



District of Columbia Water and Sewer Authority

Board of Directors

Meeting MINUTES

Thursday, May 7, 2009

Present Directors

Chairman William M. Walker, District of Columbia
Vice Chairman Dan Tangherlini, District of Columbia
Anthony Griffin, Fairfax County
David J. Bardin, District of Columbia
Keith Stone, District of Columbia
Timothy Firestine, Montgomery County
Robert Hoyt, Montgomery County
Paivi Spoon, Alternate to Dr. Jacqueline Brown, Prince George's County
Beverly Warfield, Alternate to David Byrd, 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
Jimmie Jenkins, Fairfax County
Brenda Richardson, District of Columbia
Kathleen Boucher, Montgomery County

WASA Staff

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

Chairman William Walker called the 143rd meeting to order at 9:36 a.m.

Board Secretary Linda Manley confirmed a quorum.

Approval of the April 2, 2009 Meeting Minutes

Chairman Walker asked for a motion to approve the April 2, 2009 minutes. The minutes were Moved and Seconded with unanimous approval by the Board.

Chairman Remarks

Chairman Walker informed the Board that the negotiations regarding the General Manager's separation agreement are near completion.

Chairman Walker also informed the Board that with its permission, he has retained the services of Korn/Ferry International to conduct the search for a new General Manager for the Authority. The Chairman met with Korn/Ferry, and in addition, they have had phone conversations with the Board's Search Committee to go over the job specifications for the General Manager. The Board Secretary will circulate the job specifications to the Board. He noted that the Search Committee is on track with the time line. The search firm is in the process of pulling together candidates and the next month should be pretty busy for members of the Search Committee as it relates to meeting those candidates and starting the vetting process.

Chairman Walker noted that he took a tour of the water facilities. Mr. Tangherlini stated that the Authority should find ways to open the tour of the facilities to a wider audience.

Chairman Walker noted that he and Mr. Johnson appeared before Councilmember Graham for the 2010 Budget Oversight Hearing. The first hour and a half of the hearing focused on water quality. Councilmember Graham noted his concern about the Authority's rate increases proposed for 2010. After explaining to Councilmember Graham the complexities of the budget, the long-term outlook, the great success in the recent bond offering, and the significant capital expenditures, they were unsuccessful in getting him to see that a rate increase for 2010 is not unreasonable. Councilmember Graham is proposing that Congress not approve any rate increases at DCWASA until the Authority has "justified or substantiated" the rate increases.

A letter is being drafted to send to Councilmember Graham to address his specific concerns as it relates to the overall budget and the financial management of the Authority.

Chairman Walker noted that WASA showed extremely well in the PBS Frontline discussion of Blue Plains, the Potomac, and Chesapeake Bay. He stated that the Board should read page five of the Chesapeake Bay Foundation's Annual Report on water quality in the Bay regarding the Authority's nitrogen control process. The General Manager noted that a document and press release will be done shortly in response to the Foundation's annual report.

Finance and Budget Committee

Reported by: Chairman Walker for Dan Tangherlini, Committee Chair

The Committee received the March financial report and was informed that with 50 percent of the fiscal year completed, revenues were at 48 percent and expenditures at 44 percent of the operating budget. Capital disbursements were at 44 percent of the revised budget.

The Committee was presented with staff recommendations on the Authority's operating reserves and agreed that it was an issue to discuss with the full Board. Then the Committee will make a recommendation at its next meeting. After a lengthy discussion with collective and collaborative input by the full Board, it was agreed by the Committee Chairman that the Committee had enough input to bring back a recommendation.

The Committee discussed the Rolling Owner Controlled Insurance Program (ROCIP) and is recommending approval to continue the program. In addition, the Committee is recommending approval of a vendor for the ROCIP insurance broker services.

The Committee discussed and is recommending for approval by the District members of the Board a request from the General Manager to abate the arrearages owed on two properties in the District of Columbia with longstanding uncollectible delinquencies.

Environmental Quality and Operations Committee

Reported by: David J. Bardin

The Committee was informed that plant performance was excellent with all parameters met.

The Committee received a preliminary report on two large return activated sludge lines which have been in service over 25 years, and recently have experienced several leaks. A written report is due to the Committee at its May meeting.

The Committee requested additional information in its monthly wastewater treatment reports. In addition, the Committee discussed electricity consumption at the Blue Plains facility and requested that staff present ideas and proposals on

how they will keep track of electricity use at other major components of the Authority.

The Committee discussed the NPDES Permit and was informed that EPA was expected to issue a new permit shortly for public comment. It was agreed that a special meeting of the Committee would be called once staff receives the information from EPA if the comment period deadline does not accommodate the next scheduled meeting.

The Committee asked the status of the ongoing negotiation being conducted by the CAOs concerning cost sharing of the Total Nitrogen and Long Term Control Plan projects. Mr. Lake suggested that discussion be deferred to the full Board meeting, when the Chairman of the IMA Blue Plains Chief Administrative Officers Committee would be present and can speak to the negotiations. Chairman Walker requested that Mr. Griffin as Chairman of that Committee provide a report to the Board.

