



DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

BOARD OF DIRECTORS 294th MEETING THURSDAY, FEBRUARY 2, 2023

MINUTES

Present Directors

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

Present Alternate Directors

Sarah Motsch, Fairfax County
Jed Ross, District of Columbia
Andrea Crooms, Prince George's County
Adriana Hochberg, Montgomery County
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
Marc Battle, Esq., Executive Vice President for Legal Affairs, Chief Legal Officer
Wayne Griffith, Interim Chief Operating Officer
Debra Mathis, Acting Board Secretary

Call to Order and Roll Call

The 294th meeting of the District of Columbia Water and Sewer Authority's Board of Directors commenced at 9:30 a.m. with remarks by Chairperson Wells. The meeting was via Microsoft

Teams and streamed live at dcwater.com. Debra Mathis, Acting Board Secretary, then called the roll and a quorum was established.

Approval of the January 5, 2023 Meeting Minutes

Chairperson Wells asked for a motion to approve the January 5, 2023 meeting minutes. Mr. Giancola moved and Mr. Gibbs seconded the approval of the January 5, 2023 meeting minutes and the motion was unanimously approved by the Board of Directors.

There being nothing to report in the Chairperson Overview, Chairperson Wells proceeded to the committee reports.

Governance Committee

Reported by: Christopher Herrington, Committee Chairperson

Governance Committee Chairperson Herrington stated that the Committee met on Wednesday, January 11, 2023. The first agenda item was in response to a revenue sharing request from the Washington Suburban Sanitary Commission (WSSC). Matthew Brown, Chief Financial Officer and Executive Vice President of Finance and Procurement, presented the response to the WSSC request. WSSC has asked to share in the revenues from Blue Drop, Bloom, facility rentals, salvage vehicle revenue, and cell sites on multi-jurisdictional use facilities.

Chairperson Herrington reported that CFO Brown informed the Committee that currently the jurisdictions do not contribute to the costs of Blue Drop and they do not participate in the marketing of Bloom. All jurisdictions participate in the savings from the sale of Bloom. The costs of hauling biosolids are shared by user jurisdictions and the District, with cost apportions being rectified as part of year-end settlements.

Blue Drop is used to manage the sale of biosolids at a savings to all parties. Last year the marketing costs of Bloom was only \$22 a ton versus \$40 a ton for land application. WSSC and the other jurisdictions do not participate in the costs incurred by Blue Drop in doing its work.

WSSC has asked the Council of Governments (COG) to intervene, asserting that revenue derived from the processing of wastewater and biosolids processes, which is the sale of Bloom, must benefit all Intermunicipal Agreement (IMA) parties as an offset to the annual operations and maintenance costs. WSSC also expressed concern that Blue Drop itself is not a party to the IMA and that Blue Drop is outside the scope of the Operations and Maintenance Audit performed by their Inspector General's Office.

Chairperson Herrington indicated that in discussion among Committee members, there was a question of whether Keisha Power, D.C. Water's former Chief Operating Officer, and now new leader of WSSC, would participate in the discussions about Blue Drop. This issue has not been resolved and is pending advice from her new legal counsel in terms of whether she chooses to recuse herself or not.

Also, the staff noted that WSSC does not participate in Blue Drop costs and that all costs not shared by IMA partners are thus being borne by D.C. retail customers. The fundamental disagreement is about what revenue sharing has been agreed to in the IMA. D.C. Water will continue to participate in the COG process through its Finance Working Group (the Group). Chairperson Herrington thinks the Group has already met to attempt to reach a consensus. He believes COG is the venue for discussions now since it does provide the forum where all

parties, including D.C. rate payers, are represented. If this process fails, there are additional IMA dispute resolution procedures by which it can be escalated.

Chairperson Herrington stated he and the D.C. Water staff recommend that the Finance and Budget Committee work through the process, look at the definition of revenue and how the IMA prescribes the use of revenues, and think about a framework for how these questions can be resolved with consensus. Staff will continue to keep the Board Committee updated on their progress as they proceed on these issues.

