



**309TH BOARD OF DIRECTORS MEETING
MINUTES OF THE MEETING
JUNE 6, 2024
(Via Microsoft Teams)**

DIRECTORS PRESENT

District of Columbia Members

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

Prince George's County Members

1. Floyd Holt, Principal
2. Jared McCarthy, Principal
3. Jonathan Butler, Alternate

Montgomery County Members

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

Fairfax County Member

1. Sarah Motsch, Alternate

DC WATER STAFF

1. David Gadis, Chief Executive Officer and General Manager
2. Mark Battle, Chief Legal Officer and EVP, Government and Legal Affairs
3. Matthew Brown, Chief Financial Officer Finance and EVP, Finance, 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 309th meeting of the District of Columbia Water and Sewer Authority's Board of Directors was called to order by Chairperson Keith Anderson at 9:36 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

Chairperson Anderson asked for a motion to approve the minutes of the May 2, 2024, meeting.

Upon a motion duly made and seconded, the Board of Directors approved the minutes of the May 2, 2024, meeting as presented.

II. CHAIRPERSON'S OVERVIEW

Chairperson Anderson opened the meeting with an official welcome of three new Board members, Jeffrey Seltzer, representing Montgomery County, Amy Stevens, representing Montgomery County, and Jonathan Butler, representing Prince George's County. The three new members were sworn in by Mayor Bowser prior to the Board of Directors' meeting. Three Directors were also reappointed to the Board: Christopher Herrington of Fairfax County, Sarah Motsch of Fairfax County, and Jared McCarthy Prince George's County.

Chairperson Anderson congratulated Mr. Gadis and his team for their efforts to ensure ratepayers were engaged and educated on the proposed FY25-26 rate changes. He also thanked Mr. Gadis and his team for participating in the recent Board training on governance best practices and board effectiveness. He noted that such training is critical and continues to strengthen the Board's partnership with the organization's leaders to achieve the Authority's mission.

III. COMMITTEE REPORTS

*Human Resources and Labor Committee Report
Reported by Jed Ross*

Human Resources Committee Chair Jed Ross reported on the May 8 Human Resources and Labor Relations Committee meeting with Union Leaders.

Barbara Milton, President of AFGE 631, expressed concern her local had not received updated engineer and civil engineer job descriptions despite multiple requests. George Spears, Vice President, Labor Relations, explained that updated job descriptions had been provided to the local but additional updates were required and the revised descriptions would be provided the week of June 3.

Ms. Milton then addressed the decision to eliminate telework. Ms. Milton presented research supporting the benefits of teleworking and requested that the Board survey employees to determine the impact of the decision on employee morale. Mr. Spears explained the Authority's decision, emphasizing the need for in-person collaboration, emergency responsiveness, and a positive work culture. David Gadis, CEO and General Manager echoed Mr. Spears' rationale, citing infrastructure needs. Ms. Milton repeated her request for an employee morale survey.

Jonathan Shanks, President of AFGE 872, suggested considering reduced telework options instead of elimination as neighboring utilities and the DC government had done. Mr. Spears noted that a meeting on May 29 would provide an opportunity to discuss the issue with the union leaders. It was noted that the telework change only impacted employees in the Operations cluster.

Ms. Milton requested an increase in leave accrual for Wastewater Treatment (WWT) operators who work 12-hour shifts but accrue leave in four-hour increments. Mr. Ross inquired if the aim was to count leave days for WWT operators as eight hours of leave. Ms. Milton advised that the request was to raise the accrual amount, but Mr. Ross's suggestion might also address the issue. Mr. Ross noted that changes to leave are usually accompanied by other changes to work conditions, and Mr. Herrington noted that shiftwork employees should not accrue more leave than other employees. It was observed that shiftwork employees do receive more days off and that leave accrual had been negotiated and agreed upon and could be revisited during the next negotiation.

