



District of Columbia Water and Sewer Authority

MINUTES

**130th Meeting of the Board of Directors
Thursday, March 6, 2008**

Present Directors

Chairman Robin B. Martin, District of Columbia
Anthony Griffin, Vice Chairman, Fairfax County
David J. Bardin, District of Columbia
Keith Stone, District of Columbia
Timothy Firestine, Montgomery County
Robert Hoyt, Montgomery County
David Byrd, Prince George's County
Daniel Tangherlini, District of Columbia
Dr. Jacqueline Brown, Prince George's County
Howard Gibbs, Alternate to F. Alexis Roberson, District of Columbia
Brenda Richardson, Alternate to Alan Roth, District of Columbia

Present Alternate Directors

Joseph Cotruvo, District of Columbia
David Lake, Montgomery County
Steven McLendon, District of Columbia
Jimmie Jenkins, Fairfax County
Kathleen Boucher, Montgomery County
Beverly Warfield, Prince George's County
Paivi Spoon, Prince George's County
George Hawkins, District of Columbia

WASA Staff

Jerry N. Johnson, General Manager, present until 11:00 a.m.
Avis M. Russell, General Counsel
Linda R. Manley, Secretary to the Board of Directors

Chairman Martin's Report

Chairman Martin made some Committee assignments by removing Mr. Tangherlini from the Environmental Quality and Operations Committee and assigning him to the Finance and Budget Committee, effective immediately: Mr. Hawkins was assigned to the Environmental Quality and Operations Committee.

Chairman Martin reminded the Board that the Authority is holding two events honoring employees with 20 or more years of service at a dinner on Tuesday, March 25th and honoring employees with 5 to 15 years of service at a luncheon on Wednesday, March 26th.

Chairman Martin provided the Board a recap of the performance oversight hearing on the Public Works and Environment Committee in the D.C. Council, on Friday, February 22nd. He noted that Chairman Graham was the only member at the hearing. There were presentations by five members of the public prior to testimony by government witnesses. Chairman Graham discussed the following issues of interest to him: possible Council confirmation of D.C. WASA Board members representing suburban jurisdictions; review of all manager qualifications and compensation; review of senior management residency requirements; review and approval of certain contracts; and review of proposed rate increases. In addition, Chairman Graham raised concerns on the size and pace of the retail rate increases and made a recommendation of an independent confirmation by the Department of Environment of the assertion by DC WASA and the Washington Aqueduct that the drinking water is safe to drink. The issue of drinking water safety is derived from the Authority's lead service line replacement program review, which was initiated by the Board.

Chairman Martin noted that the Board was emailed a follow-up letter from Chairman Graham to Chairman Martin with a list of expectations and commitments made during the February 22nd hearing that Chairman Graham expects Chairman Martin to report on at the budget oversight hearing on April 3rd.

Chairman Graham questioned advocates on what could be done to make the citizens of Washington comfortable and confident that they can turn the tap and drink the water. His suggestion was an independent study of the water in the District. The advocates felt that that made sense. Both Chairman Martin and the General Manager thought that an independent study of the water in the District is feasible and a good idea. A letter was sent from Chairman Graham to Director Hawkins of the Department of the Environment asking whether the Department has the capacity to conduct an independent study of the District's water. The Environmental Quality and Operations Committee has not discussed or reviewed the possibility of an independent study of the District's water.

Chairman Martin stated his view as the Chair that the Board's goal should be that every resident of the District of Columbia should be able to turn on the tap and drink the water with confidence that the water is safe. Therefore, if that is the Board's ultimate goal, the question is how do we get there? The Authority should ensure that the Aqueduct is performing its job correctly and that the Authority develops credibility and confidence with its customers. Chairman Martin stated that this is a multi-tiered approach and hopes that the District members agree that this approach is the ultimate goal the Board should seek.

Chairman Graham then discussed his intent to discuss with Mayor Fenty and Council Chairman Gray his view that seeking congressional involvement in the WASA CFO statutory conflict was inappropriate, and any changes should be made through the Council and not through Congress. Chairman Graham also noted his dissatisfaction with the Board practice of involving non-District Board members as participants in non-joint use matters.

