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 **DISTRICT OF COLUMBIA**

**WATER AND SEWER AUTHORITY**

 **BOARD OF DIRECTORS**

 **GOVERNANCE COMMITTEE**

 **MEETING MINUTES**

 **January 10, 2017**

**Committee Members** **D.C. Water Staff**

Ellen O. Boardman, Chairperson George S. Hawkins, General Manager

Matthew Brown Henderson J. Brown, IV, General Counsel

Rachna Butani Bhatt Linda R. Manley, Board Secretary

Emile Thompson (pending swearing-in)

Committee Chairperson Boardman convened the meeting at 9:05 a.m.

Committee Chairperson Boardman briefly turned the meeting over to Matthew Brown, Chair of the Board of Directors. Chairman Brown introduced Emile Thompson, who was recently appointed to the Board. Chairman Brown stated that Mr. Thompson will be a tremendous asset to the Board and, at his hearing, had expressed great interest in the governance activities of DC Water, particularly Blue Drop and other entrepreneurial initiatives. Chairman Brown has assigned him to serve on the Governance Committee. Chairman Brown added that Mr. Thompson’s swearing-in is currently pending and, therefore, he is attending in an observational role only and would not participate in decision-making or recommendations on agenda items.

**Agenda Item # 1 - DC Water Works! Employment Programs Update**

Korey Gray, DC Water’s Compliance Officer, presented Agenda Item # 1 – DC Water Works! Employment Programs Update.

First, Mr. Gray discussed program implementation. DC Water Works! (as of FY 2017) tracks new hires and contractor workforce participation in accordance with annual utilization goals:

O New Hire Goals – 60% of residents in the User Jurisdiction

O Workforce Utilization – 51% of residents in the User Jurisdiction

Mr. Gray stated DC Water Works! Strategic Partners are the primary source of candidates for new employment and training opportunities. New Prime Contractors will submit Employment Plans as part of their bid submittals, or within 30 days of contract award. (Partially in place.) All active construction and goods/service contractors are encouraged to submit new employment opportunities to DC Water Works! for fulfillment. New contractors have been notified of the DC Water Works three-business day referral process. (Partially in place.) He advised that updated contract language will be included in solicitations to specify the local resident utilization goals and to require the use of DC Water Works! as the first source for candidate referral. Compliance Standard Operating Procedures will be prepared and the Online Compliance Database is in its testing phase.

Chairperson Boardman asked how contractors are currently notified of the jobs program. Mr. Gray responded that new specific language concerning the jobs program and its requirements will be added to DC Water solicitations. Mr. Gray affirmed that training for contractors on the jobs program began in October 2016.

Chairperson Boardman asked whether Mr. Gray believes contractors clearly understand the program and are willing to participate. Mr. Gray responded that there is no lack of clarity. He reported that he has found contractors are not opposed to the program because it operates as a free resource they can use to support their hiring needs. He added that contractors were concerned that there would be a fee associated with the program but after they learned the program comes at no additional cost – and that DC Water teams up with them to provide the resources and assistance necessary – they have embraced it. In response to Committee Member Bhatt’s inquiry, Mr. Gray affirmed that he would be working with DC Water’s contractors to track the progress of individuals hired through the jobs program.

Mr. Gray reported that use of the satellite job centers will be phased out in FY 2017. In place of the job centers, DC Water is reconnecting with the District and with other area organizations that already provide resume writing support and job placement services. One of DC Water’s primary partners in this effort will be DC Works! One-Stop Career Centers (now called the American Job Centers.) Mr. Hawkins noted that connecting with organizations that have existing programs provides greater efficiency and leads to a better outcome.

Mr. Gray then provided a summary of job positions filled through DC Water Works! as of October 31, 2016. Mr. Hawkins discussed the benefits of tracking employee hiring by DC Water’s contractors. He stated that although certain employment data is already collected in accordance with legal requirements, DC Water began compiling hiring data with respect to all of its contracts. The broader approach has been very successful. One example is the recent hiring of meter installers to install additional meter readers on an expedited basis. By tracking the hiring data through the jobs program, DC Water was able to determine that many of the people hired for this project were from the District of Columbia and Maryland.

