



District of Columbia Water and Sewer Authority

Board of Directors

Meeting MINUTES

Thursday, June 4, 2009

Present Directors

Chairman William M. Walker, 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
Dr. Jacqueline Brown, Prince George's County
David Byrd, Prince George's County
Alan Roth, District of Columbia
F. Alexis Roberson, District of Columbia
George Hawkins, Alternate to Vacant Position, District of Columbia

Present Alternate Directors

Jimmie Jenkins, Fairfax County
Brenda Richardson, District of Columbia
Howard Gibbs, District of Columbia
David Lake, Montgomery County
Beverly Warfield, Prince George's County
Paivi Spoon, Prince George's County
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 144th meeting to order at 9:40 a.m.

Board Secretary Linda Manley confirmed a quorum.

Chairman Remarks

Chairman Walker welcomed all of the DCWASA interns to the Board meeting. The General Manager noted that WASA has fifty-seven interns in the program representing thirty-eight colleges and universities. Fifty percent of the interns are engineering majors.

Chairman Walker noted that he toured the Authority's O Street Pumping Station and discussed some policy issues related to some development around the yards and around the National Stadium.

Chairman Walker noted that since the last Board meeting, Vice Chairman of the Board Dan Tangherlini stepped down as the City Administrator for the District of Columbia to accept a position as the Assistant Secretary of the Treasury. He noted that Neil Albert stepped into the role as City Administrator. Mayor Fenty submitted his nomination of Neil Albert to join the D.C. WASA Board of Directors. Chairman Walker has asked Chairman Graham to expedite the approval of that nomination.

Therefore, there is a resolution today to elect Timothy Firestine as the next Vice Chairman of the DCWASA Board based on a Board approved resolution to rotate the position amongst the suburban jurisdiction and the District of Columbia. He noted that on an interim basis he has asked George Hawkins to be Interim Chairman of the Retail Rates Committee and Chairman Walker will serve as the Interim Chairman of the Finance and Budget Committee.

In addition, Mr. Tangherlini was a member of the Search Committee for the General Manager position prior to his leaving. Chairman Walker has asked Alan Roth to serve on the Search Committee.

Chairman Walker informed the Board that Korn Ferry who is the outside consulting firm that the Board hired to facilitate the search has been working diligently screening candidates across the nation. The Committee has had two conference calls and is looking to meet with candidates during the course of next week. All the committee members have the extensive list of candidates that have been screened so far and phone interviews have been done .

Approval of the May 7, 2009 Meeting Minutes

Chairman Walker asked for a motion to approve the May 7, 2009 minutes. The minutes were Moved and Seconded with approval by the Board and an abstention from David Byrd because of his not attending the last Board meeting.

Customer and Community Services Committee

Reported by: Alan Roth, Chairperson

The Committee met on Tuesday, May 19th. Mr. Roth noted today's test taping of the Board meeting. This is the single most significant step that WASA has taken as an organization since the adoption of the public information policy eighteen months ago to bring openness and transparency and engagement with the broader community. He extended the Committee's thanks and commendations to staff and the General Manager. In addition, he acknowledged Board member Brenda Richardson who gave birth to the idea and pushed it forward in the Committee and the Committee members who analyzed the different alternatives presented by staff.

The Committee discussed the SPLASH Program. Mr. Hemphill informed the Committee that the Urban League has shown continuing improvement in its administration of the program although there are still some minor contract compliance problems. Mr. Roth stated that in spite of the incentive-based nature of the Authority's agreement with the Urban League, they have not been noticeably active or successful in soliciting and obtaining a higher level of contributions. There was some confusion about the numbers presented to the Committee by staff. However, the Committee was provided an updated chart showing correct numbers. Staff contacted the Mayor's Office of Partnerships and Grants Services (OPGS), which administers the Mayor's authority to solicit and receive private contributions from various sources, about the possibility of WASA piggybacking on their authority. This would be a good interim solution, but the Committee feels the best long-term solution would be legislation allowing WASA to solicit and receive funds from private sources for the purpose of assisting low-income customers.

The Committee received an update on the Authority's permitting processes. Substantial improvements have been made and additional improvements are coming in the near future.