Chairman Graham requested during the hearing that Chairman Martin either remove the current Chairman of the Environmental Quality and Operations Committee or remove matters pertaining to the D.C. drinking water quality from that Committee's purview. Specifically, Chairman Graham felt that the current chair should not be in charge of the Lead Service Line Replacement Review Project.

Chairman Martin noted that this is an issue of governance and therefore it is a Board issue. The way to do this is to change the Board's Committee structure slightly to satisfy the governance concerns and still provide the same oversight and interaction with staff. Chairman Martin proposed that the Board have one Environmental Quality and Operations Committee with two co-chairs. David Lake would co-chair the main committee and chair the Regional Environmental Quality and Operations sub-committee, which would have under its purview all joint use issues. Joseph Cotruvo would co-chair the main committee and chair the District of Columbia Environmental Quality and Operations Committee sub-committee which would have in its purview all non-joint use issues. Each of the two sub-committees would have separate agendas, separate minutes, and report separately to the Board. The Lead Service Line Replacement Review Project would be under Dr. Cotruvo's sub-committee and he would report directly to the Board with his findings and recommendations. Avis Russell, General Counsel, noted that under the by-laws, a sub-committee reports to the Committee, and the Committee reports to the Board.

Dr. Brown asked Chairman Martin to clarify his proposal. Chairman Martin stated that he is suggesting that Dr. Cotruvo head up all work of the Environmental Quality and Operations Committee that is non-joint use.

Mr. Bardin stated that he has high regards for Mr. Cotruvo and his contributions to the Environmental Quality and Operations Committee. He also stated that Mr.

Lake has for quite some months served as both Acting Chairman and then Chairman of the Environmental Quality and Operations Committee. He is a man with a great deal of intelligence and experience in a number of facets of the water and wastewater business, not the least of the background and history of the creation of this Authority. He has watched the care and firmness with which Mr. Lake approaches issues generically, the contributions he makes and the intelligent questions he asks. Mr. Lake makes sure that on non-joint use issues it is the D.C. members of his Committee, not Mr. Lake or any other county member, who exercises their responsibilities. Mr. Lake has never abused, misused, or questionably abuse the powers of the chair. If anything he leans the other way. Mr. Bardin stated that the Board has a good system and the Board has to do what it has sworn to do in terms of the Authority. The citizens of the District of Columbia and the elected officials should not be denied the benefit of the insights and contributions of county members.

Chairman Martin reiterated Mr. Bardin's comments about Mr. Lake and Mr. Cotruvo. Both Mr. Lake and Mr. Cotruvo have brought excellence, integrity, and the ultimate careful judgment on issues that are District-only issues and those that affect all of us.

Chairman Martin then proposed the creation of an ad-hoc committee on the review of the Lead Service Line Replacement Program, with the existing District members of the Environmental Quality and Operations Committee and chaired by Dr. Cotruvo.

General Manager's Report

Reported by: Jerry Johnson

The General Manager provided the Board an update on the Authority's auction rate securities. He noted that Tuesday's \$74 million non-taxable auction rate securities were sold at 6.24 percent. The \$59 million of taxable auction rate securities sold at 6.99 percent. These successful sales change the likely cost for the period of time prior to the refinancing. Staff is exploring options to see if the Authority can get back into the market sooner rather than later. Olu Adebo, Acting CFO, and the Authority's financial advisor, will provide a more detailed update following the lead service line presentation.

The General Manager noted that the Authority has been holding a series of meetings around the city to discuss the lead service line program as part of the directive from the Board that the Authority review the program every two years and determine the program's future direction. The Authority held the final meeting this past Tuesday evening. The meeting was well attended and staff received good and thoughtful questions. The General Manager thanked Dr. Cotruvo for attending the meeting and assisting staff in the absence of Dr. Gudotti.