Chairman Brown noted that 18 of the 28 available positions listed in the data had been filled while 10 remain open. Regarding the remaining 10, Chairman Brown asked whether there were any challenges in obtaining referrals during the 3-day available timeframe or in identifying candidates. Mr. Gray explained that candidates are currently being sought for the 10 open positions. One position for a truck driver was put on hold while DC Water puts the CDL training program in place (the hiring contractor has agreed to work with DC Water on the training). For several other positions, including engineering and similar professional jobs, DC Water is currently working on identifying partners.

Mr. Gray then described DC Water’s initiative to provide District residents with opportunities to receive training, mentoring, and education in a particular skill area. He stated DC Water’s Department of Facilities has recently partnered with local community based programs to provide students with summer employment opportunities. Participants get exposure to a variety of facilities trades including Carpentry, Building and Grounds, and Painting. Mr. Gray added that last summer the Department of Facilities partnered with Sasha Bruce and the Earth Conservation Corps (ECC). Two participants who excelled in the summer program are being sponsored by DC Water Works! to continue through the fall/winter.

Mr. Gray’s presentation also included a short profile of Tremayne Benton, who participated as an intern in ECC partnership program at DC Water. Mr. Benton recently obtained full-time employment with Apria Healthcare. Chairperson Boardman commended Mr. Gray for providing success stories in his presentation. She suggested that, as time goes on, and Mr. Gray comes across interesting persons who participate in the jobs program, it would be good for the Committee (and Board) to hear those stories. She stated it is very encouraging to see real people who have real opportunities and are truly being helped by the program and added that focusing on the people who are hired through DC Water Works is a great way to breathe life into what otherwise might be seen as “just a program.”

Chairperson Boardman asked whether the summer partnership program is the same as the project in which DC Water partnered with DC Greenworks on a green infrastructure project at Fort Reno. (DC Greenworks’ “Growing Futures” program gives opportunities to young people to work on green infrastructure projects). Mr. Gray answered that the ECC partnership is a different, additional, partnership program developed by DC Water.

Next, Mr. Gray described various training programs associated with DC Water Works! This includes training for a Commercial Driver’s License (CDL), pipe laying training, and collaborating with the Southeast Welding Training Academy (SEWA). SEWA is a referral partner of DC Water. Although DC Water is not sponsoring the training, when the individuals have completed their training, they will be entered into the DC Water Works! database and presented to potential employers.

Chairperson Boardman asked whether individuals who receive CDL training through DC Water Works! are employed by the hiring contractors, go “in house” to DC Water, or move on to other career opportunities. She noted that satisfying the employment needs of the enterprise is an important priority but acknowledged that an individual who receives job training may choose to seek employment elsewhere. In such a case, DC Water nonetheless has provided a service to the individual. Mr. Gray answered that the CDL training program through DC Water Works! is intended to position individuals for hire by DC Water’s contractors only. The number of individuals trained through this program corresponds to the number of positions available with DC Water’s contractors. Currently, DC Water’s Department of Facilities is conducting a CDL training program for 10 District residents, reflecting the present number of positions identified on existing contracts.

Committee Member Bhatt asked whether DC Water employees have expressed interest in taking the CDL training. Mr. Gray explained that the CDL training through DC Water Works is open only to candidates for positions available with DC Water’s contractors. He explained further that, DC Water offers its employees an in-house CDL training course.

Next, Mr. Gray described a new initiative involving green infrastructure certification. The Memorandum of Understanding (MOU) between DC Water and the District contains a goal that 51% of new hires on Green Infrastructure (GI) projects in the Rock Creek and Potomac River sewer sheds should be District residents. Mr. Gray reported that DC Water has partnered with the University of the District of Columbia and Washington Parks and People to train and prepare District residents to successfully complete the National Green Infrastructure Program (NGICP) exam. A curriculum was developed from collaboration between DC Water, the Water Environment Foundation, and other partners across the nation. The entrance examination was held on December 13, 2016. A total of 24 out of 33 individuals who participated in the training sat for the exam. The results of the exam will be available in late January 2017. Individuals who successfully pass the exam will be eligible for employment/on-going training on the first Rock Creek project and future GI work under the DC Clean Rivers Project.

