



**308TH BOARD OF DIRECTORS MEETING
MINUTES OF THE MEETING
MAY 2, 2024
(Via Microsoft Teams)**

DIRECTORS PRESENT

District of Columbia Members

1. Keith Anderson, Chairperson
2. Anthony Giancola, Principal
3. Howard Gibbs, Principal
4. Richard Jackson, Principal
5. Jed Ross, Alternate

Prince George's County Members

1. Floyd Holt, Principal

Montgomery County Members

1. Jon Monger, Principal
2. Fariba Kassiri, Principal

Fairfax County Member

1. Christopher Herrington, Principal
2. Sarah Motsch, Alternate

DC WATER STAFF

1. David Gadis, CEO and General Manager
2. Marc Battle, Chief Legal Officer and EVP, Government and Legal Affairs
3. Matthew Brown, Chief Financial Officer Finance and EVP, Procurement and Compliance
4. Wayne Griffith, Chief Administration Officer, and EVP
5. Jeffrey Thompson, Chief Operating Officer, and EVP
6. Michelle Rhodd, Secretary to the Board

The 308th meeting of the District of Columbia Water and Sewer Authority's Board of Directors was called to order by Chairperson Keith Anderson at 9:32 a.m. The meeting

was held via Microsoft Teams and streamed live at dcwater.com. Board Secretary Michelle Rhodd called the roll, and a quorum was established.

I. APPROVE MINUTES

Keith Anderson, Chairperson asked for a motion to approve the minutes of the April 4, 2024, meeting.

Upon a motion duly made and seconded the Board of Directors approved the minutes of the April 4, 2024, meeting as presented.

II. CHAIRPERSON'S OVERVIEW

Mr. Anderson, noted that in recent months, professional and career transitions have led to vacancies on the Board. To fill some of these vacancies, three new Board members will be joining the Board: two from Montgomery County and one from Prince George's County. Under

Mr. Anderson went on to note that DC Water's governance structure, most work is done at the Committee level. As such, he will review current committee assignments to understand where the new Board members will best be of service.

Next, Mr. Anderson remarked that DC Water has a tradition of inviting summer interns to a Board meeting as part of their orientation. This year's interns will join the June meeting via Teams.

Mr. Anderson congratulated Jeffrey Thompson, Chief Operations Officer, on his appointment as a director on the Water Research Foundation Board.

Mr. Anderson reminded the Board of the May 9 Public Hearing on proposed retail water and sewer rate adjustments. The hearing will be held over Microsoft Teams.

III. COMMITTEE REPORTS

*Governance Committee Report
Reported by Christopher Herrington*

Governance Committee Chairperson Christopher Herrington reported on the Committee meeting that was held on April 10.

Mark Battle, Chief Legal Officer and EVP, Government and Legal Affairs and Barbara Mitchell, Director Government Affairs & Public Policy provided an update on the Government Affairs team's activities. Via a recorded presentation, Ms. Mitchell reviewed the Government Affairs team members, highlighted the applicable section of the DC Water Bylaws that governs the Committee, and provided an overview of how the Committee covers local and federal legislative meetings and hearings and strategizes on

policy changes. She also provided an update on the Government Affairs team's activities since the beginning of the year, which included issuing an opposition letter to B25-0675, updating the DC Council on DC Water operations, testifying before the Committee of Transportation and the Environment in support of Bill B25-0424, lobbying to support legislation to exempt drinking water systems from CERCLA liability for PFAS, and participating in Water Week activities. Ms. Mitchell also provided an update on the Lead-Free DC mandate.

Mr. Battle discussed the Environmental Protection Agency's (EPA) latest guidance on PFAS in water, noting that the Authority is drafting a response. Mr. Battle answered questions about strategies to manage the cost of addressing PFAS in drinking water, noting a consensus among large utility companies that the makers of forever chemicals should assume the cost of mitigating them.

*Environment Quality and Operations Committee Report
Reported by Sarah Motsch*

Environment Quality and Operations Committee Chairperson Sarah Motsch reported on the Committee meeting that was held on April 18.