The General Manager stated that one of the things that came up at the meeting and at Chairman Grahams hearing on last week was a power point presentation done by Mark Edwards who is an instructor at Virginia Tech. A conference call has been arranged to talk with Mark Edwards. The Authority has seen no evidence that Mr. Edward's research has been peer reviewed. Staff has definitely seen evidence of the data being misunderstood and not used in an appropriate way.

The General Manager stated that the other issue that has come up was the notion that WASA had not provided District residents with information regarding the spikes that might occur once the lead service line has been partially replaced.

The General Manager called the Board's attention to a series of steps that the Authority has been taking to provide notice to the public, and provided the Board with an information packet on the lead service replacement that the Authority has been providing to its customers since 2004. Therefore, the General Manager finds it very difficult for anyone to suggest that the Authority has not been providing the information to its customers regarding the expectations around the Lead Service Line Replacement Program, whether it is a partial or a full replacement.

The General Manager noted the maps that are displayed in the Board room. He noted that the maps show the areas of concentration of lead service lines, where the lines are located, those lead service lines that have been replaced and those lead service lines that remain in the system. Dave McLaughlin explained to the Board the construction process for the lead service line replacement.

The General Manager requested an additional resolution to be added to the Board agenda. This request is because of some unanticipated movement that has occurred this week with regard to the relocation of certain of WASA's O Street facilities. He noted that in order for WASA to get certain activity to occur within the Attorney General's office, WASA has to petition the Mayor to do a condemnation on property that WASA plans to move to. Chairman Martin, with the concurrence of the Board, agreed to amend the agenda to add the resolution.

The General Manager stated that Charles Kiely will do another phase of the presentation. Mr. Kiely gave a brief background of some of the regulatory issues that confronted WASA regarding elevated lead levels. He noted that once lead concentrations exceed the EPA action level, the EPA requires a mandatory 7 percent of the lead service line inventory to be replaced as a part of the EPA lead and copper rule compliance. In 2003, WASA continued to exceed the action level, so the process of replacing the lead service lines continued. In July 2004, the Board approved an accelerated Lead Service Line Replacement Program.

In August 2004, as part of the requirement as a result of exceeding the action level, WASA began using an Optimal Corrosion Control Technique to investigate

the water treatment process. It was successful in targeting as a cause of the increase in lead concentration the change by the Washington Aqueduct in November 2000 of the secondary disinfectant from pre-chlorine to chloramines to deal with another regulated issue. To correct the unintended consequence, orthophosphate was introduced into the treatment process, so the treatment then was chlorine, with the secondary disinfectant of chloramines, and orthophosphate that helped reduce the lead levels, which process has continued ever since then.

In July 2006, the water distributed by WASA did not exceed the action level, and it has been under the action level since July 2006. In January 2006, WASA met all of the requirements of a related administrative order.

Mr. Kiely noted that through January 31, 2008, WASA spent or incurred \$105 million on the accelerated lead program. Approximately \$40 million of that is what staff associated with the regulatory requirements or mandate. The remaining \$65 million is associated with the voluntary, Board authorized accelerated lead program. WASA has replaced 14,620 service lines, at approximately \$7,200 per service line.

Mr. Kiely informed the Board that WASA is doing lead profiles of customers' homes that had both partial and full line replacements, where WASA is literally taking 100 samples at each home, tracking all of the water as it is coming out from the main to the tap, as part of a national study that is currently being peer reviewed, and WASA expects the report to be issued in about two months. The General Manager noted that all of the samples have to be from sites that have either a full or a partial lead service line in order to be a Tier 1 sampling mechanism and the sample sites have to be approved by EPA.

Mr. Kiely discussed the table that was a part of Mark Edwards' presentation to Councilmember Graham. He noted that the table used by Mr. Edwards was included as an attachment in one of WASA's Lead and Copper Rule reports and the rule requires that if anyone takes samples at all that touch lead they are required to submit the results to EPA, not as part of compliance testing, but part of an appendix. However, the Mark Edwards' table had in some cases substituted the actual sample analysis data for the collection data or misread the collection data that was on the COC. The data gave the impression that some of the tests were taken long after WASA actually had done the partial replacement. Mr. Kiely provided the Board with a corrected table. Mr. Griffin asked if the corrected table would be shared with Mr. Edwards. Charles Kiely responded that the corrected table has been sent to Mr. Edwards.

