

**Performance Oversight Questions**  
**DC WATER**

**A. ORGANIZATION AND OPERATIONS**

- 1 Please provide a complete, up-to-date **organizational chart** for the agency and each division within the agency. Please include an explanation of the roles and responsibilities for each division and subdivision within the agency.
  - Please include a list of the employees (name and title) for each subdivision and the number of vacant positions.
  - Has the agency made any organizational changes in the last year? If so, please explain.

See Appendix 1

- 2 Please list each **new program** implemented by the agency during FY 2012. For each initiative please provide:
  - A description of the initiative
  - The funding required to implement to the initiative
  - Any documented results of the initiative

In FY 2012, DC Water worked in collaboration with the DC Government, as part of the Bloomingdale Task Force established by the Mayor to provide three operating programs to begin to address flooding and sewer backup problems for residents in the Bloomingdale and LeDroit Park neighborhoods. These initiatives included:

- Funding to DDOE for rain barrels to reduce the flow of stormwater in to the combined sewer system
- Funding to DDOT for low-impact development on Florida Avenue
- DC Water implementation of a Backflow Preventer Rebate Program; and
- Engineering consultations to assist homeowners prevent overland flooding.

The cost of these programs is estimated at \$600,000.

- 3 Please provide a complete, up-to-date **position listing** for your agency, which includes the following information for each position:
  - Title of position
  - Name of employee or statement that the position is vacant, unfunded, or proposed.
  - Date employee began in position

- Salary and fringe benefits, including the specific grade, series, and step of position
  - Job status (continuing/term/temporary/contract)
- Please list this information by program and activity*

See Appendix 3. Fringe benefits were an additional 29.7% in FY12 and projected to be 28.8% in FY13 of each employee's regular base pay.

- 4 Does the agency conduct annual **performance evaluations** of all its employees? Who conducts such evaluations? What steps are taken to ensure that all agency employees are meeting individual job requirements?

The Authority conducts both Interim and Annual Performance Evaluations for Union and Non-Union employees. The Performance Evaluations are conducted by the employee's immediate supervisor/manager and reviewed by the next level of management, and ultimately the department head. It is the responsibility of each employee's first-level supervisor/manager to ensure that they are meeting their individual job requirements as detailed in the job description for the employee's job title.

Employees are not hired if they do not meet the minimum requirements of the position. This process goes through two units of Human Capital Management: Talent Management and Compensation. Talent Management, which handles the recruiting for DC Water positions, only submits candidates that meet the minimum qualifications to the hiring manager for consideration. Once the candidate has been selected, the Compensation Unit reviews the candidate's education and experience as part of the salary determination process.

- 5 Please list all **employees detailed** to or from your agency, if any. Please provide the reason for the detail, the detailed employee's date of detail, and the detailed employee's projected date of return.

N/A

- 6 Please provide the Committee with:
- A list of all employees who receive cellphones, personal digital assistants, or similar communications devices at agency expense.

See Appendix 6.1

- A list of all vehicles owned, leased, or otherwise used by the agency and to whom the vehicle is assigned.

See Appendix 6.2 – All vehicles are owned by DC Water

- A list of employee bonuses or special award pay granted in FY 2012 and FY 2013, to date.
- A list of travel expenses, arranged by employee.
- A list of the total overtime and workman's compensation payments paid in FY 2012 and FY 2013, to date.

See Appendix 6.3

- 7 Please identify all **electronic databases** maintained by your agency, including the following:
  - A detailed description of the information tracked within each system.
  - The age of the system and any discussion of substantial upgrades that have been made or are planned to the system.
  - Whether the public can be granted access to all or part of each system.

See Appendix 7

- 8 What has the agency done in the past year to make the activities of the agency more **transparent** to the public? In addition, please identify ways in which the activities of the agency and information retained by the agency could be made more transparent.

DC Water overhauled the equipment used to stream live video of our Board meetings to the public, and revised our relationship with the vendor that provides the streaming services. In the past, our telecommunications system displayed a central phone number on the recipient's caller ID. We altered the system to display the actual extension of the person calling, for the purposes of transparency to our customers.

