



**325<sup>TH</sup> BOARD OF DIRECTORS MEETING  
MINUTES OF THE MEETING  
DECEMBER 4, 2025  
(Via Microsoft Teams)**

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**DIRECTORS PRESENT**

**District of Columbia Members**

1. Unique Morris-Hughes, Principal, Board Chair
2. Rachna Bhatt, Principal
3. Anthony Giancola, Principal
4. Howard Gibbs, Principal
5. Richard Jackson, Principal
6. Jed Ross, Principal
7. Alexander McPhail, Alternate
8. Jimmy Ortiz, Alternate
9. Robert Hawkins, Alternate

**Prince George's County Members**

1. Kevin Stephen, Principal
2. Samuel Moki, Principal
3. Oluseyi Olugbenle Alternate

**Montgomery County Members**

1. Fariba Kassiri, Principal
2. Amy Stevens, Alternate

**Fairfax County Members**

1. Christopher Herrington, Principal

**DC WATER STAFF**

1. David L. Gadis, CEO/General Manager
2. Amber Jackson, Chief People Officer & EVP and Interim Chief Legal Officer & EVP
3. Barbara Mitchell, Associate General Counsel and Director of Government Affairs

4. Matthew Brown, Chief Financial Officer & EVP Finance, Procurement, and Compliance & Interim COO
5. Kirsten Williams, Chief Administrative Officer & EVP
6. Michelle Rhodd, Secretary to the Board

The 325<sup>th</sup> meeting of the District of Columbia Water and Sewer Authority's Board of Directors was called to order by Chair Dr. Unique Morris-Hughes at 9:34 a.m. The meeting was held via Microsoft Teams and streamed live at [dcwater.com](http://dcwater.com). Board Secretary Michelle Rhodd called the roll, and a quorum was established.

## **I. APPROVE MINUTES**

Board Chair Dr. Unique Morris-Hughes asked for a motion to approve the minutes of the Board meeting held on November 6, 2025.

**Upon a motion duly made, the Board of Directors approved the minutes of the meeting on November 6, 2025, as presented.**

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

Dr. Morris-Hughes began her remarks by welcoming the incoming DC Water Board member representing Prince George's County, Derrick L. Coley.

She then provided an update on the Joint Use/Non-Joint Use Workshop requested for the upcoming board retreat, which is scheduled for January, 2026. Approximately 30 to 60 minutes will be dedicated to the discussion to allow ample time for a robust discussion.

With a nearly full board roster for the new year, Dr. Morris-Hughes is revising the 2026 committee assignments to incorporate new Board members' expertise. To support these placements, a new skills assessment matrix has been implemented to provide a clearer picture of the Board's strengths and identify areas where additional expertise is needed.

Dr. Morris-Hughes noted that feedback from the Board retreat survey was overwhelmingly positive. Facilitators and guest speakers received excellent ratings. The sessions were found to have promoted self-reflection and team-building, with most attendees finding them meaningful. Based on feedback, future retreats may rotate locations, starting with Virginia next spring.

### **III. COMMITTEE REPORTS**

*Meeting of the Human Resources and Labor Relations Committee  
Reported by Committee Chair Jed Ross*

The Human Resources and Labor Relations Committee met on November 12, 2025.

First, the Committee received an HR update from Amber Jackson, Chief People Officer and EVP of People and Talent, highlighting that employee participation in the wellness program continues to grow and discussing how the program benefits the workforce and supports the Authority's mission and critical work. There was also an overview of the employee engagement survey results.

*Meeting of the Finance and Budget Committee  
Reported by Committee Chair Anthony Giancola*

The Finance and Budget Committee met on November 18, 2025.

Lola Oyeyemi, Vice President, Budget, presented the October 2025 Financial Report. Total operating revenues were \$98.9 million, or 9.8% of the budget; operating expenses were \$553.7 million or 6.4% of the budget; and capital disbursements were \$40.4 million or 4.4% of the budget. The delinquent accounts balance dropped to \$30.7 million, mainly due to the \$2.2 million CSX railroad settlement.

