



**DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY
234th MEETING OF THE BOARD OF DIRECTORS
Thursday, September 7, 2017
9:30 a.m.
5000 Overlook Avenue, SW
Room 407**

- I. Call to Order (First Vice Chair Nicholas Majett)**
- II. Roll Call (Linda Manley, Board Secretary)**
- III. Approval of July 6, 2017 Minutes**
- IV. Chairman's Overview**
- V. Committee Reports**
 1. [Governance Committee \(Nicholas Majett\)](#)
 2. [Environmental Quality and Sewerage Services Committee \(James Patteson\)](#)
 3. [DC Retail Water and Sewer Rates Committee \(Rachna Butani Bhatt\)](#)
 4. [Audit Committee \(Nicholas Majett\)](#)
- VI. Issues of General Interest**
- VII. CEO/General Manager's Report (George Hawkins)**
- VIII. [Summary of Contracts \(FYI\)](#)**
- IX. Consent Items (Joint Use)**
 1. [Approval to Execute Option Year Three of Contract No. 14-PR-DFS-08, M&N Contractors, LLC. – Resolution No. 17-49](#) (Recommended by the Environmental Quality and Sewerage Services Committee 07/20/17)
 2. [Approval to Execute Change Order No. 13 of Contract No. 100150, Pepco Energy Services, Inc. – Resolution No. 17-50](#) (Recommended by Environmental Quality and Operations Committee 07/20/17)
 3. [Approval to Execute Option Year Two of Contract No. WAS-12-066-AA, RE, Polydyne– Resolution No.17-51](#) (Recommended by Environmental Quality and Operations Committee 07/20/17)

X. Consent Item (Non-Joint Use)

1. [Approval to Amend Regulations for Water System Replacement Fee, Customer Classifications and Definitions, Effective October 1, 2017 – Resolution No. 17-52](#)
(Recommended by DC Retail Water and Sewer Rates Committee 07/25/17)

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

XII. Adjournment (First Vice Chair Nicholas Majett)

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

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

- Governance Committee – Wednesday, September 13th @ 9:00 a.m.
- Human Resources and Labor Relations Committee – Wednesday, September 13th @ 11:00 a.m.
- Environmental Quality and Operations Committee – Thursday, September 21st @ 9:30 a.m.
- DC Retail Water and Sewer Rates Committee – Tuesday, September 26th @ 9:30 a.m.
- Strategic Planning Committee – Tuesday, September 26th @ 11:00 a.m.
- Finance and Budget Committee – Thursday, September 28th @ 11:00 a.m.



**DISTRICT OF COLUMBIA
WATER AND SEWER AUTHORITY**

Board of Directors

Governance Committee

Wednesday, July 12, 2017

9:00 a.m.

MEETING MINUTES

Committee Members

Ellen O. Boardman, Chairperson
Matthew Brown
Rachna Butani Bhatt
David Franco
Ivan Frishberg
Bonnie Kirkland
Nicholas A. Majett
Emile C. Thompson

D.C. Water Staff

Henderson J. Brown, IV, General Counsel
Mustaafa Dozier, Chief of Staff
Biju George, Chief Operating Officer
Korey Gray, Contract Compliance Officer
Linda Manley, Board Secretary

Call to Order

Chairperson Boardman called the meeting to order at 9:00 a.m.

Agenda Item # 1 - DC Water Works! FY16 Update

Mr. Gray provided a general update on the DC Water Works! Program. He reported that, since October 31, 2016, 85 new positions have been filled on DC Water projects. Of those positions filled, 43 were referred by DC Water Works!, and 42 were filled directly by contractors. Moreover, 78 positions were filled by residents of the User Jurisdiction (UJ) (92%), including 51 positions, which were filled by DC residents (60%) and 7 positions were filled by candidates outside of the UJ (8.2%). Chairperson Boardman asked Mr. Gray to give an example of special projects and he replied that the CDL Training program is an example of a DC Water special project.

Mr. Gray stated that DC Water is exceeding the goal of a 60% hiring rate of local residents. Mr. Gray indicated that the program is also meeting its expectation of supporting 100 new employment positions this fiscal year. He also indicated that DC Water is currently working with contractors to identify candidates for an additional 46

open positions (laborers, operators, and skilled positions like project manager) and responded to Chairperson Boardman's inquiry that most job candidates are relatively new to the workforce. Mr. Gray provided an update on the overall DC Water contractor workforce. Including the new hires previously mentioned, there are 5,800 filled positions on DC Water projects. Of this amount, 3,100 positions are filled by residents of the UJ (54%), including 730 positions filled by DC residents (13%). As a result, DC Water is exceeding the 51% local workforce goal.

Mr. Gray then provided an update on the Green Infrastructure (GI) initiative. The initiative has now completed two training cohorts including the National Green Infrastructure Program examination. He reported that the first examination took place in January 2017, where eight program graduates passed the exam. Seven program graduates passed from UDC and one from Washington Parks and People (WPP).

Mr. Gray described that, in keeping with the goals of the GI Memorandum of Agreement with the District, Anchor Construction has filled two of its four open positions (50% achievement) with job candidates who passed the test (one for its Mentor Internship Program, and one laborer). He added that Anchor is still reviewing resumes for the other two positions. Of the remaining six program graduates, Underwood and Associates and Advanced Manufacturing each hired one person. Three other graduates were employed elsewhere, including one who was hired by the District Department of Energy and the Environment.

Mr. Gray explained that the second GI cohort tested in June 2017. In total, sixteen participants took the test, of which eight passed (50%). Four individuals passed from UDC and four passed from WPP. Although the national figures were not available as of this report, DC Water, UDC, and WPP met to discuss lessons learned and address some of the external factors that affected the exam participation and pass rate. Committee Members Franco and Bhatt suggested that the cohorts' exam preparation should include simulating exam day conditions with mock exams.

The pass rate for the first cohort was 33%, while the national pass rate was 67%. Chairperson Boardman expressed concern about the difference in pass rates between the program participants from UDC and WPP and questioned the effectiveness of the WPP training program. Committee Member Kirkland expressed concern over the number of candidates who completed training but failed to take the GI certification exam. Mr. Gray stated that he had no explanation for the discrepancy between the number of program participants who completed the program and those who took the GI certification exam; however, Mr. Gray indicated that the difference in pass rates between local and national test takers was due, in part, to the fact that DC Water focused its efforts on selecting program participants who were difficult to place in the workforce, including those who only had a General Education Development certificate or had no high school diploma, were unemployed, or had no work or construction experience. Other lessons learned from the first cohort were the need for more advanced screening, updated curriculum, and training based on participant feedback and more focus on training prep and hands-on exercises. Mr. Gray responded to

Chairperson Boardman's inquiry about the divergence in pass/fail rates between cohorts, by explaining that while the training programs offered were uniform, the targeted demographic for the programs was less skilled and, therefore, less likely to reach the national average pass rate.

The Committee suggested that DC Water consider combining the cohorts and having only one training provider (UDC), rather than two. The Committee stated that WPP could be used for recruitment of program participants while UDC could serve as the main GI training site. The Committee also suggested that UDC provide a one-day refresher course for program participants who completed the class but did not take the test prior to those candidates taking the next national GI exam.

Agenda Item # 2 – IP Monetization Plans

Biju George, DC Water's Chief Operating Officer presented Agenda Item #2 – IP Monetization Plans.

Mr. George discussed the three revenue strategies developed during the 2016 Board retreat: 1) leveraging innovation to create more revenue with existing assets; 2) leveraging intellectual capital; and 3) creating a new brand, Blue Drop, and leveraging it for more revenue opportunities. In response to Committee Member Kirkland's question regarding the activities and innovations as they relate to monetizing IP and/or the Innovations Chief's role, Mr. George explained that all IP activities are specifically geared toward how DC Water resolves problems at Blue Plains, including two emerging areas in the United States: improving nutrient removal and biosolids management. He also stated that managing these issues was challenging within a small campus of 157 acres.

Mr. George focused his presentation on the second strategy, *developing alternate revenue by leveraging IP*, and identified two key components: 1) use IP for the wastewater treatment process, and 2) develop new products and services from IP (e.g., a water fountain developed by DC Water with smart technology to test and monitor existing lead levels and legionella in water). He provided a brief description of the steps and extended timeline it takes to commercialize IP in the wastewater treatment market.

He also provided a general overview of DC Water's current IP: patents, trademarks, copyrights, and know-how. Mr. George responded to Chairperson Boardman's inquiry about DC Water patent ownership and explained that DC Water has partnered with several entities including Virginia Tech, Hampton Roads Sanitation, and the government of Austria to patent current DC Water technology that can be marketed on a global scale. Chairperson Boardman asked Mr. George to discuss the effectiveness of the monetization process if DC Water is not the exclusive holder of the patent during the Executive Session, which was scheduled to follow the open session.

Next, Mr. George outlined the steps it takes to develop, commercialize and market IP as a valuable product or service to ratepayers: 1) identify opportunities offering more value

and benefit to ratepayers than other utilities; 2) review current system performance and regulatory mandates to increase the benefits to specific applications; 3) assist utilities with structural designs due to the process uniqueness; 4) procure equipment to facilitate process (the most critical); 5) commission individual assets, assess system performance and the process; and 6) provide support after the sale of IP. Committee Member Bhatt asked for clarification of DC Water's specific involvement at level four of the IP marketing process. Mr. George stated that the Board's guidance drives how DC Water manages the marketing of IP in two ways. DC Water will determine the long-term risks associated with development and building of a package and delivery to customers, which provides a significant margin, or delegating the process to third-party vendors by allowing them to manage the risks and exposure to the challenges of developing and marketing IP directly. Committee Members then discussed briefly, what approach the Board should take to effectuate its responsibility to oversee the IP monetization efforts described by Mr. George. Committee Member Franco asked if an *ad hoc* committee was created to manage operations, would that committee then be responsible for reviewing the deals and the execution of all agreements. Chairperson Boardman stated that, as she envisions this process, the *ad hoc* committee's function would be limited to establishing policy and strategy derived fundamentally from the Blue Horizon 2020 and DC Water Board recommendations. It would not, however, undertake operational functions. Other Committee members concurred with that assessment.

Next, Mr. George described DC Water's guiding principles for marketing IP to maximize revenue while minimizing risks:

1. Minimizing Risk - DC Water should explore opportunities before making commitments with foreign entities to ensure that American laws apply and that contracts are in US Dollars to determine the IP value. Following Committee Member Franco's question regarding why Blue Drop was not forecasted to have a role in this effort, Mr. George and Chairperson Boardman explained that DC Water's reputation and name has global recognition while Blue Drop's reputation is developing and has a narrower focus on marketing the services and products it provides (i.e., Bloom and peer-to-peer consulting services). Blue Drop's mission at this juncture does not include development or marketing of IP.
2. Maximizing Revenue – DC Water should strategically assess business opportunities that will fit within our current business model and advance our mission upon careful consideration of the various internal and external drivers. By way of example, Mr. George noted that, after proposing opportunities to a partner in another country, DC Water waited until the partner obtained in-country regulatory approval before it agreed to provide design assistance for a fee. Mr. George then introduced Christine DeBarbadillo, world-renowned Process Engineer and part of DC Water's Innovations Team, who explained the level of effort involved with providing the design assistance. He added that he would discuss more details about the engagement with the partnering entity during the Executive Session.

Finally, Mr. George discussed the four strategies currently used to market IP:

1. Licensing – delegating the work to another entity (e.g., World Water Works);
2. Joint Licensing –collaborating with entities to market DC Water’s IP, which is very advantageous to other entities, and to share the revenue;
3. Technology Integration – connecting two IPs together with a partner who stands to make money, and jointly develop the package for the customer. DC Water has not used this strategy. Committee Member Kirkland asked if the idea would be used to maximize risk avoidance. Mr. George advised that it would; and
4. IP Holding Company – licensing IPs to an IP Holding Company, thus collectively creating more value through the relationship developed while retaining IP ownership and interests.

At the conclusion of Mr. George’s presentation, Chairperson Boardman asked for a motion to go into Executive Session at 10:16 a.m.

The Committee reconvened the open session at 11:48 a.m., whereupon Chairperson Boardman suggested that the Chairperson establish an *ad hoc* committee consisting of members from certain Standing Committees of the DC Water Board (at least Governance, Finance and Strategic Planning) and asked General Counsel Brown to draft a short mission statement for the new *ad hoc* committee. The consensus of the committee was to make this recommendation. Chairperson Brown praised Mr. George on his efforts to create new revenue streams to benefit DC Water ratepayers and offered his full support for efforts to globally market DC Water’s technological advancements in wastewater treatment and water filtration processes. The Committee directed Mr. George to continue exploration of business opportunities and update Mr. Hawkins and the full Board on his efforts and successes at the September Board meeting.

Conclusion

There being no further business, Chairperson Boardman adjourned the meeting at 11:50 a.m.



**District of Columbia
Water and Sewer Authority**

Board of Directors

**Environmental Quality and Operations
Meeting**

Thursday, July 20, 2017

9:30 a.m.

MEETING SUMMARY

Committee Members

James Patteson, Chairperson
Howard Gibbs, Vice Chairperson
Anthony Giancola
David Franco

DC Water Staff Present

Henderson Brown, General Counsel
Leonard Benson, Chief Engineer
Linda Manley, Secretary to the Board

I. Call to Order

Mr. Patteson called the meeting to order at 9:30 A.M.

II. AWTP STATUS UPDATES

1. BPAWTP Performance

Mr. Aklile Tesfaye, Assistant General Manager for Wastewater Treatment reported on the performance of the Blue Plains Advanced Wastewater Treatment Plant (AWTP) (by exception). Mr. Tesfaye stated that all performance parameters were excellent and all permit requirements were met.

Mr. Tesfaye stated that for June 2017, the average energy consumed at Blue Plains was 642 megawatt hours per day (MWH/day) or 2.40 MWH of electricity per million gallon of wastewater processed through the complete treatment. The Combined Heat and Power (CHP) facility generated an average of 87 MWH/day, making up for 14% of total energy consumed at Blue Plains. The remaining 555 MWH/day was purchased from PEPCO. Mr. Tesfaye next provided the Committee a detailed explanation for the reduction in electrical output from the CHP facility as follows:

Under normal operating scenarios, digester gas is routed and combusted inside three gas turbine units to generate electricity. The exhaust air from the combustion turbines contains a considerable amount of thermal energy and is used to operate the Heat Recovery Steam Generators (HRSGs). The HRSGs produce high-pressure steam required to hydrolyze solids in the Cambi/Thermal Hydrolysis (THP) process. This continuous supply of high-pressure steam is critical to sustain production of Class A biosolids, and therefore takes precedence in the operation of the CHP

facility. In the event the HRSGs cannot produce the required quantity of steam solely from heat emanating from combustion turbine exhaust, each HRSG is equipped with a duct burner to increase steam output through combustion of additional digester gas.

Annual inspection on all three HRSGs (completed in March 2017) revealed damage on refractory material (a heat resistant material that protects the interior of the HRSGs from thermal stress). To prevent further damage and catastrophic failure of the HRSGs, the duct burners were removed from service. This limited the capacity of the HRSGs to supply adequate high-pressure steam during periods of peak steam demand. It was therefore necessary to operate the auxiliary boiler frequently – to meet steam demand and maintain Class A anaerobic digestion process – until repairs to restore reliability of the HRSGs are completed. In June 2017, performance was further impacted by scale buildup inside the auxiliary boiler.

As a result of the combination of these incidents, significant amounts of digester gas, typically used to operate the combustion turbines was diverted to the auxiliary boiler. These conditions limited the number of combustion turbines that could be operated, and consequently reduced the amount of energy generated for use at Blue Plains during the months of April through June 2017.

The Committee inquired if the cause of the HRSG component failures had been determined. Mr. Tesfaye responded that although PEPCO Energy Services (PES) and the equipment manufacturer completed an in-depth inspection and considered analysis of several failure modes, both PES and the manufacturer were not certain of the cause/s. The recommendation from the manufacturer that has currently been implemented is to repair one of the duct burner units to the original factory condition and install view ports to allow close monitoring and testing of the unit to confirm that the repair is successful prior to effecting the same repair on the other two HRSGs.

The Committee inquired as to the financial impact of the reduced performance. Mr. Tesfaye responded that a 4MW loss of power equated to approximately \$3M to \$4M annual loss of revenue. Mr. Tesfaye also mentioned that DC Water has a means of recovering some of these costs via liquidated damages built into the contract with PES. The Committee suggested that for future cases, a more detailed description of the financial impact or loss of revenue be included in supplementary explanations.

Mr. Tesfaye next updated the Committee based on discussion with PES DC Water the anticipated repair schedule for the HRSGs. He noted that the Authority will continue to provide routine updates on progress and schedule required to complete all corrective actions.

III. PROCUREMENT POLICY – DC WATER BUSINESS DEVELOPMENT PLAN

Mr. John Bosley, Chief Procurement Officer, DC Water, gave a briefing on policies and regulations regarding DC Water's Business Development Plan. He stated that the Local/Local Small Business Enterprise (L/LSBE) Preference Program was started as a result of policy created by the DC Council. Additional regulatory guidelines were given by the District of Columbia Municipal Regulations (DCMRs), specifically, 21 DCMR 5370 as follows:

- DC Water will employ reasonable efforts to increase participation of local and small business enterprises; and,
- DC Water will, pursuant to federal grant requirements, implement programs designed to increase participation by federally designated business enterprises; and,
- A Business Development Plan implementing these two programs will be submitted by the General Manager and approved by the Board.

Mr. Bosley mentioned that DC Water's policy to encourage participation of certified Local Business Enterprises and Local Small Business Enterprises (LBE/LSBE), and Minority Business Enterprises and Women-Owned Business Enterprises (MBE/WBE) in DC Water's procurements is provided for in the DC Water Procurement Manual, chapter 32. As a supplement to the references in the Procurement Manual, DC Water developed a more detailed Business Development.

Mr. Bosley explained that the LBE/LSBE Preference Program applied to Large Purchase Procurements (i.e., >\$100,000 in value), to non-federal procurements and Construction and Goods & Services contracts. This preference provides for the utilization of additional points in the evaluation of proposals and utilization of a preference percentage reduction in the price for bids.

Mr. Bosley next stated that the Fair Share Objective Program for Minority/Women Business Enterprises (MBE/WBE) utilization goals applied to Environmental Protection Agency (EPA) funded federal projects, EPA federally funded eligible projects and Construction and A/E type contracts. The Fair Objectives require bidding contractors to make good faith efforts to comply with MBE/WBE participation goals for subcontractors.

The Committee inquired how much USEPA Grant money was received each year. Mr. Benson replied that approximately \$11 million to \$12 million was received each year. For each contract that the USEPA grant funds were approved, the contractor was required to perform the six affirmative action steps toward meeting Fair Share Objectives Program goals of participation by MBEs of 32% of the contract value, and 6% WBEs of the contract value. The Committee further inquired if there has been an audit conducted to verify compliance with these metrics. Mr. Bosley responded that management reports the overall DC Water performance in this regard to the Governance Committee annually. The Committee suggested that these findings be shared with Environmental Quality and Operations (EQO) Committee as well.

