



District of Columbia Water and Sewer Authority

MINUTES

***133rd Meeting of the Board of Directors
Thursday, June 5, 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
Kathleen Boucher, Alternate to Timothy Firestine, Montgomery County
Robert Hoyt, Montgomery County
Beverly Warfield, Alternate to David Byrd, Prince George's County
Dan Tangherlini, District of Columbia
Paivi Spoon, Alternate to Dr. Jacqueline Brown, Prince George's County
Alan Roth, District of Columbia
Howard Gibbs, Alternate to F. Alexis Roberson, District of Columbia

Present Alternate Directors

Joseph Cotruvo, District of Columbia
David Lake, Montgomery County
Steven McLendon, District of Columbia
Kathleen Boucher, Montgomery County
Beverly Warfield, Prince George's County
Howard Croft, District of Columbia
George Hawkins, District of Columbia
Jimmie Jenkins, Fairfax County
Brenda Richardson, 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 Remarks

Chairman Martin noted that he would like to move the discussion of Item No. 6, Administrative Item, Approval of the General Manager's Performance Agreement and Salary Adjustments to follow the executive session. The Board agreed to move the item.

Chairman Martin noted that the Board revised its by-laws to reflect that the Vice Chairman would serve a one-year term and add the District's City Administrator to the rotation of the four members eligible for Vice Chairman. Therefore, he is forming a nominating committee to meet and make a recommendation for a Vice Chairman to serve a one year term.

Chairman Martin will serve as Chair of the Committee and he appointed Alan Roth, Dr. Jacqueline Brown, Anthony Griffin, and Timothy Firestine to the Nominating Committee. The Committee will meet and present its recommendation at the July meeting.

Approval of the May 1, 2008 Meeting Minutes

Chairman Martin asked for a motion to approve the May 1, 2008 minutes. The minutes were Moved and Seconded with unanimous approval.

D.C. Water Quality Committee (ad-hoc)

Reported by: Dr. Joseph Cotruvo

The Committee met on May 15, 2008 and discussed the Lead Service Line Replacement issues and the ultimate decisions that will be made by the Board.

The chlorine burn ended on May 12, 2008 with limited incident.

Mr. Kiely reported that WASA completed about 90% of the lead and copper rule testing for the first monitoring period (January through June) and that there were only three samples above the 15 ppb action level. The average for all samples was approximately 5 ppb.

The fire hydrant assessments and replacements are operating according to schedule.

Mr. Kiely presented the Committee with information from WASA's various sampling and testing programs, including compliance sampling and recently completed follow-up sampling locations.

Mr. Kiely briefed the Committee on the relationship between galvanized plumbing and lead service lines. Initial results indicated that out of 11 homes surveyed (with over 15 ppb of lead), 10 were also found to have galvanized internal plumbing.

The Lead Service Line Replacement Program is continuing and the Committee is expecting three options from management for the Lead Service Program.

Mr. Bardin noted that the Board should have come to the General Manager's defense at the May 1, 2008 hearing when he was criticized for following the Board's mandate to continue the Lead Service Line Program beyond that which is federally regulated.

Environmental Quality and Operations Committee

Reported by: David Lake, Chairman

The Committee met on Thursday, May 15, 2008.

Staff reported that in April the plant was operating at an annual average flow of 290 million gallons per day which was a ten year low. The flow for early May averaged 400 million gallons per day. All permit conditions were met.

Because of low rainfall in the prior months, the Committee requested staff to take a look at some of the parameters that would give WASA a handle on the infiltration and inflow to the plant relative to where it had been during other low flow periods. Staff's evaluation established that recent plant flows are not as responsive to rainfall and groundwater as they were in the past. There have been some ongoing improvements related to the 9 minimum controls to the plant.

The Committee discussed the Potomac Interceptor Odor Control Project and reviewed the project schedule and requested an updated on a monthly basis.