Mr. Griffin reported that the CAOs reached an interim agreement for billing purposes that the suburban jurisdictions will pay 7.1 percent of Long Term Control Plan costs, pending further discussion of lost opportunity costs as it relates to the District. The City Administrator forwarded material to the CAOs and their technical advisors in terms of what those costs look like and a meeting is scheduled for May 27th for the technical advisors to review the information. The CAOs will meet shortly thereafter.

Mr. McLaughlin updated the Committee on the Potomac Sewage Pumping Station and noted that a modification of the inlet (crescent plate removal) to the second of three pumps did not produce as dramatic an improvement as was experienced with the first pump. One issue is the inability to test the system at full capacity. A substantial rainfall event is needed to have enough water to properly test the pumps.

The Committee received a report on the energy impact of major capital projects. It was requested by a Committee member that load factors or capacity factors of the projects be furnished, or that all assumptions built into the numbers be presented. In addition, it was requested that the same information is provided for the Washington Aqueduct projects funded by WASA.

The Committee is recommending four joint use contract items for approval to the full Board.

District of Columbia Retail Services Committee

Reported by: Joseph Cotruvo, Chairperson, District of Columbia member

The Committee received an update on the Lead and Copper Rule compliance. It was reported that 74 samples have been analyzed. As of April 28th, two samples have exceeded the EPA Action Level.

Mr. Kiely gave a presentation for the Committee concerning pre-stagnation flushing.

In September of 2008, WASA updated its chain-of-custody for samples collected as part of LCR compliance testing to eliminate the 10-minute pre-stagnation flush. Mr. Kiely presented a series of graphics that compared samples that were collected and analyzed in January through March of 2008 (utilized 10-minute pre-stagnation flush) with those that were collected and analyzed in January through March of 2009 (no 10-minute pre-stagnation flush). These graphics indicated that there is no material change in lead levels since the 10-minute pre-stagnation flush instruction was eliminated.

The Committee requested that staff provide a thorough report as to the positive and negative consequences that occur during the chlorination switch. Mr. Roth requested that the Committee look at alternatives to the flushing program.

The Committee discussed budget and contractual aspects associated with the Fire Hydrant Replacement Program and requested a detailed briefing on the program.

The Committee is recommending two action items for Board approval.

The question and answer session of this report dealt with joint use issues and had participation from both District members as well as members from the suburban jurisdictions.

General Manager's Report

Reported by: Jerry Johnson

The General Manager noted that the Authority went live with the Impervious Area Charge implementation. A parallel run was done with the system between April 20 – May 1. The Interactive Voice Response (IVR) system was activated and as a result of the calculation methodology for commercial users and other information on the website the Authority received 452 calls through the IVR System. The Authority received 76 commercial impervious transfer calls and 322 residential impervious transfer calls.

The General Manager noted that the Authority received a letter from the District's CFO regarding the cost of service study. An analysis will be done and reported back to the Board.

The General Manager informed the Board that only one building was out of service for a period of time during the 20 inch water main break at 17th and Florida Avenue.

The General Manager reported that the Authority received the 2009 Special Achievement and GIS Award from the Environmental Systems Research Institute. In addition, the IT Department received an international award from the CIO Magazine for the SCADA system implementation and SCADA communications network security architecture.

Mr. Bardin requested that the Human Resource and Labor Relations Committee take a look at the monthly recruitment report with special attention to the positions of Chief Engineer and Manager, Long Term Control Plan, and those positions that have been vacant since 2007. Chairman Walker asked Mr. Griffin as Chair of the Committee to get a report from management and report back at the June Board meeting.

A presentation on the Tiber Creek Sewer, which carries some 25 million gallons a day of dry weather flow through the system and carries substantially more in wet weather, was provided to the Board. It was noted that there is some displacement of the arch under a roadway adjacent to the O Street pumping station and a structural inspection was done. Staff is waiting for the results and recommendations from the inspection. The General Manager noted that legislation was passed by the District of Columbia Council that provides for an opening or dedication of the streets in the area of the Tiber Creek Sewer. The Authority recommended that the legislation not be approved. However, the Authority worked with the Council Chairman's office and others to get language in the committee report that refers to a memorandum of understanding that talks about setbacks and distances from the main pumping station and several other things that need to be done to protect the Tiber Creek Sewer, including finite element analysis. The General Manager will update the Board as the issue evolves.

Olu Adebo provided an introduction, background and new methodology on the water balance presentation to the Board. After discussion Mr. Adebo provided recommendations and next steps. Staff will start reporting in the General Manager's June report and on a quarterly basis, the new methodology of the nonrevenue/revenue AWWA standard in addition to the old methodology.

Avis Russell provided background information on the Washington Aqueduct and the key issues and the financial implications if the Authority pursues an interest in acquiring the facility.

Consent Items (Joint-Use)

Mr. Tangherlini moved the consent (joint-use) Items 09-58 through 63.
Mr. Griffin seconded. Items 09-58 through 63 were moved and seconded with unanimous approval by the Board of Directors.

Consent Items (Non-Joint Use)

Mr. Tangherlini moved the consent (non-joint use) Items 09-64 through 67.
Mr. Bardin seconded. Items 09-64 through 67 were moved and seconded with unanimous approval by the District of Columbia members of the Board of Directors.

The 143rd meeting of the District of Columbia Board of Directors adjourned at 12:22 p.m.


Secretary to the Board of Directors