Nicholas Passarelli, Vice President, Wastewater Operations presented a summary of the performance of Blue Plains Advanced Wastewater Treatment Plant (BPAWTP) for March 2024. All parameters were within the national pollution discharge elimination standard permit limits. One hundred thirty-two million gallons were captured without overflows, onsite energy generation was 26% of the average treatment plan consumption, and 7,607 wet tons of biosolids were sold as bloom in March.

Moussa Wone, Vice President, Clean Rivers Project provided a status update on the DC Clean Rivers Project. The Anacostia Tunnel System is in service and continues to perform well with over 16.8 billion gallons of overflow and over 10,300 tonnes of trash and debris captured. Outstanding work on the system includes landscaping and site restoration. The contractor for the Potomac River Tunnel was given a Notice to Proceed for the tunnel construction with a placed-in-operation date of February 2023. Current work includes mobilization of the mining site and design package preparation. For the Rock Creek Area, the consent decree will be met with a combination of green infrastructure projects and a 4.2-million-gallon tunnel. Green infrastructure projects C and D are currently in the planning phase.

Public outreach remained a key aspect of the Clean Rivers project, with ANC meetings and a ground-breaking event.

The Lead-Free DC quarterly update was provided by William Elledge, Director DC Water Engineering & Technical Services. In the second quarter of FY24, 504 lead service line replacements were completed, contributing to 996 replacements for the year, which is ahead of the goal. Construction commenced on packages 9 and 10 and a Notice to

Proceed was issued for two additional packages. A community workshop was co-hosted by DC Water, Young, Gifted & Green, and Interfaith Power & Light DMV to educate residents and community leaders about the program.

The Committee forwarded four action items to the Board for approval.

*Retail Water and Sewer Rates Committee
Reported by Howard Gibbs*

Retail Water and Sewer Rates Committee Vice Chairperson Howard Gibbs reported on the meeting on April 23.

Matthew Brown, Chief Financial Officer Finance and EVP, Finance, Procurement and Compliance provided the monthly report for the Committee, noting that it was based on the revised budget adopted by the Board in March 2024. Revenue was favorable to the revised budget by about 1.6%, with the largest positive variance in the Residential, Commercial, and Multi-Family category. Commercial revenue has been the most difficult to predict as a result of the impact of COVID. Delinquent accounts increased by \$970,000 in the last quarter, with the largest increase in the Multi-Family category.

Ed Markus of Amawalk Consulting presented the FY24 Fire Protection Fee Cost of Service Review. The study calculates fees for recovering fire protection costs from the district government. The study found that the District of Columbia will owe DC Water an additional \$5.7 million by the end of 2024.

Mr. Brown reviewed the work plan for the Committee and reviewed recent public hearings and outreach events.

The Committee forwarded one action item to the Board for approval.

*Audit and Risk Committee
Reported by Floyd Holt*

Audit and Risk Committee Chairperson Floyd Holt reported on the Committee meeting that was held on April 25.

Francis Cooper, Director Enterprise Program Management Office (EPMO) presented the enterprise risk management briefing. He discussed the overall strategy, highlighting the implementation of a new risk module based on a bottom-up flow analysis that begins with looking at risk management activities at the functional, operational, or department level to engage stakeholders and provide them with the tools and processes to manage risk in their areas. On the enterprise risk register, the Washington Aqueduct Contract risk was removed as a tracked risk item, while artificial intelligence was added as an emerging risk. The new EPA ruling on PFAS was noted as an important regulation change potentially impacting DC Water's risk level.

RSM's internal audit team provided an internal audit update and confirmed that the audit is on track, with four projects completed during Q2 and two in progress. There were two high-risk audit findings from audits completed in FY23. Neither has come due, and both are making progress toward their deadlines. No audit findings remain open from before FY23. In total, 93 percent of all prior audit findings from FY17 to FY23 have been closed; Management's target closure rate is 95 percent.

The contract compliance audit reviewed two contracts. A breakdown of key details for both contracts was presented. The audit resulted in one high-risk finding related to insufficient contract oversight. Management plans to address and close the finding by September 2024. The work order management audit used a work order mining process to review 6,064 work orders in the closed status. Two moderate-risk and one low-risk findings were identified. The permit operations management assessment provided a risk assessment of permit operations, and a report was provided to managers. The hotline audit analyzed 58 calls from FY21 to FY24. A key finding was that a very small portion of calls to the hotline are related to fraud, waste, or abuse. Those calls that do not relate to fraud, waste, or abuse are forwarded to the relevant departments for review. Of the 18 calls received in FY24, only one required corrective action.