IV. ACTION ITEMS

JOINT USE

1. Contract No. WAS-12-066-AA-RE – Supply and Delivery of Polymer, Polydyne, Inc
2. Contract No. 14-PR-DFS-08 – Janitorial Services, M&N Contractors
3. Contract No. 100150 – Biosolids Management Program – Combined Heat and Power Project, PEPCO Energy Services, Inc

Mr. John Bosley, Chief Procurement Officer, DC Water, presented Action Items 1 and 2; Mr. Len Benson, Chief Engineer, DC Water, presented Action Items 3.

Action Item 1: Request to extend option year two (2) and add funding for the contract to deliver dry polymer to DC Water.

The Committee inquired as to when the original contract will end. Mr. Bosley replied that if the extension is approved, the contract will end on September 30, 2018. The Committee also inquired as to why there was an approximately 20% increase in the funding requested as compared to previous option year extension requests. Mr. Bosley and Mr. Joel Grosser, Manager, Procurement, DC Water, replied by stating that the increase was due to a \$200,000 contingency

added to the current option year request.

Action Item 2: Request to exercise option year three (3) for the contract to provide janitorial services at DC Water office space and facilities. The contract provides for full and complete janitorial services to include labor, equipment, consumables and supervision for Blue Plains, Bryant Street, For Reno and 125 O Street office facilities.

The Committee inquired if DC Water had considered opening this contract out to bid before exercising the option year to take advantage of possible cost savings that a competitive market may provide. Mr. Bosley replied the Procurement department does periodically look at market conditions to determine if better prices would be available outside of existing contracts and can make the decision to re-advertise a contract as opposed to exercising the option years.

Action Item 3: Request to approve a Change Order for the design-build-operate contract to provide final design, construction and operation of Biosolids Management Program – Combined Heat and Power (CHP) project.

The original contract scope included design and construction and operation of three combustion turbines, three heat recovery steam generators, a steam boiler, support systems and operation of the CHP facility to produce steam for the Cambi system and generate electricity for a 15 year term with an option for another 5 years.

On June 2, 2017, a settlement was reached between PEPCO Energy Services (PES) and DC Water for the disputed issue related to the microbial induced corrosion (MIC) which created pitting in the heat exchangers in the CHP system. This change order compensates PES for providing emergency temporary heat exchange systems needed to support the CHP system operation and to replace 18 heat exchangers made of 316L stainless steel with 18 heat exchangers made of materials with MIC resistant properties.

At this time, the Committee decided to initiate procedures to declare an Executive Session and discuss further inquiries with DC Water's management - after the remaining presentation on the NE Boundary Sewer (summarized in Section V below) was concluded. The Committee decided to hold off recommendation of Action Item 3, pending discussion during the Executive Session.

The Committee recommended action items 1 and 2 to the full Board.

The Committee convened into an executive session and reconvened into open session.

The Committee recommended action item 3 to the full Board after the conclusion of the Executive Session.

V. SUCCESSFUL COMPLETION OF REPAIRS TO NE BOUNDARY SEWER AT 8TH & V STREET

Mr. Craig Fricke, Acting Director, Department of Engineering and Technical Service, DC Water, gave an update regarding the successful completion of repair work to the North East Boundary Sewer. The repair work was located at 8th and V Street, NW. Mr. Fricke mentioned that the repair was done on 465 linear feet (LF) of sewer and involved structural lining with Carbon Fiber Reinforced Polymer (CFRP). The repair project began on May 23, 2017 and was completed on July 5, 2017 ahead of schedule and under budget.

The defects that were addressed during the repair included fractures, sagging crown and invert holes. The initial repair consisted of patching and grouting cracks and holes followed by lining of the 465 LF section with five to seven layers of CFRP and a final coating of the liner with chemical resistant coating.

Mr. Fricke concluded by recognizing the efforts and contributions of the numerous departments within DC Water that worked tirelessly to make this project a success and in particular thanked Mr. Steve Bian, Supervisor, Civil & Structural Design, DC Water for initiating and shepherding the project to completion.

VI. ADJOURNMENT

Meeting adjourned at 11:30 a.m.

Follow-up Items

1. Chief Procurement Officer, DC Water: Share internal audit findings and results regarding DC Water's compliance with EPA's Fair Share Objective for Minority/Women Small Business Enterprises (MBE/WBE) utilization goals with the Committee.



**DISTRICT OF COLUMBIA
WATER AND SEWER AUTHORITY**

Board of Directors

DC Retail Water and Sewer Rates Committee

Tuesday, July 25, 2017

9:30 a.m.

MEETING MINUTES

Committee Members in Attendance

Rachna Butani, Chairperson
Howard Gibbs
Anthony Giancola
Ivan Frishberg
Tommy Wells
David Franco (via telephone)

DC Water Staff

Charles Kiely, AGM Customer Care & Operations
Henderson Brown, General Counsel
Robert Hunt, Acting Chief Financial Officer
Syed Khalil, Director Rates & Revenue
Linda Manley, Secretary to the Board

Call to Order

Chairperson Butani convened the meeting at 9:31 a.m.

Water System Replacement Fee Update (Attachment A)

Mr. Kiely provided background of the Water System Replacement Fee (WSRF). The WSRF is a result of unbundling of the volumetric water rate and is expected to generate \$40 million annually to recover the costs of the 1 percent renewal and replacement program for aging water infrastructure which currently has an average median age of 78 years. The fee is based upon the capacity to serve, with the meter size as a surrogate measure of capacity. DC Water's low income CAP customers receive a 100% credit for the fee.

Mr. Kiely updated the Committee on the recommendations to the WSRF. Mr. Khalil mentioned that the 30 day comment period concerning this recent reclassification recently ended with one comment. This comment was from the lawyer from the Chain Bridge Road Corporation where he agreed with the Board's decision but expressed disagreement with the issue of retroactivity. He indicated, however, that they would not request the Board to reconsider this issue because they do not want to delay approval and implementation of the Proposed Rule.

Action Items (Attachment B)

Mr. Khalil presented the Action Items.

1. Recommendation for Approval to Amend Regulations for Customer Classifications and Definitions

2. Recommendation for Approval to Amend Regulations for Water System Replacement Fee (WSRF) to Add Requirements for Multi-Family WSRF Adjustment

Items 1 and 2 were recommended to the full Board.

Overview of the New VertexOne ECIS Billing System (Attachment C)

Mr. Kiely presented the overview of the new VertexOne ECIS Billing System (Project Triton). He stated that the Project Triton will replace the current Customer Information System (CIS). He gave a brief background of the current CIS and explained that it has high cost of maintenance for new and ongoing support, system cannot readily adapt to more complex rate structures without significant programming costs and specific customer issues at the account level frequently do not surface. He explained that 4 years ago the Request for Proposal was developed with the input of the Chief Financial Officer (CFO) and Chief Information Officer (CIO) for a system that would meet all the current needs of the authority. DC Water selected the SAP product with VertexOne as the integrator.

Mr. Giancola asked whether this project would have any impact on current DC Water staffing. Mr. Kiely responded that there likely will be an increase of about 10 personnel as a result of bringing this system online. These new personnel are currently on the support team and will transition to being the full-time back office support for the system when it becomes operational.

Mr. Kiely explained the capabilities of the new system. He stated that the system will have new functionality for managing customer relationships, not just locations and will have fully automated and configurable work processes, greater system integrity relationship between the owner and the account(s)/profile and capability to handle more complex rate designs. Mr. Kiely indicated that the customer advantage web portal went on-line last week, which will give more interactive customer experience, on-line service request and new mobile application. The new system will greatly enhance communications between DC Water and its customers.

Mr. Kiely stated that DC Water is taking a three phase approach to the new system:

- Phase 1) Kubra – other financial transactions (electronic payments, bill pay, bill processing, internet billing)
- Phase 2) Customer Advantage Web Portal – more interactive customer experience, robust customer communication/notifications related to customer profiles
- Phase 3) Kona – mobile work management application

Mr. Kiely further noted that the system is scheduled to go-live on November 28, 2017, but given the nature and complexity of this process nothing is guaranteed. The system won't be implemented until it is actually ready to go.

Mr. Kiely informed the Committee that there is a monthly newsletter and a formal change management team visiting every site to talk about the application coming on-line.

Review of FY 2014 Flyover (Attachment D)

Mr. Kiely provided an overview of the FY 2014 Flyover. He mentioned that the Clean Rivers Impervious Area Surface Charge (CRIAC) was included in the volumetric sewer charge and the revenue generated was dedicated to the Clean Rivers Project. This was not a new fee but was a result of unbundling of the volumetric sewer rate. Mr. Kiely explained that due to high cost of Clean Rivers project, the fee has continued to grow since it was first implemented in May 2009 and the CRIAC has become a major part of the customers' bills. He said that most residential customers are charged 1 ERU, but commercial customers are charged significantly more as the fee is based upon how much square footage they own.

Mr. Kiely stated that the flyover planimetric data is created by the District of Columbia Geographic Information System (DCGIS). DC Water uses this data to map out how much pervious versus impervious land is in the District. The general rule of thumb is that 1,000 square feet of space is the equivalent of 1 Equivalent Residential Unit (ERU).

Ms. Butani indicated that DC Water included \$800,000 in the capital budget to update the database. She questioned whether this amount is for human capital resources just to update the database. Mr. Kiely replied that the amount is for contracted resources to update the database. Mr. Kiely mentioned that in the most recent flyover we have picked up approximately 10,000 Gross ERUs due to changes in the configuration of properties.

Mr. Kiely explained the residential tier classification. Non-residential customers are billed by the amount of square footage or impervious area they have on their property. The tiered approach for the residential customers was implemented for equity purposes. Mr. Kiely explained that DC Water does not define what impervious surface area is; this is defined by Department of Energy and Environment (DOEE).

Mr. Kiely informed the Committee about the District of Columbia Municipal Regulations (DCMR) and the challenges it presents in regards to how DC Water define public versus private property. The Office of Tax & Revenue (OTR) defines what constitutes the parameters of a specific property, not DC Water. He stated that customers who challenge the fee are advised to go to the OTR as the fee DC Water charges is based upon the property boundaries that OTR defines.

Mr. Kiely mentioned the financial considerations, specifically the stand-alone CRIAC on the chart which is growing over the years. He noted that this growth refers mostly to properties with no water and sewer service, but are nonetheless still required to pay the CRIAC. As of June 30, 2017 there are 2,194 impervious only over 90-days delinquent accounts totaling \$3.6 million. For those properties that are bad debt and refused to pay the charge, DC Water will place a lien on the property and attempt to collect.

Mr. Kiely stated that DC Water is very responsive to customers regarding their concerns over the CRIAC, and go out and measure a customer's impervious area if they request it. The staff does not rely solely on the planimetric data but actually visits their homes and takes measurements, especially if there are any physical changes to the properties.

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

Mr. Khalil gave a brief overview of the Committee's workplan for the remainder of the fiscal year.

Agenda for September 26, 2017 Committee Meeting (Attachment F)

There were no comments on the September agenda.

Executive Session

N/A.

Adjournment

The meeting was adjourned at 11:10 a.m.

FOLLOW-UP ITEMS – DC Retail Water and Sewer Rates Committee Meeting (July 25, 2017)

- 1.) Review of unmetered fire service lines and their financial impact **Status:** (September 2017).

- 2.) Review of combined domestic and fire service lines and their financial impact **Status:** (September 2017).
- 3.) Present a copy of the customer bill to the Committee before the new VertexOne Customer Billing System go-live date (**Ms. Butani Chairperson**). **Status:** To be provided at the November 2017 meeting
- 4.) Brief the Committee on the Clean Rivers IAC lawsuit (**Ms. Butani Chairperson**) **Status:** (September 2017).



DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

Board of Directors

Audit Committee

Thursday, July 27, 2017

9:30 a.m.

Meeting Minutes

COMMITTEE MEMBERS PRESENT

Nicholas Majett, Chairman
Elisabeth Feldt
Bonnie Kirkland
Sarah Motsch
Howard Gibbs
Anthony Giancola
Rachna Butani Bhatt

INTERNAL AUDIT STAFF PRESENT

Dan Whelan, RSM US LLP
Jill Reyes, RSM US LLP
Charles Barley, RSM US LLP
Sophie Tomeo, RSM US LLP
Erika Rodriguez, RSM US LLP

DC WATER STAFF PRESENT

Biju George, Chief Operating Officer
John Mardrid, Controller
Dan Bae, Director of Procurement
Linda R. Manley, Board Secretary
Meena Gowda, Deputy General Counsel
April Bingham, Customer Service Manager
John Wujek, AMR Project Manager
Beth Stachura, Labor Relations Manager

EXTERNAL AUDIT STAFF PRESENT

Paul Geraty, KPMG
Richard McLean, KPMG

Call to Order (Item 1)

Mr. Nicholas Majett called the Audit Committee meeting to order at 9:30am.

External Audit Status Update KPMG Update (Item 2)

Mr. Richard McLean gave an overview of the plan for Authority's FY 2017 external audit. He explained that KPMG has completed the interim test work, risk assessment, and planning activities. There were no significant risks due to error identified, and the only risk identified due to fraud was the risk of management override of controls, which is present in any entity. The only unusual activity being considered was any implementation of new accounting pronouncements.

Mr. McLean discussed how KPMG would evaluate the overall presentation of financial statements, and detailed the objectives of the uniform guidance audit. He presented the responsibilities of management, the Audit Committee, and KPMG in regards to financial reporting. The audit does not relieve management or the Audit Committee of their responsibilities regarding other information in documents containing audited financial statements. Any material inconsistencies or misstatement of fact that are not resolved prior to the report release date and require revision may result in modified opinion or withdrawal from engagement.

Mr. McLean provided an audit timeline to go with the discussion of the audit approach. A diagram showed the flow from engagement setup, to risk assessment, to testing, and finally completion, with expected dates for each step. He then presented the importance of the auditors maintaining independence in both mind and appearance. This means that along with actually being independent, the auditors must maintain the appearance that they are independent in the eyes of a third party. Independence quality controls have been put in place to ensure these independence standards are met. There is a tracking system in place to monitor this, and communication requirements when there is a potential breach of independence.

Internal Audit Update (Item 3)

RSM Partner, Mr. Dan Whelan, presented the FY 2017 audit plan status update.

Ms. Sophie Tomeo presented the status of prior audit findings. For audit findings prior to FY 2015, there are five action deferred items related to union approval of policy, as well as four open items including water services, GIS mapping, and warehouse operations. According to the DC Water Labor Relations Manager, Ms. Beth Stachura, the unions have been notified of new policies, however the issue with closing these items has stemmed from the inability to enforce these policies. For FY 2015 audit findings, there are three action deferred items also related to union approval of policy as well as three IT follow-up items. FY 2016 follow-up testing shows 13 items closed and 19 pending testing. 19 items also remain open. The items listed under pending testing are waiting until September to be tested in order to allow for a sufficient population to sample from.

Ms. Tomeo followed with an update on the COR/COTR training and compliance monitoring implementation by management per the Contract Monitoring & Compliance Audit Part II findings. The action plan in place consists of three phases. Phase one has been completed. Phase two is providing COTR Training, which is still in process, and is expected to be completed in mid-August 2017. Phase three will be to implement the automated vendor performance and compliance monitoring application. Implementation is expected to go live in September 2017.

Ms. Jill Reyes notified the committee of the update and implementation, as well as a visual snapshot, of RSM's web based issue tracker. This tool enables DC Water management

to update and track all observations in real-time. RSM has asked that DC Water management make updates on a frequent basis in order to provide the committee with more robust information regarding the status of the issues as well as follow-up procedures. Ms. Reyes identified that there is monitoring in place to identify who has made updates as well controls that restrict access to specific personnel of DC Water. Additionally, each person with access rights has a backup in case there is turnover.

Ms. Reyes presented a second iteration of the AMR Implementation Progress Report to the committee with the caveat that those charged with management of the project would be presenting following the brief progress report. Roughly 20,000 additional work orders have been completed since the last committee meeting and the project is in a very good position. The next steps of Internal Audit's review is in regards to the disposals process and billing adjustments, with the attempt to differentiate how many billing adjustments have been directly related to the AMR project. As of July 7th there had been 92 customer inquiries, however determining how many of those resulted in a billing adjustment is still in progress.

Mr. Charles Barley continued the AMR Implementation Progress Report with a brief overview of the progress of Phase II of the Internal Audit review which focuses specifically on the IT side of the project. Mr. Barley detailed that they are taking a look into the people, process, and the technology that enables project execution. He provided an overview of the key elements that ensure consistency and execution as well as a report card of the current health of the project. To date, there are no reportable observations.

Mr. John Wujek and Ms. April Bingham followed by providing a project management update of the AMR Implementation project. Mr. Wujek was retained in September of last year as the Project Manager and Ms. Bingham is the Customer Service Manager at DC Water and is in-charge of numerous aspects of the project. At the inception of the project, an oversight committee was formed which includes multiple members of DC Water management, including the COO Biju George as the committee chairman. The Project Management office provides the committee with a project update on a monthly basis. Mr. Wujek also detailed that there is a concurrent CIS implementation project that the oversight committee also oversees. The presentation continued with an explanation of the "forced march" workflow approach that has been adopted for the actual installation of the meters, all of which is operated via handheld device. All technicians are provided the device and must complete each step in the sequence before moving along in the work flow. This data is uploaded into ProField and on a daily basis this information is transferred into the DC Water work order management system, Maximo. Additionally, photos of the install must be uploaded to Maximo in case there are customer inquiries regarding the installation. Training and certification is provided to all technicians regarding the installation process, handheld device and application operations, and customer service requirements while on the work site. A single installation is estimated to take about 15 minutes. The process of performing inside installations has recently begun and more

information regarding these will be provided at a later date. Overall, the project is on track and continued success is expected.

Ms. Erika Rodriguez of RSM then provided the committee with a presentation regarding the internal audit of the Intermunicipal Agreement at DC Water, specifically the two areas of billing – capital billing and operating and maintenance. A total of \$550 million was spent for capital billing in FY16, with over \$133 million having been allocated to intermunicipal jurisdictions. Classification of these allocated funds were reviewed to validate if they were proper, as well as the quarterly “true-up” that is performed by the Finance term. This true-up is performed to match the estimated costs to actual costs incurred. The operating and maintenance costs for FY16 were roughly \$322, with \$74 million of that allocated to intermunicipal jurisdictions. Depending on the budgeted funds versus actual costs incurred, DC Water may owe the jurisdictions money if they overbilled based on budget estimates, or the jurisdictions may owe DC Water money if the opposite is the case. The Washington Suburban Sanitary Commission performs an audit on behalf of the IMA jurisdictions in addition to the true-up performed by the Finance department of DC Water. A similar process occurs depending on the findings of the audit, which review billed amounts based on budgeted estimates versus actual costs incurred. DC Water may be required to return funds to the jurisdictions or the jurisdictions may owe DC Water. The committee was provided a graphical depiction of this “true-up” amount from the prior four fiscal years. The graph shows that in years past this return of funds has been made to the jurisdictions from in large amounts. This was identified by DC Water as an issue and a new billing system has been implemented. These refunded amounts have been growing smaller since this implementation. The committee was notified that there were no observations identified in this review, however some process improvements were suggested.