In conclusion, Mr. Kiely stated that WASA's perspective on what it has seen in the controlled environment on the success of the Lead Service Replacement Program is that the most effective method of reducing lead levels at the customers' taps is to replace the full lead service line. The most critical aspect

for WASA is that the water treatment process is as effective. EPA has certified that WASA achieved the optimum corrosion control, the water treatment process has passivated the system and the lead levels remain steady.

Chairman Martin noted that Avis Russell, General Counsel, is acting for the General Manager for the remainder of the meeting.

Chairman Martin asked Olu Adebo, Acting Chief Financial Officer for WASA, to provide the Board a brief presentation on WASA's auction rate securities. Mr. Adebo noted that the Authority continues on an aggressive schedule to refinance the auction rate securities based on the impact on the market. He noted that Ms. Barbara Bisgier, PFM Financial Advisors, will make a brief presentation.

Ms. Bisgier, noted that despite the good news for WASA that last week the auctions did not fail and the bonds were remarketed in the six to seven percentage range, the market continues to be in a disastrous condition and getting worse every day, particularly in the variable rate market. Therefore, time is of the essence. Ms. Bisgier stated that they expect to get everything wrapped up in April. It is anticipated that the actual documentation will be presented to the Finance and Budget Committee at the end of March for its recommendation to the full Board for adoption in April. The offering documents will be posted on the same day of approval by the Board and then we will proceed with the refinancing the following week.

Ms. Bisgier reported that the Authority went out with an RFP on the 2007 bonds for direct pay letters of credit and received two timely and one untimely response. The RFP was reissued to receive better responses with a turnaround time of Tuesday. It is WASA's hope that it will receive expanded responses from two and a timely response from the other one.

In addition, at the suggestion of Mr. Firestine, DC WASA is pursuing another option to use the current tax exempt commercial paper line which is supported by a Deutsche Bank letter of credit. This would allow us without any further procurement to use a source we have in hand. Deutsche Bank has been asked if they would approve the conversion from tax exempt to taxable which appeared to be a fairly nominal change in the documents. They would also extract a modest increase in fee for that service. This may even prove to be the better option. Chairman Martin requested that Mr. Adebo inform him if there is a need for the Board to take any action prior to the April Board meeting.

Chairman Martin asked Mr. Adebo to explain to the Board the adverse budget effect from the recent higher auction rates on the securities. Mr. Adebo noted that the Authority has two series that are currently in variable rate auction rate mode: the \$295 million 2004 series and the \$59 million 2007 series. The upper default rates of these series are 15 and 18 percent respectively, assuming the Authority has a failed auction and had to reset at those amounts. The budget

projections are based on a three month window which was between February to April, the period staff anticipated going through the refinancing process. The analysis yields between \$1 to \$5 million of additional costs, depending on the assumptions of interest rates. The worst-case impact on the full budget is that if the Authority hit the maximum rates of 15 and 18 percent consistently for the three months, the Authority would have used up its full debt service budget. Chairman Martin noted that the Board did not approve the minutes for the February 7th meeting.

Chairman Martin asked for a motion to approve the February 7, 2008 minutes. The minutes were Moved and Seconded with unanimous approval.

Environmental Quality and Operations Committee

Reported by: David Lake, Chairman

The Environmental Quality and Operations Committee met on Thursday, February 21, 2008.

Mr. Lake reported that the Blue Plains Plant is running great. Flows are low due to a low precipitation year.

Ms. Russell provided the Committee an update on the NPDES permit issuance. There has been a difference of agreement between EPA and WASA regarding the technical aspects of the NPDES permit and the regulatory issues associated with it. The Committee is recommending that the Board possibly in closed session review the strategies associated with this issue.