Joy Dorsey, Chief People Office, People and Talent provided the Human Resources update. Ms. Dorsey highlighted initiatives to attract, develop, and retain talent. A consultant was engaged to advise on a career framework and salary assessment. Succession plans for all immediate and ready in one-year positions will be completed by the end of 2024, and a target date of June 30, 2024, was set to provide offers for all vacant positions. Mr. Ross suggested improved metrics to reduce questions in full Board meetings.

Kenya Zeigler, Manager, Benefits, outlined the Authority's proposal to renew Kaiser Permanente's (KP) contract as a healthcare provider. Ms. Zeigler noted KP's staff model HMO, cost-effective healthcare and employee satisfaction as key drivers for the decision.

John PappaJohn, Director of Procurement, explained the new contract terms highlighting the two base years and the option of a third for a cost of \$13.7 million. Direct negotiations enabled DC Water to secure rate caps at or below industry projections for the two base years with an option to negotiate caps for the additional three years. Under the new contract, premiums for families will increase by \$34.60 per month in 2025 and by \$47.00 per month in 2026. The Committee agreed to recommend the new contract to the Board for approval.

*Environmental Quality and Operations Committee Report
Reported by Howard Gibbs*

Environmental Quality and Operations Committee Vice Chair, Howard Gibbs, reported on the May 16 meeting. Nicholas Passarelli, Vice President, Wastewater Operations, presented a summary of the performance of Blue Plains Advanced Wastewater Treatment Plant for April 2024. All parameters were within the national pollution discharge and elimination standard permit limits. The tunnel system and wet weather treatment captured 169 million gallons with no overflows. Onsite energy generation for the month was 27% of the average treatment plant consumption and 8,079 wet tons of biosolids were sold as Bloom in March toward a 2024 goal of 65,000 tons.

Sylvia Okogi, Acting Senior Manager, Water Operations, presented the quarterly update on DC Water's fire hydrants noting that DC Water is meeting the out-of-service (OOS) level goal of 1% or less.

Maureen Schmelling, Director of Water Quality, presented the quarterly update on the status of DC Water's water quality monitoring program and stated that the Authority is compliant with the lead and copper rule and the Total Coliform Rule.

Paul Guttridge, Director of CIP Infrastructure Management, provided an update on the Capital Improvement Program, including an update on selected projects and Key Performance Indicators (KPIs) through the second quarter of FY24. Disbursements are projected to be approximately 95% of the FY24 budget of \$448.6 million.

Mr. Gutteridge provided a project progress summary on selected projects including the emergency response to the east and west outfall relief sewer structural deterioration and sinkholes at the Anacostia main interceptor and Potomac Interceptor Manhole 31. Mr. Gutteridge ended his presentation with an overview of collaborative delivery, which will be the preferred approach for DC Water projects going forward. Benefits of the approach include risk reduction, accelerated schedules, and the ability to attract higher-quality contractors.

William Elledge, Director of Engineering and Technical Services, presented an update on the proposed resolution update for the Lead Free Program, including a proposed resolution update to remove the 2023 proposed completion deadline for the program and the removal of brass as a service line material type to align with EPA requirements. The Committee agreed that DC Water should not revise the brass section of the resolution until the DC Counsel amends the legislation.

The Committee recommended 14 action items for full Board approval.

*Finance and Budget Committee Report
Reported by Anthony Giancola*

Finance and Budget Committee Chair, Anthony Giancola, reported on the May 23 meeting. Matthew Brown, Chief Financial Officer, presented the April 2024 Financial Report, noting that total operating revenues were \$530.3 million, or 59.5 percent of the budget. Total operating expenses were at \$376.0 million, with a year-to-date favorable variance of 5.2 percent.

Mr. Giancola inquired about the annual funds provided to DC Water by the District for the customer assistance programs. Mr. Brown provided an overview of funding programs offered by the District, noting that there was concern that the District may not be able to fully fund all customer requests this year. He stated that the DC budget cycle is ongoing, and DC Water has been advocating for increased funding for customer service programs for FY2025.