IV. CEO AND GENERAL MANAGER'S REPORT

David Gadis, CEO and General Manager reported that on April 29, Matthew Brown appeared before the DC Council's Committee on Transportation and the Environment as part of the Council's budget oversight process. While the authority is not technically subject to the budget oversight hearing, Mr. Gadis noted that it was important that DC Water participate in making specific asks of the Council as they enter reconciliations with the Mayor's proposed budget. During the hearing, Mr. Brown provided a thorough overview of DC Water's budget requests. He emphasized why additional funding is vital to the Lead-Free DC program and DC Water's proposed lead detection partnership to serve low-income families and households.

The Government Relations team led by Barbara Mitchell continued to work closely with the Council and staff to monitor and promote DC Water's requests during the budget reconciliation.

The Authority continued to engage the public on proposed rate increases via a comprehensive outreach campaign.

On April 8th, Mr. Gadis hosted a special celebration to honor the men and women of DC Water, also known as Team Blue. More than 400 attendees joined the Authority in unveiling a bronze statue by artist Stephen Weitzman in tribute to past, present, and future DC Water staff.

Finally, Mr. Gadis discussed the impact of PFAS on the Healthy, Safe and Well imperative. The new EPA regulations establish maximum content levels for these compounds and require monitoring and reporting to the public with information on PFAS levels in water beginning in 2027. DC Water began monitoring for PFAS in August 2021 and to date, all 21 rounds of the voluntary water sample test from the Washington Aqueduct have been in compliance. Mr. Gadis has met with the manager of the Washington Aqueduct about the future costs and activities to remain in compliance and has formed a team of four representatives along with the Aqueduct and the other two principal utilities to address PFAS concerns.

Board member Anthony Giancola asked when DC Water began using the active vacancy rate to measure staff vacancies and asked if future reports could contain a footnote disclosing the total vacancy rate. Mr. Gadis explained that the switch to the active vacancy rate was a measure to ensure the reported vacancy rate did not include vacant positions that were not being actively recruited but remained in the budget. He noted that when the budget is updated to remove these positions, the total vacancy rate will be reinstated as the primary measure. Mr. Gadis confirmed that union positions are recruited and replaced as quickly as possible, and several positions are in active recruitment. He reported that DC Water employs more district residents than it has in the past, including many returning citizens.

V. CONSENT ITEMS (JOINT USE)

1. Approval to Execute Supplemental Agreement No. 04 of Contract No. DCFA-504, Non-Process Facilities Program Management, McKissack & McKissack of Washington, Inc. – **Resolution No. 24-23** (Recommended by the Environmental Quality and Operations Committee 04-18-24).
2. Approval to Award Contract No. 10436, Cleaning Service Contract, Phoenix Services, LLC. – **Resolution No. 24-24** (Recommended by the Environmental Quality and Operations Committee 04-18-24).

Upon a motion duly made and seconded, the Board of Directors voted to approve Joint Use resolutions as presented.

VI. CONSENT ITEMS (NON-JOINT USE)

1. Approval to Execute Change Order No. 08 of Contract No. 150140, Constitution Avenue Area Water Main Replacement, Sagres Construction Corp. – **Resolution No. 24-25** (Recommended by the Environmental Quality and Operations Committee 04-18-24).

2. Approval of Commitment between DC Water and District of Columbia Department of Transportation (DDOT) Participation Project, Kennedy Street NW Phase II, 16th Street NW to Georgia Avenue NW, District of Columbia Department of Transportation – **Resolution No. 24-26** (Recommended by the Environmental Quality and Operations Committee 04-18-24).
3. Approval of Revised District of Columbia Fire Protection Service Fee for Fiscal Years 2025 through 2027 – **Resolution No. 24-27** (Recommended by the DC Retail Water and Sewer Rates Committee 04-23-24).

**Upon a motion duly made and seconded the Board of Directors
voted to approve the Non-Joint Use resolutions as presented.**

VII. ADJOURN

There being no further business to come before the Board, Mr. Anderson adjourned the meeting at 10:11 a.m.

Michelle Rhodd

Michelle Rhodd

Secretary to the Board of Directors