



**317<sup>TH</sup> BOARD OF DIRECTORS MEETING  
MINUTES OF THE MEETING  
MARCH 6, 2025  
(Via Microsoft Teams)**

**DIRECTORS PRESENT**

**District of Columbia Members**

1. Unique Morris-Hughes, Chair
2. Anthony Giancola, Principal
3. Howard Gibbs, Principal
4. Richard Jackson, Principal
5. Jed Ross, Principal

**Prince George's County Members**

1. Floyd Holt, Principal
2. Jonathan Butler, Alternate

**Montgomery County Members**

1. Jon Monger, Principal
2. Jeffrey Seltzer, Alternate
3. Amy Stevens, Alternate

**Fairfax County Member**

1. Christopher Herrington, Principal

**DC WATER STAFF**

1. David Gadis, Chief Executive Officer and General Manager
2. Marc Battle, Chief Legal Officer and EVP, Government and Legal Affairs
3. Matthew Brown, Chief Financial Officer Finance and EVP, Procurement and Compliance
4. Jeffrey Thompson, Chief Operating Officer and EVP
5. Kirsten Williams, Chief Administrative Officer and EVP
6. Michelle Rhodd, Secretary to the Board

The 317<sup>th</sup> meeting of the District of Columbia Water and Sewer Authority's Board of Directors was called to order by Board Chair Unique Morris-Hughes at 9:35 a.m. The

meeting was held via Microsoft Teams and streamed live at dcwater.com. Board Secretary Michelle Rhodd called the roll, and a quorum was established.

## **I. APPROVE MINUTES**

Board Chair Unique Morris-Hughes asked for a motion to approve the minutes of the meetings on February 6, 2025, and March 3, 2025.

Board member Christopher Herrington stated that the minutes of February 6, 2024, meeting did not reflect his recollection of the meeting as they did not contain the text of the resolution discussed in the executive session. The Secretary shared the text of the approved resolution with the Board.

Mr. Herrington asked for an amendment to the minutes to append the words “consistent with Resolution #25-05 adopted by the Board of Directors” to the end of the sentence beginning “The meeting resumed in public session...” The Chair accepted the amendment as worded.

**Upon a motion duly made and seconded, the Board of Directors approved the minutes of the February 6, 2025, meeting as amended and the minutes of the March 3, 2025, meeting as presented.**

## **II. CHAIRPERSON'S OVERVIEW**

Dr. Morris-Hughes began by commending CEO and General Manager David Gadis and his team for their excellent performance at the DC Council oversight hearing, which received numerous positive remarks. She also expressed appreciation for board member Anthony Giancola’s e-mail recognizing the contributions of DC Water staff.

## **III. COMMITTEE REPORTS**

*Meeting of the Environmental Quality and Operations Committee Report  
Reported by Howard Gibbs*

Environmental Quality and Operations Committee Vice Chair Howard Gibbs reported on the meeting held on February 21. Nicholas Passarelli, Vice President of Wastewater Treatment Operations, discussed the performance of Blue Plains Advanced Wastewater Treatment Plant for January 2024. All parameters were within the national pollution discharge elimination standard permit limits. The tunnel systems and wet weather treatment captured 14 million gallons with no overflows. On-site energy generation was 19 percent of the plant’s average consumption. A total of 665 wet tons of biosolids were sold as Bloom, and the remaining 11,465 wet tons were applied through existing land application contracts.

William Elledge, Director of Engineering and Technical Services, provided an update on the Lead-Free DC program, which was below its material verification goals due to an increase in the inventory of addresses. The overall replacement progress was 18 percent complete, with material verification nearly 38 percent complete. The legal team is monitoring the progress of two new bills reintroduced at DC Council concerning the mandate of lead pipe replacements. Adjustments were made to the small diameter main replacement project to improve the monthly production rates and year-end projections. An MOU signed with the Department of Transportation is expected to facilitate advancing the program's objectives.

Jeffrey Peterson, Director of Clean Rivers, provided a DC Clean Rivers status update, noting significant progress on the Potomac River Tunnel. Excavation of the main shaft has started, and the Support of Excavation Work for the temporary shaft is complete. The tunnel boring machine is expected to arrive on schedule. Rock Creek Green Infrastructure Project C to manage stormwater from 25 impervious acres is moving toward the construction phase.

Chris Peot, Director of DC Water Resource Recovery, provided an update on the proposed Maryland PFAS Bill that aims to lower the limit of PFAS in land-applied biosolids to one part per billion, which would effectively block land application of biosolids as current levels are typically higher than the proposed limit. This would force utilities to divert biosolids to landfills with significant increases in operating costs. Mr. Peot and his team are actively working with legislators to address these concerns while DC Water explores other biosolids management options.

Paul Guttridge, Director of CIP Infrastructure Management, provided a CIP update. Baseline spending for the year is \$650 million and the current forecast is \$628 million. Ryu Suzuki provided an update on the Water, Sewer, and Process Facility programs, noting that three consultant program managers are now fully operational. In the Water program, a major achievement is the completion of the RFP for the Valve and Fire Hydrant Assessment program. The Sewer program is focused on completing inspections of all remaining uninspected large sewers within the fiscal year.

