



**DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY
BOARD OF DIRECTORS
246th MEETING
THURSDAY, OCTOBER 4, 2018**

MINUTES

Present Directors

Tommy Wells, Chairman, District of Columbia
Nicholas A. Majett, 1st Vice Chair, Prince George's County
Ellen Boardman, District of Columbia
Fariba Kassiri, Alternate for Timothy Firestine, Montgomery County
Rachna Butani Bhatt, District of Columbia
James Patteson, 2nd Vice Chair, Fairfax County
David Franco, District of Columbia
Bradley Frome, Prince George's County
Bonnie Kirkland, Montgomery County
Krystal Brumfield, Alternate for Vacant Principal, District of Columbia

Present Alternate Directors

Howard C. Gibbs, District of Columbia
Adam Ortiz, Prince Georges County
Rev. Kendrick E. Curry, District of Columbia
Patty Bubar, Montgomery County
Jed Ross, District of Columbia
Lavinia Baxter, Prince Georges County
Sarah Motsch, Fairfax County (via phone)

DC Water Staff

David L. Gadis, CEO/General Manager
Matthew Brown, Chief Financial Officer
Linda R. Manley, Board Secretary

Chairman Wells called the 246th meeting of the District of Columbia Water and Sewer Authority's Board of Directors to order at 9:35 a.m. Ms. Manley called the roll, and a quorum was established.

Approval of the September 8, 2018 Minutes

Chairman Wells asked for a motion to approve the September 8, 2018 minutes. The motion to approve the September 8, 2018 minutes was moved, seconded, and unanimously approved by the Board of Directors.

Chairman's Overview

Chairman Wells declared that the Utility is still working well and people still love D.C. Water.

Governance Committee

Reported by: Ellen Boardman, Chair

Ms. Boardman stated that the Committee met on September 12, 2018. Korey Gray, Compliance Officer, provided an update on the status of the D.C. Water Works Program. He reminded everyone of the hiring goals which D.C. Water aspires to which are 51 percent of its total contractor workforce to be local residents and 60 percent of the new jobs created by procurements and contracts to be filled by local residents. He advised that there were 80 new positions since October 1, 2017 and that 93.7 percent are in the jurisdictions and 67.5 percent are in D.C. That more than satisfies the goals.

The Commercial Driver's License Training Program (CDL) is now on its second class. There are 2 goals, 80 percent of participants will graduate and 50 percent will be placed in jobs. Out of the 13 new participants, 2 participants have dropped out, leaving 11 participants who are employed. Five are still pending the testing process. Ms. Boardman stated that this is an excellent success rate.

Ms. Boardman reported that the third initiative was the D.C. Water Works Green Infrastructure Initiative which is a collaboration with the Mayor's Office. There were 32 participants, and 21 passed the National Green Program Examination and obtained their certification. Twelve of the 21 are now employed.

The Department of Facilities Summer Training Program had 6 participants who came through the D.C. Department of Employment Services' Project Empowerment Program. Ms. Boardman reported that this was another successful program.

Ms. Boardman indicated that she provided the status on only a handful of programs, with D.C. Water Works being the primary hiring program, and different aspects of it includes CDL Training, Department of Facilities Training, and Green Infrastructure Training for certification. She gave credit to Korey Gray and his staff for pushing the ball forward and expanding the training and hiring programs.

Under the major and non-major construction projects there are 13 active projects, with 5,500 contractor positions available. Of those positions 2,954 or 53 percent are filled with residents from the D.C. Water user jurisdictions and 13 percent by D.C. residents.

Ms. Boardman stated that the Committee received a Blue Drop quarterly activity update report from Alan Heymann, Chief Marketing Officer. As of October 1, 2018 Mr., Heymann moved full time to Blue Drop. He has three full-time employees and one employee who spends 50 percent of his time with Blue Drop and the other 50 percent with D.C. Water. A new Bloom

Sales Director came onboard on October 1. Mr. Heymann highlighted press coverage and conferences attended by staff. There have been changes to the D.C. Blue Drop Board of Directors with the addition of Georgia Ravitz, a D.C. attorney with a family farm in Virginia, and Scott Glass, a manager of Lane Construction. The Board now consists of eight members, with one seat still vacant. Income and expenses are slightly under budget. As requested by a Committee member, additional income statements and budget comparison will be provided in Committee meetings in the future. The next Blue Drop Board meeting is scheduled for October 12.

Blue Drop consulting work was updated. Mr. Heymann reported on projects with the Denver Metro Wastewater Reclamation, the New Orleans Sewerage and Water Board, and some curriculum partnerships with a rural Midwest water co-op. The Bloom product is now available in four stores in D.C. and Maryland. A big target program is underway to market Bloom to farms and construction companies. Also, they are working with Montgomery County and the D.C. Governments to use Bloom as part of their job specs. They are planning to push D.C. Water's contractors to use Bloom as part of their soil spec work.