The second agenda item was presented by Korey Gray, Vice President of Contract Compliance and Business Development, on the FY 2022 Certified Business Utilization Annual Report. He informed the Committee that every project, over \$1 million, is subject to D.C. Water's Business Development Plan. D.C. Water sets project specific goals for disadvantaged businesses and women business enterprises. The program is race neutral and there is no minority business program. Firms that are socially and economically disadvantaged and certified by others are utilized. Certifying organizations include the Maryland Department of Transportation's Disadvantaged Business Enterprises (DBE) Certification Program, the District's Department of Transportation's DBE Program, and the District's Department of Small and Local Business Program for Certified Business Enterprises (CBE), and other organizations such as the U.S. Small Business Administration. Prime contractors are required to demonstrate good faith efforts to work with those communities to achieve those goals.

Mr. Gray informed the Committee that there are monitoring efforts to ensure that DBE and Women's Business Enterprises (WBE) firms are being used and paid. He circulated the most recent audit report. Chairperson Herrington stated that the D.C. Water staff and its contractors perform outreach and other engagements efforts to ensure that the certified community is aware of opportunities. D.C. Water solicitations are written to support the participation and that contractors set goals that meet its diversity, equity, and inclusivity initiatives.

Even though there is no locality requirement for participation, D.C. Water's outreach is centered on its user jurisdictions and 74 percent of the awards go to those firms. Within the community as part of the engagement process, D.C. Water's Mentor Program between primes and certified firms. Four new programs were added in FY 2022. As an example, Mr. Gray informed the Committee that the Lead-Free D.C. Program which initially set goals of 25 percent for DBEs and 10 percent for WBEs. It was reported that they have surpassed the goal with 29 percent certified business utilization realized for DBEs and 18 percent for WBEs.

During his presentation Mr. Gray stated that D.C. Water's compliance process starts with setting goals, reviewing the scopes of work, and partnering with Procurement and others end user departments. He gave Engineering kudos along with Procurement in working to ensure that the way solicitations are written includes opportunities for certified businesses, and that they are working in the post-award monitoring phase to see where there is additional work to foster more participation.

Chairperson Herrington noted that even though D.C. Water's program is not currently race-based, staff track it. The report indicates that the non-white firms receive 57 percent of the work which is great. The report also shows that for FY 2024 of the \$468 million in total awards, 44 percent or about \$210 million will go to certified businesses. Chairperson Herrington urged board members to read the report for the breakdown for architecture and engineering, discretionary goods and services, construction awards, and the breakdown in ownership by race and gender. They are on track to meet or exceed goals.

Other accomplishments were highlighted and included CEO Gadis being inducted into the Capital Region Minority Supplier Development Council's Leaders and Legends Hall of Fame. The D.C. Metropolitan Hispanic Contractor's Association recognized D.C. Water as a champion for Minority Business Enterprises. The D.C. Anchor Partnership recognized D.C. Water as an outstanding advocate for local and certified business enterprises.

The last agenda item was an update on the travel policy for D.C. Water staff which had been requested by Chairperson Herrington. The current policy on travel and purchase cards, p-card, were last updated in October 2021. All of the changes can be reviewed in the committee meeting work materials. Procurement Vice President Dan Bae and staff reviewed over 200 air and 300 hotel expenses over the last two years to validate compliance with D.C. Water's policy. They concluded that 100 percent of the expenses complied with D.C. Water's travel policy. Chairperson Herrington stated that he is comfortable that the policy is appropriate and is being consistently applied.

Board Chairperson Wells thanked the Governance Committee and the team for all their hard work.

Human Resources and Labor Relations Committee

Reported by: Ariana Hochberg, Chairperson

Chairperson Hochberg reported that Board Member Fariba Kassiri attempted to join the meeting but experienced technical difficulties and will rejoin as soon as possible.

