



***District of Columbia Water and Sewer Authority***

***MINUTES***

***109<sup>th</sup> Meeting of the Board of Directors  
Thursday, April 6, 2006***

***Present Directors***

Glenn S. Gerstell, Chairman, District of Columbia  
Donna MP Wilson, Vice Chair, Prince Georges County  
David J. Bardin, District of Columbia  
F. Alexis Roberson, District of Columbia  
Anthony Griffin, Fairfax County  
James Caldwell, Montgomery County  
Lisa Morgan, District of Columbia  
Alexander McPhail, District of Columbia  
Dr. Jacqueline Brown, Prince Georges County  
Kenneth Davis (alternate to Robert Bobb)  
Paul Folkers (alternate to Bruce Romer)

***Present Alternate Directors***

Brenda Richardson  
Howard Gibbs  
David Lake  
Joseph Cotruvo  
Beverly Warfield  
Chris Akinbobola

## **WASA Staff**

Jerry N. Johnson, General Manager  
Avis M. Russell, General Counsel  
Linda R. Manley, Secretary to the Board of Directors

Chairman Gerstell called the 109th meeting of the Board of Directors to order at 9:30 a.m.

Ms. Manley, Board Secretary, called the roll to establish a quorum.

Chairman Gerstell welcomed Dr. Jacqueline Brown, Chief Administrative Officer for Prince Georges County to the Board.

Chairman Gerstell informed the Board that there will be an executive session to discuss some legal matters.

## **Approval of Minutes of March 2, 2006 Meeting**

It was Moved and Seconded that the minutes of the Board of Directors' meeting of March 2, 2006 be approved. The motion carried unanimously.

## **Environmental Quality and Operations Committee**

Reported by: James Caldwell, Chairman

The Committee met on Thursday, March 16th.

## **BPAWTP Performance Update**

The average flow at Blue Plains for the month of February was 334 MGD and all discharges were within permit limitations

## **Status AWTP NPDES Permit**

WASA received a letter from the Environmental Protection Agency indicating that a permit would be issued with an annual limit for nitrogen discharge of 4.76 million pounds per year. WASA is in the process of developing concept plans on meeting with discharge requirements and depending on what EPA determines, and what needs to be accomplished as far as some of those scenarios, the cost could be anywhere from \$600 million to \$1 billion to reach those nitrogen controls.

## **Water Service Program**

WASA had no positive samples of coliform testing in February.

## **Orthophosphate Addition/OCCT**

The orthophosphate addition for the control of leaching of metals from the pipes has been reduced, but is still being effective in its purpose.

## **LCR , Water Administrative Order, and EPA Requirements: Status**

Pending EPA approval of the compliance sampling, WASA has fulfilled all other requirements of the lead-related Administrative Orders.

## **LSR Priority Program Report**

The Lead and Copper Rule Administrative Order required WASA to make a minimum of 1,000 priority replacements by September 30, 2006. WASA completed replacement of 1,005 priority service lines on February 24, 2006.

The Committee discussed the percentage of the priority replacements for which the private portion of the service was also replaced. Generally, private replacements at priority sites are approximately 10 percent greater than at other sites. Overall, approximately 25 percent of non-priority customers request private portion replacement, versus 35 percent for customers in the Priority Program

## **Potomac Interceptor Odor Control Project**

The Committee received a presentation on the Potomac Interceptor Odor Control Project, which seems to be moving very slowly. This is because of the fact that in order to construct the facilities needed, WASA must deal with 14 agencies in three jurisdictions and obtain 30 permits. The agencies in Virginia are proving to be the most difficult and the least cooperative. If this continues to be a problem, the concept is that they will actually break the contract into two pieces, proceeding ahead with those on the Maryland and the District part of the project, and the Virginia side will move slower as a result of the issues they have with some of the Virginia permitting agencies.

The Committee asked the General Manager to write a letter to the appropriate agencies in Virginia indicating the actions that WASA will be taking and the implications to their residents.