The Committee discussed the listing of joint-use facilities recognizing that some of the discussion on joint-use facilities should be discussed by the Governance Committee. The Committee agreed that its role is to promote development of an expansion to the list. The list will be shared with the Blue Plains Regional Committee.

The Committee is recommending three joint-use contracts for Board approval. The District members of the Committee are recommending one non-joint use contract for Board approval.

Mr. Griffin informed the DC WASA Board that he presented to the Fairfax County Board of Supervisors a proposal to allow the county's difficult run pumping station to be utilized for the purpose of storing chemicals and injecting those

chemicals into the Interceptor to handle the corrosion and odor issues. However, the Fairfax County Board of Supervisors did not approve the proposal. Their decision was based on the CFO, residency requirements and other issues that have been initiated by the District's Council. The proposal will be reconsidered at the Board of Supervisors' June 30, 2008 meeting. He noted that in the more than 11 years of the Authority's existence, this is the first time the Fairfax Board has commented on WASA. They have been receptive to what WASA has been doing.

Mr. Bardin requested that the joint-use list be attached to the minutes for the record. Chairman Martin agreed to have the list attached to the minutes.

Mr. Roth requested that Board members be notified of the Blue Plains Regional Committee meetings. Mr. Lake agreed to provide an overview of the Blue Plains Regional Committee at the next Board meeting and discuss with the Council of Government's General Counsel whether the Committee meetings are open to the public, and if so, ensure that the Board is notified of the meetings.

Mr. Hawkins noted WASA's speed and effectiveness in responding to the arsenic scare at Fort Reno. In addition, he noted that there is likely to be action between now and the next Board meeting on the Independent Water Quality Study. He received a \$20,000 budget letter from the Conference of Mayors. A working group will be convene with a finite duration to set up the scope and identify the cost and define steps to be taken.

Customer and Community Services Committee

Reported by: Alan Roth, Chairman

The Committee met on Tuesday, May 20, 2008.

The Committee discussed broadcasting or webcasting the WASA Board meetings, working with the Greater Washington Urban League to improve their administration of the SPLASH program, and the updating of WASA's customer telephone number database to expand the availability of the high use notification alert system, and the continued review, update and improvement of the WASA website.

The majority of the meeting was devoted to examining WASA's policies and process for responding to Freedom of Information Act (FOIA) requests which is an inquiry that grew out of a complaint letter.

The Committee agreed that WASA's policies and procedure for responding to FOIA requests should be in writing. The Committee members received an e-mail from the General Manager informing them that such a written policy was unnecessary. The General Manager provided the Committee an outline of the mechanical aspects of the process for complying with FOIA requests.

Mr. Roth expressed his concern about an individual's request for access to Attorney Eric Holder's archives of his lead investigation and how that request was handled. The General Counsel explained to the Committee that Mr. Holder was retained by the Board in 2004 to conduct an independent investigation and while the Holder report was presented to the Board, the documents that Mr. Holder obtained during the investigation were not provided. Therefore, the General Counsel stated that there was an attorney-client relationship. Mr. Roth noted that WASA did not assert attorney-work product privilege in responding to the requestor. The documents and any privileges associated with the documents are the property of the Board. The Board was never informed that this was an issue regarding the Holder documents. Mr. Roth suggested that the Chairman contact Attorney Holder to determine what documents are in the archives and which documents are categorized as privileged.

Mr. Roth stated that all of the Committee's efforts to improve WASA's public image through the media and through other forms of public relations and public outreach will be for nothing if WASA continues to not be transparent.

Chairman Martin noted that Mr. Roth's statement is in line with comments that he made a year ago in terms of creating a different image of WASA, an image and reality of how WASA operates.

Mr. Johnson stated that the appropriate time to discuss Mr. Roth's concern is during the executive session.

Mr. Bardin gave accolades to Ms. Manley on her office's transparency, efficiency, responsiveness, and record keeping. Mr. Griffin concurred with Mr. Bardin's statement.