Chairperson Hochberg reported that the agenda items at the Committee meeting held on January 11, 2023 were comprised of issues raised by the unions. The first was on anti-union acts. Barbara Milton, President of AFGE Local 631, stated that the paid parental leave policy was implemented with participation from three of the union and that the other two unions must negotiate for this benefit. Ms. Milton asked that this be investigated by the Board and was advised by Chairperson Hochberg that because the matter is under litigation, it is not an item the Board is able to speak about in this particular forum. George Spears, Vice President of Labor Relations and Compliance Programs, stated that Committee was informed that the union was not accurate and that Management was prepared to respond to the Board regarding those allegations.

Secondly, Ms. Milton stated that Wastewater Treatment Operators are being asked to work at two duty stations and that Management is not bringing in extra Operators to work overtime when necessary. She noted that this is a safety issue. Wayne Griffith, Acting Chief Operating Officer, stated that Management takes into consideration the safety and well-being of all employees. They are making the most efficient use of resources and understanding the workload and assigning the resources accordingly. Aklile Tesfaye, Vice President of Wastewater Operations, shared that there are four different crew shifts operating the facility and each crew consists of six Operators that work to meet the desired inventory of tasks while adhering to permit requirements for maintaining the desired safety of employees. Mr. Tesfaye reported that there is a meeting scheduled among Management, the union presidents, and staff to work on the issue. If the issue is not resolved, the unions can bring this up at a future Board Committee meeting.

Union President Shanks raised the next issue concerning benefits for dental and vision. He stated there has been an increase in costs due to recent changes to the plans and he wanted to

meet with Management to further discuss it. Ron Lewis, Benefits Manager, provided a detailed explanation of the plans which is available in the meeting minutes. Chairperson Hochberg requested that the unions and Management meet to discuss the issues and try to resolve the issues.

Mr. Shanks raised the next issue which related to Kaiser obtaining employee medical files when an employee is hurt on or off the job. Mr. Spears stated that there were instances when Kaiser may have been slow in returning paperwork and documents, and D.C. Water's account representative has been made aware in order to ensure that records are expedited.

Next was a lengthy discussion on work compensation claims, the process, and regulations. Mr. Shanks stated that the first 21 days when employees use their own leave which allows them to get their records to Management and see doctors, and the fact that sometimes employees do not have 21 days of leave to ensure payment. Mr. Spears raised a number of options to assist employees which include Family and Medical Leave Act (FMLA), short-term disability, and the Voluntary Leave Donation Program. Mr. Spears stated that he is not aware of anyone being in that position.

The last agenda item related to the AON Retirement data. Mr. Spears reported that they are waiting on the vendor to finish gathering data to do a comparison analysis of retirement plans and noted that the data should be available in the next few weeks. When that occurs, a meeting will be held to share and discuss. Ms. Milton asked if the AON representative will be at the next meeting so that time can be shortened.

Some union presidents had concerns about dental and vision union benefits which were changed without union involvement. Mr. Lewis offered to meet union presidents and work to resolve the issues.

After an Executive Session, CEO Gadis thanked the Committee and union partners and declared that he sees them as true partners who can work together to resolve disagreements with commitment. He echoed Mr. Shanks statement that there is one D.C. Water and that everyone will continue to strive to prove it and do the right thing.

Board Member Giancola asked Management if there is an issue with overtime for Operator crews and asked if they are short on staff. CEO Gadis stated that they do not understand what the problem is. They are utilizing the system when overtime is available. When there is overtime, they first call D.C. Water crew members before going outside. Mr. Giancola asked about vacancies and whether they have full staffing. CEO Gadis stated that they do have vacancies but do not feel this is related to the union question.

Environmental Quality and Operations Committee

Reported by: Sarah Motsch, Chairperson

Chairperson Motsch reported that the Committee met on January 19, 2023 and began the meeting with an update from Aklile Tesfaye, Vice President for Wastewater Operations, on the performance of the Blue Plains Advanced Wastewater Treatment Plant. He began by stating that the total precipitation during December was above normal for the month. The monthly average load to complete treatment was 310 million gallons a day which was higher than the rolling 12-month average of 295 million gallons a day. All parameters were met and were excellent, and all effluent and biosolids parameters were within the National Pollutant Discharge Elimination System Permit limits and met Class A Biosolids Exceptional quality requirements.