Ms. Reyes provided analysis on the fraud, waste, and abuse hotline that is monitored by the internal audit department. She informed the committee that 12 cases have been closed this quarter. There are seven cases currently open, four of which were received in the last 30 days. The committee requested a semi-annual update of the hotline analysis, which will be provided moving forward. The quarterly status update of hotline cases will continue to be provided.

Due to time constraints, the committee decided to defer Contract Compliance and Monitoring Phase I until the next committee meeting.

Executive Session (Item 4)

The Audit Committee decided there was no need for the executive session.

Adjournment (Item 5)

Mr. Nicholas Majett adjourned the Audit Committee meeting at 11:12am.

Follow-up Items

The Audit Committee requested that Management and Internal Audit investigate and report back on the following items:

1. Additional detail of prior to FY15 audit findings that are in action deferred status.
2. Include employee relations related hotline concerns on hiring in the upcoming Employee Recruiting & On-Boarding audit.
3. Expand the upcoming risk assessment presentation to include a detailed review of the risk universe.
4. Respond to any additional questions provided by committee members regarding the risk universe.
5. Perform hotline analysis on a semi-annual basis.
6. Update the color scheme of the hotline analysis graphics.
7. Provide the Audit Committee On-Boarding document to new committee members.



CEO and GENERAL MANAGER'S REPORT

George S. Hawkins – September 2017

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Interpretation of Charts A

Color Key

<p>Red</p> <p>Yellow</p> <p>Green</p> <p>Gray</p> <p><transparent></p>	<p>Did not meet Target</p> <p>Missed Target but within acceptable range</p> <p>Met/Exceeded Target</p> <p>Budget/Target Value</p> <p>Green/Yellow/Red based on comparison</p>
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Message from the CEO/GM

We have all watched with horror as one of the worst storms in United States history afflicts Texas and Louisiana. Everyone in the water industry wonders how we would cope with 50 inches of rain over just a few days.

Flooding

Two realities about flooding are clear. First, every community can do more to prepare for flooding and to incorporate flood risk in zoning, building development and thoughtful conservation. We all need to be reminded that how rare a huge storm and flood may well be, they do happen – and the consequences to human health and long term economic vitality are hard to fathom, let alone contemplate. I am glad that we are building a 500 year flood retaining wall at the back-end of Blue Plains, and that our HQ0 (headquarters) is built to withstand a 250 year flood – but we still have many facilities, as does the District and region more broadly, that are subject to risk. We all need to do more. Second, no matter we do, a storm may come along that overwhelms even the best designed management program. Pristine natural areas are subject to flood at times when there is simply more rainfall in the system than man-made or natural systems can manage. In these cases, we need to be prepared to continue operations, assist in flood response and relief, and then be engaged in the aftermath. Everyone in the water business knows their communities would have flooded to dangerous levels after 50 inches of rain over just a few days. We know we need to redouble our efforts.

Although obviously not to the extent of Hurricane Harvey, we have been subject to an abnormally wet summer and a series of heavy rainfall events that have caused street flooding and some basement back-ups. We are dusting off our existing program to support citizens in the combined sewer areas to help with backwater valves, and perhaps assistance on overland flooding and disconnecting downspouts. This was a program we spearheaded for flooding events that occurred in 2012 in Bloomingdale. I am pleased to report that the First Street Tunnel and stormwater retention facility within an old McMillan Sand Filter, along with the Green Infrastructure we installed on Irving Street and other steps have seemed to work in Bloomingdale. We have had very few reports of flooding in this area. However, we have had reports farther afield in the Shaw neighborhood and near the RFK Stadium, which we are currently investigating. Expansion of our existing program to reduce local flooding and back-ups is the most likely response to these new challenge areas.

Chief Financial Officer

As all of you know, Matt Brown has resigned his position as Budget Director for the District and (sadly) as Chair of the Board for DC Water. On the other hand, we are delighted and excited that Matt will start as the new Chief Financial Officer of DC Water on September 4. We all know and hugely respect the time, wisdom and care that Matt invested into DC Water as Board Chair – which both was a great asset to this organization, and provides Matt with a tremendous running start for his new role. Staff is very excited to hear about Matt's new role and can hardly wait to welcome him to Blue Plains in September. I am also grateful that Nick Majett, Chief Administrative Officer for Prince George's County will step-up as the First Vice Chair to Chair the Board until Mayor Muriel Bowser appoints a new Board Chair, who then must go through the confirmation process. We are also deeply proud of the work Matt did as Chair, exemplifying the best qualities of thoughtful and dedicated civic service that is a hallmark for all the members of our Board.

Message from the CEO/GM

Blue Drop

Bloom numbers for July (latest available)

- Tons diverted from land application: 901.82
- Revenue to Blue Drop: \$2,244.88
- Marketing fees to Blue Drop: \$4,509.10
- Net cost savings to DC Water: \$23,019.16

Blue Drop will provide a comprehensive report to the Governance Committee at the September 13 meeting.

External Affairs

DC Water reached the next milestone for the new Customer Information System with the re-launch of the customer portal and the launch of its first-ever mobile app. OEA continued its soft communications launch (that began in May) while the team problem-solved one issue and then launched the robust communications outreach encouraging customers to re-register for the portal and re-enroll in auto pay. These communications continue with the goal of having customers previously on auto pay re-enrolled by November. Meanwhile, OEA followed that up with communications surrounding the mobile app.

Website

Session totals for the period of July 16 through August 15, 2017

- Total Sessions: 86,599
- New Sessions: 40,944

Government Relations

The GR team continued to focus efforts on informing DC Council members about several big and ongoing initiatives, including the meter replacement program, the relaunch of the website and the requirement that customers previously enrolled in an auto-pay program would need to reenroll their accounts once the new portal was up and running. Information about the programs was shared in person, over the phone and via email to enable staff to share updates on DC Water efforts with residents.

GR also assisted the GM with a letter to the CEO's of the biggest makers of disposable wipes, with the intention of putting more pressure on the industry to rethink its approach to this issue. And those efforts at negotiation continued during this period, with conference calls and emails between the wastewater industry association, DC Water and the wipes makers.

Media Relations

OEA managed media responses to several high-profile incidents including the flooding events of Saturday August 12 and the discolored water due to manganese neighboring WSSC dealt with. The Environmental Working Group's report on contaminants alarmed several national media outlets, who contacted water utilities around Metropolitan Washington for a contamination story. DC Water worked with COG and regional water PIOs to develop talking points and respond to national reporter inquiries (Washington Post, CBS Evening News) to help them understand the nature of the report. Both outlets decided not to run the story.

Message from the CEO/GM

We worked with USA Today on their Elon Musk transportation tunneling story. Reporter Nathan Bomey interviewed Carlton Ray, who was quoted in the piece. A photo gallery of our TBMs, with captions, ran with the story.

Bloomberg's Chris Flavelle wrote on the Environmental Impact Bond and interviewed George Hawkins and Bethany Bezak for the piece.

A Water World Magazine reporter interviewed George Hawkins for a piece on innovation and the wastewater "utility of the future."

OEA managed numerous other media inquiries regarding construction and water main breaks.
Drinking Water Marketing and Communications

A new drinking water quality expert was hired by the EA department. John Deignan will begin in August and comes to DC Water from the Council of Governments. He should be an excellent asset.

Press Releases

- July 14: DC Water Green Infrastructure Training Program Creating New Job Opportunities for District Residents
- July 6: DC Water awards \$580M Contract for Northeast Boundary Tunnel August 9
DC Water Launches First-Ever Mobile App
- August 8: Traffic Advisory - Short Duration Road and Sidewalks closures to I-66
Roosevelt Bridge and Rock Creek Parkway
- July 27: DC Water Names New Chief Financial Officer
- July 27: DC Water Launches Revamped Online Customer Portal

Media Coverage

- [D.C. Water & Sewer Authority's 2017A Senior Lien Bonds Receive Green Evaluation Score Of E1/92](#)
(Standard & Poor / July 25, 2017)
- [One D.C. Neighborhood Used To Flood During Most Big Storms — A New Tunnel Helped Change That](#)
(WAMU / August 1, 2017)
- [DC Water Upgrades the Customer Self-Service Experience with VertexOne](#)
(Utility Market Connections / August 8, 2017)
- [Pure Technologies to Provide Pipeline Condition Assessment for DC Water](#)
(WaterWorld / August 11, 2017)

Drinking Water Marketing and Communications

- The Office of External Affairs has hired a new Drinking Water Communications Coordinator who started at the Authority in mid-August. John Deignan joins us from COG where he played important roles in both the TapIt Network and the Protect Your Pipes campaign.

Message from the CEO/GM

Meetings/Presentations/Events

- In coordination with the Mayor's Office of Latino Affairs, DC Water participated for the first time in the International Colombian Festival Washington DC 2017. DC Water provided its Misting Tent, Cooling Station, special guest appearance by Wendy, information and giveaways.
- As part of an ongoing partnership with DC Public Library and its summer reading program, DC Water conducted a drinking water lesson to students at Northwest One Library.
- In partnership with Metropolitan Police Department, DC Water participated in a "Beat The Streets" event at Starburst Plaza (1599 Maryland Avenue, NE). DC Water provided its Misting Tent, Cooling Station, special guest appearance by Wendy, information and giveaways.
- In partnership with DC Parks and Recreation Summer Camp and its summer camp environmental education series, DC Water provided a drinking water lesson to students at Upshur Recreation Center.
- DC Water attended the July monthly meeting of ANC 3G to provide updates on two of its ongoing projects: 1) Oregon Avenue Sewer Rehabilitation and Replacement Project; and 2) Water Meter Rehabilitation Project.
- As part of its Environmental Education program, DC Water partnered with the Learning Tree Summer Camp at Payne Elementary School to provide a series of environmental lessons on topics such as wastewater treatment, water quality and water conservation. These lessons culminated in a major outdoor festival at the school which included interactive and educational activities, games and exhibits, appearance by Wendy, Misting Tent, Cooling Station, information and giveaways.
- As part of ongoing partnership with the Washington Nationals' Youth Baseball Academy, DC Water participated in its Summer Baseball League's "Go Nats, Go Green". As the youth leagues played exciting baseball games, DC Water was near the dugouts with its Misting Tent, Cooling Station, appearance by Wendy, information and giveaways.
- DC Water attended the July monthly meeting of ANC Single-Member District 6B07 to discuss its local Small Diameter Water Main Replacement Project and address residents questions/concerns.
- In partnership with Metropolitan Police Department's 7th District, DC Water attended the annual National Night Out event, held at the Bald Eagle Recreation Center. To help celebrate positive community relations among residents in this neighborhood, DC Water provided its Misting Tent, Cooling Station, appearance by Wendy, information and giveaways. As part of its "Let's Talk Construction" initiative, DC Water also used this event as an opportunity to engage with local residents about the Saint Elizabeths Water Storage Tower Project, and Anacostia 2nd High Residential Pressure Reducing Valve Installation Project.
- To conclude its involvement with this year's MPD "Beat The Streets" event series, DC Water participated in the event at 100 L Street, NE. As for the previous events, DC Water provided its Misting Tent, Cooling Station, special guest appearance by Wendy, information and giveaways.
- As part of its "Let's Talk Construction" initiative, DC Water hosted a walkthrough/information sharing session at the site of its Saint Elizabeths Water Storage Tower

Message from the CEO/GM

Project for all interested community stakeholders-residents, Councilmember Trayon White and staff, ANC, and MOCRS. DC Water used this event as an opportunity to engage with local residents about the Saint Elizabeths Water Storage Tower Project, and Anacostia 2nd High Residential Pressure Reducing Valve Installation Project.

- DC Water partnered once again with the Mayor's Office of Latino Affairs on two of its own events in one day!: 1) Community Food Distribution event at Church of Christ; and 2) Ward 7 Back to School Day, co-hosted with Metropolitan Police Department. For both events, DC Water provided its Cooling Station, special guest appearance by Wendy, information and giveaways. There was also exceptional social media coverage for this event, with messages posted on Facebook and Twitter, in both English and Spanish, in observance of these events and diversity among our readers.
- As a key part of the outreach efforts in support of its Anacostia 2nd High Residential Pressure Reducing Valve Installation Project, DC Water has been rather aggressive in targeting opportunities to reach seniors and discuss the need to have pressure reducing valves installed inside their homes. Accordingly, DC Water's project team attended a meeting held at the Congress Heights Senior Wellness Center.
- For a third consecutive year, DC Water participated in the annual back to school event, co-sponsored by DC Department of Human Services and DC General Family Shelter. To help celebrate these youngsters' return to the classroom, DC Water provided its Cooling Station, special guest appearance by Wendy, information and giveaways.
- In partnership with the office of Ward 8 Councilmember Trayon White, DC Water participated in a Ward 8 Back to School event, hosted by the office. As part of its "Let's Talk Construction" initiative, DC Water also used this event as an opportunity to engage with local residents about the Saint Elizabeths Water Storage Tower Project, and Anacostia 2nd High Residential Pressure Reducing Valve Installation Project.
- As part of its "Let's Talk Construction" initiative, DC Water is embarking upon a series of block meetings held at various locations across Ward 8 as a strategic way to engage clusters of residents who have not yet signed/returned an agreement permitting DC Water to install a pressure reducing valve inside their homes. The first of these block meetings took place near the intersection at 6th Street, SE and Galveston Place, SE. This meeting proved very successful, as our team was able to engage with approximately 40 local residents about our project and its PRV Installation program.

Customer Newsletter

The August customer newsletter included a GM message on 1) the new CIS and 2) the upcoming Customer Satisfaction Survey. It also included articles on: DC Water's visit to a preschooler class to demonstrate a catch basin cleaning and provide educational background; tips for best drinking water quality (annual article on replacing faucet aerators and draining the hot water heater); and an article on DC Water's upcoming project to restore a century-old sewer line along Pennsylvania Avenue.

Tours

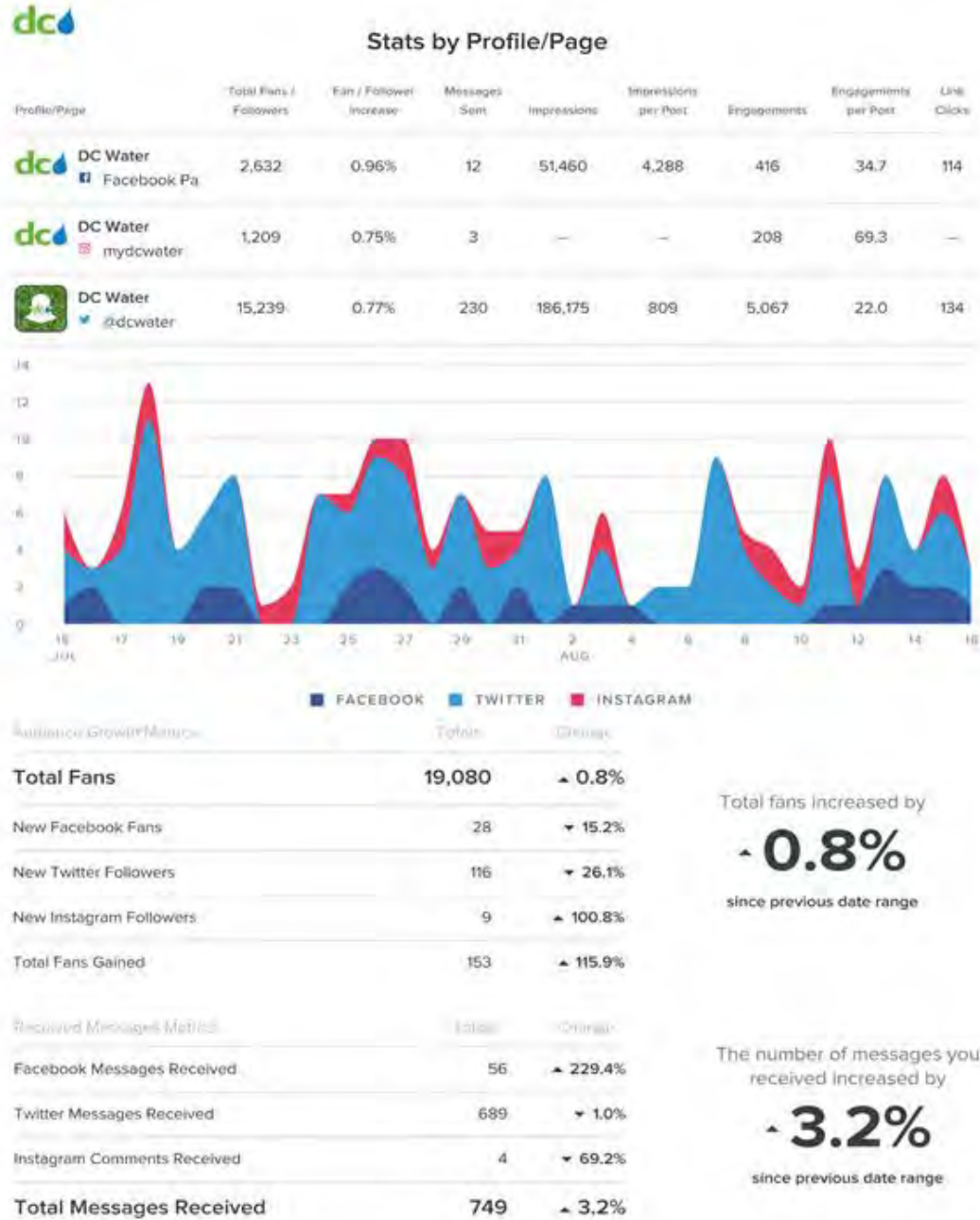
- 19 Students from Washington Youth Garden
- 10 visitors from Shanghai
- 25 employees of the USDOJ
- 7 interns from the Center for Water Security and Cooperation

Message from the CEO/GM

- 4 DC Residents
- 24 members of the Alice Ferguson Foundation
- 10 representatives of the US EPA

Message from the CEO/GM

Social Media









ORGANIZATIONAL PERFORMANCE DASHBOARD (July 2017)

Financial Highlights

Net Operating Cash		Operating Revenues		Operating Expenses		Capital Disbursements	
Actual	136,666	Actual	518	Actual	402	Actual	448
Target	68,880	Target	496	Target	447	Target	422
	(\$ thou)		(\$ mil)		(\$ mil)		(\$ mil)
Operating Cash Balance		Delinquent Account Receivables		Core Investments Yield		Short Term Investment Yield	
Actual	155	Actual	2	Actual	1.36	Actual	0.96
Target	126	Target	3	Target	1.35	Target	1
	(\$ mil)		(%)		(%)		(%)





Customer Care and Operations Highlights

Call Center Performance		Command Center Performance		First Call Resolution		Emergency Response Time	
	Jul 84		Jul 85		Jul 86		Jul 100
85	(% of calls rec)	85	(% of calls rec)	75	(% of calls rec)	90	(% of calls rec)
Fire Hydrants out of Service		Fire Hydrant Insps. and Maint.		Fire Hydrants Replaced		Permit Processing within SLA	
	Jul 37		28		Jul 139		66
96	(count)		(count)	250	(YTD count)		(%)