Retail Rates Committee (District Members)

Reported by: Robin Martin, Chairman

The Retail Rates Committee met on May 20, 2008 and received a report from PB Consults on the delivery of the residential and nonresidential data sets and at the end of April which this report reflects, PB Consults delivered to WASA 40,000 single family residential property data sets. There were from the consultant's perspective some glitches in those data sets which appear to have been systemic as opposed to anomalous. There were some anomalies, but the systemic issues appeared to have been fairly easily addressed. The General Manager will inform the Board whether the additional data that was expected at the end of May as delivered.

The Committee will hear from the consultants at its next meeting on what additional work is needed, the length of time needed and what cost would incur

to present impervious surface data on the single family residential properties since this is not part of the contract.

The Committee discussed the outreach program and requested that staff develop a calendar and a schedule for additional activities between now and April 1, 2009 to present at the next Committee meeting.

The next step is to QA/QC the data sets to understand PB Consults QA/QC process.

The Committee discussed the impervious area billing legislation and as noted from the last meeting, WASA appears not to have the authority to impose rates for sewer charges that are not based on volumetric charges which the impervious surface area rate would not be based on. Staff requested a discussion with Chairman Graham's committee to understand if he would be willing to put simple legislation into the Budget Support Act giving WASA that authority. Chairman Graham declined to accept that invitation and wants to hold a separate hearing with a separate bill that would go forward on this legislation. The hearing would be held in June and the Council would take action in July. This will have to be done on an emergency basis so that when notice is given of the impervious surface rate at the end of the year the legislation would be in place and in effect.

The Committee then discussed the expansion of the Customer Assistance Program (CAP). There was an issue on whether WASA had the authority to have the program apply to sewage rates. The Committee was informed that WASA can apply it under EPA regulations so long as other customers make up the differences in that discounted loss of revenue which is in fact what WASA would be doing.

Several members of the Committee suggested that WASA move forward and have the CAP extension through sewage rates effective on October 1. The Committee is waiting to hear from the General Counsel on whether there is a need to hold a hearing and to go through a formal rate process to make the changes in the CAP. Chairman Martin stated that whether WASA is required to do so or not, that it is the transparent thing to do. This will allow the public to comment and provide the Board the ability to be as inclusive as possible.

Finance and Budget Committee

Reported by: Robin Martin, Chairman

The Committee met on Thursday, May 22, 2008 and received a report on the financial information. The Authority continues to meet its financial goals. The revenue receipts are \$186.4 million, or 55 percent of budget. Expenditures are slightly lower at \$179 million or 52 percent of budget. Capital disbursements were slightly higher than would have been expected at this time of year, \$201 million or 62 percent of budget. The differential is due to the one time payment to

the Aqueduct. The average daily balance on operating reserves in April was \$10.9 million the required minimum amount.

The Committee was informed that the electricity continues to be one of the pressures on WASA and the two-pronged approach that management is taking to address the issue was discussed.

The Committee received an update on the 2008 bond issuance and there are two elements of that to replace the Authority's auction rate securities. One is the nontaxable bond issuance which is the 2004 series auction rate bonds. Those were successfully repaid and issued as long-term bonds. The last maturity of this was paid off on May 22, 2008. The other is that the \$44 million of taxable bonds will be replaced by commercial paper and that process has been virtually completed in terms of documentation at this point. The sale of the commercial paper is expected to be on June 25, 2008.

The Committee received an update on the rolling owner-controlled program. WASA is on track to save the estimated amounts that it expected when WASA entered into the program.

The General Manager provided the Committee a detailed plan on addressing the recommendations from the independent comprehensive budget review.

The Committee received an update on the Data Collections Unit problems and was informed that there was no ultimate issue in terms of revenue impact.

Mr. Bardin requested that the General Manager inform the Board via e-mail of the interest rate on the commercial paper. The General Manager affirmed.

