



**DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY
BOARD OF DIRECTORS
245th MEETING
THURSDAY, SEPTEMBER 6, 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
Timothy Firestine, Montgomery County
Rachna Butani Bhatt, District of Columbia
Sarah Motsch, Alternate for James Patteson, Fairfax County
David Franco, District of Columbia
Lavinia Baxter, Alternate for Bradley Frome, Prince George's County
Ivan Frishberg, Alternate for Emile Thompson, District of Columbia
Bonnie Kirkland, Montgomery County
Krystal Brumfield, Alternate for Vacant Principal, District of Columbia

Present Alternate Directors

Howard C. Gibbs, District of Columbia
Fabira Kassiri, Montgomery County
Anthony Giancola, District of Columbia
Patty Bubar, Montgomery County
Jed Ross, District of Columbia

DC Water Staff

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

Chairman Wells called the 245th meeting of the District of Columbia Water and Sewer Authority's Board of Directors to order at 9:40 a.m. Ms. Manley called the roll, and a quorum was established.

Approval of the July 5, 2018 Minutes and the August 16, 2018 Special Meeting Minutes

Chairman Wells asked for a motion to approve the July 5, 2018 minutes and the August 16, 2018 Special Meeting minutes. The motion to approve the July 5, 2018 minutes and the August

16, 2018 Special Meeting minutes was moved, seconded, and unanimously approved by the Board of Directors.

Chairman's Overview

Chairman Wells welcomed everyone back after the Board's recess. He stated that there would be an Executive Session on issues presented by the General Manager that would be part of the Board's challenge going forward.

Joint Meeting of the D.C. Retail Water and Sewer Rates and the Finance and Budget Committees

Presented by: Timothy Firestine, Chair

Mr. Firestine stated that the meeting was held almost two months ago. The purpose of the meeting was to discuss the proposed transfer from the Rate Stabilization Fund of \$6 million. He indicated that the members of the Board know what action has occurred since the meeting.

Environmental Quality and Operations Committee

Presented by: Howard Gibbs, Vice Chair

Mr. Gibbs indicated that the Committee met on Thursday, July 19, 2018. The meeting began with a presentation on the path to asset management. Ms. Dandach, Director of Wastewater Engineering, spoke about sewer and storm water pump stations. The stations include the Main Pump Station which was originally built in 1908. It has an estimated rehabilitation cost of approximately \$55 million and needs replacement of inoperable gates, low area pumps, storm water pumps, and upgrades to the ventilation and older control units, storm water discharge conduit screens, and the storm water chamber. Ms. Dandach reported that D.C. Water's risks on this facility include an overflow to the Anacostia River, an inability to control upstream flooding, collapse of the storm water conduit, and violations of the National Pollution Discharge Elimination System Permit and the consent decree.

Mr. Gibbs stated that they also looked at the Potomac Pump Station built in 1963. Rehabilitation is estimated to cost \$7.5 million for replacement or new installation of a seal water system, access platforms, air release valves on main form, and screen conveyors. The risks include an overflow to the Potomac River and catastrophic failure due to hydraulic transience leading to regulatory violations.

The Committee also looked at the following facilities: O Street Pumping Station which was built in 1963 that requires \$56 million for rehabilitation; 1st Street and Canal Street Storm Water Pump Station built in 1968 which requires an anticipated cost for rehabilitation of \$2.6 million; and the 1st Street and D Street Storm Water Pump Station built in 1962 which requires \$5 million to rehabilitate. The risks of no rehabilitation of these facilities were summarized by Mr. Gibbs.

Mr. Gibbs stated that their length discussion made the tour of the facilities impossible and that it would be rescheduled for a future meeting.

Two joint use contracts were presented to the Committee—the electrical equipment power distribution service by M.C. Dean and the security systems integration and management. The Committee was concerned as to whether or not the security upgrades were mandated by the

government, and if so, whether they would pay for it. Mr. Gadis stated that it is not mandated but D.C. Water feels it is important to do. The government will not help pay for it.

Mr. Gibbs reported that Aklile Tesfaye, Assistant General Manager for Wastewater Treatment, presented an update and stated that the Blue Plains Advanced Wastewater Treatment Plant met all performance parameters in an excellent manner. During the month of June 2018 the region received above normal rainfall of 5.21 inches. Peak flows were experienced in the first week of June which resulted in complete treatment of 614 million gallons per day. The Plant's performance was excellent and the event had a minimal impact on the quality of the effluent discharged through the complete treatment outfall.

