



**311<sup>TH</sup> BOARD OF DIRECTORS MEETING  
MINUTES OF THE MEETING  
SEPTEMBER 5, 2024  
(Via Microsoft Teams)**

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**DIRECTORS PRESENT**

**District of Columbia Members**

1. Rachna Bhatt, Acting Chairperson
2. Anthony Giancola, Principal
3. Howard Gibbs, Principal
4. Richard Jackson, Principal
5. Jedd 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
3. Amy Stevens, 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. Marc Battle, Chief Legal Officer and EVP, Government and Legal Affairs
3. Matthew Brown, Chief Financial Officer, 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 311<sup>th</sup> meeting of the District of Columbia Water and Sewer Authority's Board of Directors was called to order by Interim Chairperson Rachna Bhatt 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**

Interim Chair Rachna Bhatt asked for a motion to approve the minutes of the meeting on July 3, 2024.

**Upon a motion made the Board of Directors approved the minutes of the meeting on July 3, 2024, as presented.**

## **II. CHAIRPERSON'S OVERVIEW**

Interim Chair Bhatt opened the meeting, noting an executive session would be held to discuss two items. She reminded the Board that the next Board of Directors meeting would be held in person.

## **III. COMMITTEE REPORTS**

*Governance Committee Report  
Reported by Christopher Herrington*

Christopher Herrington reported on the July 10, 2024 Governance Committee meeting.

Barbara Mitchell, Director & Associate General Counsel, Government Affairs & Public Policy presented the government affairs update for March through May. On March 11, 2024, the Government Affairs, Customer Service, and Finance teams attended the Multi-Agency and Utility Discussion meeting to discuss utility service disconnections and efforts to dispel disconnection myths. The Authority issued letters to DC Water's jurisdictional senators to support S.3830 to assist low-income households with their water bills. Letters of support were issued to support the Low-Income Household Water Assistance Program (LIHWAP) Establishment Act, S.3830, and House Bill H.R. 7944, the Water Systems PFAS Liability Protection Act.

The Government Affairs team visited Kimball Elementary School to provide demonstrations on how science and the law intersect to direct the provision of clean drinking water. Ms. Mitchell noted that a very tight budget meant some programs, such as the CAP 3 Customer Assistance program, could not be funded. DC Council approved \$125,000 plus CPI to repair leaks on private properties; \$950,000 for lead pipe replacement in DC Public Charter School; \$22.4 million for the FY25 Federal Portion Budget Request Act of 2024 for a combined sewer overflow long-term control plan;

\$900,000 for floodproofing upgrades to homes in vulnerable floodplains; and a one-time transfer of \$150,000 to restore and maintain bioretention beds.

The House passed H.R.2964, the Wastewater Infrastructure Pollution Prevention and Environmental Safety (WIPPES) Act that requires do-not-flush labeling on disposable wipes, and the emergency version of the DC Water Critical Infrastructure FOI Clarification Emergency Amendment Act of 2024.

Ms. Mitchell reviewed misconceptions about DC Water's disconnection policies, noting that the Authority secures its debt via liens on properties. Tenants may not realize they are eligible to apply for customer assistance programs. Marc Battle, Chief Legal Officer and EVP, Legal and Government Affairs confirmed that initiatives to better inform customers of these programs are being developed. Ms. Mitchell stated that the objectives for the Potomac second source feasibility study are under review.

### *Strategic Management Committee Report*

*Reported by Rachna Bhatt*

Rachna Bhatt reported on the July 30, 2024 Strategic Management Committee meeting.

Wayne Griffith, Chief Administration Officer and EVP reviewed the committee's background and how strategic planning was managed prior to the introduction of Blueprint 2.0. Matt Ries, Vice President, Strategy and Performance reviewed the Authority's strategic management initiatives and reporting noting that planning is built around five organizational imperatives: equitable; sustainable; reliable; resilient; and healthy, safe and well. The imperatives are supported by the 25 themes of Blueprint 2.0.

Mr. Ries reviewed the eight dimensions used by senior management to rate strategic management maturity: leadership, engagement, strategic thinking, organizational thinking, performance measurement, performance management, process improvement, and digital capabilities. Mr. Ries discussed the strategic management maturity performance measurement scale and described a goal refinement process that revisited the 123 goals for FY22 to reduce the list to 93 goals for FY24. He noted annual goal targets started at 0% with the measure's inception in FY22 and reached 38% in FY24. The aim is to achieve 100% through FY28.

