



COMMISSIONERS  
Chris Lawson, Chair  
T. Eloise Foster, Vice Chair  
Fausto R. Bayonet  
Keith E. Bell  
Howard A. Denis  
Sandra L. Thompson

GENERAL MANAGER  
Carla A. Reid

March 30, 2020

Mr. David L. Gadis  
CEO and General Manager  
District of Columbia Water  
and Sewer Authority  
1385 Canal Street, S.E.  
Washington, D.C. 20003

Dear Mr. Gadis:

In Process

Pursuant to the Blue Plains Intermunicipal Agreement (IMA), the Office of the Inspector General (OIG) has completed the audit of the Fiscal Year (FY) 2017 Operations and Maintenance (O&M) Billings.

As the OIG finalized the IMA adjustments, we discussed them with the personnel in the Finance Reporting and Billing Department at the District of Columbia Water and Sewer Authority (DC Water), provided supporting documents, and obtained their agreement. The OIG appreciates the cooperation and assistance provided by DC Water's personnel throughout the audit. Please find enclosed a summarization of the O&M billing adjustments for FY 2017, which total **\$2,698,549.80** in over billing to the Washington Suburban Sanitary Commission (WSSC).

Sincerely,

DocuSigned by:  
*Arthur Elkins*  
DB7C73A1DFF646D  
Arthur A. Elkins, Jr.  
Inspector General

- cc: General Manager/CEO, (C. Reid), w/o enclosures  
Deputy General Manager of Administration, (J. Beach), w/o enclosures  
Strategy and Innovation Officer, (J. Vincent) w/o enclosures  
General Counsel, (A. Conn), w/o enclosures  
Chief Financial Officer (P. Colihan), w/o enclosures  
DC Water, Chief Financial Officer (M. Brown), w/o enclosures
- bcc: DC Water, Budget Director (L. Oyeyemi) via email, w/enclosures  
DC Water, Budget Manager (G. Malasy) via email, w/enclosures  
DC Water, Senior Financial Analyst (Y. Gautam) via email, w/enclosures



---

Interoffice Memorandum

**TO:** CHAIR LAWSON, VICE CHAIR FOSTER,  
COMMISSIONER BAYONET, COMMISSIONER BELL,  
COMMISSIONER DENIS, AND COMMISSIONER THOMPSON  
GENERAL MANAGER REID

**THRU:** ARTHUR A. ELKINS, JR., INSPECTOR GENERAL <sup>DS</sup> AE  
OFFICE OF THE INSPECTOR GENERAL

**THRU:** MAXENE M. BARDWELL, ASSISTANT INSPECTOR GENERAL FOR AUDIT <sup>DS</sup> WBS  
OFFICE OF THE INSPECTOR GENERAL

**FROM:** JANICE HICKS, AUDITOR <sup>DS</sup> JkH  
DEE TOK, AUDITOR <sup>DS</sup> DT  
OFFICE OF THE INSPECTOR GENERAL

**DATE:** MARCH 30, 2020

**SUBJECT: OFFICE OF THE INSPECTOR GENERAL  
REVIEW OF THE WASHINGTON SUBURBAN SANITARY  
COMMISSION'S (WSSC'S) SHARE OF FISCAL YEAR 2017  
BLUE PLAINS OPERATION AND MAINTENANCE (O&M) BILLING**

---

As provided for in the Blue Plains Intermunicipal Agreement (IMA), an audit of the Fiscal Year 2017 Operation and Maintenance (O&M) Billing was completed by the Washington Suburban Sanitary Commission's (WSSC) Office of the Inspector General (OIG).

OIG auditors ensured that each potential adjustment was discussed with personnel in the District of Columbia Water and Sewer Authority's (DC Water) Finance Reporting and Billing Department before completing the audit. Additionally, OIG auditors provided supporting documents and obtained agreement from DC Water's personnel for each adjustment identified. Accordingly, please find attached a summarization of the 2017 O&M billing adjustments, which total **\$2,698,549.80** in over billing to the WSSC.

Attachment

cc: Corporate Secretary, (S. Finlayson)  
Deputy General Manager for Administration (J. Beach)  
Deputy General Manager for Operations (J. Price, Jr.)  
General Counsel, (A. Conn)  
Strategy and Innovation Officer, (J. Vincent)  
Chief Engineer, (M. Harmer)  
Chief Financial Officer, (P. Colihan)  
Chief of Plant Operations, (J.C. Langley)  
Accounting Division Manager, (R. Zhao)  
Budget Division Manager, (L. Carolina-Powell)  
Planning Division Manager, (T. Hilton)

**OFFICE OF THE INSPECTOR GENERAL  
FY 2017 O&M Bills Audit  
Adjustments for WSSC**

<b>Adj. No.</b>	<b>Title</b>	<b>Description</b>	<b>Worksheet(s) Modified</b>	<b>FY 2017 Under (Over) Payment</b>
1	Adjustment of Excess Accruals	Discrepancies between Control Total and Total Cost columns for Excess Accruals (Remove)	Worksheet 91 - Expenditure Data	\$ (602,788.00)
2	Adjustment of Indirect Cost Statistics	Revise employee count.	Worksheet 86 - Indirect Cost Statistics	\$ (78,952.00)
3	Adjustment of BMS	Remove non-IMA costs	Worksheet 91 - Expenditure Data	\$ (25,442.00)
4	Adjustment of WWTP rev	Remove non-IMA costs	Worksheet 91 - Expenditure Data	\$ (278,358.00)
5	Adjustment of Job Share % rev	Correct CMF and COF % share in the bill.	Worksheet - IMA Share Table	\$ 76,720.00
6	Adjustment of Finance and Risk Management	Remove non-IMA costs	Worksheet 74-Finance and Worksheet 75-Risk1	\$ (17,789.00)
7	Adjustment of Blue Drop	Remove Blue Drop costs	Worksheet 88 - Indirect Cost Results \$	\$ (4,398.00)
8	Adjustment of Litigation	Remove non-IMA costs	Worksheet 91 - Expenditure Data	\$ (15,158.00)
9	Adjustment of Emergency Management	Include Emergency Management costs in O&M to allocate to all direct departments (re: adjusted from MJUF Bill).	Worksheet 91 - Expenditure Data	\$ 192,619.00
10	Adjustment of Flow	WSSC Planning Division - (C. Mojica) flow correction adjustment. Revised flow calculated and agreed by DC Water & WSSC.	Worksheet 25-Annual Flow Input Table	\$ (2,151,936.00)

**OFFICE OF THE INSPECTOR GENERAL  
 FY 2017 O&M Bills Audit  
 Adjustments for WSSC**

Adj. No.	Title	Description	Worksheet(s) Modified	FY 2017 Under (Over) Payment
11	Adjustment due to Indirect Cost allocation adjustment	Adjustment need to correct an error in the indirect cost allocation. Error identified in prior billing and adjustment agreed upon	Worksheet 91 - Expenditure Data	\$ 299,394.04
			Total Adjustment Before Interest	\$ (2,606,087.96)
			Interest (Calculated to 03/31/2020)	\$ (92,461.84)
			Total Refund to WSSC FY 2017 including Interest	\$ (2,698,549.80)