



DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

BOARD OF DIRECTORS 293rd MEETING THURSDAY, JANUARY 5, 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

Present Alternate Directors

Sarah Motsch, Fairfax County
Jed Ross, District of Columbia
Jared McCarthy, Prince George's County
Andrea Crooms, Prince George's County
Ivan Frishberg, District of Columbia
Adriana Hochberg, Montgomery 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
Alfonzo Kilgore Stukes, Acting Board Secretary

Call to Order and Roll Call

The 293rd 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 held in person

and virtually via Microsoft Teams. Chairperson Wells welcomed all Board members to the Headquarters Operation on the Anacostia River. He stated that it was nice to see all of the members in person. He noted that the Board meets in person at least twice a year for efficiency. Chairperson Wells indicated that he could feel the energy and appreciation for being together. Alfonzo Kilgore Stukes, Acting Board Secretary, then called the roll and a quorum was established.

Approval of the December 1, 2022 Meeting Minutes

Chairperson Wells asked for a motion to approve the December 1, 2022 meeting minutes. It was moved and seconded to approve the December 1, 2022 meeting minutes and unanimously approved by the Board of Directors.

Chairperson's Overview

Chairperson Wells wished everyone a Happy New Year and stated that they continue to have the privilege of providing leadership of the very best public utility in the world and vital services to the residents of the city and region. He also stated that he was proud of the work and performance of D.C. Water in providing an international standard of how to get it done.

Chairperson Wells welcomed his friend who has been appointed to the Board by the Mayor, Wendell Felder, and noted that his biography is attached to the meeting materials.

Environmental Quality and Operations Committee

Reported by: Sarah Motsch, Chairperson

Chairperson Motsch stated that the Committee met on December 15, 2022 and first received a report on the performance of the Blue Plains Advanced Wastewater Treatment Plant from Aklile Tesfaye, Vice President of Wastewater Operations. All Plant performance parameters were excellent. Effluent and biosolids parameters were all within the National Pollution Discharge Elimination System (NPDES) Permit limits. All biosolids met EPAs Class A Biosolids Exceptional Quality requirements.

Mr. Tesfaye reported that complete treatment was 272 million gallons a day, lower than the rolling 12-month average of 295 million gallons a day and the 384 million gallons a day plant design. Total nitrogen removal through November 2022 was 2.5 million pounds discharged through the complete treatment outfall. The NPDES Permit allows for the discharge of 4.37 million pounds per year from the treatment outfall and Mr. Tesfaye indicated that they are well below that. Based on December's performance, total nitrogen discharge is anticipated to remain below 2.8 million pounds, corresponding to a concentration of 3.22 milligrams per liter of total nitrogen.

Four weather events in November caused the activation of the Wet Weather Treatment Facility which captured 103 million gallons of combined wet weather flows and treated them. No flows went through the combined sewer overflow outfalls.

Chairperson Motsch reported that for the month on-site energy generation from the Combined Heat and Power Facility and solar panels was 27 percent of the energy consumption at Blue Plains.

In November 14,367 tons of biosolids were produced, with 1,723 wet tons sold as Bloom and the remaining tons land applied for beneficial use.

Mr. Tesfaye provided an updated on the Per and Polyfluoroalkyl Substances (PFAS) sampling that was completed on November 8, 2022. Samples were from seven permitted and industrial users, three landfill sources, and eight hauled waste sources. Results are anticipated in early 2023.

According to Chairperson Motsch, Maureen Schmelling, Director of Water Quality, presented a PFAS update to the Committee. It was reported that the Environmental Protection Agency developed a roadmap to communicate its approach to addressing PFAS contamination which is restrict, research, and remediate. For research EPA requires drinking water utilities to test drinking water and source water, and to report on concerned chemicals and regulations. For remedial action EPA developed a rule which regulates PFAS and allows other agencies to restrict the use of PFAS and discharge into source water in the United States. Funding regarding PFAS is available through the Bipartisan Infrastructure Law for PFAS treatment and remediation efforts. The EPA proposed rule is now under review by the Office of Management and Budget and must be issued by March 31, 2023. A final rule is anticipated a year after publication of the proposed final rule.