Audit Committee

Presented by Nicholas Majett, Chair

Mr. Majett stated that the Audit Committee met on Thursday, July 26, 2018. They received a report from the Internal Auditor, the Internal Audit Status Plan update, and a tentative timeline for the remaining audits for this year. The Auditor spoke about the work order management audit which is currently in the reporting phase and stated that the Committee would present a full report at its October 2018 meeting. The upcoming Automated Meter Reading (AMR) implementation update will also be presented at the October meeting. It will focus on billing adjustments and the internal audit risk assessment.

Sophie Tomeo presented the status of prior audit findings. For findings prior to 2015, there is one open item related to water services pending a comprehensive update to standard operating procedures. The anticipated completion date is November 1, 2018. Mr. Majett stated that the Committee probably would report on that at the Board meeting in November or December.

Ms. Tomeo spoke about a pilot program to document when overtime is offered to employees and if the employee accepts or declines the overtime.

Mr. Majett reported that the Committee received an update on nine other open items for the FY 2016 audit, three of which are related to the Strategic Plan and will be incorporated into the upcoming cycle audit of the Strategic Plan. Management indicated that the completion date is October 2018.

Six action deferred items were discussed. One item has already been negotiated with the unions and is pending the signature of the General Manager. Four of the remaining six items are under review by Labor Relations. The final deferred item related to the comprehensive Safety Policies and Procedures Handbook has already been submitted to Labor Relations to begin union negotiations.

Mr. Majett stated that Contracting Officer's Technical Representative (COTR) training has taken place. Another phase of the remediation plan is the implementation of an initial COTR vending report.

Gail Reyes detailed the review of the Department of Engineering and Technical Services procurement of wastewater treatment contracts. No high-risk findings were found.

Ms. Reyes reported that the calls on the Hotline have been declining. Since the January 2018 audit when six calls were open, two additional calls were received. One call was a fraud claim. Two cases have been closed and six cases are open.

The Committee received an action item to modify the current external audit services contract with KPMG. The Committee reached an agreement to recommend the modification for approval of the full Board.

Finance and Budget Committee

Presented by: Sarah Motsch

Ms. Motsch stated that the Committee met on Thursday, July 26, 2018 and received a Financial Report for June 2018 from Matthew Brown, Chief Financial Officer. He reported that operating revenues were a little less than expected and budget and operating expenses were a little higher. Mr. Brown indicated that some of this is due to a delay in revenue in terms of residential, commercial, and multi-family categories and slightly lower consumption. He noted that he expects consumption will go up as the summer season progresses.

Mr. Brown reported that operating expenditures are in line. There is a slightly higher than budget spending in personnel services, which is a result of both the Board ratified union labor contract, as well as salary adjustments and overtime costs. He stated that the budget is expected to be in line by the end of the year.

Capital disbursements tend to trend higher. Mr. Brown stated that the current forecast is \$487.7 million versus the previously reported \$480 million, an increase of \$7 to \$8 million.

Mr. Brown stated that the Environmental Quality and Operations and the Finance and Budget Committees will receive detailed information on the project cost drivers in the quarterly report released in September 2018.

Ms. Motsch stated that there was much discussion on the merchant credit/debit card processes because of the bank fees of approximately \$2.88 for each transaction. D.C. Water has no control over the increase in merchant card fees which make up approximately 92 percent of the fee structure for any credit or debit card services or payments received by D.C. Water. The Committee was informed that other local utilities in the region handle it in different ways. Pepco, Washington Gas, and others charge a convenience fee to their customers to offset the expenses. CFO Brown indicated that Management will provide recommendations on charging a convenience fee as required by the Board's policy. He reported that they are preparing to undergo a request for proposal process that would require the banks to include a service organization control which will help to understand a company's efficiency in processing the payments and make sure they are in compliance.

Tanya DeLeon, Manager of Risk, provided an update overview of the Authority's insurance renewal by exception. The annual processes for the insurance premiums have been completed and are in line with the budget at approximately \$2.8 million. The premiums were renewed effective July 1, 2018.