Mr. Ries noted that with the department's adoption of Blueprint 2.0, the aim is to align each goal with one of the five strategic imperatives. The Blueprint 2.0 annual report for the Board and DC Council was released in February 2024 and provides an update on the Authority's strategic goals and progress.

The Committee held an executive session to discuss public health and safety matters.

*Executive Committee Report  
Reported by Rachna Bhatt*

Rachna Bhatt reported that the Executive Committee met virtually on July 12, July 19, August 30, and September 4, 2024, to discuss personnel matters under D.C. Official Code § 2-575(b)(10).

On July 12, 2024, the committee also discussed committee assignments as well as the first and second vice-chair roles for Prince George's County.

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

Sarah Motsch reported on the July 18, 2024 Environmental Quality and Operations Committee meeting.

Nicholas Passarelli, Vice President, Wastewater Operations summarized the performance of the Blue Plains Advanced Wastewater Treatment Plant (BPAWTP) for June 2024, noting that all parameters were within national pollution discharge elimination standards permit requirements. The tunnel systems and wet weather treatment facilities captured 16 million gallons without overflows. On-site energy generation from the combined heat and power (CHP) facility and solar panels was 27% of the average consumption. Approximately 2,500 wet tons were sold as Bloom, working toward a goal of 65,000 tons for the fiscal year. To date, 49,000 tons have been marketed.

Moussa Wone, Vice President, DC Clean Rivers Project presented a quarterly update on the DC Clean Rivers program. The Anacostia tunnel system continues to perform well. Over 17.2 billion gallons of overflows and over 10,800 tons of trash, debris, and other solids have been captured by the tunnel system. The design-build contractor for the Potomac River Tunnel is the CBNA-Halmar Clean Rivers joint venture. Procurement is underway for the Rock Creek area to select the construction manager at risk (CMAR) contractor to construct the tunnel. Overall, the Clean Rivers program is projected to be completed \$46.4 million below budget.

William Elledge, Director, Engineering & Technical Services, presented the quarterly update for the Lead-Free (LFDC) program. The number of line replacements in FY24 is ahead of schedule. The metric showing average time to pay contractors was 31 days, just outside of the 30-day target. While the team investigates more cost-effective methods of service line material verification, some funding has been diverted from test-pitting to lead line replacement work, causing the material verification metric to be behind target. A summary of DBE and WBE utilization for master service agreement (MSA) contracts under the LFDC program was presented, and the first cohort of the community activators

employment program was completed. DDOT was not able to waive the public inconvenience fees, increasing the program cost by \$116 million.

The estimated number of lead service lines that will be replaced is 41,157, and the program is nearly 15% complete. Ryu Suzuki, Director, Department of Wastewater Engineering presented on the filter influent pumps vibration resolution and discussed DC Water's journey to resolve vibration issues for the filter influent pumps at BPAWTP. A 10:1-scale model of the pumps was constructed to troubleshoot flow conditions.

David Parker, Vice President, Engineering & Technical Services presented a summary of the budget process, noting that the meetings to begin the next budget cycle would start in August 2024 with a target of presenting the updates to the Board starting in January 2025 and moving toward budget completion in March 2025.

The Committee recommended nine action items for Board approval.

#### *Audit and Risk Committee Report Reported by Floyd Holt*

Floyd Holt reported on the June 25, 2024 Audit and Risk Committee and the Special September 4, 2024 Audit and Risk Committee meetings.

At the June 25 meeting, Helen Hagos, Manager, Enterprise Risk, Policy Management and Internal Audit provided an enterprise risk management (ERM) briefing, highlighting the bottom-up risk assessment approach. She outlined the ERM communication plan and identified next steps for the program, which included engaging stakeholders, advancing the bottom-up process with departments, and improving risk identification.

Dan Whelan, RSM, provided an internal audit update, reporting that RSM was on track with the proposed timeline for the three audits in progress. There were two open high-risk findings, both completed during FY23, and 94% of prior audit findings from FY17 to FY23 are closed out. Management's target closure rate is 95%.

Samantha Bement, RSM provided a Fraud, Waste and Abuse Hotline update, reporting four new calls to the hotline in the quarter. The 22 calls received during the fiscal year had been closed and only one required corrective action.

The special meeting on September 4 reviewed the award of a new internal audit services contract, as presented by John PappaJohn, Procurement Director for Goods and Services. The contract was for five years (three base years and two option years) for an overall cost of \$3.9 million. An open market solicitation was issued, and six firms replied. Two were shortlisted and Cherry Bekaert was selected as the highest ranked and best value. Cherry Bekaert's pricing was slightly less than the current vendor, and the Committee asked if the vendor had prior experience with water utilities. It was noted that

this could not be confirmed, but the vendor does have previous experience with public utilities.