Misha Thomas, Director of Customer Care, elaborated on the railroad settlement, noting that Amtrak had disputed for 10 years whether its baluster rails qualified for impervious areas charges. After court hearings and discussions, the parties settled in October with a \$1.4 million payment. The original request was for \$2.2 million. CSX also resolved its 10-year case in 2024 and is now paying the impervious area charge going forward.

Paul Guttridge, Director, CIP Infrastructure Management, delivered the FY 2025 Capital Improvement Plan (CIP) update, noting ongoing design for the final section of the Blue Plains Flood Wall that will protect against a 500-year flood event, with two feet of additional height to allow for wave action. He noted that, according to new Department of Energy and Environment modeling, the wall is sufficient to protect the asset.

At the end of FY 2025, CIP disbursements totaled \$545 million, or 84% of the budget.

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

The Environmental Quality and Operations Committee met on November 20, 2025.

Nicholas Passarelli, Vice President, Wastewater Operations, provided an update on the Blue Plains Advanced Wastewater Treatment Plant. All parameters were within the national pollution discharge elimination standard permit limits. October was a moderately wet month with 1.9 inches of rain recorded and 88 million gallons captured with no overflows.

On-site energy generation from the combined heat and power facility and the solar panels for the month was 18% of the average treatment plant consumption, a 10% drop from typical due to the simultaneous failure of two motors that have since been repaired. The plant produced 14,241 tons of biosolids; 5,309 tons were sold through Blue Drop's Bloom program, and 8,932 tons were managed through land application contracts.

Mr. Guthridge then provided a status update for the Clean Rivers Project, the Lead Free DC project, and the water, sewer, and process facilities capital programs. He reported FY 2025 disbursements at 84%, with less than anticipated spending due to the Potomac Tunnel shaft excavation and a revised approach to the Potomac Interceptor projects. He also reported that some scheduled KPIs had experienced delays, mainly due to permitting, changes in delivery methods, and updates to facilities master planning.

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

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

CEO and General Manager David L. Gadis began by remembering Jacklyn Little of the Accounts Payable department, who passed away on December 3, 2025. He noted that Ms. Little cared deeply about her work and for people. He then recognized the contributions of Sherley Boursiquot, Communication Specialist, whose social media expertise has driven significant growth in the Authority's engagement. This growth has been noted by peers seeking to replicate DC Water's social media strategy. Ms. Boursiquot was awarded the CEO's Challenge Coin.

Mr. Gadis followed with four updates on the state of the organization.

On November 3, 2025, the Clean Rivers Program celebrated a milestone with the blessing of Mary, the tunnel boring machine (TBM) for the Potomac River tunnel. Mayor Bowser christened the machine with DC tap water, symbolizing the district's commitment to cleaner waterways. The project will prevent nearly one billion gallons of combined sewage and stormwater from entering the Potomac annually and reduce flooding in underserved DC neighborhoods.

On November 19, 2025, the Pure Water DC initiative was launched under the leadership of Dr. Rabia Chaudhry, Director of Water Resilience. Numerous federal and industry leaders attended the event, and panelists discussed water reuse.

On November 13, 2025, Mr. Gadis received the 2025 Leadership Award from the National Forum of Black Public Administrators for DC Water's transformative Clean Rivers Program and green infrastructure efforts. He thanked Team Blue for making the achievement possible.

Next he highlighted Dr. Morris-Hughes' feature in *The Wall Street Journal* was on embedding sustainability into strategy. Mr. Gadis' noted that his interview discussed DC Water's approach to risk management and community service.

The Stars of Water event honored DC Water employees, drawing over 800 attendees for its ninth year. The celebration recognized teamwork and broke down organizational silos, boosting morale.

