



**DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY**

**BOARD OF DIRECTORS  
271st MEETING  
THURSDAY, JANUARY 7, 2021**

**MINUTES**

**Present Directors**

Tommy Wells, Chairperson, District of Columbia  
Krystal Brumfield, Vice Chairperson, District of Columbia  
Floyd Holt, Prince George's County  
Howard Gibbs, Alternate for David Franco, District of Columbia  
Anthony Giancola, Alternate for Vacant Principal, District of Columbia  
Adam Ortiz, Montgomery County  
Rachna Bhatt, District of Columbia  
Randy Bartlett, Fairfax County  
Emile Thompson, District of Columbia  
Fariba Kassiri, Montgomery County

**Present Alternate Directors**

Kendrick E. Curry, District of Columbia  
Jed Ross, District of Columbia  
Steven Shofar, Montgomery County  
Ivan Frishberg, District of Columbia  
Joe Leonard, Jr., District of Columbia  
Adriana Hochberg, Montgomery County  
Lavinia A. Baxter, Prince George's County

**D.C. Water Staff**

David Gadis, CEO and General Manager  
Matthew Brown, Executive Vice President for Finance and Procurement, Chief Financial Officer  
Kishia Powell, Executive Vice President, Chief Operating Officer  
Marc Battle, Executive Vice President, Legal Affairs  
Linda R. Manley, Board Secretary

## **Call to Order and Roll Call**

Chairperson Wells called the 271<sup>st</sup> meeting of the District of Columbia Water and Sewer Authority's Board of Directors to order at 9:31 a.m. He wished everyone a Happy New Year. The meeting was held via Microsoft teams. Ms. Manley called the roll and a quorum was established.

## **Approval of the December 3, 2020 Meeting Minutes**

Chairperson Wells asked for a motion to approve the December 3, 2020 meeting minutes. Joe Leonard indicated that he was present. The motion to approve the December 3, 2020 meeting minutes was moved, seconded, and unanimously approved by the Board of Directors.

## **Chairperson's Overview**

Chairperson Wells thanked Joe Gill for his contributions and indicated that he retired in December and was no longer on the Board. He was sent the official Water Drop on the Board's behalf. Chairperson Wells indicated that he was a long time public servant. Chairman Wells informed the Board that he is making changes in some Committee appointments and that Anthony Giancola would assume the Chairperson of the Finance and Budget Committee due to Major Riddick's departure. He noted that based on his discussions with the Mayor's team, Mr. Giancola would become a principal Board member in short order.

Adriana Hochberg has been appointed Chairperson of the Human Relations and Labor Relations Committee. He thanked Emile Thompson for all his efforts as Chairperson during the previous year. All of the other committee chairpersons will continue in their positions. A new official committee list will be distributed soon.

Chairperson Wells moved on to committee reports. Mr. Giancola indicated that based on Sarah Motsch's absence Ms. Manley had asked him to provide the minutes' summary.

## **Finance and Budget Committee**

Reported by: Anthony Giancola

Mr. Giancola stated that the Committee met on Tuesday, December 15, 2020. Acting Chairperson Motsch presided. Ms. Oyeyemi, Director of Budget, presented the Monthly Finance Report through November 2020. She indicated that revenues continue to have a cautionary outlook as Management monitors the impact of COVID-19 on consumption and customer payments. November budget figures include the following: revenues below budget at \$130.8 million, or 17.8 percent of budget, operating expenditures below budget at \$85.6 million, or 13.3 percent of budget, and capital disbursements below budget at \$449.7 million, or 9.7 percent of budget.

Ms. Oyeyemi also reported that D.C. Water received its twentieth consecutive Distinguished Budget Presentation Award from the Government Finance Officers Association for the Approved Fiscal Year 2020 Budget. CFO Brown and Acting Committee Chairperson Motsch both congratulated the Finance Team who won the award while working remotely to implement a new financial system.

After the February 4, 2021 Board meeting, the FY 2022 Proposed Budget will be presented at the budget workshop. There also will be various committee budget reviews during February.

FY 2020 end-of-year audits are underway and a report will be submitted soon. CFO Brown stated that the staff has estimated a revenue decline to the budget in the range of \$30 to \$60 million. The preliminary financial plan which will be the basis for the upcoming budget process in February assumes a \$41 million decline in revenues. They will continue assessing this.

