



**DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY
BOARD OF DIRECTORS
266th MEETING
THURSDAY, JULY 2, 2020
MINUTES**

Present Directors

Tommy Wells, Chairperson, District of Columbia
Krystal Brumfield, Vice Chairperson, District of Columbia
Ellen Boardman, District of Columbia
Rachna Bhatt Butani, District of Columbia
David Franco, District of Columbia
Floyd Holt, Prince George's County
Adam Ortiz, Montgomery County
Major Riddick, Jr., Prince George's County
Emile Thompson, District of Columbia
Sarah Motsch for Randy Bartlett, Fairfax County
Adriana Hochberg for Fariba Kassiri, Montgomery County

Present Alternate Directors

Kendrick Curry, District of Columbia
Anthony Giancola, District of Columbia
Howard Gibbs, District of Columbia
Joseph Gill, Prince George's County
Joe Leonard, District of Columbia
Jed Ross, District of Columbia
Steven Shofar, Montgomery County

DC Water Staff

David Gadis, CEO and General Manager
Marc Battle, EVP, Government and Legal Affairs
Matthew Brown, EVP, Finance & Procurement
Linda R. Manley, Board Secretary

Chairperson Tommy Wells (the Chair) called the 266th meeting of the District of Columbia Water and Sewer Authority's (DC Water) Board of Directors to order at 9:32 a.m., via Microsoft teams. Ms. Linda Manley, Board Secretary, called the roll and determined that a quorum was present.

Approval of June 4, 2020 Minutes

The Chair asked for a motion to approve the June 4, 2020 minutes. The motion was moved, seconded, and unanimously approved by the Board.

Chairperson's Overview

The Chair welcomed the Board to the virtual meeting and complimented the staff on their leadership and professionalism in transitioning to telework while sustaining the regular business and operations of DC Water. He also complimented Board Secretary Ms. Manley and her assistant Mr. Stukes for transitioning the Board/Committee meetings virtually. The meetings have run smoothly. The Chair additionally outlined the new process by which the Board will review the performance of the Authority's CEO and General Manager, and announced that the Executive Committee will provide a report on that matter to the Board in August. The Chair then invited the following committees to make their reports to the Board.

Environmental Quality & Operations Committee

Reported by: Adam Ortiz

Mr. Adam Ortiz, reported that the Committee met on June 18, 2020 and was briefed on a proposed memorandum of understanding (MOU) between DC Water and the District of Columbia Department of Transportation (DDOT) to reconcile the costs of the Green Infrastructure Project at Kennedy Street. The briefing was conducted by Mr. Leonard Benson, SVP and Chief Engineer, and Mr. Carlton Ray, Director of the Clean Rivers Project.

By way of background, Mr. Benson and Mr. Ray briefed the Committee on the 2002 memorandum of agreement (MOA) between DC Water and DDOT, which established principles of cooperation on project design, planning, and construction cost sharing and method of payment between the two organizations. In that MOA, it was established that DDOT will incorporate DC Water's utility designs into projects; costs to relocate or modify utilities will be divided evenly between DC Water and DDOT, costs for upgrading utilities will be paid by DC Water, and costs to collect or extend storm water will be paid by DDOT. Mr. Benson reported that the MOA continues to save DC Water rate payers tens of millions of dollars annually by preventing the forced relocation of both large and small DC Water assets, including the Anacostia force main and gravity sewer facility.

Mr. Ray then briefed the Committee on the completion of the Green Infrastructure Project at Kennedy Street, which fulfilled the Authority's long-term control plan consent decree requirements to install green infrastructure in the Rock Creek sewershed by March of 2019. Mr. Ray reported that the project was successful on several fronts, and that it highlighted the benefits cooperation between the District of Columbia and DC Water; the project was completed on time with minimal disruptions both physically and economically, due to its coordination with DDOT streetscape improvements. The final cost of the project to DC Water was \$2.1 million, and Mr. Benson recommended the approval of that funding through the execution of the proposed MOU. The Committee inquired as to which organization would be responsible for maintaining the project infrastructure following its completion, and Mr. Ray reported that the Authority held responsibility and had already designated a contractor for that purpose.

Mr. Ortiz reported that the Committee recommended to place the MOU resolution before the Board for approval, and that the Committee adjourned its meeting with no executive session having taken place.

D.C. Retail and Water & Sewer Rates Committee

Reported by: Rachna Bhatt, Chairperson

Ms. Rachna Bhatt reported that the Committee met on June 23, 2020 and was briefed on the final proposal to amend the bill challenge regulations. The briefing was conducted by Matthew Brown, CFO and EVP of Finance & Procurement, and Ms. Carolyn Mackool, Director of Customer Care.

