



**312TH BOARD OF DIRECTORS MEETING
MINUTES OF THE MEETING
OCTOBER 3, 2024
(Via Microsoft Teams)**

DIRECTORS PRESENT

District of Columbia Members

1. Rachna Butani Bhatt, Interim 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. Fariba Kassiri, Principal
2. Jeffrey Seltzer, Alternate
3. Amy Stevens, Alternate

Fairfax County Member

1. Christopher Herrington, Principal

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 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 312th meeting of the District of Columbia Water and Sewer Authority's Board of Directors was called to order by Interim Chairperson Rachna Butani Bhatt 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.

Representatives of the DC Mayor's office attended to swear in three returning Board members representing the District of Columbia: Anthony Giancola, Howard Gibbs, and Richard Jackson. Vida Rangel guided the Board members through the oath of office.

I. APPROVE MINUTES

Chairperson Bhatt asked for a motion to approve the minutes of the September 5, 2024, meeting.

Upon a motion duly made the Board of Directors approved the minutes of the September 5, 2024, meeting as presented.

II. CHAIRPERSON'S OVERVIEW

Chairperson Rachna Bhatt opened the meeting, noting an executive session would be held to discuss two items.

III. COMMITTEE REPORTS

Human Resources and Labor Relations Committee with Union Presidents Report Reported by Jed Ross

Jed Ross reported on the meeting held on September 11.

Mr. Ross provided an overview of the HR Committee's authority and roll, noting that it follows Board governance procedures, takes on issues and items raised to the committee, and has the authority to raise items to the Board. The Committee provides oversight by asking questions and seeking follow-up, and it recommends new bylaws, regulations, or rules to guide the Authority.

Jermaine Quattlebaum, Executive Vice-President of AFGE 631, reported employee morale is low morale and the Authority is experiencing high turnover, suggesting a need for more outside oversight of the leadership by the Board. Concerns include unchecked spending on contractors and travel, rising residential water rates, and the reassignment of engineering jobs to contractors.

Jonathan Shanks, President of AFCE 872, reported that Authority employees have been required to pay traffic tickets issued to DC Water vehicles for parking in restricted areas or bus zones while performing work. A delay in delivering tickets is resulting in some fines

doubling before the employee receives the ticket. Mr. Ross noted that DC Government employees are not exempt from the DDOT rule for these zones. Management is addressing the issue from a labor relations perspective, seeking a Memorandum of Understanding with the City to address the matter. Additionally, the Authority is working with the City to have some fines dismissed.

Kevin Poge, AFSCME 2019, discussed continued problems with Oracle regarding deductions taken out of employee checks when they get extra payments. Mr. Quattlebaum noted issues requesting leave and discussed a since-resolved issue with benefits not appearing in Oracle. Mr. Ross invited the Union presidents to continue to report any unaddressed issues with the Oracle system.

Mr. Quattlebaum discussed the elimination of telework under the Chief Operating Officer cluster and the impact to affected employees. He went on to report on Americans with Disabilities Act (ADA) requests for reasonable accommodations, noting that employees seeking reasonable accommodations under the ADA were experiencing long wait times for decisions. Mr. Quattlebaum stated that telework is critical for those awaiting ADA accommodations. Mr. Ross informed the Committee that that matter will be discussed offline with Management and the Union to protect employee privacy and comply with federal law related to ADA.

Amber Jackson, Vice President of Employment, Labor, & Compliance reported that the Authority received an All-Star award from goDCgo for the Authority's transportation benefits and commuter subsidies. A compensation study is underway and expected to be completed in December. Talent acquisition filled 172 positions since October 1, 2023, while the Summer Internship Expo provided an opportunity for interns to present on their work. Succession planning is ongoing, and the Authority continues to provide tuition assistance to help employees advance in their careers. The Temporary Alternative Duty (TAD) program has allowed many employees with medically cleared temporary restrictions to return to work.

