



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

***Board of Directors***

***MEETING MINUTES***

***Thursday, July 2, 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  
Kathleen Boucher for 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

***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  
Dr. Joseph Cotruvo, 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 William Walker called the 145th meeting to order at 9:31 a.m.

Board Secretary Linda Manley confirmed a quorum.

### **Chairman Remarks**

Chairman Walker expressed his appreciation to all Board members for attending the farewell breakfast thanking Mr. Johnson for his twelve years of service and congratulating him for a job extremely well done.

Chairman Walker slightly changed the agenda. He noted that the Board will not convene into an executive session and he wants to move Resolution 09-80 up in the agenda and after the approval of the June 4<sup>th</sup> minutes have the Board take action.

### **Approval of the June 4, 2009 Meeting Minutes**

Chairman Walker asked for a motion to approve the June 4, 2009 minutes. The minutes were Moved and Seconded with approval by the Board .

Chairman Walker noted that Resolution 09-80 has been circulated to the Board and read the resolution in its entirety for the record. The resolution appoints Avis Russell to serve as Interim General Manger for the Authority beginning July 3<sup>rd</sup>, until the appointment of a General Manager for the Authority.

Resolution 09-80, Appointment of Avis Russell as Interim General Manager, was moved and unanimous approved by the Board of Directors.

### **Audit Committee**

*Reported by: David Byrd for Chairman Timothy Firestine*

The Committee met on Tuesday, June 16<sup>th</sup> and received a summary of the internal audit activity. Mr. Hemphill reported on the current staffing status of the Office of the Internal Auditor. Mr. Firestine stated that the outsourced internal audit function should not report to the Office of the Chief Financial Officer, and noted that the Office of the General Manager may provide a more appropriate reporting structure.

The Committee was provided a status of the audit engagements by Mr. Spencer Thomas, Senior Internal Auditor. He noted that the purpose of the analysis was to determine the extent to which the internal controls currently align with best

practices. The two recommendations are: (1) formally identifying document, the program's agenda and objectives; and (2) realigning current activities and procedures performed to monitor clearly-defined areas related to key controls and associated risks.

Finally, the audit report concluded that the Office of the CFO Internal Controls Program is a positive step in terms of providing continuous monitoring and oversight.

Mr. Olu Adebo provided the Committee an update on the internal audit outsourcing initiative. There was some discussion on the selection of Deloitte and Touche and staff noted that Deloitte and Touche's proposal had the best value evaluation, technical approach, and experience of the proposals received.

The Committee is recommending two contracts for Board approval.

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

*Reported by: David Lake, Chairperson*

The Committee met on Tuesday, June 23, 2009 and received a report on the plant performance. All parameters had been met and the plant operated at 341million gallons per day average flow for the month of May.

The Committee received a presentation from Ms. Russell and Mr. Benson on the NPDES permit. WASA submitted comments on the permit in early June and the comment period closed on June 8<sup>th</sup>. The Committee held an executive session to discuss the terms and issues relative to the discharge permit.

The Committee received an update on the Potomac Interceptor Sewer Odor Abatement Project.

A presentation on the Potomac Sewage Pumping was also provided. WASA is under a consent decree to have the station meet a level of pumping that it was not capable of doing after it was rebuilt. It appears the problem is not the pumps or the motors. It possibly is the intakes. Staff is reviewing the design. EPA is notified on a monthly basis of the status of the project.

The Committee received a presentation on the Biosolids Management Program. The purpose of the presentation was to focus on the delivery methods and analysis that was conducted. A schedule was provided to the Committee showing that the facility will be online by the end of the year 2013.

A presentation on the sewer system facility plan was received. Two components have been proposed: (1) the rebuilding and rehabilitation portion; and, (2) the service life restoration program

Ms. Barbara Grier provided the Committee with an update on WASA's Business Plan for 2007 and 2008.

The Committee is recommending two action items for Board approval.

Based on a question from Mr. Stone, Mr. Benson explained the \$285,000 for operations and maintenance manuals.

### **Finance and Budget Committee**

*Reported by: William Walker, Interim Chairperson*

The Committee met and had a lengthy discussion on the finances of the Authority. The Committee discussed the proposed resolution relating to the Authority's reserves and lowering the reserve limit from 180 days down to 120 days. In addition, the \$125 million was discussed in length with the external consultants and the financial management consultants. The Committee is recommending that the Board establish as a limit 120 days and a target at \$125 million. The \$125 million is not steadfast and it allows the Authority to have some flexibility as it relates to the overall management of the cash reserves on the balance sheet.

The second issue that the Committee discussed at some length was the overall financial management of those reserves. The Committee will discuss at its next meeting whether or not if the Authority should be in three-month treasury bills and other very short-term instruments or have a longer term investment strategy.

Chairman Walker noted that both the Finance and Budget Committee and the Retail Rates Committee will work over the next two months to be prepared to propose to the Board at its September meeting an actual rate increase for the 2010 fiscal year.