The Committee was informed on the cost increases related to the Authority's use of methanol as the carbon source for the biological nutrient removal process. It was budgeted at \$1 per gallon, and the price has increased to \$3 per gallon and negotiated down to a maximum of \$2.45. To stay within the available budget, staff reduced the application rate to a dose that will achieve compliance with the current Chesapeake Bay Program voluntary goal. EPA is looking for sources to assist in funding the increase cost for methanol addition.

The Committee was informed that the coliform testing is in compliance with some positives but there is nothing to be concerned about because they are being addressed and are well under the EPA standard.

The Authority has passed its sixth straight monitoring period with below the action level with the lead and copper rule.

The Committee had some discussion on the chlorine burn. The Committee reported last month that the General Manager's recommendation was to proceed with a chlorine burn this year in the distribution system. This will be viewed as a

way to collect additional data to determine whether or not future review of a chlorine burn is necessary.

The Committee was provided a status on the Lead Service Replacement Program public outreach. A public hearing is scheduled for May 1st. The General Manager will have a recommendation for the full Board in June.

The Committee was provided the background on a position the Board took about three years ago that WASA should be proceeding with the review of combining the functions of WASA with the Washington Aqueduct division. The Committee agreed that there are legal aspects that need to be reviewed before that discussion can be of much value

Walter Bailey, the Director of Department of Wastewater treatment, reviewed the revisions that are necessary to the Authority's pretreatment regulations to comply with recent changes to EPA's regulations to the Committee.

The Committee is recommending one action item to the Board for approval.

Mr. Lake noted that Dr. Perry McCarty, Professor Emeritus from Stanford University, will be speaking to the Committee at its March meeting on sustainability.

Retail Rates Committee (District Members)

Reported by: Robin Martin, Chairman

The Retail Rates Committee met on Wednesday, February 27th.

The Committee received an update of the Impervious Surface Rate Project from PB Consult. PB Consult informed the Committee that GSA formally informed them that it will not provide WASA with the data that relate to federal property due to security issues. Therefore, two alternate plans have been developed. One is to utilize existing data such as the National Park Service and other data to reconcile existing data. The second plan would be to work with the Treasury Department which has access to some additional data.

Mr. Tweety of PB Consult stated that a critical element of the project plan includes extensive business process development which will allow WASA to assume control over the data once the project is completed.

The policy discussion led to two non-joint use resolutions which were not on the agenda. One of them related to the adoption of the Equivalent Residential Unit (ERU) as a concept for classifying and billing residential and commercial properties. In the policy, residential properties would be billed initially 1 ERU per home and over time the Board would create additional tiers so that the charges

to individual homes will be more equitably based on the amount of impervious surface of those properties.

The Committee discussed whether the Board has the ability to provide a customer assistance program to payers of the impervious surface rate. The General Counsel stated that there may be legal issues related to Federal funding and other legal requirements. The General Counsel will provide the Committee a legal opinion.

The Committee discussed the procuring of an independent rate consultant. The Committee will be involved in the selection process of the consultant within the next sixty days.

Chairman Martin reported that the Retail Rates Committee met via conference call and again today before the Board meeting to finalize two policies for Board recommendation today.

Mr. Bardin noted that Mr. Roth and Mr. Stone were not in attendance at the February 27th Retail Rates Committee meeting. He requested that the minutes be revised to reflect the change.

Mr. Bardin requested that Ms. Richardson's comments at the meeting on affordability of the impervious rates and its importance from a policy point of view be added to the Retail Rates Committee minutes. Ms. Richardson noted that she has asked Ms. Manley to add her concerns on affordability and people on fixed incomes to the Retail Rates Committee minutes.