The Committee recommended a resolution for approval by the full Board. It transfers the duties of the Blue Drop Member Representative and the Chairperson position from Henderson Brown who was Acting CEO and General Manager to David Gadis, new CEO and General Manager.

Human Resources and Labor Relations Committee

Reported by: Bradley Frome, Chair

Mr. Frome stated that the Committee met on September 12, 2018 and the meeting was the scheduled meeting for labor leaders to actively participate by bringing issues to discuss with the Board Committee. Jonathan Shanks, President of AFGE 872, stated that they appreciated what Mr. Gadis has done so far to create a collaborative relationship with labor. Barry Carey, President of AFSCME 2091, and Calvert Wilson, President of AFGE 2553, also agreed with him. Mr. Shanks' labor issue was related to disciplinary action. There was also a discussion about the choice of a new Safety Director and safety in general. Planned methods for improving safety were discussed. Mr. Gadis assured everyone that there would not be a gap in safety during the wide recruitment effort.

Mr. Frome reported that Mustaafa Dozier, Chief of Staff, briefed the Committee on an engagement survey that was completed in 2017. Among the issues discussed were their method for the engagement of employees who participated in the survey and some of the results. Fifty-nine percent of the workforce participated in the survey, an increase from prior year surveys. The survey results were reviewed against those of 12 other utilities. Mr. Frome indicated that there was robust discussion as to what management was doing with the results and collaborative work with employees. Mr. Dozier reported that focus groups have been established in the five departments with the lowest survey results. The CEO has met with approximately 800 employees and shared the results and feedback they received from the survey. Mr. Gadis also shared training and development opportunities.

Mr. Dozier informed the Committee that training profiles have been created for each job training opportunities available for each position.

Mr. Frome stated that they discussed the negative belief by a lot of employees that their input in the survey would not result in any changes. They discussed what management was doing to alleviate that concern and show that the results matter. Mr. Dozier informed the Committee that

discussion would continue at the two-day senior management engagement advancement and how employees can be further engaged. Mr. Frome stated that the next survey will be done in March 2019.

Environmental Quality and Operations Committee

Reported by: James Patteson, Chair

Mr. Patteson stated that the Committee held a fairly short meeting and then toured facilities. The meeting discussion was focused on the three joint-use action items which were recommended to the full Board for approval. The items concerned selecting a qualified contractor to furnish labor, materials, and equipment, and contractor pools to maintain and service the fire protection service. There were two chemical contracts, one for ferric chloride and one for sodium hypochloride. All three were recommended to the Board for approval.

The tour was taken by most Committee members and Mr. Patteson noted that he compared it to the real estate agent tour of facilities. You get an opportunity to look under the hood of the shiny equipment and spend more time looking at the underbelly of the equipment and the challenges faced. The tour included a storm water pump station, combined sewer pump station, at First and D Streets and Main and O, S.E. Mr. Patteson reported on some of the conditions of the equipment and facilities that were built in the early 60's, which included inoperable permanently, automated operations not working and now manually operated, outdated, reliance on alarms or receipt of complaints during road flooding, showed repairs McGyvered with bailing twine and duct tape, very labor intensive in terms of operation, and at the expensive end of the asset lifecycle.

Mr. Patteson reported that the corrective work for equipment is in the baseline budget, is called the constrained asset management program, and will be looked at in future budgets. He stated that he appreciates the leadership of Tommy Wells, Board Chair, and David Gadis, CEO/General Manager, to create a focus on asset management because from the tours it is obviously a very, very important future goal of the program.

Chairman Wells asked for questions. He stated that the tours focus the mind on these assets and he encouraged all Board members to take advantage of them. Chairman Wells also called for D.C. Water to continue to organize tours and try to educate other elected officials as D.C. Water deals with the costs. He stated that it is always cheaper to upgrade than to repair.

D.C. Retail Water and Sewer Rates Committee

Reported by: Rachna Bhatt, Chair

Ms. Bhatt thanked Mr. Patteson for his summary and stated that she felt she was on the tour because he was so descriptive. She agreed that there was a lot to be done.

Ms. Bhatt reported that the Committee met on Tuesday, September 25, 2018 and received a briefing from CFO Brown about the Stakeholder Alliance group that was recently formed. The first meeting was held on September 20, 2018 and was attended by 10 of the 19 stakeholders. Two subcommittees were formed, Infrastructure and Impervious Area Charge (IAC). There was much discussion about the IAC and information which had been shared at public hearings and about its implementation in 2009.

