



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

***MINUTES***

***122<sup>nd</sup> Meeting of the Board of Directors  
Thursday, June 7, 2007***

***Present Directors***

Chairman Robin B. Martin, District of Columbia  
Dr. Jacqueline Brown, Vice Chairman, Prince George's County  
F. Alexis Roberson, District of Columbia  
David J. Bardin, District of Columbia  
Keith Stone, District of Columbia  
Dan Tangherlini, District of Columbia  
Alan Roth, District of Columbia  
Timothy Firestine, Montgomery County  
David Lake, Alternate for Montgomery County  
Anthony Griffin, Fairfax County  
David Byrd, Prince George's County

***Present Alternate Directors***

Brenda Richardson, District of Columbia  
Chris Akinbobola, Prince George's County  
Joseph Cotruvo, District of Columbia  
Kenneth Davis, District of Columbia  
Paivi Spoon, Prince George's County  
Paul Folkers, Montgomery County  
Steven McLendon, District of Columbia  
Howard Gibbs, District of Columbia

***WASA Staff***

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

Chairman Martin called the 122<sup>nd</sup> meeting of the District of Columbia Water and Sewer Authority's Board of Directors to order at 9:30 a.m.

Ms. Manley called the roll to establish a quorum.

### **Approval of Minutes of May 3, 2007 Meeting**

Mr. Lake submitted minor text modifications for clarification purpose.

It was Moved and Seconded that the minutes of the Board of Directors' meeting of May 3, 2007 with an amendment for technical reasons be approved. The minutes of the May 3, 2007 meeting were unanimously approved.

### **Appointment of Nominating Committee**

Chairman Martin appointed a Nominating Committee (ad-hoc) to nominate the next Vice Chairman of the Board. He appointed himself, Dr. Jacqueline Brown, Dan Tangerhlini, F. Alexis Roberson and Timothy Firestine. The nominating committee will present its recommendation to the full Board at its July meeting.

### **Environmental Quality and Operations Committee**

*Reported by: David Lake*

The Committee met on May 17<sup>th</sup>. The first order of business was the Fire Hydrant Program. The General Manager provided the Committee the history of the Fire Hydrant Maintenance and Service Program. He informed the Committee that in the late 1990's the program was in poor condition and at that time the upgrading of the fire hydrant system became a priority. He noted that under the system there are fewer than one percent of the hydrants known to be out of service

The Committee received a power point presentation that identified the known out of service hydrants and also expanded on the \$26.5 million dollars that the Board had approved to accelerate the fire hydrant replacement program. There was some concern from the Committee on the different numbers between the Fire and Emergency Management Systems count and WASA's count.

The Committee received an update that the Blue Plains Wastewater Treatment Plant is within parameters. The Committee was informed that the National Pollutant Discharge Elimination System (NPDES) Permit for the Blue Plains Plant was reissued and the Permit had been appealed by the Chesapeake Bay Foundation and Earth Justice. It was noted that the items that were appealed will not go into effect until such time as they are resolved.

The Committee was informed by staff that the coliform testing had shown no positive results, and that the chlorine burn had been completed as of May 7<sup>th</sup>, with only minor concerns by some residents regarding the taste of the water. The burn was successful for the months of April and May.

The Committee received the Capital Improvement Program (CIP) Quarterly Report. There were some discussions about the Lead Replacement Program. It was noted that in prior years WASA would replace lead service lines in the same areas that DDOT has scheduled for pavement and DDOT would pick up a lot of the paving cost. However, that level of coordination is not going to be able to continue since the priority replacements are not in the same areas as DDOT has scheduled for pavement.

The Committee recommends four joint use contracts and two non-joint use contracts for Board approval. The Committee was informed by staff that there were two bidders for the M. C. Dean Contract. One of the bidders was found to be non-responsive. The Committee request that the fact sheet be revised to explain why the bidder had been eliminated. In addition, the Committee requested that staff make sure that there was not a commitment to spend all or a portion of the lead service replacement contract amount for Anchor Construction in case the Board desires to discuss its future actions with the Lead Service Replacement Program.

