



DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

BOARD OF DIRECTORS

GOVERNANCE COMMITTEE

MEETING MINUTES

November 10, 2015

Committee Members

David Lake, Vice Chairperson
Alan Roth
Rachna Butani
Matthew Brown

D.C. Water Staff

George Hawkins, General Manager
Randy Hayman, General Counsel
Linda Manley, Board Secretary
Korey Gray, Compliance Officer

Acting Chairperson Lake convened the meeting at 9:00 a.m. The Chairperson requested Korey Gray, Compliance Officer, to address Agenda Item # 2 – DC Water Works! Employment Programs Update.

Mr. Gray reported that DC Water's goods and services employment data through September 2015 reflected an increase of eight (8) workers since August. This includes one (1) new hire, who is a resident of DC Water's user jurisdictions. Two (2) new projects became active over the same period. In total, goods and service projects show 633 job positions, 377 of which were filled by residents within the user jurisdictions, including 125 who were District residents. Since the beginning of FY 2015, there were 30 new hires, 26 of whom were from the user jurisdictions, including 13 who are District residents.

The non-major construction projects data for September showed an increase of twenty-three (23) positions since August (all transfers). In total, non-major construction projects show 1,630 positions, 1,109 of which were filled by user jurisdiction residents, including 264 who were District residents. Since the beginning of FY 2015, there were 51 new hires, including 41 from the user jurisdictions, 14 of whom are District residents.

The major construction projects data for September showed an increase of fifty-four (54) positions since August. This includes four (4) new hires, three of whom are residents of the District of Columbia. In total, major construction projects show 2,973 positions, 1,407 of which were filled by residents of user jurisdictions, including 338 who were District residents. There have been

fifty-six (56) new hires on major projects. Of the new hires, 50 were from user jurisdictions, including 14 who were District residents.

Mr. Gray then provided an update on the DC Water Job Centers. Between October 2014 and September 2015, a total of 39 people were hired through the Job Center. Thirty-eight (38) of the new hires were residents of the user jurisdictions, including 13 who were District residents. Mr. Gray gave the Committee a breakdown of the hiring contractors and the type of jobs created.

Next, the Committee received an update on a mini-job fair coordinated with American Contracting and Environmental Services (ACE). This "Targeted Employment Event" was held on Monday, October 19, 2015 from 9:30am – 2:00pm. For this event, ACE had five (5) open slots in its apprenticeship program in the following trades: Carpenter, Millwright, and Pipefitter.

Following new procedures for conducting job fairs, up to fifty (50) individuals were invited to participate in the event. To develop the invitation list, 80 individuals were prescreened based on their background and expressions of interest.

The primary source for the candidates was the DC Water Works Job Center database. The database identified thirty-nine (39) candidates. Additional candidates were provided by the DC Water Works Resource Partners.

Once the invitation list was developed, ACE was provided with the resumes of the interviewees. Forty-three (43) individuals attended. Of the forty-three candidates, eighteen (18) were selected by ACE to participate in second round interviews. Included in this number were two (2) candidates that ACE is interested in hiring as journeymen. The remaining candidates will be interviewed for participation in the apprenticeship program.

The next item on the Agenda pertained to the Authority's new policy regarding employee ethics, conflicts of interest, and standards of conduct. To that end, General Counsel Hayman presented to the Committee copies of the Authority's new Standards of Conduct Policy. General Manager Hawkins advised that, while the policy will continue to be refined and finalized, it is important to have an ethics policy currently in place to ensure full compliance with internal auditing requirements. Presently, the policy is applicable to non-union employees and has been submitted to the unions for review. The Authority will continue to work with the Committee and the Board in developing and implementing a complete Standards of Conduct policy as appropriate.

Mr. Hayman added that DC Water Board Members are separately covered under the Code of Conduct administered by the Board of Ethics and Government Accountability (BEGA). At the forthcoming Board of Directors meeting, Mr. Hayman will be taking steps to ensure that the Board members are advised and reminded of the laws and regulations governing conflicts of interest, financial disclosure, and related ethical obligations under the relevant provisions of the DC Code of Conduct. In addition to providing copies of such provisions to the Board, Mr. Hayman will make a brief power point presentation regarding the main aspects of the ethics code applicable to members of the Board.

Turning to the Standards of Conduct policy applicable to non-union employees, Mr. Hayman described the main provisions of the policy with particular emphasis on the items raised by the Committee in the previous meeting. Regarding gifts, Mr. Hayman described the rules for non-union employees and explained that the rules are closely aligned with BEGA's ethics requirements. The Authority considered the question raised in the last Committee meeting about allowing exceptions similar to those provided under Congressional guidelines. Mr. Hayman

relayed that the exceptions in the congressional guidelines were specific to the roles, structure, and circumstances attendant to Members of Congress, and it was determined the Authority's Standards of Conduct should remain aligned with the mission, goals, and objectives of the Authority, especially as policies and procedures were already in place governing items such as procurement of contracts. To reduce ambiguity and avoid confusion, it was determined that a simple and straightforward policy that did not contain extensive exceptions was the better course.

Director Roth stated that he was the Committee member who raised the issue of congressional exceptions at the last meeting. Upon seeing the language of the Authority's Standards of Conduct Policy, Director Roth agreed that the provisions adequately addressed the sort of situations he believed should be considered—such as attendance at a conference, meals, etc. As a result, he had no further concerns with the policy.

With respect to speaking engagements, Mr. Hayman explained that the Authority deems it a conflict for a vendor to pay for an employee's travel and attendance to speak at a conference. Therefore, while the policy will allow an organizing sponsor to pay for an employee's travel and attendance to speak at a conference, it will not apply to any sponsor who is also a DC Water vendor.

Director Butani indicated that she was supportive of not using ratepayer money to fund travel and attendance at conferences, and stressed that even the appearance of impropriety or potential conflict should be avoided. She added that the language should be absolutely clear it does not apply to DC Water vendors. Mr. Hayman agreed and indicated that the Office of General Counsel will take this into account when finalizing the policy.

As to the hiring of employees, Mr. Hayman explained that the policy allows discretion for the General Manager to issue an exemption on the post-employment restrictions. Mr. Hawkins added his view that the exemption is not intended to be used without limitation and that it be supported by a justifiable need which must be clearly set forth in writing so as to ensure full transparency.

Acting Chairperson Lake expressed concern that the post-employment restrictions appear confusing when it comes to re-hiring a former employee back to the Authority versus accepting employment elsewhere. The Committee emphasized that the exemption should not create a loophole that allows a person or entity to gain an advantage through the exemption. Mr. Hayman agreed to further analyze the issue and provide a response at the next meeting.

No executive session was scheduled. There being no further business, the meeting was adjourned at approximately 10:30 a.m.