Clarifying the Retail Rates Committee minutes, Mr. Bardin observed that WASA's consultants proposed that all residential customer properties, numbering more than 100,000, pay the same, one-ERU impervious surface rate, even though their range of impervious areas exceeds 1:10 – with some properties having less than 600 square feet of impervious surface area and others having more than 6,000 square feet. That discrepancy scarcely seems desirable, equitable, fair, or objective, but consultants stated that lack of time precluded and continues to preclude analysis of more than a random sample of the 100,000+ residential properties. They base recommendations for one, uniform ERU rate on a "cleaned up" sample of 1,514 residential customers, eliminating 26 (as either misclassified or as outliers with extremely large amounts of impervious surface), and base their impact estimates on the remaining 1,488. Because of work-time constraints, the General Manager urged the Retail Rates Committee not to demand an option of dividing the residential customer class into two or three tiers in the impervious surface rates planned for initial implementation early in FY 2009. Mr. Bardin expressed regret that the General Manager's planning for this impervious area rates project had failed to allow more time for data collection, clean up, and analysis.

Finance and Budget Committee

Reported by: Robin Martin, Chairman

Chairman Martin stated that he would report by exception on his report of the Finance and Budget Committee meeting held on February 26.

Ms. Downs reported that for the month of January expenditures are on track. The financial report is basically on budget. The Washington Aqueduct capital payment was not made in January. It will be made next week.

The methanol cost has decreased and WASA has entered into a contract that resets the price every month which has now been renegotiated to a lower price. Staff still expects that chemical expenditures will exceed the line item budget for the fiscal year.

Chairman Martin noted that Mr. Bardin made an interesting point about the graph that he had requested concerning the capital disbursements compared to the original capital budgets for the last six years and on a cumulative basis it shows that WASA has under spent that cumulative original budget by about a quarter of a billion dollars. The question becomes, if that is true, are the rates that WASA charges or are the revenues that WASA is requiring and collecting too high? The response is that the retail rates reflect the original budget and then later in the year additional information is received from the staff up until the time that the rates are set in September which historically has allowed the Board to lower the rate increase. Chairman Martin also noted that if WASA has excess revenues then part of the excess is put into the rate stabilization fund which goes back to the customers in terms of buying down certain percentage points of the rate and the remaining part is used for pay-go for capital projects. Therefore, the revenues are used to keep expenses and rate increases down in the future.

Chairman Martin informed the Board that the independent comprehensive budget review is ongoing. The draft report will be circulated to the Board members by March 12th for comment. The comments are due back by March 19th and the Finance and Budget Committee will review the draft report at its March 27th meeting.

The Committee was informed that a cost of service study is being undertaken by the Customer Committee with the Washington Aqueduct. The City of Falls Church has requested that the results of this study be applied retroactively to the cost sharing of the residuals project. The Board and all the customers of the Aqueduct will have to address whether the results of the study would apply retroactively to the capital cost for the residuals project. The General Manager stated that it should not apply retroactively but a decision should be made among all parties prior to the cost of service study being initiated so that it is not a reflection of something that adversely or positively affects any of the individual customers.

The Committee discussed the resolutions concerning Homes for Hope Settlement and the O Street Condemnation, which are action items for today.

Audit Committee

Reported by: Timothy Firestine, Chairman

The Committee met on Wednesday, February 20, 2008, and received the audit from WASA's external auditors who provided an unqualified opinion on the financial statement for fiscal year 2007.

The external auditors also issued two other reports to the Committee in connection with OMB Circular A133, which is essentially an audit of the Federal Grant Awards Program. The first report is a general report on internal controls and there was one significant deficiency report which relates to segregation of duties in the payroll area and as part of the audit responsibilities there have been issues related to the number of employees who have had supervisory access to the payroll system. The second report is on compliance with federal program requirements and internal controls over federal programs and that was an unqualified opinion with no internal control findings.

Mr. Firestine reported that the Authority's net assets increased by \$50 million again which is a good thing based on positive operating results. There is one accounting issue and that is the egg-shaped digester project which might be an impaired capital asset. How it is being accounted for would have to be changed in the future. The only financial statement impact, however, would be the write-down of WASA's net assets.

The Auditors found that there was not adequate documentation to support some of the refunds. In addition, checks received from prospective bidders were delayed in terms of deposit and there needs to be an improvement made to the employee termination process. Management will provide a response to these concerns.

