

# Press Release

Paris, June 2, 2014

## DC Water, Washington Aqueduct and Veolia partner in nation's capital to save up to \$12 million per year through efficiencies in water production management

**Officials from DC Water joined Veolia Chair and CEO Antoine Frérot in launching a new consultative partnership model called Peer Performance Solutions to target up to \$12 million in annual savings, helping mitigate costs for DC Water ratepayers while implementing process improvements and operational efficiencies. This new model is being successfully used in New York City, Pittsburgh and DeKalb County, Ga.**

DC Water, in association with the Washington Aqueduct, is employing the help of Veolia, the world's leading environmental services and technology provider, to implement operational and process improvements at the Washington Aqueduct, a federally-owned and operated public water supply agency that delivers water to DC Water, Arlington County and Fairfax Water. The Washington Aqueduct's funding for operations, maintenance and capital improvements comes from revenue generated by the sale of drinking water to those three entities.

In a four-month, joint public-private exercise, Veolia thoroughly reviewed the Washington Aqueduct's operations and developed 25 key improvement ideas and opportunities for the Aqueduct to increase efficiency, reduce costs, streamline operations and ensure continued reliable delivery of water services. The independent evaluation resulted in the identification of \$8 to 12 million in potential annual savings in day-to-day operations and long-term capital planning and construction expenditures.

"The Washington Aqueduct provides a highly reliable supply of clean, safe drinking water to DC Water, which enables our utility to concentrate on delivering high levels of customer service to the millions of people who visit, live or work here," said George Hawkins, general manager of DC Water. "We have been leveraging innovation at DC Water to reduce costs and improve efficiency and wanted to explore whether the same could be achieved at our water supplier."

During the evaluation phase, Veolia's on-site personnel delved deep into the Aqueduct's operation with an eye toward achieving excellence from source to tap.

During the next 18 months, Veolia's technical experts will work alongside Aqueduct staff and oversee the implementation of key changes that will help the Aqueduct reach targeted savings. The teams will develop and implement an asset management strategy to protect assets critical to the Aqueduct's overall operation, and use a performance management system to regularly monitor and track key performance indicators, ensuring program goals are met on a timely basis. Data and maintenance histories of critical field assets will be used in the capital planning process to assist in identifying the most appropriate capital projects to include in the 20-year Capital Improvement Program. Other identified changes include optimizing operations in water treatment and residuals processing, developing and implementing a more comprehensive safety and training program, and improving both internal and external communications. Veolia will support Aqueduct staff through the implementation period.

“This new model is peer based, recognizing Veolia’s operations of many public water and wastewater systems around the world,” said Antoine Frérot, Veolia’s chair and CEO. “By placing private-sector industry experts alongside local public-sector employees and experts who have intimate knowledge of a utility’s day-to-day operations, we are able to transfer specialized knowledge and broad experiences to our clients, regardless of whether we operate their assets. Together, Veolia and public-sector employees identify areas for improvement and consider alternate approaches. Then they work as one team to implement agreed-to programs that add value to operations, customers and the environment.”

Tom Jacobus, general manager of the Washington Aqueduct, explained, “This has been a great opportunity to review our operations through an independent, expert company and discover ways to improve value to our customers. Together we’ve identified opportunities to foster the continued development of a world-class operation – with a sharp focus on continuing to provide long-term quality and reliability.”

Terry Mah, CEO and president of Veolia North America, said, “In the face of rising operating and capital costs, independent operational reviews with peers and implementation support can produce opportunities to accelerate innovation, improve economic conditions and deliver sustainable savings that help utilities sustainably meet their communities’ growth needs.”

In performing its evaluation, Veolia Water used a model similar to one it deployed in Pittsburgh, New York City, Winnipeg, and most recently, DeKalb County, Ga. In New York City, program implementation is expected to yield annual recurring financial benefits of more than \$100 million by 2016. To date, nearly \$70 million in savings and revenue enhancements are in place at NYC’s Department of Environmental Protection. In Pittsburgh, the Pittsburgh Water & Sewer Authority has been utilizing Veolia for interim executive management services to support PWSA’s goal of becoming that region’s recognized expert on water quality, utility management and stakeholder responsiveness.

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**DC Water** distributes drinking water and collects and treats wastewater for more than 600,000 residential, commercial and governmental customers in the District of Columbia. DC Water also provides wholesale wastewater treatment services for a population of 1.6 million in Montgomery and Prince George’s counties in Maryland, and Fairfax and Loudoun counties in Virginia.

**The Washington Aqueduct** is a federal owned and operated public water supply agency and is a division of the Baltimore District, U.S. Army Corps of Engineers. The Corps of Engineers designed, built, and, in 1859, began operating the Aqueduct.

**Veolia** is the global leader in optimized resource management. With over 200,000 employees\* worldwide, the company designs and provides water, waste and energy management solutions that contribute to the sustainable development of communities and industries. Through its three complementary business activities, Veolia helps to develop access to resources, protect and conserve available resources, and to replenish them. In 2013, Veolia supplied 94 million people with drinking water and 62 million people with wastewater service, produced 86 million megawatt hours of energy and converted 38 million metric tons of waste into new materials and energy. Veolia (Paris Euronext: VIE and NYSE: VE) recorded revenue of \$31 billion\* in 2013.

[www.veolia.com](http://www.veolia.com)

(\* Excluding Transdev employees and revenue currently under divestment)

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