Paul Guttridge provided the Capital Improvement Program (CIP) quarterly update. Mr. Giancola congratulated Mr. Guttridge and his team for the projected 95 achievement this year.

Matt Ries, Vice President, Strategy and Performance, presented the FY 2023 ESG+R report, stating that the report was driven by the financial community, investors, auditors, and rating agencies, which have all asked for more transparency in disclosing DC Water's risks. He noted market feedback from S&P Global, which found that while DC Water has elevated environmental risks relative to its peers, its management of those risks was rated "best in class."

Tanya DeLeon, Manager, Risk Management, presented the Property and Casualty Insurance Renewals report, seeking the Committee's recommendation to the Board for approval of a July 1 insurance renewal for a total amount not to exceed \$6.3 million. The final terms will be provided at the next Committee meeting.

The final report was on the summer 2024 financing activities, as developed by three private sector firms. Ivan Boykin, Vice President, Finance, Eric Brown from PFM Financial Advisors, and Jerome Cox from Sustainable Capital Advisors sought approval for four action items to be approved for submission to the Board.

The Committee recommended five action items for full Board approval.

IV. CEO AND GENERAL MANAGER'S REPORT

In his report, Mr. Gadis recognized and welcomed the 2024 summer interns, who represented nearly 30 highly regarded schools and institutions including several historically Black universities. Mr. Gadis noted that DC Water was building a pipeline of

promising talent already familiar with the Authority, its values, and its strategic imperatives.

Alongside Congresswoman Eleanor Holmes Norton, Council Member Charles Allen, and Board members Howard Gibbs and Richard Jackson, Mr. Gadis was honored to deliver remarks at the groundbreaking for the construction of the Potomac River tunnel. He noted that DC Water has now completed two thirds of the Clean Rivers Project ahead of schedule and within budget.

On May 9, DC Water held a Public Hearing on the Authority's proposed two-year rate adjustment for FY25 and FY26. Mr. Brown led a detailed presentation on the forces and factors behind the rate adjustment. Meisha Thomas, Director of Customer Service, offered attendees a review of the customer assistance program.

On May 22 and 23, Mr. Brown held meetings with three major rating agencies to secure ratings for the upcoming fixed and variable rate transactions of the Authority. On May 23, the Finance and Budget Committee recommended the transactions for approval.

Mr. Gadis reviewed the Authority's response to a Boil Water Advisory (BWA) which was issued on earlier in May in response to a broken 115-year-old cast iron water main in Northwest D.C. that impacted 4,800 customers. Mr. Gadis stated that no water utility ever wants to have a boil water advisory, but they are inevitable and increasing as climate change is very impactful. In these situations, communication is crucial. DC Water crews worked overnight and into the morning to repair the broken pipe. The main was repaired and the BWA was lifted the next day.

V. CONSENT ITEMS (JOINT USE)

1. Approval to Award Contract No. 10445, Staff Model Health Maintenance Organization (HMO), Kaiser Foundation Health Plan of the Mid-Atlantic States Inc. – **Resolution No. 24-28** (Recommended by the Human Resources and Labor Relations Committee 05-08-24)
2. Approval to Execute an Architectural and Engineering Services Agreement of Contract No. DCFA #540-WSA, Primary Treatment – 20 Year Rebuild, Carollo Engineers, PC – **Resolution No. 24-29** (Recommended by the Environmental Quality and Operations Committee 05-16-24)
3. Approval to Execute Four (4) Architectural and Engineering Services Contracts – Linear Design, Basic Ordering Agreement (BOA), Contract Nos. DCFA - 546, DCFA - 547, DCFA - 548, and DCFA – 549 – **Resolution No. 24 - 30** (Recommended by the Environmental Quality and Operations Committee 05-16-24)

