



**DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY
BOARD OF DIRECTORS
260th MEETING
THURSDAY, JANUARY 2, 2020
MINUTES**

Present Directors

Tommy Wells, Chairperson, District of Columbia
Krystal Brumfield, Vice Chairperson, District of Columbia
Ellen Boardman, District of Columbia
Emile Thompson, District of Columbia
Adam Ortiz, Montgomery County
Rachna Bhatt, District of Columbia
Randy Bartlett, Fairfax County
Krystal Brumfield, District of Columbia
Major Riddick, Prince George's County
Fariba Kassiri, Montgomery County (via telephone)
Floyd Holt, Prince George's County (via telephone)

Present Alternate Directors

Howard C. Gibbs, District of Columbia
Sarah Motsch, Fairfax County
Jed Ross, District of Columbia
Adriana Hochberg, Montgomery County
Steven Shofar, Montgomery County
Lavinia Baxter, Prince George's County
Joseph Gill, Prince George's County (via telephone)
Anthony Giancola, District of Columbia (via telephone)
Rev. Kendrick Curry, District of Columbia
Ivan Frishberg, District of Columbia

DC Water Staff

David Gadis, CEO and General Manager
Matthew Brown, EVP for Finance and Procurement
Marc Battle, Executive Vice President, Legal Affairs
Linda R. Manley, Secretary to the Board

Vice Chairperson Krystal Brumfield called the 260th meeting of the District of Columbia Water and Sewer Authority's Board of Directors to order at 9:30 a.m. Ms. Brumfield chaired the meeting due to the late arrival of Chairman Wells. Ms. Manley called the roll and a quorum was established.

Approval of the December 5, 2019 Minutes

Chairperson Wells asked for a motion to approve the December 5, 2019 minutes. The motion to approve the December 5, 2019 minutes was moved, seconded, and unanimously approved by the Board of Directors.

Environmental Quality and Operations Committee

Reported by: Howard Gibbs, Vice Chairperson

Mr. Gibbs stated that the Committee met on Thursday, December 19, 2019 immediately following the Retreat via conference call. The Committee presented six action items, contracts for goods and services as well as consulting services.

Board Member Boardman noted that she had a specific question in regards to the \$25 million contract and wanted more information. She wanted to be briefed on what engineering services D.C. Water was paying for from AECOM and what has the practice been thus far? General Manager David Gadis deferred the question to Biju George, Executive Vice President of Operations and Engineering, and Leonard Benson, Chief Engineer. Mr. George noted that hiring a program manager is a way D.C. Water has managed engineering for the longest period. It provides the advantage of having the expertise in one shop, and then also managing large programs efficiently. The current contract with AECOM is expiring and D.C. Water is planning to manage engineering programs in the future by breaking it into three parts. The first part is bringing program management in house, including scheduling and cost estimation. The second portion will be called asset management and project planning, consistent with American cost engineering practices, or a 20 percent contingency asset planning level design. That will be done by one department and then they hand it over to the next department, which is called a project delivery team. They will then transition from a program management approach to a more task ordered based, multiple consultant-based approach. Mr. George noted that more details should follow in the March Board Committee meeting of the Environmental Quality and Operations Committee. Len Benson noted that all but one firm listed is an engineering firm. A Board Member asked if these are services that have been routinely provided in this fashion for D.C. Water. Mr. Benson confirmed that they were routinely provided as such.

Board Member Butani asked if the contract was a sole source contract and if there actually was competition. Mr. Benson stated that it was not a sole source contract and that D.C. Water issued a public notice of need for about a six-week period to engineering firms, including minority and women sectors. There was only one respondent which is not unusual. Mrs. Bhatt noted that she was concerned that six weeks for a program of this size to bid seemed like enough time to put together a comprehensive proposal. General Manager Gadis stated that he agreed with her concern and is actively taking advantage of the skill sets of his procurement team. With the lead of Biju George, they are working with the engineering group to increase solicitations in the future and to increase outreach in the marketplace. Mr. Gadis noted that he had discussions with 70 potential firms to assist D.C. Water in driving the price and showing that it is open to entertaining other organizations. Mr. Gadis reiterated Mr. Benson's point that firms like AECOM have been doing business with D.C. Water for so long that firms do not want to spend the money to prepare the bid. Mr. Gadis assured that D.C. Water is attempting to do a better job from an outreach standpoint to the market. Ms. Bhatt reiterated that while outreach is a concern, she is most concerned with the amount of time it takes to put together a bid. Ms.