Ms. Mackool reported to the Committee that, currently, DC Water allows customers to dispute their bills within 10 days from the date of receipt, and that this proposed regulation amendment would extend that challenge period to 30 days from the date of receipt in order to better align with current Authority practices. During the comment period on the proposed regulation amendment, from May 22 to June 22, 2020, the Office of People's Counsel expressed their support for the amendment. Ms. Mackool reported that, following the comment period, no revisions to the proposed amendment are recommended given that the proposed amendment goes beyond the Public Service Commission's 20-day bill dispute window, that DC Water does not require a written request to commence a bill dispute investigation, and that high-usage notification alerts are issued before utility bills. After detailing the timeline of the rulemaking process, a Committee member inquired as to how customer assistance efforts will adjust post-COVID-19 and following a return to normal business; Ms. Mackool expressed DC Water's efforts to direct any concerned customers to the Affordability Program. Mr. Brown reported to the Committee that this proposed regulation amendment is not a direct response to COVID-19's impact on DC Water customers, but rather to improve the Utility's overall customer service practices. Mr. Brown then went on to detail how the Utility has begun to waive late fees, restore service to those who had been previously disconnected due to non-payment, and partnered with the D.C. government to help pay bills, prevent arrears, and extend payment plans directly in response to the impact of the COVID-19 pandemic on utility customers and the local economy.

Ms. Bhatt reported that the Committee recommended the proposal for Board approval, and that the Committee adjourned its meeting with no executive session having taken place.

Additionally, Ms. Bhatt applauded the work of Mr. Gadis, CEO & General Manager, and Mr. Brown for their efforts facilitating, supporting, and attending recent DC Water virtual townhalls with Authority customers.

Finance and Budget Committee

Reported by: Major Riddick, Jr.

Mr. Major Riddick, reported that the Committee met on June 25, 2020 and was briefed on both DC Water's financial status and the FY'20 budget as of May 2020. The briefing was conducted by Matthew Brown, CFO and EVP of Finance & Procurement, and Ms. Lola Oyeyemi, Director of Budget.

Mr. Brown reported to the Committee that Mr. Genes Malasy had been officially appointed to the roll of Authority Controller, whose duties include the oversight of payroll, accounts payable/receivable, the annual audit, and the ERP Platform. Mr. Brown and Ms. Oyeyemi reported to the Committee that, as of May 2020, the Authority's operating expenditures were slightly lower than anticipated, while revenue was slightly higher than anticipated, and that water consumption had risen slightly in recent weeks; Mr. Riddick commented that, per policy, the savings generated between Authority revenue and expenditures would be placed into the Rate Stabilization Fund. Mr. Brown additionally reported that the FY 2018/2019 IMA operating costs

audit of Blue Plains and the MJUL was ongoing, and that the 2013 Rolling Owner Controlled Insurance Program (ROCIP) cost reconciliation would be completed in July and was currently estimated to be worth \$11 million. Mr. Riddick commented that Authority staff estimate the impact of COVID-19 on D.C. water consumption had not yet fully materialized in the available data, but that that impact would most likely be documented in the near future.

Ms. Oyeyemi reported that both year-to-date operating costs and revenue were in line with historical trends, and noted that an unusually high vacancy rate of 11% among Authority staff was likely a contributing factor to the present shortfall in projected operating expenditures. Ms. Oyeyemi additionally reported that Authority cash investments were valued at \$234 million, with the reserve balance being \$165 million; Mr. Riddick noted that the high retail accounts receivable balance, \$15.1 million, was most likely due to an increased deferred payments caused by the COVID-19 pandemic and its impact on the local economy. During the briefing to the Committee, David Franco, inquired as to the status of the amnesty program and it was reported that no decision had yet been made by Authority staff regarding that issue.

Mr. Brown then reported to the Committee that the Authority's property and casualty insurance policy would be renewed on July 1 at a cost of \$3.46 million and contains additional provisions and costs to cover property damages, terrorism, cyberattacks, and worker's compensation.

Lastly, Mr. Brown reported to the Committee on the ROCIP5 program. During its meeting, the Committee reviewed the background and accomplishments of the ROCIP program and Mr. Brown highlighted the costs associated with both the program and its supported projects; the ROCIP5 program is projected to cost \$28.1 million, an increase which Mr. Riddick attributed to greater program participation by minority-owned business enterprises (MBEs) and women-owned business enterprises (WBEs). Mr. Brown detailed the vendor selection process to the Committee and why the present program allowed vendors to submit proposals that did not bundle administrative and safety services. After evaluating the costs and services provided under contracts, Authority staff recommended to the committee that Aon Risk Services and Trinity Safety Services be selected as vendors to operate the administrative and safety aspects of the ROCIP5 program, respectively.

Mr. Riddick reported that the Committee recommended Aon Risk Services and Trinity Safety Services for Board approval, and that the Committee adjourned its meeting with no executive session having taken place.

General Manager's Report

Reported by: David Gadis

Mr. David Gadis, DC Water CEO and General Manager, noted that, for his report to the Board this month, he would attempt to provide updates on programs highlighted in his February 2020 State of Utility address alongside general updates about the Authority and its business. Mr. Gadis additionally noted that he would be providing updates based on their development stages: dream, decide, and deliver, in order to keep the Board abreast of all Authority programs, projects, and processes.