Low Income Assistance Program

Splash Contributions		Customer Assistance Program	
Actual	86	Previous	87
Target	67	Current	622
	(\$ tho)		(\$ tho)

Operational Highlights

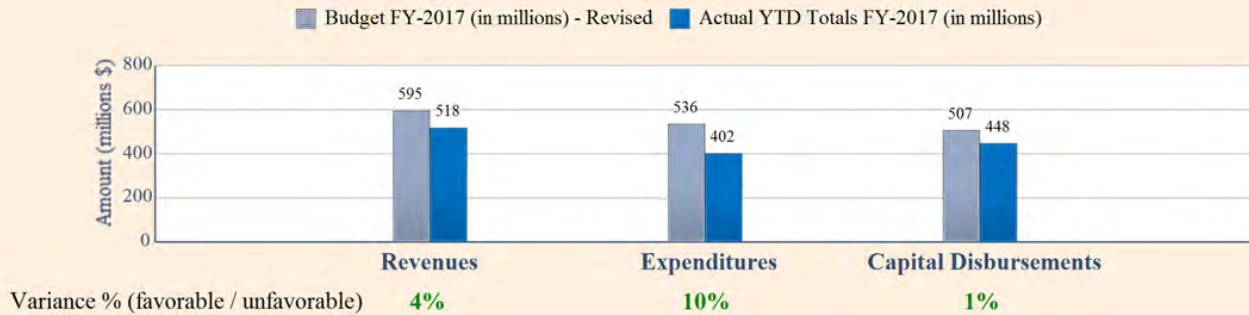
Lead Concentration (ppb)		Total Coliform Rule (%)		Biosolids Production		Total Nitrogen (lbs/yr mil)	
	3		1.5%	445			2.72
	(ppb)		(%)		(wet tons)		(lbs/yr mil)
Plant Effluent Flow (gal mil)		Excess Flow		Water Main Leaks		Water Valve Leaks	
	282	191		38		3	
	(gal mil)		(gal mil)		(count)		(count)
Non-Revenue Water		Sewer Main Backups		Sewer Lateral Backups		Dry Weather CSO	
Sold	8	0		151		0	
Purchased	12		(count)		(count)		(events)
	(CCF mil)		(count)		(count)		(events)
Recruitment Activity		Electricity Usage		Employee Lost Time Accidents		Vendor Payments	
Filled	18	19		3		Actual	98
Open	72		(MWh)		(count)	Target	97
	(count)		(MWh)		(count)		(%)

FINANCIAL HIGHLIGHTS

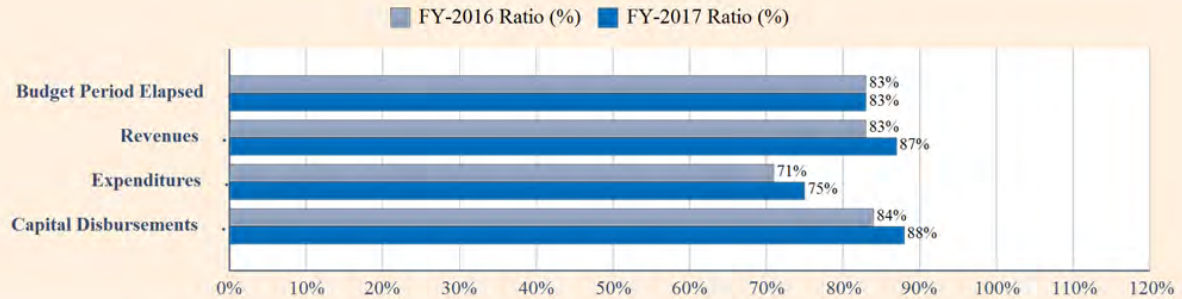
FINANCIAL PERFORMANCE SUMMARY

REVENUE, EXPENDITURE, CAPITAL DISBURSEMENT

Cumulative Revenue, Expenditure & Capital Disbursements compared to Budget

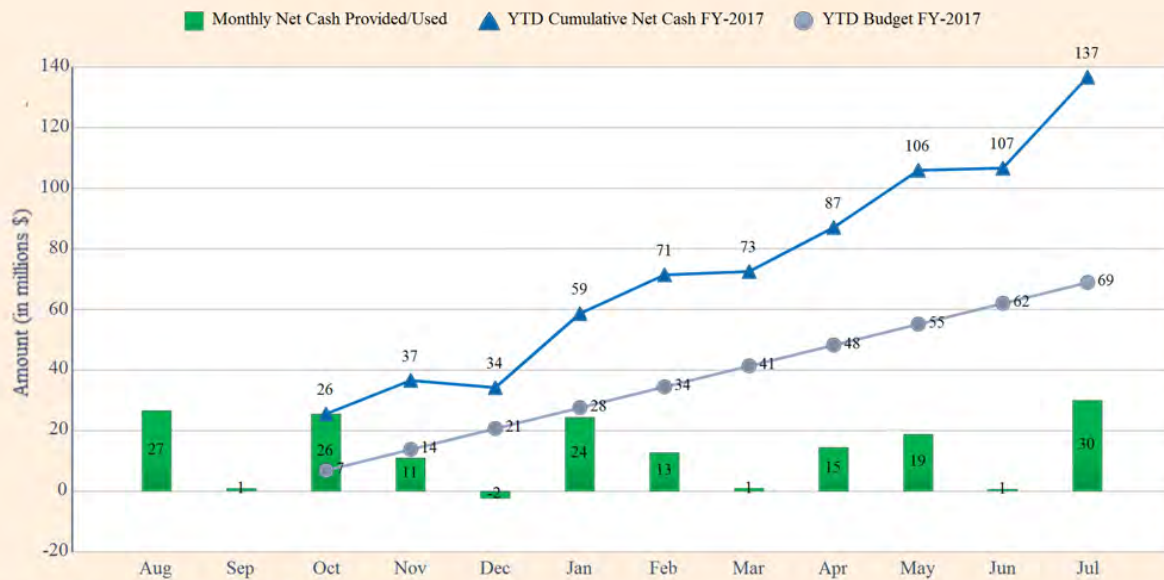


YEAR TO DATE ANALYSIS



NET OPERATING CASH

Monthly and YTD Net Operating Cash Provided / Used compared to Budget



Net cash to date for Jul was above budget by \$68 Million

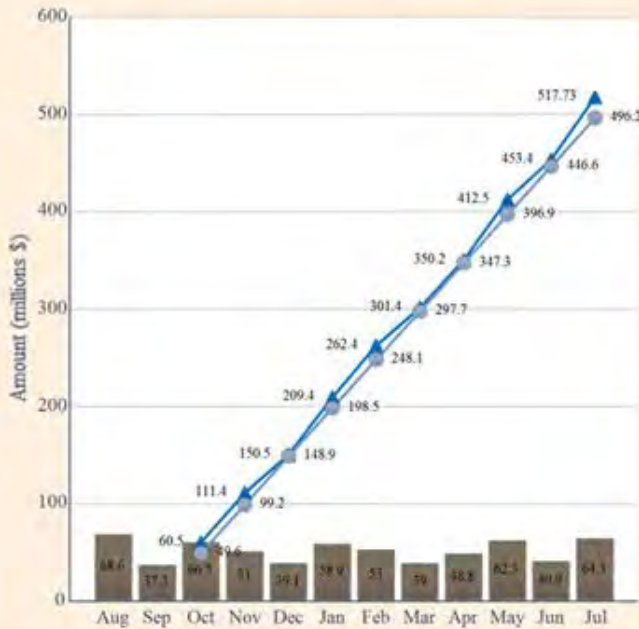
FINANCIAL HIGHLIGHTS

REVENUES AND OPERATING EXPENSES

OPERATING REVENUES

Monthly & Cumulative Revenue compared to YTD Budget

- Actual Monthly Revenue
- YTD Cumulative Revenue FY-2017
- YTD Cumulative Budget FY-2017

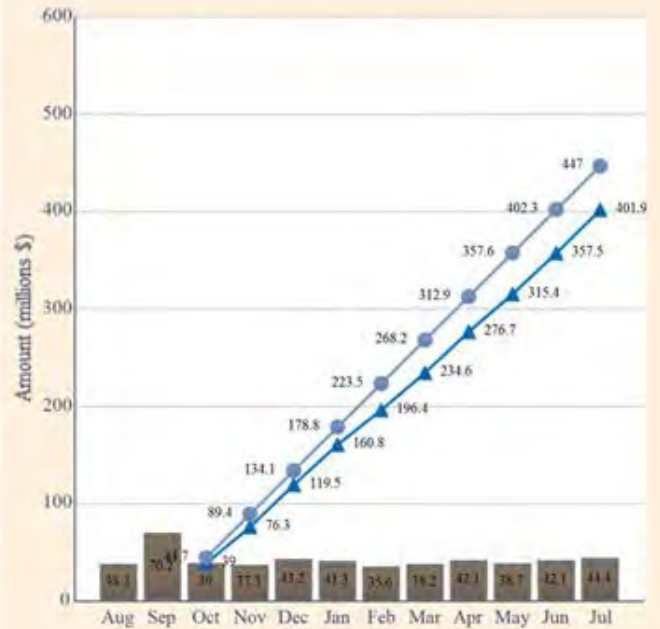


Revenue to date for Jul was above Budget by \$22 Million

OPERATING EXPENSES

Monthly & Cumulative Expenditure compared to YTD Budget

- Actual Monthly Expenses
- YTD Cumulative Expenditure FY-2017
- YTD Cumulative Budget FY-2017



Expenditure to date for Jul was below budget by \$68 Million

CAPITAL SPENDING

CAPITAL DISBURSEMENTS

Monthly & Cumulative Disbursements compared to YTD Budget

- Actual Monthly Disbursements
- YTD Cumulative Disbursements FY-2017
- YTD Cumulative Budget FY-2017



Disbursements to date for Jul was above budget by \$26 Million

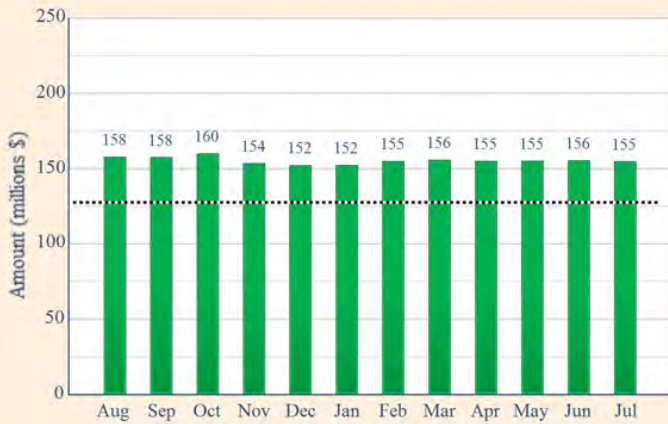
FINANCIAL HIGHLIGHTS

OPERATING CASH AND RECEIVABLES

OPERATING CASH BALANCE

Average Daily Cash Balance compared to Operating Reserve Target

- Actual Cash Balance FY-2017
- Operating Reserve Target - (126 Million)

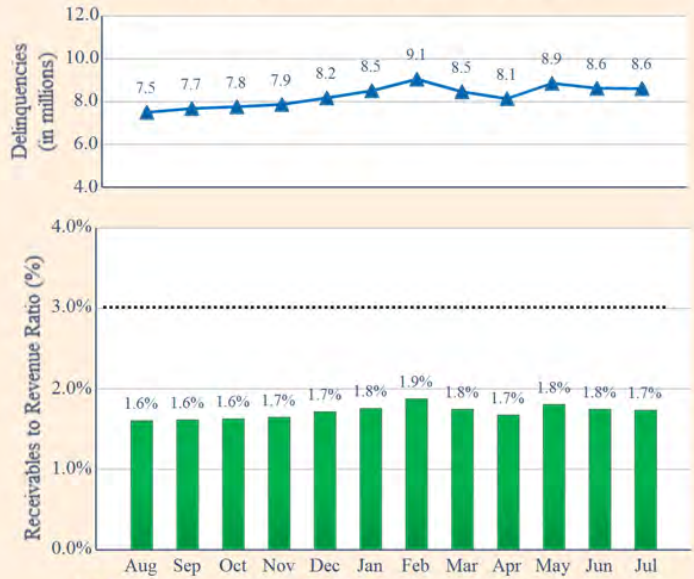


Cash Balance for Jul was above target by \$29 million

DELINQUENT ACCOUNT RECEIVABLES

Delinquency & Receivables to Revenue Ratio compared to Target

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



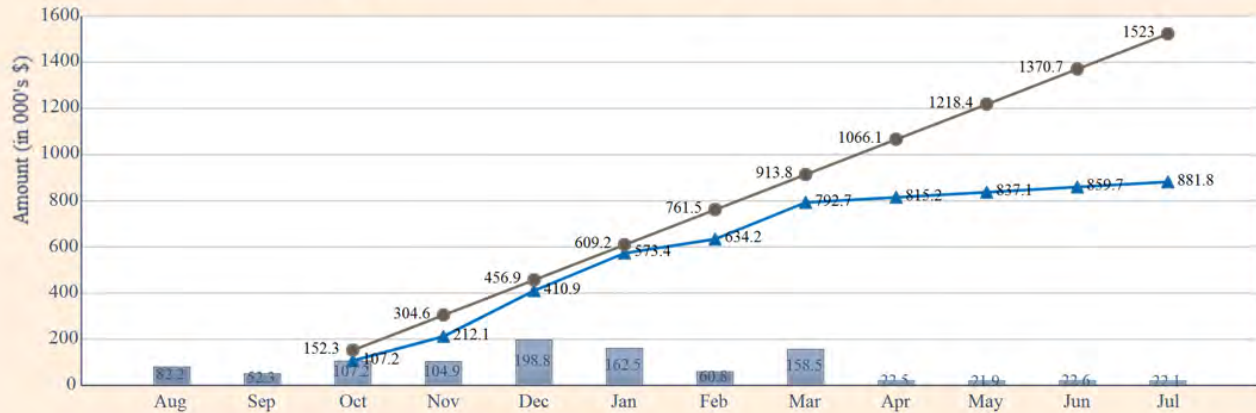
Jul Receivables to Revenue Ratio 1.74%, Delinquency \$8.6 Million

INVESTMENT EARNINGS

INVESTMENT CASH EARNINGS

Monthly & Cumulative Earnings compared to YTD Budget

- Monthly Earnings
- ▲ YTD Cumulative Earnings FY-2017
- YTD Cumulative Earnings Budget FY-2017



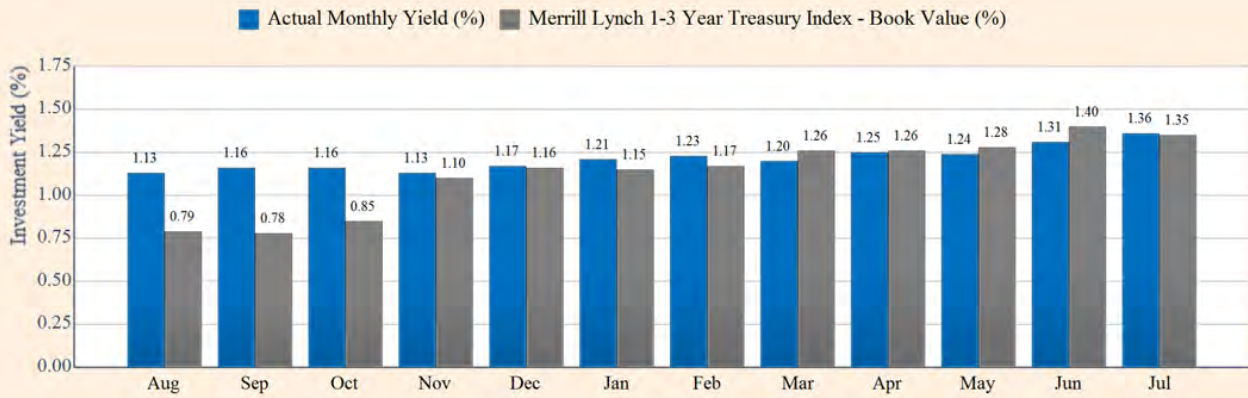
Earnings to date for Jul were below Projected Budget by \$641,000

FINANCIAL HIGHLIGHTS

INVESTMENT YIELD

CORE INVESTMENTS YIELD

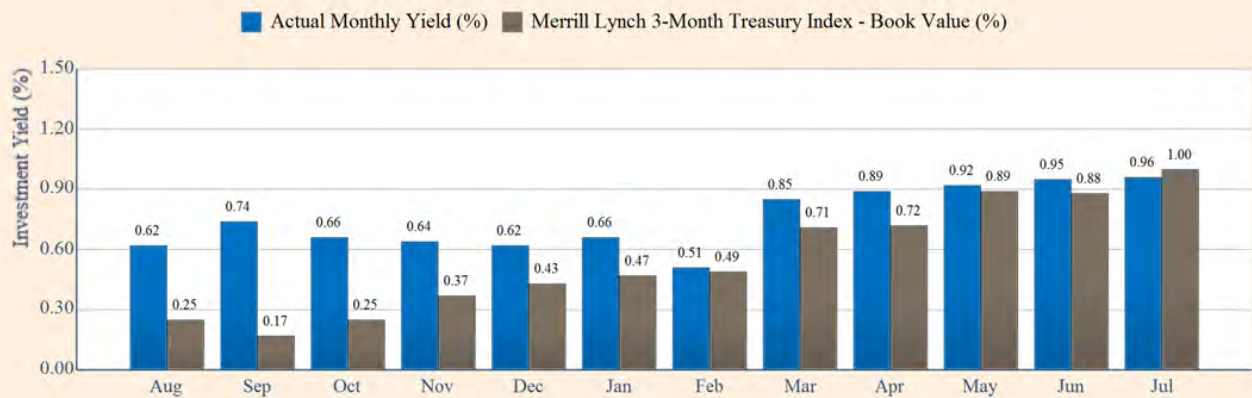
Monthly Yield compared to Merrill Lynch Benchmark



Yield for Jul was more than the treasury index by 0.01%

SHORT TERM INVESTMENT YIELD

Short Term Yield compared to Merrill Lynch Benchmark



Short Term Yield for Jul was lower than the Merill Lynch yield by 0.04%

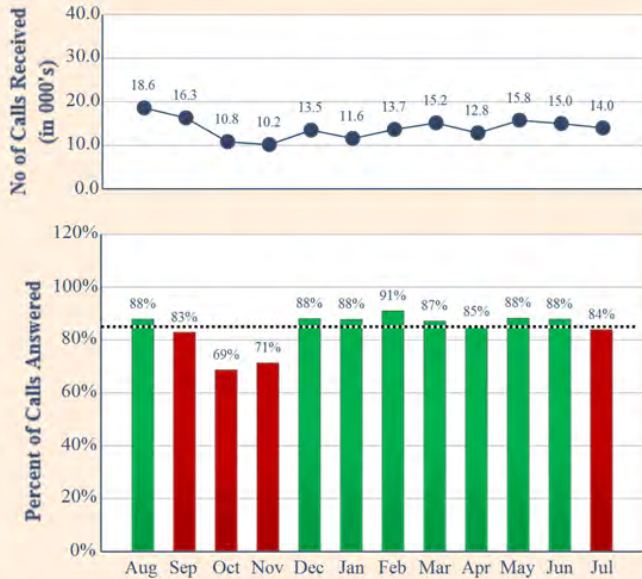
CUSTOMER CARE AND OPERATIONS HIGHLIGHTS

CUSTOMER SERVICE

CALL CENTER PERFORMANCE

Calls Answered within 40 Seconds compared to Target

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

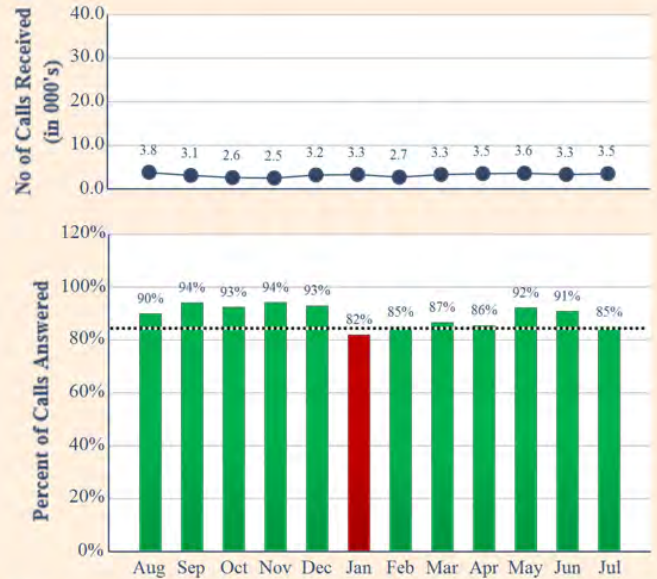


Performance for July was above target by 1%

COMMAND CENTER PERFORMANCE

Calls Answered within 40 Seconds compared to Target

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

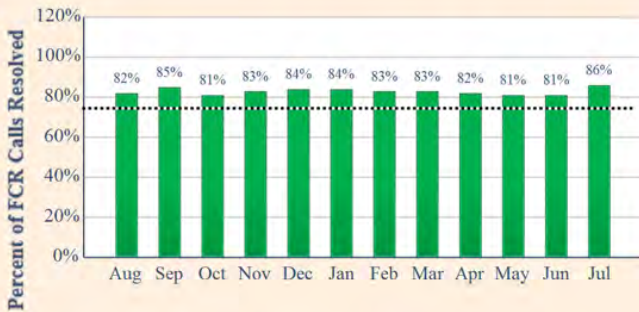


Performance for July match the target.