Calendar year 2022 was the 11th consecutive year that D.C. Water achieved 100 percent compliance with the permit requirements. There were 2.83 million pounds of total nitrogen discharged through the complete treatment during 2022 which is significantly under the NPDES Permit requirement of 4.37 million pounds per year.

For the Wet Weather Treatment Facility, in December there were five wet weather events reported that resulted in the diversion of capture and combined flows into the Anacostia River Tunnel of 233 million gallons of combined wet weather flows. These flows were treated through the wastewater treatment facility. There were no flows through the combined sewer overflows (CSO) outfalls in December.

According to Chairperson Motsch the Committee inquired about the volume of CSOs captured across all systems to date compared to the goal of 96 percent capture targeted by the D.C. Clean Rivers Program. This target requirement was for completion of all tunnel and green infrastructure projects. Mr. Wone, Director of the D.C. Clean Rivers Program, clarified that to date 67 percent of flows are being captured across the system.

Onsite energy generation from the Combined Heat and Power Facility panels for the month was 25 percent of the average consumption at the Blue Plains Plant.

Mr. Tesfaye acknowledged the accomplishments of Dr. Rahil Fofana, Process Engineer in process control systems, who was conferred the first ever doctoral degree from Howard University's Department of Civil and Environmental Engineering. Dr. Fofana's research was focused on advanced nitrogen removal in wastewater treatment. Dr. Fofana published three peer-reviewed journal articles which were presented at numerous conferences. Dr. Fofana won the Best Presentation Award at the International Water Association Biofilm Conference.

The fire hydrant update was presented by Ms. Okogi, Acting Senior Manager of Water Operations. She reported that D.C. Water was below the out-of-service hydrant level of 1 percent or less which was established by the Memorandum of Understanding with the District. As of January 3, 2023, 47 out of 9,835 public hydrants in the system were out-of-service. This equates to 0.25 percent of public hydrants.

The water quality update was provided by Mr. Islam, Manager of Water Quality, on the status of the EPA drinking water regulated monitoring. There were zero positive Total Coliform results from the 249 samples collected for December 2022. Sampling for July through December for Lead and Copper Removal was completed. None of the samples tested greater than the action level of 15 parts per billion for lead.

Chairperson Motsch reported that the Capital Improvement Program (CIP) FY 2023 through 2032 Proposed Budget was presented by Mr. Parker, Vice President of Engineering. The specific details can be found in the meeting package. Mr. Parker presented the approval process and provided an overview of the proposed budget noting high-level proposed program increases and decreases and discussed project spending by fiscal year over the ten year budget period. The proposed CIP budget for FY 2023 through 2032 is \$6.95 billion, an increase of \$0.53 billion or 8 percent from the approved FY 2022 through 2031, which was \$6.42 billion. It was noted that the water and sewer infrastructures were the program areas with the largest contribution to the proposed budget increase.

There were increases for two of the water and sewer systems. The proposed spending for the Sanitary Collection System ramped up spending to achieve replacement and rehabilitation of

small and local sewers to the proposed rate of 1 percent per year. The Water Distribution System increases correspond to the rate of replacement for small diameter water mains from 1 percent to 1.5 percent per year.

Mr. Parker also discussed the approach to incorporate equity considerations as a criteria for prioritization of CIP projects. To date equity scores have been used in the prioritization of lending or infrastructure projects. It was announced that the approach will be presented in a future Committee meeting. The Committee requested that it include metrics on high risk and system-wide projects that have been addressed without equity considerations and details on projects that were incorporated from equity considerations.

The Committee asked if D.C. Clean River Program's construction project time frame for the Rock Creek Green Infrastructure Project Z was still accurate. Mr. Wone, Director of Clean Rivers, clarified that even though planning is ongoing and the design project may be delayed, the construction is still planned to commence in 2025.

