



**304TH BOARD OF DIRECTORS MEETING
MINUTES OF THE MEETING
JANUARY 4, 2024
(In-Person)**

DIRECTORS PRESENT

District of Columbia Members

1. Rachna Bhatt, Chairperson
2. Anthony Giancola, Principal (via MS Teams)
3. Howard Gibbs, Principal
4. Jed Ross, Principal

Prince George's County Members

1. Tara Jackson, Principal
2. Floyd Holt, Principal
3. Jared McCarthy, Alternate

Montgomery County Members

1. Jon Monger, Principal
2. Steven Shofar, Alternate

Fairfax County Members

1. Christopher Herrington, Principal

DC WATER STAFF

1. David Gadis, CEO and General Manager
2. Marc Battle, Chief Legal Officer, EVP, Government and Legal Affairs
3. Matthew Brown, Chief Financial Officer and EVP, Finance, Procurement and Compliance
4. Wayne Griffin, Chief Administration Officer and EVP
5. Jeffrey Thompson, Chief Operating Officer and EVP
6. Michelle Rhodd, Board Secretary

The 304th meeting of the District of Columbia Water and Sewer Authority's Board of Directors was called to order by Chairperson Rachna Bhatt at 9:38 a.m. The meeting was held via Microsoft Teams and streamed live at www.dewater.com. Board Secretary Michelle Rhodd called the roll, and a quorum was established.

I. APPROVE MINUTES

Chairperson Bhatt asked for a motion to approve the minutes of the December 7, 2023, Board meeting and the December 11, 2023, Special Board Meeting.

Upon a motion duly made and seconded, the Board of Directors approved the minutes of the December 7, 2023, Board meeting and the December 11, 2023, Special Board meeting as presented.

II. CHAIRPERSON'S OVERVIEW

Chairperson Bhatt informed the other Directors that after several years of service, board member David Franco stepped down from the Board. She thanked Mr. Franco for his service. Due to the timing of Mr. Franco's notification of his departure from the Board, his Water Drop award will be sent to him.

Chairperson Bhatt acknowledged the service of Past Director Wendell Felder, Past Chairperson Tommy Wells, and outgoing Director Tara Jackson. She thanked them for their service and presented each with a Water Drop.

III. COMMITTEE REPORTS

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

Environmental Quality and Operations Committee member, Howard Gibbs, reported that the Committee met on December 14, 2023 and received an update on Blue Plains Advanced Wastewater Treatment Plant Performance (BPAWTP) by Nicholas Passarelli, VP of Wastewater Treatment Operations. Mr. Passarelli reported that all parameters were within the National Pollution Discharge Elimination Standard permit limits. The monthly average flow to complete treatment was 233 million gallons per day for October. The tunnel systems and wet weather treatment captured 193 million gallons with 100% capture. Onsite energy generation from the Combined Heat and Power facility and solar panels for the month was 26% of the average consumption at the treatment plant; and 7,005 wet tons of biosolids were sold as Bloom in October, towards an FY24 goal of 65,000 tons.

Next, Paul Guttridge, Director of CIP Infrastructure Management, Daniel Nguyen, Senior Manager of CIP Program Services, and Ali Mohammad, Manager of Documents Management reviewed how a major initiative has expanded user support by scanning and digitizing DC Water's Technical Information Center physical document archive. The

department started the initiative in 2015 and over 9 million physical pages of documents dating back to 1870 have been transitioned to digital records and those digital records are now available to all users.

Mr. Mohammad reported that archives from 1870 through 2018 posed a risk of becoming damaged or lost due to being almost entirely physical without backup. These files must be preserved in support of retention policy and for historic preservation.

The scanning project and the user facing Technical Information Center SharePoint portal were completed in the summer of 2023, with record consolidation and SOP updates beginning in Fall of 2023. The portal is available for internal users with multiple search capabilities using process areas and metadata filters to speed up search queries. All documents were categorized in collaboration with engineering and operations departments, and with the assistance of legal counsel to ensure ease of access, retention, and confidentiality. Over 5.5 terra bytes of data from over 5,000 boxes of material, and more were scanned.

As a benefit of the project, capital project closeout record turnover will now only take days in contrast with the previous 4-6 months duration, and record retrieval for users will now be accessible within minutes from a user's workstation rather than the 3-5 days required in the past.

The Document Management System provides intelligent, efficient, and secure access. Anyone with DC Water network account access can review the records but only certain documents are available to all users.