The Committee received presentations on the Lead Service Replacement and the Automatic Meter Reading Programs. The Committee was informed that the Automatic Meter Reading Program is 98.3 percent complete. Some meters had been set aside indefinitely because of issues with the location or construction. In addition, the Committee received a presentation on sinkholes. Sinkholes are caused, on occasion, by water and sewer lines and when WASA is aware of them, WASA attempts to correct the problem. Staff reported that there were several sinkholes reported in Georgetown, and WASA is initiating a \$3 million contract for sewer rehabilitation in that area to be completed in the fall.

The Committee was informed that it was requested by the Mirant Plant in Alexandria that WASA send a letter out to the City of Alexandria in support of the continued operation of the generating plant since it is a significant supplier of power to WASA. Staff reported that the letter was sent to the City of Alexandria.

### **Audit Committee**

*Reported by: Timothy Firestine*

Mr. Firestine stated that he had two items to bring to the Board's attention. One is an information item and the other item is for later action by the Board. The General Manager reported on the discussion at the D.C. Council Committee hearing that was held on last Tuesday, the day before the Audit Committee met. The discussion centered around the status of fire hydrants where there were discrepancies between WASA's reporting and the D.C. Fire Department.

The General Manager suggested to the Committee an approach for bringing some level of confidence to the fire hydrant issue. He suggested that an independent third party review the issue and look at the methodology being used by WASA and perhaps the

D.C. Fire Department to see if WASA can add some credibility to which methodology is correct or at least to give some credence to one of the methodologies or at least to endorse the way that WASA is approaching this.

The Committee discussed the scope of the review and concluded that the best approach is to work in consultation with an independent third party to define the specific scope to include, looking at WASA's status relative to other jurisdictions.

The General Manager has the authority to proceed because of the amount of the contract; however, the Committee agreed that it was appropriate to go forward, and bring the issue to the full Board in case there were any questions that the full Board would have about the scope of this approach.

Chairman Martin informed Mr. Firestine that there have been a number of subsequent events since the Audit Committee met, and the General Manager will report on the progress during his report.

Mr. Firestine reported that the Committee is recommending a joint use contract renewal with the outside audit firm of Board action.

### **Finance and Budget Committee**

*Reported by: Chairman Martin*

Chairman Martin reported that with approximately 58 percent of the year through April complete, revenues total \$173.9 million or about 57 percent of budget. Operating expenditures were at 49.3 percent, \$154 million, capital spending \$99.2 million or 44.3 percent of budget. The general view is that revenues and expenditures will be on budget through the end of the fiscal year.

There were some continued budget pressures that staff is aware of that continue. The overtime spending and the cost of chemicals. The Authority has the flexibility to adjust other budgets to cover the costs.

The Committee had a brief discussion about the electricity costs and locking in the electricity cost through the summer. About two-thirds of the electricity cost is locked in through this summer.

The Committee was provided a report on the capital projects spending for 2007 by David McLaughlin. Mr. McLaughlin reported on several areas: wastewater service area, storm water, sanitary service area, and combined sewer service areas. He reported to the Committee that some areas are ahead and some are behind. WASA has the flexibility to move funds from one area to another below a certain amount through the General Manager's discretion. The Board approves any major changes in the budget.

Chairman Martin noted that the revised 2008 and proposed 2009 budget preparation process is beginning. Part of the process is the retail rates hearing that will be held on Wednesday, June 13<sup>th</sup>, at 777 North Capitol Street, Northeast, at the Council of Governments office at 6:30 p.m. All the District members of the Board hopefully will be

at the hearing. Following the hearing in July there will be a Retail Rates Committee meeting to discuss the results of the hearing and any other input that WASA receives concerning the rates.

Staff will make presentations on WASA's financials and report on the lead service lines project and its impact on the rates, and the Payment in lieu of Taxes (PILOT) fee and its impact on the rates.