- 9 How does the agency solicit **feedback** from customers? Please describe.
  - 24-hour Command Center at (202) 612-3400
  - Email address in every customer bill: [gmsuggestions@dcwater.com](mailto:gmsuggestions@dcwater.com)
  - Walk-in customer service center at 810 First Street, NE
  - Online comment and report-a-problem form

- Mobile report-a-problem form (includes photo upload and GPS location capabilities)
- Town hall meetings in every ward each spring (participants solicited by outgoing robo-call)
- Door-to-door survey of affected addresses before planned construction work
- Follow-up surveys after major construction work concludes
- Participation in more than 150 community meetings, events and festivals
- Twitter: @dcwater
- Facebook
- Routine monitoring and response to DC Water mentions in blogs, on Twitter and in conventional media

- What is the nature of comments received? Please describe.

We receive feedback from our customers about the quality of our work; service and billing concerns; questions about jobs and contracting, and many other topics.

- How has the agency changed its practices as a result of such feedback?

As just one example, we first saw the need for a renewed emphasis on the flooding and sewer backup issues in the LeDroit Park and Bloomingdale neighborhoods because of the amount and intensity of customer feedback we received during the first two storms last summer.

10 How was the agency tried to reduce agency energy use in FY 2012?

Project: Secondary Blower Building HVAC Optimization

Cost: ~\$10,000

Benefit: \$38,000 per year in estimated energy cost savings

Project: Exhaust fan motor replacements (6)

Cost: \$11,750

Benefit: Outdated low efficiency motors were replaced with high efficiency models resulting in energy savings.

Project: HVAC Upgrade at Bryant Street

Cost: \$62,400

Benefit: Improved temperature conditions on third floor without increasing energy costs.

Project: T5HO24W fluorescent high bay fixtures replacement

Cost: \$150,000 (funding provided by DCSEU)

Benefit: T5HO provide approximately twice the lighting output with increased service life as does the T5. Fewer fixtures are required, loss of lighting efficiency over time is reduced and replacement time periods are extended.

DC Water continues to operate the new fine bubble air diffusion system along with new reduced horsepower mixers in the nitrification system. These systems were placed in service prior to 2012 but continue to generate savings. Further work on reducing energy consumption continued this year but will be placed in service in future years. These projects include:

- Research and development on the use of fine bubble diffusers for secondary treatment
- Research, development and design of the new deammonification system. This will reduce aeration requirements for nitrogen removal.
- Construction of the anaerobic digestion and combined heat and power project. This project will be online in 2014 providing renewable energy and significantly reducing purchased power consumption.

## **B. BUDGET AND FINANCE**

- 11 Please provide a chart showing your agency's **approved budget and actual spending**, by division, for FY 2012 and FY 2013, to date. In addition, please describe any variance between fiscal year appropriations and actual expenditures.

See Appendix 11

- 12 Please list any **reprogrammings**, in, out, or within, related to FY 2012 funds. For each reprogramming, please list the total amount of the reprogramming, the original purposes for which the funds were dedicated, and the reprogrammed use of funds.

N/A

- 13 Please provide a complete accounting for all **intra-District transfers** received by or transferred from the agency during FY 2012 or FY 2013, to date.

N/A

- 14 Please identify any **special purpose revenue accounts** maintained by, used by, or available for use by your agency during FY 2012 or FY 2013, to date. For each account, please list the following:
- The revenue source name and code

- The source of funding
- A description of the program that generates the funds.
- The amount of funds generated by each source or program in FY 2012 and FY 2013, to date
- Expenditures of funds, including the purpose of each expenditure, for FY 2012 and FY 2013, to date

See question 15

- 15 Please provide a list of all projects for which your agency currently has **capital funds** available. Please include the following:
- A description of each project, including any projects to replace aging infrastructure (e.g.: water mains and pipes)
  - The amount of capital funds available for each project
  - A status report on each project, including a timeframe for completion
  - Planned remaining spending on the project

See appendix 15 for entire FY12 – 21 CIP

DC Water's proposed FY 2012 - FY 2021 Capital Improvement Program (CIP) contains all of the requested information. DC Water finances its entire capital program through various sources on a yearly basis and in-line with its 10-year financial plan. Specifically, the plan is financed through cash contributions from Wholesale Customers (suburban users), PAY-GO financing, and debt financing from bond proceeds and lines-of-credit, as necessary. Revenue Bonds and Commercial Paper account for approximately 60 percent of all of our capital funds. The debt service is repaid from DC retail ratepayers through the rates and fees charged for services. Pages II-18 of the CIP book contains the Capital Authority Request for Fiscal Year 2014. This request, when approved, will provide Congressional authority through Fiscal Year 2016.

