximize the value of the asset. The total revenue for Bloom sales was $542,000, representing a 40 percent increase over FY23 and savings to DC Water ratepayers of $2.75 million. The construction industry is beginning to recognize the value and consistency of the Authority's Bloom product.

There was a significant increase in renewable energy credit (REC) prices, which rose from 50 cents per REC in 2018 to nearly $30 per REC. The rise was driven by aggressive renewable portfolio standards in DC, Maryland, and Pennsylvania. Total revenue since FY17 for REC sales, Bloom sales, and avoided costs amounted to approximately $14.4 million, $2 million, and $12.6 million, respectively.

The continued success of the HQO event space rentals has made it a premier event space in DC. Revenue from the event space rentals has increased. Additional revenue streams included cell tower leases and intellectual property sales. DC Water staff are exploring creative ways to increase revenue, particularly for cell tower leases.

Overall expenses for FY24 were approximately $4.6 million, and income was approximately $10.3 million, for a total profit of approximately $5.7 million. Mr. Peot outlined a plan to redistribute the net revenue back to DC Water and IMA partners based on cost share percentages.

The Committee discussed the need to continue to explore additional land and storage facilities to maximize the ability to manage Bloom inventory during wet weather.

Korey Gray VP, & Chief Procurement Officer presented the Certified Business Utilization (CBU) report for FY24. The CBU offers three certified business utilization programs offering preference points for local and small businesses for projects under $1 million, a disadvantaged business enterprise (DBEs), and women-owned business enterprises (WBEs) program for non-federally funded projects over $1 million, and a Fair Share Objectives program for federally funded projects. Good faith efforts include outreach, engagement, and achieving results throughout the project lifecycle to ensure the success of certified firms. The compliance process involves monitoring projects from goal setting through to final payments. In FY24, DC Water achieved 38.65 percent utilization of certified firms, rewarding approximately $520 million to DBEs and WBEs out of approximately $1.33 billion total awards. About 59 percent of work was awarded within user jurisdictions.

The Committee concluded its meeting with a discussion of the revised delegation of authority to the CEO & General Manager from the Board. Marc Battle, Chief Legal Officer, and Executive Vice-President, Government & Legal Affairs provided an overview of the delegation of powers granted by the Council of the District of Columbia to DC Water and the Board's delegation of some of those responsibilities to the General Manager. The Committee reviewed an amended resolution which clarified and filled gaps in the delegation of authority previously executed by the General Manager. Gregory Hope, Vice-President & Deputy General Counsel reviewed the draft resolution which outlined the Committee's recommended edits.

The Committee agreed to recommend the resolution to the Board for approval.

IV. CEO AND GENERAL MANAGER'S REPORT

CEO and General Manager David Gadis began his report by welcoming new Board Chairperson Unique Morris-Hughes and thanked Ms. Bhatt for her leadership as Acting Board Chair over the past few months.

Mr. Gadis reported on the December 3 leak in a 30-inch main and another in a 16-inch main. In response to the leaks the Authority issued a Boil Water Advisory for customers in the affected zone in consultation with EPA Region 3, DC Homeland Security and Emergency Management. Water service was returned to many customers later on December 3. Mr. Gadis noted that the District's aging infrastructure is likely to lead to additional boil water events, but the Authority continues to improve response times in resolving these issues.

Next, Mr. Gadis briefed the Board on the Authority's second collaborative delivery workshop which took place on December 3. The workshop drew more than 150 individuals. Mr. Gadis thanked Korey Gray and Jeffrey Thompson, Chief Operations Officer for their role in building the collaborative delivery program.

Mr. Gadis reported that on December 17, he received the American Council of Engineering Companies of Metropolitan Washington (ACEC-MW) 2024 Engineering Industry Leadership Award at the Engineering Excellence Awards Gala. The award recognizes excellence in public service employees who collaborate with the engineering industry, and champion best practices, innovation, resilience, and community building. Mr. Gadis noted that the award is shared with Team Blue, the best team in the water sector.

V. CONSENT ITEMS (NON-JOINT USE)

1. Approval to Execute Supplemental Agreement No. 1 of Contract No. DCFA-519, Lead Free DC Program Management & Construction Management (PMCM), Lead Free group, Joint Venture – Ramboll Engineering, PC and CDM Smith, Inc. – **Resolution No. 25-00** (Recommended by the Environmental Quality and Operations Committee 12/19/24)
2. Approval to Execute Change Order No. 004 of Contract No. 220160, Major Sewer Rehabilitation 1-5 Northeast Boundary, Spiniello Companies – **Resolution No. 25-01** (Recommended by the Environmental Quality and Operations Committee 12/19/24)
3. Approval to Extend and Add Funding to Contract No. 10246, IT Software Contract, Voxai Solutions, Inc. (DBE) – **Resolution No. 25-02** (Recommended by the Environmental Quality and Operations Committee 12/19/24)
4. Approval to Add Funding to Contract No. 10345, Tank Reservoir Cleaning Services, Jet Blast Inc. – **Resolution No. 25-03** (Recommended by the Environmental Quality and Operations Committee 12/19/24)

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

VI. EXECUTIVE SESSION

The Board met in executive session to discuss, establish, or instruct the public body's staff or negotiating agents concerning the position to be taken in negotiating the price and other material terms of a contract pursuant to the Open Meetings Act of 2010 § 2-575(b)(2).

VII. ADJOURN

There being no further business to come before the Board, the meeting adjourned at 10:38 a.m.

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Michelle Rhodd
Secretary to the Board of Directors

MINUTES OF THE MEETING
ENVIRONMENTAL QUALITY AND OPERATIONS COMMITTEE
JANUARY 16, 2025
(via Microsoft Teams)

COMMITTEE MEMBERS PRESENT

1. Sarah Motsch, Chairperson, Alternate, Fairfax County
2. Howard Gibbs, Vice-Chairperson, Principal, District of Columbia
3. Andrea Crooms, Alternate, Prince George's County
4. Christopher Herrington, Principal, Fairfax County
5. Richard Jackson, Principal, District of Columbia

DC WATER STAFF PRESENT

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

The Environmental Quality and Operations Committee meeting was called to order by Sarah Motsch, Chairperson at 9:30 AM. The meeting was held via Microsoft Teams. Michelle Rhodd, Secretary to the Board called the roll.

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 December 2024. Specific details of the presentation can be found on pages 3 to 8 of the Environmental Quality and Operations Committee meeting package from 01.16.2025. The average flow through to complete treatment was 252 million gallons per day (MGD) for the month, and the peak daily flow was 365 MGD, which occurred on December 11th, 2024. It was reported that all weekly and monthly NPDES permit requirements were met.

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 2.9-inches and the combined wet weather flows captured by the tunnel system was 75 million gallons (100% rainwater capture). 1,546 MG of volume was captured by Anacostia River Tunnel System in calendar year 2024 through December, with 115 MG overflow. Since the system's inception in 2018, there have been 350 events with a total volume of 17,775 MG captured and 1,653 MG to CSO, resulting in a total capture rate of 91.5%.

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 22% of the average consumption at BPAWTP. The CHP Facility generated an average of 7.1 megawatts (MW), of which 6.0 MW was transferred to the Blue Plains grid. The solar system power generation was low at an average of 0.28 MW for the month due to winter conditions. The average electrical consumption for the month was 29.0 MW and the total purchased power from PEPCO averaged 22.7 MW. DC Water saved approximately $5.2 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 December, over 12,000 wet tons of biosolids were produced; approximately 2,000 wet tons were sold as Bloom, and the remaining 10,000 wet tons were land applied through existing land application contracts. For FY25 to date, just under 9,000 tons have been sold as Bloom, compared to the goal of 70,000 tons for the year.

II. FACILITIES KPI SUCCESS

Brent Christ, Director, Facilities Management, presented on the successful implementation and outcomes of key performance indicators (KPIs) through enhanced collaboration between the facilities management team and the Enterprise Program Management Office (EPMO). Mr. Christ began by detailing the journey of improvement in service requests and preventive maintenance, where the targets were ambitiously set at 90% completion rate. Initially, the performance metrics were low, but with persistent efforts through 2021 to 2023, and a pivotal collaboration with the EPMO initiated in mid-2023, there was a significant upward trend in meeting and even surpassing these targets.

Mr. Christ emphasized the cultural shift required to achieve these results, shifting from a lack of accountability to a culture where every team member takes ownership of their responsibilities. This cultural transformation was supported by strategic provision of the right tools and resources, enabling the staff to efficiently manage and close out work orders through the Maximo system. Regular training sessions were conducted, ensuring that foremen were well-equipped to handle their roles, which was crucial in fostering a sense of responsibility and ownership among the staff.

The presentation highlighted the impact of daily stand-up meetings, initiated to improve communication within teams, which helped in addressing immediate operational issues and planning for upcoming tasks. This practice not only improved team dynamics but also significantly boosted operational efficiency.

Furthermore, Mr. Christ discussed the structural improvements and strategic focus shifts in facilities management. The role previously held by a business operations manager was reevaluated, leading to a decision to incorporate business analysts who could better serve the evolving needs of the department. The focus was also redirected towards core functions, optimizing resource allocation, and shedding non-core activities to streamline operations.

A critical component of these enhancements was the robust support and strategic guidance from the EPMO. They provided a three-pronged approach focusing on people, processes, and technology which was instrumental in refining operations. The EPMO team spent three months embedded within the facilities department, which allowed them to thoroughly understand the processes and challenges, leading to targeted improvements in the Maximo system and overall workflow management.

The successful outcome of these initiatives was evident in the creation of a KPI dashboard using Power BI, which allowed for real-time monitoring of work orders and helped maintain high performance standards across the board. Mr. Christ's presentation not only highlighted the significant improvements made but also underscored the ongoing commitment to enhancing service delivery through strategic planning, staff empowerment, and leveraging technology in facilities management at DC Water.

III. 10-YEAR FY25 TO FY34 PROPOSED CIP BUDGET UPDATE

Matthew Brown, Chief Financial Officer and EVP, Finance, Compliance and Procurement began a discussion of the proposed Capital Improvement Plan (CIP) for fiscal years 2025 to 2034. Mr. Brown opened by mentioning the Board Workshop and emphasized the importance of the committee's deliberations and recommendations to the board. The Board will be asked to approve the budget in March.

Mr. Brown outlined the schedule for the budget review process, highlighting key dates including a Wholesale Customer briefing on January 22nd, a meeting with the Office of People's Counsel on January 24th, and a joint meeting between the Retail Rates Committee and the Finance and Budget Committee on January 28th.

Mr. Brown discussed the budget: the Operations & Maintenance (O&M) budget, the capital budget, and the Financial Plan. He noted there was a slight increase in the O&M budget by about 3%, while debt service costs are expected to rise by approximately 11% due to additional work for the capital program, resulting in an overall budget growth of about 7%.

Delving into the details of the capital budget, Mr. Brown described its three primary components: capital projects, capital equipment, and contributions to the Washington Aqueduct for DC Water's share of their capital program. He also mentioned the annual production of a 10-year Financial Plan, which estimates the rate increases needed to meet the operating budget requirements and supports the 10-year CIP.

Mr. Brown highlighted significant increases in funding across several service areas within the CIP. These included a $429 million increase for wastewater treatment, $863 million for sanitary sewer improvements largely associated with the Potomac Interceptor, and $518 million for water projects including the Lead-Free DC program and necessary permits. He responded to previous board feedback by incorporating funding for projects anticipated beyond 2030, ensuring a more realistic projection of future spending and its impact on rates.

In conclusion, Mr. Brown discussed the financing of the CIP, noting that approximately 42% of the capital plan's funding would be sourced through new revenue bonds, while federal grants make up about 4.2% of the budget. He emphasized that the Clean Rivers Program would be complete by 2030, and the budget proposal includes increased investments in water and sewer infrastructure projects.

David Parker, Vice President, Engineering, provided further detail on the overall 10-year CIP, including new budget requests and specifics about the currently approved budget for projects that DC Water plans to execute within the timeframe. The 10-year $9.62 billion CIP budget is broken into service areas, as detailed below.

1. Full funding of the Clean Rivers Program, including completion of the Potomac River Tunnel to meet the consent decree requirement by 2030.
2. Allocation of $1.1 billion for the Lead-Free DC program.
3. Funding for more than 150 miles of small diameter water main replacement projects.

4. Investment of $4.5 billion in aging water and sewer system infrastructure, including the rehabilitation of the Potomac Interceptor sewer system.
5. Allocation of $1.8 billion for major rehabilitation and upgrades of Blue Plains Advanced Wastewater Treatment Plant (BPAWTP).
6. Allocation of $500.8 million for DC Water's share of the Washington Aqueduct's Infrastructure Program.
7. Allocation of $350.8 million for capital equipment such as purchase/replacement of vehicles, heavy-duty equipment, mechanical equipment, operation facilities, meters, office renovations and IT projects, etc.

The proposed changes to the 10-year CIP include an increase of $15 million in the Non-Process Service Area, $430 million in the Wastewater Service Area, $870 million in the Sewer Service Area, $152 million in the Water Service Area and $367 million in Lead Free DC Service Area. It also includes a decrease of $3 million in the Stormwater Service Area and $98 million in the DC Clean Rivers Service Area due to completed work.

The Lead-Free DC program has an increase of $220 million as brass service lines have also been included to be replaced as part of the program. Initially, the replacement of brass service lines wasn't planned as it is not considered a Lead contributor in drinking water, nor does the EPA recommend removal of brass piping. However, DC Law requires brass service lines removal as part of the Lead-Free DC program which resulted in the $220 million increase. DC Water staff will be working with DC Council to propose legislation to remove the requirement to remove brass from DC Law, however until the legislation is changed, DC Water must plan for brass removal in its program. The Lead-Free DC program also has an increase of $85 million to manage the District Department of Transportation (DDOT) permit fees. It is important to note that the program is scheduled to be completed by 2037, and the 10-Year CIP doesn't represent the full cost of the program.

The Wastewater area has an increase of $429 million due to odor control requirements and the Second Source Initiative. The Second Source Initiative has studies and pilot work planned which will investigate how the treated effluent at the BPAWTP can be used as a resource and improve the reliability and resiliency of the system.

The Sewer & CSO area has an increase of $441 million for full rehabilitation of the Potomac Interceptor, an increase of $250 million for the Sewer Rehabilitation (Infrastructure Renewal and Replacement Contracts managed by the operations group) and an additional $92 million for the small and local sewers rehabilitation.

The Water area includes an increase of $61 million for Water Distribution, an increase of $57 million for Water Storage needs, and an additional $143 million for the Washington Aqueduct's Future Needs.

Service Area Details of Proposed CIP

1. Non-Process Facilities ($213 Million)

   Mr. Parker discussed the capital allocated to the Non-Process Facilities. The Main Pump Station Building Restoration has $21.2 Million allocated to it. The pump station building is historical and was built in the early 1900s. Hence, it requires architectural and structural improvements. The Bryant Street Pump Station Upgrades has $21.5 Million allocated for structural, roof and envelope upgrades. Blue Plains Enhancements have $4.5 Million allocated to enhance employee and visitor experience and create space for additional treatment processing capacity.