The Committee discussed the bond issuance in which the General Manager will provide the status of the bond sale. The Authority priced the larger of the two issues, which was a non-taxable issue on last week and priced the taxable issue on yesterday. In addition, the sale was yesterday on both issues. The Authority is successfully financed for its capital projects going forward.

The Committee received a briefing on the Rolling Owner Controlled Insurance Program that WASA oversees. The program is offered to WASA contractors. WASA is looking at a five-year program with expected savings in a \$3 to \$4 million range. The Committee is recommending a joint-use action to continue to execute the third option year for the broker services provided by Aon Risk Services.

The Committee had an extended discussion about the PILOT fee which is on the Board agenda for today. The Committee then discussed the DC legislation which was working its way through the Council. The General Manager will provide the Board a status on the action taken Tuesday at the D.C. Council hearing to pass certain legislation.

Mr. Bardin stated that there needs to be a quorum of the six District Board members, at the June 13<sup>th</sup> hearing or the whole process is stymied. (a quorum is four members) In addition, at the hearing, the people who come will hear presentations by the General Manager, staff and an outside expert. Mr. Bardin questioned the selection of the outside expert, and who provided guidance to the outside expert and what was the Board's role, if any, in selecting the outside expert.

Mr. Bardin noted that while suburban members of the Board are perfectly free to attend, he has never seen a suburban member of the Board at a retail rate hearing and if they plan to attend, they would not be a part of the dias with the District Board members evaluating the General Manager's proposal, the presentation from the outside expert, and citizens testimonies.

### **General Manager's Report**

*Reported by: Jerry Johnson, General Manager*

The General Manager provided the Board a presentation on the Payment In Lieu of Taxes (PILOT). The General Manager provided a brief history and background on the PILOT payment. He stated that the PILOT is a payment that is made by non-profit entities for the provision of municipal services that that entity may be taking advantage of. Therefore, the tax burden is not part of the standard taxing system. These payments are based typically on the entities ownership or the type of organization.

Under Public Law 94-565 enacted in 1996, the Federal Government began to make Payments In Lieu of Taxes to a number of local governments where their presence had an impact on the tax base of a particular jurisdiction. The General Manager noted that staff reviewed a survey that had been done by the Association of Clean Water Agencies, and it showed that 27 percent of the respondents surveyed indicated that they make PILOT payments of some type to the municipalities that either own them or where they were located. Those payments went as high as \$26.9 million dollars, which was the largest one that staff found.

Mr. Bardin requested that the General Manager provide the Board with which utility paid the \$26.9 million and where does WASA place on the list. The General Manager agreed to provide that information.

Mr. Bardin asked if the Boston Program includes the water and sewer system in Boston. The General Manager replied that MWRA is the primary service provider for multiple jurisdictions. Mr. Bardin then asked if MWRA pays a PILOT to the City of Boston. The General Manager stated that he would research that information and report back to the Board.

The General Manager continued his presentation. He noted that in 1994, Philadelphia threatened to challenge the non-profit status of a number of organizations in that particular municipality. As a result, Philadelphia settled in the payment of a PILOT collecting about \$8.8 million dollars. The State Supreme Court did a ruling recently that weakened Philadelphia's position substantially, and that payment went from \$8.8 million dollars and 40 participants to \$600,000.00 and 20 participants. The General Manager agreed to provide the Board a copy of the Supreme Court ruling.

The General Manager noted that he provided the examples to the Board to show that PILOT payments are established in various ways and forms. Typically, they wind up being some sort of negotiated payment to the municipality from these entities.

PILOT payments are assessed in Virginia, the District of Columbia, Ohio and North Carolina, among other states. In some cases, it was found that PILOTs are voluntarily and some are negotiated.

Mr. Bardin asked which PILOTs are based on real cost estimates and which are just political numbers. The General Manager replied that an analysis was not done on the cost estimates and the political numbers. Staff recognized after talking with a number of different municipalities that PILOTs are done in a variety of different ways. He noted that other than the Federal Government and the District of Columbia Water and Sewer Authority, he does not know of any other entities that are currently assessed a PILOT fee or an equivalent here in the District of Columbia.