FIRST CALL RESOLUTION (FCR)

Calls resolved on first contact compared to Target

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

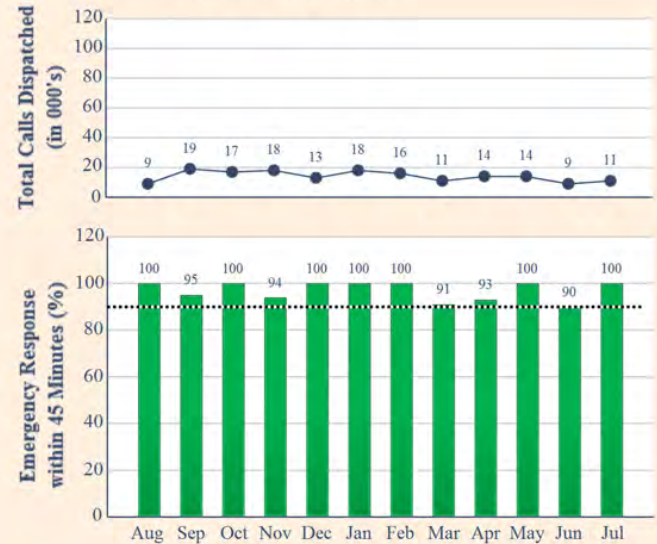


Performance for July was above target by 11%

EMERGENCY RESPONSE TIME

Calls responded to within 45 Minutes compared to Target

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



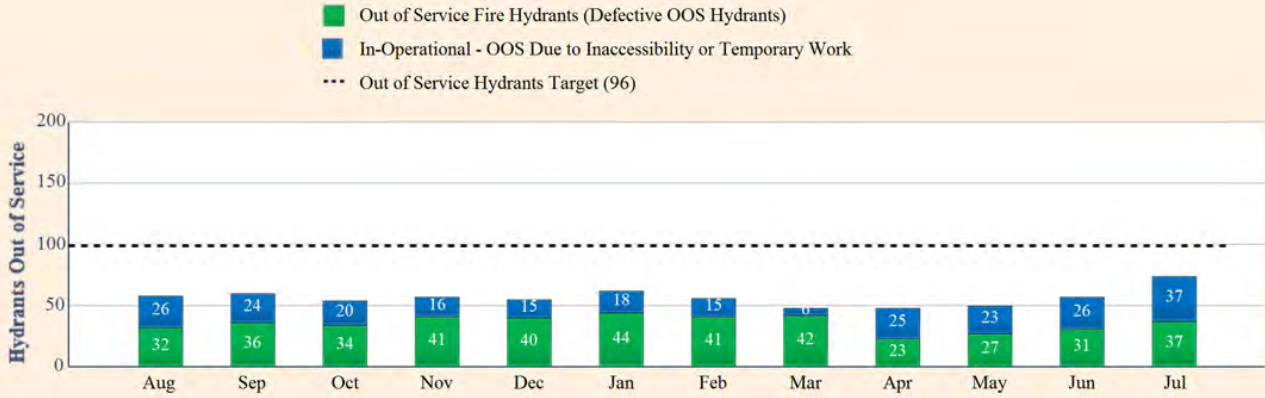
Performance for July was above target by 10%

CUSTOMER CARE AND OPERATIONS HIGHLIGHTS

FIRE HYDRANTS

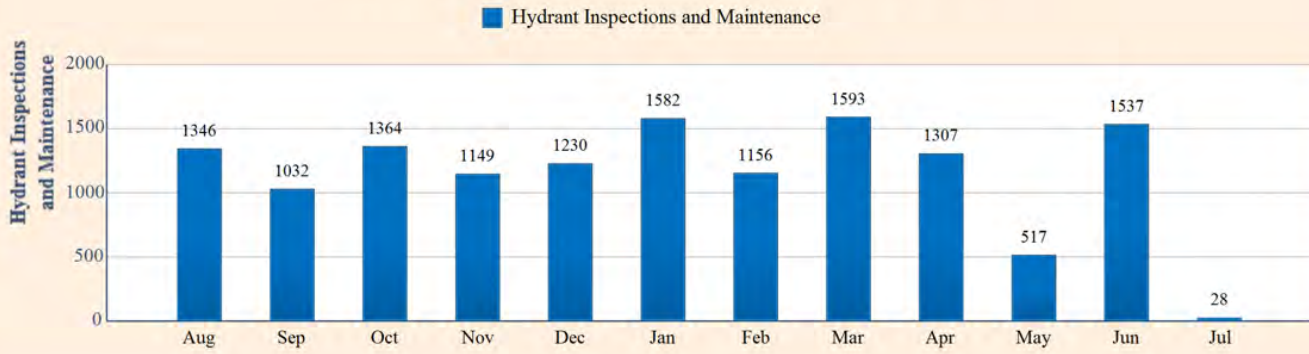
Fire Hydrants Out of Service (OOS)

Total Hydrants Out of Service against Target



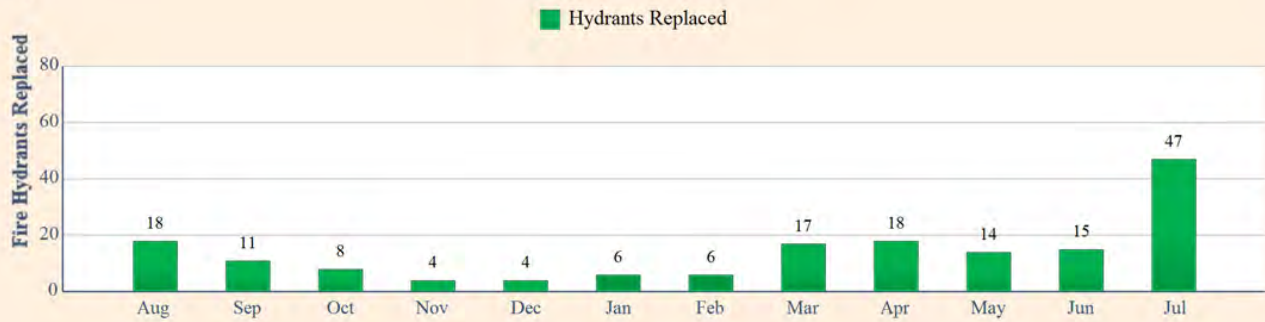
Fire Hydrant Inspections and Maintenance

Total Hydrant Inspection and Maintenance Work Orders Completed per Month



Total Hydrant Replacements Per Month

Annual Replacement Target (250)

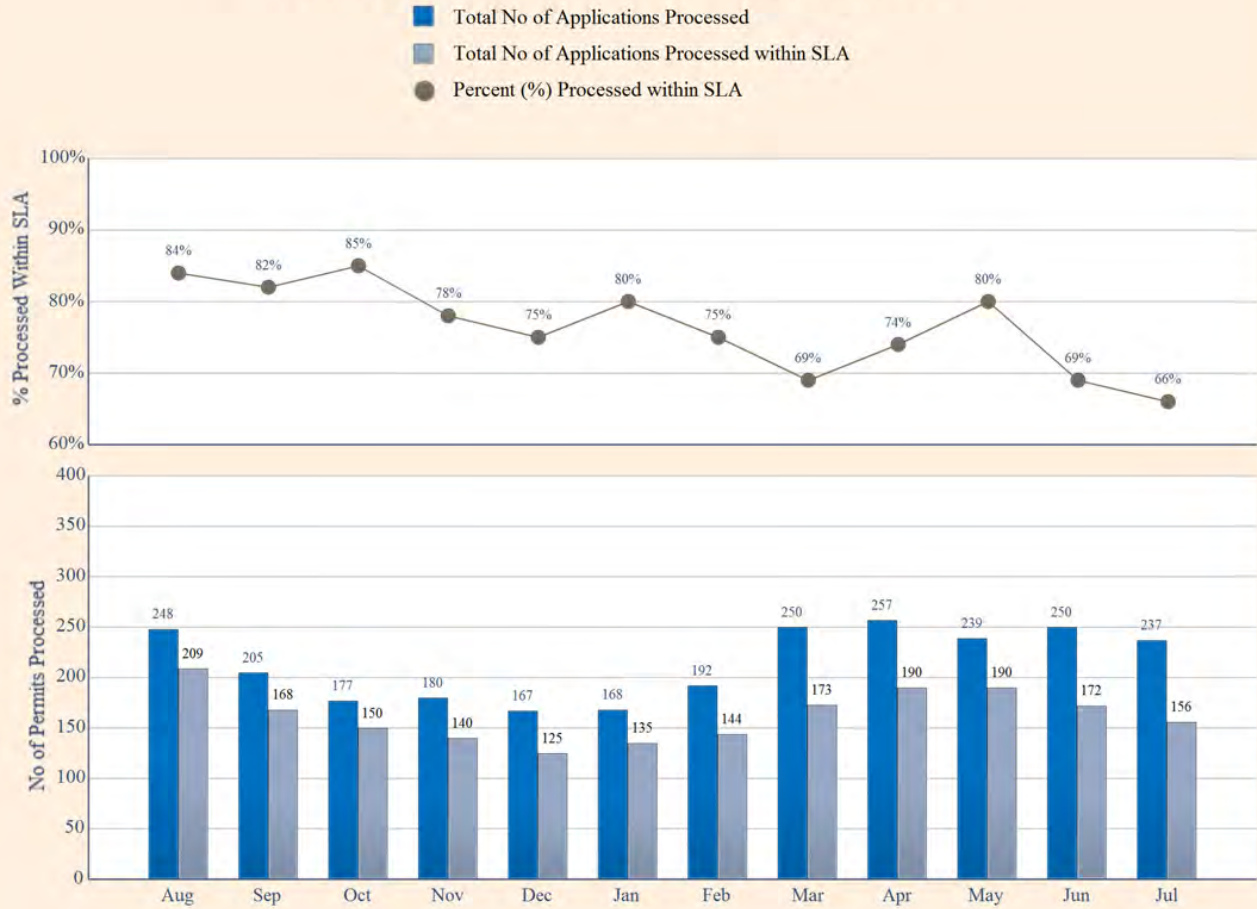


Total replacements as of July were 139 against annual projections of 250

CUSTOMER CARE AND OPERATIONS HIGHLIGHTS

PERMIT PROCESSING

PERCENT OF APPLICATIONS PROCESSED WITHIN SLA



SLA Examples: Raze Permit - 14 days, Sheeting and Shoring - 30 days, Preliminary Plan Review - 30 days

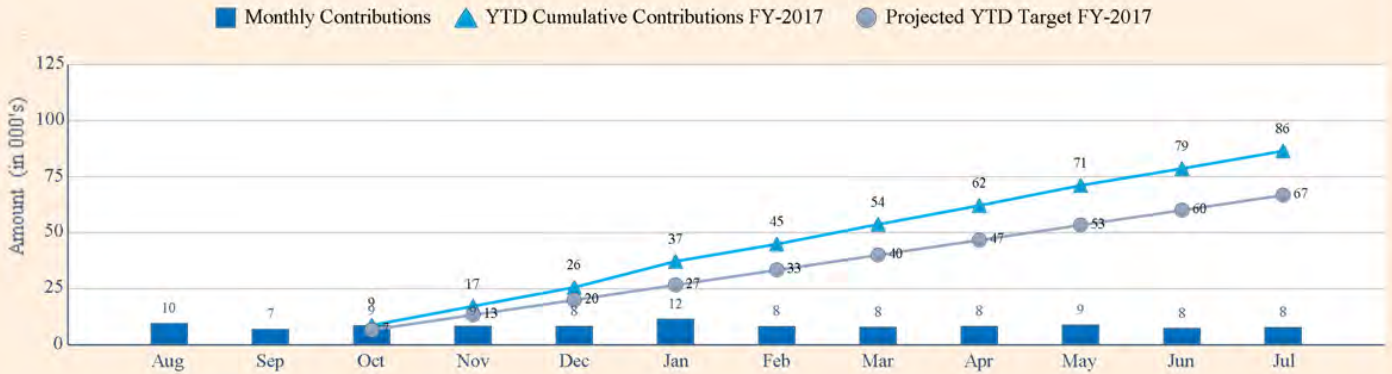
Permits not processed within SLA in July were 34% Note that different SLA's range from 7 days to 45 days

LOW INCOME ASSISTANCE PROGRAM

SPLASH PROGRAM

SPLASH CONTRIBUTIONS

Monthly and Cumulative Contributions compared to YTD Target

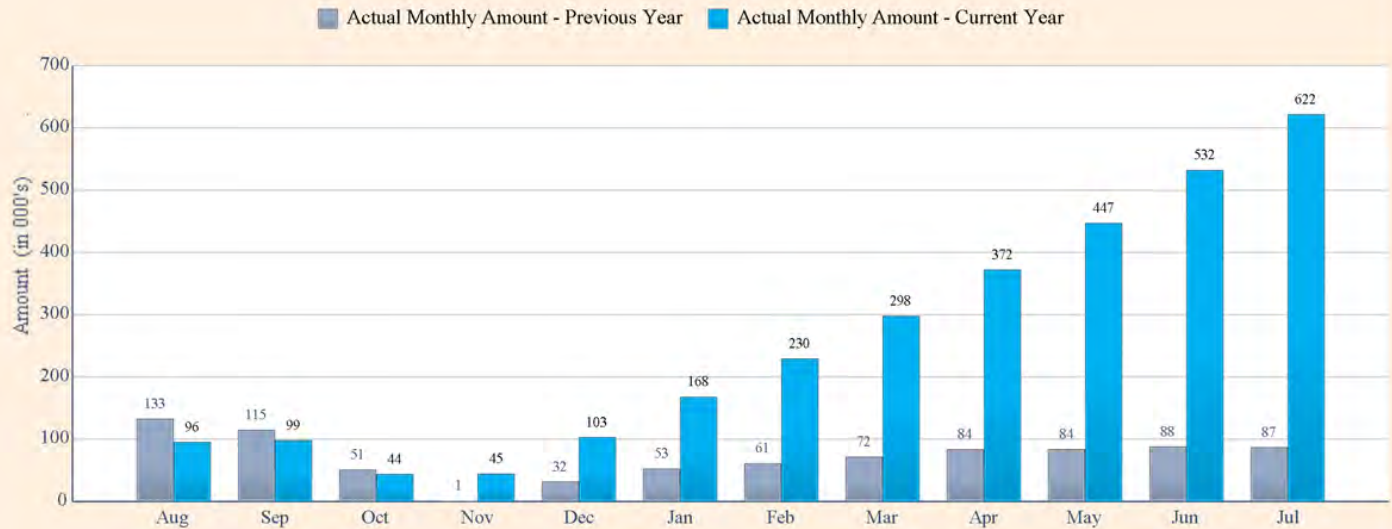


Total SPLASH Contributions to date for July were above target by \$20,000

CUSTOMER ASSISTANCE PROGRAM (CAP)