Mr. Gadis reported to the Board that, in September 2020, the Metropolitan Washington Minority Companies Association would be honoring the Authority as the year's most innovative corporate leader for MBEs. Mr. Gadis reported that this was due to the Board and the Authority's work in the last two years to adapt DC Water's business development plan to foster greater participation in Authority contract and procurement activities by certified local, small, and disadvantaged

business enterprises. Those changes to the plan, finalized by the Board on June 4, 2020, established the micro-purchase and simplified acquisition process for certified small businesses to contract directly with the Authority, and removed barriers to small business participation in Authority contracts as prime, joint-venture, or mentor-protegee partners. Mr. Gadis applauded Ms. Boardman, Ms. Bhatt, Mr. Korey Gray, Compliance Officer, and Mr. Dan Bae, VP of Procurement & Compliance, for their efforts in creating, fostering, and enacting these diversity and inclusion programs, and expressed his desire to continue to collaborate closely with the Board as these programs progress further between the dream and deliver stages.

Mr. Gadis commented on the conclusion of Pride Month and the Authority's continued efforts to foster a diverse and inclusive work environment, both at the institutional and individual level, and expressed his sadness that the in-person Pride events this year had been cancelled due to the COVID-19 pandemic. However, Mr. Gadis highlighted the Marion Barry Summer Youth Employment Program (SYEP) and the D.C. Sustainable Energy Utility Workforce Development Program (SEUWDP) as ways in which the Authority continues to leverage its unique place in the community for positive outcomes. During the 2020 summer, DC Water will employ and train nine students as part of the SYEP, with their pay and benefits covered by the District government. The SEUWDP will provide D.C. residents with on-the-job training to develop skills necessary to create opportunities for themselves for the green economy.

Lastly, Mr. Gadis provided comments to the Board on the recent DC Water townhall meetings and requested any feedback the Board may have for how the Authority can improve its customer service and relationships through those meetings, which have transitioned to virtual settings in response to the COVID-19 pandemic. Mr. Gadis applauded Mr. John Lisle, VP of Marketing & Communications, and his team for their work to facilitate and perfect those meetings as a way for DC Water to engage its customers in a real and meaningful way. Mr. Gadis reported that the Authority had received largely positive feedback from participants and commented on his interest in continuing those meetings virtually, even after the COVID-19 pandemic subsides; 90% rated the townhall as very effective, 80% reported that the townhalls provided a better understanding of their utility bills, and 100% reported that the virtual townhall was more convenient than an in-person meeting.

Mr. Anthony Giancola, requested more detailed data on virtual townhall attendance; both comparisons of attendance between virtual and previous in-person meetings, as well as attendance distinguished by Ward and whether the individuals attending participated or simply observed the meeting. Mr. Gadis and Mr. Lisle reported that, overall, attendance at virtual townhalls was greater than at in-person meetings, but that attendance numbers shift dramatically between Wards; Mr. Lisle stated that the Board would be provided the detailed demographic data requested by Mr. Giancola, along with summaries of the questions asked by customers, as soon as his team finishes compiling that data. The Chair commented that townhalls with DC Water customers have traditionally been held by Ward in order to facilitate easier participation, both by residents and Ward Councilmembers, and inquired as to whether the virtual townhalls have obviated the need for dividing these meetings by Ward. Mr. Gadis replied that, while the townhalls have made meetings easier to attend, preliminary feedback from participants indicates that meeting attendees appreciate having meetings divided by Ward because it creates a more focused arena in which neighbors can raise common issues, as opposed to a more open forum for discussing issues across the entire District.

Consent Items (Joint Use)

The Chair asked for a motion to approve Resolution Nos. 20-54 and 20-55, to execute contracts between the Authority and Aon Pic and Trinity Safety Group, respectively, as recommended by the Finance & Budget Committee. A motion to approve the resolutions was made by Mr. Major Riddick, Jr., was seconded by Ms. Krystal Brumfield, and was approved by the Board.

Consent Items (Non-Joint Use)

The Chair asked for a motion from a District member to approve Resolution Nos. 20-56 and 20-57, to execute an MOU between DC Water and DDOT as recommended by the Environmental Quality & Operations Committee, and to publish the notice of final rulemaking for amendments to the bill challenge regulations as recommended by the D.C. Retail Water & Sewer Rates Committee, respectively. A motion to approve the resolutions was made by Ms. Ellen Boardman, was seconded by Mr. Emile Thompson, and was approved by acclamation.

Executive Session

There being no business requiring, or requests for, an Executive Session, the Chair announced that one would not occur.

Adjournment

There being no other comments or business before the Board, the Chair adjourned the meeting at 10:20 a.m.


Linda R. Manley, Secretary to the Board