Mr. Hawkins stated that this is the first national certification exam in green infrastructure and he believes the program is going to grow. Chairperson Boardman asked who was at the forefront of developing the NCICP exam. Mr. Hawkins responded that DC Water was prepared to develop and fund the exam on its own. However, DC Water was able to partner with groups such as the Water Environment Foundation and 14 cities across the country, including San Francisco, Cleveland, Chicago, Boston, New York, Harrisburg, Kansas City, and others. DC Water did not want to create a certification program that was relevant only in the local area. It preferred a national certification program that would be applicable in numerous geographical markets. He pointed out that this gives the program national visibility and provides individuals with greater opportunity to move and work in cities where their lives take them, thus creating greater appeal for the program itself. Mr. Hawkins also emphasized that DC Water’s partnerships with other cities helped reduce the cost of developing and implementing the certification program, an effort that DC Water initially funded. Chairperson Boardman noted that this effort ties into the Board’s discussion about DC Water’s entrepreneurial activities and generating revenue that comes back to DC Water. Mr. Hawkins agreed, stating the certification program was designed in that model. He stated that by getting others cities to participate, DC Water also created a program that is better and less expensive.

Finally, Mr. Gray discussed two additional projects. First, DC Water is looking into developing a potential “operators” training program for the departments of WasteWater Treatment and Department of Distribution and Conveyance Systems (DDCS). Second, a Targeted Employment Event (Job Fair) is being coordinated with Skanska for work associated with construction of the new DC Water Headquarters Building. Chairperson Boardman asked whether DC Water’s discussion with the University of the District of Columbia (UDC) on developing an Associate Degree in storm or wastewater management fits into the “operators” training program. General Counsel Brown answered in the affirmative and clarified that he believed the degree would be in wastewater management. Mr. Gray added that DC Water is in the early stages of conversation with UDC. Chairperson Boardman praised the effort, stating that many community colleges have programs where the educational curriculum is paired with on the job training, ultimately leading to a marketable degree. DC Water’s effort in this area shows that it is not merely providing short-term jobs but, instead, is attempting to create full-time careers.

Acknowledging the excellent work done thus far, Committee Member Bhatt asked Mr. Gray whether he had any outstanding concerns about making the program a success. Mr. Gray answered that one issue is background checks. He observed that some potential candidates could not pass the background check and therefore were disqualified from hire. He added that this generally occurred with respect to illicit drug use. Mr. Gray indicated that he and his team are evaluating how DC Water Works can help individuals become drug free so they are employable through the program. Another issue is ensuring that there are sufficient career opportunities to keep the program sustainable. Finally, Mr. Gray indicated that he consistently works to ensure that job training stays in line with the employment needs of DC Water’s contractors.

With respect to background checks, Chairman Brown asked Mr. Gray what typically would disqualify a candidate. Mr. Gray answered that drug use, a felony conviction, or violent offender status, are all examples where it becomes harder to employ an individual. One possible way to mitigate the problem is to partner with organizations who are already working on reducing barriers to re-employment for people convicted of a crime. Chairman Brown discussed the Mayor’s support for providing second chance opportunities to individuals who were convicted of a crime and have entered back into the community. He stated that the Mayor is working to eliminate potential barriers that make it difficult for persons convicted of a crime to obtain a driver’s license. Mr. Hawkins expressed his support for the Mayor’s efforts in reducing unnecessary barriers.

Chairman Brown asked whether there is a brochure or similar materials that can help explain DC Water Works to the public and policymakers. Mr. Gray answered that they are working on it, although he wants to be realistic and not overstate or oversell the program. Mr. Hawkins mentioned that DC Water Works! can serve as a platform for teaching other cities how to develop and implement a similar program. Like the Blue Drop initiative, offering consulting and education services in this area can generate revenue for DC Water while sharing best practices with other utilities who can learn from DC Water’s experience.

Chairman Boardman commended Mr. Gray on his efforts, the lengths to which he has refined and honed DC Water Works! and how he has truly constructed a substantive program created in the best interest of the ratepayers.

**Agenda Item # 2 - Consolidation of EQSS and WQSS Committees**

General Counsel Brown presented on the proposed consolidation of the Environmental Quality Services Committee and Water Quality Services Committee.

By way of background, General Counsel Brown explained that DC Water’s Board of Directors has full power to regulate DC Water’s affairs. He advised that DC Code generally grants the Board with powers usually possessed by a boards of private enterprises, provided that the actions taken are not in conflict with the Home Rule Act or the laws of the District of Columbia. He stated the Board has duty to publish internal operating rules and regulations, including its own by-laws. Mr. Brown observed that the Board’s by-laws were first adopted in 1996 and have been amended 12 times since. In 1996, there were four standing committees – Operations, Human Resources and Labor Relations, District of Columbia Retail Water and Sewer Rates, and Budget and Finance. In 2001, the Operations Committee was renamed the Environmental Quality and Operations Committee. In 2011, Water Services was separated from Operations, a new body called the Water Quality and Water Services Committee was formed.