4. Approval to Execute Contract No. 200090, Headworks Influent and Effluent Structures Rehabilitation, Ulliman Schutte Construction, LLC – **Resolution No.24-31** (Recommended by the Environmental Quality and Operations Committee 05-16-24)
5. Approval to Award Contract No.10439, Centrifuge Pre-Dewatering Polymer, Polydyne, Inc. – **Resolution No. 24-32** (Recommended by the Environmental Quality and Operations Committee 05-16-24)
6. Approval to Award Contract No. 10440, Belt Press Dewatering Polymer, Polydyne, Inc. – **Resolution No. 24-33** (Recommended by the Environmental Quality and Operations Committee 05-16-24)
7. Approval to Award Contract No. 10441, Primary Treatment Polymer, Polydyne, Inc. – **Resolution No. 24-34** (Recommended by the Environmental Quality and Operations Committee 05-16-24)
8. Approval to Award Contract No. 10442, Secondary Treatment Polymer, Polydyne, Inc. – **Resolution No. 24-35** (Recommended by the Environmental Quality and Operations Committee 05-16-24)
9. Approval to Add Funding to Option Year 2 of Contract No. 10084, Sodium Hypochlorite, Kuehne Chemical Co. Inc, - **Resolution No. 24-36** (Recommended by the Environmental Quality and Operations Committee 05-16-24)
10. Approval to Award Contract No. 10444, Potomac Interceptor Odor Control Facilities, C & E Services, Inc. of Washington – **Resolution No. 24-37** (Recommended by the Environmental Quality and Operations Committee 05-16-24)
11. Approval of Funding for Annual Property and Casualty Insurance Premium Renewals – No. (Recommended by the Finance and Budget Committee 05-23-24)
12. Approving the Final Form of Certain Documents, Authorizing Tender Offer and the Sale and Setting Terms and Details of the Series 2024 A Bonds – **Resolution No. 24-39** (Recommended by the Finance and Budget Committee 05-23-24)
13. Approving the Final Form of Certain Documents, Authorizing the Sale and Setting Terms and Details of the Series 2024 B Bonds – **Resolution No. 24-40** (Recommended by the Finance and Budget Committee 05-23-24)
14. Approving the Final Form of Certain Documents, Authorizing the Sale and Setting Terms and Details of the Commercial Paper Notes – **Resolution No. 24-41**(Recommended by the Finance and Budget Committee 05-23-24)

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

VI. CONSENT ITEMS (NON-JOINT USE)

1. Approval to Award Contract No. 10112, Chemical Root Control of Sanitary Sewers, Duke's Root Control, Inc. – **Resolution No. 24-42** (Recommended by the Environmental Quality and Operations Committee 05-16-24)
2. Approval to Award Contract No. DCFA #541 - WSA, Engineering Program Management Consultant 2G, Water Smart Alliance (an Atkins Realis – Stantec Partnership) – **Resolution No. 24-43** (Recommended by the Environmental Quality and Operations Committee 05-16-24)
3. Approval to Execute Change Order No. 002 of Contract No. 170070, Small Diameter Water Main Replacement-14C, Fort Myer Construction Corporation – **Resolution No. 24-44** (Recommended by the Environmental Quality and Operations Committee 05-16-24)
4. Approval to Award Contract No. 230200, Normanstone Sanitary Sewer Rehabilitation, Spinello Companies – **Resolution No. 24-45** (Recommended by the Environmental Quality and Operations Committee 05-16-24)
5. Approval of Amendment to Contract No. 230030, Lead Free DC (LFDC) Lead Service Line Replacement Program FY23 - FY30 Block by Block Construction – **Resolution No. 24-46** (Recommended by the Environmental Quality and Operations Committee 05-16-24)
6. Approval to Execute Contract No.10446, Direct Pay Letter of Credit Supporting DC Water's Commercial Paper Program Services, TD Bank, N.A. – **Resolution No. 24-47** (Recommended by the Finance and Budget Committee 05-23-24)
7. Approval to Execute Contract No. 10447, Bank Credit Facility Supporting Series 2024B Bonds, TD Bank, N.A. – **Resolution No. 24-48** (Recommended by the Finance and Budget Committee 05-23-24)

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 10:18 a.m.

Michelle Rhodd

Michelle Rhodd
Secretary to the Board of Directors