The first round of the impervious area bills has now gone out and as of the date of the Committee meeting, the call center had experienced a relatively small number of customer calls about the new charge.

Ms. Quander-Collins discussed the focus group and survey research that was conducted by her department in preparation for a campaign to increase customer confidence in WASA and particularly in the Authority's drinking water quality.

The Committee will review the results of the focus groups and survey research, together with an action plan, at the July meeting.

Environmental Quality and Operations Committee

Reported by: David Lake, Chairperson

The Committee met on Tuesday, May 26, 2009.

The Committee received a report on the plant performance. All parameters had been met and the plant operated at 325 million gallons per day average flow for the month of April. This was a little higher than the prior month due to the amount of rain received.

The Committee received a report last month that a couple of large pipes (returned activated sludge lines) had begun to deteriorate. An inspection was conducted on those lines and they can be spot repaired and remain in service. The repair process is estimated at \$2 million.

The Committee received an overview of the draft discharge permit which was issued to the Authority in early May and there is a 30-day comment period that closes on June 8, 2009. The draft permit addresses WASA management's concerns expressed over the previous draft permit.

The Committee discussed the three large projects underway -- long-term control plan, total nitrogen, and the digester project, and the fiscal impact of moving forward on all three simultaneously. Mr. Benson indicated that the Blue Plains site projects could be handled on-site. The issue of the fiscal impact of these facilities had been in the ten-year plan and will continue to be reviewed by the Finance and Budget Committee.

The Committee received a report on the Potomac Interceptor odor control project. This is reported on a monthly basis to the Committee and it is expected that the Maryland and District sites will be advertised for bid this summer.

The Potomac Sewage Pumping Station is under a consent decree to have pumps replaced and it must be certified that it can perform at the rate that is sufficient to move the flow through. The station was tested and unfortunately it is not able to be certified at this time.

The Committee received an update on the Biosolids Management Plan. The major effort that is under way is to get the delivery system for the Biosolids program nailed down.

The Committee was introduced to the concept of the Authority's Business Development Plan.

The Committee is recommending five action items for Board approval.

Chairman Walker requested a revised timeline as it relates to the architecture and engineering study regarding the digester project by the next Board meeting.

District of Columbia Retail Services Committee

Reported by: David Bardin on behalf of Dr. Cotruvo, District of Columbia Member

Mr. Bardin reported that less than 5 percent of the samples tested positive for coliform as of the end of April. It was indicated that the positive results were caused by problems with sample collection, and that all follow-up tests were negative. The General Manager noted that the Authority is required, whenever there is a positive sample, to do sampling upstream and downstream and resample the location where we may have had a positive. That was done in all cases and in each case all samples were negative.

Mr. Kiely reported to the Committee that as of the day of the meeting, 143 of the public hydrants in the City were not operational. The General Manager noted that Management's goal is to have only one percent "out-of-service" at any given time. Chairman Walker requested that the General Manager provide the Board with some benchmarking data on out-of-service hydrants.

Mr. Kiely provided the Committee with a presentation concerning the Fire Hydrant Upgrade Program. He concluded the presentation by describing the impact of the program on WASA's overall budget and the effects on retail rates.

The Committee agreed to move the discussion on the summary of issues for future Washington Aqueduct/WASA interaction to its next scheduled meeting in June. Dr. Cotruvo highlighted the topics that the Committee would like to see addressed.

The Committee requested that staff provide a comparison of the retail rates of DC WASA, WSSC, and Fairfax County taking account of not only the per gallon charge, but any other related charges.

Governance Committee

Reported by: Keith Stone, Chairperson

The Governance Committee met on May 27, 2009. The Committee received a presentation from the Authority's Director of Performance Management and Process Improvement and Emory Robinson of IMG Consultants. The presentation was a recap of how the Authority is performing within its governance ability and within the strategic plan. The presentation drew questions and comments from the Committee which included the need to develop a method to

capture other DCWASA goals not set out in the Strategic Plan and a process for capturing input from the other Board committees.