Human Resources and Labor Relations Committee

Report by: Anthony Griffin, Chairperson

The Committee met on May 27, 2008. The first order of business was to continue the discussion and review the proposed personnel regulations. The Committee received a request from the union presidents for additional time to review and comment on the proposed changes. The Committee granted the request and the unions responded within that time frame.

The comments that they provided were substantially the same comments the unions provided in January. Staff made some minor adjustments based on their comments. The consensus of the Committee was to recommend the proposed regulations to the full Board, and they are on the agenda for today.

The Committee discussed the conflict of interest section of the regulations. Dr. Brown raised a concern about employees in the procurement process making

decisions and then subsequently being hired and that this is not addressed in the regulations. However, staff informed the Committee that there is an active review and rewrite of the procurement regulations, and that it is the intent of staff to address that particular issue in those regulations.

The Committee then discussed an employee leaving WASA to work for a contractor who has been given a contract by DC WASA. The consensus of the Committee is that there is some flexibility in that to the extent that the activity is governed by the regulations. The General Manager has discretion to review the circumstances and modify or waive the requirements.

The Committee discussed the hiring of senior staff and was informed by the General Manager that he plans to have his senior management team in place by September.

The Committee was informed that the amendment to the Budget Support Act regarding the residency preference was deleted from the bill for its first and second reading. The General Manager informed the Board that the D.C. Council adopted the bill without the language so that the residency preference as defined by D.C. law still applies to WASA.

Mr. Bardin noted that the General Manager expressed his concern about a couple of experiences with a WASA contractor cherry-picking WASA staff in order to carry out its obligations under a contract. The General Manager affirmed that that was his concern.

General Manager's Report

Reported by: Jerry Johnson

The General Manager on the request of Chairman Martin, informed the Board that the District had a successful bond sale. It was reported in the newspaper that the bond sale was at somewhere around 2.2 percent interest rate which is a few hundred bases points less than the bond sale that WASA had a few weeks ago.

Mr. Adebo provided the Board additional information on the District's Bond Sale. He noted that included in the interest rates, the District has to pay a letter of credit fee which would bring the interest rate to about 2.25, and some of those debts had swap agreements that were previously arranged which also raises the rates.

The General Manager reported that the Fire and Emergency Medical Service (FEMS) has completed 7,854 hydrant inspections as of yesterday. Over the past 12 weeks since the stepped up activity has started with the inspections, WASA has replaced 338 hydrants and 790 have been replaced this fiscal year. Another 887 hydrants have been repaired due to some defect since the March timeframe when the project started and another 2,394 have been flow tested and assessed

during the current fiscal year and banned appropriately. There are 204 hydrants that are out of service. This represents 2.2 percent of the system that is currently out of service.

The crews have been expanded and WASA distributed new handheld electronic devices to FEMS that allows WASA to know what is happening with the inspections on a continuous basis. Vehicles have been rented for the inspectors use until the permanent vehicles arrive.

The General Manager introduced the 2008 Internship class. Chairman Martin requested that the General Manager provide the Board a list of the names and the schools they attend.

The General Manager informed the Board that Mujib Lodhi, WASA's Chief Information Officer, was named in the top 100 CIO's in the country. He congratulated Mr. Lodhi and his team and the Department of Customer Service who took a base application and expanded it to do a number of other things for the benefit of WASA's customers.

Alan Roth made some suggested revisions to the bilingual materials that were provided at the Latino outreach day.

Consent Items (Joint-Use)

1. Approval to execute Option Year One (1) of Contract No. WAS-07-012-AA-JS, M.C. Dean, Inc. – Resolution No. 08-52
2. Approval to execute Option Year One (1) of Contract No. WAS-07-024-AA-JW, Ideal Electrical Supply Corporation – Resolution No. 08-53
3. Approval to execute Option Year Four (4) of Contract No. WAS-04-041-AA-JS, Maryland Environmental Services – Resolution No. 08-54
4. Approval to execute Contract No. WAS-08-025-AA-RV, Carter & Carter Enterprises, Inc. – Resolution No. 08-55

Mr. Tangherlini asked for discussion on Resolution No. 08-55. He noted that only one bid was received for the service and that was from the existing contractor. He asked if there was some reason why ferric chloride is a difficult chemical to get competition?