General Counsel Brown proposed language to consolidate the Environmental Quality Services Committee and the Water Quality Services Committee back into a single committee. In order to accomplish this, General Counsel Brown recommended amending Article V (Committees) of the Board’s By-laws to strike Section 5.01(a)(vii) regarding the establishment of the Water Quality and Services Committee and insert new language in Section 5.01(a)(iii) regarding the establishment of the new combined committee, to be known by its former name, the “Operations Committee.”

The new proposed modifications to the By-Laws are as follows:

**§ 5.01 Establishment**

…

(iii) Operations Committee: Shall make recommendations to the Board regarding actions required of or desired by the Board of Directors with respect to: the assets, facilities and infrastructure owned, operated, or managed by the Authority, including but not limited to emergency planning and safety of operations; matters related to environmental quality; the operation, repair and replacement of water distribution and sewage collection, treatment, and disposal systems; stormwater collection systems; groundwater flow management; and customer services issues, including but not limited to customer education initiatives and customer assistance programs.

In addition, Section 5.02 of the Board’s By-Laws is proposed to be amended as follows:

**§ 5.02 Appointment**

Members of the Board’s standing Committees and ad-hoc Committees, and the

Chairpersons of these Committees shall be selected by the Chairperson of the Board. Only District Board members may serve on Committees or Subcommittees or the rates charged to District retail water and sewer customers.

Chairperson Boardman indicated that the overarching question on combining the two committees is the voting procedure. She pointed to a distinction in the by-laws between the two committees where the Water Quality and Water Services Committee was restricted to District members while the Environmental Quality and Sewer Services Committee was not. The Board’s by-laws permit Board members from user jurisdictions outside of the District of Columbia to vote only on joint use matters. Committee Chairperson Boardman asked how the voting process would take place if the two committees were combined. She also asked what impact the consolidation would have on any legal requirements with respect to the affairs of the Board.

General Counsel Brown answered that combining the two committees is in line with applicable legal requirements. He observed that the DC Water enabling statute provides for six Board members to be appointed from the District and five Board members to be appointed from other participating jurisdictions. By law, members appointed from other participating jurisdictions may only vote on joint use facilities (19 are identified in the statute, most having to do with conveying sewage to Blue Plains). He explained that when a motion is made or a vote is called for, the Secretary of the Board (Linda Manley) will ask only for the vote of those members permitted by statute to vote. The same would apply with respect to decisions or recommendations made in the standing committees.

Mr. Hawkins agreed and stated that the consolidated committee would follow the same rules as those provided for the full Board. Chairman Brown, Chairperson Boardman and General Counsel Brown agreed that it would be useful to educate the Board on voting procedures at the next scheduled meeting. Chairman Brown will raise this at the next Board meeting.

General Counsel Brown clarified that there are two exceptions to the voting rules previously discussed. First, the Board needs 7 votes to approve DC Water’s budget, which means some members from Maryland and Virginia user jurisdictions will participate. Second, the Board must have eight votes to approve and appoint the General Manager. Chairperson Boardman also indicated that those two exceptions are joint use items so it makes sense that all members would vote on such matters.

Committee Chairperson Boardman further inquired about amended language in Section 5.02 of the By-laws, which, in part, restricts District members to a seat on committees with jurisdiction over non-joint use matters or rates. The proposed amendment would eliminate the restriction in the By-laws with respect to members from participating jurisdictions serving on committees that have oversight of non-joint use matters. General Counsel Brown confirmed that there is no legal impediment to the proposed amendment. It was his opinion that the restrictive language need not be in the By-laws because it is stated in the enabling legislation. He stated that the modification is intended to “clean up” that provision.

Committee Member Bhatt raised questions about the name of the new Committee. After much discussion, the Committee recommended that the name of the new standing Committee be the “Environmental Quality and Operations Committee.” Mr. Hawkins and Mr. Brown concurred with the recommendation.

There being no further questions or comments, the Committee agreed to move forward with a recommendation to the Board to change the By-Laws, as proposed, to consolidate the Environmental Quality Services Committee and Water Sewer Services Committee into a new standing committee to be named the “Environmental Quality and Operations Committee.”

**Conclusion**

No executive session was held. There being no further business, Chairperson Boardman adjourned the meeting at approximately 10:20 a.m.