2. Wastewater Treatment at Blue Plains (1.76 Billion)

   Similarly, Mr. Parker discussed the capital allocated to the BPAWTP. $1,050 Million is allocated to Liquid Processing, $402 Million is allocated Plantwide, $309 Million is allocated to Solids Processing and $0.7 Million is allocated to Enhanced Nitrogen Removal Facilities at the BPAWTP.

   Mr. Parker also discussed the major projects at Blue Plains. They are prioritized based on risk ranking and data driven decision making. There are 38 projects underway in this fiscal Year, 8 in the Planning Phase, 9 in the Design Phase and 21 in the Construction Phase. Innovative research to improve sustainability and resilience includes Process Intensification, the Flood wall Project and the Microgrid Study Project.

3. Combined Sewer System and Stormwater Pump Stations ($105 Million)

   Mr. Parker explained that $60 million was allocated to the combined Sewer System that includes projects like inflatable dams and work on Main and O Pump Stations. There is $45 Million allocated to the 16 Stormwater Pumping Facilities. Many of these stormwater pumping stations have not been rehabilitated in 60 years, so they require various upgrades. Four stations are partially funded by FEMA grants.

4. Clean Rivers Project and Potomac Interceptor ($1.1 Billion)

   The Long-Term Control Plan (LTCP) 10-year CIP has decreased by $98 Million. Mr. Parker detailed the remaining budgets in the Anacostia LTCP, Potomac LTCP and the Rock Creek LTCP Projects. The 10-Year CIP for the Potomac Interceptor project is $667 Million, which is a $435 Million increase compared to the approved budget. The Potomac interceptor carries wastewater to the BPAWTP and is collecting wastewater from Fairfax, Loudoun and Montgomery Counties. Committee member Howard Gibbs enquired about the funding responsibility for the additional $435 million related to the Potomac interceptor project. Mr. Parker clarified that the jurisdictions, including Fairfax County, Loudon County, and Montgomery County, are responsible for funding this additional amount.

5. Sanitary Sewer ($1.86 Billion)

Mr. Parker discussed the capital allocated to Sanitary Sewer area, which is $1.86 billion, and the overall CIP increase amounts to $863 million. The Sewer Collection System has $685 million allocated to it. The Interceptor and Trunk Force Sewers has $1.34 billion allocated to it. It is important to note that this amount includes the Potomac Interceptor as well. The Ongoing Sewer work has $457 million allocated to it and it includes emergency response to address sewer failures. Sewer Pumping has $190 Million allocated to it to ensure reliable service.

Mr. Parker discussed the importance of investing in the sanitary sewer system for improved reliability. A risk-based approach is used to prioritize sewer system needs, which is heavily influenced condition assessments performed. Significant progress has been made in inspecting the system, but more inspections are needed, especially for large trunk sewers, where failures have severe consequences.

Additionally, Mr. Parker discussed that there are 38 miles of major sewer rehabilitation projects planned, including work on main interceptors, trunk sewers, and relief sewers. The budget includes $45 million for emergency response and repairs, with recent work on critical sewers such as the East-West Outfall relief sewers and Anacostia Main Interceptor. This funding is projected for one year of emergency response but further increases in funding are anticipated for next year's budget. An additional $229 million is allocated for ongoing emergency responses from FY2030 onwards.

Mr. Gibbs inquired about Upper Potomac Interceptor Relief Sewer (UPIRS). This question was posed during a discussion where Mr. Parker was explaining the various components involved in managing and rehabilitating the infrastructure related to the Potomac interceptor. Mr. Parker provided context on the UPIRS, clarifying its function as a parallel sewer to the Potomac interceptor, which conveys flow within the district along the Potomac River, near the Maryland boundary.

6. Water ($2.87 billion)

Mr. Parker discussed the capital allocated to Water which is $2.87 billion, and the overall CIP increase amounts to $519 million. The Water Distribution System has $1.21 billion allocated to it. The Lead-Free DC Program has $1.1 billion allocated to it. The Water Pumping Facilities has $43 million allocated to it. The Water Storage Facilities has $251 Million allocated to it to ensure system resilience.

The Water Distribution system program area includes various efforts such as ramping up Small Diameter Water Mains replacement to 1.5%, Anacostia 3rd High Pressure Zone Improvements and Critical Valve Replacement.

The Water Storage Facilities have $251 Million allocated to it. Mr. Parker explained that there are key efforts being undertaken to improve water storage for the District, focusing on resiliency and sustainability, as the Potomac River is the single source of water supply for the District. Fort Stanton Reservoir #2 in the Anacostia area will be replaced. The existing reservoir has been decommissioned due to defects, and the project aims to add 10 million gallons of storage, providing an additional day of water storage for the area. After replacing Fort Stanton Reservoir #2, work will begin on rehabilitation of Fort Stanton Reservoir #1 to ensure reliable water storage for the area.

The Water Pumping Facilities is a $43 Million project that includes the Bryant St. Pump Station spill header project, which will improve flow control from high to low-pressure zones during pressure issues or line breaks. Additionally, there are planned improvements for the 4th High Reno Booster pump station and upgrades to electrical, mechanical, and instrumentation systems at Anacostia and Ft. Reno pump stations.
Water Ongoing Program has $183 Million allocated to it and includes fire hydrant replacements, valve replacements and, repairing pipe breaks. The

Water Program Engineering Support is critical in supporting the operations groups and the development of CIP projects. $84 million is allocated to this section.

Collaborative Project Delivery

Mr. Parker also outlined the new project delivery approach being adopted. The focus is on improving project delivery through collaborative methods like Progressive Design-Build and Construction Management at Risk, moving away from traditional design-bid-build. The district has trained 47 staff members, with 20 certified by the Design Build Institute of America (DBIA). Additionally, smaller individual projects are being consolidated into larger contracts for greater efficiency, fewer procurement actions, and more effective management.

Needs beyond the Proposed CIP

The current CIP request is $9.6 billion for the next 10 years, down from an initial $12 billion assessment. The focus this year is to refine project priorities, costs, schedules, and needs. The aim of the Leadership team is to ensure the right projects are identified, and a significant increase in the CIP request is expected next year. Regular presentations will be made to keep the Committee informed on progress and findings throughout the year.

The CIP risks that are being monitored include Regulatory, Climate Change, Washington Aqueduct Capital Program Uncertainties and Anacostia River Sediment Contamination (PCBs). The risks that are being mitigated are Water Supply and the new Lead and Copper rule Improvements. Some CIP opportunities include capturing other Federal and Industrial funding opportunities, Blue Plains Process Research and Development and implementation of Resource Recovery Options.

IV. ACTION ITEMS

Non-Joint Use

1. **Construction Manager at Risk (CMAR) - Division RC - C - Rock Creek Project C (GI)**

Seth Charde, Senior Manager, Green Infrastructure presented the project overview slides for the Rock Creek Project C and Kevin Bellamy, Acting Director of Procurement, Capital Programs presented the procurement approach and award recommendation slides.

The Rock Creek Project C is the next phase of DC Water's green infrastructure initiative to manage stormwater in the Piney Branch sewer shed, meeting a consent decree requirement to manage 92 impervious acres. Following Projects A (20 acres) and B (22 acres), Project C will manage 25 acres through 68 permeable alleys across 8 subproject areas. Construction must be awarded by March 23, 2025, and operations begin by December 31, 2027. Using a collaborative CMAR delivery method, the project focuses on design improvements, risk reduction, and compliance with environmental and stormwater standards, ensuring a successful outcome.

Mr. Bellamy outlined the procurement process for Rock Creek Project C. The process began with industry outreach in early 2024, followed by the issuance of a request for qualifications and proposals (RFQ/RFP). Two submittals were received, evaluated, and clarified, leading to the selection of Fort Myer Construction for pre-construction services.

The pre-construction contract, awarded in September 2024 for $160,000, focused on design optimization, constructability, and site selection. Fort Myer also developed a Guaranteed Maximum Price (GMP) proposal, which underwent negotiations, resulting in a $2.1 million reduction from the initial proposal without altering the project scope. The final GMP of $23,280,000 was determined to be within acceptable limits.

Mr. Bellamy recommended approval of Amendment #1 to finalize the construction services contract with Fort Myer Construction, bringing the total contract value to $23.4 million.

V. OTHER BUSINESS/EMERGING ISSUES

Committee Member Andrea Crooms discussed a proposed PFAS bill in Maryland, introduced by Senator Love, focusing on land-applied biosolids. The bill includes two key requirements: testing and setting effluent limits for PFAS (per- and polyfluoroalkyl substances) and PFOS (perfluorooctane sulfonic acid). Ms. Crooms emphasized the importance of monitoring the bill's progress, particularly given the significant use and sale of biosolids for land application in Maryland.

Mr. Marc Battle, Chief Legal Officer, confirmed that his team is working on finding the answer and will let the committee know in the next meeting whether it is an issue or not.

VI. ADJOURNMENT

The meeting was adjourned at 10:46am.

MINUTES OF THE MEETING
HUMAN RESOURCES AND LABOR RELATIONS COMMITTEE
JANUARY 22, 2025
(via Microsoft Teams)

COMMITTEE MEMBERS PRESENT

1. Jed Ross, Principal, District of Columbia
2. Christopher Herrington, Principal, Fairfax County
3. Jeffrey Seltzer, Alternate, Montgomery County

OTHER BOARD MEMBERS PRESENT

1. Unique Morris-Hughes, Principal, District of Columbia

DC WATER STAFF

1. David L. Gadis, Chief Executive Officer 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

UNION PRESIDENTS

1. Kevin Poge, AFSCME 2091
2. Barbara Milton, AFGE 631
3. Jonathan Shanks, AFGE 872
4. Ray Huffman, AFGE 2553

The DC Human Resources and Labor Relations Committee meeting was called to order by Chairperson Jed Ross at 10:04 AM. Board Secretary Michelle Rhodd called the roll.

I. UNION TOPICS

Contracting Out Union Work

Jonathan Shanks, President of AFGE 872, raised a concern about union work being contracted out in the meter section. He noted that in the past, the process of hiring contractors followed Article 55 of the Collective Bargaining Agreement (CBA). He stated that in this instance, Management brought in contractors without following due process. Mr. Shanks also stated that in the past, his team was not responsible for training contractors and there were inspectors to ensure the work was completed correctly. In this case, union leaders were assigned training duties.

Mr. Shanks noted that the union leaders had a meeting with Meisha Thomas, Director, Customer Care and Wayne Griffith, Chief Administration Officer and EVP, and he advised Management that additional staff were needed to read meters because meter readings are how the Authority gets people to pay their bills. He stated that Management said there were enough staff for this task, but then brought in contractors and asked union personnel to train them.

Committee member Christopher Herrington asked Mr. Shanks to provide an alternative proposal. Mr. Shanks proposed that no more contractors be hired until Management sits down with union leaders to discuss staffing. He stated that there is a need for more personnel to shut off water, and reiterated that union personnel do not provide training and expect contractors to know the job.

Barbara Milton, President of AFGE 631, stated she would like to see more DC Water employees, rather than contractors, hired to do DC Water employee work.

Kevin Poge, President of AFSCME 2091, acknowledged Management's right to eliminate jobs but expressed a concern that those jobs should not come back as contract positions.

Chairperson Ross asked how many contractors have been brought in and over what period.

It was noted that Labor Relations had met with Mr. Shanks and other union leaders twice, along with the director of customer care, to discuss the scope of work for contractors. Between six and eight temporary technicians were hired for a short duration to clear a backlog of unread meters under contracts that have been in place since 2019. The current project is expected to conclude on January 31, 2025. Further, AFGE 872 was informed that the contract could be extended by one month. He stressed that temporary workers have been utilized in meter operations since 2019.

Mr. Shanks noted he had expressed concerns that his team was short-staffed.

Mr. Ross noted that these discussions took place in 2020; it is now 2025, and Management has affirmed that the project should end in the next month or two as the backlog is cleared. He noted there were still questions about how and why the hire was necessary, but the matter was close to a resolution. Mr. Shanks stated that he raised the matter to the Board to ensure the situation does not arise again and to ensure all hires are compliant with Article 55. He also emphasized the union's desire for the Authority to hire more union personnel to read meters, describing reading meters and collecting money as the cash register of the organization.

Mr. Ross inquired why the issue was just brought to a Committee meeting when it had been ongoing for four years and had been addressed in multiple meetings. He stated that it is the responsibility of Management to ensure money is being collected from customers, and not the purview of the Union. David Gadis, Chief Executive Officer and General Manager, stated that the unions are not the singular voice to explain how to collect money or the number of staff required to support this operation. Rather, the unions and Management should work in partnership. He stated that the last thing Management wants is for union members to be overburdened. He acknowledged that training needs to be provided, but there could be more clarity on who provides the training to alleviate the burden on union staff. He noted that one reason for bringing in contractors is not to take away union jobs, but to ensure union members do not have to work extra shifts to clear backlogs.

Mr. Ross observed that all facts should be known so answers can be sought from the management team and asked for data to support the union's concerns.

Ms. Milton reported that since DC Water began engaging in the design-build and collaborative delivery process for contractors, the work of engineers, inspectors and technicians has been transferred to contractors. AFGE 631 filed a grievance that the Authority did not consult the union or follow the contract. Management stated that moving forward they would do so, but this has not been the case. She further reported that DTS employees are concerned they will not have jobs. Before the move to the design-build process, union employees would manage and inspect projects whereas now, the contractor handles all project-related tasks. She acknowledged that contracting out work is not new, but using contractors for project management and inspection tasks is new. She also expressed concern that DC Water is not backfilling union positions and is instead eliminating them, leaving the organization short-staffed.

Mr. Poge stated that five positions in AFSCME 2091 were eliminated and not backfilled.

Mr. Ross asked Ms. Milton and Mr. Poge to provide a written statement detailing the positions that have been eliminated, what area these employees worked in, when the position became vacant, and the impact of contracted positions on union staff. He stated that once he had more details of these concerns, he would talk to Management about how these decisions impact labor agreements.

Shawn Brown Acting Vice President of Employment, Labor and HR Compliance acknowledged that the approach to the recent hire of meter readers may have differed from prior hires but emphasized that the hire is absolutely in compliance with Article 55 of the Collective Bargaining Agreement. He also noted that whether vacant positions are backfilled is a result of strategic planning and budgetary considerations and is the purview of Management.

Fitness for Duty Process

Ms. Milton stated that with recent changes to the Fitness to Duty Process, DC Water had deviated from its contract. A union grievance was filed but Management has not explained the program to the union. She asked the Board to look into the program and the new process, and compare it to the requirements of the contract.

Mr. Ross stated that he appreciated the flag and would investigate further, noting that if the issue is in litigation it will not be discussed in an open meeting.

Reclassification of Wastewater Treatment (WWT) Operators

Ms. Milton stated that there had been multiple requests over several years to reclassify WWT operators to a higher grade due to changes in their work. These operators are currently classified as Grade 9, and the request is to raise them to Grade 10 or higher. She noted that WWT operators have been classified as Grade 9 employees for 50 years.

Mr. Ross noted that the process would normally entail a labor market analysis.

Mr. Brown reported that the process entails two phases. First, it must be determined whether the classification is feasible. If so, negotiation would follow. Management is currently in Phase 1 and has communicated this to the union.