The CIP has a complete description of each project. The book has a separate chapter for each service area (example wastewater treatment versus water service area). Included in the first section of each service area is a brief summary of the major activities in that area. This is followed by the detailed project pages for every project within the designated service area. The project sheets include a description of the project, lifetime budget for the project, estimated funding sources, project timeframes including estimated start dates and completion dates, as well as disbursements, remaining spending and commitments budgets pre FY 2013, FY 2013 – FY 2021 and post FY 2021, respectively.

- 16 Please provide a complete accounting of all **federal grants** received for FY 2012 and FY 2013, to date.

The following table provides a summary of all federal grants received in FY 2012. No federal grant award has been received in FY 2013, as of 12/31/2012. While the information requested and provided below relates only to federal grants received, it should be noted that in FY 2012, DC Water also received \$15 million in federal appropriations to be used for the DC Clean Rivers Project.

**DC Water  
Federal Grants Received for FY 2012 and FY 2013**

<b>Grant Number</b>	<b>Title</b>	<b>Project Period</b>	<b>Federal Grant Award Amount</b>	<b>Cumulative Federal Expenditures as of 12/31/12</b>	<b>Remaining Federal Balance</b>
<b><u>Clean Water Act Grants</u></b>					
C-110027-48	Blue Plains Enhanced Nitrogen Removal Facilities	5/12/- 9/17	15,030,210	4,198,800	10,831,410
C-110024-49	Blue Plains Enhanced Nitrogen Removal -North	9//12- 7/17	4,907,074		4,907,074
<b>Total Clean Water Act Grants Received in FY 2012</b>			<b>19,937,284</b>	<b>4,198,800</b>	<b>15,738,484</b>
<b><u>Safe-Drinking Water Grants</u></b>					
FS-993812-09	Large Valve Replacements, Contract 9	12/11 - 08/14	2,158,077		2,158,077
FS-993814-11	Small Diameter Water Main Replacements Contract 8	9/12 - 3/16	11,428,974		11,428,974
FS-993818-03	16th & Alaska Pumping Station Upgrades	6/12 - 9/14	1,136,000		1,136,000
FS-993820-02	Storage Facility Upgrades - Contract 2	6/12 - 03/15	1,520,000		1,520,000
FS-993821-02	Steel Water Mains, Contract 1	7/12 - 1/14	2,514,805		2,514,805
<b>Total Safe-Drinking Water Grants Received in FY 2012</b>			<b>18,757,856</b>		<b>18,757,856</b>
<b>Grand Total - All EPA Grants Received in FY 2012</b>			<b>38,695,140</b>	<b>4,198,800</b>	<b>34,496,340</b>

**NOTE:** NO GRANT AWARDS HAVE BEEN RECEIVED IN FY 2013 AS OF 12/31/2012

- 17 Please list each contract, procurement, lease, and grant ("**contract**") awarded, entered into, extended and option years exercised, by your agency during FY 2012 and FY 2013, to date. For each contract, please provide the following information, where applicable:
- The name of the contracting party
  - The nature of the contract, including the end product or service
  - The dollar amount of the contract, including budgeted amount and actually spent
  - The term of the contract
  - Whether the contract was competitively bid or not
  - The name of the agency's contract monitor and the results of any monitoring activity
  - Funding source

See Appendix 17.1 (service contracts)

See Appendix 17.2 (construction contracts)

- 18 Please provide the details of any **surplus** in the agency's budget for FY 2012 and FY 2013, including:
- Total amount of the surplus.
  - All projects and/or initiatives funded by the surplus.

DC Water utilizes operating cash in excess of the Board's reserve requirement and any other significant one-time cash infusions for capital financing or for repayment of higher cost debt. In FY 2012, the projected **cash** surplus of **\$14.7 million** was approved to be disbursed as follow:

- Refund \$5.7 million to wholesale customers;
- Transfer \$4.8 million to PAYGO financing of capital projects;  
and
- Provide \$4.2 million for direct customer rebate.

### C. **LAWS, AUDITS, AND STUDIES**

- 19 Please identify any **legislative requirements** that the agency lacks sufficient resources to properly implement.