Mr. Tangherlini stated that the Payment in Lieu of Taxes for the Southeast Federal Center is close to a real PILOT.

The General Manager than provided the Board with a brief history of the PILOT payment in the District of Columbia. The PILOT payment began in 1997 when the District started to assess the fee. The PILOT started off as \$14 million and is currently

about \$12.4 million. In 1998, the payment had gone from \$14 to \$19 million dollars, and in 1999 it was about one half of that at \$8.9 million. WASA was billing the District for water service and had a portion of the PILOT payment tied to that approximate amount.

In addition, the General Manager noted that a discovery was made on an incinerator at Benning Road that had been closed for a number of years in which WASA had been estimating the water bill. WASA began cleaning up metered accounts and discovered that there was no meter and water service at the location. Therefore, the billing amounted to almost \$10 million and in adjustment was made on both expense and revenue sides in that particular year to bring the number down to \$8.9 million.

Mr. Bardin questioned the 1998 Memorandum of Understanding (MOU) between the Office of the Chief Financial Officer of the District of Columbia and the DC Water and Sewer Authority which seems to establish the PILOT. He noted that the third whereas on the first page says that the District government currently provides services including public safety, certain administrative, legal and financial services, etcetera, to WASA. Mr. Bardin asked if the District provided those services to WASA. The General Manager replied that at the establishment of WASA there was no financial management system, procurement function and personnel system. WASA relied on the District for a variety of those services, to include legal until those functions were established within the organization.

Mr. Bardin asked who authorized the General Manager to sign the 1998 MOU and was it approved by the Board. In addition, he asked what is the most recent cost certificate that WASA has received from the DCCFO. If the DCCFO has not given WASA a cost certificate and the amount of the PILOT is to be the lower of the cost certificate or the formula amount, then why is WASA paying the DCCFO on years where he had not given WASA a cost certificate. Mr. Bardin also asked if WASA's outside auditor audits the performance of the MOU's. The General Manager replied that he would research Mr. Bardin's concerns and report back to the Board.

The General Manager continued his presentation. He noted that in 2002, the District imposed a right-of-way fee on all entities in the District that owned conduits and occupied public space in the city. When staff did the calculations based on the per linear foot charge that was to be imposed, the total came to somewhere between \$14 and \$18 million, the difference being whether or not the piece of pipe that connected the fire hydrant to the mains was counted as a part of those overall calculations.

WASA protested the assessment on the basis that WASA is already paying a PILOT payment and this represented a double payment for the same basic service. Also the legislation creating WASA states that WASA can not make payments except for the actual provision of services and could not make a payment, therefore, to the Highway Trust Fund to which these monies were dedicated.

Mr. Tangherlini noted that the fee was protested by the General Services Administration labeled as a tax. This tax and the E-911 fee were both brought up through the Comptroller of the Currency. The GAO ruled, in fact, that they were service fees that were legal and could be charged to the Federal Government. Therefore, the fee did not count as a tax. The fees are imposed on all users and occupiers of the public space.

The fees were negotiated because they are passed straight through to the rate payers. A substantially reduced fee was negotiated for WASA.

The General Manager stated that the other concern was that the facilities were not WASA facilities but owned by the District of Columbia and WASA is the manager and operator of those facilities. WASA services every house with a couple of pipes, which is certainly not the case with some of the other entities. Therefore, WASA's was excessively high.

In 2003, WASA reached a negotiated settlement with the D.C. Department of Transportation and the CFO, that fixed the right-of-way fee at \$5.1 million dollars per year for a 10-year period. It was believed by all parties that the settlement provided the certainty to both entities that there would be a constant flow of revenue, and WASA knew exactly what its expenses would be for that period of time.

It was then determined that WASA would actually credit a portion of the PILOT payment for that \$5.1 million dollars which reduced the overall PILOT payment from whatever it was at that particular time to \$5.1 million less. Therefore, you had \$5.1 million for right-of-way. The balance was for the PILOT payment.

WASA made a \$15 million payment plus interest to the District to cover those costs for that period of time.