D.C. Water plans to conduct monitoring in 2024, with voluntary monitoring conducted quarterly since 2023. The Washington Aqueduct collected voluntary monitoring samples in October 2022. D.C. Water is awaiting the results. EPA has proposed adding in August 2023 PFOA and PFOS to the list of Comprehensive Environmental Response Applications and Liability Act (CERCLA) hazardous substances designation.

Wayne Griffith, Chief of Strategy and Performance, stated that D.C. Water's strategy on PFAS is to relate them to the Strategic Blueprint 2.0 health, safety, and well-being imperatives.

Chairperson Motsch reported that four joint-use action items were considered by the Committee and recommended to the Board for approval. They involved high pressure vacuum cleaning services, maintenance on KSB pumps, repair and rehabilitation of various process assets, and the Fleet Maintenance Facility.

The Committee received from William Elledge, Director of Engineering and Technical Services a quarterly update on the Lead-Free D.C. Program. Replacements in FY 2022 saw a 100 percent increase compared to FY 2021. More than \$5.4 million in costs were directly saved by customers for replacements or through charges built into the rate increases. Expanded outreach and promotional efforts have improved homeowner participation metrics, with block-by-block programs achieving 75 percent participation. The Lead-Free Group was appointed as the new program management team in October 2022. They are committed to collaboratively informing and engaging the community, minimizing customer water service interruptions, and implementing Lead-Free D.C. equitably, safely, and efficiently initiatives. Also, there is federal funding opportunities through the Bipartisan Infrastructure Law to assist with private and public side replacement costs in disadvantaged communities.

The last agenda item was a quarterly update on the D.C. Clean Rivers Program by Moussa Wone, Director. First, in the Anacostia Area, the Anacostia Tunnel System performance has been good since being placed into service in 2018. Through November 2022 over 14.5 billion gallons of trash, debris, and other solids have been captured. Second, the Northeast Boundary

Tunnel is now under construction and is the last leg of the Anacostia Tunnel System. It is expected to be placed in operation in mid-2023.

In the Potomac Area, procurement for final design and construction of the Potomac River Tunnel, Contract B is ongoing with four teams short-listed. The Request for Proposal was issued in June 2022.

In the Rock Creek Area Green Infrastructure, Rock Creek Project B construction commenced in March 2022 and is planned to be completed in January 2024.

In all projects the public continues to be engaged through outreach efforts including community partnerships, critical meetings, and numerous outreach programs.

Lastly, Chairperson Motsch reported that the Clean River Program is \$42.6 million under budget.

Strategic Management Committee

Reported by: Tommy Wells, Chairperson

Chairperson Wells noted that his co-chair is Board Member Tara Jackson. They are changing how they do strategic planning and management. The previous Strategic Planning Committee is now the Strategic Management Committee. They now have a biannual cadence appropriate for the level and urgency of committee topics and meetings synchronized with staff quarterly meetings on progress that will reflect the current state of strategy management at D.C. Water. Chairperson Wells indicated that this will provide a structured forum for the Board for discussion of early stages of strategic issues.

The first quarter of FY 2023 activities will include work stream prioritization, budget alignment in support of budget decision-making, a continuation of status meetings, and a finance and budget retreat. Chairperson Wells reported that controls have been implemented and data centralized, including automation of data collection. Blueprint 2.0 has been successfully aligned with the budget process, and prioritizing where more is spent.

They will continue to hold quarterly joint Board meetings which foster more decision-making with the leadership team. The organization's culture is being shifted to address audit findings through accountability, including quality assurance and quality control measures. Environmental, social, and government reports will include Blueprint 2.0 goals and progress including key performance indicators (KPIs). They will be tracked and presented in the dashboard to show progress against the goals of the Blueprint strategic planning process.

Issues of General Interest

Board Member Giancola asked about the move to the new Fleet Maintenance Building. He asked if the Board members can get a tour and whether there would be a grand opening. CEO Gadis replied that there will be a grand opening and as usual the Board members will be invited to view the facility which is state-of-the-art. He stated that they are working to obtain the Certificate of Occupancy and expect to have it by the 11th or 12th.

CEO/General Manager's Report

Reported by: David Gadis, CEO/General Manager

CEO Gadis welcomed the newest Board Member, Wendell Felder, and said that he looked forward to working with him. He informed them that as usual he would deliver the State of the Utility update and because it is the first Board meeting of 2023 he would center his report around the Authority's performance in 2022 and the outlook for 2023.