Next, Maureen Holman, Executive Vice President for Administration, provided an update on the 20 year Brentwood Solar Reservoir Licensing Agreement with the project developer. This is a net present value of approximately \$2.9 million for the Authority and estimated revenues of \$4.3 million for D.C. Water. . In keeping with Board directives, this offers D.C. Water an alternate source of revenue, with solar renewable energy credits. The lease agreement will require no capital investment by D.C. Water and will be funded by the solar developer enrolled in the D.C. Solar for All Program funded by Urban Ingenuity, the National Housing Trust, and the National Housing Trust Ingenuity Power. Anticipated net revenues are \$4.3 million for D.C. Water over 20 years. Another benefit of the project is the electricity bill reduction of 50 percent for 500 low-income households in the District depending on how much funding comes from the grants for Solar for All Program.

The Committee recommended approval to execute the Brentwood Community Solar Program License Agreement to the full Board.

### **Environmental Quality and Operations Committee**

Reported by: Adam Ortiz, Chairperson

Mr. Ortiz began his report by echoing the Board's appreciation of Joe Gill who has retired and left the Board after having a long career in environmental public service. He stated that Mr. Gill was a big cheese, having served as Secretary of the Department of National Resources under Governor O'Malley and in the District Court of Appeals and the Attorney General's Office as Principal Counsel for Maryland. Mr. Ortiz thanked Chairperson Wells for recognizing Mr. Gill. Board Members Giancola, Gibbs, and Holt also offered their congratulations to Mr. Gill upon his retirement and on his outstanding credentials serving the State of Maryland. Mr. Ortiz stated that he is now working as General Counsel at the John Hopkins University.

Mr. Ortiz reported that the Environmental Quality and Operations Committee met on December 17, 2021. As usual they received an update on the Blue Plains Wastewater Treatment Plant from Aklile Tesfaye, Vice President for Wastewater Operations. Permit requirements have been met. Mr. Tesfaye informed the Committee that they have completed the root cause analysis regarding vibrations related to the stoppages of six field replacement blowers in the Multimedia Filtration Facility. The analysis was thorough and issues were identified. All blowers are fully functional and scour is 100 percent of the inflow.

Plant effluent quality was excellent and a total of 435 million gallons (mg) of wet weather flows were captured in the tunnel system and treated.

Biosolids hauling averaged 381 wet tons of Class A. Blue Drop sold more than 2,000 wet tons of Bloom in November and included tonnage for the South Capitol Bridge Project which will result in 8,000 cubic yards by the project's completion in 18 months. He reported that the Committee will do a field visit in the Spring to observe full landscaping and Bloom in action.

Mr. Guttridge presented a report on the Fourth Quarter Capital Improvement Program (CIP). Capital disbursements were \$308.5 million below the proposed baseline ceiling of \$405 million. Mr. Ortiz reported that the established target is 15 percent below the not-to-exceed ceiling and

disbursements were 85 to 89 percent of the target by year's end. There were a lot of capital project deferrals due mostly to COVID, and he noted that they further reduced the target by \$10 million. This resulted in actual disbursements at 93 percent of the revised target.

Of the 30 key performance indicators (KPIs) due in Fiscal Year (FY) 2020, 16 have been completed within the 90 day threshold, 3 outside the threshold, and 11 will be completed outside the threshold. Of the 11, 7 were due to COVID project deferrals. Mr. Guttridge stated that the deferrals were a one-time thing.

Mr. Ortiz reported that the Committee also received a report from Ms. Holman on the exciting Brentwood Reservoir Solar Project. The project will generate 1.8 million watts of solar panels with no D.C. Water investment. It includes enrollment in the D.C. Solar for All Program. Also 500 low-income District households get a 50 percent reduction in electric bills, a total expected ratepayer savings of \$4.5 million. Execution of the agreement will provide a resource of guaranteed non-rate payer revenue to the Authority over 20 years. Mr. Ortiz stated that the project will improve that sustainability and resiliency of D.C. Water's operations. This aligns with District and regional goals to combat climate change in reducing the carbon footprint and also supporting vulnerable communities.

The Committee recommended approval of all action items.