Bhatt suggested looking at ways other entities reach out directly to contracts and suggested that this item be taken up in the Governance Committee for more discussion.

Mr. Benson introduced David Parker, Director of the Department of Wastewater Engineering, for more information on the request for proposal (RFP). He informed the Board that D.C. Water had a pre-proposal meeting where several consultants attended and seemed interested. However, initially they intended on going for a five-year contract but it was modified by an addendum into a three-year contract, with language that included the intention to phase out the program management portion in the future. Mr. Parker noted that a combination of those things dissuaded a lot of the potential proposers from this work. Ms. Bhatt asked Mr. Parker if he could confirm that there was competition in the room. He did and reported that firms elected not to bid after the change in scope. CEO Gadis assured Ms. Bhatt that there was a huge decrease in the amount of work AECOM has received and he will work diligently to oversee and control this contract.

General Manager's Report

Reported by: David Gadis, Chief Executive Officer and General Manager

CEO Gadis gave an update for December on Procurement outreach. He stated that the facilities capital program was hosted at headquarters for architectural and engineering services outreach. In collaboration with compliance, the facilities team discussed the scope of work, program management, and design and construction management services for non-process facilities. He stated that D.C. Water expects to award five or more contracts in the amount of \$2 to \$3 million in the future. CEO Gadis said that he felt that it is important to get some of the smaller firms involved from a solicitation standpoint and that he hopes this encourages them to submit proposals as prime contractors instead of subcontractors. He said that D.C. Water solicited feedback after the event, and is currently incorporating the suggestions in the solicitation which is expected to be advertised the second half of this month.

CEO Gadis congratulated CFO Matt Brown and his team on the release of a new website designed to describe budgeting and rate making. He also congratulated the team on receiving for the 19th year in a row the Government Finance Officers Association Distinguished Budget Presentation Award, for its excellence in financial reporting.

CEO Gadis announced that the audit and financial statements for the period ending September 30, 2019 were completed and D.C. Water was issued an unmodified clean opinion with no significant deficiencies and material weaknesses in internal controls reported.

CEO Gadis gave a lead free update noting that D.C. Water had an effective first quarter implementing the new District funds to facilitate full lead replacement. He stated that D.C. Water continues to work closely with the District's Department of Energy and Environment, Department of Consumer and Regulatory Affairs, Department of Transportation, contractor and realtor communities, and the Mayor's Office to development a roadmap to achieve his vision of replacing all lead service lines within the next 10 years. CEO Gadis noted that after dissemination of more than 11,000 mailers to eligible properties with lead and non-lead in public space there has been notable interest in the program. A second summit with contractors to review and collect feedback and answer questions is being planned currently.

CEO Gadis noted that the CAP Program related to the lead service program was very successful on Franklin Street, and the community celebrated the District for paying 100 percent of the replacement on their side for those that were eligible. He noted that they are expecting a

similar successful response underway at Spring Valley and Colonial Village. CEO Gadis noted that for future outreach, D.C. Water plans to work with DOE to further promote the assistance program with the development of digital social media advertisement and targeted email outreach.

CEO Gadis spoke about D.C. Water's engineering and operations on the Northeast Boundary Tunnel. He noted that D.C. Water has had to close off the street for quite some time, and because of this he has met with Councilman McDuffie. He along with Carlton Ray met to discuss how D.C. Water can do a better job of assisting businesses going forward that are impacted. CEO Gadis said that he met with WACIF (Washington Area Community Investment Fund) to determine if enhancements to business mitigation are available and he anticipates further discussion in early 2020.

CEO Gadis stated that D.C. Water crews have cleaned 447 catch basins in the combined service area as of December 29, 2019. He noted that this is 100 percent for the calendar year. He also noted that as of December 9, 2019, 12,199 catch basins in the MS4 service area were cleaned which is about 99 percent for the calendar year when this report was produced.

CEO Gadis updated the Board on Clean Rivers and stated that D.C. Water has removed 10 tons of floatable debris and 370 tons of solids from the Anacostia River in the month of December.

CEO Gadis gave an update on Blue Drop and noted that D.C. Water hosted four events for Blue Drop in the month of December, and noted that Blue Drop has closed its receivable since November and was up \$6,000. CEO Gadis said he expects that by mid-February Blue Drop will be where it needs to be on the deliverables side of that business.