#### **IV. CEO AND GENERAL MANAGER'S REPORT**

Mr. Gadis began his report by thanking former Board Chair Keith Anderson for his tenure with the Authority and highlighted his contributions to the Board. He welcomed Ms. Bhatt as interim chair, noting she has stepped up now and in the past when the Board required leadership.

Mr. Gadis presented three updates related to the equitable, sustainable, and resilient imperatives.

The 2024 summer intern program concluded with an intern expo that highlighted the impressive success of the program and some of the most innovative work happening at the Authority. Interns took part in several impactful programs, including projects to improve automation to enhance polymer efficiencies, advancements in hydraulic grade line modeling, and research in residuals in drinking water. The expo also provided interns with an opportunity to demonstrate their presentation skills.

On July 10, DC Water priced bonds on a \$600 million refund transaction to save money for rate payers. The purchase will provide rate payers with \$75 million in savings, approximately \$3 to \$4 million annually from FY24 to FY44. Matthew Brown, Chief Financial Officer and EVP Finance, Procurement and Compliance and his team were lauded for seizing upon favorable market conditions to complete the transaction. The transaction was underwritten by Morgan Stanley. Co-managers included Stern Brothers (M/WBE), Academy Securities (veteran-owned), and Blaylock Van (African American-owned). PFM Advisors and Sustainable Capital Advisors (minority-owned and DC-based) assisted with the transaction.

Concerning the secondary water source for region, Mr. Gadis and an Authority team attended the US Army Corps of Engineers scoping workshop for a secondary water source. The project was approved under the Water Bill and is funded by Congress. The Army Corps of Engineers recommended a suite of solutions, including an upgrade to the conventional technologies at the two Washington Aqueduct treatment plants. Completion of the study is mandatory for Congress to fund the capital cost of this upgrade under the Water Act.

Board member Anthony Giancola inquired about the current open high-risk audit findings and whether they would be completed prior to the change of auditor. Mr. Griffith stated that both items are complete and pending testing, and confirmed he would ensure proper transition of any activity for previous audit findings.

Board member Jon Monger inquired about the timing on next steps for the second source of water project. Mr. Gadis stated that over the next six months, the Army Corp of Engineers would be reviewing the recommendations and considering alternatives. The focus has been on the provision of raw water, while strategies are needed to increase the availability of finished water.

Mr. Giancola asked if the government could accelerate the studies. Mr. Gadis noted many steps can be taken to increase available water that do not rely on completion of the study.

#### **V. CONSENT ITEMS (JOINT USE)**

1. Approval to Award Base Year and Two Option Years of Contract No. 10465, Sodium Bisulfite, PVS Chemical Solutions, Inc. – **Resolution No. 24-62** (Recommended by the Environmental Quality and Operations Committee 07-18-24)
2. Approval to Award Base Year and Two Option Years of Contract No. 10466, Sodium Bisulfite, Southern Ionics Inc. – **Resolution No. 24-63** (Recommended by the Environmental Quality and Operations Committee 07-18-24)
3. Approval to Award Base Year and Two Option Years of Contract No. 10467, Sodium Hypochlorite, Kuehne Chemical Co. Inc. – **Resolution No. 24-64** (Recommended by the Environmental Quality and Operations Committee 07-18-24)
4. Approval to Execute Change Order No. 001 of Contract No. 200110, Public Space Restoration Contract FY22 – FY25, Capitol Paving of D.C. – **Resolution No. 24-65** (Recommended by the Environmental Quality and Operations Committee 07-18-24)
5. Approval to Award Three Base Years and Two Option Years of Contract No. 10487, Internal Auditing Services, Cherry Bekaert Advisory LLC – **Resolution No. 24-67** (Recommended by the Audit and Risk Committee 09-04-24)

**Upon a motion made, 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. 03 of Contract No. 220010, Inspection and Cleaning for Local Sewers, RedZone Robotics, Inc. – **Resolution No. 24-66** (Recommended by the Environmental Quality and Operations Committee 07-18-24)

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

**VII, EXECUTIVE SESSION**

The Board met in executive session to discuss a personnel matter under DC Official Code 2-575(b)(10),

**VII. ADJOURN**

There being no further business to come before the Board, the meeting adjourned at 11:15 a.m.

*Michelle Rhodd*

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Michelle Rhodd  
Secretary to the Board of Directors