



**DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY  
BOARD OF DIRECTORS  
291st MEETING  
THURSDAY, November 3, 2022**

**MINUTES**

**Present Directors**

Tommy Wells, Chairperson, District of Columbia  
Rachna Bhatt, First Vice Chairperson, District of Columbia  
Steven Shofar, Alternate for Fariba Kassiri, Montgomery County  
David Franco, District of Columbia  
Floyd Holt, Prince George's County  
Anthony Giancola, District of Columbia  
Adriana Hochberg, Alternate for Vacant Principal, Montgomery County  
Howard Gibbs, District of Columbia  
Tara Jackson, Prince George's County  
Christopher Herrington, Fairfax County

**Present Alternate Directors**

Sarah Motsch, Fairfax County  
Jed Ross, District of Columbia  
Jared McCarthy, 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, Chief Operating Officer  
Alfonzo Kilgore Stukes, Acting Board Secretary

**Call to Order and Roll Call**

The 291<sup>st</sup> meeting of the District of Columbia Water and Sewer Authority's Board of Directors commenced at 9:31 a.m. with remarks by Chairperson Wells. The meeting was held via Microsoft Teams. Alfonzo Kilgore Stukes, Acting Board Secretary, then called the roll, and a quorum was established.

**Approval of the October 6, 2022, Meeting Minutes**

Chairperson Wells asked for a motion to approve the October 6, 2022, meeting minutes. Mr. Giancola moved to approve October 6, 2022, meeting minutes, which was seconded and unanimously approved by the Board of Directors.

## **Chairperson's Overview**

Chairperson Wells congratulated Board Member Rachna Bhatt on her reappointment and said she serves as Chairperson of the D.C. Retail Water and Sewer Rates Committee. He also congratulated the longest-serving Board Member Howard Gibbs for his reappointment and elevated appointment as a principal Board Member. Chairperson Wells called him a rock and thanked him for assistance to the whole Board.

## **Environmental Quality and Operations Committee**

Reported by: Sarah Motsch, Chairperson

Chairperson Motsch stated that the Committee met on Thursday, October 20, 2022. Aklile Tesfaye, Vice President for Wastewater Operations, updated the Blue Plains Advanced Wastewater Treatment Plant's performance. For September 2022, all parameters were excellent, and all affluent parameters were within the National Pollutant Discharge Elimination Permit limits. The tunnels captured and treated 44 million gallons (mgs) of combined wet weather flows. There was no combined sewer overflow outfall.

It was reported that onsite energy generation from the Combined Heat and Power Facility and solar panels was 25 percent of the average consumption at Blue Plains, exceeding the goal of 20 percent per month.

Chairperson Motsch indicated that biosolids production was 13,500 wet tons and met all Class A Exceptional Quality standards. Approximately 3,500 tons of Bloom was sold. She stated that for Fiscal Year 2022, 56,310 tons were sold, exceeding the goal of 55,000 tons, an outstanding achievement.

Preliminary sampling of Per- and Polyfluoroalkyl Substances (PFAS) met EPA's PFAS strategic roadmap requirement that pretreatment programs include monitoring and source control. The EPA plans to require permitted utilities to prepare sources starting this winter to protect wastewater treatment plant discharges and biosolids applications. Chief Operating Officer Powell indicated that the Committee would receive another briefing on PFASs in response to Committee member questions, including PFAS, PFOA, and PFOS regulatory progress relating to the proposed designation as a hazardous substance and ties into the Comprehensive Environmental Response Compensation and Liability Act.

The Committee received a presentation on the status of different projects of the Tunnel System. The First Street Tunnel outage for the Northeast Boundary Tunnel commissioning approval is planned for the summer months. The Anacostia River Tunnel System comprises the Blue Plains Tunnel, Anacostia River Tunnel, the Northeast Boundary Tunnel, and the First Street Tunnel. The only tunnel which is not in service is the Northeast Boundary Tunnel which is still under construction.

Chairperson Motsch reported that the Committee praised the Clean Rivers team for pursuing alternative methods of working to minimize the risk of significant impacts on customers and the community. Methods include scheduling parts of the demolition work and construction so that riskier work periods were during periods of lower wet weather flow historically.

There was a presentation on integrated supply chain management by Dan Bae, Vice President of Procurement, on a strategy to address the issues. The Finance and Budget Committee was scheduled to receive the presentation in October. Issues include shortages of goods, long lead

times for construction, equipment, and materials, and increasing prices of goods, services, and commodities. Global factors include the pandemic, inflation, monetary policies, and ongoing geopolitical tensions.