Matthew Brown, Chief Financial Officer and EVP of Finance, Procurement and Compliance, presented the proposed \$9.6 billion FY2025–FY2034 Capital Improvement Program (CIP), which includes increases for the Potomac Interceptor, adjustments to the Lead-Free DC program, and revised projected spending for future years.

The Committee recommended moving two joint use and one non-joint use action items to the full Board for approval.

*Meeting of the Retail Water and Sewer Rates Committee Report  
Reported by Howard Gibbs*

Retail Water and Sewer Rates Committee Vice Chair Howard Gibbs reported on the meeting held on February 24.

Mr. Brown presented the monthly report for January 2025, noting that revenue was favorable to budget by 11.6 percent. Revenue in the Residential/Commercial/Multi-Family category was higher than budgeted, driven largely by higher commercial water consumption. Wholesale was ahead of budget due to an early payment by wholesale customers.

Delinquent accounts over 90 days increased by both dollar amount and number of accounts to \$35.5 million, with the Multifamily category accounting for approximately 54 percent of the balance. The Developer Deposits report was updated to summarize deposit balances for both over and under ten years.

Mr. Brown reviewed the revised FY2025 and proposed FY2026 budgets. For FY2025, all questions received about the budget were answered, and the Office of People's Counsel budget briefing and Wholesale Customer briefings were completed. On February 27, the Finance and Budget Committee will review the budget to complete the required budget reviews. An action item sought approval of the revised FY2025 to FY2034 financial plan, including the financial requirements to support the operating and capital budgets.

*Meeting of the Finance & Budget Committee Report  
Reported by Anthony Giancola*

Finance and Budget Committee Chair Anthony Giancola reported on the meeting held on February 27.

Lola Oyeyemi, Vice President of Budget, presented the January 2025 financial report. With approximately 33 percent of the fiscal year completed, total operating revenues were favorable to budget at \$351.1 million, or 37.9 percent of the annual budget; operating expenditures were \$229.6 million, or 29.1 percent of the budget; and capital disbursements were \$181.4 million, or 24.8 percent of the budget. The Annual Comprehensive Financial Report and Green Bond Report are anticipated to be completed in February 2025. The IMA Operating & Maintenance Settlement and the Office of Management and Budget (OMB) Uniform Guidance Audit will be completed in March 2025. Proposed FY2026 budget meetings were held with the Office of the People's Counsel and Wholesale Customers, and representatives of the finance office testified at the DC Council Public Oversight Hearing for FY2024–FY2025 on February 20, 2025.

At the end of January 2025, there were 1,146 filled staff positions and the year-to-date vacancy rate was 7.3 percent. Board member Jonathan Butler noted that capital disbursements should be guided by a master plan that would dictate spending for the

term and inquired why spending was below budget for some months. Mr. Brown explained that a monthly view of capital expenditures is not always useful as these funds are spent on a per-project basis for projects that may span months or years, suggesting that better measures for capital program implementation are project start and end dates and minimizing change orders. Mr. Giancola noted that another useful measure of capital project success is to determine which projects are proceeding on schedule.

Paul Guttridge provided the status of CIP projects and key performance indicators (KPIs) through Q1 2025. There are 52 scheduled KPIs for projects in the CIP for FY2025. The Lead Free DC and Water Service Area programs are projected to be over budget for the year, while the Sanitary Sewer Service Area program is projected to be under budget.

Mr. Brown provided an overview of the Revised FY2025 and Proposed FY2026 budgets. Several items were recommended to the full Board for approval. The proposed operating budget for FY2026 is \$838.1 million, an increase of \$49.9 million. The proposed 10-year capital improvement program budget is \$9.62 billion, an increase of \$1.88 billion. He also addressed potential risk and opportunities for the budget, including headwinds from federal funding and potential tariffs to consider, and a further possibility that the tax-exempt status of DC Water bonds may be at risk.

Six items were recommended to the full Board for approval.

*Special Meeting of the Executive Committee  
Reported by Dr. Unique Morris-Hughes*

Executive Committee Chair Unique Morris-Hughes reported that a Special Meeting of the Executive Committee and an Emergency Meeting of the Board were held on March 3 to discuss a personnel matter under D.C. Official Code § 2-575(b)(10).

#### **IV. CEO AND GENERAL MANAGER'S REPORT**

CEO and General Manager David L. Gadis reported that he testified at the District's 2025 performance oversight hearing with the DC Council Transportation and Environment Committee on February 20. He provided high-level updates on DC Water's progress with the Clean Rivers project, customer assistance programs, and the collaborative delivery procurement model. He also addressed challenges such as aging infrastructure and decisions by the Washington Aqueduct affecting customers.