CUSTOMER ASSISTANCE PROVIDED

Monthly Assistance Provided compared to corresponding Previous Year Periods

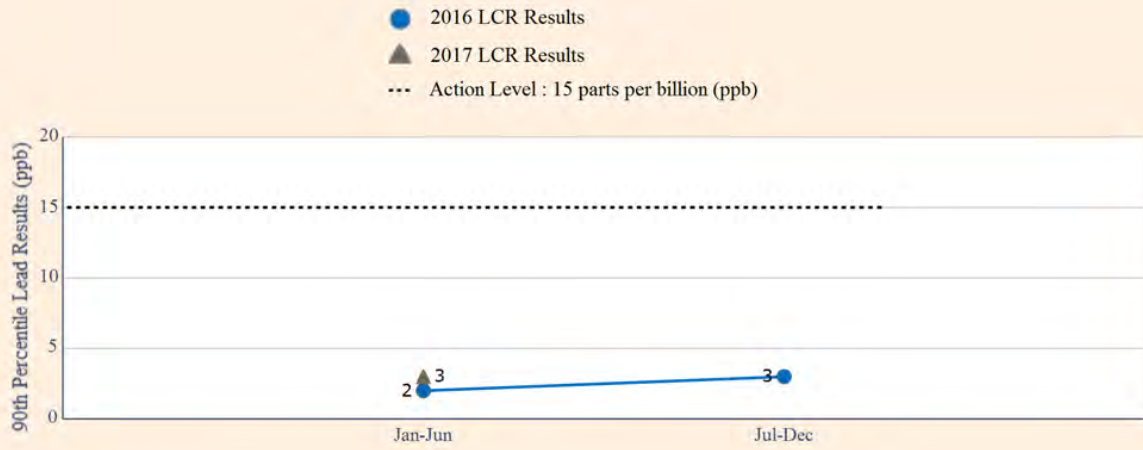


OPERATIONAL HIGHLIGHTS

DRINKING WATER QUALITY

LEAD AND COPPER RULE (LCR) COMPLIANCE

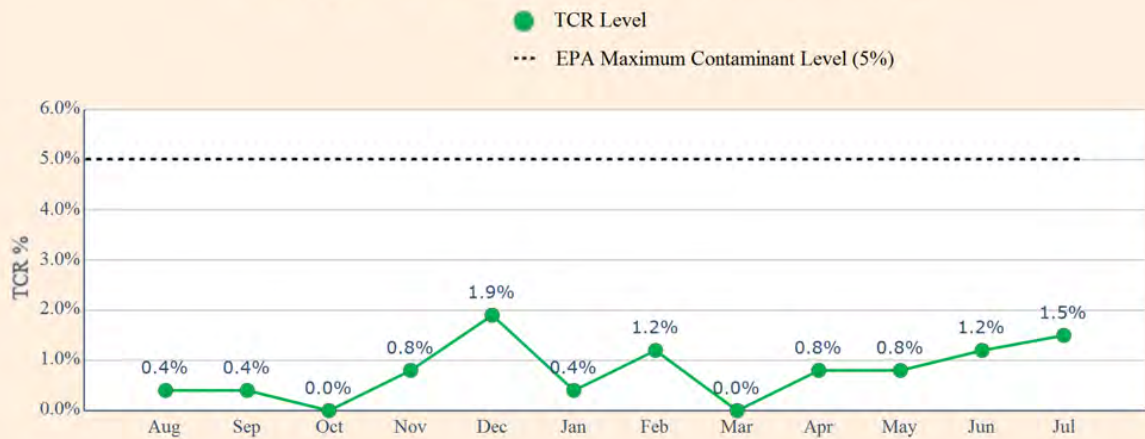
Semi-Annual LCR Monitoring Results



Jan-Jul 2017 results to date

TOTAL COLIFORM RULE (TCR) COMPLIANCE

Total Coliform Positives compared to EPA Maximum Contaminant Level (MCL)



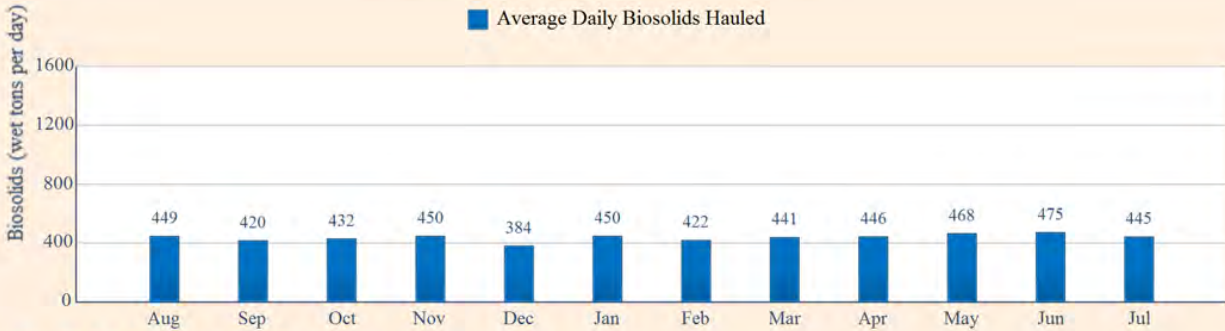
Coliform Positive was recorded at 1.5% in July

OPERATIONAL HIGHLIGHTS

WASTEWATER TREATMENT

BIOSOLIDS PRODUCTION, Jul - 2017

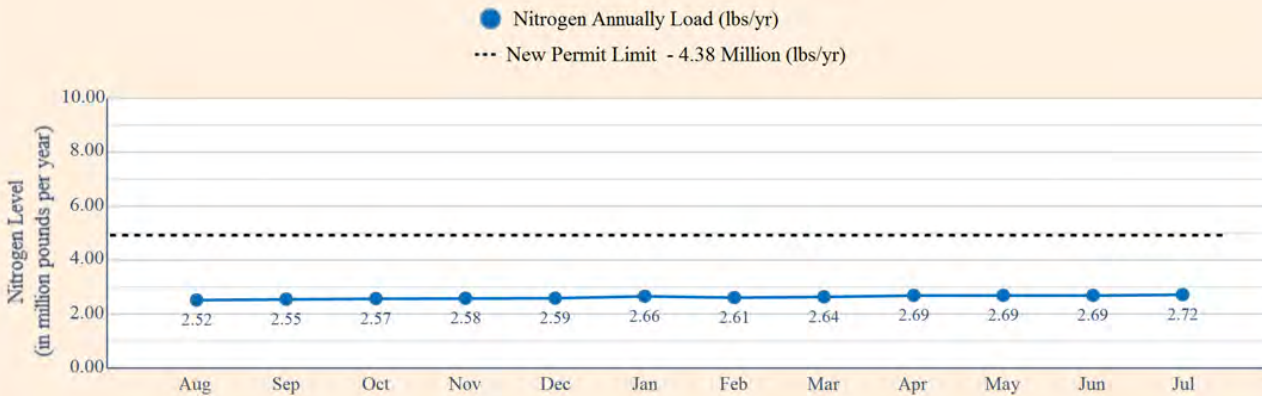
Average Daily Biosolids Production



Biosolids July Daily Production for August was 445 wet tons per day

TOTAL NITROGEN

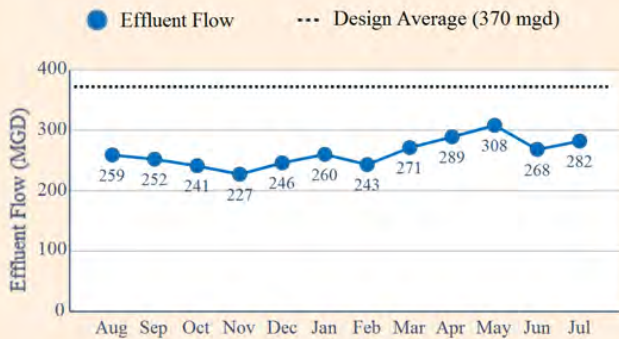
Total Nitrogen Compared to New Permit Levels



Nitrogen level for July was below permit by 1.7 million lbs/yr

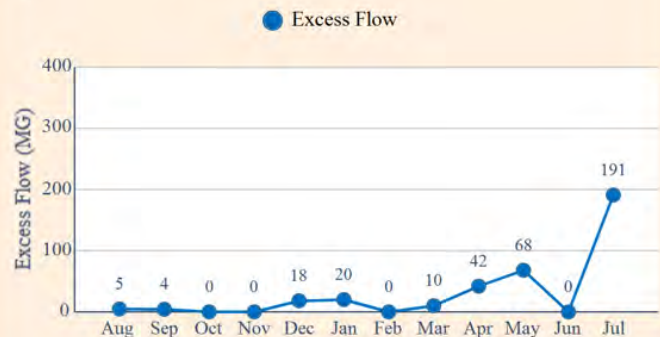
PLANT EFFLUENT FLOW

Effluent Flow compared to Plant Design Average Limit



In July, Influent flow was below design by 102 MGD

TOTAL EXCESS FLOW

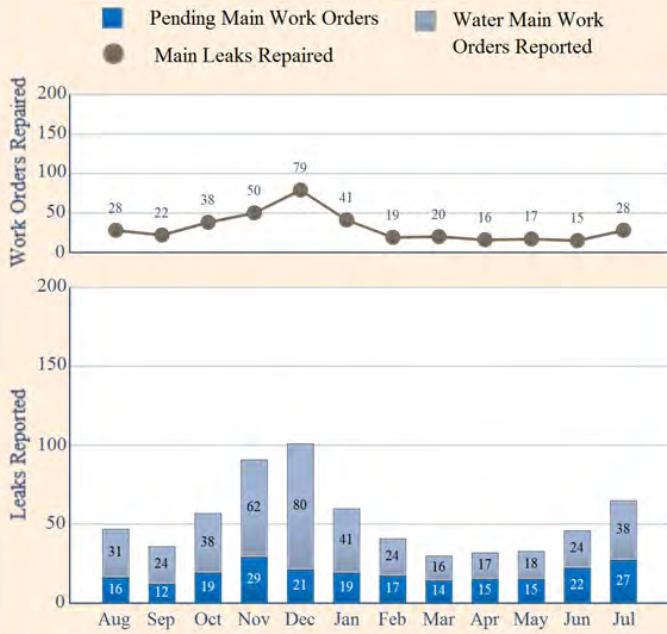


Excess flow events was recorded at 191 MG in July 2017

OPERATIONAL HIGHLIGHTS

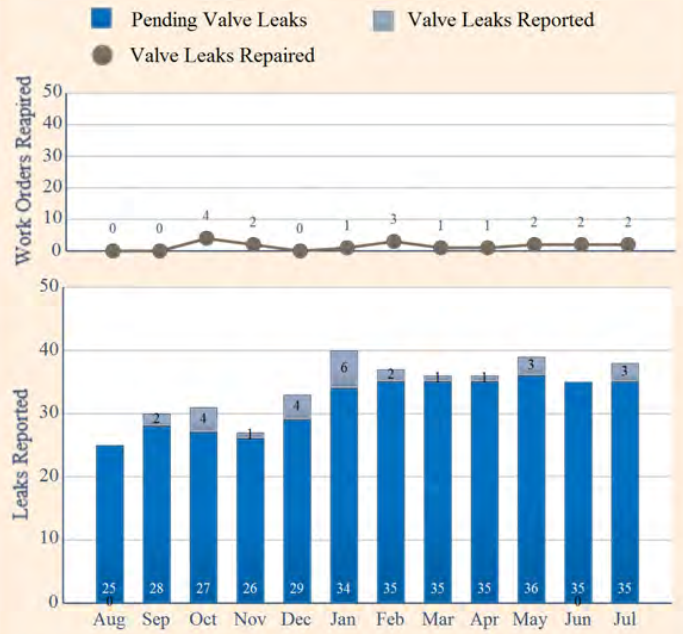
WATER DISTRIBUTION OPERATIONS

WATER MAIN LEAKS



There were 38 Water Main Work Orders reported in July

WATER VALVE LEAKS



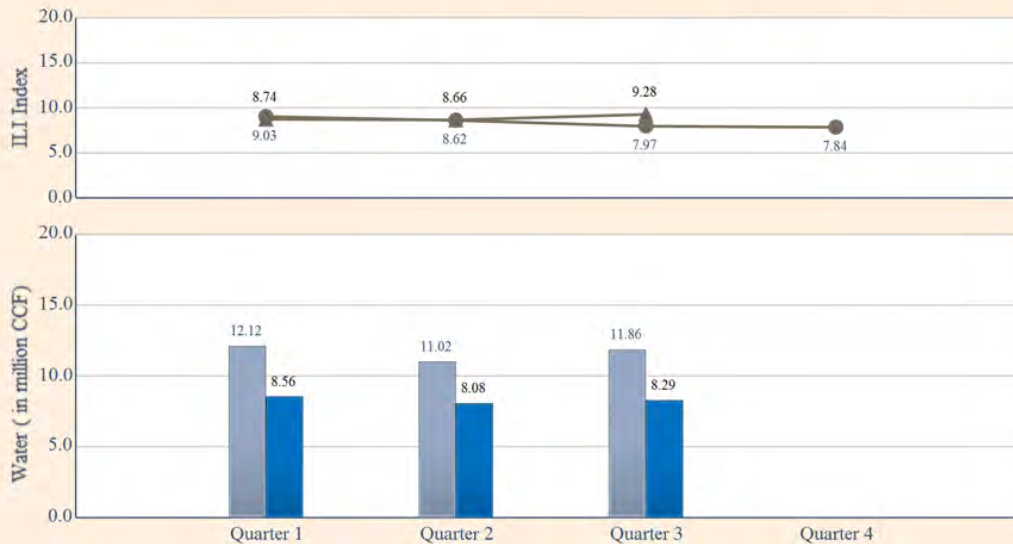
2 leak were resolved in July

WATER BALANCE

NON-REVENUE WATER

Volume of Water Purchased and Sold per Quarter

- ▲ FY-2017: Infrastructure Leakage Index
- FY-2016: Infrastructure Leakage Index
- FY-2017: Water Purchased
- FY-2017: Water Sold