Typical procurement is inadequate to address these issues, so Mr. Bae reported that they are expanding procurement processes to total supply chain management. This will allow better management of these issues, actively engaging and procuring directly from manufacturers or key suppliers and forming strategic partnerships. Mr. Bae stated that the cons include additional work required for the new process and increased financial risks for inaccurate forecasting of required materials. Mitigation efforts include establishing the Material Planning Team to foster internal and external collaboration with suppliers and manufacturers and forecasting when materials will be available and when actual construction needs to get started.

Additional information was provided on how the above issues relate to capital programs relating to small-diameter water main replacements, Lead-Free D.C., and sewer pipe Rehabilitation projects. Also, the chemical supply chain issues were covered, and the efforts to ensure D.C. Water is able to source chemicals as needed. Measures taken include sourcing from multiple suppliers and independent supply chains when possible, maintaining multiple inventory locations, maintaining consistent communications with suppliers, and ensuring that bills are paid on time. Storage space at Blue Plains will be identified, and they will work with manufacturers and supplies to yield high storage space prior to delivery.

The Committee considered and recommended one joint-use and two non-joint-use action items for approval by the full Board.

Water Operations Senior Manager Sylvia Okogi, stated that fire hydrants out-of-service were below the 1 percent level established by D.C. Water and the D.C. Fire and Emergency Medical Services Department. As of October 3, 2022, there were 35 of approximately 9,830 public hydrants out-of-service.

Maureen Schmelling, Director of Water Quality, briefed on water quality regulated monitoring for September 2022 and reported that there were no positive results for total coliform from the 248 samples collected. The Lead and Copper Rule sampling for 2022 has commenced, and half the samples were tested, and none were greater than 15 parts per billion.

### **Finance and Budget Committee**

Reported by: Anthony Giancola, Chairperson

Chairperson Giancola reported that the Committee met on Thursday, October 27, 2022. One agenda item, supply chain issues, was previously outlined in the Environmental Quality and Operations Committee meeting summary report by Chairperson Motsch. Chairperson Giancola stated that he would not cover it in detail during his reporting.

CFO Brown stated that the September 2022 Financial Report ended the fiscal year and contained preliminary estimates until the final audit is complete. Operating revenues were \$833.6 million or 104.2 percent of the budget. Operating expenditures were \$623.9 million or 94.8 percent of budget. Capital disbursements were 345.3 or 60.9 percent of budget.

Fiscal Year 2022 was the second fiscal year impacted by COVID, and staff has successfully navigated an uncertain financial environment. CFO Brown indicated that employees and

customers were kept safe, and the Customer Assistance Program was expanded. Overall revenue was within 4 percent of the budget.

Budget Director Oyeyemi reported that the ongoing monitoring of chemicals and electricity prices and cost pressures are expected to significantly impact FY 2023 and beyond. Efforts were increased to backfill vacant positions, including the additional 73 new positions.

Chairperson Giancola stated that he was disappointed in the capital program's low expenditures and hoped this would change later on as the numbers are audited.

Credit card fees and changes were reported on. CFO Brown stated that staff has worked to pass credit card fees to customers, but the efforts were placed on hold during COVID. Aligned with the Strategic Plan, they have worked to reduce credit card fees for retail services. Mr. Boykins, Director of Finance, stated that credit card costs have grown from \$555,000 in 2016 to \$2.2 million in 2022, a 29 percent increase in fees annually. D.C. Water continues to absorb the costs, approximately \$2 million annually, instead of passing them on to customers. According to Mr. Boykin there is a plan to change this, and that nonprofit customers and those covered by the residential cap would not be charged.

Chairperson Giancola noted the next agenda item, supply chain management, which had been previously summarized earlier in this meeting by the chairperson of the Environmental Quality and Operations Committee. One item not covered was whether additional staff would be needed to undertake the inventory and disbursement activities in supply chain management. Mr. Gonzalez, Director of Procurement for Capital Programs, stated that no additional staff will be needed and that Procurement staff will comply with the increased oversight and planning requirements. Also, he stated that D.C. Water has the skill set and resources to address the increased materials planning process requirements.

The last agenda item was the carryover of unexpended MAP and RAP funds. CFO Brown informed the Committee that they will be asked to carry over the funds from FY 2022 to FY 2023. He reminded them that the Board has already approved the extension of the Multifamily and Residential Programs.

Chairperson Giancola asked CFO Brown if D.C. Water needed to consider revising future budgets given the large unexpended balances. CFO Brown replied that the high balances are due to the creation of new programs and the availability of other programs launched by the District and the Federal Government to assist customers, which has mitigated some of those costs and expected expenses.

One action item was recommended to the full Board for approval, the carryover of FY 2022 RAP and MAP funds of \$6.02 million and \$202,000 for administrative costs to FY 2023.