DC Water does not have the budget to conduct the research on endocrine disruptors in wastewater as required in the Water Quality Assurance Act of 2012. This legislative requirement was deemed subject to appropriations by the District of Columbia Government.

- 20 Please identify any statutory or regulatory **impediments** to your agency's operations.

DC law 14-190 prohibits DC Water from charging for discharges of groundwater from improved real properties. See D.C. Official Code § 34-2107. The law only permits DC Water to charge for groundwater discharges from unimproved properties that are under construction.

Post construction groundwater dischargers are users of the District's sanitary and combined sewer system. It is only equitable that these property owners pay metered rates to maintain and operate the system that conveys and treats their discharges.

DDOE's water quality standards also present a challenge to the Authority. As we implement the Clean Rivers Project and other federally-mandated permit requirements, we're uncertain that we will ever meet water quality standards



during significant wet weather events. DC Water would like to conduct a use attainability analysis, which is permitted under the Clean Water Act, to dictate our compliance with water quality standards at the completion of the Clean Rivers Project.

DC Water has submitted official comments to DDOE on their proposed updated stormwater rule and the proposed stormwater fee rebate program. These comments can be made available upon request from the Committee.

- 21 Please list all **regulations** for which the agency is responsible for oversight or implementation. Please list by chapter and subject heading, including the date of the most recent revision.

DC Water has authority to implement following regulations title 21, “Water and Sanitation,” of the District of Columbia Municipal Regulations:

Citation	Subject Heading	Date of Recent Revision
21 DCMR Chapter 1	Water Supply	10/1/2012
21 DCMR Chapter 2	Public Sewer System	6/18/1992
21 DCMR Chapter 3	Water Meters	1/24/2003
21 DCMR Chapter 4	Contested Water and Sewer Bills	2/10/2012
21 DCMR § 556 (implementation)	Stormwater Fees	11/1/2010 by DDOE
21 DCMR Chapter 15	Discharges to Wastewater System	2/10/2012
21 DCMR Chapter 40	Retail Ratemaking	5/2/2012
21 DCMR Chapter 41	Retail Water and Sewer Rates	10/1/2012
21 DCMR Chapter 52	Water and Sewer Authority Personnel Regulations	6/20/2008
21 DCMR Chapter 53	District of Columbia Water and Sewer Authority Procurement Regulations	9/18/2009
21 DCMR Chapter 54	Cross Connection	2/23/2001

- 22 Please explain the impact on your agency of any **federal legislation or regulations** adopted during FY 2012 that significantly affect agency operations.

Congress has not yet passed the FY13 Financial Services and General Government appropriations bill. The Senate's committee report of the bill contains \$15 million for the Clean Rivers Project while the House version included no funding for the initiative. Further, the lack of an FY13 Appropriations measure for the EPA has delayed the issuance of potential Clean Water and Safe Drinking Water Act grants.

23 Please provide a list of all **MOUs** in place during FY 2012.

See Appendix 23

24 Please provide a list of all studies, research papers, and analyses ("**studies**") the agency requested, prepared, or contracted for during FY 2012. Please state the status and purpose of each study.

See Appendix 24

25 Please list and describe any ongoing **investigations**, audits, or reports on your agency or any employee of your agency, or any investigations, studies, audits, or reports on your agency or any employee of your agency that were completed during FY 2012 or FY 2013, to date.

See Appendix 25

26 Please identify all **recommendations** identified by the Office of the Inspector General, D.C. Auditor, or other federal or local oversight entities during the previous 3 years. Please provide an update on what actions have been taken to address these recommendations.

See Appendix 26

#### **A. PROGRAM-SPECIFIC QUESTIONS**

27 Please describe the agency's three biggest challenges from 2012.

1) **Condition of old infrastructure relative to need for rate increases.** The aging infrastructure that delivers water and sewer services is a vital resource to every dwelling, business and facility in the District. The poor condition of the infrastructure causes harmful disruptions to service. DC Water needs to expand its capital program to improve our replacement of the aging system, which will trigger rate increases. Balancing the delivery of service, improvements to performance, and the cost to the ratepayer, is one of the most significant challenges facing the Authority.