Committee member Jonathan Butler inquired about new hires and asked for the number of departures during the same period. Ms. Jackson stated that departure data is not quantified in a way to support a direct comparison. She noted that for FY23, there were 1.97% involuntary and 5.5% voluntary departures; for FY24 to date, there were 1.64% involuntary and 6.27% voluntary resignations or retirements, for a total turnover rate of 8.63% annualized for the year.

*Special Meeting of the Human Resources and Labor Relations Committee Report
Reported by Jed Ross*

Mr. Ross reported that a Special Meeting of the Human Resources and Labor Relations Committee was held on October 1 to discuss collective bargaining under D.C. Official Code § 2-575(b)(5).

*Special Meeting of the Executive Committee Report
Reported by Rachna Butani Bhatt*

Ms. Bhatt reported that the Executive Committee held a Special Meeting on September 17 to discuss personnel matters under D.C. Official Code § 2-575(b)(10).

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

Howard Gibbs reported on the meeting held on September 19.

Nicholas Passarelli, Vice President, Wastewater Operations, summarized the performance of Blue Plains Advanced Wastewater Treatment Plant (BPAWTP), noting that all parameters were within the national pollution discharge elimination standards permit limits. The tunnel systems and wet weather treatment facilities captured 180 million gallons without overflows. On-site energy generation from the Combined Heat and Power (CHP) facility and solar panels was 22 percent of the average treatment plant consumption. Approximately 1,400 wet tons were sold as Bloom, toward a goal of 65,000 tons for the fiscal year. To date, 53,000 tons have been marketed.

Sylvia Okogi, Acting Senior Manager, Water Operations, reported that DC Water is meeting the service level of fewer than 1% of fire hydrants out of service. Maureen Schmelling, Director, Water Quality provided a water quality monitoring update, confirming that DC Water is in compliance 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 and DC Water KPIs, noting that disbursements are expected to be 94 percent of the baseline budget. Of 36 scheduled KPIs, 14 were achieved within the threshold and 12 were outside of the threshold. Ten more KPIs are expected to be completed within the threshold. Ryu Suzuki, Director Wastewater Engineering, provided an emergency response update, highlighting ongoing emergency responses for the Potomac Interceptor, Manhole 31, the East-West Outfall Relief Sewer, and the Anacostia Main Interceptor. The Blue Plains Flood Wall Project will begin in June 2025.

Forty DC Water employees will have completed Design-Build Institute of America certification training by the end of October 2024. Moussa Wone, Vice President, Clean Rivers, presented the status of the DC Clean Rivers Program, noting areas of focus for the project. He discussed a proposed approach to the rehabilitation of the Potomac Interceptor which includes the delivery of larger projects to increase efficiency. William Elledge Director, Engineering & Technical Services presented on the Lead-Free DC Program and small diameter water main progress, noting that lead service line replacements are expected to meet the annual goal although recently, fewer lead service lines have been encountered. Mr. Guttridge introduced a task order report for the three Master Service Agreements used to deliver capital upgrades. Salil Kharkar, Vice-

President and Senior Technical Advisor discussed the emergency repair response, noting that some repairs can wait for a planned response.

The Committee recommended seven joint-use and non-joint-use action items for Board approval.

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

Mr. Gibbs reported on the meeting held on September 24.

Matthew Brown presented the monthly financial report for August 31, 2024. Overall, revenue was slightly favorable to budget by approximately 2.5 percent. Accounts delinquent over 90 days increased by dollar amount, with the multi-family category accounting for approximately 55% of these delinquencies. Mr. Brown reviewed the Developer Deposits report, noting that the deposits backlog has been a longstanding problem. He also noted a new line item in added to the report to track accounts where developers have been asked for additional information to assist in processing their refunds.