CFO Brown provided an update on the use of the projected net cash position. The total revenues and financial plan is \$620.5 million and the year-end projection is \$626.4 million, which leaves almost a \$6 million favorable variance. The year-end O&M expenditures will be over budget by approximately \$3.4 million due to personnel service costs, and that overage will be offset with a reduction in the CAS finance capital improvements.

The capital budget will be exceeded by \$37.8 million, including capital projects overspending of \$41 million. This will be offset by underspending in capital equipment to bring the budget back in line. CFO Brown recommended that the Committee apply \$18 million in net operating cash to the capital program through PAYGO. The Committee recommended the action and the approval of additional funding for the merchant credit and debit card process contract extension to the full Board for approval.

General Manager's Report

Presented by: David Gadis, CEO/General Manager

Mr. Gadis stated that in keeping with D.C. Water's culture which is about people, places, and pay, he welcomed new employees to the Blue Team and the D.C. Water Team. He asked them to stand for recognition when their names were called. The new employees were as follows: Saul Cezek, Supervisor in the Equipment Reliability group; Kenneth Craft, Operations Program Manager in Utility Services; Carlos Green, Foreman in the Wastewater Treatment Division; Wayne Griffin, Chief Performance Officer; Anjuman Islam, Manager of Water Quality; Patricia Taylor-Lytle, Program Manager for Human Capital Initiatives and Change Management; Evangelina Lopez, Manager of Benefits and Compensation; Bonnie Milton, Supervisor of Billing; and Makeda Weaver, Program Manager of Talent Management and Employee and Labor Relations.

Mr. Gadis also recognized the promotions of Karen Green to Supervisor in Process Control and Laura Knox to the Manager of Wastewater Maintenance.

The General Manager indicated that he wanted to give three employees a spot award for doing the right things for the utility and for the citizens out in the field. A letter was received from one rate payer stating that he was a grateful and satisfied customer who had the pleasure of experiencing the politeness, determined efforts, and hard work of three D.C. Water employees—Cleveland Brown, Jerry Carr, and Vernon Hammond. The customer thanked D.C. Water for employing three professional, polite, and determined gentlemen who deserve recognition. Mr. Gadis stated that this is important to do because they must pay attention to D.C. Water's most important resource, its people. He wanted to make sure they understand how he appreciates them and how citizens appreciate the hard work they do on a day-to-day basis.

Mr. Gadis spoke about how hard July was for the organization and that they were in the press a lot for the boil water advisory. Mr. Gadis read into the record a statement from an individual. Among the individual's points were the following: Pause, recognize, and applaud municipal accountability and leadership at work; he contacted John Lisle, Chief of External Affairs, and Tommy Wells, Board Chairman who responded in minutes; D.C. Water within five weeks of the event has conducted a full investigation and completed a report with suggested improvements; it is a credit to the City when public servants respond quickly and responsibly, and who says the District does not get anything done in August. Mr. Gadis stated that he wanted to thank Mr. Graham who wrote to the Post, the employees, Mr. Wells, and Mr. Lisle for their efforts.

General Manager Gadis reported that they did a tabletop exercise in August centered on St. Elizabeth's Water Tower that D.C. Water recently brought on line and was increasing the pressure a little per day. This was a surprised exercise on low pressure. It gave some employees an opportunity to think and understand information. Charles Kiley, Assistant General Manager for Customer Care and Operations, and the emergency management group did a fantastic job putting on this tabletop exercise and the employees responded well. It gave

other employees an opportunity that they had not previously experienced and an understanding of what role they will play in future emergencies. They folded into the tabletop the boil water incident.

General Manager Gadis reported that D.C. Water will be going through an organizational assessment. Dan Bae, Procurement Director led D.C. Water through the procurement of a contractor, Accenture, who has partnered with ADC, a local small business from the District. Mr. Gadis stated that D.C. Water has a remarkable reputation in the industry and that it is a great utility. He said that he has observed the organization, its structure and how it operates. It is his responsibility to balance thoughts of how D.C. Water needs to be structured and how it needs to operate to ensure continued success in the future. He wants to have a firm come in and take a look at D.C. Water to make sure it is structured correctly in order to carry forward on the new Strategic Plan. Mr. Gadis stated that he will be reporting more in the future.