Mr. Gadis commented that it was great sitting in the same room and at the same table with D.C. Water customers who have the same concerns.

Mr. Brown stated that stakeholders are representatives from each ward, along with nonprofit organizations and District residents. There are still vacancies for Ward 6 and Ward 8.

The Customer Assistance Program Expansion was then discussed. Mr. Brown indicated that D.C. Water has worked collaboratively with the District, including the Mayor's Office and the Department of Energy and Environment, on expanding eligibility beyond the current LIHEAP eligibility criteria for customers--a family of four with income of \$59,457. The District and D.C. Water have worked together to maximize how to spend the \$13 million they designated for the expansion. Of D.C. Water's \$6 million, half a million will go toward administrative costs for programming the new customer service system and for developing and monitoring the program. It will provide 3 CCFs of water and sewer services and a 50 percent reduction of the IAC charge, retroactive to October 1, 2018.

Mr. Brown reported that the District has approved \$7 million to provide benefits of up to 100 percent of AMI and IAC credits to nonprofits. There is the current CAP and CAP2 programs, the District-funded portions, and the CAP3 and the IAC Nonprofit Relief programs which are entirely covered by the District. The District has also offered to cover \$1.2 million of additional costs associated with D.C. Water's CAP2 program. The CAP3 is directed at eligible single-family households and individually metered tenants with household income at or above 80 percent AMI or below 100 percent AMI. CAP3 provides a discount of 1 CCF of water and sewer services and 50 percent off the IAC. The IAC Nonprofit Relief Program will provide a credit of 90 percent off the monthly billed IAC, retroactively for the entire year.

The breakdown of the District's \$7 million is basically \$2 million for CAP3 residential customers and includes \$1.2 million that they could contribute to D.C. Water's CAP2 Program and \$4.35 million for the IAC Nonprofit Relief Program. Another \$650,000 is to cover administrative costs.

The next steps and issues for CAP Expansion is the proposed regulations which require a public hearing if approved by the Board at its October meeting. The Committee had extensive discussion and at the end, the Committee recommended approval by the full Board.

Strategic Planning Committee

Reported by: Tommy Wells, Chair

Chairman Wells stated that the Committee met on September 25, 2018 and received a briefing from Sarah Neiderer, Strategic Planning Officer, on the updated Strategic Plan now referred as The Blueprint. The Strategic Plan is undergoing a refresh to focus priorities and resources and to ensure employees and stakeholders are working towards common goals. Ms. Neiderer reported that 98 percent of the original plan has been accomplished and that this is the right time to undertake a refresh. A new vision was voted on by 900 D.C. Water employees which stated, that the utility will be known for superior service, ingenuity, and stewardship to advance the health and wellbeing of its diverse workforce and communities. Key objectives are to redesign D.C. Water's vision and focus, make it staff driven with Board input, support, increases in Board oversight, focus on priorities, greater staff engagement, connecting to the enterprise and interdependencies, and a two-year outlook. Ms. Neiderer listed six strategic programs as the employee experience, leveraging technology, driving performance, operational safety, customer affordability, resilience, and readiness. Each strategic program has an executive sponsor. A comprehensive communication plan will be released along with outcomes in the coming months. The Blueprint will be refreshed every two years as to what the priorities are.

It was recommended by a Board member that Board oversight be increased and that the full Board become the Committee of the Whole for Strategic Planning and meet biannually. Other members recommended that there be more frequent quarterly meetings and the General Manager said that he would support it. An entire day at the Senior Staff Advancement will be dedicated to discussing the Blueprint and further developing it.

Chairman Wells reported that the Committee recommended approval of The Blueprint by the full Board.

Chairman Wells asked the Prince George's County members, Nicholas Majett, Bradley Frome, Adam Ortiz, and Lavinia Baxter, to come forward for swearing-in following their reappointment. The swearing-in was done by a representative of the Mayor's Office. Chairman Wells thanked the Prince George's delegation for their willingness to serve.

General Manager's Office

Reported by: David Gadis, CEO/General Manager

Mr. Gadis stated that one of the things he likes to do is thank D.C. Water's most important or valuable resource, the people of D.C. Water. Every month he will look for emails from customers that honor and pay tribute to those employees who work so hard for everyone. The first employee is Jayson Poland of the Sewer Services Group. Mr. Gadis read a letter from a rate payer commending Mr. Poland for his exceptional service. The rate payer stated that his or her mother had dropped her keys down the sewer accidentally near the Navy Yard and Mr. Poland retrieved them even though it was a weekend. He showed his great character and professionalism, kindness, and understanding. The rate payer wanted to notify D.C. Water of his efforts and wanted him to get a good mark in the book or a bonus or a raise. They wanted Mr. Poland to be notified of their accolades. Mr. Gadis stated that this is the type of thing a lot of the employees do on a daily basis but never receive recognition for. He asked Mr. Poland to come forward for his thanks.