Ms. Milton noted that the last time this matter was brought to Management, Management replied that it was performing a classification study and would address the request in the study report. However, People and Talent have confirmed that the classification study is for non-union employees. She noted that her union had been raising this request for six years and had received a different response to each request.

Mr. Ross responded that he would follow up with the management team and ask about the analysis and timelines for a response.

II. HR REPORT

Keith Lindsey, Chief of Staff and acting EVP of People and Talent, provided the HR report.

He began with the highlights of the Enterprise Human Capital Strategy (EHCS), noting the main purpose was to align People and Talent with the organization’s current needs to ensure appropriate staffing and improved efficiency.

Succession planning has started and is proceeding well. The performance management process has been enhanced, and the talent acquisition process continues to be enhanced as vacancies are addressed. All processes are aligned with Blueprint 2.0.

A staff survey has been developed in consultation with the unions and will be delivered to staff in the first week of February. It will remain open for 30 to 45 days before the data is compiled for analysis. Provisions will be made for in-person engagement in collaboration with People and Talent. Incentives will be offered to ensure strong participation.

Mr. Herrington asked for clarification of the benefits summary table, noting it states that 75 percent of employees participate in the 457(b) Pre-Tax plan and 9 percent participate in the 457(b) Roth plan. However, only 67 percent in total are listed as participating in the contribution matching progress of 5 percent plus.

Kenya Zeigler, Manager, Benefits stated that 67 percent is the proportion of employees participating at over 5 percent, who are therefore receiving the full matching contribution. Those who participate at a level below 5 percent would receive less than the full match.

Mr. Herrington noted that 214 job descriptions are listed as being updated and inquired how many job descriptions there are in total. Mr. Lindsey stated that this number was not immediately available and could be provided post meeting.

It was noted that the 457(b) Roth plan is new and is expected to grow. Ms. Zeigler stated that the Authority is encouraging people to contribute to the plan.

Mr. Quattlebaum noted the benefits liaison stated that employees were being encouraged to contribute to the Roth plan, but his team has not seen any information about the plan. Ms. Zeigler stated that when the plan was first rolled out, it was communicated to employees. In addition, a representative from Fidelity will present webinars to explain the difference between the two plans and will attend the annual benefits fair. Mr. Quattlebaum asked whether information on the plan could be shared with the unions so employees could prepare questions. Mr. Ross stated that he would follow up with People and Talent team to get this information.

III. ADJOURNMENT

The meeting adjourned at 11:00 AM.

Follow-up Actions:

1. Once Chairperson Ross has received data on the impact of contractor hires on union personnel, he will follow up with Management about how these decisions impact labor agreements.
2. Chairperson Ross will ask the Board to look at the updates to the Fitness to Duty Process, and how it compares to the requirements of the contract.
3. Chairperson Ross will follow up with the management team about the

reclassification of WWT operators, and ask about the analysis and timelines for a response.

4. Mr. Lindsey will inform the Committee of the total number of job descriptions at the Authority.
5. Chairperson Ross will follow up with People and Talent to get information on the Roth plan for union personnel.

MINUTES OF THE MEETING
AUDIT AND RISK COMMITTEE
JANUARY 23, 2025
(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

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 Finance Officer and EVP, Finance, Procurement and Compliance
4. Wayne Griffith, Chief Administration Officer and EVP
5. Jeffrey Thompson, Chief Operating Officer and EVP
6. Debra Mathis, Assistant Secretary to the Board

INTERNAL AUDIT STAFF

1. Tiffany McCoy, Cherry Bekaert
2. Christopher Leffler, Cherry Bekaert
3. Rachel Drishinski, Cherry Bekaert

EXTERNAL AUDIT STAFF

1. Brian J. Grega, KPMG
2. Richard P. Mclean, KPMG

The Audit and Risk Committee meeting was called to order by Floyd Holt, Chairperson, at 9:31 AM. The meeting was held via Microsoft Teams and streamed live at dcwater.com. Assistant Board Secretary Debra Mathis called the roll.

I. DC WATER'S FY24 AUDITED FINANCIAL STATEMENT PERFORMANCE

Genes Malasy, Vice President and Controller, presented an overview of the FY24 financial statements and highlighted key financial and audit outcomes.

DC Water received an unmodified, clean audit opinion from KPMG. The Authority also received the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the 27th consecutive year and its second Popular Annual Financial Reporting Award (PAFR) from the GFOA. It was the fourth audit in the Oracle financial system. DC Water's net position is increasing overall.

During FY24, DC Water Adopted two new Governmental Accounting Standard Board (GASB) accounting standards:

- Statement No. 99, Extension of the use of LIBOR, accounting for SNAP distributions – Omnibus 2022
- Statement No. 100 Accounting changes and corrections

These new standards had no impact on the FY24 financial statements. KPMG ensured the Authority abided by all relevant accounting standards.

Committee member Howard Gibbs asked for an explanation of LIBOR and SNAP. Matthew Brown, Chief Finance Officer and EVP, Finance, Procurement and Compliance explained that LIBOR is a variable interest rate that some bonds were priced to, while SNAP is the Supplemental Nutrition Assistance Program.

As a full-purpose business, DC Water uses an accrual method for all financial reporting and estimates costs as needed to ensure all expenses are reported when they are incurred, not when they are paid.

Year over year, the Authority's net position increased to $3.5 billion, up $319.4 million, or 10.2 percent over 2023. This was driven mainly by a $252.8 million increase in net investments in capital assets and advances of $35.5 million to the Washington Aqueduct for their capital program. Operating revenues increased to $978.0 million, up $79.2 million or 8.8 percent. Operating expenses, including depreciation, increased to $560.7 million, up $24.1 million, or 4.5 percent.

The largest increase in operating revenues was in the residential, commercial and multi-family category. The largest expense increases were in personnel services, chemicals supplies and small equipment, amortization, and water purchases.

The Authority's net position is the difference between the total assets plus deferred outflows of resources, and total liabilities plus deferred inflows of resources. The net position grew a total of $319.4 million year over year, reflecting revenue and cash contributions.

At the end of FY24, the Authority had approximately $3.8 billion in long-term debt, a decrease of $118.6 million, or 3 percent, over the fiscal year 2023 as the principle was paid off. Over the next ten years, DC Water anticipates issuing $4.2 billion in new debt to pay for the capital program.

Total restricted and unrestricted cash at year-end was $593,233. Unrestricted cash and investments increased to $388.9 million from $345.9 million in FY23 and includes Board-required cash reserves and the Rate Stabilization Fund. Restricted cash and investments decreased to $374.5 million from $549.3 million in FY23 due to bond issuances, bond principal repayments and bond drawdowns in FY24.

Net capital assets, including construction in progress less depreciation, increased by $374.3 million, or 4.6 percent, to $8.6 billion. Blue Plains, at $3.5 billion, is the largest capital investment. There is $2.6 billion of construction in progress, including the Clean Rivers, Enhanced Clarification Facilities, Potomac Interceptor Projects, Rehab Phase 2, and the Lead-Free DC Project.

Chairperson Holt provided more info on LIBOR, explaining it is the interest rate that the UK bank charges other financial institutions for borrowing, calculated to the fifth digit. Mr. Brown noted that some US securities are also tied to that rate, but none impacted DC Water.

Mr. Holt noted $388 million in unrestricted cash and asked if there is a goal for the level of cash maintained by the Authority. Mr. Brown stated that the current Board policy is to maintain 250 days of cash, with a goal to build on that amount. He noted that the amount for a day of cash continues to increase. At the year end, DC Water held 267 days of cash. Many peers maintain just over 500 days of cash.

Committee member Jed Ross congratulated the team on the clean audit and awards and inquired how these awards are earned. Mr. Brown stated that the Authority submits its financial reports to the GFOA for peer review.

II. FY24 FINANCIAL STATEMENT AND UNIFORM GUIDANCE AUDIT RESULTS

Brian Grega of KPMG reviewed the results of the financial statement and uniform guidance audits for the year ended September 30, 2024.

Mr. Grega noted that the audit was performed in accordance with U.S. GAAP auditing standards and the scope was consistent with prior years. The auditor issued an unmodified opinion on the financial statements on January 9, 2025. No material weaknesses, significant deficiencies or instances of non-compliance with laws and regulations were reported. The Authority's accounting policies and practices were in alignment with GASB standards.

Richard Mclean, KPMG discussed the two new GASB standards introduced in 2024 and confirmed that neither standard impacted DC Water's financial reporting. Two additional new standards will be implemented in FY25: Standard 101 – Compensated Absences, and Standard 102 – Certain Risk Disclosures. Mr. Mclean confirmed that the Authority is researching the impact of these new standards.

Mr. Mclean reviewed the corrected and uncorrected misstatements. There was one uncorrected misstatement relating to SBITA assets, due to an agreement modified in FY24, and one understatement of accounts payable based on a lookback analysis. There were no noted concerns with the Authority's accrual methodology or controls. Mr. Mclean noted that the misstatements were a function of the timing of the audit procedures. there was one corrected audit misstatement to reclassify certain restricted cash and cash equivalents from current to noncurrent.

No material weaknesses or significant deficiencies in internal controls were identified during the audit. Mr. Mclean noted that the audit plan considers internal controls over financial reporting but does not express an opinion on the effectiveness of internal controls. The auditor issues a separate opinion on any significant deficiencies and material weaknesses in internal controls, and any less significant weaknesses are communicated to management in the management letter.

Mr. Grega reviewed the required communications related to the audit. There were no significant changes to the planned risk assessment and audit strategy. There were no significant findings related to the Authority's related parties. There were no identified instances of non-compliance with laws and regulations, including illegal acts or fraud, and no significant unusual transactions were noted. There were no ongoing concern or matters to report, no financial statement and disclosure omissions noted, no instances of non-GAAP accounting procedures, and no subsequent events affecting the audit outcome. The auditor confirmed there were no significant findings relevant to those charged with governance, no significant difficulties or disagreements in dealing with management, and no evidence management consulted with other accountants. The engagement letter, representation letter, and auditor's communication letter were distributed under separate cover. Mr. Grega confirmed the auditor's independence from the Authority.

Mr. Mclean reviewed the Uniform Guidance Compliance Audit reporting, noting that two major programs were selected for setting this year: ALN 66.468, Safe Drinking Water Act Program, and ALN 21.027, Coronavirus State and Local Fiscal Recovery Funds. The audits are in the testing phase and an opinion is expected to be issued in March 2025.

Mr. Brown thanked the representatives from KPMG for their tough but fair audit approach, and professionalism throughout the process.

III. INTERNAL AUDIT

Francis Cooper, Director EPMO noted the transfer of internal auditing responsibility from RSM to Cherry Bekaert.

A. FY 2025 INTERNAL AUDIT PLAN STATUS UPDATE

Tiffany McCoy of Cherry Bekaert reviewed the internal audit plan, noting that the first three audits had kicked off in December 2024, and the SCADA Penetration Testing Audit would begin in February 2025. Requests for information for the Work Order Management Audit were issued in January 2025, and approximately half of the required information has been submitted. The audit team has met with relevant process owners and will begin field work when all preliminary information has been received. For the AI Policy Governance Assessment, the audit team made initial contact with process owners last month and issued the self-assessment for DC Water to review the controls in place. Results of the assessment have been received and the next step is to review the responses and reach out to applicable process owners to begin field work and scheduling walkthroughs. For the Safety Audit, most of the preliminary information has been received. Once the final few items have been submitted, the audit team will reach out to process owners to schedule walkthroughs.

B. STATUS UPDATE ON PRIOR AUDIT FINDINGS

Chris Leffler, Cherry Bekaert reviewed the open high-risk prior audit findings.

For the Fleet Management Audit finding from FY23, the fleet team has drafted requirement documentation, and the legal team has completed an initial review of policies. The updates will be reviewed in collaboration with the unions, which may take up to eight months to complete.

The Internal and External Penetration findings from FY24 remain open but are on target for completion by January 31, 2025.

Mr. Leffler provided a status update on all prior audit findings from FY17 to FY23. Five findings were closed out this quarter, and three more are scheduled for completion. He also reviewed the status of all findings for FY24. Seven findings have been closed out this quarter and eleven are scheduled to be completed in the next quarter.

A review of the average time to closure for all findings by fiscal year demonstrates that the time to closure has reduced from approximately 3.5 quarters in 2020 to approximately 1.375 quarters in 2025. FY23 is an outlier at approximately 5.3 quarters due to the Work Order Management finding, which is scheduled for an FY28 completion, and the Fleet Management Audit.

C. HOTLINE UPDATE

Rachel Drishinsk, Cherry Bekaert provided the Fraud, Waste, and Abuse Hotline update.

Four hotline cases were received in the last quarter. Three have been closed, and one is outstanding and will be a special project due to a required amendment to a contract to provide services.

Mr. Ross requested more information on the four calls. Ms. Drishinski stated that two were triaged and found to be not related to fraud, waste, or abuse. These items were shared with the relevant departments. One case was closed due to a lack of sufficient information to investigate further. The final case is expected to proceed with further investigation, but is a little out of scope and is therefore a special project requiring proper language in a contract to support the project.

Mr. Ross asked if the final item could not be handled by the auditor, would it be forwarded to the legal team. Ms. McCoy stated that the issue has been evaluated, and it was determined that the auditor can manage the resolution. The auditor is working with the contract owner and procurement to update the contract. Ms. McCoy confirmed that Mr. Battle’s office has been involved in the matter.

Marc Battle, Chief Legal Officer and EVP, Government and Legal Affairs confirmed that the issue falls into the general category of waste, fraud and abuse, and more information can be shared with the Board offline.

IV. ADJOURNMENT

There being no other matters to come before the Committee, the meeting was adjourned at 10:21 AM.

Follow-up action:
Mr. Holt will determine a timeline to satisfy the request for more information on the hotline item being handled as a special project.

MINUTES OF THE MEETING
DC RETAIL WATER AND SEWER RATES COMMITTEE
JANUARY 28, 2025
(via Microsoft Teams)

COMMITTEE MEMBERS PRESENT

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

DC WATER STAFF

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

The DC Retail Water and Sewer Rates Committee meeting was called to order by Rachna Bhatt, 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 and EVP, Finance, Compliance and Procurement presented the Monthly Financial Report through Q1-FY 2025, noting that the DC Water revenues are on track to budget. There were favorable variances in the Residential, Commercial, Multi-Family, Federal, and Municipal, Water System Replacement Fee, Pilot, and Other categories.

FY 2025 revenues were adjusted in the revised budget to increase overall revenue by three percent. This includes an additional $16 million in the Residential, Commercial, and Multi-Family category to reflect Commercial revenues that declined during the COVID-19 pandemic but are now Commercial consumption is within 1% of pre-COVID-19 levels. An additional $9.4 million was allocated to the Other category to account for the Fire Protection Fee, which had not been factored in when the budget was approved.

There was a negative variance of $1.7 million in the DC Housing Authority category due to a missed payment.

Delinquent accounts increased by approximately $1 million, with the number of accounts rising from 11,854 to 12,161, primarily driven by multi-family accounts, which comprised 55 percent of the total $36.4 million owed.

Committee member Anthony Giancola expressed concern about the trend, noting that delinquent accounts had been increasing at a rate of approximately $1 million per month since the start of the fiscal year. He suggested that the multi-family delinquency rate be raised with the chair of the Committee of Transportation and Environment when Mr. Gadis speaks with the Committee in early February 2025.