Mr. Roth questioned the Bank of America fact sheet and whether it is joint use or non-joint use. After discussion Mr. Adebo noted that it is non-joint use and the fact sheet will be corrected.

## **District of Columbia Retail Services Committee**

*Reported by: Dr. Joseph Cotruvo, Chairperson*

The Committee met on Friday, June 26, 2009. It was reported that one out of a total of 215 sites./samples analyzed tested positive for coliform. Follow-up testing was negative.

On the lead copper rule compliance, there were three above 15 micrograms per liter out of the 102 samples, which is also well within the requirement and it appears that at least two of those were associated with domestic plumbing issues.

The Committee received a briefing on the status of the fire hydrant program. It requested that staff look at the MOU to see if it was time to renegotiate parts of the MOU to reduce unnecessary expenditures.

The Committee continues to discuss with Mr. Tom Jacobus, General Manager, Washington Aqueduct, the interactions between the Aqueduct and WASA.

The Committee received a presentation on the water facilities update plan.

Five contracts are recommended for Board approval.

Chairman Walker noted for the record that an independent panel reviewed questions around the work that was done by Dr. Tee Guidotti at George Washington University in an article published in a journal as it relates to lead in the D.C. water system and impact on humans. The panel reviewed both WASA's influence over the research and the writing of the report, as well as reviewed how a line got back into the journal article after having been edited out by the editorial board. The panel's response was that DC WASA had no influence whatsoever and did not act inappropriately as it relates to Dr. Guidotti's research, writing of that article, and second, that it was an honest mistake that the line got back into the article. Dr. Guidotti retracted the line.

## **General Manager's Report**

*Reported by: Jerry Johnson*

The General Manager gave his report by exception. He introduced Carlton Ray, the new Director of the CSO Long-Term Control Plan Project. Mr. Ray has over 25 years of engineering experience in both public and private sectors. He lead a team successfully developing and negotiating a \$1.8 billion consent decree between the City of Indianapolis and U.S. EPA.

The General Manager gave kudos to Walter Bailey and his staff. He noted that although this has been one of the rainiest season, the plant has continued to operate in an exceptional fashion.

The General Manager noted that the Authority has been awarded two national environmental achievement awards from the National Association of Clean Water Agencies to be presented at the summer conference. In addition, the Authority received the distinguished budget presentation award.

Mr. Leonard Benson, Acting Chief Engineer, provided a detailed presentation on how the Authority anticipates delivery of the Biosolids Management Project and the CSO Long-Term Control Project. In addition, Mr. Benson noted that staff in conjunction with the Chief Financial Officer did a detailed economic analysis. Mr. Christodoulakis, Procurement Director, provided the Board the procurement process for the two projects.

After lengthy discussion by Board members, Chairman Walker noted that this is a huge endeavour on the Authority's part, a very important piece of the Long-Term Control Plan, and a huge piece of cleaning up the Chesapeake Bay. There are very sensitive political issues and the Authority should be up on the front foot as it relates to informing people.

The General Manager thanked the staff and employees of the Authority for their commitment and dedication over the 12 years. It has been a tremendous experience for him and the customers. He stated that he has certainly enjoyed serving the surrounding jurisdictions.

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

Mr. Griffin moved the consent (joint-use) items, Resolutions 09-81, 09-82 and 09-84 through 09-87. Mr. Byrd seconded. Resolutions 09-81, 09-82 and 09-84 through 09-87 received the unanimous approval of the Board of Directors.

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

Mr. Roth moved the consent (non-joint use) items, Resolution 09-83, with the request that the General Counsel make the conforming amendments reflect the resolution as non-joint use. Mr. Roth also moved approval of Resolutions 09-88 through 09-82. Mr. Bardin seconded. Resolution 09-83 with amendment and Resolutions 09-88 through 09-82 received unanimous approval of the Board of Directors.

Mr. Johnson received several statements of appreciation for his service from Board members. Chairman Walker read congratulatory letters from Mayor Fenty, and past DCWASA Board Chairman's Gerstell and Martin thanking Mr. Johnson for his service and wishing him great success in his future endeavors. Chairman Walker also read a ceremonial resolution that was presented to Mr. Johnson at a previous function from the Council of the District of Columbia. In addition, Chairman Walker presented Mr. Johnson with gifts from the Board.

Chairman Walker noted that it has been a privilege for this Authority to have Mr. Johnson leading it for the last 12 years, and the Board will take his leadership and everything he has done to get the Authority to this point and move forward accordingly.

Chairman Walker provided the Board with an update on the search for a new General Manager. He noted that the Committee has done a number of interviews, is narrowing down the list of candidates to finalists and will interview the finalists in the next couple of weeks. The Chairman will be communicating with the Board during the month of July as it relates to that process and what the Board needs to do between now and the September Board meeting.

The 145<sup>th</sup> meeting of the District of Columbia Board of Directors adjourned at 12:13 p.m.



Secretary to the Board of Directors