## **LTCP Facilities Planning Status**

The Geotechnical Program borings have begun to test the soils and the ground below the District where the tunnels might go in. The borings will be as deep as 280 feet to get an assessment of what is down there before a determination can be made of where and what type of tunnels they will be putting in.

It was asked during the meeting whether geothermal heat recovery from the tunnels has been investigated. The staff responded that this had not been addressed; however they would look at feasibility.

### **Environmental Quality and Operations Committee Assignments from Governance Study**

The consensus of the Committee was that a number of the issues dealt with the Aqueduct and a subcommittee should be created specifically for those issues or a set aside retreat or workshop should be held to prioritize some of those issues because there were a fair number of them and obviously some had a greater priority than others.

### **Committee Action Items**

The Committee reviewed two non-joint use contracts and agreed to move the contracts forward to the full Board for approval.

### **Finance and Budget Committee**

Reported by: Chairman Gerstell

The Committee met on Thursday, March 23<sup>rd</sup>.

### **Financial Overview**

It was reported to the Committee that at the end of February, with 42 percent of the fiscal year completed, revenues totaled \$126.7 million, or 43.7 percent of budget, slightly ahead on a proportional basis of \$127 million in round numbers. On the expenditure side, operating expenses were 37 percent of the budget for the whole year at \$108 million, and capital spending lagged even further at 30 percent of the budget, again with 42 percent of the year complete and that was at capital spending of approximately \$73 million.

Cash balances for the month of February were again in excess of the Board's requirement at about \$114 million.

### **Utilities**

It was noted that daily spot electric prices for this fiscal year continue to average \$75/MWH; although for the months of January through February, prices have averaged \$64/MWH. If the average spot prices continue to exceed the \$49.5/MWH budget for FY 2006, then it is expected to exceed the revised budget by as much as \$5 million.

### **Insurance Renewals**

Renewal quotes are due by May 22 and staff will provide further detail on renewal premiums at the May committee meeting. We expect all policies to be in place by June 15.

Mr. Bardin asked if WASA's General Counsel has written her opinion on the legal questions involved in the CFO issue. Chairman Gerstell stated that he received a draft of that opinion and discussed it with the General Counsel. Revisions are being made and the opinion will be distributed to the Board as a confidential document within a matter of days.

### **Human Resource/Labor Relations Committee**

Reported by: F. Alexis Roberson

The Committee met on March 28 and went immediately into an Executive Session to discuss labor relations and to receive an update on the union negotiations. The Committee resumed into open session.

### **Revisions to the Personnel Rulemaking**

The General Counsel requested that the agenda include a request to revise the rulemaking for the personnel policies. It was a lively discussion around three major issues; (1) disciplinary process, (2) grievance process and (3) conflict of interest. The Committee agreed with that request. The Committee stressed the importance of the staff being very attuned to making certain that employee rights were protected when the processes and procedures were revised.

### **Governance Study Recommendations**

The Committee discussed the Governance Study recommendations and agreed to items 1 through 4 being added to the Committee's workplan.

The Committee discussed the fact that there was an absence in the Governance Study of any talk about the IMA which is a serious issue. The Committee was assured that that would come up another time, but not necessarily with the Governance Study.

## **Safety and Health Report**

The Committee received a safety and health report. It was reported that there was a reduction in safety incidents and the reduction was directly related to an increase in training. Then it was also noted by one of the Board members that very few people were trained, according to the report. Staff stated that a lot more training was going on than what was reflected in the 21 people who elected to take training. Those 21 people were trained on a voluntary basis, but there is mandatory training ongoing also.

## **Customer and Community Services Committee**

Reported by: Alexander McPhail

Mr. McPhail highlighted one item that was discussed at the meeting. The Committee discussed how the Authority would respond to a customer who would be considered at risk from a health standpoint for lead in the water. These would be people that have small children in the house or pregnant women. WASA is scheduling the lead service line replacements in coordination with DDOT. WASA will not necessarily appear at every place where there might be somebody who is at risk, especially if they recently became part of the at-risk population.