Mr. Brown agreed that the growing delinquency balance is a concern, highlighting that the DC Water offers some of the best customer assistance programs for residential customers, though multi-family dwellings remain a challenge.

Committee member Howard Gibbs expressed sympathy for renters who pay for their utilities but are dependent on landlords who may not be paying for tenants' utility bills. He suggested that the City Council consider requiring new apartment buildings to have individually metered water systems.

Wayne Griffith, Chief Administrative Officer and EVP stated that a strategy was in development, including a marketing and communications campaign. He noted that any action would interface with Government Affairs and Customer Care to help pinpoint areas where delinquency rates could be improved.

Marc Battle, Chief Legal Officer and EVP, Legal and Government Affairs added that his department, along with Kristen Williams', Chief Communications and Stakeholders Engagement Officer and EVP, team was drafting messaging to raise the issue with DC Council to gain support, particularly in addressing multi-family delinquencies. He stated that he and Ms. Williams had met with the Department of Buildings to address other issues and discuss taking a whole-government approach, including potentially suspending building occupancy permits for properties with significant arrears.

Mr. Griffith also noted that technological options were being explored to adjust flows in areas where customers are not paying.

Chairperson Bhatt acknowledged the concern over multi-family delinquencies but also highlighted that delinquency in the commercial category is a concern, as it represents a large dollar amount for a small number of accounts. Mr. Brown explained that commercial delinquencies are sometimes related to multi-family delinquencies when buildings have a mix of commercial and residential units due to a shared meter.

Mr. Griffith stated that he will conduct further additional analysis to identify trends among delinquent customers, including whether some delinquencies were linked to complexity in shared-meter buildings

Mr. Brown reviewed the Customer Assistance Program report, in particular, highlighting the high participation in the new CAP+ program.

The Developer Deposits report included a summary of all deposits from 2001 through 2014, which had a net balance of $421,423. Mr. Brown noted that consultants conducting the Cost of Service Study of Miscellaneous Fees were exploring the possibility of charging fixed permit fees to reduce the need for reimbursable developer deposits.

Mr. Giancola inquired whether President Trump's action to halt all grant funding had impacted the DC Water. Mr. Brown explained that the DC Water had secured $199 million out of the $400 million in grants awarded, and the executive order appeared to affect only new grants, not those already secured. However, at least two watermain projects could be impacted.

Committee member Richard Jackson stated that no specific information had yet been received from the EPA although updates were expected soon. David Gadis, Chief Executive Office and General Manager, noted that an update would be provided in the upcoming Friday report to the Board. He also mentioned that the DC Water had recently signed with a federal lobby group that might offer additional insight.

II. FY 2025 PROPOSED RRC COMMITTEE WORK PLAN

Mr. Brown reviewed the work plan, noting that all items in Sections 1 through 3 were complete. The next steps include finalizing the FY 2025 Revised and FY 2026 Proposed Revenue Budget and Financial Plan, which will be discussed at the meeting to immediately follow. The Cost of Service Study of Potomac Interceptor and Cost of Service Study to establish Miscellaneous Fees will be presented to Retail Rate Committee in the spring of 2025. Mr. Brown also noted that we have started planning of next year's Cost of Service Study for Water, Sewer and CRIAC rate making.

III. AGENDA FOR FEBRUARY 25, 2025 COMMITTEE MEETING

The February 25, 2025 meeting will include the monthly update, committee work plan, and any other items the committee wishes to discuss.

IV. ADJOURNMENT

The meeting adjourned at 10:01 am.

Follow-up Actions:

1. Mr. Griffith will conduct further analysis to identify trends among delinquent customers, including whether some delinquencies were linked to complexity in shared-meter buildings.

**MINUTES OF THE JOINT MEETING
OF THE DC RETAIL WATER AND SEWER RATES
COMMITTEE & THE FINANCE AND BUDGET
COMMITTEE
JANUARY 28, 2025**
(via Microsoft Teams)

RETAIL WATER AND SEWER RATES COMMITTEE MEMBERS PRESENT

1. Rachna Bhatt, Principal, Chair
2. Howard Gibbs, Principal, Vice Chair
3. Anthony Giancola, Principal
4. Richard Jackson, Principal
5. Jed Ross, Principal
6. Unique Morris-Hughes, Principal

FINANCE AND BUDGET COMMITTEE MEMBERS PRESENT

1. Anthony Giancola, Principal, Chair
2. Richard Jackson, Principal
3. Sarah Motsch, Alternate

DC WATER STAFF

1. David Gadis, Chief Executive Officer and General Manager
2. Marc Battle, Chief Legal Office and EVP, Government and Legal 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. Lola Oyeyemi, Vice President, Budget
7. David Parker, Vice President, Engineering
8. Michelle Rhodd, Secretary to the Board

The joint meeting of the DC Retail Water and Sewer Rates and the Finance and Budget Committees was called to order by Anthony Giancola, Chairperson, at 10:04 AM. Board Secretary Michelle Rhodd called the roll.

I. PROPOSED FY 2026 BUDGET

Matthew Brown, Chief Financial Officer and EVP, Finance, Procurement and Compliance presented the proposed FY 2026 Budget, noting that this discussion contained additional details of the budget summary that was presented at the Board Budget Workshop earlier in the month.

Mr. Brown reviewed the budget adoption calendar. This proposal will be reviewed by the Environmental Quality and Operations, Finance and Budget, and DC Retail Water and Sewer Rates committees in January and February, with recommendation to the Board for adoption on March 6, 2025.

The proposed FY 2026 Operating Budget is $838.1 million is an increase of $49.9 million over the current fiscal year. The proposed Ten-Year Capital Improvement Program (CIP) budget is $9.62 billion, which is an increase of $1.88 billion over the current CIP.

Next, Mr. Brown reviewed the proposed FY 2026 Budget's sources and uses of funds totaling $1.01 billion. Major categories of expenditures include personnel and infrastructure investments. Debt service comprises 26.9 percent of the proposed budget and services the debt of $3.8 billion in previously borrowed funds for the capital program. The sources and uses of the Ten-Year CIP totaled $9.62 billion. The major uses of the CIP budget include water projects at 29.8 percent, sewer projects at 28.3 percent, and wastewater treatment at 18.3 percent. An additional issuance of $4 billion revenue bonds is anticipated to continue infrastructure upgrades over the next ten years. Mr. Brown noted that Congress is discussing removing tax-exempt status for bonds for entities such as DC Water, which would have significant negative consequences for the Authority and could amount to an additional $45 million each year in debt service costs each year. Mr. Brown informed the committee of the various executive orders regarding federal grants, and noted staff will continue to monitor the status for any significant impact.

Mr. Brown provided details of the Proposed Revised FY 2025 Operating Budget and FY 2025 and FY 2026 Operating Revenues. The Proposed Revised FY 2025 Operating Budget includes reprogramming $5.5 million from debt service to Cash Financed Capital Improvements (CFCI) for PAYGO to reduce future borrowing costs and revenue increases mainly for retail and wholesale revenues, and fire protection fees.

Lola Oyeyemi, Vice President of Budget, compared the FY 2025 and FY 2026 operating budgets. For FY 2026, proposed expenditures are approximately $838.1 million, an increase of $49.9 million or 6.3 percent, highlighting the largest expenditures being personnel service and debt service.

Ms. Oyeyemi reported DC Water successfully closed the FY 2024 fiscal year with strong financial performance at 97 percent of the overall budget. Ms. Oyeyemi congratulated CEO Gadis, the Senior Executive Team (SET) and Finance team, as well as members of the accounting team who recently received an unmodified "clean" audit opinion for DC Water's FY 2024 financial statement. The amended FY 2025 operating budget remains the same, due to the reprogramming of $5.5 million from Debt Service to CFCI. The proposed FY 2026 operating budget will increase $49.9 million compared to the FY 2025 level.

Next, Ms. Oyeyemi reviewed the various operating budget cost categories and variances. Personnel services for FY 2026 account for $217.5 million of expenditures, an increase of $7.8 million, which includes salary and wage adjustments, merit and step increases, and other adjustments in accordance with the union agreement ratified this fiscal year. She noted the increase of $2.1 million for overtime to address the growing need for emergency repairs to aging infrastructure, boil water events, and equipment outages. Ms. Oyeyemi reported the employee headcount of 1,283 reflects the elimination of 45 hard-to-fill vacant positions, and the addition of 3 new positions. The elimination of the 45 hard-to-fill vacant positions will save our customers at least $5.0 million a year going forward. The vacancy rate for FY 2026 is assumed at 5 percent, compared to seven percent assumed in FY 2025.

Finance and Budget Committee Chairperson Giancola stated he is not in support of lowering the vacancy rate to five percent as he does not feel this is obtainable. He also noted that the net reduction of 42 positions should offset the projected increase in personnel costs. Ms. Oyeyemi noted that personnel increases are largely tied to the union agreement, which stipulates a three percent annual increase per year. She also noted that People and Talent is investing in hiring and as of last month, had reduced vacancies to seven percent from nine percent in September 2024, making the five percent goal achievable if the trend continues. Retail Water and Sewer Rates Committee Chairperson Bhatt asked if the projected vacancy rate was a result of People and Talent setting a goal for the staffing level they would like to see. Ms. Oyeyemi noted it was a combination of factors. Ms. Bhatt stated that she would like to make sure the vacancy rate is not being pushed down by eliminating positions and that the vacancy rate goal is based on what is ideal for DC Water.

Ms. Oyeyemi went on to review the chemicals and supplies budget, which includes an increase of $1.9 million, mainly for critical parts and supplies to maintain DC Water's equipment and facilities. The utilities budget includes an increase of $1.3 million mainly for electricity costs for capacity prices.

Ms. Oyeyemi discussed details of contractual services and the major budget changes, highlighting the FY 2026 budget remains flat at about $102.3 million. Although maintenance and software and hardware costs have increased, adjustments were made in other areas, particularly in professional services. Water purchases are budgeted at $48.1 million, an increase of $2.8 million based on DC Water's share of the Washington Aqueduct's budget which includes funding for the McMillan Sewer backwash system and dredging of the Little Seneca Reservoir by the Washington Aqueduct. Small equipment is budgeted at $1.5 million, an increase of $0.2 million for rental of two cranes for use at Blue Plains.

Next, Ms. Oyeyemi reviewed the non-O&M cost categories of the operating budget which includes debt service, Cash Financed Capital Improvements (CFCI) and payments to the District for Payment In Lieu of Taxes (PILOT) and Right of Way (ROW) fees. She reported capital labor charges are expected to decrease by $3.2 million due to the elimination of vacancies, mainly in the engineering departments.

Debt service is the largest driver in the operating budget and represents approximately 33 percent of the net operating expenditure budget and 27.1 percent of operating revenue in FY 2026. She reported that $4.2 billion is anticipated to be borrowed to fund the capital program over the ten-year period, with debt service costs projected to grow from $244.0 million in FY 2025 to $509.6 million by FY 2034 (an approximate 109 percent increase).

Finance and Budget Committee member Jonathan Butler inquired if there is a debt service ceiling. Mr. Brown stated that there is a management cap of 33 percent of operating revenues. Mr. Giancola noted that the projection for FY 2034 is that debt service will be 41.8 percent for the CIP and asked what the combined debt service cost will be at that time. Mr. Brown stated that the combined debt service cost for FY 2034 would reach 33 percent of revenues in the ten-year financial plan.

Ms. Oyeyemi concluded with potential budget risks, which include a significant increase in overtime, the impact of market volatilities on utility costs, inflationary pressures on professional services, supplies and chemicals, equipment and facilities, insurance premiums, and the potential impact of unanticipated litigation.

Mr. Giancola noted that the amount budgeted for overtime had been increased from $9 million to $11 million, and he praised this decision. He also suggested increasing the vacancy rate proposed for FY 2026 from five percent to seven percent.

Capital Improvement Program

Mr. Brown reviewed the Proposed FY 2025 – FY 2034 CIP of $9.6 billion, an increase of $1.88 billion over the current Board-approved CIP. The CIP funds major programs like the mandated Clean Rivers program and allocates $1.1 billion for the Lead-Free DC program. He noted DC Water uses federal grants to fund the private side replacements, therefore the executive orders, signed by the new Executive administration, may have an impact on receipt of federal funds that will impact the program for private side replacements. Additionally, the CIP allocates funds for more than 150 miles of small-diameter water main replacement, invests $4.5 billion in the aging water and sewer system infrastructure, directs $1.8 billion to major rehabilitation and upgrades at Blue Plains, allocates $500.8 million for DC Water's share of the Washington Aqueduct's infrastructure program, and provides $350.8 million for the purchase/replacement of vehicles, and Information Technology projects.

Mr. Brown provided additional details on the projected spending for the 10-Year CIP, explaining that DC Water would continue to invest in water and sewer projects, the Lead-

Free DC program, and the Clean Rivers program, among others. He noted that the Authority is likely not investing enough in upgrading our assets, and there is a need to increase the investment in upgrading old infrastructure. A revised CIP budget will be submitted the following year to address infrastructure needs and subsequent costs to our customers.

Mr. Butler asked if there should be a line item in the CIP budget that reflects some investment in a second source of water for the District. Mr. Brown noted that one project is dedicated to second source, but the complete project would cost well over $1 billion, and it is not included in the budget, but the initial work on water resiliency is included within the ten-year CIP. David Parker, Vice President of Engineering, stated that part of the funding request will look at the Blue Plains facility and possible reuse, reclamation, or high-level treatment in relation to a second source. There are also projects included to provide additional water storage of both finished and raw water. Mr. Giancola requested the budgeting for a second source be more visible in future budgets and to provide additional details regarding earmarks for design or studies in the next Finance & Budget or Environmental Quality committee meetings.

Retail Water and Sewer Rates Committee member Jed Ross requested a budget conversation regarding federal funding for the Washington Aqueduct. He also requested the Authority's previous insurance premiums presentations provided last year ahead of annual renewals this year.

Mr. Brown reviewed the Capital Equipment budget of $32.5 million, a net increase of $1 million over the FY 2025 budget. Debt service costs for current debt are projected to be approximately $7.1 billion over the next 30 years through 2054. He noted that to advance the capital program, DC Water will need to borrow an additional $4.1 billion over the next ten years.

Mr. Brown provided details of the Proposed Revised FY 2025 Revenues of $951.9 million and Proposed FY 2026 Revenues of 1,011.4 million, highlighting the diverse sources of revenue. Mr. Brown provided a review of projected rate increases in each of the next ten years. He noted that near-term rate increases are slightly lower than original projections due to increased revenue in the FY 2025 budget. Chairperson Giancola asked if the projected rate increases table could be augmented with the projected national inflation rate for each year. The average residential customer bill and the average Customer Assistance Program (CAP) customer bills were presented for the Committee's consideration. Projections for the average bill over the ten-year period were also presented.

Over the next ten years, DC Water anticipates receiving $400.8 million in grants, about 4.2 percent of anticipated capital expenditures. A significant portion of this funding will be used for the Lead-Free DC Program.

Board Chair Unique Morrison Hughes, inquired if there had been information from grant providers regarding the impact of President Trump's executive order stopping grant funding. Mr. Brown stated that information received to date from the EPA Regional office that they anticipate continuing to process reimbursements for grants that have already been awarded. He noted that an update will be provided to the Board in each of Mr. Gadis' weekly reports.