The General Manager noted that the historical graph showing the payments that had been made since 1997 when the PILOT payment was first implemented. The payment totals about \$127 million.

The General Manager stated that if WASA was looking to allocate the PILOT payment to all of the customers, it would seem that WASA would use a two-tier approach, and it assumes that the PILOT is an operating expense that would be allocable to everyone in the system.

The first tier of allocation uses direct cost which is historically those costs that have been averaging around 45 percent and then the non-joint use costs which are about 55 percent. Loudoun County, Dulles Airport and some of Northern Virginia jurisdictions that WASA has service agreements with, as well as part of that user base, are included in that allocation.

The second tier would use the actual flows to the Blue Plains Wastewater Treatment Plant. Historically, those flows have been approximately 54 percent of the surrounding jurisdiction's portion. Combining the two tier allocation will result in about 24 percent of the total PILOT that is allocated to the wholesale customers.

Mr. Tangherlini asked if the allocation methodologies are proposed and how is the PILOT payment paid. The General Manager responded that the PILOT payment is paid solely on the basis of the billings to District rate payers.

Mr. Bardin stated that for over 10 years, the retail rate payers have paid the \$127 million plus.

Mr. Lake noted that it was stated by the General Manager that the allocation methodology was proposed. He stated that the methodology is not proposed that it is a staff assessment. It is illustrative and conceptual in content.

The General Manager noted that the issue has been vetted in the IMA negotiations. It was agreed by the parties who were at those discussions that it would be appropriate for the participating jurisdictions to participate in some form of PILOT payment and that the only concern was that the jurisdictions are not paying for costs that are not documented. The request was that the District undertake a cost of service study to demonstrate that these costs were supportable costs and bring that back to the negotiating committee.

A meeting was held yesterday with representatives from the District's CFO's office and WASA. WASA was advised that in order to get the cost of service study moving, WASA should correspond with either the Mayor and/or the City Administrator's office to request that such an activity be undertaken.

WASA has pursued with the CFO's office the certificate that is mentioned in the MOU, and efforts are now underway to determine when the last certification was done and to use that as part of the base of information. WASA has not been able to locate the last certification that was done.

As a result of the IMA discussions, a financial group was formed, that is looking at a range of issues that are related to the financial issues, and this matter has been rolled into that group for discussion.

Mr. Bardin asked the General Manager if he was acting with Board direction when he entered into 1998 MOU, and entered into a minor modification of that in 1999. The General Manager stated that the Board was informed and he will research to see if the Board took official action on the MOU.

Mr. Bardin noted that on page 3 of the 2003 MOU, the last whereas seems to preserve intact the previous MOUs. Therefore, when WASA and the District CFO entered into the 2003 MOU they did not intend to alter the 1998 and 1998 MOU.

Mr. Roth asked if the IMA requires that all direct and indirect costs be borne by the IMA users. Avis Russell, General Counsel, replied that the IMA requires all direct and indirect costs be borne by the IMA users. Mr. Roth requested that the General Manager provide any MOUs and other materials which address the question of how direct and indirect costs are defined.

Mr. Lake stated that there is a section in the IMA, Section 6(g)(5), which is rental and user fees that have not been mentioned. Mr. Lake noted that the suburban users pay approximately \$2 million a year for a user fee. He questioned if that fee is a pass through to WASA and if the fee goes directly to the District. If not, does WASA keep the fee, then it is arguable that that is part of the payment that is made to the District in terms of the PILOT fee. It is not an issue of direct or indirect. It is an issue that require committee review to get a background and a history, so that this Board does not waste a lot of time charging off into directions that may be inappropriate. Mr. Roth requested that the General Manager provide any MOUs and other materials which address the issue of how "user fees" are defined.