Mr. Brown reviewed the Committee Workplan, noting objectives that had been completed for the year including the 2023 cost of service for engineering inspection study; the 2023 cost of service for stormwater charges and recovery methodology; the DC Water Cares RAP program extension to FY 2024; establishing retail rates for FY 2025 and FY 2026; the 2023 cost of service for water, sewer and CRAIC; the establishment of new DC Water customer assistance program CAP+; and the fire protection service fee for FY 2025, FY 2026, and FY 2027.

*Finance and Budget Committee Report
Reported by Anthony Giancola*

Mr. Giancola reported on the meeting held on September 26.

Matthew Brown presented the August 2024 financial report. Total operating revenue was \$855.4 million or 96 percent of the budget, operating expenses were \$610.8 million or 82.8%, and capital disbursements were \$423 million or 83.2% of the budget.

Mr. Butler inquired about the metric of staff vacancies over 180 days, and whether these positions are fully funded. Mr. Brown noted these vacancies are partially funded as some positions are considered for elimination. The vacancy rate in the budget was adjusted from 6 to 8 percent to better reflect anticipated vacancies. The total number of vacancies is between 170 and 180 positions.

Interest earnings to date were \$10.8 million against a budget of \$7.4 million, due to a policy adjustment to invest more progressively. Delinquent accounts over 90 days were

up to a total of \$32.62 million or 11,555 accounts, of which 55 percent are from the multifamily category. The Chairperson requested that the legal and finance team provide available mechanisms to begin to legally encourage payment of multifamily and commercial delinquencies.

Mr. Brown highlighted a new Overtime by Department report in response to a request by Mr. Giancola to provide the percentage of regular pay. Mr. Giancola stated that it would be helpful to review the overtime trend and consider budget adjustments if it is consistent.

A Capital Improvement program quarterly update highlighted a revised 2024 budget of \$448.6 million. Spending is very close to the baseline estimate and is anticipated to be 94 to 95 percent of baseline spending by year end, a major improvement over previous years. FEMA has confirmed funding to build the last section of the flood wall to protect the plant from a 500-year flood. Mr. Giancola noted that the Authority may begin considering planning for a 1,000-year storm.

Tanya DeLeon, Manager, Risk Management, reviewed the Rolling Owner Controlled Insurance Program (ROCIP), which provides a high level of insurance coverage for construction contractors at reduced rates using the Authority's buying power. Program benefits include support for minority and small business partners, enhanced risk services, lower construction costs, and broader insurance coverage with higher limits. Ms. DeLeon discussed the avoided insurance cost of \$3.6 million, which reflects the cost contractors would pay if they purchased insurance directly. This cost is transferred to the Authority and the Authority realizes savings by making larger purchases at discounted rates. She asked for the Committee to recommend that the Board to pay Chubb Insurance Company \$963,026 pursuant to the ROCIP IV final audit and reconciliation

Ivan Boykin, Vice President of Finance, reviewed the Authority's bond ratings, which are excellent, and discussed the impact of even a small rating reduction on the interest costs of DC's planning borrowing of \$3.3 billion to fund the \$7.7 billion capital program.

The Committee recommended one action item to the Board.

IV. CEO AND GENERAL MANAGER'S REPORT

CEO and General Manager David Gadis provided the report and highlighted two items related to the Healthy, Safe and Well, Resilient, and Sustainable imperatives.

On September 24, Mr. Gadis represented the Authority at the joint press conference with the Interstate Commission on the Potomac River Basin (the ICPRB) and other regional partners to call attention to the urgent need for a second source of drinking water in the region. Mr. Gadis spoke to the results of the ICPRB study, A Nation's Capital Without Water, and the economic consequences of a supply disruption. DC Water's teams are now focused on ways options to address the situation.