According to Mr. Chow, General Manager for the Washington Aqueduct, the FY 2023 through 2024 CIP budgets for the Washington Aqueduct's Proposed Budget for FY 2023 is \$81.8 million, of which D.C.'s share is \$59.6 million. The FY 2024 Proposed Budget is \$44.7 million and the D.C. share is \$34.7 million. Drivers for the proposed costs were addressed for infrastructure needs.

Mr. Elledge, Director of Engineering and Technical Services, and Mr. Guttridge, Director of CIP Infrastructure Management, stated that the District Government has committed to funding for the Lead-Free D.C. Program of \$30 million for private sector replacements. Also, there is \$143 million in funding from the bipartisan Infrastructure Law which is eligible for use by public and private replacements.

D.C. Retail Water and Sewer Rates Committee

Reported by: Rachna Bhatt, Chairperson

Chairperson Bhatt stated that the Committee met on January 14, 2023. CFO Brown provided the monthly report. The 90-day customer delinquencies have increased both in dollar amount and in number. The D.C. Catch-up Program was presented which focuses on reducing the accounts receivables and helping eligible customers in residential, commercial, and multi-family classes bring their delinquent bills back in line with monthly costs and avoid disconnections. Meisha Lorick, Director of Customer Services, reported that the program will waive outstanding late fees and penalties incurred from January 1, 2018 to December 31, 2022. It also provides a ten percent bill adjustment on the remaining balance for eligible customers that take advantage of the program. Customers are eligible if they have outstanding balances for 30 days or more as of December 31, 2022 and have not paid their outstanding balance by January 20, 2023. They must pay the entire catch-up balance to participate. Failure to pay the outstanding charges will subject the account to collection up to and including the termination of service. The multi-family category is more difficult to disconnect due to multiple people living in the property and the disconnect process falls outside of the normal process. D.C. Water is working to identify a receivership for the multi-family category.

Chairperson Bhatt stated that the Committee members had a robust discussion about the program. Some members thought program restrictions should be eased, while others were hesitant about the program. Ms. Lorick and Ms. Williams agreed to review the communication

draft to ensure it represents the Committee's discussions. Members also recommended bringing this program to the full Board for comment.

CFO Brown reviewed the proposed Work Plan for FY 2023 and highlighted ongoing different costs of studies and the schedules.

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

Reported by: Rachna Bhatt, Co-Chairperson

Ms. Bhatt co-chaired the meeting with Anthony Giancola. The first agenda item was on the Proposed FY 2024 Budget which was reviewed by Matthew Brown, Chief Financial Officer and Executive Vice President of Finance and Procurement. Also presented was the budgeted option calendar. Mr. Brown reported that budget briefings were provided to both the wholesale customers and the Office of the People's Counsel during January.

CFO Brown noted that the budget proposal includes a FY 2024 operating expenditure budget of \$737.6 million, the ten-year Capital Improvement Plan disbursement of \$6.95 billion, and the ten-year Financial Plan which includes previously approved FY 2024 rates and fees, and meets all Board financial policy requirements. FY 2024 rates were previously adopted by the Board.

CFO Brown indicated that D.C. Water will continue to offer some of the most robust customer assistance programs in the nation to advance equity and affordability for all retail customers.

The following budgetary items were presented: The review of the FY 2024 sources and uses of operating funds totaled \$878.5 million and CFO Brown explained the diversification of revenues; proposed FY 2023 to 2032 CIP disbursement of \$6.95 billion which was an increase of \$531 million over the currently approved CIP; FY 2024 capital equipment revision reflects rollover of fleet equipment fund from FY 2022; debt service costs for current debt are projected to total \$6.2 billion over the next 30 years through 2052 without any additional borrowing, comprising debt service costs of \$2.4 billion for the Clean Rivers Program and \$3.8 billion for the non-Clean Rivers Programs; an additional \$2.7 billion will be borrowed over the next 10 years to advance capital programs

CFO Brown then discussed the proposed operating expenditure budget which includes the proposed revised FY 2023 operating expenditure budget of \$709.6 million and a proposed FY 2024 operating expenditure budget of \$737.6 million and highlighted that debt service costs remain the single largest cost driver in the overall budget.