Staff has developed a policy on handling those customers. The policy has been formalized and incorporated in the Customer and Community Services Committee minutes as requested by the Committee.

## **Customer Survey**

Mr. McPhail reported that a customer survey of WASA constituents was done in October by the Gallup Organization. There were several things that the Committee expressed its interest in, namely, customer satisfaction and customer awareness.

There were 1500 telephone interviews. The Gallup Organization surveyed residential as well as commercial customers. The survey consists of (1) random people who were inside the customer base, and (2) people who contacted WASA within the last 60 days. Mr. McPhail provided the Board with a brief presentation of the results of the customer survey. He noted that the highly rated areas of the survey were overall customer service, easy bill payment, accurate billing, and courtesy and knowledgeable customer service representatives. Mr. McPhail also noted the five problem areas that surfaced from the survey. The areas consisted of perceived high lead levels, service reliability, permitting process, billing concerns and multiple contact resolution.

The next steps are to focus on the key customer issues that have been identified and to conduct a customer survey every two years.

## **General Manager's Report**

Reported by: Jerry N. Johnson

Mr. Johnson reported that the high bill notification project has kicked off. By the end of the month over 100 high bill notifications went out to various customers in the community. The project is being received extremely well, and WASA is getting positive responses from its customers.

The Lead Service Replacement Program is ahead of schedule. The complaint level is extremely low and WASA is pleased with that given the evasive nature of the project.

The Blue Plains Wastewater Treatment Plant operated well within all parameters during the reporting period. Those parameters and specific details can be found on pages 18 through 25 of the General Manager's Report.

WASA is participating in a very interesting science fair through the course of the reporting period at a couple of District of Columbia schools. That report in narrative form can be found on page 26.

The Authority continues to work with the District on the review and appeal strategy for the MS4 permit which was issued by the Environmental Protection Agency. The appeal will be due on April 12, and WASA is planning to pursue that aggressively.

WASA has completed arbitration briefings for the labor contract and will probably make an additional offer for another round of negotiations in advance of the time when the arbitrator might come back with his findings.

Pages 28 and 29 of the General Manager's Report also addresses a number of tours, community meetings and briefings that have occurred during the course of the month, WASA conducted a Board of Directors orientation for the new Board members who spent a full day touring facilities and being briefed on the various operations of the Water and Sewer Authority.

Additionally, the Authority's negotiating team which included a couple of members of the Board have been meeting for the last two days around the Inter-Municipal Agreement. A considerable amount of progress has been made.

The Board convened into an Executive Session to consider a legal matter at 10:15 a.m.

The Board reconvened into the public meeting at 12:13 p.m.

### **Administrative Item**

1. Approval of Settlement Agreement with the Washington Suburban Sanitary Commission – Resolution #06-38

The Motion to Adopt Resolution #06-38 with the amendment to reflect that the settlement agreement and related payment occur by June 1, 2006 was Moved and Seconded with approval by a roll-call vote of 9-2. David J. Bardin and Kenneth Davis opposed the adoption of Resolution #06-38.

### **Consent Items (Joint-Use)**

1. Approval for Publication of Proposed Amendments to the Personnel Regulations-Resolution #06-39

Mr. Bardin requested that the broad definition of "relative" that is already elsewhere in the rules be included in the notice to the D.C. Register.

The Motion to Adopt Consent Item (Joint-Use) was Moved and Seconded with unanimous approval.

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

1. Approval of Change Order No. 38, Contract No. 010050, Whiting Turner Contracting Co. – Resolution #06-36
2. Approval of Contract No. WAS-06-014-AA-VW, Wachs Utility Services – Resolution #06-37

The Motion to Adopt Consent Item (Non-Joint Use) was Moved and Seconded with unanimous approval.

Respectfully submitted,

*Linda R. Marley*  
Secretary to the Board of Directors