The Director of Governmental Relations, Gordon Fry, reported that at WASA's request, Jim Graham, Chairman of the District of Columbia Council Committee on Public Works and Transportation, introduced the "Wastewater System Regulation Amendment Act of 2009," which is a requirement under WASA's NPDES Permit. Mr. Fry further reported on an amendment to the "Fiscal Year 2010 Budget Request Act of 2009" introduced by Councilmember Graham on May 12, 2009. The amendment, which was unanimously adopted by the Council, recommends that Congress not approve DCWASA's recommended rate increases until it is able to provide evidence of the need for those increases. After inquiry by the Committee, the Committee was advised that a letter had been drafted to the Council addressing this amendment. Mr. Fry further reported that President Obama's FY 2010 Budget Request includes \$20 million dollars for DCWASA for the Combined Sewer Overflow Long Term Control Plan.

Chairman Walker noted that the Governance Committee should look at early 2010 for a possible Board retreat.

Human Resources and Labor Relations Committee

Reported by: Keith Stone for Anthony Griffin

The Committee met with the Authority's five unions. The main discussion was a May 7th letter from the unions to the Board requesting that the Board grant the unions the enhanced benefits offered to non-union employees. The Committee requested that the General Manager undertake a quick study as to the financial impact if the Authority were to grant the unions these benefits.

The Committee then discussed several other issues with the unions, and Mr. Stone promised the unions that the Committee would respond to them in writing.

The Committee received a final presentation based on input from Mr. Roth on the Domestic Partner Benefits. In addition, a retiree benefits plan was presented to the Committee.

Finance and Budget Committee

Reported by: Timothy Firestine for Dan Tangherlini

Mr. Firestine noted that through April with 58 percent of the fiscal year completed, things are on track. Revenues were slightly behind, because it did not reflect payments from the wholesale customers, which comes in May. Expenditures were below by about 52 percent. Two things contributed to that, one, there are some expenditures which will occur over the summer, which create a higher spending pattern in the summer. Secondly, because of favorable

electric market prices, the Authority is lagging 58 percent on the expenditure side.

The Committee discussed management's recommendation on the operative reserve level. The Committee is leaning towards the direction of revising the reserve requirement beginning in FY 2010 to 150 days, which would free up about \$15 million in reserve. The Committee agreed that further discussion is needed on the actual structure of how wholesale participation reserve would occur.

Mr. Johnson informed the Committee that he received a portion of the cost of service study undertaken by the DC CFO and it is in review by staff.

There is a recommendation from the Committee that the Board write-off a total of \$1.3 million, representing about 5,500 bad debt accounts. In addition, the Committee is recommending that the Board approve the selection of Toronto Dominion Bank in partnership with Adams National Bank, to provide banking services.

Chairman Walker noted that he will have a discussion at the Finance and Budget Committee on whether the Board should have an Investment Committee to take a look at where the Authority has its reserves invested, and whether they stay in pure cash accounts, or invest them in other types of investments to get a higher return.

General Manager's Report

Reported by: Jerry Johnson

The General Manager noted to the Board several typographical errors in the cash flow summary.

The General Manager informed the Board that there has been a new sheltered application approach that has been established in Cumberland County, and it allows the Authority to store the biosolids inside, which results in saving a considerable amount of money because of the cost of landfilling these biosolids during inclement weather.

The General Manager introduced several new staff appointments to the Board.

The General Manager noted that the Authority won the Engineering Excellence Award Competition and the National Recognition Award for the Total Nitrogen Removal and Wet Weather Plan.

Consent Items (Joint-Use)

Mr. Griffin moved the consent (joint-use) Items Resolutions 09-68 through 09-77 and 09-79. Mr. Stone seconded. Resolutions 09-68 through 09-77 and 09-79 received the unanimous approval of the Board of Directors.

Consent Items (Non-Joint Use)

Mr. Roth moved the consent (non-joint use) Item – Resolution 09-78. Mr. Stone seconded. Resolution 09-78 received the unanimous approval of the District of Columbia members of the Board of Directors.

The Board convened into an Executive Session at 11:25 p.m.

The Board reconvened into open session at 1:10 p.m.

The 144th meeting of the District of Columbia Board of Directors adjourned at 1:10 p.m.


Secretary to the Board of Directors