DC Water uses the ten-year financial plan to monitor its financial progress and to help maintain strong finances. The financial plan focuses on compliance with Board financial policies, maintaining a high credit rating which reduces borrowing costs, and a predictable annual increase in customer rates. The ten-year financial plan assumptions include maintaining debt service rate that is equal to or less than 33 percent of total revenue, maintaining combined coverage of at least 160 percent, increasing cash on hand from 250 days to the goal of 350 days, and tracking overall trends with consumption and debt. Details of the ten-year plan were included.

Mr. Brown discussed the Intent to Reimburse Capital Expenditures, which is a requirement to allow DC Water to reimburse itself for capital expenditures with debt proceeds. The combined amount requested for FY 2025 and FY 2026 is $785.0 million. DC Water plans to enter the bond market in Summer 2025.

In closing, Mr. Brown reminded the Committee the respective recommendations and actions from the various Committees that will occur in February with final budget adoption by the full Board on March 6, 2025.

II. ADJOURNMENT

The meeting adjourned at 11:01 AM.

FOLLOW-UP ACTIONS

1. Ensure the budgeting for water second source be more visible in future budgets and to provide additional details regarding earmarks for design or studies in the next Finance & Budget or Environmental Quality committee meetings. **(Mr. Giancola)**
2. Initiate budget conversation regarding federal funding for the Washington Aqueduct. **(Mr. Ross)**
3. Provide the Authority's previous insurance premiums presentations provided last year ahead of annual renewals this year. **(Mr. Ross)**
4. Update the projected rate increases table with the projected national inflation rate for each year. **(Mr. Giancola)**

MINUTES OF THE MEETING
FINANCE AND BUDGET COMMITTEE
JANUARY 28, 2025
(Via Microsoft Teams)

COMMITTEE MEMBERS PRESENT

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

OTHER BOARD MEMBER PRESENT

1. Unique Morris-Hughes, Board Chair

DC WATER STAFF

1. David Gadis, Chief Executive Officer, and General Manager
2. Matthew T. Brown, Chief Financial Officer and EVP, Finance, Procurement and Compliance
3. Marc K. Battle, Chief Legal Officer and EVP, Government and Legal Affairs
4. Wayne Griffith, Chief Administration Officer and EVP
5. Jeffrey Thompson, Chief Operating Officer and EVP
6. Lola Oyeyemi, Vice President, Budget
7. Debra Mathis, Assistant Board Secretary

The DC Water Finance and Budget Committee meeting was called to order by Anthony Giancola, Chairperson, at 11:02 AM. Assistant Board Secretary Debra Mathis called the roll.

I. MONTHLY REPORT TO THE FINANCE AND BUDGET COMMITTEE

Lola Oyeyemi, Vice President of Budget, presented the monthly financial report for December 2024 by exception.

As of the end of the first quarter of FY 2025, total operating revenues were $247.6 million or 26.7 percent of budget, operating expenditures were $171.3 million or 21.7 percent of budget, and capital disbursements were $177.2 million or 19.7 percent of budget.

Ms. Oyeyemi informed the Committee that in January, the auditor presented its findings to the Audit and Risk Committee with the issuance of an unmodified “clean” opinion for DC Water’s FY 2024 financial statement. She congratulated the Finance staff for their work on the completed audit. There are ongoing FY 2024 activities to complete the Office of Management and Budget Uniform Guidance Audit, Annual Comprehensive Financial Report, and the Green Bond Attestation.

The favorable year-to-date variance for operating revenues were mainly from the Residential, Commercial, and Multi-Family customer category due to higher water consumption compared to budget. The unfavorable variance in the DC Housing Authority category was as a result of nonpayment of its November billing in December.

Total operating expenditures were $171.3 million or 21.7 percent of the FY 2025 Budget. There were no significant variances in operating expenses. Ms. Oyeyemi noted an increase to overtime costs during the first quarter to handle emergency responses, like watermain breaks, during the winter season. The vacancy rate at the end of December was 7.5 percent. The capital disbursements totaled $144.1 million or 19.7 percent of the budget. A detailed quarterly CIP update will be presented at the February 2025 Committee meeting.

Cash investments, including the Rate Stabilization Fund balance of $35.6 million and unspent bond proceeds, totaled $594.98 million. The interest income for December was $1.0 million, with a year-to-date total of $3.4 million. The delinquent account balance increased by $1.0 million to $36.4 million for 12,161 accounts, with the multi-family category comprising 55.0 percent. Ms. Oyeyemi noted staff will continue to work with Customer Care department and management to seek opportunities to address the increased customer delinquencies.

Total overtime costs are $2.9 million, mainly due to increased emergency responses during the winter season. Ms. Oyeyemi noted that overtime costs were expected to exceed the FY 2025 budget and would be offset by vacancy savings. She reminded the Committee that the budget of $9.1 million was based on FY 2023 trends and the Proposed FY 2026 overtime budget was increased to $11 million consistent with the trend in FY 2024.

The Developer Deposit credit balance was $37.29 million while the debit balance was $10.98 million. Total refund requests processed since December 2024 were seven, a total of $76,110.29 in refunds. At the end of the first quarter, Accounts Payable performance met the target of 97 percent of invoices paid within 30 days.

II. AGENDA FOR THE FEBRUARY 2025 COMMITTEE MEETING

The agenda for the February 2025 committee meeting includes the monthly financial report, a quarterly CIP update, and committee recommendation to the board of the FY 2026 Budget.

III. ADJOURNMENT

The meeting adjourned at 11:12 AM.

FOLLOW-UP ACTIONS

1. Provide the FY 2024 Auditor's Management Letter to the Finance & Budget committee members. **(Mr. Giancola)**
2. Provide a status update on the developing Federal Grants' changes at the February Committee meeting. **(Mr. Giancola)**

CEO's Report

FEBRUARY

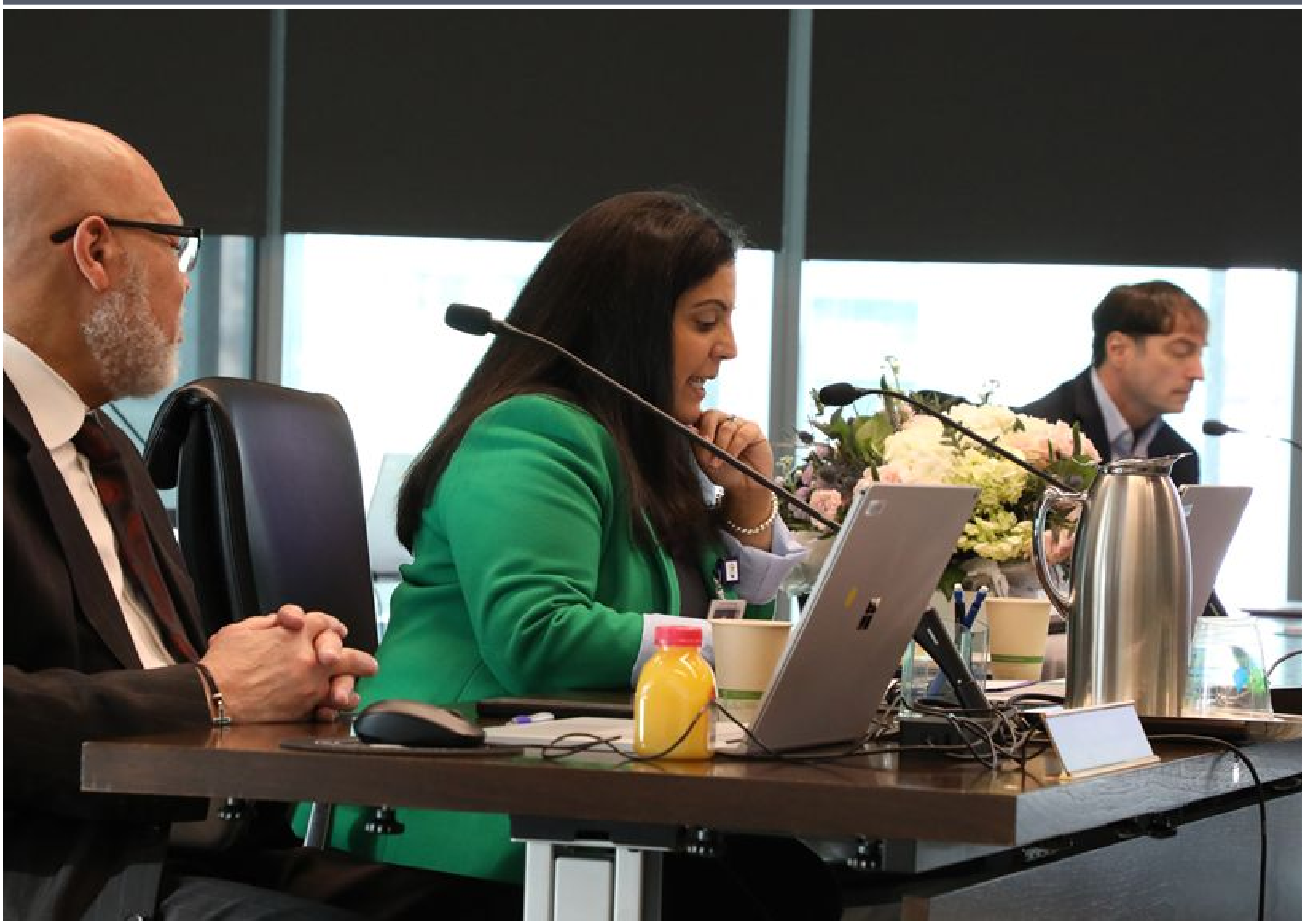
2025

ACCOUNTABILITY TRUST TEAMWORK CUSTOMER FOCUS SAFETY WELL-BEING

CEO's Report

FEBRUARY 2025

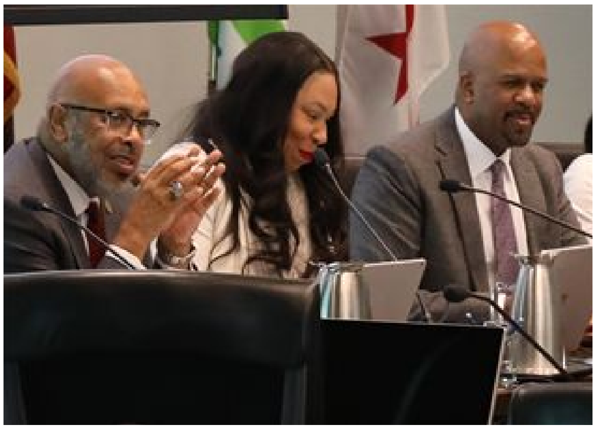
Inside



ACCOUNTABILITY TRUST TEAMWORK CUSTOMER FOCUS SAFETY WELL-BEING

Highlights

Chair Morris-Hughes, and members of the Board, it is my pleasure to present you with the CEO's Monthly Report for February 2025. 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.



The biggest highlight of the month, was the installation of the new Chair of the Authority's Board of Directors, **Dr. Unique N. Morris-Hughes**. I know that you will join me in extending her a warm welcome to DC Water and the Board.

As the Director of the District Department of Employment Services, Dr. Morris-Hughes has been an invaluable partner with the Authority's training and apprenticeship equity programs. She also brings an impressive combination of professional and academic credentials to her work with the Board. I encourage each of you to read her bio on the DC Water website.

In welcoming Dr. Morris-Hughes, I must also pay tribute to our Interim Chair, **Rachna Butani Bhatt**. Ms. Bhatt served the Authority twice as Interim Chair in 2024, and I am deeply grateful for her leadership and her willingness to serve. Thank you, Ms. Bhatt for your spirit of service and partnership, and for leading the Board through this transition.

Equitable

Bread for the Soul

I have a significant update to add on our 2024 Bread for the Soul efforts after receiving an email from Charles Hicks, founder of Bread for the Soul. I mentioned that DC Water had delivered gifts to 80 children, representing 29 different families. However, I have since learned that those figures only represent the items directly delivered by Authority volunteers.

In a recent email, Mr. Hicks wrote that "Although we received approximately 150 toy donations in 2024 from local churches and Bread for the Soul members, the majority – nearly 90 percent of the toys, coats, and books provided to the families in need were made possible through the support of DC Water."

Bread for the Soul was able to serve more than 520 children in 2024 with toys, coats, and books, and more than 80 teens with gift cards. More than 130 local families benefited from the program this year.

Highlights

Equitable – continued

Stakeholder Alliance Welcome Reception

On Thursday, January 23, it was my pleasure to offer remarks at our welcome reception for incoming Stakeholder Alliance members. During my remarks, I shared some thoughts on the challenges the Authority faces in the years ahead and how stakeholder engagement and trust is more important than ever.

The reception also provided an opportunity to share information on how the Alliance and the Authority have previously partnered with great success, including addressing community concerns and shifting the billing calculation to an improved mix of the Clean River Impervious Area Charge (CRIAC) and volumetric assessment.

Sustainable

Earth911 Innovator Interview

In January, the Earth911 'Sustainability in Your Ear' podcast interviewed **April Thompson** (Director, Marketing / Bloom) and **Chris Peot** (Director, Resource Recovery / Wastewater Treatment) on the Authority's acclaimed soil-amendment product, Bloom, and biosolids-based fertilizers in general.

During the conversation, the pair explained how wastewater is transformed into a sustainable fertilizer, reducing pollution from runoff chemicals, and boosting agricultural productivity. I encourage our Board members to listen to the podcast, available here.

I would like to thank Ms. Thompson and Mr. Peot for continuing to share the ways that Bloom, and other biosolid-based soil amendments, benefit our farms, gardens, and environment.

Reliable

Apple Technology Special Event Planned

Last week, Information Technology announced a special Apple Technology Event coming to DC Water work sites in February. On February 12, Apple representatives will visit Blue Plains and HQO, to offer information and hands-on demonstrations of the latest technologies.

Joe Edwards (Chief Information Officer and EVP / Information Technology) and his team are using the event as a launchpad to establish a team of employees who will volunteer to assess new technology at DC Water, enabling us to evaluate a broader range of products that could benefit the Authority and our employees.

Dotun Olawunmi (Director, IT Infrastructure & Operations / Information Technology), **Cheryl Jackson-Brockett** (Manager, IT Customer Service / Information Technology), and **Tamara Williams** (Executive Assistant II / Information Technology) are organizing the event on behalf of the Authority, and the early response from staff has been tremendously positive.

DC Water to Host WaterPitch! at HQO, February 18-20, 2025

I am very pleased to share that DC Water will host 'WaterPitch,' a special event presented by WaterCitizen, from February 18-20, 2025. **Dr. Robert Bornhofen** (Director, Innovation / Administration) has partnered with WaterCitizen and Dr. Cat Shrier, Ph.D., to organize the event.

'WaterPitch' will bring together water startup founders and funders, entrepreneurs, investors, and clients to advance innovative solutions that will support clean water, responsible wastewater treatment, and improved resilience to variable weather patterns.