### **Audit and Risk Committee**

Reported by: Floyd Holt, Chairperson

Chairperson Holt stated that the Committee met on October 27, 2022, and there were two agenda items, an Enterprise Risk Management Program briefing and an Internal Audit update. Mr. Griffith provided an update on the Enterprise Risk Management Program and stated that planning is underway for Phase 2, which will include a deep dive into risk identity. They are working with Budget to identify funds to finance components of the next phase.

One high-risk audit finding related to strategic plan monitoring is on target to close by March 31, 2023. Chairperson Holt stated that on prior audits, 96 percent of audits from FY 2016 to FY 2021 have been completed. An audit of the Sewer Operations work order management system was conducted, and there were two findings—failure to capture work order labor hours and material costs consistently. Management is working on an upgrade application and a new manual review to remediate this by January 2023. There was also inaccuracy in reporting Key Performance Indicator (KPI) data for one metric in June. Management has already drafted a new operating procedure to review metrics before including them in the CEO’s Monthly Report.

Chairperson Holt reported that a management assessment of employee retention was conducted to analyze employee satisfaction and engagement at the Authority. The internal audit evaluated risks related to various phases of the employee life cycle and provided an analysis to inform Management of their decision-making surrounding employee initiatives. Also, Internal Audit conducted its annual risk assessment process and shared results with the Committee.

Ten audit projects are scheduled for FY 2023—payroll and timekeeping, procurement audit and CIP scoping work order management, contract compliance, metering, billing and collections, penetration testing, fleet management, business continuity, Oracle IT general controls, and Oracle identity and access management.

Chairperson Holt concluded his reporting by stating that an Executive Session was held to discuss a confidential matter.

There were no Issues of General Interest.

### **CEO/General Manager’s Report**

Reported by: David S. Gadis, CEO/General Manager

CEO Gadis provided four updates on actions and initiatives relating to the Authority’s equitable and sustainable imperatives as outlined in the Strategic Plan, Blueprint 2.0. A series of employee town hall meetings were held between October 3 and 5, 2022, at Bryant Street, Blue Plains, and Headquarters. More than 300 employees attended one of the meetings in person, and many others joined in virtually via Microsoft Teams with the session at Headquarters. An opportunity was offered to recognize the excellent work of D.C. Water’s high-performing employees and teams. Transparency was also made possible on issues that matter most to the staff. CEO Gadis emphasized that, most importantly, the meetings keep employees engaged and completely aligned with organizational goals and imperatives.

CEO Gadis engaged employees during the meetings by presenting D.C. Water’s accomplishments in 2022. These included the 10<sup>th</sup> consecutive National Association of Clean Water Agencies (NACWA) Platinum Peak Performance Award, NACWA Excellence in Management Gold recognition, the Smart Water Project of the Year at the Global Water Summit for the event management system, Water Environmental Federation’s (WEF) Utility of the Future Award, 2022 Trail Blazer Award, and D.C. Water’s capital program’s procurement transformation. Accomplishments also included the progress made by the Lead-Free D.C. Program and the launch of the innovation hub at the Authority. The Authority’s participation annually in WEF Tech’s conference by employees offers an excellent return on investment in terms of employee professional development, succession planning, and knowledge transfer to support organizational sustainability and resilience. Participation also offers professional development opportunities to employees, which helps to attract and retain top talent.

CEO Gadis reported that they are also setting the standard for industry leadership by creating opportunities since 2018 for apprentices as part of the talent development pipeline. The Apprenticeship Program is designed for residents to establish a long-term career with the Authority. The second apprenticeship cohort launched over the summer of 2022, and presently there are 15 apprentices, including five women. The Authority has exceeded the District's goal for minority and women apprentices, with 51 percent and 22 percent, respectively. Trades include building and grounds, maintenance and mechanics, painting, utility services, and utility systems operations. CEO Gadis took the opportunity to recognize the outstanding work of Korey Gray, Vice President of Contract Compliance and Business Development, for building the program for entry-level employees, which is changing lives in the communities and enhancing the talent pipeline.

Lastly, CEO Gadis briefed on equitable and sustainable imperatives, including the recent FY 2023 Leadership Team Retreat for management, leadership, foremen, and above for a strategic steering process. He declared that they emerged from the experience as a stronger, more aligned, and unified team and an excellent return for the investment.

Board Member Giancola thanked CEO Gadis and staff for the CEO/General Manager's Report being a valuable tool for Board members on operation details. He stated that there are still issues with preventative maintenance in the Facilities and Fleet maintenance areas. As an example, he reported that the Facilities' preventative maintenance completion rate went from 89 percent back down to 41 percent in the previous month. Facilities' service request completion rate went from 56 percent to 44 percent. The Report stated that this was because of significant shortages in staff. Lots of recruitment is ongoing. In Fleet maintenance, the preventative maintenance schedule went from a completion rate of 22 percent to 14 percent. Availability of priority fleet vehicles stayed steady and went from 76 percent to 77 percent. Board Member Giancola emphasized that D.C. Water is a business and that they must think outside the box and figure out how to solve the problems. He stated that he appreciates the accolades in many divisions but that the work must get done in these areas.