Mr. Christodulopas responded that you can only assume that it was because of the nature of the competitor that registered to download the solicitation. The company is a Council of Governments contractor and has the capability and the resources to give a very competitive price. The price is the same as the current price that WASA is paying for the services.

Motion to adopt Resolutions No. 08-52 through No. 08-55 were Moved and Seconded with unanimous approval by the Board of Directors.

5. Approval of Final Amendments to the Personnel Regulations – Resolution No. 08-56

Motion to adopt Resolutions No. 08-56 was Moved and Seconded with unanimous approval by the Board of Directors.

Consent Item (Non-Joint Use)

1. Approval to execute Change Order No. 02 of Contract No. 070100, Anchor Construction Corporation – Resolution No. 08-57

Motion to adopt Resolution No. 08-57 was Moved and Seconded with unanimous approval by the District Members of the Board of Directors.

The Board convened into an executive session to discuss some legal and personnel matters at 11:29 a.m..

The Board reconvened into the open session at 1:32 p.m.

Administrative Items


1. Approval of the General Manager's Performance Agreement and Salary Adjustments – Resolution No. 08-51

Mr. Griffin moved that Resolution No. 08-51 be deferred to the July Board meeting.

Motion to defer Resolution No. 08-51 to the July Board meeting was Moved and Seconded with unanimous approval by the Board of Directors.

Chairman Martin provided the Board an update on Ms. Roberson. The Board wishes Ms. Roberson a speedy recovery.

The meeting adjourned at 1:35 p.m.


Secretary to the Board of Directors

Environmental Quality & Operations Committee, DCWASA BOD

For Committee Meeting May 15, 2008 at the Committee meeting on April 17, the Committee requested a listing of "Joint-Use Facilities," specifically those not listed as such in the DCWASA enabling legislation. That list follows:

The following are joint use facilities in the DCWASA enabling legislation:

1. Little Falls Trunk Sewer
2. Upper Potomac Interceptor
3. Upper Potomac Interceptor Relief Sewer
4. Rock Creek Main Interceptor
5. Rock Creek Main Interceptor Relief Sewer
6. Potomac River Interceptor Sewer
7. Potomac Pumping Station
8. Potomac River Force Mains
9. Watts Branch Trunk Sewer
10. Anacostia Force Main
11. Anacostia Force Main & Gravity Sewer (abandoned)
12. Outfall Sewers (sewers from Main P.S.)
13. Outfall relief Sewers (sewers from Potomac P.S)
14. Upper Oxon Run Trunk Sewer
15. Upper Oxon Run Relief Sewer
16. Lower Oxon Run Trunk Sewer
17. Lower Oxon Run Relief Sewer
18. Blue Plains WWTP
19. Potomac Interceptor Sewer

Joint-Use Facilities not listed in the DCWASA enabling legislation:

20. B Street/New Jersey Avenue Sewer – takes flow from Rock Creek over to Anacostia
21. Main Pumping Station – pumps flow from B St/ NJ Ave
22. Anacostia Siphons – conveys flow from Main P.S. to outfall sewers
23. North Interconnecting Branch Sewer – conveys flow from Anacostia Force Main to Outfall Relief Sewers
24. South Interconnecting Branch Sewer – same as North Interconnecting Branch Sewers
25. Bolling Outfall Sewer and CSO 003
26. Anacostia Main Interceptor – conveys flows from Watts Branch

- 27. Poplar Point Pumping Station – pumps flow from Anacostia Main Interceptor
- 28. Rock Creek Pumping Station – pumps flow from PI and UPI
- 29. Appurtenances, structures and CSO outfalls connected to all joint use facilities.

Future Joint-Use facilities (not yet constructed):

- 30. Sewer Field Operations Facility
- 31. Long Term Control Plan Facilities