2) **Scale of regulatory mandates and financial affordability.** Mandated projects driven by regulatory requirements are extremely expensive and

frequently provide marginal water quality improvements. More than 50% of our \$3.8 billion dollar ten year capital program is to fund mandated projects, a percentage that could increase. These projects must be undertaken due to the force of law, which often "crowds out" other projects that help us improve the infrastructure and deliver good service (see point 1). New mandates are likely, which will continue to shift funding from core infrastructure needs.

**3) Capacity of infrastructure and the consequences of expanded development** (Bloomington as an example). Independent of the condition of the infrastructure, or the requirements of new mandates, we are concerned about the capacity of the infrastructure to handle the vast new range of development that is coming to the city. In many places, the infrastructure is undersized and new flows – not to mention changed weather patterns triggered perhaps by climate change – causes overflows, back-ups and disruptions to service. How to expand capacity, as we struggle to improve the existing system, while also meeting regulatory requirements, is a huge challenge.

28 Please describe the agency's goals for 2013.

- Develop, maintain, and recruit a high performing workforce
- Collaborate locally, regionally, and nationally
- Increase Board focus on strategic direction
- Enhance customer/stakeholder confidence, communications, and perception
- Assure financial sustainability and integrity
- Assure safety and security
- Consider DC Water role in drinking water treatment
- Optimally manage infrastructure
- Enhance operating excellence through innovation, sustainability, and adoption of best practices

29 Please describe any challenges the agency has experienced with the District government.

DC Water's participation and leadership role in the Mayor's Task Force on the Prevention of Flooding in Bloomington and LeDroit Park demonstrated the cooperative and collaborative nature of our relationship with District Government. The continuation of this collaboration will be central to the success of both the Northeast Boundary Neighborhood Protection Project and the Clean Rivers Project. Both of these massive projects will include potentially disruptive construction in the public space governed by the District. Further, a green infrastructure demonstration project will rely on additional coordination with multiple District agencies. Green infrastructure projects in public space will involve new construction and maintenance

techniques which will provide new challenges to be addressed with the help of District government.

30 Please describe the status of the lead pipe replacement program.

See Appendix 30

31 Please describe the status of the fire hydrant inspection and replacement program, including:

- The total number of public fire hydrants in DC
- The number of mechanically defective hydrants in DC
- The number of hydrants in DC replaced in FY12 to date
- The frequency of fire hydrant inspection
- The frequency of fire hydrant inspection for pressure in high elevation areas

See Appendix 31

32 Please describe the status of the combined sewer overflow elimination and the Long Term Control Plan, including:

- The progress of the green infrastructure approach as it pertains to the Clean Rivers Project.
- And for each Long Term Control Plan project:
  - A description.
  - The amount of capital funds available.
  - A status report, including a timeframe for completion.
  - Planned remaining spending.

See Appendix 32

33 Please describe the status of the Drinking Water Quality Task Force:

- When does this task force regularly meet?
- Please provide a list of recommendations or projects that have been produced by the task force.
- If this task force no longer meets regularly, please explain why.

N/A

34 Please describe the status of the Flood Prevention Task Force for Bloomingdale and LeDroit Park and the dates of any anticipated recommendations.

The final report and recommendations from the Task Force on the Prevention of Flooding in Bloomingdale and LeDroit Park were released in January

2013. The report is accessible online at <http://oca.dc.gov/node/415132> and on our Bloomingdale website at [www.dewater.com/bloomingdale](http://www.dewater.com/bloomingdale). The entire list of recommendations is outlined in Section 9 of the report.

DC Water began implementing several of the recommendations in late 2012. The Northeast Boundary Neighborhood Protection Project is a three-step infrastructure initiative located on and near the former McMillan Sand Filtration site north of Bloomingdale. It will reduce the pressure on the undersized section of the Northeast Boundary Trunk Sewer that serves Bloomingdale and LeDroit Park by doing the following:

1. Adding 6 million gallons of stormwater storage from two stormwater lines that run east and west of the McMillan site, using existing and new facilities on the site itself. (Estimated completion: Spring 2014)
2. Adding 6 million gallons of stormwater and wastewater storage from a combined-sewer line that runs west of the Washington Aqueduct McMillan treatment plant, in a new tunnel under First Street NW. (Estimated completion: Spring 2016)
3. Re-aligning the Northeast Boundary section of the Clean Rivers Project, to make it more effective in preventing flooding and require tunneling under less private property, and accelerating construction of this section. (Estimated completion: 2022)