Provided were details of the proposed Revised FY 2023 Operating Revenue Budget of \$842.4 million and the proposed FY 2024 Operating Revenue Budget of \$878.5 million. He highlighted the diversified sources of revenues.

CFO Brown highlighted the revision which reflects the anticipated revenue boost due to higher projected consumption as D.C. Water continues to recover from the pandemic, higher O&M costs, higher projected interest rates, and increase fees based on costs of service.

Provided also by CFO Brown was an overview of the Ten-Year Financial Plan and its objective as a fiscal roadmap that is closely monitored by three main rating agencies who will visit D.C. Water in the spring.

CFO Brown reiterated the importance of public communication and the need to be as transparent as possible with rate payers, the Office of the People's Counsel, the other stakeholders about D.C. Water, the proposed budgets, and where water revenue goes.

Finance and Budget Committee

Reported by: Anthony Giancola, Chairperson

Chairperson Giancola stated that the Committee met on Tuesday, January 24. The first agenda item was the Monthly Financial Report which was provided by Oyeyemi, Budget Director. At the end of the first quarter of FY 2023, operating revenues were \$204.5 million or 25.4 percent of the budget. Operating expenditures were \$157.1 million or 22.8 percent of the budget. Capital disbursements were \$86.2 million or 17.2 percent of the budget. Operating expenditures were \$157.1 million or 22.8 percent of the budget and capital disbursements were \$86.2 million or 17.2 percent of the budget. Operating expenditures are flagged as cautionary due to the continued cost pressures and chemicals and energy.

Ms. Oyeyemi provided an update on the 2022 year-end closeouts. The FY 2022 Financial Statement Audit has been completed and D.C. Water has received an unmodified clean opinion as of December 21, 2022.

Ms. Oyeyemi congratulated the Finance Team was congratulated and acknowledged Genes Malasy, the Accounting Team, and various team members throughout the Authority for their hard work during the year-end closeout and audit procedures.

FY 2022 year-end closeout activities included the Annual Comprehensive Financial Report, the OMB Uniform Guidance Audit for federal grants, and the green bon attestation engagement.

Overtime was higher than the year-to-date budget during the first quarter at \$2.9 million or 35.5 percent of that budget, in response to water line breaks and other emergencies such as the Van Ness Reservoir which was out of service.

There was one action item that Committee members recommended approval by the full Board. The item was the Emergent credit/debit card processing service for \$1.7 million.

Emergency Board of Directors Meeting

Reported by: Tommy Wells, Board Chairperson

Chairperson Wells indicated that there was an emergency meeting of the Board a week ago. He did not have the specific date at hand. The Board went into Executive Session for discussion of potential legal issues under the guidance of the General Counsel.

Audit and Risk Committee

Reported by: Floyd Holt, Chairperson

Chairperson Holt reported that the Committee met on January 26, 2023. Genes Malasy, Comptroller, reported that there was a clean unmodified audit opinion from KPMG External Auditors. There were no significant deficiencies or instances of noncompliance regarding internal controls over the financial reporting. See meeting materials for details. Financial statements showed a strong financial position having grown by a total net position of \$2.9 billion, or 7.7 percent. Depreciation was about \$500 million, primarily predicated on the numbers of projects and the operating revenues increased by \$882 million or 7.8 percent.

In the Enterprise Risk Management briefing, Francis Cooper reported that there were two key status update items—environmental social governance (ESG) and resistance program enterprise management goals. Matt Ries talked about the work that is being done with marketing and communication to roll out a full report on the ESG Program.

Dan Whelan and Sophia Tomeo provided an internal control, internal audit update and reported on high-risk audit findings. Two findings are on the dashboard, one related to strategic plan monitoring. The staff was still on track of meet its target related to these.

There are eight employees who still need to complete Maximo training before it goes live on January 27.

One Hotline call was closed.

Chairperson Wells thanked every committee member for all of their work that reflects a lot of what is going on at D.C. Water.