## **V. EMPLOYEE ENGAGEMENT SURVEY UPDATE**

Amber Jackson, Chief People Officer and EVP People and Talent, presented the report.

Ms. Jackson began with an overview of the survey development, which was conducted to gather employee feedback on four focus areas:

- Culture/place
- Leadership
- Performance management
- Communication and feedback

The process began with a pilot survey at last leadership retreat and included input from union leadership on the survey questions.

The 17 survey questions were designed to be inclusive and actionable, and responses were collected using a five-point Likert scale. There were also opportunities for employees to add written comments. The survey was offered in two phases to maximize participation. Ms. Jackson noted that the survey was designed as a pulse instrument, which will be followed by a full survey developed by an external consultant.

Team members promoted the survey across campuses to ensure broad engagement. The ratio of union to non-union workers was 39.5% to 60.5%; 22.8% were lead workers, versus 77.2% who were not. The largest group of participants had one to five years of tenure. The survey received responses from 429 non-supervisory and 215 supervisory employees, for a total of 644 responses.

The total score across focus areas was 3.9 out of 5, with no statement scoring below 3.0, indicating generally positive feedback but highlighting opportunities for improvement. While past surveys differed in scope and questions, future surveys will use consistent metrics to track progress over time. Culture scored highest among the four focus areas with a score of 4.3, with all statements rated above 3. Areas scoring between 3.2 and 3.9 were focus areas for a response.

Board member Anthony Giancola asked how the survey compared to prior ones. Ms. Jackson responded that the results had not been compared to prior surveys due to differences in the survey questions and respondent population. Moving forward, the Authority will deliver surveys on a regular basis and comparable in scope to allow year-over-year analysis and trend identification. Mr. Giancola urged performing this comparison to achieve some consistency in reporting and noted that the Board has requested it in the past. Ms. Jackson discussed plans to engage an external contractor to ensure employees feel secure in their responses.

Board member Rachna Bhatt expressed surprise that the lowest-scoring item at 3.3 was “the senior leaders value people as their most important resource.” She noted that Mr. Gadis continually emphasizes the value of the Authority’s employees. Mr. Gadis stated that the source of the low scores on this item has been identified, and corrective action has been taken with the relevant senior manager. He noted that the affected cluster was the largest in the Authority, and the scores of employees in other clusters were much higher.

In response to a question from Board member Fariba Kassiri, Ms. Jackson confirmed that the survey was anonymous, but employees were asked to identify their cluster.

Board member Christopher Herrington advised against using inappropriate analysis methods, such as averaging responses, for ordinal data. He noted that for data collected on a Likert scale, it is more appropriate to report the frequency of each response. He also advised examining response rates by groups, such as gender, race, and other demographic categories, and requested more disaggregated data to help identify problem areas. Ms. Jackson noted that the analysis did drill down into the clusters to allow each EVP to create an action plan, and any score of one or two was noted as an area to address.

Ms. Jackson highlighted some strengths identified by the survey, including that employees take pride in their work and feel aligned with organizational goals. Managerial support is strong, with supervisors providing effective communication and constructive feedback. Before recent organizational changes, the IT cluster and the Office of Marketing and Communications were the top departments in terms of engagement and leadership.

Areas for improvement include communication, leadership, career development, pay equity, telework flexibility, and job satisfaction. To address these, DC Water created the "Now – Next – Later" framework, organizing action plans by when they can be accomplished: "Now" items were addressed in the current fiscal year, "Next" items are prioritized for FY 2026, and "Later" items will take two or more years to accomplish. Priorities were set to improve communication and manage employee expectations realistically.

Significant actions included hosting town halls to share employee survey results and reinforce transparency, reinstating telework in response to feedback, and initiating cluster-specific all-hands meetings to strengthen connections between leadership and staff. Meetings were rotated across campuses to engage more employees directly. A concrete action that was popular with employees involved re-opening the building's side door to allow employees to enter more directly from the parking area. Employee appreciation events, including the recent well-attended tailgate party, have further demonstrated the CEO's responsiveness to employee concerns.

