



**310TH BOARD OF DIRECTORS MEETING
MINUTES OF THE MEETING
JULY 3, 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

Prince George's County Members

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

Montgomery County Members

1. Amy Stevens, Alternate
2. Jeffrey Seltzer, Alternate

Fairfax County Member

1. Christopher Herrington, Principal
2. 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 310th meeting of the District of Columbia Water and Sewer Authority's Board of Directors was called to order by Chairperson Keith Anderson at 9:34 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 June 6, 2024, meeting.

Upon a motion duly made the Board of Directors approved the minutes of the June 6, 2024, meeting as presented.

II. CHAIRPERSON'S OVERVIEW

Chairperson Anderson opened the meeting with a reminder that the Board would be on hiatus for the month of August and would resume meetings on September 5, 2024. He congratulated Board members Anthony Giancola, Howard Gibbs, and Richard Jackson on their reappointments to the DC Water Board of Directors. He also noted the release of the 2024 Drinking Water Quality Report, which confirmed that DC Water had surpassed the EPA's water quality standards.

III. COMMITTEE REPORTS

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

Committee Chair Sarah Motsch presented a summary of the report on the meeting held on June 20. An update on the performance of Blue Plains Advanced Wastewater Treatment Plant (BPAWTP) was presented. All parameters were within the National Pollution Discharge and Elimination Standard permit limits. The tunnel system and wet weather treatment captured 101 million gallons with no overflows. Onsite energy generation for the month was 28% of the average treatment plant consumption and 3,700 wet tons of biosolids were sold as Bloom in June toward a 2024 goal of 65,000 tons. Nine action items were discussed and recommended to the Board for approval.

*Retail Water and Sewer Rates Committee Report
Reported by Rachna Bhatt*

Committee Chair Rachna Bhatt presented a summary of the report on the meeting held on June 25. Matthew Brown, Chief Financial Officer and EVP Finance, Procurement and Compliance presented the monthly revenue report, noting a reduction of approximately \$500,000 over last month in the 90 days delinquent account balances; however, the number of delinquent accounts increased. He noted that the Multi-Family category

accounts for approximately 57% of these accounts. Ogechi Okpechi, Director, DCW Permit Operations noted that the number of requests had increased since bill summaries were sent out, and the team is making progress on processing the permit refund requests. The Committee discussed actions to reduce delinquent accounts.

Mr. Brown presented a report on the comments received on the proposed rates for FY2025 and FY2026. Three comments were received from the Office of the People's Council, and two members of the public commented. Mr. Brown reviewed DC Water's budget priorities, noting that some staff roles with long-term vacancy had been reallocated to new roles to address emerging needs. He reviewed each of the comments received on the rate plan and discussed DC Water's responses.

Meisha Thomas, Director Customer Care provided an update and recommendation on an update to the Customer Assistance Program (CAP), to add Plus (CAP+). She reviewed the history of the program and amendment, and projections for CAP+ based on historical usage of CAP. She also reviewed public outreach methods, noting that no witnesses testified at the public hearing. She recommended that the Board approve and adopt a notice of final rule making to amend the Customer Assistance Program regulations as follows:

- To consider comments submitted during Public Comment Period and at Public Hearing
- To recommend amending 21 DC Municipal Regulations (DCMR) 4102 to add rules for Customer Assistance Program Plus (CAP+), effective October 1, 2024

The final presentation was on the final rule making for the Fire Protection Service Fee for FY2025—FY2027.

The Committee recommended three action items for full Board approval. Marc Battle, Chief Legal Officer and EVP Government and Legal Affairs was asked to provide and update on the Soldier's Home at a future meeting.

*Executive Committee Report
Reported by Keith Anderson*

Committee Chair Keith Anderson reported that the Executive Committee met virtually on June 25 and convened an executive session to discuss a personnel matter under D.C. Official Code § 2-575(b)(10).