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

Retail Rates Committee Chair, Howard Gibbs, reported that the Committee met on December 19, 2023. The meeting began with the Monthly Report as of November 30, 2023 from Matthew Brown, Chief Financial Officer and EVP, Finance, Procurement and Compliance. Overall, revenue was favorable to budget. Collections for Residential, Commercial, and Multi-Family were \$7 million above budget, mainly from revenues received in the first month of the fiscal year. However, November receipts were slightly lower than the budget for this category, and trends will be analyzed after the first quarter. The District Government showed a larger negative variance of \$1.2 million or 29%, primarily due to a partial payment in November that was fully paid in December. Additional details are available in the report.

Mr. Brown reported a decrease in 90-day delinquent accounts to 10,099, though the total balance slightly increased. The largest delinquent balances are in the multi-family category.

Next, Meisha Thomas, Director of Customer Care, presented the final proposal to extend the Residential Assistance Program (RAP) program to FY 2024. A public hearing was held on December 5, 2023, to hear public testimony for the rulemaking related to extending the RAP program. No public testimony was provided at the hearing, and no comments were received by the end of the public comment period on December 12. The Committee recommended that the Board approve the final proposed rule to extend the Residential Assistance Program extension to 2024 until funds are exhausted.

Then, Ivan Boykin, VP of Finance, on DC Water's new Merchant Care fees presented an update on Merchant Credit Card Fees absorbed by DC Water and noted an increase from \$26,000 per month in FY 2017 to \$46,000 in FY 2018, prompting a review of fees and processes. Credit card processing costs increased from \$1 million in FY 2018 to \$2.7 million in FY 2023, a 26% annual increase. Currently, DC Water absorbs these fees, but due to the substantial rise, DC Water is working to pass them on to customers so that fees are charged by the customers that incur them. Starting February 2024, the Residential credit card fee will be \$1.95 up to a \$500 transaction and the Non-Residential credit card fee will be 2.65%. DC Water will continue to absorb ACH fees for both Residential and Non-Residential members so that customers have a free payment option.

Mr. Boykin presented a Communication Plan to inform customers about the fee increase and the reasons behind it. The website will be updated with payment options, and online pay will remain available.

*Finance and Budget Committee Report
Reported by Anthony Giancola*

Finance and Budget Committee Chairperson Anthony Giancola reported on the committee that was held on December 19, 2023. The meeting began with a November 2023 Financial Report by Lola Oyeyemi, VP of Budget. Total operating revenues were \$169.9 million, or 19.3% of the budget; operating expenditures were \$93.8 million or 12.7% of the budget; and capital disbursements were \$52 million or 8.6% of the budget. She stated that the Proposed 2025 Budget and two-year rate proposal would be presented to the Board today. Staff continues to work on various FY 2023 year-end audit activities.

Next, Mr. Brown informed the Committee that the Government Finance Officers Association (GFOA) offers three awards programs for budget and financial documents. DC Water's Budget and Annual Financial Report have been recognized with GFOA awards for about 22 years. This year, for the first time, DC Water's Financial Report, referred to as the Annual Report, was also recognized. Mr. Brown stated that recognition and thanks for the achievement belongs to staff from the Budget, Financial Reporting, Accounting as well as the Office of Marketing and Communications departments.

Winning all three awards is referred to as the “Triple Crown.” Mr. Brown thanked Chief Communications and Stakeholder Engagement Officer and Executive Vice President Kirsten Williams and her staff for their outstanding work in preparing the Annual Report. Mr. Giancola also thanked the team for this great achievement.

Mr. Giancola went on to report that in response to his question whether temporary staff had been engaged to assist with the backlog of permit refunds, Ogechi Okpechi, Director of Permit Operations, stated the consultants were engaged in July. Ms. Okpechi explained that when responses were not received from developers, the consultants moved on to process other requests. The process begins with emails, and calls are only placed if there is an escalation with the issue. Ms. Okpechi stated she was collaborating with the developers to process the refunds more quickly. The refunds are being processed slowly due to requirements including proof of as-built documents, closed work orders, and proof of payment.

In response to Mr. Franco’s request for clarification on the 55% of accounts refunded from June to date, Ms. Okpechi stated that out of the 124 accounts refunded since October 2022, 68 were done in the last six months, which reflects the assistance of the consultants. Mr. Franco asked for the total number of account refund requests to date as a percentage of the total number of accounts with credit balances. Ms. Okpechi explained that each refund request may have multiple accounts. She reported that 1,295 accounts had requested refunds out of about 4,364 accounts with credit balances.