The report started with CEO Gadis stating that D.C. Water had an exceptional year in 2022 and notched win after win. This was true from ongoing objectives to the end of projects, to innovative new programs, all the way to international water sector leadership, and global awards. For the tenth consecutive year the National Association of Clean Water Agencies (NACWA) honored D.C. Water with the Platinum Peak Performance Award which recognizes 100 percent compliance with the requirements of the EPA's National Pollutant Discharge Elimination System (NPDES). Also, NACWA honored the Authority with the excellence in management's Gold Recognition Award. It honors agencies that are implementing management practices that address the range of challenges identified in the ten attributes of effectively managed water sector utilities.

The Institute of Supply Management honored the Capital Program Procurement team with the 2022 Trailblazer Award for procurement transformation.

The Smart Water Project of the Year was awarded to the Authority's event management system at the Global Water Summit. The innovative new system provide timely alerts to reduce the impact of flooding and water system emergencies across the District.

The Water Environmental Federation (WEF) honored D.C. Water with the Utility of the Future Award. It is given annually to organizations that optimize and continually improves their operations, consistently meet or exceed regulatory requirements, effectively repair and replace water infrastructure, and engage their employees and communities. Over the last year the Authority has accelerated lead line replacements the umbrella of the Lead-Free D.C. Initiative. CEO Gadis declared that teams are inspired to work even faster to improve water equity across every ward in the District.

D.C. Water also secured the Building Resilient Infrastructure and Communities Award for more than \$20 million from the Federal Emergency Management Agency (FEMA) to build a flood wall to protect Blue Plains' campus from river flooding.

In 2022 the Authority launched its Innovation Hub, the first ever dedicated website for innovation across the organization, with fantastic early results.

The Authority's Operations Challenge re-formed in 2022 with strong performance in their first event. CEO Gadis emphasized that the team is a resource of pride among employees and everyone looks forward to competing with the best in the future.

D.C. Water successfully relocated two programs to new locations in 2022—a 9,000 square foot Sewer Services building at Ames Place which includes a modernized office space, a training room, locker rooms, and a break room. Fleet Management also began its move to a 25,000 square foot facility in Capitol Heights, Maryland. There are 18 vehicle bays, expanded space for parts storage, locker rooms, and a training space.

CEO Gadis reported that Fitch Ratings notified them that there is no change anticipated for the rating outlook.

KPMG completed its audit of the Authority financial statements and found no significant deficiencies or material weaknesses moving forward.

CEO Gadis reiterated that 2022 was a phenomenal year and more so with COVID challenges and the pandemic. Challenges will persist into 2023 and include global supply chain disruptions, labor shortages, inflation, and logistical challenges. They will continue to look ahead for impacts on the Authority by the many challenges, including the ongoing war in Ukraine and recent stabilizing of gas prices.

Outlined also were many programs continuing or coming into existence which include the Apprenticeship Program renamed Training Apprentice Pipeline Sustainability (TAPS). CEO Gadis had apprentices stand and be recognized. He recognized Corey Gray and Yvette Judge for continuing the program.

The Innovation Program managed by Robert Bornhofen, Director of Innovation, has done a remarkable job engaging employees and creating and generating interest. CEO Gadis recognized the team and mentioned a completed leak detection pilot program called FIDO which utilizes artificial intelligence, improved sensors, and machine learning that allows water operations to detect size and locate leaks in water pipes in new ways not seen before. He recognized the FIDO team and asked Dr. Bornhofen to join him and Chairperson Wells in taking a photography in the well of the Board room.

Board Member Giancola welcomed the relocation of Fleet Management and looked forward to improvements in the preventative maintenance level numbers. He stated that Facilities has also had problems in preventative maintenance which is like 38 percent completions and service requests completed going from 59 to 45 percent. He pointed to five vacancies, including one supervisory vacancy which has lasted for several months. He asked for responses at some future date if not immediate. He also asked CFO Brown about CAP 1's budget which appears to have gone from \$4.8 million the past year to \$2.5 million this year. Board Member Giancola wanted to know if that was enough. CFO Brown responded that the \$2.5 million is traditionally budgeted but was higher due to higher participation because reenrollment for participation in the program from one year to another was not required. He stated that they want every customer who is eligible for CAP assistance to apply for it. They will make adjustments in other areas. It is a credit to revenue and wouldn't require cuts to other programs. It will continue to be monitored and reported to the Retail Rates Committee and the Finance and Budget Committee.