*Finance and Budget Committee Report
Reported by Anthony Giancola*

Committee Chair Anthony Giancola presented a summary of the report on the meeting held on June 27.

Lola Oyeyemi, Vice President, Budget presented the May 2024 Financial Report, reporting total operating revenues of \$610.4 million, or 68.5 percent of the budget, total operating expenditures of \$439.6 million, or 59.6 percent of the budget, and capital disbursements of \$303.1 million or 58.9 percent of the budget. She noted that overtime spending was high due to emergency responses over the winter months. Board member Jonathan Butler inquired if overtime expenditures were driven by the Family and Medical Leave Act. Ms. Oyeyemi did not have detailed overtime data but noted significant overtime expenditures in the water and sewer area.

The vacancy rate was 9.2 percent at the end of May based on the new calculation method of the authorized headcount less vacant positions that are over 180 days without recruitment. Board member Jared McCarthy inquired if it was statistically significant that vacancies of less than 180 days were being excluded. Ms. Oyeyemi noted that of the total vacancies of 170, only 54 are over 180 days without recruitment

Mr. Brown reviewed the mid-year projections and considerations for cash and management recommendations, and how surplus funds were used in the past. He noted a goal to increase cash to hand to 350 days and that allocating additional funding to the Permits Office would ensure that progress on processing refunds would not impact next year's budget. The FY2024 projected net cash position includes approximately \$14.1 million in surplus funds available for allocation. Mr. Brown presented management's recommendation to carry over \$8 million to FY2025 for the refund of developer deposits and allocate the remainder of \$6.141 million to PAYGO (pay-as-you-go) to reduce future borrowing for the capital program

The Committee recommended one action item for Board approval. Staff was asked to provide data on the impact of extended medical leave and vacancies on overtime.

Mr. Giancola informed the Board that due to a clerical error, incorrect versions of the regarding the bond deal were approved documents by the Board in June. Corrected versions of the resolutions were included in the board meeting materials.

IV. CEO AND GENERAL MANAGER'S REPORT

CEO and General Manager David Gadis shared his report.

From June 10 – 13, many of the Authority's leaders attended the American Water Works Association (AWWA) annual conference and exposition, ACE 2024. The conference was attended by representatives from 90 countries and ten Authority leaders were featured on eight panels. DC Water's Director of Innovation, Dr. Robert Bornhofen, was honored with the One Team, One Dream Award for demonstrating a passion for collaboration and

partnership. It also recognized his commitment to inclusivity and engaging new and diverse values and thought leadership.

During the month of June, the Authority celebrated diversity by engaging employees on themes of civil rights and equity. On June 8 and 9, DC Water participated in the Capital Pride Block Party and on June 19 DC Water closed in observation of the Juneteenth holiday. Mr. Gadis noted the importance of the holiday as representing a pivotal milestone in American history and the pursuit of justice and equity.

The 2024 Drinking Water Quality Report which briefed consumers and customers on the results of 40,000 samples collected in 2023 will be shared with customers. The data demonstrated that the Authority again met all EPA drinking water standards, including the new EPA standards for PFAS. Mr. Gadis noted that the Authority was in full compliance even before the standards were released. Highlights of the report were mailed to customers, and a full version of the report is available on demand from the Marketing and Communications department and on the DC Water website.

Mr. Giancola inquired if new hire Chris Collier, VP Water Services and Operation Engineering, was in a new position or replacing an outgoing employee. Mr. Gadis stated that the position is not new and that Mr. Collier would report to Jeffrey Thompson.