Board Member Boardman asked for clarity on a portion of the GM's report. She was concerned with the number of job candidates disqualified, and how it seemed to be significantly higher than the prior year. Board Member Boardman wanted to know what the reasons were for disqualifications and if these report are month by month.

CEO Gadis introduced Keith Lindsey, Executive Vice President, People and Talent, and Nicole Spriggs, Manager of Talent Acquisitions, for a respond to Ms. Boardman's questions. Ms. Spriggs stated that most candidates are disqualified for not meeting the minimum qualifications or they have moved on to better qualified candidates. This includes those declined after an interview. She noted that no matter where you are in the process, this number is inclusive of disqualification within the recruitment process. Ms. Spriggs noted that it is a culmination of how many were classified during the month, and she hopes to give more consistent detailed information going forward with the implementation of the ERP System.

Board Member Boardman requested going forward a report that is for an entire fiscal year, rather than month to month, and Ms. Spriggs stated that Human Resources will work on that.

Chairperson Wells, asked for clarification on commitments made during the meeting with Councilman McDuffie of Ward 5, and CEO Gadis stated that D.C. Water had made no financial commitment of any kind for mitigation to businesses. Chairperson Wells stated that it would be a bad precedent.

Vice Chairperson Brumfield congratulated D.C. Water on all the work they are doing with regards to de-bundling of contracts, receiving a clean audit, and the community work with Bread

for the Soul. Ms. Brumfield also stated that the Summer Internship Program is open and she would like information circulated to all board members so that this information can be sent within the community.

Board Member Frishberg wanted information on the firm used in Ward 5 and the scope of work. CEO Gadis stated that the firm was an addition for the project. The firms go to the businesses and try to work with them concerning their needs for the time that the street is blocked. He provided examples of the work. One organization had to renew their lease and they were afraid that because of the amount of money that they would lose because of the street blockage they would not be able to afford the renewal. The firm met with the landlord and the tenant and were able to get a reduction in the amount they were paying for the lease. Also, the firm worked with the firms to develop signage that could be posted showing that they were open. CEO Gadis also reported that the firm identified parking lots that customers and employees could use.

Vince Morris, Manager, Communications & Government Relations, added that they are working with three D.C. Main Streets organizations (Shaw Main Street, Rhode Island Avenue, and a third firm) and using them as the conduit to assist the businesses because they have a good sense of what the businesses need. CEO Gadis stated that the name of the additional firm is the Washington Area Community Investment Fund. Mr. Morris reported that they give funds to the Fund and then they disburse them. CEO Gadis reiterated that D.C. Water does not give the funds directly to the firms but to the Fund who spends them in support of community firms.

Board Member Boardman asked for the amount of funds that were going to this. She stated that she saw no difference in direct or indirect payment of funds if money is going to entities to assist with displacements. She wanted to know the circumstances and what controls are in place. CEO Gadis stated that these projects are built into the Clean Rivers Project. He thinks the amount was \$200,000. Mr. Morris stated that they do not want to set a precedent by disbursing the funds directly to the firms but want to assist the firms through the organizations. They deal with a beauty salon, gas station, a nail salon, and mom and pop shops. He stated that before the funds are disbursed, they come back to D.C. Water. Board Member Boardman asked that a summary report be prepared for the Board on how this works. CEO Gadis stated that they will provide the same presentation that they provided to Councilman McDuffie that has all the information requested.

Board Member Ross reported that he is very familiar with this and that organizations such as D.C. Main Streets are sponsored by the Department of Small Local Business Development through the Mayor's Office. He agreed that this was a good way to assist the firms instead of giving funds directly to specific firms. Board Member Boardman stated that she was not knowledgeable about these groups throughout the city and that it seemed to be institutionalized good to funnel through these groups.

CEO Gadis added that Councilman McDuffie complemented D.C. Water on this project and stated that D.C. Water is doing the best work out of all the utilities in D.C. Councilman McDuffie suggested Main Streets and another organization because they were knowledgeable of the businesses and had ideas to assist them. Board Member Ross agreed that it was good to use Fund as a tool in the toolbox. He stated that this was not an example of a councilman telling them that they had to work with somebody but just offering good advice.

Consent Items (Joint Use)

Chairperson Wells asked for a motion to approve joint use action items. It was moved to approve Resolution Nos. 20-00 through 20-05 and it was seconded. The motion to approve Resolution Nos. 20-00 through 20-05 was unanimously approved by the members of the Board.

There being no further business, the meeting was adjourned by Vice Chairperson Brumfield at 10:30 a.m.


Linda Manley, Secretary to the Board