Chairman Martin suggested that Mr. Tangherlini as the City Administrator, meet with his counterparts in Prince George's County, Montgomery County, and Fairfax County, to come to some agreement among them, or to set a protocol in place, to understand what additional information needs to be researched, what additional legal questions need to be done, if there needs to be a cost of service study or any other kind of work done. The goal is to have this discussion at least at that level proposed to be outside of the IMA discussion, so that it has a little bit more urgency to it than the IMA discussion, since we don't know when the IMA will be renegotiated, so that we can put a focus on this discussion. Chairman Martin asked Mr. Tangherlini to bring a progress report on the next steps. Mr. Tangherlini agreed to coordinate a meeting. Chairman Martin suggested that if Board members have additional questions please give them to Dan Tangherlini or through the General Manager.

Dr. Brown stated that she wanted to clarify that the discussions at the meeting between the CAO's was not a meeting to take the IMA negotiations off the board. She stated that while the IMA negotiations are continuing, it needs to be understood how this groups recommendations effect the IMA negotiations and the context of the Board.

Ms. Roberson stated that since WASA is a strong entity, maybe this group could put on the table a discussion on the continuation of the IMA and the Blue Plains Regional Committee.

Mr. Griffin stated that given that the membership of the group that Chairman Martin appointed parallels the Blue Plains Committee, minus a few actors, this may expedite the extension of the IMA.

Mr. Tangherlini agreed with both Mr. Griffin and Ms. Roberson. This is an opportunity for the CAOs, at least those that have not met on this issue, to meet and have a more wholesome discussion and over time move the discussion to the WASA Board in which the IMA preceded.

The General Manager introduced the Authority's 2007 internship class. He stated that this is the ninth year of the program. This year the student's represents 21 different colleges and universities. The Authority hired thirty-seven interns. Several of the interns are PH.D. candidates who are doing some of their research here at Blue Plains.

WASA has partnered with several engineering firms and contractors to support part of the program. In particular, Malcolm Pirney, who is taking the lead in terms of supporting some of the efforts. In addition, JJA Consultants and Total Learning Solutions have been working with the Authority in this effort. Chairman Martin and the Board welcomed and congratulated the interns.

The General Manager requested that his report be by exception. He highlighted a few issues. He stated that the Authority did a bond issuance this month. The closing was on yesterday as well as the pricing of WASA's taxable issue, which was done on Tuesday of this week. The Series 2007A tax exempt series is 35 years at a fixed rate at 4.81 cent percentage rate. The second series of Series 2007B, which is a taxable series, is a 20-year issue, variable rate debt that resets by auction every seven days. The initial auction rate on that was 5.1 percent. The total sources of funds in Series A and B was \$290,713,135.26.

The General Manager provided the Board information on the rate process. He noted that the ratemaking process was published in the D.C. Register on February 23. The District Committee on the Environment and Public Works had a presentation on the rates at their hearing. There were several Authority-hosted meetings held in each quadrant of the city in addition to meetings of the Federation of Civic Associations, Restaurant Association, Hotel Association and AOBA. A series of ads were placed in various newspapers. There was a special insert in the April 27<sup>th</sup> customer bills, and a note in the May 2007 What's on Tap newsletter. The website was modified to include the discussion around the PILOT and the Lead Service Line Program.

In addition, the Federation of Civic Associations and the Federation of Citizens Associations agreed to send the flyers electronically to all of their members. Flyers were delivered to all of the Councilmembers and the Mayor's office. A press release and a news media announcement will be going out on June 8<sup>th</sup>. WASA has had extensive activity associated with publicizing the hearing. Mr. Roth recommended further publicizing the meeting through neighborhood list-servs and public service announcements on popular local radio stations.

The General Manager provided the Board a report on the legislative action from the District Council. He stated that one of the proposals and legislative initiatives provide that WASA undertake a third party review of the organization to bring back recommendations for maximizing potential savings to the District rate payers over the course of implementation of both the capital improvement program and the long-term control program for the city.

The General Manager stated that he welcomes a third party review of WASA activities. WASA is a public agency and is open to those kinds of reviews and examinations by responsible people and structured in appropriate ways for the organization. The proposal is an eight-month timeframe from the time the legislation is passed.