V. CONSENT ITEMS (JOINT USE)

1. Approving the Final Form of Certain Documents, Authorizing Tender Offer and the Sale and Setting Terms and Details of the Series 2024A Bonds – **Resolution No. 24-39** (Recommended by the Finance and Budget Committee 05-23-24)
2. Approving the Final Form of Certain Documents, Authorizing the Sale and Setting Terms and Details of the Series 2024B Bonds – **Resolution No. 24-40** (Recommended by the Finance and Budget Committee 05-23-24)
3. 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)
4. Approval to Execute Change Order No. 007 of Contract No. 190010, Rehabilitation of the Potomac Interceptor (PI) Between MH31 and MH30, Ulliman Schutte Construction, LLC. – **Resolution No. 24-49** (Recommended by the Environmental Quality and Operations Committee 06-20-24)
5. Approval to Add Additional Funding to Option Year 4 of Contract No. 19-PR-DWT-21A, Supply and Delivery of Methanol, Colonial Chemicals, Inc. – **Resolution No. 24-50** (Recommended by the Environmental Quality and Operations Committee 06-20-24)
6. Approval to Award Base Year and Two Option Years of Contract No. 10450, Supply and Delivery of Ferric Chloride, PVS Technologies – **Resolution No. 24-**

- 51** (Recommended by the Environmental Quality and Operations Committee 06-20-24)
7. Approval to Award Base Year and Two Option Years of Contract No. 10449, Supply and Delivery of Ferric Chloride, Kemira Water Solutions, Inc. – **Resolution No. 24-52** (Recommended by the Environmental Quality and Operations Committee 06-20-24)
 8. Approval to Add Additional Funding to Contract No. 18-PR-DFS-28, Small Construction Contract for Phase II Sidewalk Project, Mid-Atlantic General Contractors, Inc. – **Resolution No. 24-53** (Recommended by the Environmental Quality and Operations Committee 06-20-24)
 9. Approval to Transfer the Projected FY 2024 Net Cash Surplus of \$14,141,091 to PAYGO and Ending Cash Balance – **Resolution No. 24-54** (Recommended by the Finance and Budget Committee 06-27-24)

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. DCW-SOL-23-103351 Public Outreach and Engagement Services for CIP Projects, LINK Strategic Partners – **Resolution No.24-55** (Recommended by the Environmental Quality and Operations Committee 06-20-24)
2. Approval to Award Contract No. DCFA-542-WSA1 Creekbed Sewer Rehabilitation Glover Archbold Park, Brown and Caldwell – **Resolution No. 24-56** (Recommended by the Environmental Quality and Operations Committee 06-20-24)
3. Approval to Award Contract No. 160070, Sanitary Sewer Rehabilitation 10, Insituform Technologies, LLC – **Resolution No. 24-57** (Recommended by the Environmental Quality and Operations Committee 06-20-24)
4. Approval of a Commitment Between District of Columbia Department of Transportation (DDOT) and DC Water, Improvement of Pennsylvania Avenue and Minnesota Avenue Intersection – **Resolution No. 24-58** (Recommended by the Environmental Quality and Operations Committee 06-20-24)
5. Approval to Publish Notice of Final Rulemaking for Fiscal Years 2025 and 2026 Retail Metered Water and Sewer Service Rates, Right-of-Way (ROW), Payment-in-Lieu of Taxes (PILOT) Fee, Clean Rivers Impervious Area Charge (CRIAC), Retail Groundwater Sanitary Sewer Service Rate and High Flow Filter Backwash Sewer Rate – **Resolution No. 24-59** (Recommended by the DC Retail Water and Sewer Rates Committee 06-25-24)

6. Approval to Publish Notice of Final Rulemaking to Establish the New Customer Assistance Program, CAP Plus (CAP+) for Low-Income Residential Customers – **Resolution No. 24-60** (Recommended by the DC Retail Water and Sewer Rates Committee (06-25-24))
7. Approval to Publish Notice of Final Rulemaking to Amend the Fire Protection Service Fee Regulations – **Resolution No. 24-61** (Recommended by the DC Retail Water and Sewer Rates Committee 06-25-24)

Upon a motion duly made 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, the meeting adjourned the meeting at 10:18 a.m.

Michelle Rhodd

Michelle Rhodd
Secretary to the Board of Directors