The month of September will be busy at D.C. Water. Mr. Gadis reported that they are already receiving requests from Accenture regarding the organizational assessment; so many departments are busy gathering data. Mustafa Dozier, Chief of Staff, and his team will be preparing for the Senior Leadership Offsite Advancement to be held in November. He thanked Henderson Brown for moving forward with the Strategic Plan. Mustafa's group has completed it. They will be meeting with Chairman Wells in a small group and then introducing the Strategic Plan to the Board. They will work on it at the Offsite Advancement.

Mr. Gadis asked for questions. Mr. Giancola stated that in the General Manager's Report it discussed risk assessment and the results of an assessment that was finalized in April. He wanted to know if the Board had been briefed on that and Mr. Gadis replied that they had not. They are planning to first brief senior leadership, the Executive Team, and then brief the Board. The Board asked for this assessment and it was performed by AECOM. Mr. Gadis is reviewing it currently, and it should be ready for the next Board meeting or thereafter. It points out some of the gaps in the organization and they will be prioritized and addressed. It is a timely assessment in that D.C. Water is going through the budget process and this will assist in determining where, when, and how to spend money.

Mr. Giancola also asked about the August exercise scenario. He is hoping that the Environmental Quality and Operations Committee will be briefed on the impacts the exercise had on major systems. Mr. Gadis said it was a great assumption and that they would be happy to share more information on the tabletop and the boil water advisory that was folded into the exercise.

The third question from Mr. Giancola related to drinking water marketing and communications. He stated that there is apparently a letter that is being prepared for mailing in September to 12,000 customers who have lead surface pipes so that they can take advantage of a voluntary in demand service pipe replacement program. Mr. Giancola stated that he owns a house with lead service. He asked if there were any low income loan programs offered by D.C. Water or the City in those areas. Last summer he sent to the General Manager some ideas of what other cities were doing around the country and Mr. Giancola wanted to know if this was being explored. Mr. Gadis replied that he was briefed recently on the District rolling out a program that will have an effect on this organization. He asked CFO Brown to speak about it in more detail. CFO Brown stated that there is some proposed legislation that would set up a program that the District would partially fund for low income residents in order to replace their lead service lines. There is a proposed program whereby D.C. Water would provide loans. Mr.

Gadis added that they are looking at what other communities are doing as well and they are listening so that D.C. Water can bring some of those programs to the District.

In his last question Mr. Giancola asked about short term investments. He stated that D.C. Water's yield on its short term investments is lower than market value or the average. Is that evaluation done in-house for those instrumentalities for short term investments or is there a contractor? Is D.C. Water exploring a better yield on some of these investments? Mr. Brown replied that D.C. Water's assets are managed by PFM Asset Managers, both short and long term investments. The Rate Stabilization Fund is managed by TD Bank. He stated that the short term investments yield is increasing. They do benchmark but it is hard to pick a benchmark that matches D.C. Water's investment methods. As maturities are reached, funds are reinvested at higher rates. Mr. Brown stated that he would be glad to share more information with Mr. Giancola or the Finance and Budget Committee if requested. They are happy with the firm they use and meet quarterly with them to discuss the investments. The yields through PFM are higher than those seen through TD Bank because they are slightly more aggressive.

Consent Items (Joint Use)

Chairman Wells asked for a motion to approve joint use contract action items. Mr. Majett moved to approve Resolution Nos. 18-58 through 18-61, and it was seconded. The motion to approve Resolution Nos. 18-58 through 18-61 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. Ms. Boardman moved to approve Resolution No. 18-62, and it was seconded. The motion to approve Resolution No. 18-62 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) 10 of the D.C. Official Code. It was so moved and seconded. The Board went into Executive Session at 10:17 a.m. and resumed at 11:11 a.m.

Chairman Wells reported that the public meeting would continue. He stated that those Board members who had to leave could leave with the understanding that the Board would take no votes, since the item to be discussed was not on the agenda as an action item.

Issues of General Interest

Mr. Gadis stated that he wanted the Board to know that they are listening and that they are thinking about what is said, taking action, and moving forward. A few months ago the Board asked that they begin to build a budget that was asset management driven. There have been discussions with the Board about pumping stations, small diameter pipe, and those sorts of things. He indicated that he directed the engineering and construction group to begin looking at the CIP Construction Program and how much money it will cost over the next 10 years to address infrastructure investment, and how that affects affordability. Mr. Gadis said that he will talk about preliminary things and what the numbers look like to prepare the Board for the 2020

budget and there and beyond. Also discussed will be the issue of affordability for the rate payers. He indicated that CFO Matthew Brown would assist him with the presentation.