Next was a larger group of employees. Mr. Gadis reported that D.C. Water always receives awards. Another one was received for the Blue Plains Advanced Wastewater Treatment Plant from the National Association of Clean Water Association's (NACWA) Platinum 6 Peak Performance Award for Excellence and Permit Compliance. The award was recognition for 6 years of complete and consistent National Pollutant Discharge Elimination System (NPDES) Permit compliance. D.C. Water and other honorees were recognized during NACWA's Annual Utility Leadership Conference held on July 24, 2017, in Boston, Massachusetts. Mr. Gadis stated that the award is testament to the commitment and hard work of D.C. Water's operations and maintenance staff here at Blue Plains. He noted that front-line staff's willingness to endure adverse weather conditions, work night shifts, and overcome obstacles has allowed D.C. Water to be recognized as a world-class utility. Mr. Gadis had a small group who represented the entire Blue Plains team to stand so that others could celebrate their accomplishments, have a picture taken, and a plaque presented. The employees were Tiffany Marr, Steven Douglas, Chester Hunter, Bill Adams, Davis Hamilton, Shawn Murchinson, and Sharita Lyle.

Mr. Gadis thanked the Board for the opportunity to recognize and honor the staff in the Board meeting setting. He noted that what the employees do is so important based on what D.C. Water, customers, and visitors look for them to do.

Mr. Gadis began presenting a summary of the General Manager's Report by discussing the New Anacostia Second High Pressure Zone and the St. Elizabeth's Water Tower. He reported

that the pressure is up and they have finished with upgrading and putting the system online. This is a very important project since the affected community had low water pressure which effected their lives. Now more than 6,000 residents in Ward 8 have pressure at 85 psi or above. In addition to the more than \$100 million invested in the infrastructure, efforts were made to target the older pipe and replace them. There still were 22 water main breaks during the timeframe. Pressure reducing valves and filters were installed when appropriate.

The establishment of the Stakeholder Alliance was Mr. Gadis' idea and operate in other communities throughout the country. Mr. Gadis stated that they have been able to put together a group of great people who will assist in bringing perspective to a lot of issues that are happening within the community. Each ward designated a representative and individuals were also provided by the hotels, universities, and other organizations. They held their first meeting and have scheduled two others before the end of the year. Mr. Gadis indicated that it was fantastic to sit across from community representatives and work with them to come up with solutions regarding affordability, infrastructure, and other issues they share.

The national search for a Safety Director is underway and provides an opportunity to change the paradigm at D.C. Water and take safety in a different direction.

The threat of the hurricane provided an opportunity to fine-tune communication and coordination with the District and Mr. Gadis assured everyone that in the future D.C. Water will be better prepared.

Mr. Gadis informed the Board that next month they will receive a boil water update. Mr. Kiely, Assistant General Manager for Customer Care and Operations, and his group have prepared a Gantt Chart that addresses nine items that they will address. They are the improvement of operational controls, installment of more effective boundary divider valves, development of safe clearance standard operating procedures, improved SCADA alarm protocol, development of better technology capabilities, improvement in government coordination, improved communication procedures, increased customer outreach, and improvements in the Call Center performance. Mr. Gadis stated that they will provide an update to the Board next month on the status of the issues.

The status of the Automated Meter Reading System replacement was provided by Mr. Gadis. Approximately 80,000 of the designated meters have been completed and they are planning to complete the remaining 10,000 before the end of the year. A lot of maintenance has been required to ensure that everything is efficiently operating.

Consent Items (Joint Use)

Chairman Wells asked for a motion to approve joint use contract action items. Ms. Boardman moved to approve Resolution Nos. 18-63 through 18-67, and it was seconded. The motion to approve Resolution Nos. 18-63 through 18-67 was unanimously approved by the members of the Board.

Consent Items (Non-Joint Use)

Chairman Wells asked for a motion to approve non-joint use action items. Mr. Franco moved to approve Resolution No. 18-68, and it was seconded. The motion to approve Resolution No. 18-68 was unanimously approved by the members of the Board.

Executive Session

Chairman Wells asked for a motion to move into Executive Session pursuant to the Open Meetings Amendment Act of 2010, to discuss legal, confidential, or privileged matters under Section 2-575(b) of the D.C. Official Code. It was so moved and seconded. The Board went into Executive Session at 10:22 a.m. and resumed at 11:17 a.m.

There being no additional comments and issues, Chairman Wells adjourned the meeting at 11:20 a.m.


Secretary to the Board of Directors