Issues of General Interest

There were no issues.

CEO/General Manager's Report

Reported by: David Gadis, CEO/General Manager

CEO Gadis began his presentation by informing everyone that D.C. Water's 2022 Annual Report had been published on the website and would be made available in print copy to all Board members. He thanked Kirsten Williams, Chief Communications and Stakeholder Engagement Officer and Executive Vice President, and her team for their outstanding work on this Annual Report. CEO Gadis stated that the report is full of stories highlighting D.C. Water's accomplishments and pictures that depict its diverse team.

CEO Gadis indicated that as part of the State of the Utility update, he provides an overview of progress relating to the Authority's imperatives and initiatives that support strategic objectives found in the Authority's Strategic Plan Blueprint 2.0's sustainable and equitable imperatives.

Three local environmental organizations, the Public Employees for the Environmental Responsibility (PEER), the Sugarloaf Citizens Association, and the Montgomery Countryside Alliance, recently sent a letter to Mark Elrich, Montgomery County Executive, and County Council President Evan Glass asking them to prohibit the application of Class A biosolids because of extremely high levels of toxic PFAS in these products. CEO Gadis reported that PEER conducted tests on the sample of cured Bloom in the plastic bags and reported that the results showed dangerously and extremely high levels of PFAS in the product. He stated that it is unclear if PFAS levels were high solely from Bloom or the plastic bag impacted the results.

Numerous inquiries were fielded from local media, such as, the American University Radio and Bay Journal and WUSA 9. The Authority's team of subject matter experts worked closely with the Office of Marketing and Communications to respond to these inquiries. On Thursday, January 26, Chris Peot, Director of Resource Recovery and Wastewater Treatment, and Ian Pepper of the University of Arizona hosted a webinar on emerging research on the land application of PFAS and also biosolids. CEO Gadis thanked Mr. Peot for his detailed analysis

of PFAS and counterpoints to claims made in a joint press release. He also recognized John Lisle, Vice President of Marketing and Communications, and the team for helping the Authority to successfully navigate these inquiries.

CEO Gadis reported that on January 18, 2023, the D.C. Water Flood Task Force held its final work session over the past year. He stated that he has the pleasure of serving as the co-chair of the Task Force alongside D.C. Water's Chairperson, Tommy Wells. The biggest news story of 2022 was the acceleration and impact of climate change across the globe. CEO Gadis stated that there have been record-breaking temperatures, drought, sea level rises, and intense rainstorms which have all contributed to increased flooding. The Task Force created an emergency relief fund to assist residents with flooding cleanup, offered backwater valves to residents to protect against sewer backups during major storms, required sellers to disclose problems related to water intrusion and flooding to potential home buyers, created a one-call system to direct residents to the right agency to address specific flooding issues, and installed flood sensors at frequently flooded underpasses as an early warning system. The report is being finalized. Interagency collaboration and coordination will continue to ensure that the Task Force's recommendations are implemented and that the District is better protected from the impacts of climate change, including flooding.

CEO Gadis thanked the D.C. Water team and the Department of Energy and Environment team for their hard work and singled out Apera Nwora and Salil Kharkar for their excellent work on the Task Force. Chairperson Tommy Wells was also thanked by CEO Gadis for the joy he got out of working together.

CEO Gadis reported that on January 27, 2023, he was honored to attend a very special event at the White House hosted by Vice President Kamala Harris to celebrate the national progress in the removal of lead pipes across the nation. In the 13 months since the Biden-Harris Administration announced the Lead Pipe and Paint Action Plan, nearly \$4 billion in appropriations have been earmarked for the removal and replacement of lead-based pipes and paints. The purpose of the Task Force is to protect public health with a focus on underserved communities and most vulnerable residents.

Thanks went out from CEO Gadis to Team Blue for coming together and being effective. He also thanked Debra Mathis, Acting Board Secretary for her work in pulling the Board meeting together.