Mr. Giancola stated that the narrative section of the monthly report should be refined to capture detailed information about the questions asked in the meeting both that day and in future meetings. The report should be considered in that narrative to track their progress.

Then, the Committee received a Capital Improvement Program (CIP) Q4 update through 2023 from Dave Parker, Vice President Engineering. Mr. Parker reviewed the Clean Rivers Project, the Blue Plains Advanced Wastewater Treatment Plan, The Combined Sewer Overflow and Sanitary Sewer Projects, the Water Linear Projects, and the Lead-Free DC Program.

Next, Paul Guttridge, Director of CIP Infrastructure Management, presented the CIP Financial Report. The total CIP Disbursement actuals were \$333 million, or 86% of the Revised Budget for FY23. This was a major improvement over the previous year.

The meeting concluded with a report on the Merchant Credit Card fee update and a review of the January 2024 workplan.

IV. ISSUES OF GENERAL INTEREST

Mr. Giancola commented on Tommy Wells' retirement from the Board. He shared his experience working with Mr. Wells. Mrs. Bhatt and Mr. Gibbs also shared their experiences working with Mr. Wells.

V. CEO AND GENERAL MANAGER'S REPORT

CEO and General Manager, David Gadis, began his report by thanking Mr. Wells for his leadership and friendship. He thanked the other Board members who were leaving for their service.

Mr. Gadis provided an update on the Sustainability imperative. In December, Fitch Ratings affirmed DC Water's Double-A Plus Rating on senior bonds. DC Water received the Government Finance Officer Association's Award for Outstanding Achievement in Popular Annual Financial Reporting for the Annual Report covering FY22. For the first time, DC Water has earned the "Triple Crown" for the comprehensive annual and financial report. He thanked Mr. Brown and his team for their hard work that led DC Water to achieve this accomplishment. He also thanked the Marketing and Communications team for their contribution to the publications that helped them achieve the award.

On December 19 and 20, Mr. Gadis participated in "Deck the Employee Town Halls," in which they went to various locations to review the accomplishments achieved over the last year and thank the employees for their efforts. He thanked those who organized the meetings and the ugly sweater competitions.

In relation to the Reliability imperative, Mr. Gadis thanked the front-line crews that conducted out-of-door repairs and delivered water bottles during the cold weather that was experienced on December 24 and 25. Mr. Gadis commended the DC Water crews for their commitment to the Authority and the citizens of the District.

In coordination with the Mayor's Office, all water main breaks reported; and homes without water had bottled water delivered to them. All water breaks were repaired quickly, and there were no remaining issues.

VI. CONSENT ITEMS (JOINT USE)

1. Approval to Add Funding to Option Year 5 and Exercise Option Year 6 of Contract No. WAS-13-048-AA-SS, Constellation New Energy, Inc. – Resolution No. 24-00 (Recommended by the Environmental Quality and Operations Committee 12-14-23).
2. Approval to Execute Contract No. 230050, Emergency Sewer Main IR&R Contract for FY24-FY27, Anchor Construction Company, Inc. – Resolution No. 24-01 (Recommended by the Environmental Quality and Operations Committee 12-14-23).

3. Approval to Execute Contract No. 230080, Water and Sewer IDIQ, Fort Myer Construction Corporation – Resolution No. 24-02 (Recommended by the Environmental Quality and Operations Committee 12-14-23).

Upon a motion duly made and seconded, the Board of Directors voted and unanimously approved the joint use resolutions as presented.

VII. CONSENT ITEMS (NON-JOINT USE)

1. Approval to Add Funding to Option Years 1 and 2 of Contract No. 200070, Green Infrastructure Maintenance Contract B, National Services Contractor, Inc. – Resolution No. 24-03 (Recommended by the Environmental Quality and Operations Committee 12-14-23).
2. Approval and Adoption of Notice of Final Rulemaking (NOFR) for Publication in D.C. Register – Resolution No. 24-04 (Recommended by the DC Retail Water and Sewer Rates Committee 12-19-23).

Upon a motion duly made and seconded, the Board of Directors voted and unanimously approved the non-joint use resolutions as presented.

VIII. ADJOURN

There being no further business to come before the Board, Mrs. Bhatt adjourned the meeting at 10:26 a.m.

Michelle Rhodd

Michelle Rhodd
Secretary to the Board of Directors