In the 3rd quarter 8.3 out of 12 million cubic feet of water was sold

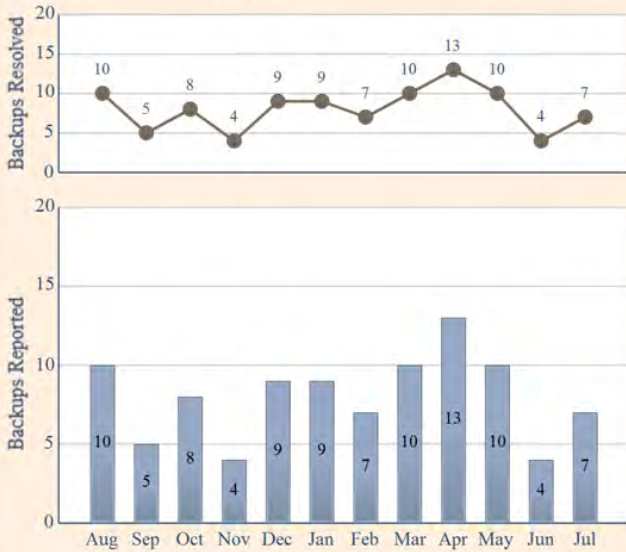
OPERATIONAL HIGHLIGHTS

SEWER SYSTEM OPERATIONS

SEWER MAIN BACKUPS

Sewer Mains Backed Up and Relieved per Month

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

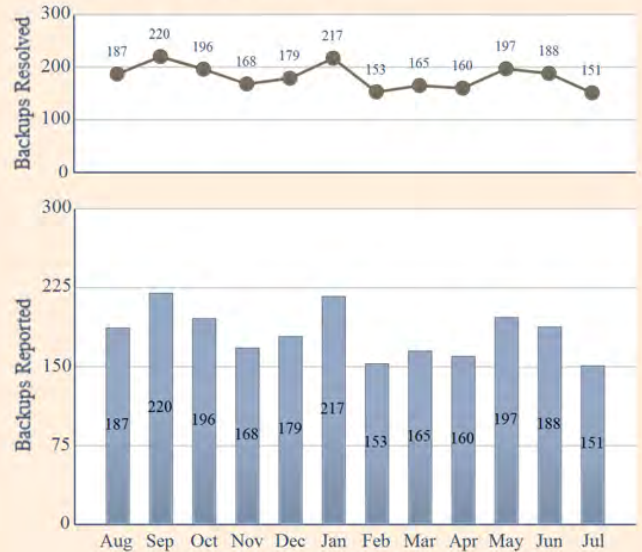


No pending main backups reported

SEWER LATERAL BACKUPS

Sewer Laterals Backed Up and Relieved per Month

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



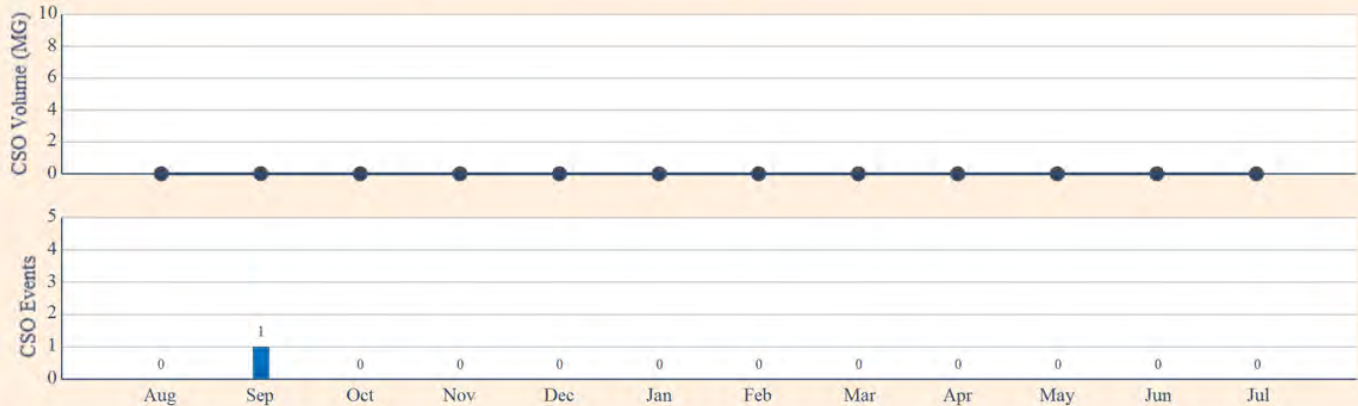
No pending lateral backups reported

COMBINED SEWER SYSTEM

DRY WEATHER CSO EVENTS

Combined Sewer Overflow Volume and No of Events per Month

- Overflow Volume (MG)
- Number of CSO Events

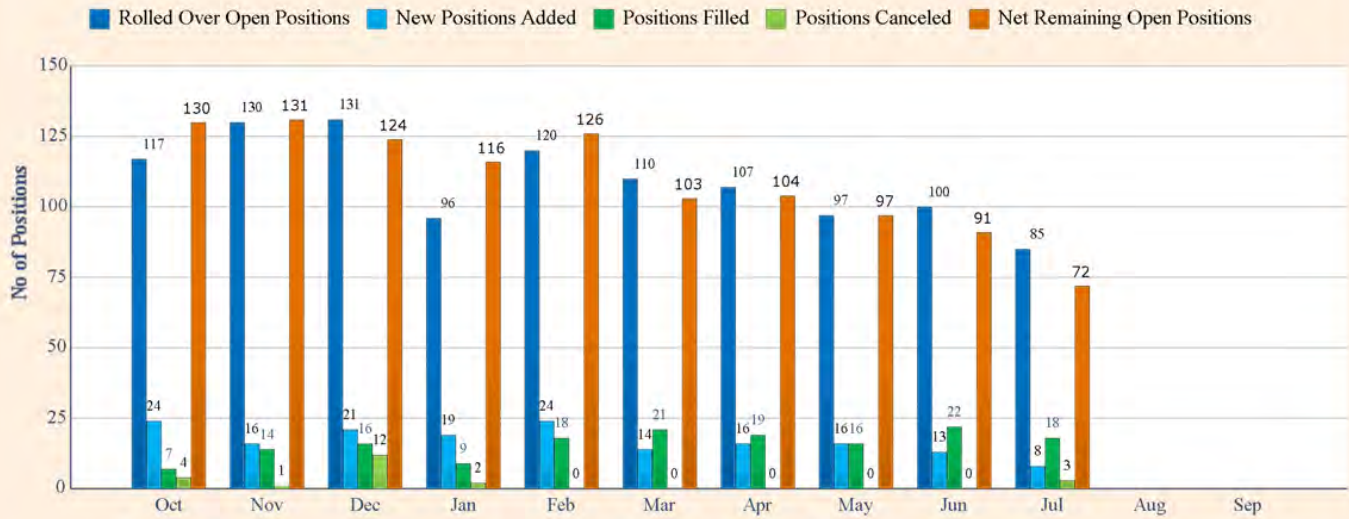


No dry weather Combined Sewer Overflow event were recorded in Jun 2017

OPERATIONAL HIGHLIGHTS

HUMAN RESOURCES

RECRUITMENT ACTIVITY

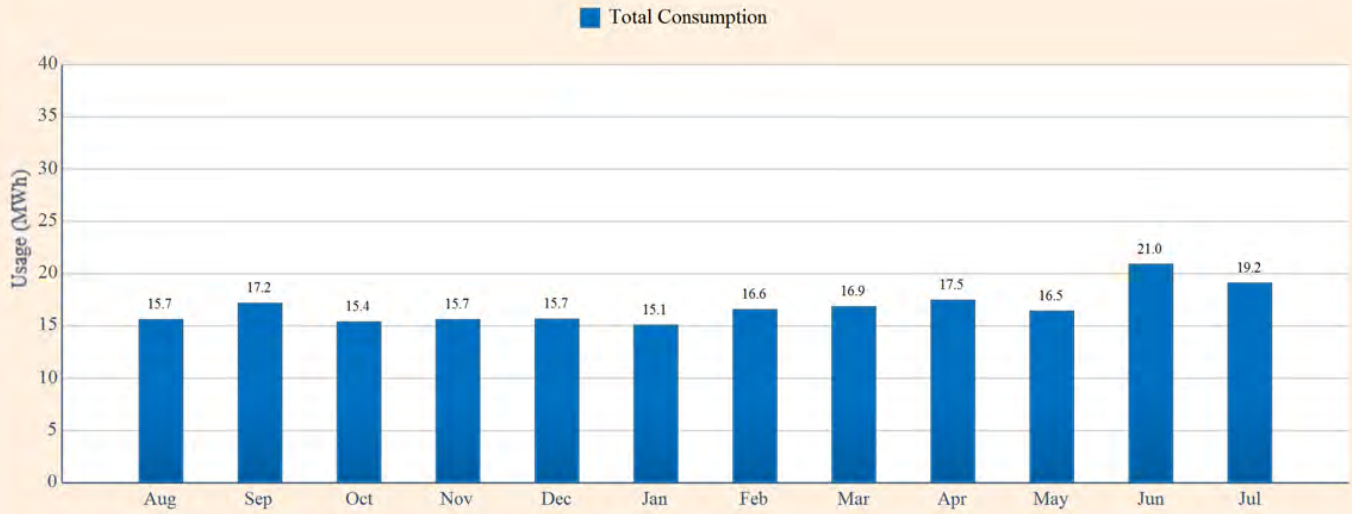


In Jul we began the month with 85 positions, received 8 new positions, filled 18, 3 cancellations and ended the month with 72 positions

OPERATIONAL HIGHLIGHTS

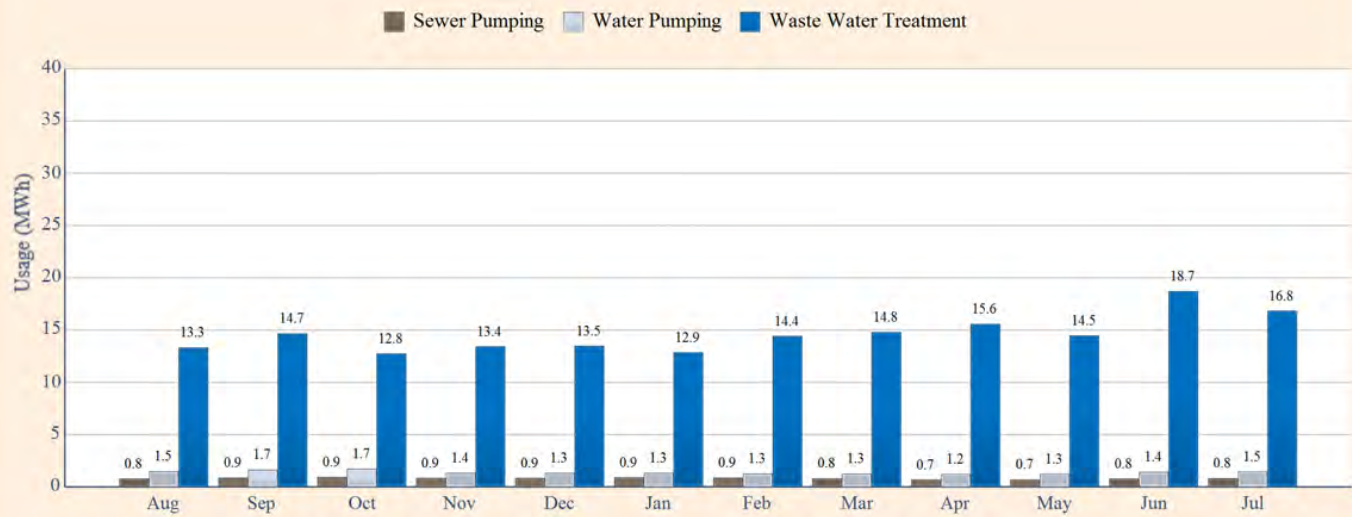
ENERGY CONSUMPTION

ELECTRICITY USAGE SUMMARY



Electricity Consumption in Jul was 19151 KWh

ELECTRICITY USAGE BY SERVICE AREA

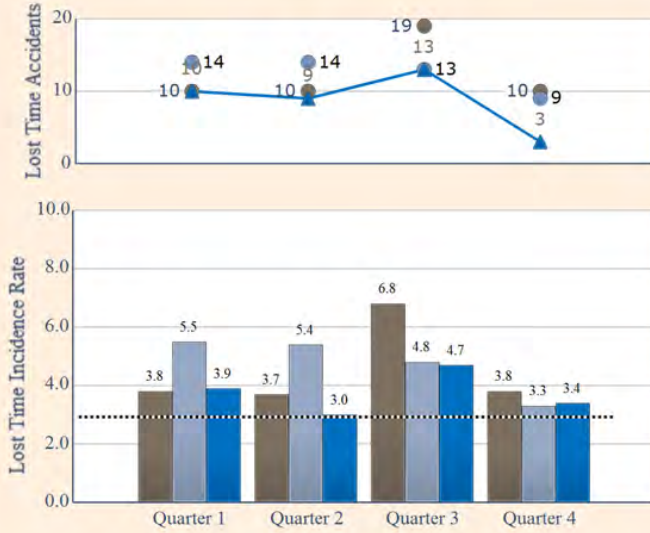
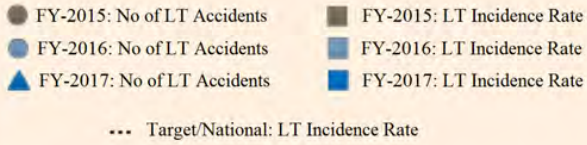


Wastewater treatment had the highest electricity consumption in Jun at 16850 KWh

OPERATIONAL HIGHLIGHTS

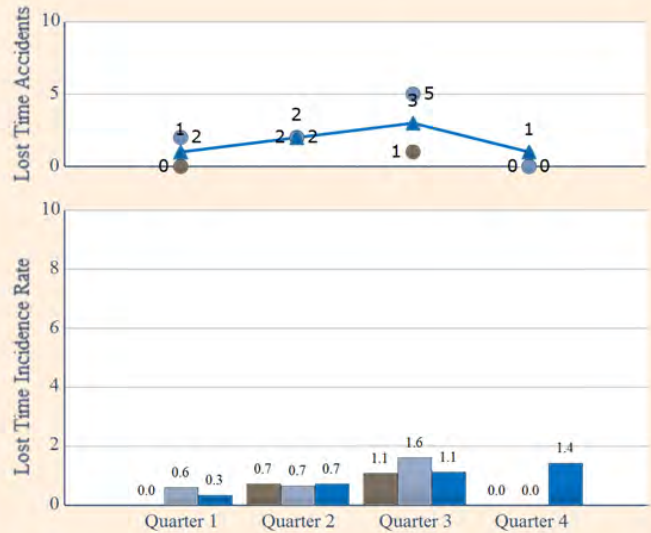
SAFETY

EMPLOYEE LOST TIME INCIDENCE RATE



In the 4th quarter, 3 lost time accidents were reported

CONTRACTOR LOST TIME INCIDENCE RATE



In the 4th quarter, 1 lost time accident was reported

VENDOR PAYMENTS

VENDOR PAYMENT PERFORMANCE



Monthly performance for Jul was above Budget by 1%

INTERPRETATION OF CHARTS:

FINANCIAL HIGHLIGHTS

Revenue, Expenditure, Capital Disbursement

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

Net Operating Cash

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

Operating Revenues

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

Operating Expenses

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

Capital Disbursements

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

Operating Cash Balance

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

Delinquent Account Receivables

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

Investment Cash Earnings

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

Core Investments Yield

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

Short Term Investment Yield

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

Dynamic Color Coding Legend

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

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

A

CUSTOMER CARE AND OPERATIONS HIGHLIGHTS

Call Center Performance

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

Command Center Performance

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

First Call Resolution (FCR)

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

Emergency Response Time

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

Fire Hydrants Out of Service (OOS)

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

Fire Hydrant Inspections and Maintenance

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

Fire Hydrant Replacements

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

Total Applications Processed within Service Level Agreement (SLA)

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

Dynamic Color Coding Legend

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

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

LOW INCOME ASSISTANCE PROGRAM

SPLASH Contributions

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

Customer Assistance Program (CAP)

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

OPERATIONAL HIGHLIGHTS

Lead and Copper Rule (LCR) Compliance

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

Total Coliform Rule (TCR)

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

Biosolids Production

- Bar graph shows monthly average daily biosolids production

Total Nitrogen

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

Plant Effluent Flow

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

Excess Flow

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

Water Main Leaks

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

Water Valve Leaks

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

Dynamic Color Coding Legend

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

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

Non Revenue Water

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

Sewer Main Backups

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

Sewer Lateral Backups

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

Combined Sewer dry weather Overflow (CSO) Events

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

Open Positions

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

Electricity Usage Summary

- Bar graph shows total electricity consumption per month

Electricity Usage by Service Area

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

Employee Lost Time Incidence Rate

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

Contractor Lost Time Incidence Rate

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

Dynamic Color Coding Legend

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

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

Vendor Payment Performance

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

Dynamic Color Coding Legend

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

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

E



Consent Agenda

Summary of Contracts

234th Meeting of the DC Water Board of Directors

Thursday, September 7, 2017

Joint Use Contracts

1. **Resolution No. 17-49, Option Year Three of Contract No. 14-pr-DFS-08, M&N Contractors, LLC.** The purpose of the option is to continue providing janitorial services at D.C. Water's office space and facilities. The option amount is \$765,000. (Recommended by Environmental Quality and Operations Committee 07/20/17)
2. **Resolution No. 17-50, Change Order No. 13 of Contract No. 100150, Pepco Energy Services, Inc.** The purpose of the change order is to provide emergency temporary heat exchange systems as needed to support CHP system operation and to replace 18 heat exchangers made of materials with MIC resistant properties. The change order amount is \$1,050,000. (Recommended by Environmental Quality and Operations Committee 07/20/17)
3. **Resolution No. 17-51, Extension of Option Year Two of Contract No. WAS-12-066-AA-RE, Polydyne.** The purpose of the option extension is to continue the delivery of polymer to the Authority to condition biosolids in the pre-dewatering step. The option extension amount is \$1,700,000. (Recommended by Environmental Quality and Operations Committee 07/20/17)

Presented and Adopted: September 7, 2017
SUBJECT: Approval to Exercise Option Year Three of Contract No. 14-PR-DFS-08, M & N Contractors, LLC

#17-49
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 September 7, 2017 upon consideration of a joint use matter, decided by a vote of __() in favor and __() opposed to exercise Option Year Three of Contract No. 14-PR-DFS-08, M & N Contractors, LLC.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to exercise Option Year Three of Contract No. 14-PR-DFS-08, M & N Contractors, LLC. The purpose of the option is to continue providing janitorial services at D.C. Water's office space and facilities. The option amount is \$765,000.

This Resolution is effective immediately.

Secretary to the Board of Directors

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

ACTION REQUESTED

GOODS AND SERVICES CONTRACT OPTION YEAR

**Janitorial Services
(Joint Use)**

Approval to exercise option year three (3) for the Janitorial Services contract in the amount of \$765,000.00.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME: M & N Contractors, LLC 77 Randolph Road Silver Spring, MD 20904 LSBE	SUBS: N/A	PARTICIPATION: N/A
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DESCRIPTION AND PURPOSE

Original Contract Value:	\$673,640.52
Original Contract Dates:	10-21-2014—10-20-2015
No. of Option Years in Contract:	4
Option Year 1 Value:	\$714,445.56
Option Year 1 Dates:	10-21-2015—10-20-2016
Option Year 2 Value:	\$737,000.00
Option Year 2 Dates:	10-21-2016 10-20-2017
Modification Value:	\$31,842.78
Modification Dates:	01-15-2015—10-20-2016
Option Year 3 Value:	\$765,000.00
Option Year 3 Dates:	10-21-2017—10-20-2018

Purpose of the Contract:

To provide the District of Columbia Water and Sewer Authority (DC Water) with janitorial services at DC Water office space and facilities.

Contract Scope:

The contract provides for full and complete janitorial services to include labor, equipment, consumables and supervision for Blue Plains, Bryant Street, Fort Reno and 125 "O" Street.

Spending Previous Year:

Cumulative Contract Value:	10-21-2014 to 10-20-2017	\$2,141,206.06
Cumulative Contract Spending:	10-21-2014 to 06-30-2017	\$1,870,225.76

Contractor's Past Performance:

According to the COTR, the Contractor's quality of workmanship; services rendered; conformance to DC Water's policies, procedures and contract terms; and invoicing all meet expectations.

PROCUREMENT INFORMATION

Contract Type:	Fixed Price	Award Based On:	Highest Rated Offeror
Commodity:	Services	Contract Number:	14-PR-DFS-08
Contractor Market:	Open Market with Preference Points for LBE and LSBE Participation		

BUDGET INFORMATION

Funding:	Operating	Department:	Facilities
Project Area:	DC Water Wide	Department Head:	Johnnie Walker

ESTIMATED USER SHARE INFORMATION

User - Operating	Share %	Dollar Amount
District of Columbia	83.65%	\$639,922.50
Washington Suburban Sanitary Commission	12.07%	\$92,335.50
Fairfax County	2.84%	\$21,726.00
Loudoun Water	1.25%	\$9,562.50
Other (PI)	0.19%	\$1,453.50
TOTAL ESTIMATED DOLLAR AMOUNT	100.00%	\$765,000.00


 Rosalind R. Inge Date 7/11/17
 Assistant General Manager,
 Support Services


 Dan Bae Date 7/12/17
 Director of Procurement


 Robert Hunt Date 7/12/17
 Acting Chief Financial Officer


 George S. Hawkins Date 8/15/2017
 CEO/General Manager

Presented and Adopted: September 7, 2017
SUBJECT: Approval to Execute Change Order No. 13 of Contract No. 100150, Pepco Energy Services

#17-50
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 September 7, 2017 upon consideration of a joint use matter, decided by a vote of __ () in favor and __ () opposed, to execute Change Order No. 13 of Contract No. 100150, Pepco Energy Services.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute Change Order No. 13 of Contract No. 100150, Pepco Energy Services. The purpose of this change order is for Pepco Energy Services to provide emergency temporary heat exchange systems as needed to support CHP system operation and to replace 18 heat exchangers made of 316L Stainless Steel with 18 heat exchangers made of materials with MIC resistant properties. The change order amount is \$1,050,000.

This Resolution is effective immediately.

Secretary to the Board of Directors

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

ACTION REQUESTED

DESIGN-BUILD-OPERATE CONTRACT CHANGE ORDER:

**Biosolids Management Program - Combined Heat and Power Project
(Joint Use)**

Approval to execute Change Order No. 13 in an amount of \$1,050,000. The modification exceeds the General Manager's approval authority.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME:	SUBS:	PARTICIPATION:
Pepco Energy Services, Inc. 1300 N. 17 th Street Suite 1600 Arlington, VA 22209	Noyes Air Conditioning Gaithersburg, MD	81.4%
	Power Mechanical Virginia Beach, VA	11.5%
	JPG Plumbing Services Jessup, MD	2.0%
	Corrosion Testing Laboratories Newark, DE	0.8%
	Fisher Testing Owings, MD	0.4%

DESCRIPTION AND PURPOSE

Original Contract Value:	\$83,015,875.00
Value of this Change Order:	\$ 1,050,000.00
Cumulative CO Value, including this CO:	\$ (956,103.36)
Current Contract Value, including this CO:	\$82,059,771.64
Original Contract Time:	1190 Days
Time extension, this CO:	0 Days
Total CO contract time extension:	760 Days
Contract Start Date (NTP):	02-28-2012
Anticipated Design-Build Completion Date:	06-30-2017
Cumulative CO % of Original Contract:	- 1.15%
Contract completion %:	99.58%

Purpose of the Contract:

Provide the final design, construction and operation of Biosolids Management Program – Combined Heat and Power (CHP) Project

Original Contract Scope:

Design and construct a building to house combustion gas turbines, heat recovery steam generators, a steam boiler and support systems including electrical power supply, controls, and interface with Blue Plains' existing Process Control System. Install and operate three combustion turbines, three heat recovery steam generators, a steam boiler, and support systems. Operate the combined heat and power facility to produce steam for the Cambi system and generate electricity for a 15 year term with an option for another 5 years.

Previous Change Order Scope:

To formally change the black start testing completion date to June 30, 2017 (previously extended to December 31, 2016 as part of Change Order 11), and time limit requirements of Acceptance Test 13 (Appendix 7, 7.6.13) which states: "...the Acceptance Test shall be repeated with the permanent generator to demonstrate the ability to bring the CHP facility back on line within the required 30 minutes,

subject to the terms and conditions of subsection 6.3(E) of the Service Contract". The change is to allow additional time to run required safety checks and gas purges.

Change Order Scope:

On June 2, 2017, a settlement was reached between PES and DC Water for the disputed issue related to the presence of microbial induced corrosion (MIC) within the process service water (PSW) which created pitting in the digester gas cooling heat exchangers in the CHP system PES to provide emergency temporary heat exchange systems as needed to support CHP system operation and to replace 18 heat exchangers made of 316L stainless steel with 18 heat exchangers made of materials with MIC resistant properties.

