



**DISTRICT OF COLUMBIA
WATER AND SEWER AUTHORITY**

BOARD OF DIRECTORS

GOVERNANCE COMMITTEE

**MEETING MINUTES
March 11, 2015**

Committee Members

Ellen Boardman, Chairperson
Alan Roth
Rachna Butani

D.C. Water Staff

George Hawkins, General Manager
Randy Hayman, General Counsel
Linda Manley, Board Secretary

Chairperson Boardman convened the meeting at 9:08 a.m. The Chairperson asked if William Pickering, Government Relations Manager, was in attendance to provide his report. The General Counsel, Randy Hayman, explained that Mr. Pickering had been selected for grand jury duty.

The Chairperson requested Korey Gray, Compliance Officer, to address Agenda Item # 2 –DC Water Works! Employment Programs Update. Mr. Gray stated that his presentation would be in two parts. The first part would address FY 2015 contractor data, while the second part would take a more detailed look into DC Water's pilot programs and interim work program.

DC Water's goods and services employment data for FY 2015 reflected 545 job positions, 316 of which were filled by residents within the user jurisdictions and 103 of which were filled by District residents. During this period, there were 20 new hires, 19 of whom were from the user jurisdictions. The non-major construction projects data showed a total of 1,163 positions, 697 of which were filled by user jurisdiction residents and 164 of which were filled by District residents. The 12 new hires all came from the user jurisdictions. The major construction projects data showed a total of 2,596 positions, 1,240 of which were filled by user jurisdiction residents and 266 of which were filled by District residents. One new hire was added during this period. The Committee inquired whether this number reflected all the new hires from all possible hiring sources or just from the DC Water Opportunity Center. Mr. Gray explained that this figure reflected all hiring sources for major construction and that now, all jobs for major construction are from the job centers. The Committee expressed concern about the low new hire number. Mr. Gray explained that the current major construction projects were winding down. Also, the weather was a factor in reduced work opportunities.

Mr. Gray discussed the activity at the various job centers from October 1, 2014 – February 28, 2015. The Committee, noting the high number of visitors to the job centers, asked if the message being sent out by the centers matched expectations. Mr. Gray stated that 'managing the message' was very important and this would be covered in the second part of his presentation. Mr. Gray concluded this segment of his presentation with a review of the EE Cruz Job Fair held February 4, 2015 in Ward 8. The Job Fair targeted work to be done for the Poplar Point Pumping Station. The event was attended by 491 job seekers. Of the attendees, 27 were identified for follow-up interviews.

Mr. Gray turned the Committee's attention to the second part of his presentation which covered the pilot programs and the interim work program followed by lessons learned from these programs. The goal of the Workforce Training Pilot Program was to prepare the participants to be employable after the training. Eligibility for the program was limited to then-unemployed District residents. Both Capitol Paving and Fort Myer Construction had two participants each. Capitol Paving had one participant who completed the training and was hired to be a field safety supervisor. Both Fort Myer participants completed the training. However, no one was hired as there was not a need at that time for additional employees. In the event a position opened, Fort Myer would fill the position through the appropriate union pursuant to its collective bargaining agreement. Mr. Gray summarized the lessons learned for the Workforce Training Pilot Program. The Program, overall, was somewhat successful, as the primary goal of training and certifying the participants to put them in a position of being employable was achieved. The secondary goal of retaining the trainees was not achieved. Program candidates should be screened to be sure of their interest in the construction field rather than just having a job. The contractors should tailor the training to the type of skills that are needed for a particular job and ultimately to place them in such a job. Committee members commented that the key should be to tie the training to DC Water projects. The Committee requested that DC Water follow-up with the trainees to see if the training did in fact make them more employable. The GM noted that one of the challenges is to see how trainees can get into the union referral system.

Mr. Gray then summarized the Workforce Incentive Pilot Program. The Contractors (Fort Myer and Capitol Paving) received a financial incentive equal to either 5% or 10% of the contract total depending on the number of DC resident man hours worked on a project. An incentive cap was based on the projected man-hours for each project. This Pilot Program did not achieve its intended goal. Neither contractor took full advantage of the incentives offered. When there was an occasional need for a specific type of laborer, the contractor based the hiring decision on the skill set required rather than whether the firm would receive a benefit from the incentive.

Mr. Gray then turned to the Interim DC Water Works! Program summary. The Committee was given a brief review of the program elements as well as a three year review of both total contractor workforce data and contractor new hires data. Mr. Gray discussed the lessons that were learned during the Interim DC Water Works! Program which would be applied to the Permanent DC Water Works! Program. Contractors should be made aware of the permanent program during pre-bids, kick-offs and compliance orientations. This should occur regardless of contract size. The importance of managing expectations for the permanent program was emphasized. While outreach opportunities should be undertaken, care should be given that the program is not over sold. The labor needs of the contractors should be clearly understood. The permanent program will take advantage of the contractor's existing employment programs. DC Water should use its partners more strategically to match residents with employment opportunities. There should be a greater focus than is currently given on service (non-construction) projects. Mr. Gray concluded with the observation that local firms employ local

residents. With this in mind, the connection between DC Water's Business Development Program and local employment should be recognized. The Committee characterized the permanent program as an ongoing effort which will use both lessons learned and best practices in the industry. The General Manager informed the Committee that DC Water was negotiating a local hiring element in DC Water's Green Infrastructure Program.

The Committee members were asked if they had any emerging issues or other business to discuss. The Chairperson stated that the modifications to the procurement manual were still a work in progress. The goal is to complete the modifications and distribute to the Committee members in ample time before the next meeting.

The General Counsel, Randy Hayman, informed the Committee of the need for an executive session on cyber security. The Committee voted in open session to go into closed session. The Committee reconvened in open session and the Chairperson adjourned the meeting at 11:35 a.m.