Mr. Gadis discussed federal allocations under the Bipartisan Infrastructure Law, and EPA and FEMA grants, noting that despite some delays in funding, DC Water has experienced no issues drawing on its grant funds. Federal agencies were required to submit detailed information regarding their funding programs by February 10 and that information is now under review by the federal OMB. Mr. Gadis noted that any reduction in previously

approved federal funding would significantly impact the Lead Free DC program and slow progress on small diameter water main replacements.

Finally, Mr. Gadis discussed ongoing cybersecurity threats to utilities nationwide, noting that in late February, the government offices of Maryland's Anne Arundel County were struck by a ransomware attack. A week later, some services were still disrupted. The attack may have resulted from a phishing scheme. Mr. Gadis noted that the Authority continues to provide ongoing phishing awareness training, and that the Authority's layered defenses provide additional protection from any mistakes employees may make.

Mr. Giancola noted that the administrative metrics report used to include fleet metrics for the availability of priority vehicles and asked whether this information could be returned to the report.

Board member Christopher Herrington requested an update on Resolution #25-02 concerning the Washington Aqueduct. Mr. Gadis confirmed that the Aqueduct received notification from the White House indicating that its employees would not be included in the early retirement offer. He further explained that the situation is evolving daily, with the Department of Defense suggesting that its proposed budget cuts of 5 to 8 percent would include the Aqueduct. The Aqueduct is actively working to be excluded from these cuts. Mr. Gadis noted that, while he does not believe the Aqueduct is currently at risk, it is under a hiring freeze. Mr. Herrington highlighted that 100% of the Aqueduct's funding is sourced from the principals and not from the federal government. In response, Mr. Gadis noted that there would be no request to extend Resolution #25-02.

Mr. Herrington asked for an update on the continuity of operations plan for DC Water. Mr. Gadis noted that there were no updates but at a meeting of the principals, it was agreed that the continuity plan is needed. Mr. Herrington stated that it is important for the Authority to continue discussing its own continuity of operations plan should there be an interruption in the service of the Washington Aqueduct.

Mr. Herrington asked for an update on the requested written position statements from the Washington Aqueduct, the Fairfax Water Authority, and Arlington County. Mr. Gadis stated that the statements had been forwarded to the Chair. Dr. Morris-Hughes confirmed receipt of the statements and agreed to review Mr. Herrington's request that the statements be shared with the Board.

## V. CONSENT ITEMS (JOINT USE)

1. Approval to Add Funding to Option Year 9 and Execute Option Year 10 of Contract No. 16-PR-DFM-07, Fleet Management Information System (FMIS), Consulting Services, (Chevin Fleet Solutions) – **Resolution No. 25-06** (Recommended by the Environmental Quality and Operations Committee 02-21-25)
2. Approval to Add Funding and Six-Month Extension to Option Year 5 of Contract No. 19-PR-DFS-01, Heating, Venting and Air-Conditioning (HVAC) Maintenance Services, (Complete Building Services) – **Resolution No. 25-07** (Recommended by the Environmental Quality and Operations Committee 02-21 -25)
3. Approval to Amend Fiscal Year 2025 Operating Budget – **Resolution No. 25-08** (Recommended by the Finance and Budget Committee 02-27-25)
4. Approval of Proposed Fiscal Year 2026 Operating Budget – **Resolution No. 25-09** (Recommended by the Finance and Budget Committee 02-27-25)
5. Approval to Amend FY 2025 and FY 2026 Revenue Budget – **Resolution No. 25-10** (Recommended by the DC Retail Water and Sewer Committee 02-24-25 and the Finance and Budget Committee 02-27-25)
6. Approval of Proposed Fiscal Year 2025 – 2034 Capital Improvement Program - **Resolution No. 25-11** (Recommended by the Environmental Quality and Operation Committee 02-21-25 and the Finance and Budget Committee 02-27-25)
7. Approval of Fiscal Years 2025 – 2034 Ten-Year Financial Plan – **Resolution No. 25-12** (Recommended by the DC Retail Water and Sewer Rates Committee 02-24-25 and the Finance and Budget Committee 02-27-25)
8. Approval of Official Intent to Reimburse Fiscal Year 2025 and 2026 Capital Expenditures with Proceeds of a Borrowing – **Resolution No. 25-13** (Recommended by the Finance and Budget Committee 02-27-25)

**Upon a motion duly made the Board of Directors voted to approve Non-Joint Use Resolutions No. 25-06 to 25-13 as presented.**

## VI. CONSENT ITEMS (NON-JOINT USE)

1. Approval to Execute the Award of Contract No. 10507 with One Base Year and Two Option. Underground Utility Location and Marking (Dynamic Concepts. Inc.) – **Resolution No. 25-14** (Recommended by the Environmental Quality and Operations Committee 02-21-25)

**Upon a motion duly made the Board of Directors voted to approve Non-Joint Use Resolution No. 25-14 as presented.**

**VII. ADJOURN**

There being no further business to come before the Board, the meeting adjourned at 10:20 a.m.

*Michelle Rhodd*

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Michelle Rhodd

Secretary to the Board of Directors