Board Member Giancola asked if D.C. Water had completed the full transfer of the Fleet operation to the new maintenance building and whether it was now fully operational. CEO Gadis responded that it is not and that they recently received a temporary occupancy permit and are reviewing it to determine what is included prior to the move-in. Mr. Giancola said he was confused because the status report stated that Facilities had moved stuff into the new building. CEO Gadis replied that they had to move out of the old building before a certain date and then referred the issue to Mr. Griffith, Interim Chief Operating Officer. He stated that they did move out of the old building and mobilized in some temporary spaces at Blue Plains. He indicated they had not moved into the new building because of the temporary occupancy permit. They are reviewing that 60-day temporary permit to understand the conditions it stipulates to ensure that the permanent occupancy permit can be obtained. Board Member Giancola asked for confirmation that there would be a further delay in improving maintenance, as well as projects of Facilities and Fleet.

Board Member Giancola also asked about the budget workshop and the vacancy rates going from 11 percent and because of the new 70 plus positions, it is now up to 17 percent vacancies. He requested that the CEO and Chairperson Wells include in monthly reports a status on how well they are doing to eliminate vacancies and move to full employment with full-equivalent in Fleet.

Chairperson Wells noted the importance of the Flood Task Force and the importance of CEO Gadis' leadership. He stated that it is important for the City to understand that D.C. Water is not the sole responsible party for flooding in the city. Chairperson Wells indicated that climate change is one of the things to be highlighted as the City experiences more internal flooding. The Task Force provides a whole range of options and recommendations to the City Administrator. He stated that the Office of Risk Management, Board Member Jed Ross, and the District Department of Transportation, and other agencies that are part of the team dealing with water flooding in the city. He thanked CEO Gadis and the team.

Consent Action Items Joint Use

Chairperson Wells asked for a motion to approve joint use action items. Board Member Giancola moved to approve Resolutions No. 23-04 and 23-05 and it was seconded. The motion to approve Resolutions No. 23-04 and 23-05 was unanimously approved by the members of the Board.

Consent Action Items (Non-Joint Use)

Chairperson Wells asked for a motion to approve non-joint use action items. Board Member Gibbs moved to approve Resolutions No. 23-06 through 23-08 and it was seconded. The motion to approve Resolutions No. 23-06 through 23-08 was unanimously approved by the District members of the Board.

Chairperson Wells provided information on the following committee meetings: the Environmental Quality and Operations Committee will meet Thursday, February 16, 2023, at 9:30 a.m.; the Finance and Budget Committee will meet on Tuesday, February 23, 2023 at 11:00 a.m.; and the D.C. Retail Water and Sewer Rates Committee will meet on Tuesday, February 26, 2023, at 9:30 a.m.

There being no other business, Chairperson Wells adjourned the meeting at 10:39 a.m.


Michelle Rhodd, Board Secretary

SUMMARY OF RESOLUTIONS AND CONTRACTS

Consent Items Joint-Use

1. Approval to Extend Option Year 9 of Contract No. WAS-12-063-AA-RA, Allied Universal Security Services - Resolution 23-04, (Recommended by the Environmental Quality and Operations Committee, 1-19-2023)
2. Approval to Execute Funding for the Mitigation Agreement Between the National Services and D.C. Water for Potomac River Tunnel Use of National Park Service Lands – Resolution No. 23-05, (Recommended by the Environmental Quality and Operations Committee, 1-19-2023)

Consent Items Non-Joint Use

1. Approval to Execute Contract No. 200030, Capitol Paving of D.C., In. – Resolution No. 23-06, (Recommended by the Environmental Quality and Operations Committee, 1-19-2023)
2. Approval to Execute Contract No. 230030, Lead-Free D.C. (LFDC) Lead Service Line Replacement, - Resolution No. 23-07, (Recommended by the Environment Quality and Operations Committee, 1-19-1023)
3. Approval to Execute Additional Funding for Contract No. 18-PR-CFO-55, Merchant Credit/Debit Card Processing Services, First Data Merchant Services, LLC – Resolution O. 23-08, (Recommended by the Environmental Quality and Operations Committee, 1-19-2023)