Mr. Brown stated that the Board will receive the budget in January and that the departments have already made their requests. Members of the Board, especially the Environmental Quality and Operations Committee, have hear about the condition of many of the assets. This is the beginning of giving the Board some information, some initial cost estimates for a full asset management program, and what the impact might be on rates. The numbers are big initial estimates. He stated that this is D.C. Water's challenge, infrastructure investment versus affordability which has been discussed for a number of years.

Mr. Brown reiterated that the Chief Engineer had spent a lot of time with the Environmental Quality and Operations Committee talking about horizontal infrastructure, water and sewer pipes, and vertical infrastructure including pump stations and continued investments in the Blue Plains Plant. The Board approved last year a \$4 billion Capital Improvement Plan (CIP) which was a start, initial costs toward full asset management which was everything needed for investment over the next 10 years. This included investments to the Aqueduct and for capital equipment which would be about \$7 billion which will be a significant increase, \$275 or \$280 million more a year than planned in the previous CIP. It could double the plan debt and they had planned to issue about \$1.5 billion in debt. CFO Brown stated that the numbers work at \$3 billion. Leveraging to that extent would be difficult, so they need to figure out a capital program that large, how to find the funds, and how it could be financed. The annual amount of debt service would equal the amount that is spent on operations for all of D.C. Water which is significant.

CFO Brown stated that on the initial run of the Financial Plan they got the metrics to tie out the days of cash coverage but they did not take into account any kind of limit on the percentage of the budget used for financing debt, how much PAYGO would cover.

With the affordability challenges, D.C. Water is implementing the new expanded CAP for household customers in conjunction with the District Department and Energy and the Environment. He believes with the \$6 million allocated by the Board, D.C. Water will have the most generous affordability program in the country. The proposal currently is that coverage will be for households of four making up to \$93,750, double the income limit that other programs cover.

The other challenge is keeping rates as low as possible for everyone and they will continue D.C. Water's efforts to work as efficiently as possible.

CFO Brown reported that there are a number of initiatives being worked on. The first is the General Manager's initiative of convening a stakeholder alliance. It will consist of 20 rate payers from all of the wards, including residential customers, institutional customers, and cemeteries. Citizens will come together so that D.C. Water can listen to them and get recommendations. D.C. Water can better understand what their pressure and pain points are and deliver on some of their recommendations. There will be an outside facilitator leading the group. They have identified the 20 people and will be meeting soon. Three meetings will be held before the end of the year. Councilmember Cheh recommended this at her meeting.

There will continue to be an increased focus on efficiency. The General Manager has directed that a business review of operating and capital spending be conducted. Procurement is taking an aggressive role to try to renegotiate contracts wherever possible to achieve savings and

capture any kind of cost avoidance. CFO Brown reported that the new Chief Performance Officer will help in leading a review of processes and procedures and identification of ways to leverage technology, and to operate more efficiently.

Among other initiatives are the following: (1) D.C. Water is implementing the CAP Expansion Program and will also need to determine its future; (2) a look at rates will continue since much has changed, including implementation of the Water System Replacement Fee, the Clean Rivers Impervious Area Charge (CRIAC); (3) a meeting with the District Budget Office will be held in September to start conversations about how to leverage other resources for the CRIAC, including a room tax; and (4) as directed by the Board, a hard public outreach campaign about the value of water and what customers are paying for in the \$2.7 billion program.

Chairman Wells strongly recommended that under new partnerships they not mention a possible increase in the contribution from the District Government for relief for rate payers. It might create the idea that residents will be taxed more by the District to pay for the contribution.

Mr. Giancola made the following comments: (1) suggested that the word “generous” not be used in discussing subsidy programs because it might be interpreted as saying that D.C. Water is doing them a favor; (2) when discussing debt service which comes with more construction and increases in the staff, talk about the staff increases; (3) include discussion of the clean water achievements and how the impervious surfaces fit in to meet EPA’s requirement to extend the period to achieve D.C. Water’s goals; (4) and tell the District the areas in which D.C. Water needs to have them contribute more, reinforcing the issue of long term—5 or 10 years, incrementally increasing the funding of the roads and rights of way for the impervious charges.