Chairperson Wells asked CEO Gadis for his response to the first question. CEO Gadis replied that they are continuing to recruit and that others are experiencing the same sort of issues. There are five or six positions in Facilities that they are working hard to fill. That is the reason for the decrease in performance. Board Member Giancola asked if there were apprentices in those particular fields of expertise. CEO Gadis indicated that there are.

Board Member Frishberg said that he was really impressed by the artificial intelligence work being done. He stated that he understands the technology and the consequences in terms of reduced cost benefits to repairs and reduced inconvenience. Board Member Frishberg stated that it could be globally exported and is really impressive. He asked about the Northeast Boundary Tunnel nearing completion and asked if there would be an event because of it being monumental for people experiencing the construction and people paying for it. CEO Gadis

stated that similar to what happened in the first leg when they had a great celebration, they will do the same. He does not know the exact date but will get back to them. It was indicated that it would occur in the spring.

Board Member Bhatt asked about PHAS and whether there would be any federal infrastructure money that goes toward the issue affecting all utilities. CEO Gadis stated that they do not know yet but that everyone in the business is hopeful. He emphasized that it is going to be very expensive and falls back on the ratepayers.

Chairperson Wells stated that they are very proud of the work of the team and that they are not surprised to hear about all of the accomplishments over the past year. He again acknowledged Kisha Powell who has move on to the Washington Suburban Sanitation Commission and that she was very much a part of the Authority having a great year, Chairperson Wells stated that he is proud that she will be leading a major utility right next door.

Consent Action Items Joint Use

Chairperson Wells asked for a motion to approve joint use action items. It was so moved and seconded by Board members to approve Resolutions No. 23-00 through 23-03. The motion to approve Resolutions No. 23-00 through 23-03 was unanimously approved by the members of the Board.

There were no items for non-joint Use Consent approval.

Chairperson Wells announced that after the meeting they will hold the annual Budget Workshop.

Chairperson Wells provided information on the following committee meetings: the Governance Committee will meet Wednesday, January 11, 2023 at 9:00 a.m.; the Human Resources and Labor Relations Committee with union presidents will meet Wednesday, January 11 at 11:00 a.m.; the Environmental Quality and Operations Committee will meet Thursday, January 19, 2023 at 9:30 a.m.; the D.C. Retail Water and Sewer Rates Committee will meet Tuesday, January 24, 2023 at 9:30 a.m.; the joint meeting of the Retail Water and Sewer Rates and Finance and Budget Committees will meet on Tuesday, January 24, 2023 at 10:15 a.m.; the Finance and Budget Committee will meet Tuesday, January 24, 2023 at 11:00 a.m.; and the Audit and Risk Committee will meet on Thursday, January 26, 2023 at 9:30 a.m..

There being no other business, Chairperson Wells adjourned the meeting at 10:13 a.m.



Debra L. Mathis, Acting Board Secretary

SUMMARY OF RESOLUTIONS AND CONTRACTS

Consent Items (Joint Use)

1. Approval to Execute additional Funding and Exercise Option Year Two (2) of Contract No. 20-PR-WWT-45A, Jet Blast, Inc.- Resolution No. 23-00 (Recommended by the Environmental Quality & Operations Committee 12/15/2022)
2. Approval to Execute Additional Funding for Contract No. 14-PR-DMS- 01, KBS, Inc.- Resolution No. 23-01 (Recommended by the Environmental Quality & Operations Committee 12/15/2022)
3. Approval to Execute Additional Funding for Contract No. 10121, Electric Motor & Contracting Co. (EMC) – Resolution No. 23-02 (Recommended by the Environmental Quality & Operations Committee 12/15/2022)
4. Approval to Execute Change Order No. 09 of Contract No. 190070, Hess Construction & Engineering Services, Inc. - Resolution No. 23-03 (Recommended by the Environmental Quality & Operations Committee 12/15/2022)