PROCUREMENT INFORMATION

Contract Type:	Fixed Price	Award Based On:	Best value
Commodity:	Design, Construction, & Operation	Contract Number:	100150
Contractor Market:	Open Market		

BUDGET INFORMATION

Funding:	Capital	Department:	Wastewater Engineering
Service Area:	Wastewater Treatment	Department Head:	Diala Dandach
Project:	XA		

ESTIMATED USER SHARE INFORMATION

User	Share %	Dollar Amount
District of Columbia	41.22%	\$ 432,810.00
Federal Funds	0.00%	\$ 0.00
Washington Suburban Sanitary Commission	45.84%	\$ 481,320.00
Fairfax County	8.38%	\$ 87,990.00
Loudoun County & Potomac Interceptor	4.56%	\$ 47,880.00
Total Estimated Dollar Amount	100.00%	\$1,050,000.00

 7/11/17
 Robert Hunt Date
 Acting Chief Financial Officer

 7/14/17
 Dan Bae Date
 Director of Procurement

 7-10-17
 Leonard R. Benson Date
 Chief Engineer

 8/15/2017
 George S. Hawkins Date
 General Manager

Presented and Adopted: September 7, 2017
SUBJECT: Approval to Extend Option Year Two of Contract No. WAS-12-066-AA-RE, Polydyne, Inc.

#17-51
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 September 7, 2017, upon consideration of a joint use matter, decided by a vote of ___ () in favor and ___ () opposed to extend Option Year Two of Contract No. WAS-12-066-AA-RE, Polydyne, Inc.

Be it resolved that:

The Board of Directors hereby authorizes the General Manager to execute the extension of Option Year Two of Contract No. WAS-12-066-AA-RE, Polydyne, Inc. The purpose of this extension is to continue the delivery of dry polymer to the District of Columbia Water and Sewer Authority to condition biosolids in the pre-dewatering step. The option extension amount is \$1,700,000.

This Resolution is effective immediately.

Secretary to the Board of Directors

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

ACTION REQUESTED

GOODS AND SERVICES CONTRACT MODIFICATION

**Supply and Delivery of Pre-Dewatering Polymer
(Joint Use)**

Approval to extend option year two (2) of the contract and add funding in the amount of \$1,700,000.00.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME: Polydyne, Inc. One Chemical Plant Road Riceboro, GA 31323	SUBS: N/A	PARTICIPATION: N/A
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DESCRIPTION AND PURPOSE

Original Contract Value:	\$1,803,739.00
Original Contract Dates:	01-01-2013 – 12-31-2013
No. of Option Years in Contract:	2
Option Year 1 Value:	\$1,420,000.00
Option Year 1 Dates:	01-01-2014 – 12-31-2014
Option Year 2 Value:	\$1,420,000.00
Option Year 2 Dates:	03-02-2015 – 03-01-2016
Prior Modifications Value:	\$2,582,255.00
Prior Modifications Dates:	01-01-2015 – 09-30-2017
Requested Modification Value:	\$1,700,000.00
Requested Modification Dates:	10-01-2017 – 09-30-2018

Purpose of the Contract:

The purpose of this contract is to deliver dry polymer to the District of Columbia Water and Sewer Authority. This product, Polydyne’s polymer MA-039, is used to condition biosolids in the pre-dewatering step.

Reason For Change:

DC Water periodically re-evaluates its polymers to ensure we continue to use the best products and at the correct dosing rates. For this pre-dewatering polymer, product and supplier selection begins with laboratory testing. Successful products are then tested at full scale. Lastly, an RFP is issued to suppliers whose products perform well at full scale in the plant. Full scale testing, originally scheduled for April, 2017, was postponed until spring, 2018 because the current polymer performs very well, lab results did not indicate any alternatives would be an improvement, and reduced pricing for the current polymer was negotiated. Therefore, this funding request is to cover requirements for this polymer until a new contract can be awarded. The requested amount is estimated by using the forecast spending of \$1.5M plus a \$200K contingency in case usage requirements are higher than expected. Procurement previously negotiated a 5% price reduction in 2016 and the additional aforementioned 5.2% price reduction in May, 2017.

Spending Previous Year:

Cumulative Contract Value:	01-01-2013 – 09-30-2017: \$7,225,994.00
Cumulative Contract Spending:	01-01-2013 – 05-31-2017: \$6,603,228.70

Contractor’s Past Performance:

According to the COTR, Polydyne has performed acceptably with regard to product quality, timeliness of deliveries, conformance to site safety and operating procedures; submitting reports, and ease of doing business.

No LBE/LSBE participation.

PROCUREMENT INFORMATION

Contract Type:	Fixed Price Requirements Contract	Award Based On:	Lowest Responsive and Responsible Bidder
Commodity:	Goods and Services	Contract Number:	WAS-12-066-AA-RE
Contractor Market:	Open Market with Preference Points for LSBE and LBE Participation		

BUDGET INFORMATION

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

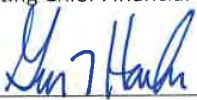
ESTIMATED USER SHARE INFORMATION

User	Share %	Dollar Amount
District of Columbia	41.92%	\$712,640.00
Washington Suburban Sanitary Commission	43.33%	\$736,610.00
Fairfax County	9.81%	\$166,770.00
Loudoun County	4.29%	\$72,930.00
Other (PI)	0.65%	\$11,050.00
TOTAL ESTIMATED AMOUNT		\$1,700,000.00

 / 7/12/17
 Akilile Tesfaye Date
 Assistant General Manager
 Blue Plains

 / 7/12/17
 Dan Bae Date
 Director of Procurement

 / 7/12/17
 Robert Hunt Date
 Acting Chief Financial Officer

 / 8/15/2017
 George S. Hawkins Date
 General Manager

Presented and Adopted: September 7, 2017

Subject: Approval to Amend Regulations for Water System Replacement Fee, Customer Classifications and Definitions, Effective October 1, 2017

**#17-52
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY**

The District members of the Board of Directors (“the Board”) of the District of Columbia Water and Sewer Authority (“the Authority”) at its meeting on September 7, 2017, decided, in a non-joint use matter, by a vote of () in favor and () opposed, to approve the following action to amend the regulations for Water System Replacement Fee, Customer Classifications and Definitions, effective October 1, 2017.

WHEREAS, the Board has adopted a revised rate setting policy that requires rates, charges and fees, together with other revenue sources, yield reliable and predictable revenue sufficient to pay for the Authority’s projected operating and capital expenses; and

WHEREAS, the Board has adopted financial policies that mandate maintenance of senior debt coverage and cash reserves; and

WHEREAS, on September 3, 2015, the Board adopted a new Water System Replacement Fee (“WSRF”) charged to residential, multi-family and non-residential customers to recover the annual cost of renewing and replacing 1% (one percent) of aging water infrastructure; and

WHEREAS, the WSRF adopted by the Board includes a provision that sets the amount of the monthly WSRF charged to a Residential customer whose premises is served by a meter larger than 1”, at (\$9.67 per month or \$116.04 per year); and

WHEREAS, on September 11, 2015, the Authority published the Notice of Final Rulemaking in the *D.C. Register* (DCR) at 62 DCR 12422 for the WSRF effective October 1, 2015, and began collection of the WSRF on October 1, 2015; and

WHEREAS, after implementation, the Authority received inquiries from residents and representatives of the Chain Bridge Road Corporation, a cooperative housing association, (Chain Bridge) seeking clarifications regarding its customer classification, meter size and billing frequency of the WSRF; and

WHEREAS, on April 5, 2016, Chain Bridge wrote to the Advisory Neighborhood Commission (ANC) 3D seeking assistance in addressing the amount of the WSRF charged their community of 15 single family homes; and

WHEREAS, Chain Bridge suggested that because of how the WSRF regulations were written, each homeowner in Chain Bridge was responsible for approximately \$1,033 per household per year in WSRF charges because the customer, Chain Bridge, was responsible for \$15,500 per year in WSRF charges since their property is serviced by a single private water line with a combined 6 inch meter, that supplies both domestic water and a private fire hydrant; and

WHEREAS, during the public comment period held prior to adoption the WSRF, the Authority published two proposed rulemakings (on February 15, 2015 at 62 DCR 2367 and on July 17, 2015 at 62 DCR 9798), held 8 Town Hall Meetings from April 1, 2015, through April 30, 2015, and held a Public Hearing even though the WSRF is not subject to the public hearing requirements of 21 DCMR Chapter 40; and

WHEREAS, during the comment period, the Authority did not receive any comments that the proposed WSRF would adversely affect Chain Bridge or individual homeowners in that community; and

WHEREAS, upon receipt of the letter from the ANC, the Authority's Director of Customer Service, in a letter dated April 20, 2016, informed Chain Bridge that the amount of the WSRF charged is based on the meter size, which in the case of Chain Bridge is a combined 6" water meter that serves both the fire suppression and domestic use, and the size of the connection to the Chain Bridge development is necessary to supply the required pressure and water delivery capacity for its private fire hydrant; and

WHEREAS, the April 20, 2016 letter also advised Chain Bridge to consider evaluating the properties water infrastructure with the DC Fire Department, District Department of Consumer and Regulatory Affairs and its fire insurance provider to determine whether it was possible or practicable to reduce the water capacity requirements and thereby reduce the size of the service line; or alternatively to consider separating the water service lines from the fire service line to separate the domestic use line, and thereby reduce the meter size to 3" or 4", thereby reducing the WSRF to \$232 or \$561 per month; and

WHEREAS, on May 15, 2016, Chain Bridge wrote to Ms. Ellen Boardman, Governance Committee Chairperson, to point out that either eliminating the fire hydrant or making extensive modifications to the Chain Bridge water supply system would be cost prohibitive, and that because the Authority staff do not have the authority to vary from the current rate schedule, it was necessary to request assistance from the Board to reduce Chain Bridge's payment obligation to a level identical to that paid by the largest single family homes in the District of Columbia (\$9.67 per month per house); and

WHEREAS, on August 23, 2016, counsel for Chain Bridge wrote to Chairman Matthew Brown, requesting that the Board consider action at its next meeting to: (i) waive the

method used by the Authority to calculate the WSRF for Chain Bridge because of “unique circumstances”; and (ii) impose a payment obligation that resulted in a fee for Chain Bridge equivalent to the amount assessed to single family homes in D.C., including a credit for the higher fees paid after beginning of the fiscal year; and

WHEREAS, Chain Bridge also requested that charges at the higher rate be suspended retroactively from October 1, 2015, until such time as the Authority could complete a study of its request, and Chain Bridge had a “reasonable opportunity to review and prepare a response to any study undertaken;” and

WHEREAS, on October 20, 2016, the Water Quality and Water Services (WQWS) Committee met in executive session to discuss the legal issues, rationale and path forward to address the concerns raised by counsel for Chain Bridge; and

WHEREAS, in a letter dated November 9, 2016, the General Counsel provided Chain Bridge counsel an update on the direction given Authority staff to study of the impact of the WSRF on Chain Bridge and other similarly situated properties in the District of Columbia, including an analysis of the benefits and burdens common to properties in situations similar to Chain Bridge, and to make recommendation regarding the realignment of existing or perceived inequalities resulting from application of WSRF regulations; and

WHEREAS, on March 16, 2017, the Environmental Quality and Operations (EQ&O) Committee met to discuss the findings of the WSRF study commissioned by staff; and

WHEREAS, on March 16, 2017, the staff reported that it had identified the Southern Homes and Gardens Cooperative as the only other property in the District of Columbia situated similarly as Chain Bridge; and

WHEREAS, the Southern Homes and Gardens Cooperative is comprised of 92 single-family townhomes with two private fire hydrants and is served by a 8”x4”x1” combine fire and domestic service; and

WHEREAS, staff recommended that the Committee assess the impacts on both properties and on any other similarly situated properties; and

WHEREAS, on March 16, 2017, the EQ&O Committee deferred action and requested additional information from staff on the costs expended to conduct the study and to allow the General Manager to provide comments on the relevant issues at the Committee’s next scheduled meeting; and

WHEREAS, on April 20, 2017, the General Manager informed the EQ&O Committee that action to address the issues raised by Chain Bridge and other questions relating to the WSRF would be addressed through a rulemaking amendment to the WSRF and Customer Classification regulations, and that the recommended changes in regulations would be presented to the DC Retail Water and Sewer Rates Committee; and

WHEREAS, on May 25, 2017, the General Manager recommended to the DC Retail Water and Sewer Rates Committee that the Board authorize: 1) amendment of the WSRF regulations to add a new subparagraph to allow multi-family customers whose premises meet certain requirements to request a WSRF adjustment to modify the combined domestic meter size based on peak domestic water demand, excluding fire demand; 2) that retroactive credits and refunds of past assessments paid not be provided; 3) amendment of the Customer Classification regulations to clarify the definitions for Residential, Multi-Family and Non-Residential customers to include cooperative housing associations and other clarifications; and 4) amendment of the definitions set forth in Chapter 41, Section 4199 of the Retail Water and Sewer Rates regulations to define the terms for Condominium, Cooperative Housing Association and Dwelling Unit used in the Customer Classification regulations; and

WHEREAS, the DC Retail Water and Sewer Rates Committee considered the recommendations made by the General Manager, expressed support for the not providing retroactive credits and refunds, and recommended that the Board consider for public comment the proposed rulemaking to amend the WSRF, and the above described Customer Classification and Definitions to address the WSRF impacts to multi-family communities comprised of single family dwellings served by a master meter; and

WHEREAS, after consideration and discussion of the recommendations of the DC Retail Water and Sewer Rates Committee, the District members of the Board approved the publication of the proposed rulemaking; and

WHEREAS, on June 16, 2017, DC Water published a Notice of Proposed Rulemaking (NOPR) in the District of Columbia Register (DCR) at 64 DCR 5696 for a 30 day public comment period, ending July 17, 2017, which if adopted, would amend regulations for the Water System Replacement Fee, Customer Classifications and Definitions; and

WHEREAS, during the comment period, the Authority received one comment that would not affect the proposed amended regulations for the Water System Replacement Fee, Customer Classifications and Definitions; and

WHEREAS, on July 25, 2017, the DC Retail Water and Sewer Rates Committee met to consider the comments received during the public comment period; and

WHEREAS, on July 25, 2017, the DC Retail Water and Sewer Rates Committee recommended the amendments to the regulations for the Water System Replacement Fee, Customer Classifications and Definitions to the Board of Directors.

WHEREAS, after consideration of the recommendations of the DC Retail Water and Sewer Rates Committee, the District members of the Board of Directors, upon further consideration and discussion, agreed to approve the amendments to Water System Replacement (WSRF), Customer Classifications and Definitions, effective October 1, 2017.

NOW THEREFORE BE IT RESOLVED THAT:

1. The General Manager is authorized to amend the WSRF regulations codified in 21 DCMR § 112.10 and Customer Classification and Definitions provided in 21 DCMR § 4104 and 4199, as provided in Attachments 1 and 2, effective October 1, 2017.
2. The General Manager is authorized to take all steps necessary in his judgment and as otherwise required, to publish a Notice of Final Rulemaking in the District of Columbia Register in the manner provided by the District of Columbia Administrative Procedure Act.

This resolution shall be effective immediately.

Secretary to the Board of Directors

Attachment 1

Amendments to Water System Replacement Fee (WSRF) regulations adding paragraph (c) to 21 DCMR § 112.10 are as follows:

- (c) A Multi-Family WSRF adjustment will be provided in accordance with the following rules and procedures:
 - (1) A Multi-Family customer that is a cooperative housing association and whose premises is comprised exclusively of single family attached or detached dwelling structures and served by a master meter, may request a Multi-Family WSRF adjustment to modify the combined domestic meter size based on the peak domestic water demand, excluding fire demand, for that premises.
 - (2) The eligible Multi-Family customer must submit the following information and fees to DC Water for review and processing:
 - (A) Record(s) demonstrating that each unit in the cooperative housing association is a single-family attached or detached dwelling unit;
 - (B) A site plan, prepared by a District of Columbia licensed professional engineer, architect, or master plumber or other licensed professional, drawn to scale showing the water distribution and service lines, location of the meter, fire hydrant(s), structures, and ancillary systems, including, but not limited to irrigation system(s), swimming pool(s) and fountain(s);
 - (C) The proposed modified combined domestic meter size calculated using the meter sizing computations for the peak domestic water demand for the premises, excluding fire demand, prepared by a District of Columbia licensed professional engineer, architect, or master plumber or other licensed professional in accordance with the District of Columbia Plumbing Code; and
 - (D) Payment of the Approved Plan Revision Engineering Review Fee.
 - (3) Upon approval of a request for a Multi-Family WSRF adjustment, the Multi-Family customer will be charged the WSRF based on the approved modified combined domestic meter size as set forth in Subsection 112.10(a). No retroactive credits or refunds will be provided for WSRF billed prior to the approval of the Multi-Family WSRF adjustment.
 - (4) The size of the master meter used to deliver water to the premises will be calculated using the peak water demand including fire demand in accordance with the District of Columbia Plumbing Code.

Attachment 2

Proposed amendments to Customer Classifications and Definitions in 21 DCMR § 4104 and 4199 are as follows:

4104 CUSTOMER CLASSIFICATIONS FOR WATER AND SEWER RATES, FEES AND CHARGES

4104.1 The customer classifications for water and sewer rates, fees and charges shall consist of a residential class, multi-family class, and a non-residential class:

- (a) Residential – a customer whose premises is a single-family dwelling unit used for domestic purposes, whether as a row, detached or semi-detached structure, or as a single dwelling unit within an apartment building, or as a single dwelling unit within a condominium, or as a single dwelling unit within a cooperative housing association, where each unit is served by a separate service line and is individually metered and used for domestic purposes; or a multi-family structure or development of less than four (4) single-family, apartment, condominium, or cooperative housing association dwelling units where all the units are used for domestic purposes and served by a single service line that is master metered; excluding a premises operated as a nursing home, dormitory or transient housing business, including, but not limited to a bed and breakfast, hotel, motel, inn, boarding house or rooming house.
- (b) Multi-Family – a customer whose premises is a multi-family structure or development (such as an apartment, condominium, or cooperative housing association) used for domestic purposes, with four or more single-family, apartment, condominium, or cooperative housing association residential dwelling units served by the same service line that is master metered; excluding a premises operated as a nursing home, dormitory or transient housing business, including, but not limited to a bed and breakfast, hotel, motel, inn, boarding house or rooming house.
- (c) Non-residential – all customers not within either the residential or multi-family class including customers whose premises is comprised of one or more units that is not used for domestic purposes and all units are served by the same service line that is master metered.

Section 4199, DEFINITIONS is amended by adding the following terms and definitions to read as follows:

Condominium – means real estate, portions of which are designated for separate ownership and the remainder of which is designated for common ownership solely by the

owners of the portions designated for separate ownership, provided the undivided interests in the common elements are vested in the unit owners.

Cooperative Housing Association – means an association, whether incorporated or unincorporated, organized for the purpose of owning and operating residential real property, the shareholders or members of which, by reason of their ownership of a stock or membership certificate, a proprietary lease or other evidence of membership, are entitled to occupy a dwelling unit pursuant to the terms of a proprietary lease or occupancy agreement.

Dwelling Unit – any habitable room or group of rooms with kitchen and bathroom facilities forming a single unit located within a building or structure, which is wholly or partially used or intended to be used for living, sleeping and the preparation and consumption of meals by human occupants, and is under the control of and for the use of the occupant.