



**DISTRICT OF COLUMBIA
WATER AND SEWER AUTHORITY**

BOARD OF DIRECTORS

GOVERNANCE COMMITTEE

MEETING MINUTES

January 13, 2016

Committee Members

Ellen O. Boardman, Chairperson
Alan Roth
Rachna Butani
Matthew Brown

D.C. Water Staff

George Hawkins, General Manager
Randy Hayman, General Counsel
Linda Manley, Board Secretary

Chairperson Boardman convened the meeting at 9:00 a.m. Korey Gray, Compliance Officer, addressed Agenda Item # 2 –DC Water Works! Employment Programs Update.

For the first two (2) months of fiscal year 2016, there were forty one (41) active Goods and Service projects. This is a reduction of five (5) projects from FY 2015. In total, Goods and Service projects provided 541 job positions, 343 of which were filled by residents within the user jurisdictions, including 111 District residents. There were no new hires between October and November 2015.

For the first two (2) months of fiscal year 2016, there were fourteen (14) active Major Construction projects. This is no change to the number of active projects from FY 2015. In total, major construction projects provided 2,973 positions, 1,407 of which were filled by user jurisdiction residents, including 338 District residents. There were no new hires between October and November 2015.

Next, Mr. Gray provided an update on the mini job fair coordinated with American Contracting and Environmental Services (ACE) on October 19, 2015. From the fair, ACE hired one (1) individual as a permanent (skilled) employee and three (3) individuals as apprentices.

Finally, Mr. Gray provided the Committee with a compliance review of FY 2015, addressing local contractor employment numbers, compliance reviews, and utilization of certified businesses. There were ninety eight (98) active projects which employed a combined 5,236 workers. Of this total, 2,893 (55%) were residents of the user jurisdiction, including 727 (14%) residents of the District of Columbia. Also in FY 2015, DC Water contractors had a combined 137 new hires. Of

this total, 117 (85%) were residents of the user jurisdiction, including 41 (30%) residents of the District of Columbia.

In FY 2015, DC Water conducted twenty-one (21) compliance orientations and two (2) re-orientations, 223 project site visits and interviews, twenty eight (28) compliance reviews, and eleven (11) investigations. This collective effort resulted in recovering \$139,000 in wage restitutions for employees of DC Water's contractors.

With respect to certified business utilization, in FY 2015, DC Water awarded a combined \$345.5 million in contracts, modifications and change orders. Of this total, \$117.7 million in contracts were awarded to certified business enterprises. The details of these totals are:

- Small Purchases, Large Goods and Services, and Non-EPA Construction Awards totaled \$98.5 million. Of this amount, certified local and local/small business enterprises were awarded \$29.4 million (30%).
- Micro Purchases, Sole Source Awards, Legal, Financial, Benefits and other Exempt Awards totaled \$25.6 million. Of this amount, certified local and local/small business enterprises were awarded \$5.9 million (23%).
- Non-discretionary/EPA eligible awards totaled \$151.3 million. Of this amount, certified minority and women owned businesses were awarded \$56.3 million (37%).
- EPA Fair Share Objective awards totaled \$70.0 million. Of this amount, certified minority and women owned businesses were awarded \$26 million (37%).

Next, General Counsel Randy Hayman described proposed revisions to DC Water's Standards of Conduct Policy regarding speaking engagements. Mr. Hayman explained that DC Water (also "the Authority") took into account comments provided by the Committee at the last Committee meeting and made several revisions to the provision regarding conflicts of interest. Currently, the proposed Policy allows for an employee who is speaking at a conference or similar event on behalf of the Authority to accept an offer of free attendance at the event on the day of the employee's appearance, when provided by the sponsor of the event and if authorized by management as applicable. The Authority deems it a conflict of interest for a vendor or prospective vendor to pay for an employee's travel and attendance to speak at a conference on behalf of the Authority. Therefore, while the Policy allows an organizing sponsor to pay for an employee's travel and attendance to speak at a conference, it excludes any sponsor who is a DC Water vendor or prospective vendor.

The Committee discussed the need to define adequately the scope of the vendor exclusion. The Committee agreed that the language should be clear and precise in this respect. Mr. Hayman indicated that the Office of General Counsel will conduct a further review and provide additional recommendations at the next meeting.

Mr. Hayman then discussed the post-employment restrictions contained in the Standards of Conduct Policy. In general, under the Policy, an employee who is separated from employment with the Authority is barred for eighteen (18) months following separation from the Authority from working on behalf of any other employer or assisting any other person on any Authority project in which the employee was personally and substantially involved while employed by the Authority. This restriction may be exempted only by express authorization of the General Manager. Mr. Hayman indicated that this provision of the Policy was presented to and discussed with the

Committee at the last meeting, among other occasions. To date, it has been determined that no changes to this provision are needed. However, Mr. Hayman welcomed any additional comments or questions by the Committee. Mr. Hayman stated the provision also will be presented to the Board for appropriate review and feedback.

The Committee then entered into a closed executive session to discuss cybersecurity matters. The meeting was adjourned at approximately 10:30 a.m.