CEO Gadis stated that they expect to see improvement in the two areas' January and February 2023 time periods. He noted that Fleet is moving to a new facility, and training and other preparations are underway to prepare for the move, and all employees will be trained. COO Powell indicated that they had informed the Board that they are transitioning to a service contract with a vendor specializing in fleet maintenance. They will continue to work with Procurement to make it happen. The new contractor will provide the resources needed. They will closely monitor the vendor for preventative maintenance and work completion improvements in a specific timeframe. For Facilities Management they are working on some recruitment measures. COO Powell emphasized that Facilities, besides maintenance, are responsible for providing services at all the events that occur at the various facilities. She questioned whether adequate staff could complete other work in specific timeframes that meet the metrics measurements. COO Powell stressed that they do not want to change the metrics to make them look better. Those metrics are the level of services they think they should be providing. This is an indication of where additional resources may be needed. She emphasized that they are staying on top of that.

Board Member Giancola questioned whether there is adequate staffing if they are also working on events. He pointed out that 73 new positions are being added next year but not in the "worker bee" areas. He also stated that they have been working on the Fleet contract procurement for some time and wanted to know if there is an end date. COO Powell responded

that for Fleet, that contract would be in place by early January. Facilities have identified positions that they need. Event management includes events at the different facilities and external parties requiring setups, breakdowns, and other services. Event service requests also go through the work order system. COO Powell stated that she would follow up through email with the firm date.

Board Member Giancola asked Maureen Holman, Vice President for Shared Services if she wanted to add something to COO Powell's comments. Ms. Holman said she wanted to add some good news about some of the recruitments. For the Air Conditioning Mechanic, they have identified a current employee and made an offer. Additionally, for other vacant positions, they have identified some contractor employees who have been assisting them with HVAC requirements and are still pursuing these potential employees. One position is the vacant position of Foreman.

Ms. Holman stated that the Director of Facilities and the entire team are flexible and do whatever is required. She said that in addition to event services, the team does such work as the distribution of bottled water as needed and other efforts within D. C. Water. She indicated that everyone is working hard to get the numbers up, adhering to the timeframes.

CEO Gadis added that they are working very hard to fill positions and will continue to work hard. He concluded his report.

Lisa Stone, Executive Vice President for People and Talent, spoke about recruitment and the fact that they committed after going through the town halls to have 40 to 50 requisitions closed. As of August, they were at the 40 requisition mark and she predicted that up to 55 would be closed by the end of the year. They are closing on an average of 15 to 18 requisitions per month; a year ago, it was a third of that. Ms. Stone stated that she wanted to update everyone. They have worked with all parties to identify process efficiencies to get talent within the doors as quickly as possible.

### **Consent Action Items Joint Use**

Chairperson Wells asked for a motion to approve joint use action items. Board Member Giancola moved to approve Resolution No. 22-67, which was seconded. The members of the Board unanimously approved the motion to approve Resolution No. 22-67.

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

Chairperson Wells asked for a motion to approve non-joint use action items. Board Member Giancola moved to approve Resolution Nos. 22-68 through 22-70, and it was seconded. The District members of the Board unanimously approved 22-68 through 22-70.

### **Executive Session**

Chairperson Wells asked for a motion to move into Executive Session pursuant to the Open Meetings Amendment Act 2010 to discuss a personnel matter pursuant under D.C. Official Code Section 2-575(b)(10). It was so moved and seconded. A roll call vote was conducted, and the motion was approved unanimously. The Board went into Executive Session at 10:18 a.m. The public meeting resumed at 11:05 a.m.

Chairperson Wells announced the following committee meetings, which will be on Microsoft Teams: Executive Committee will meet on Monday, November 7, 2022, at 2:00 p.m.; Governance Committee will meet on Tuesday, November 8, 2022, at 9:00 a.m.; Human Resources and Labor Relations Committee will meet on Wednesday, November 9, 2022, at 11:00 a.m.; D.C. Retail Water and Sewer Rates Committee will meet on Tuesday, November 15, 2022, at 9:30 a.m.; Finance and Budget Committee will meet on Tuesday, November 15, 2022, at 11:00 a.m.; and Environmental Quality and Operations Committee will meet at Thursday, November 17, 2022, at 9:30 a.m.

There being no further business or concerns, Chairperson Wells adjourned the meeting at 11:05 a.m.



Alfonzo Kilgore Stukes, Acting Board Secretary