In response to a question from Ms. Bhatt, Matthew Brown, Chief Financial Officer and EVP Finance, Procurement, Compliance & Interim COO, further discussed the decision to re-implement telework options, noting that the policy changes around telework balanced office collaboration with flexibility. Leadership considered both employee input and market trends, allowing vice presidents to tailor arrangements to team needs while recognizing that some roles require an on-site presence and some tasks may benefit from allowing an employee to work in a distraction-free environment. He highlighted the difference between equality, which is treating everyone the same, and equity, which is being responsive to individual employee situations. He noted that the Authority had previously lost some employees due to a lack of flexibility.

Ms. Jackson pointed out that the survey results were received just after the Authority incurred a \$51 million spending restriction for the fiscal year, but employee concerns continued to be prioritized.

Ms. Kassiri emphasized that the survey design should not change to ensure comparable results from survey to survey. Dr. Morris-Hughes concurred but noted the importance of also engaging external expertise to ensure the survey is validated and can be benchmarked to other organizations.

## **VI. Consent Item (Joint Use)**

1. Approval to Execute Construction Manager at Risk (CMAR) Guaranteed Maximum Price Amendment No. 1 of Contract No. 240080, Kokosing Industrial, Inc. –

**Resolution No. 25-61** (Recommended by the Environmental Quality and Operations Committee 11-20-25)

**Upon a motion duly made, the Board of Directors voted to approve Non-Joint Use Resolution No. 25-61 as presented.**

In response to a question from Board member Rob Hawkins, Ryu Suzuki, Director, Wastewater Engineering, clarified the contract value versus the original RFP. He explained that the contract was issued via a Construction Manager at Risk (CMAR) process, in which the initial contract covered pre-construction services, including, assessment of the project scope and pricing, after which the full contract was issued for the scope of work. The initial approved value of approximately \$400,000 was for pre-construction consulting services, while the amount of approximately \$140 million is for the project construction. Mr. Suzuki noted that the original estimate was for approximately \$200 million.

#### **VII. Consent Items (Non-Joint Use)**

1. Approval to Execute Design/Build Contract No. 250180, Solar Facilities at Fort Reno Reservoir, New Columbia Solar – **Resolution No. 25-62** (Recommended by the Environmental Quality and Operations Committee 11-20-25)
2. Approval to Execute Construction Manager at Risk (CMAR) Guaranteed Maximum Price Amendment No. 02 of Contract No. 240040, Division RC-T – Piney Branch Tunnel, Clark Construction Group – **Resolution No. 25-63** (Recommended by the Environmental Quality and Operations Committee 11-20-25)
3. Approval to Execute Change Order No. 02 of Contract No. 190040, 66-inch 72-inch Prestressed Concrete Cylinder Pipe (PCCP) N Street, Anchor Construction Corporation – **Resolution No. 25-64** (Recommended by the Environmental Quality and Operations Committee 11-20-25)
4. Approval to Increase Budget for the Master Service Agreement Program and Exercise Option Year 1 of Contract No. 230020, Small Diameter Water Main Replacement (SDWMR), Multiple Contractors, – **Resolution No. 25-65** (Recommended by the Environmental Quality and Operations Committee 11-20-25)
5. Approval to Participate in the District Department of Transportation Project: Benning Road NE Reconstruction and Streetcar, Phase I from Anacostia Avenue, NE to Minnesota Avenue – **Resolution No. 25-66** (Recommended by the Environmental Quality and Operations Committee 11-20-25)
6. Approval to Execute Construction Manager at Risk (CMAR) Preconstruction Services Contract No. 250070, Creekbed Infrastructure Rehabilitation, Halmar

International, LLC – **Resolution No. 25-67** (Recommended by the Environmental Quality and Operations Committee 11-20-25)