Next was a report by Carlton Ray, Director of Clean Rivers Project, on the effects of increased wet weather events on the District. He stated that the September 10, 2020 wet weather event equaled a 10 to 25 year storm which exceeded D.C. Water's capacity. The more intense rainfalls, higher sea levels, higher river tides, and surface flooding all have an impact. He indicated that mitigation measures are underway that impact the CIP and D.C. Water's rates.

### **General Manager's Report**

Reported by: David Gadis, CEO/General Manager

Mr. Gadis stated that he presented the first State of the Utility address almost a year ago which highlighted the key initiatives of the Authority that collectively contribute to its ability to function as a high performing team, enhance resilience and readiness, and efficiently engage with stakeholders. These initiatives include the high-performing team initiative – Enterprise Resource Planning (known as ERP). Mr. Gadis indicated that there has been some good news in the enhancing of the resilience and Readiness Initiative, in the category of reliability funding and infrastructure. The ERP resulted from a 2015 external audit recommendation. The Business Transformation Program named Project Zeus was launched in FY 2020. He stated that he would provide an update in the full June Board meeting on the different approaches to moving forward. The progress of ERP has been disrupted by COVID. However, the ERP Team has completed two phases of the ERP transformation—implementation of the new Oracle Cloud financial and procurement system which has partially gone live in multiple departments. In October Francis Cooper, Director of Enterprise Performance Management, provided an update to the Finance and Budget Committee.

The next phase of Project Zeus was initiated in November 2020 and is in the implementation phase. It includes human capital management, payroll, and budget planning. Mr. Gadis was pleased to report that they are seeing tangible results in moving toward a high performing team.

Mr. Gadis indicated that the Board was aware of reliability funding for infrastructure. The repair, rehabilitation, and replacement of D.C. Water's water, sewer, storm water, and wastewater

infrastructure require significant funds which impacts the budgets and D.C. Water ratepayers. In December 2020 D.C. Water received great news from two rating agencies on the D.C. Water's infrastructure Finance and Innovation Act (WIFIA), \$156 million loan obligation. Fitch affirmed the AA+ plus rating and Standards and Poor's affirmed the AAA rating. Their ratings save D.C. Water rate increases. He thanked Paul Guttridge, Kathleen Kharkar, and Rhonda Green for their work on the WIFIA submission.

Board Member Giancola asked CEO Gadis about the Enterprise Performance Plan being completed by the end of January 2021. He asked that a briefing be scheduled on the report. Board Member Giancola asked about the training programs and how many people have completed it. He would like there to be reporting periodically.

Thirdly, Board Member Giancola asked about the review of all the safety policies and if they have been completed. He wants to know how many elements were identified that need to be updated. It would be nice to know what the results of the report were. He asked that the Board be provided this information for review confidentially and not for public release.

Chairperson Wells stated that he and CEO Gadis had already discussed releasing the report on safety policies to the full Board. He agreed to schedule a meeting. He also agreed to include how many people have gone through the Leading Blue training sessions.

Board Member Bhatt stated that she sent an email to Mr. Gadis about one of the national industry associations who invited D.C. Water to get involved with their programs. He responded that they do not bid on D.C. Water's work in order to avoid any conflicts of interest. She indicated that she found out from Mr. Gadis that they are working with a number of trade organizations to find new contractors to bid on D.C. Water work and she was pleased. She thanked Mr. Gadis and the Procurement Team for their efforts to bring contractors into the D.C. Water fold. Ms. Bhatt stated that they are continuing to increase MBEs, WBEs, etc. D.C. is working hard to make it an open door.

### **Consent Items (Joint Use)**

Chairperson Wells asked for a motion to approve joint use action item. Mr. Bartlett moved to approve Resolution Nos. 21-00 through 21-03 and it was seconded. The motion to approve Resolution Nos. 21-00 through 21-03 was unanimously approved by the members of the Board.

### **Consent Items (Non-Joint Use)**

Chairperson Wells asked for a motion from a District member to approve non-joint use action items. Mr. Giancola moved to approve Resolution No. 21-04 to 21-07 and it was seconded. The motion to approve Resolution No. 21-04 to 21-07 was unanimously approved by the D.C. members of the Board.

Chairperson Wells announced that there was no further business before the Board and adjourned the meeting at 10:09 a.m.

  
Secretary to the Board