Ms. Boardman wanted to know since efficiency is emphasized, whether changes have been made organizationally, especially at the top? Mr. Gadis responded that no changes have been made to date. They will be going through the organizational assessment over the next eight weeks and after that they will begin to see if changes are needed.

Additionally, Ms. Boardman asked about the \$6 million program expansion of CAP that was allocated for a particular budget year from D.C. Is there a fixed time or is it until money runs out? CFO Brown responded that the Board approved \$6 million and up to 3 CCFs and they are working with the District’s Office of Revenue Analysis to better estimate the number of households who might qualify. They will present to the Retail Rates Committee a program that can be funded with the dollars and be scaled as such. The Board resolution authorized the CAP expansion with the benefits broadly defined until the end of the fiscal year. The regulations from the District when published and finalized authorized it for a period of 12 months. Mr. Brown stated that they must bring to the Retail Rates Committee a recommendation of whether it will go to the end of the fiscal year following a January implementation, be a nine month program, or be a 12 month program.

Ms. Motsch asked about the statement by Mr. Gadis and the comment by Giancola related to the rate relief being “generous” or more aggressive than other jurisdictions. She asked how that aligns with those utilities or jurisdictions in terms of cost of living or cost of housing. CFO Brown replied that he has begun to look at other programs but has not completed his review. He looked at various metrics, cost of living, poverty rates, housing costs, etc. The income limits in D.C. Water’s program are much higher. He stated that he will provide that information.

Ms. Motsch also commented on the communication and outreach efforts and recommended that they talk about the value of water and what D.C. Water is doing to deliver safe water. From an infrastructure position, the legacy inherited and affordability should be an important piece of the

communication conversation. Mr. Gadis agreed 100 percent and stated that they are hiring a professional firm to help guide them through this.

Lastly, Ms. Motsch stated that she is concerned that utilities and other organizations wait too long to address some important issues and then go under consent decrees and incur higher costs because it was not taken care of preemptively. She pointed to the Clean Rivers Project. Ms. Motsch wanted to know D.C. Water's next areas where this might occur. Mr. Gadis stated that he thinks that one area that people will begin looking at in the future will be related to the treatment of wastewater and pharmaceuticals and achieving higher levels of treatment. He does not know how much D.C. Water can do right now but they will continue to look at it. Ms. Motsch raised the Clean Rivers Project again and the fact that the focus was on what was going into the river with the flooding. Mr. Gadis stated that they are definitely taking the approach of offensive versus defensive or proactive versus reactive within the span of the amount of money D.C. Water has to spend.

Mr. Gadis stated that in reference to Ms. Boardman's comment about changes made, there is one change he overlooked which relates to the retirement of Rosalind Inge, Assistant General Manager for Support Services, and his appointment of Maureen Holman on an acting basis as Chief Administrative Officer. She was in charge of D.C. Water's sustainability group. With all of the important responsibilities, the position now reports directly to him.

In reference to the stakeholder alliance, Ms. Baxter wanted to know if D.C. Water now had in place any customer advisory group to provide feedback. Mr. Gadis replied no. Chairman Wells stated that to be fair about community feedback, the former General Manager spent a lot of time going to all of the Advisory Neighborhood Commission meetings and having meetings in the communities. He stated that this was a different approach to managing that and he did not want the Board to think there was not a lot of engagement.

Mr. Frishberg stated that members of the Environmental Quality and Operations Committee have been through tours and the scatter charts of risk for assets and that all of those things are particularly sensitized with respect to the infrastructure risk. There are two worlds, two realities that exist when they all come together in a joint conversation about how to manage all of these things. Mr. Frishberg indicated that he believes with the stakeholder engagement part of the goal is to bring those worlds closer to one reality and that direct engagement with the Council, the executive offices, and the Mayor to tour some of the facilities the Board has been touring, and look at the same charts, and be part of that conversation will go a long way. Mr. Frishberg suggested going council member by council member and providing a ward level view of what it means to their constituency and how the risk scatter chart impacts the assets in their neighborhoods. Until that is done and D.C. Water there will be two separate views and it will be hard to collectively solve the problems. Chairman Wells indicated that as D.C. Water asks for a greater contribution from the City, showing them the aging infrastructure and giving some of the shocking possibilities that could happen to the City on their watch and D.C. Water's watch is a great idea.

Chairman Wells asked for additional comments or concerns and there being none, the meeting was adjourned at 11:45 a.m.


Secretary to the Board of Directors