I would like to recognize the outstanding work of Dr. Bornhofen, and his team, in creating a vehicle for innovative projects and entities able to fund pilot programs.

dc Highlights

Healthy, Safe and Well

Authority Supports Presidential Inauguration

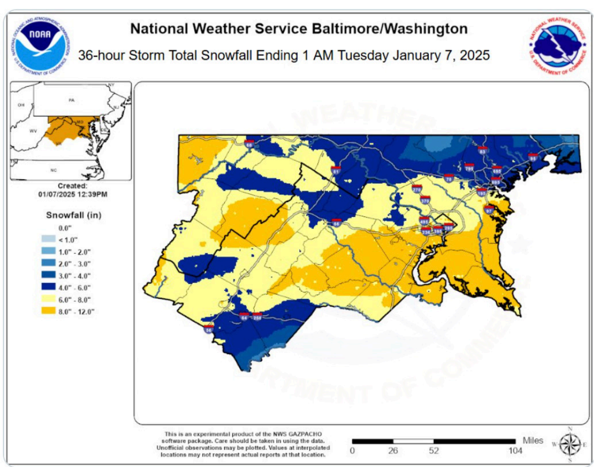
On January 20, the United States inaugurated Donald Trump for a second term as President, and DC Water was on site to assist with any water or sewer emergencies that could arise during the inauguration. Because the inauguration is considered a National Security Special Event, the United States Secret Service served as the lead coordinating agency.

Prior to the inauguration, the Authority partially activated DC Water's Incident Management Team (IMT), and fully activated on the day of the inauguration. Prior to and during the inauguration, DC Water was on-hand to assist with manhole sweeps, and deployed the Mobile Incident Command Unit to be prepared for use if necessary.

Due to freezing temperatures, the inauguration was moved indoors, and there was some concern that we could have numerous main breaks during the event, and potentially inside the protected zone, which thankfully did not happen. Accordingly, the Authority set up an Incident Command Post and staging areas for response personnel and equipment heading for the protected zone.

I would like to thank **Wayne Griffith** (Chief Administration Officer and EVP), **Dusti Lowndes** (Director, Emergency Management / Administration), **Greg Vernon** (Manager, Emergency Management / Administration), **Adam Baron** (Program Manager, Hazard Mitigation / Administration), and **Edward Walters** (Program Manager, Critical Infrastructure Protection / Administration) for leading our presence, planning, and coordination for the inauguration.

Snow Falls Across the Washington Metropolitan Region



On Monday, January 6, a winter storm brought 6-10" of snow across the Washington Metropolitan region. Throughout the storm on Monday, and through the week, our Operations teams ensured that our systems were fully operational, and our Facilities teams kept worksites plowed and safe for employees.

It can be easy to forget that these essential personnel are the spine of the Authority – they enable us to navigate hazards to deliver water and wastewater services no matter the weather conditions. They are often first on the scene and take responsibility for protecting Authority employees and assets.

I would like to thank **Jeffrey Thompson** (Chief Operating Officer and EVP / Engineering and Operations), **Wayne Griffith** (Chief Administration Officer and EVP / Administration), and **Brent Christ** (Director, Facilities / Administration) and their respective teams for keeping Authority employees, sites and assets safe and operating effectively.

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	Sept-24	Oct-24	Nov-24	Dec-24
Operating Cash Balance (millions $)	$309.6	$320.5	$335.7	$328.6	$320.8
Delinquent Account Receivables (%)†	3.30%	4.48%	4.48%	4.66%	4.72%
On-time Vendor Payments (%)††	97%	96%	97%	98%	97%
Investment Earnings Data (Thousands $)	$9.5	$12.1	$1.2	$2.4	$3.4
Core Investment Yield Data (%) - Merrill Lynch 1-3 Year Treasury Index *		3.7%	4.2%	4.2%	4.3%
Core Investment Yield Data (%) - Actual Monthly Yield †††	3.82%	4.0%	4.0%	4.0%	4.0%
Short Term Investment Yield Data (%)- Merrill Lynch 3-Month Treasury Index *		4.6%	4.5%	4.4%	4.3%
Short Term Investment Yield Data (%) - Actual Monthly Yield †††	4.06%	4.0%	3.9%	3.9%	3.9%
Days of Cash on Hand** and ***	267**	342	335	339	333***

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.
***333 days of cash is made up of 33 days in the Rate Stabilization Fund and 300 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

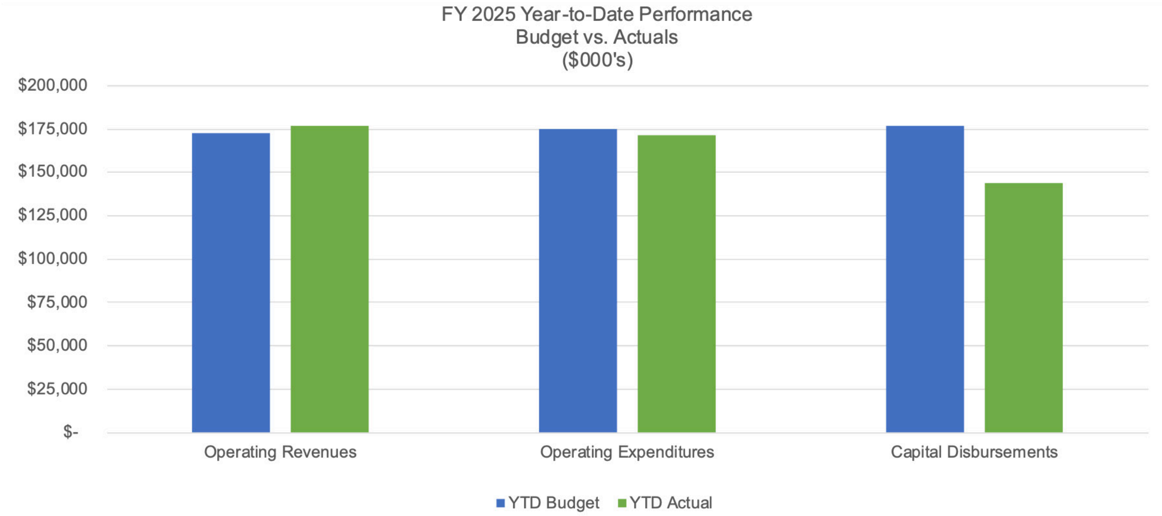
FY 2025 Financial Performance

At this early stage in the fiscal year, DC Water is on track with its budget. As of the end of December 2024, with 25 percent of the fiscal year completed, total operating revenues are $247.6 million or 26.7 percent of the budget. The year-to-date operating revenues were 7.2 percent or $16.6 million above the year-to-date budget with higher receipts mainly from the Residential, Commercial and Multi-Family customers due to higher consumption and CRIAC than anticipated in the budget.

Total operating expenditure was $171.3 million or 21.7 percent and capital disbursements were $144.1 million or 19.7 percent of the respective budgets.

Finance, Procurement, and Compliance

FY 2025 Year to Date Performance Budget vs. Actuals ($000's)

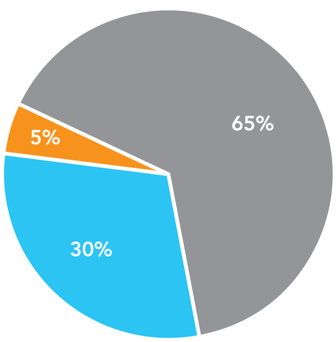


FY 2026 Budget Process

This budget proposal was reviewed with the Board of Directors during the Budget Workshop on January 13, 2025. The details of the proposed budgets will be reviewed with the various Board Committees over a two-month process with budget adoption anticipated by the full board on March 6, 2025.

Procurement and Compliance

In December, five different procurement actions were approved by the Board. The value of the eligible procurement actions for this period totaled $86.29 million. Of this total, the planned certified firm participation is $30.25 million (in prime and subcontracting opportunities).



Certified Firm Participation December 2024 Awards

Participation:

DBE: $25.75M

WBE: $4.50M

Non-certified: $56.04M

Highlights

- Sixteen certified disadvantaged/women business enterprises were awarded subcontracts on DC Water projects.
- Two firms obtained their first contracts (subcontract) with DC Water.

Outreach and Engagement

- Continued our contractor engagement efforts to identify potential prime contractors for DC Water's capital projects.
- DC Water and the LFDC Team hosted Board Chair Dr. Unique Morris-Hughes during her visit with the LFDC Activators.
- DC Water hosted its second "Collaborative Delivery" workshop.

Upcoming Business Opportunities:

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

– continued

Finance, Procurement, and Compliance

Procurement – continued

Capital Projects:

Planned Solicitation	Project Title / Description	Solicitation Type	Contract Type	Estimated Contract / Program Value	Inclusion Program
Jan-25	"Lead Free DC (LFDC) Lead Service Line Replacement (Work Package 21): Project includes but is not limited to; installation of new copper service tubing and disposal of existing domestic lead service lines. "	Competitive Task Order	Construction MSA for Qualified Contractors	$35M - $38M	DBE/WBE
Jan-25	"Creekbed Infrastructure Rehabilitation Project: Preconstruction collaboration and construction services to rehabilitate ~3.5 miles of storm sewers ranging from 6-inch to 108-inch diameter, rehabilitate ~4.5 miles of sanitary sewers ranging from 8-inch to 27-inch diameter; and stream bank restoration areas that are in or adjacent to Federal lands administered by National Park Services (NPS)"	RFQ/RFP	Construction Management at Risk (CMAR)	$43M - $47M	DBE/WBE
Jan-25	"Linear Water and Sewer Rehabilitation Master Service Agreement (MSA) - Qualifications: Portfolio of water and sewer infrastructure repair and replacement projects to be executed as individual task orders via the CMAR project delivery method. Third party engineering consultants are engaged in design and projects are at various stages of completion. Work packages include local water, sewer, and stormwater pipelines, creekbed sewers, large diameter transmission mains, and very large / named sewers. Projects contain sanitary and combined rehabilitation, with diameters from 8–24” and task order packages estimated range in size from $5 million to $20 million."	RFQ	Construction Management at Risk (CMAR) (MSA)	$182M - $196M	DBE/WBE
Feb-25	"Heavy Sewer Cleaning Heavy and light cleaning of sewer pipes as specified, along with cleaning manholes, vaults, and related structures."	RFQ/RFP	Professional Services	$8M - $10M	DBE/WBE
Feb-25	Ft. Reno Solar	RFP	Solicitation for Pre-Qualified Vendors	$8M	
Feb-25	"Large Diameter Water Main (LDWM) Dead End Elimination: Project includes < 1 mile of LDWM abandonment."	Competitive Task Order	Construction MSA for Qualified Contractors	$2M - $3M	DBE/WBE
Feb-25	"Potomac Interceptor CMAR (PI01): Rehabilitation of approximately 10,300 feet of 72” - 96” reinforced concrete pipe (RCP) that spans from Manholes M-20 to M-11 along the Clara Barton Parkway. Temporary bypass pumping with a capacity of up to 70 million gallons per day."	RFQ/RFP	Construction Management at Risk (CMAR)	$105M - $112M	DBE/WBE

– continued

Finance, Procurement, and Compliance

Procurement / Capital Projects – continued

Planned Solicitation	Project Title / Description	Solicitation Type	Contract Type	Estimated Contract / Program Value	Inclusion Program
Mar-24	"Small Diameter Water Main (SDWM) Replacement - 18C: ~ 3.55 miles of small diameter water mains ranging from four inch to twelve inches and associated valves and appurtenances."	Competitive Task Order	Construction MSA for Qualified Contractors	$14M - $16M	DBE/WBE
Apr-25	"Water Pumping and Storage Facilities: Portfolio consists of three pumping station upgrade projects, two new storage reservoir projects and a project to address the minimum water pressure issues in Anacostia 3rd High pressure zone. These projects, will build and rehabilitate key infrastructure, including large pumping stations, water storage reservoirs, and transmission mains, ensuring efficient and secure operations. Estimated project values range from $10 million to $41 million."	RFQ/RFP	Progressive Design Build (PDB)	$115M - $125M	DBE/WBE
Apr-25	"Anacostia Area Sewers Rehabilitation: Anacostia Main Interceptor (AMI), Anacostia Force Main (AFM) includes rehabilitation of ~20,000 LF of concrete. East and West Outfall Sewers (EWOS), East and West Outfall Relief Sewers (EWORS), North Interconnecting Branch Sewer/South Interconnecting Branch Sewers (NIBS/SIBS) includes ~74,000LF of concrete and reinforced concrete pipe (RCP) with diameters ranging from 48–165”."	RFQ/RFP	Progressive Design Build (PDB)	$410M - $431M	DBE/WBE
May-25	"Transmission Main and Critical Valves: Portfolio encompasses critical water infrastructure projects, including large-diameter water main rehabilitations (≥ 16 inches), critical valve replacements, new Washington Suburban Sanitary Commission (WSSC) interconnections and upgrading of existing interconnections, and a booster pump station in the 4th High Reno Pressure Zone. Individual projects estimated construction costs ranging from $4 million to $42 million in value."	RFQ/RFP	Progressive Design Build (PDB)	$107M - $114M	DBE/WBE
Jul-25	"Potomac Interceptor Progressive Design Build Condition assessments and investigations. Rehabilitation of approximately 36,000 feet of 36” - 84” RCP in various segments of the Potomac Interceptor."	RFQ/RFP	Progressive Design Build (PDB)	TBD	DBE/WBE
Oct-25	"Small Diameter Water Main (SDWM) Contract three small diameter water mains 12-inches in diameter and smaller. Project includes public and private side lead service lines, valves, hydrants, various appurtenances, and restoration of public and private space. Design-Builder will need to provide various public outreach efforts associated with the project."	RFQ/RFP	Progressive Design Build (PDB)	$66M - $71M	DBE/WBE

Finance, Procurement, and Compliance

Procurement – continued

Goods and Services:

Planned Solicitation Month and Year	Project Title	Description	Solicitation Type	Contract Type	Estimated Total Contract Value	Inclusion Program
January, 2025	Repair of Electrical Control Equipment	Instrumentation and Repair of Electrical Control Equipment	Request For Proposal	Master Service Agreement	>$1M	DBE/WBE
January, 2025	Benefits Consulting Services	Consulting Services in the areas of health, welfare and retirement	Request For Proposal	Master Service Agreement	<$1M	LSBE
January, 2025	Low Voltage Maintenance	Annual maintenance on low voltage equipment	Request For Proposal	Master Service Agreement	>$1M	TBD
January, 2025	High Voltage Maintenance	Annual Maintenance of Electrical Power Distribution Equipment	Request For Proposal	Master Service Agreement	>$1M	DBE/WBE
January, 2025	Uniforms	Uniforms for lease / purchase throughout the Authority.	Request For Proposal	Master Service Agreement	>$1M	DBE/WBE
January, 2025	Emergency Preparedness Planning & Related Services	Emergency Preparedness Planning & Related Services	Request For Proposal	Master Service Agreement	<$1M	LSBE
February, 2025	External Audit Services	Request for Proposal for External Audit Service providers Licensed in DC	Request For Proposal	Master Service Agreement	>1M	TBD
February, 2025	HQ Audio-Visual equipment upgrade	Turnkey solution to upgrade AV systems in the DC Water's HQ and ongoing technical support	Request For Proposal	Master Service Agreement	$1-$5M	DBE/WBE

A LOCAL HIRING INITIATIVE

As of this report, DC Water Contractors have filled 12 new positions in FY 25. Ten of those positions, or 83 percent, have been filled by local residents. The table highlights the total new hires for FY 2025.