On September 6, 2024, Jeff Thompson, Chief Operating Officer, and Mr. Kharkar represented the Authority in a significant briefing to the National Security Council at the White House. In collaboration with the Metropolitan Water Council of Governments and regional partners, the briefing addressed the capital's heavy reliance on the Potomac River as a primary water source, recalling an algae treatment failure at the Aqueduct that caused a boil water advisory and revealed that the capital's emergency water supply was far less than the estimated 24 hours. Potential solutions included utilizing the BPAWTP's high quality effluent as an alternate water source, desalination, and adding additional reservoirs. Discussions emphasized maintaining affordability, and the need for substantial federal support given the national security implications.

On September 12 and 15, 2024, the Authority held two hazardous materials response tabletop exercises which comprised two scenarios, to practice for potential crises.

Ms. Bhatt asked that the ICPRB report be circulated to the Board.

Board member Jeffrey Seltzer inquired about the Second Source Project, asking if the Army Corps of Engineers feasibility study for alternatives would include working with the Authority. Mr. Gadis confirmed working with the Army Corps but noted that the Army Corps study is looking at a wider region and not all areas in the region are experiencing the same needs as the capital.

Board member Jared McCarthy asked that a future briefing include regional tie-ins and how these might cover the District in an emergency.

Mr. Giancola encouraged continued discussion about how federal funding can be obtained for these emergency mitigation projects.

V. CONSENT ITEMS (JOINT USE)

1. Approval of CEO and General Manager's Performance Evaluation, Salary Increase, Bonus, and Amendments to Employment Agreement – **Resolution No. 24-68** (Recommended by the Executive Committee 09-17-24)
2. Approval to Execute Supplemental Agreement No. 1 of Contract No. DCFA #536-WSA, Program Management for CSO Long-Term Control Plan and Other Services, Greeley and Hansen LLC – **Resolution No. 24-69** (Recommended by the Environmental Quality and Operations Committee 09-19-24)
3. Approval to Award Three Base Years and Two Option Years of Contract No. DCFA #550-WSA, Process Facilities Program Management (PFPM), Stantec Consulting Services, Inc. – **Resolution No. 24-70** (Recommended by the Environmental Quality and Operations Committee 09-19-24)

4. Approval to Extend Contract No. 10039 for Three-Year Term (IT Software Maintenance Renewal), Geographic Information System Software Maintenance Enterprise Agreement, Environmental Systems Research Institute, Inc. – **Resolution No. 24-71** (Recommended by the Environmental Quality and Operations Committee 09-19-24)
5. Approval to Execute Option Year 2 of Contract No. 10279, Security Systems, Pavion (d/b/a Enterprise Security) – **Resolution No. 24-72** (Recommended by the Environmental Quality and Operations Committee 09-19-24)
6. Approval to Execute Extension No. 4 of Contract No. 20-PR-CFO-30, ROCIP IV Insurance Services, AON Risk Insurance Services – **Resolution No. 24-73** (Recommended by the Finance and Budget Committee 09-26-26)

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

VI. Consent Items (Non-Joint Use)

1. 1. Approval to Amend a Participation Project Between District of Columbia Department of Transportation (DDOT) and DC Water, S Street Revitalization from 7th Street NW to Florida Avenue NW – **Resolution No. 24-74** (Recommended by the Environmental Quality and Operations Committee 09-19-24)
2. Approval to Execute Change Order No. 0005 of Contract No. 200030, Small Diameter Water Main Replacement-16A, Capitol Paving of D.C., Inc. – **Resolution No. 24-75** (Recommended by the Environmental Quality and Operations Committee 09-19-24)
3. Approval to Add Four Additional Contractors to Contract No. 230020, Small Diameter Water Main Replacement (SDWMR) Program – **Resolution No. 24-76** (Recommended by the Environmental Quality and Operations Committee 09-19-24)

Upon a motion duly made, the Board of Directors voted to approve the 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); and a public health and safety matters under D.C. Official Code § 2-575(b)(8).

VIII. ADJOURN

There being no further business to come before the Board, the meeting adjourned at 11:57 a.m.

Michelle Rhodd

Michelle Rhodd

Secretary to the Board of Directors