7. Approval to Exercise Option Year No. 2 of Contract No. 10316, Supply and Delivery of Sand, Gravel, Stone, Topsoil and Cold Mix, ReAgg, LLC – **Resolution No. 25-68** (Recommended by the Environmental Quality and Operations Committee 11-20-25)

**Upon a motion duly made, the Board of Directors voted to approve Non-Joint Use Resolutions No. 25-62 to 25-68 as presented.**

In response to a question from Mr. Hawkins on Resolution No. 25-63, Dr. Moussa Wone, Vice President, Clean Rivers Project, confirmed that the contract was also issued via a CMAR process with a lower pre-construction value and a higher value for the full project scope. He noted that the pre-construction portion of the contract also includes some early work packages that can be completed before the larger project begins. There are thus three phases to the contract rather than the two phases typical of CMAR projects.

Mr. Giancola asked a follow-up question about the apparent reduction in approved costs for Resolution No. 25-63. William Elledge, Director of Capital Water and Lead Free DC, noted that the referenced contract is a master service agreement (MSA) for small-diameter water mains, which allows a parent agreement to be signed and task orders to be issued under the MSA. The current request is to add contracts under the MSA.

### **VIII. Blue Drop Update**

Chris Peot, President of Blue Drop and Director of Resource Recovery at DC Water, presented the update, beginning with a brief history of the program.

The program was established in November 2016 via a joint-use resolution with unanimous DC Water Board support. Later that month, DC Water filed for articles of incorporation for Blue Drop within the district. Intermunicipal Operating Agreement (IMA) No. 6, which outlines the use of funds from the biosolids management program for revenue generation, was then signed.

Blue Drop operates as a nonprofit to generate revenue and mitigate rate increases for DC Water customers. Initial funding came from DC Water between 2017 and 2019, and by May 2019, Blue Drop achieved net-positive status with continued growth since then. Key guiding principles from the board resolution include innovation in revenue generation, commitment to maximizing operational value, providing relief from rising rates, and maintaining agility in response to market changes. Blue Drop is managed as a nonprofit and plays a role in DC Water's financial strategy.

There is one open Blue Drop board seat, and consideration is being given to adding a DC Water Governance Committee member. Blue Drop reports to the Governance Committee annually but is willing to provide updates more frequently as needed.

Blue Drop received \$2.5 million in startup funding from DC Water between 2017 and 2019, after which it became self-sustaining. Wholesale customers and IMA partners did not contribute to startup or operating costs, but benefited from operational savings and net revenue credits on their Blue Plains operating bills.

The majority of Blue Drop's revenue comes from digesters, renewable energy credit sales, and Bloom product sales, resulting in significant annual savings compared to prior biosolids management, which was contracted to outside service providers. It was estimated that it would take 19 years to repay the investment in the digesters, which have a 75-year lifespan, but that estimate has been revised to 12.5 years.

Since Blue Drop took over biosolids management in 2019, costs have dropped below industry standards and generated about \$12.5 million in annual savings for IMA partners by treating biosolids as assets. In FY 2024, Blue Drop's net profit increased 71%, largely due to increased Renewable Energy Credit (REC) prices. Net revenue of \$10.5 million over eight years was credited back to IMA partners proportionally via DC Water.

Blue Drop proposes allocating some revenue to further operational savings, such as acquiring farmland to build a Bloom storage facility to even out Bloom supply, which varies year to year depending on the weather. This investment is expected to pay off within 4.5 years and could make biosolids management cost-neutral.

Following Mr. Poet's report, Mr. Herrington noted his previous frustration that the Board was not kept informed during the Metropolitan Washington Council of Governments (COG) dispute-resolution process regarding Blue Drop and its revenues. After receiving updates, he is now comfortable with the progress but requests regular Board updates on the resolution process. However, he noted that most net revenue from Blue Drop comes from the sale of Bloom produced using equipment funded by the joint Board, including suburban partners. While those partners did not provide startup funding, Mr. Herrington argued that they contributed to the equipment that generates its revenue. He asked for clarification of the cost of goods sold in the Blue Drop revenue report.