Location	# of New Hires
District of Columbia	7
Prince George's County	2
Montgomery County	1
Fairfax County	0
Loudoun County	0
Outside the User Jurisdiction	2

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

Administration

Fleet, Facilities, Safety, Security and Emergency Management

Administration Metrics

Metric	Target	Nov-24	Dec-24
SECURITY Security Camera operational uptime	90%	96%	96%
SECURITY Smart card readers operational uptime	90%	97%	97%
SECURITY Percent of security investigations completed within 21 days	95%	100%	100%
FACILITIES Preventive Maintenance Completion Rate	90%	98%	82%
FACILITIES Service Request Completion Rate	90%	91%	93%
FLEET Priority One Vehicle Service	50-90%	61%	64%
FLEET Productivity	81%	87%	86%
SAFETY DC Water Employee Recordable Incident Rate (RIR) (FY)	<5.4	4	1.97
SAFETY DC Water Employee Lost Time Incident (LTI) (FY)	<2.1	2	0.99
SAFETY Contractor/ROCIP Recordable Incident Rate (RIR) (FY)	<2.4	0	3.2
SAFETY Contractor/ROCIP Lost Time Incident (LTI) (FY)	<1.0		0.8

Facilities Justification: The service request (SR) performance was 93 percent. This exceeds the target value. The preventive maintenance (PM) performance was 82 percent. This is lower than the 90 percent target for PM. There was a significant increase in the number of PM in the month of December for the HVAC shop with 399 PM in the month of December vs an average of 177 PM for the previous two months. The HVAC shop performed 207 percent PM in the month of December over the month of November in response to the increased demand. Facilities will continue to work with the EPMO team to level out PM demand from month to month avoid spikes and match demand with appropriate resources.

Fleet Justification:
Metric 1: Priority 1 Assignment ensures the resources are being allotted appropriately to the immediate service and repair of our priority one units. In this period 64 percent of the technician hours were allocated to Priority 1 vehicles, (Prior month 61 percent). The target range is 50-90 percent to support our goal of minimizing Priority 1 unit downtime.

Metric 2: 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 86 percent of the technician hours were classed as productive, (Prior month 87 percent). The target is 81 percent ensuring the balance of productive work vs necessary breaks etc. In industry, this metric is often referred to as “wrench on bolt.”

While focusing on winter season preparation and readiness, 96 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 64 roadside assistance calls and 78 fuel requests. Additionally, 10 units were disposed in December totaling $56,700 in revenue.

Customer Care

Customer Assistance Programs (CAP)

DC Water is thrilled to announce that the new **CAP+** program is successfully supporting customers facing greater financial challenges, with participation already exceeding that of the original CAP program. We remain dedicated to engaging our customers through innovative marketing strategies and look forward to even more participants this year.

Residential Leak Assessment and Repair Programs (RLAAP and RLRAP) launched December 17, 2024. While initial participation was slow, in early January, we are seeing an increase in customer interest and participation. The January 2025 CEO report will include metric data for these new programs

Program	FY2024 Enrolled	FY2024 Dollars	Dec Enrolled	Dec Dollars	# FY25 Enrolled	FY2025 Dollars	FY2025 Budget
CAP +	0	$0	353	$67,722	808	$99,145	$1,700,000
CAP I	4,411	$2,586,698	309	$46,837	707	$189,160	$3,000,000
CAP II	360	$160,586	35	$3,990	84	$13,451	$300,000
CAP III	29	$4,714	0	$210	6	$698	$10,000
Non Profit CRIAC Relief**	185	$997,487	21	$64,365	80	$123,828	$861,679

Customer Care

The department made significant efforts to meet metric targets despite challenges like boiled water alerts, water main breaks, holiday leave, and vacancies.

- **Estimated Bills as a Percentage of Meters Read**: Missed by 0.1 percent.
- **Percent Bill Investigations/Dispute Resolution <= 30 Days**: Missed by 36 percent (missed due to absences and holidays)
- **Percent of Calls Answered in 40 Seconds**: Missed by 13 percent due to increased calls and staff changes. Average Wait Time and Abandon Rate metrics were also negatively impacted. The team is actively recruiting to fill the vacancies.

Customer Care

Customer Care continued

The Payment Plan Incentive Program participant and payment distribution:

Payment Plan Incentive Program		
Adjustment Year	**Participants**	**Adjustments**
FY 2024	470	$122,307
FY 2025	574	$159,038

FY 2025 Payment Plan Incentive Program		
Adjustment Month	**Participants**	**Adjustments**
October 2024	147	$36,068
November 2024	129	$34,498
December 2024	157	$51,866
January 2025	141	$36,606
FY25 Distribution	**574**	**$159,038**

Key Performance Indicators

Metric	Target/ Service Level	Oct 24	Nov 24	Dec 24
% of bills issued on time (w/in 5 days)	97%	98.4%	97.7%	98%
% unbilled	< 2%	0.8%	5.1%	1.4%
Estimated bills as a percent of meters read	< 4.5%	4.3%	3.8%	4.6%
# of bill investigations (Disputes)	trend only	166	208	205
% Bill Investigations/Dispute Resolution <= 30 Days	80%	87%	99%	44%
% of calls answered in 40 Seconds (Call Center)	85%	92%	83%	72%
Monthly call volume served (Call Center)	trend only	11,100	9,880	10,965
Average Wait Time (minutes)	<0:30	:20	:29	:58
Abandon rate	3%	1%	2%	4%
Emergency dispatch <= 10 Min (ECC)	> 92%	88%	86%	100%

Information Technology

IT Monthly Report

SR/WO Type	SL Target / SLA	Oct 24	Nov 24	Dec 24
Number of tickets submitted	Trend only	1077	846	817
Number of open tickets	Trend only	68	27	45
Helpdesk SLA	96%	97.70%	99.30%	99.20%
Number of active projects	Trend only	9	9	8
Number of completed projects	Trend only	0	0	1
On schedule performance	90%	94.74	94.44	94.44
On budget performance	90%	100	100	100
% AMI transmission	95%	91.27%	91.14%	91.00%

Operations and Engineering

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

Key Performance Indicators

Metric	Target/Service Level	Sept-24	Oct-24	Nov-24	Dec-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%	24%	27%	24%	22%
Reactive Maintenance , percent of total maintenance hours	<20%	31%	28%	28%	34%
Critical Asset Availability , percent of total critical assets at the Blue Plains AWTP	>95%	96%	96%	96%	97%
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	15019	132	435	930
* Inspection of catch basins in the CSO Anacostia tributary area at least twice per year (Jan 1- Dec 31)	11,400	6698	8567	10,302	11,517
* NPDES Permit to Clean and Inspect 85% of 10,700 CSS Area C/B (Jan 1- Dec 31)	9,095	5843	7560	9,329	10,249
Miles per month Sewer Cleaning and Inspection to meet 1,400 Miles of Small Diameter (<12 inches) in 10Yr Cycle	>12	11	6.7	4.1	12.2
Sewer Backup (Investigation to Resolution) Within 24 Hours Excluding Line Breaks	>95%	96%	97%	98%	96%
Number of SSO's	Report	1	2	4	1
SSO's to Body of Water	Report	0	1	2	0
SSO's per 100 miles of pipe (YTD) (AWWA 2021 Utility Benchmarking Report)	2	2.4	0.15	0.46	0.53
SSO's per 100 miles of pipe (Water Body) (YTD)	Information Only	1.14	0.076	0.23	0.23
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	Sept-24	Oct-24	Nov-24	Dec-24
Pumping Operations					
Firm Pumping Capacity Maintained	100%	100%	100%	100%	100%
Reactive Maintenance	<20%	16%	21%	23%	23%
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	21	22	6	7
Approved Hydrant Flow Tests (Non-Winter Months)	>180	108	117	94	78
Fire Hydrant Operational Rate	99%	99.5%	99.8%	99.83%	99.82%
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%	84%	100%	95%	97%
Water Main Breaks	<28/Month	25	24	33	111
Water Main Break Rate /100 Miles (National Average is 25)	25	40.56	40.41	37.72	42.26
% 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%	96%	91%	92%

* 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 percent 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.

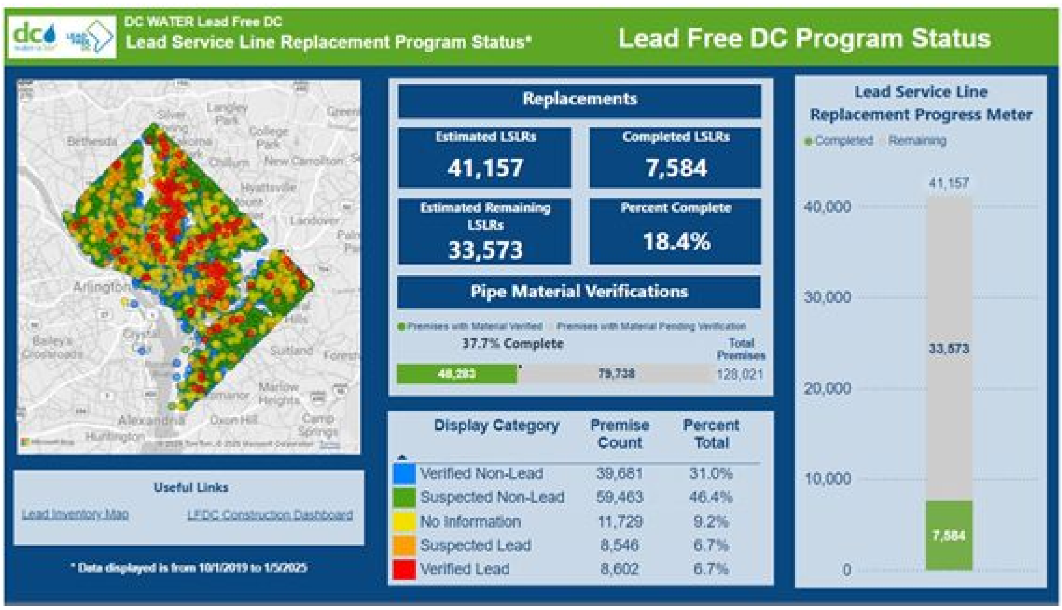
Hydrant Flow Tests (Non-Winter Months) (>180)
In December, the hydrant flow test crew conducted 78 hydrant flow tests. Flow testing in the winter months is at a minimum due to cold temperatures.

Total Fire Hydrants Replaced
In December, the hydrant replacement and construction team concentrated on supporting water main emergencies and managing resource shortages caused by the holidays. Consequently, the hydrant replacement target was not achieved as the team prioritized addressing water main and valve emergencies during that period.

DC Water Capital Improvement Program

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

- Material Verification Technology Pilot Program Test Pitting delayed by DDOT MOU startup inefficiencies.
- DC Water provided a tour of Blue Plains to the DC Community Activators from the Department of Employment Services on December 9th, 2024. Speakers from Engineering, Operations, Maintenance, Electrical, and Instrumentation provided their insights to attendees. A valuable Question and Answer session followed.
- LFDC Construction Process Video now available on website:
  Click here to view the video (youtube.com/watch?v=4uPPjr8lsAU)



Current Project Status

Northeast Boundary Tunnel (NEBT): Punchlist & administrative close-out activities ongoing.

Potomac River Tunnel Contract B – Tunnel System Construction (Div. PRT-B): Working at the West Potomac Park Site - Temporary Mining Shaft (TMS) secant piles installation is 50 percent complete. Construction staging area setup continues. Installation of geotechnical instruments (inclinometers, piezometers, etc.) is ongoing.

Rock Creek Green Infrastructure Project C (RC-C): Guaranteed Maximum Price (GMP) negotiations with Fort Myer Construction concluded on December 12, 2024. GMP Amendment No. 1 will go to the EQ &Ops Committee on January 16, 2025, and the DC Water Board of Directors in February 2025 with an anticipated NTP for construction by the end of February.

Piney Branch Tunnel: The Environmental Assessment (EA) comment period concluded on January 3, 2025. Working with NPS to address the EA comments and issue a Finding of No Significant Impact (FONSI) by end of January 2025.

DC Water Capital Improvement Program

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

Featured Project of the Month – Kenilworth Avenue Stormwater Pumping Station

Project Summary: The Kenilworth Avenue Stormwater Pumping Station is located at Kenilworth Avenue (I-295) near the intersection of Benning Road in Northeast D.C. This pump station pumps the storm drainage from the underpass of the southbound lanes of Kenilworth Avenue.

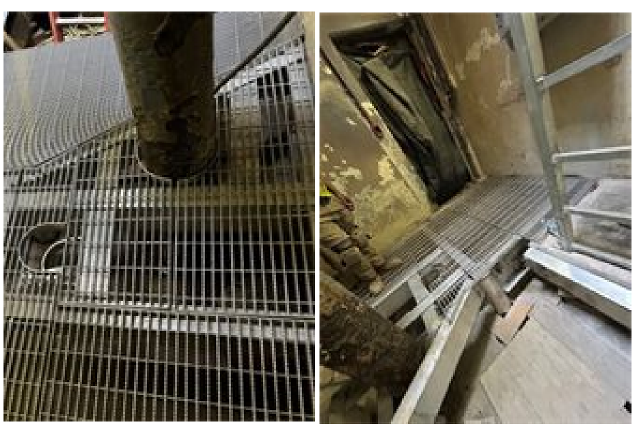
Work to be completed at the Kenilworth Avenue stormwater pumping station consists of installation of new pumps, piping, valves, ventilation, electrical, instrumentation and control systems. Miscellaneous structural and architectural repairs and the installation of a flood-proof door are also included. The project will renew the life of this pump station and improve the reliability and sustainability of this facility for this critical D.C. transportation route.

Progress to date includes installation of one of two replacement pumps, placement of new electrical panels for Pepco service, structural repairs, and access hatch/entrance upgrades.

Contractor: American Contracting and Environmental Services, Inc. (ACE)
Construction cost: $2.85 Million
Current Percent Complete: 45 percent
Scheduled Completion Date: May 2025

Excavation and installation of rebar for concrete slabs for DC Water I&C and PEPCO cabinets.

Backfilling trench & concrete slabs for cabinet support.



Installation of supports for new frames & gratings inside pumping station.

Installation of I&C and PEPCO wiring and panels.

People and Talent

People and Talent Metrics

The People and Talent team will begin to develop Cluster specific HCM score cards measuring managements effectiveness with talent management, employee/labor relations and employee engagement measures. We will expand on our metrics to align with BluePrint 2.0, our strategic initiatives and the HCM Strategy.

Metric	Target	Sept-24	Oct-24	Nov-24	Dec-24
Vacancy Rate [1]	6%	9.6%	9.8%	8.7%	7.6%
Temporary Alternative Duty Program (TAD) [2]	50% of WC claims eligible for TAD program	79.5% (35 of 44)	60% (new FY25)	60%	84%
Self-Identified Veterans (Active) [3]		28	28	28	29
Female Workforce (Active) [4]		22.9%	22.7%	22.7%	22.8%

*AWWA Turnover Benchmark: 7%

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.
[3] 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.
[4] 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.