The General Manager proposed to the Board that WASA embrace those provisions in the legislative proposal and begin the third party review. The staff can begin to develop a preliminary scope in preparation for the next Budget and Finance Committee meeting for the Committee's review. Then acquire consultant services for the Finance and Budget Committee's selection of the third party.

The findings will be integrated into the budgeting process. This will provide the Board with an opportunity to review and make decisions during the budget review process. Chairman Martin concurred with the General Manager's proposal.

The General Manager provided the Board an update on the fire hydrants. He reported that Mr. Tangherlini as the City Administrator, called a meeting with Chairman Martin, the Fire Chief and the General Manager. The meeting's focus was the fire hydrant inspections, the dissemination of information and the proposed audit. Because of the general agreement that was reached at the meeting, the audit proposal was tabled. It was agreed that both WASA and the Fire Department's logo would be utilized on the daily report of known to be out of service fire hydrants.

Since the meeting, a format has been developed and is in review that will be posted on the website listing the inspections. The Fire Department has agreed to conduct all of the inspections and to inspect the entire system on an annual basis. WASA will utilize its resources for the repair of fire hydrants. WASA and the Fire Department are in the process of entering into a MOU, which will memorialize the relationship and the actual functions and responsibilities for each of the entities. Mr. Tangherlini noted that the Fire Department will inspect the hydrants twice a year to meet the standards of the National Fire Protection Administration (NFPA)

Currently, there are 76 hydrants that are known to be out of service in the system. Two of those are 17 days old and have been assigned to a contractor for replacement.

The General Manager then reported on the lead service and monitoring program. He reported that WASA completed the first semester, having a total of 104 certified monitoring samples complete. Five of the samples were found to be above the action level. WASA is well within the 90<sup>th</sup> percentile. The information will be provided to the USEPA.

The Board Chairman recommended that the IMA presentation be postponed until the next Board meeting. Mr. Lake noted that there was a decision by the Board a couple of years ago that the Blue Plains Regional Committee would report back to the Board on a quarterly basis. The Regional Committee needs to decide who is going to give the presentation, its inclusion and what points need to be made.

Mr. Bardin requested that the General Manager provide the Board Councilmember Graham's statement regarding the rider he proposed to Section 204 of the Budget Request Act. In addition, Mr. Bardin requested a copy of the D.C. City Council's May 15<sup>th</sup> Committee of the Whole Report.

The Board moved to the action items on the agenda.

**Consent Items (Joint Use)**

1. Approval to execute Change Order No. 34 of Contract No. 990040, W.M. Schlosser Company, Inc.– Resolution No. 07-48
2. Approval to execute Contract No. DCFA #409 WSA, PEER Consultants, P.C. – Resolution No. 07-49
3. Approval to execute Option Year Three of Contract No. WAS-04-041-AA-JS, Maryland Environmental Services – Resolution No. 07-50
4. Approval to execute Contract No. WAS-07-012-AA, M.C. Dean – Resolution No. 07-51
5. Approval to execute Option Year Three of Contract No. WAS-04-019-AA-TB, Aon Risk Services, Inc.– Resolution No. 07-52
6. Approval to execute Second Option Year of Contract No. GS-05-TB, Thompson, Cobb, Bazilio & Associates, P.C. – Resolution No. 07-53

The motion to Adopt Consent Items (Non-Joint Use) was Moved and Seconded with unanimous approval by the Board of Directors.

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

1. Approval to execute Contract No. 070070, Anchor Construction Corporation - Resolution No. 07-54
2. Approval to execute Change Order No. 2 of Contract No. 060020, Fort Myer Construction Corporation – Resolution No. 07-55

The motion to Adopt Consent Items (Non-Joint Use) was Moved and Seconded with unanimous approval by the District Members of the Board of Directors.

Chairman Martin requested that draft guidelines for the Rate Stabilization Fund be placed on the Finance and Budget Committee's agenda.

Ms. Roberson requested that the General Manager provide the Board at its next meeting an update on the facility move from the ball park area. The General Manager replied that he would provide that update at the next Board meeting.

The meeting was adjourned at 12:04 p.m.

Respectfully submitted,

  
Secretary to the Board of Directors