Mr. Peot noted that much of the production cost for Bloom is for hauling and spreading, which are handled by desegregated contractors. Blue Drop continues to subsidize the haul rate for farmers.

Mr. Herrington further discussed the decision to refund Blue Drop's revenues to the IMA partners rather than reinvesting the net revenue. He asked the Board to consider whether the Authority needs Blue Drop to be an agile and resilient entity independent of the Authority in order to respond to market conditions, or why the Authority is not sufficiently agile to respond. Mr. Peot agreed it had taken too long to reinvest Blue Drop's revenue, noting that earlier investment in the renewable natural gas project would have paid off in about three years. The project was not funded due to some inherent risk that raised concerns at the Authority. Mr. Herrington advised the Board to consider how this type of investment can be reviewed at the Board level as part of the regular budget process, noting that the suburban partners are seeking increased insight into these fundamental governance questions.

Dr. Morris-Hughes noted that adding a DC Water Governance Committee member to the Blue Drop board is a step in the right direction.

Ms. Bhatt observed that Blue Drop's agility has been its strength and encouraged reinvesting Blue Drop's revenue in capital projects that the Authority cannot commit to due to its complex regulatory obligations. She noted that Blue Drop was founded with the goal of finding alternative revenue streams that were not aligned with DC Water's original mission and purpose. Board member Jed Ross added that another early goal was to ensure that the Authority was capitalizing on DC Water's expertise.

Board member Alex McPhail asked Mr. Peot to provide a report to the Board outlining the three most significant risks to the Blue Drop program and the mitigation measures to address them. Mr. Gibbs asked Mr. Peot to draft a report outlining all of the savings realized by the Blue Drop program, for dissemination to the public.

Mr. Herrington lauded Blue Drop's success, noting that having an entity able to manage revenue sources or expenditures independent of DC Water's fundamental mission makes sense. He was concerned that the suburban members who helped fund Blue Drop are not part of the project's governance. He cautioned against giving away Board authority without understanding why the Board is not sufficiently agile, nimble, and responsive to conditions to be able to make these decisions.

Board member Richard Jackson suggested incorporating all four entities, allowing both the IMA and reinvestment to be managed through allocated percentages. Funds designated for reinvestment can accumulate in the capital account over time until they are sufficient for new projects. This would address reinvestment and IMA concerns, provide flexibility, and ensure all partners remain involved.

Board member Samuel Moki summarized the situation as one where negotiations were dragging, so a decision was made in favor of credits back to the partners rather than

continuing to discuss the matter and find a resolution, creating friction in the relationship. Mr. Peot noted he might have been the source of the friction, as he was fighting hard to reinvest the funds. Mr. Herrington clarified that some of the suburban jurisdictions raised concerns about the accumulation of Blue Drop revenues and how they were being spent. There was a fundamental question of whether Blue Drop was conforming to IMA procedures in terms of how it was operating. He confirmed that DC Water was acting on the Board's direction.

Ms. Bhatt asked that Mr. Peot begin reporting to the Board more frequently and he confirmed that he would. Chair Morris-Hughes asked that quarterly Blue Drop updates be added to the agenda.

## **IX. ADJOURN**

There being no further business to come before the Board, the meeting adjourned at 11:47 a.m.

### **Follow-Up Actions:**

1. Amber Jackson will provide a report with additional details on the Employee Engagement Survey, including a breakdown of results by employee cluster.
2. Chris Peot will provide a report to the Board outlining the three most significant risks for the Blue Drop program and any mitigation measures to address these risks.
3. Chris Peot will provide a report to the Board on the overall savings realized by the Blue Drop program, for dissemination to the public.

*Michelle Rhodd*

Michelle Rhodd

Secretary to the Board of Directors