People and Talent

Key Performance Indicators by Cluster

Cluster	Metric	Nov-24		Dec-24	
Compliance	**FY25 Injuries by Month**				
	FMLA Top Leave Reason	Employee Health Condition	8	Care for Newborn	4
		Care for Newborn	3	Pregnancy/Maternity	3
		Family Health Condition	2	Family Health Condition	1
		Pregnancy/Maternity	1	All Other Leave Reasons	0
		Total	**14**	**Total**	**8**
	Voluntary Leave Donations			Number of Recipients	1
				Number of Donors	5
				Number of Hours donated	176

People and Talent

Key Performance Indicators by Cluster – continued

Cluster	Metric	Nov-24	Dec-24
Learning & Development	Total cost of Tuition assistance/reimbursement	$8,921	$16,958.25
	Total # of employees participating in Tuition assistance/reimbursement program	2	8
	Total # of employees seeking bachelor's degree	2	4
	Total # of employees seeking master's degree	0	3
	Total # of employees seeking doctorate degree	0	0
Talent Acquisition	Hires	7 (6 external, 1 internal)	11 (8 external, 3 internal)
	Positions Under Recruitment	76	58*
Separations	Separations	9	3
	Term Reasons	• 6 voluntary (resignation/retirement) • 3 involuntary (dismissal, medical disqualification)	3 voluntary (resignations)
Retirement Plan Participation	457(b) Pre-Tax	860 Employee Participated	862 Employee Participated
	457(b) Roth	113 Employees Participated	114 Employees Participated

* Several positions were eliminated during the month of December

Annual Turnover Metrics					
Year	2020	2021	2022	2023	2024
Involuntary (Dismissal, Medical Disqualification)	0.58%	1.01%	0.78%	1.97%	1.92%
Voluntary (Resignation, Retirement)	4.08%	4.15%	5.77%	5.55%	5.93%
Other (Death)	0.25%	0.55%	0.10%	0.09%	0.26%
Total Turnover Rate	4.92%	5.71%	6.65%	7.61%	8.11%

Government and Legal Affairs

Government Affairs Highlights

Common Interest Agreement with OAG
DC Water has entered into a Common Interest Agreement with the Office of the Attorney General of the District of Columbia (OAG). The purpose of the agreement is to facilitate collaboration on anticipated litigation concerning lead service lines (pipes made of lead that deliver water to properties).

The agreement seeks to investigate and potentially litigate against entities responsible for promoting, manufacturing, marketing, or selling lead service lines in the District of Columbia. The shared goal is to eliminate lead contamination in drinking water and address the associated financial and health impacts. Both parties aim to protect public health, eliminate lead contamination, and address liability related to lead service lines. The agreement ensures that information sharing between the parties supports these objectives.

Government Affairs
DC Water is gearing up for its Performance Oversight Hearing in February. The GA team is gathering data across the organization to address questions submitted in advance by the Council of the District of Columbia.

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

	Pre-1st Quarter FY 2025	FY 2025 YTD
Cases Managed	35	35
New Cases	3	3
Cases Closed	6	6
Amount Demanded of DC Water in Closed Cases	$1,184,637.55	$1,184,637.55
Amount Paid by DC Water in Closed Cases	$80,000.00	$80,000.00

*This data is current as of 12/31/24.

Revenue Recovery Cases Currently, DGLA is managing 181 open foreclosure cases, in addition to the receiverships discussed below. In December, $1.5 million was collected from bankruptcy cases.

FY 24 Receivership Review*

Active Receiverships Appointed by Court	12 (ongoing)
Payment Plans Established	11 (post filing) 1 (pre filing) 12 total
Stayed Due to Bankruptcy Filing	5
Pending Hearing to Appoint Receivership	4

*Receivership data is current as of 12/31/24.

Freedom of Information Act
DGLA manages requests from the public for information as required by the DC Freedom of Information Act (FOIA). FOIA requests received in December 2024 related to service/work orders, sewer line information, and DC Water employee records/communications.

FOIA Data

Open Requests	35
Requests Opened this Month	9
Requests Closed this Month	3

Other Legal Matters

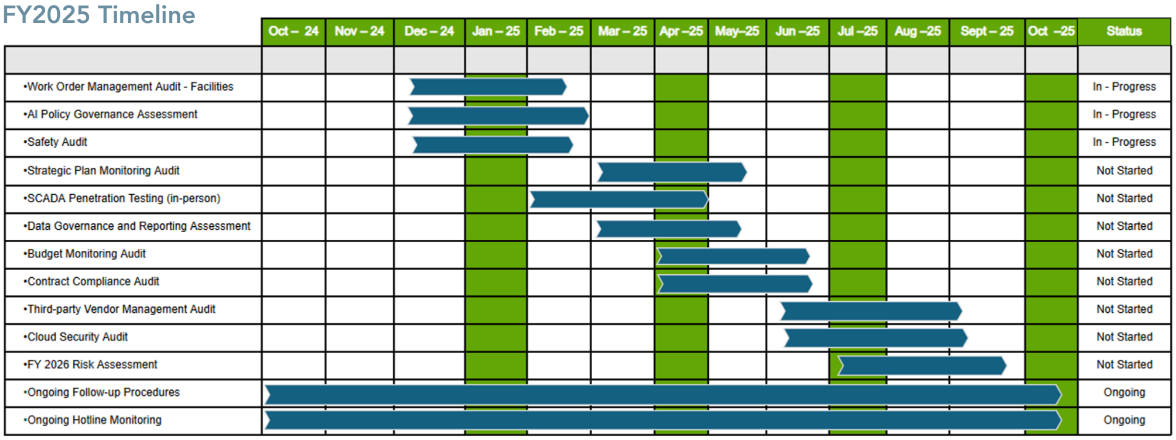
Type of Legal Matter	# Reviewed/ Processed
Contracts	7
Agreements	4
Easements	0
Subpoenas	1

dc Internal Audit

Internal Audit CEO Report February 2025

This timeline represents the FY 2025 audit plan and the status of each project. The Cherry Bekaert Internal Audit team is executing the FY 2025 internal audit plan, following up on prior audit findings and monitoring the hotline.

FY2025 Timeline



Open Prior Audit Findings

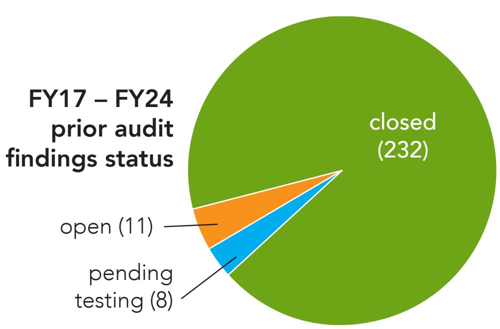
Audit Report / Subject	Issue Date	Open
Work Order Management Audit - DWO	7/27/2023	1
Fleet Management Audit	10/27/2023	2
P-Card Audit	1/1/2024	1
Training and Recruiting Audit	9/1/2024	2
Genesys ITGC Review	7/18/2024	1
Internal/External Network Penetration Testing	7/18/2024	4
		total 11

At least one original remediation target date has been extended.

Two Findings Closed this month*

• Two FY22 Strategic Plan Monitoring Audit Findings.

*Two "closed-pending testing" findings closed



In total, 92 percent of all prior audit findings from FY17-FY24 are closed. Management's target closure rate is 95 percent.

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

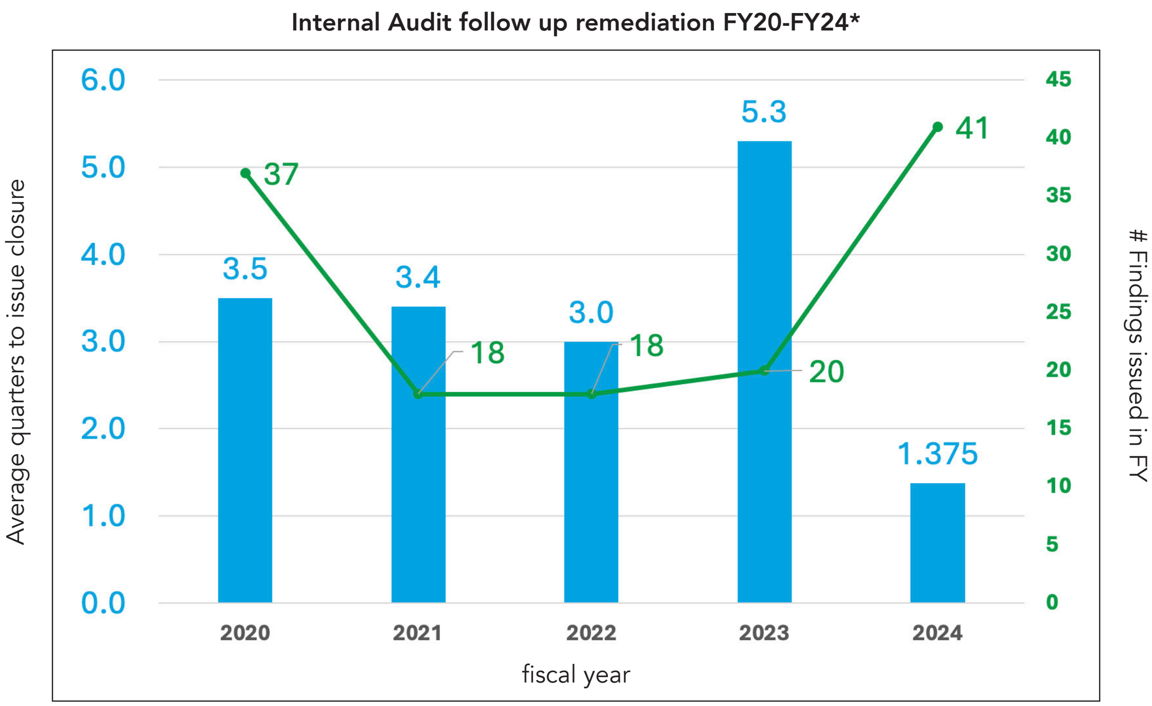
Cherry Bekaert
Your Guide Forward

Internal Audit

FY23-FY24 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	10/26/2023	Fleet Management Audit	**Lack of current policies and procedures** *Fleet has drafted a RACI and 15 Authority wide Fleet policies. Legal provided commentary on the Fleet policies submitted and as a result the departement has requested an extention to allow time to implement edits identified during Legal's review. The extention will allow time for these changes to be made in collaboration with the Union and for Legal to conduct a final review of the updated policies and standard operating procedures.*	9/1/2024	9/30/2025	1
2	2024	7/18/2024	Internal and External Penetration Testing	***Finding Issued in Executive Session*** *Two findings remain open.*	1/31/2025	N/A	0

*Note: The audit findings reported above represent open findings through the FY24 Audit Plan year.



*Data before FY2023 was provided by RSM.

Presented and Approved: February 6, 2025
SUBJECT: Approval to Execute Amendment No. 01 of Contract No. 240070, Construction Manager at Risk (CMAR) Agreement, Guaranteed Maximum Price Amendment (GMP), Division RC-C – Rock Creek Project C (GI), Fort Myer Construction Corporation

#25-04
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
D.C. WATER AND SEWER AUTHORITY

The Board of Directors ("Board") of the District of Columbia Water and Sewer Authority ("the Authority") at its meeting on February 6, 2025 upon consideration of a non-joint use matter, decided by a vote of ____ (   ) in favor and ____ (   ) opposed to approve the execution of Amendment No. 01 of Contract No. 240070, Fort Myer Construction Corporation..

Be it resolved that:

The Board of Directors hereby authorizes the CEO and General Manager to execute Amendment No. 01 of Contract No. 240070, Fort Myer Construction Corporation. The purpose of this contract is to provide construction of Division RC-C – Rock Creek Project C)GI) in support of DC Clean Rivers Project as required by a Consent Decree. This includes constructing Green Infrastructure (GI) practices in the public Right of Way (ROW) to manage 1.2" of rain on at least 25 impervious acres in the Rock Creek sewershed; and constructing 43 permeable alleys using a standardized design for efficient construction and lower costs. The total value of Amendment No. 01 is $23,280,575.00.

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

CONSTRUCTION MANAGER AT RISK (CMAR)

Division RC-C – Rock Creek Project C (GI)
(Non-Joint Use)

Approval to execute Construction Manager at Risk (CMAR) Agreement, Guaranteed Maximum Price Amendment (GMP) Amendment No. 1 for $23,280,575.00

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME:	SUBS:	PARTICIPATION:
Fort Myer Construction Corporation 2237 33rd Street, NE Washington, DC 20018 (CBE)	National Service Contractors (NSC) Washington, DC (CBE)	88.5%

*This project is subject to the Green Infrastructure MOU, which has a 50% CBE Goal.

DESCRIPTION AND PURPOSE

Phase 1: Preconstruction Services Contract Value:	$ 160,850.00	
Phase 2: GMP Amendment No. 1 Value:	$23,280,575.00	
Total Contract Value, including this Amendment:	$23,441,425.00	
Preconstruction Services Duration	75 Days	(2 Months, 15 Days)
Construction Management Agreement Date (Phase 1):	09-19-2024	
Construction Services Duration Contract Time (Phase 2):	856 Days	(2 Years, 4 Months)
Anticipated Construction Services Start Date (NTP):	02-25-2025	
Anticipated Construction Services Completion Date:	06-30-2027	

Purpose of the Contract:

- Provide construction of Division RC-C – Rock Creek Project C (GI) in support of DC Clean Rivers Project.
- This work is required by a Consent Decree.

Contract Scope:

- Construct Green Infrastructure (GI) practices located in the public Right of Way (ROW) to manage 1.2” of rain falling on the equivalent of a minimum of twenty-five (25) impervious acres within the Rock Creek sewershed.
- Project includes the construction of 43 permeable alley facilities.
- The alleys will be constructed utilizing a standardized design. The standardization (depth and check dam spacing) will facilitate efficient construction and lower implementation costs.

Federal Grant Status:

- Construction Manager at Risk Agreement is not eligible for Federal grant funding assistance.

Docusign Envelope ID: 81B04C2D-FB77-40DA-8E12-BF41DFF48C81

PROCUREMENT INFORMATION

Contract Type:	Lump Sum/Unit Price	**Award Based On:**	Phase 1: Best Value Phase 2: Negotiated GMP
Commodity:	Construction	**Contract Number:**	240070
Contractor Market:	Open Market		

BUDGET INFORMATION

Funding:	Capital	**Department:**	DC Clean Rivers Project
Service Area:	Combined Sewer	**Department Head:**	Moussa Wone
Project:	DZ		

ESTIMATED USER SHARE INFORMATION

User	Share %	Dollar Amount
District of Columbia	100.00%	$23,280,575.00
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%**	**$23,280,575.00**

Signed by:
Jeffrey F. Thompson 1/10/2025
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Jeffrey F. Thompson / Date
Chief Operating Officer and EVP

DocuSigned by:
Korey Gray 1/10/2025
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Korey R. Gray / Date
VP and Chief Procurement Officer

DocuSigned by:
Matthew T. Brown 1/13/2025
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Matthew T. Brown / Date
Chief Financial Officer and EVP
Finance, Procurement and Compliance

D. L. Gadis / 1/30/24
David L. Gadis / Date
Chief Executive Officer and General Manager