Consent Items (Joint-Use)

1. Approval of Proof of Residency Criteria Under the Jobs for D.C. Residents Amendment Act of 2007 – Resolution No. 08-29

Chairman Martin asked for a motion to approve Resolution No. 08-20. Mr. Tangerhlini approved the motion and Dr. Brown seconded the motion. Chairman Martin called for discussion of the resolution. Mr. Bardin offered a substitution to the resolution. After discussion of Mr. Bardin's substitution, Chairman Martin proposed to withdraw the motion on the resolution and Mr. Tangerhlini withdrew his motion and stated that given the flexibility that the Authority has he would prefer to require only one proof of residency in the District

of Columbia. That would be a sworn affidavit on the part of an applicant saying that they live in the District of Columbia. The Board agreed to refer Mr. Bardin's substitution to the resolution to the Human Resource and Labor Relations Committee and the Committee to bring the resolution back to the Board at its April or May meeting.

The Board moved to the consent agenda.

1. Approval of Contract No. DCFA #381-WSA, Greeley and Hansen LLC – Resolution No. 08-30 (non-joint use)

Chairman Martin asked for a motion to approve Resolution No. 08-30. Mr. Bardin moved the motion. Mr. Tangherlini seconded the motion. Mr. Tangherlini asked if the Authority received the sewer assessment program and collection system master plan. Mr. Leonard Benson, Acting Chief Engineer, stated that a report will be going to the General Manager for the follow-on work and it is expected to be under contract late in the summer or early fall. In addition, staff has received the draft collection system master plan and it is in review.

Chairman Martin asked for a motion to approve Resolution No. 08-30.

The motion to adopt Resolution No. 08-30 was Moved and Seconded with unanimous approval by the District members of the Board of Directors.

2. Approval of Contract No. WAS-08-024-AA-JC, Salomon Smith Barney (CITI). – Resolution No. 08-31 (joint-use)

Chairman Martin made a technical change. He noted that the contract is with Salomon Smith Barney (CITI)/Bear Sterns & Company, Inc. Therefore, the name will be revised in the heading and in the initial paragraph of the resolution.

Mr. Firestine asked how the price was negotiated for the contract if it is a sole source contract. Mr. Adebo stated that staff made the contract sole source based on an emergency nature of the expedited nature. Mr. Adebo stated that staff used the same price as in the previous contract. Chairman Martin noted that he asked the consultant how it compared to the current market price and he was informed that the contract was at market price.

Chairman Martin asked for a motion to approve Resolution No. 08-31

The motion to adopt Resolution No. 08-31 was Moved and Seconded with unanimous approval by the Board of Directors.

3. Approval for Waiver of Penalties and Interest for Property Located at 1811-1815 D Street, N.E., Home for Hope, Inc. – Resolution No. 08-32 (non-joint use)

Chairman Martin asked for a motion to approve Resolution No. 08-32

The motion to adopt Resolution No. 08-32 was Moved and Seconded with unanimous approval by the District members of the Board of Directors.

4. Policy #2 on Impervious Surface Area Charge – Resolution No. 08-33 (non-joint use)
5. Policy #3 on Impervious Surface Area Charge – Resolution No. 08-34 (non-joint use)

Chairman Martin asked for a motion to approve Resolution Nos. 08-33 and 08-34.

Mr. Tangherlini moved the resolutions and Howard Gibbs seconded. Chairman Martin asked for discussion of the resolution. Mr. Bardin moved to strike, “The total amount of impervious surface shall be converted into ERUs.” Mr. Tangherlini accepted the amendment.

The motion to adopt Resolution Nos. 08-33 and 08-34 as amended was Moved and Seconded with unanimous approval by the District members of the Board of Directors.

6. Resolution Authorizing the General Manager to Petition the Mayor to Acquire Property through Eminent Domain – Resolution No. 08-35 (joint-use)

The motion to adopt Resolution No. 08-35 was Moved and Seconded with unanimous approval by the Board of Directors.

The meeting adjourned at 12:44 p.m.


Secretary to the Board of Directors