



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

***Board of Directors***

***MEETING MINUTES***

***Thursday, November 5, 2009***

***Present Directors***

Chairman William M. Walker, District of Columbia  
David J. Bardin, District of Columbia  
Keith Stone, District of Columbia  
Kathleen Boucher, Alternate for Timothy Firestine, Montgomery County  
Robert Hoyt, Montgomery County  
Paivi Spoon, Alternate for Vacant Position, Prince George's County  
David Byrd, Prince George's County  
Alan Roth, District of Columbia  
F. Alexis Roberson, District of Columbia  
Jimmie Jenkins, Alternate for Anthony Griffin, Fairfax County

***Present Alternate Directors***

Brenda Richardson, District of Columbia  
David Lake, Montgomery County  
Beverly Warfield, Prince George's County  
Dr. Joseph Cotruvo, District of Columbia  
Howard Croft, District of Columbia  
Howard Gibbs, District of Columbia

***WASA Staff***

George S. Hawkins, General Manager  
Avis M. Russell, General Counsel  
Linda R. Manley, Secretary to the Board of Directors

Chairman William Walker called the 147th meeting to order at 9:35 a.m.

Board Secretary Linda Manley confirmed a quorum.

### **Approval of the October 1, 2009 Meeting Minutes**

Chairman Walker asked for a motion to approve the October 1, 2009 minutes. The minutes were Moved and Seconded with approval by the Board.

### **Chairman's Overview**

Chairman Walker noted that there are a number of absences on the Board due to operational issues in various counties, as well as a personal issue. Chairman Walker informed the Board that Neil Albert's father passed on yesterday. The Board sent their regards to Neil Albert and his family.

Chairman Walker thanked Avis Russell for a terrific job as Interim General Manager and for leading the Authority on the front foot as it relates to communicating the galvanized pipe study. In addition, he thanked all of WASA staff for its good work.

Chairman Walker reported that there was an engaging joint meeting of the Finance and Budget and the Environmental Quality and Operations Committee in October. The Committees discussed in detail the budget for 2011 and rate proposals. The General Manager and the Chief Financial Officer will put together a summary presentation of the major drivers of the budget to be presented at the budget workshops.

Chairman Walker noted that early in the new year the Board needs to sit down and talk through a piece of the strategic plan to determine if the plan meshes with where the Authority is today, and if there are adjustments that need to be made from a Board standpoint.

Chairman Walker stated that questions or some specific issue that is normally emailed to the General Manager should be directed to the Chairman of a certain committee to decide if the request should be handled at a Committee or Board meeting or if the General Manager should come back with a response.

Chairman Walker noted that the Authority needs to be on the forefront with the hydrant issues by ensuring that the MOU with the fire department gets to a standard that works for both DCWASA and FEMS. In addition, Mr. Hawkins has been meeting with the water quality advocates and the Authority needs to have another meeting to follow-up with them on their concerns.

**Environmental Quality and Operations Committee**

*Reported by: David Lake, Chairperson*

The Committee met on Thursday, October 15, 2009 and was informed that the performance of the plant has been excellent.

Mr. Lake noted that the draft National Pollution Discharge Elimination System Permit is expected from EPA.

Mr. Lake reported that the District sites and the Maryland sites for the Potomac Interceptor Odor Abatement Project bids were received and there is an action on today for Board approval.

The Committee received a presentation on issues relating to the financing of the digester project as it relates to the District on retail rates impact. Staff presented a proposal that identified a way by which the debt service could be delayed during the actual construction of the project. Having received the reports about the digesters and the processes being proposed, the Committee strongly endorsed the project because of its great financial benefits to WASA and all of its customers. The advantage of the program that is being proposed is referred to as the CAMBI process. This is a process by which the Authority is able to use conventional digesters and low-dose digesters at a height rate of capacity that you would normally have with conventional digesters. Ms. Russell will provide a report at the next Environmental Quality and Operations Committee meeting regarding staff's visit to some existing CAMBI systems. Mr. Hawkins explained the digesters in layman terms.

The Committee received a thorough presentation on cyber security.

The Committee is recommending nine contracts for Board approval.

In the future Committee will begin to take a look at more of a planning level in terms of how these funds are being spent in various programs.

Mr. Lake provided the Board with an update on the IMA. He noted that a new IMA structure will be drafted within the next four or five months and will be available for the CAO's to review in May of 2010.

**Joint Meeting of the Finance and Budget Committee/Environmental Quality and Operations Committee and Retail Services Committee**

*Reported by: Chairman Walker*

Chairman Walker reported that the Committee members spent a lot of time focusing on the following two options staff provided regarding the digester:

(1) Raise the money for the digester through the capital markets and start paying debt service from the day that WASA raises the capital in the markets or (2) Do a deferred interest plan where WASA raises the capital, invests in the digester, and then waits and starts paying interest until the other side of the digester when WASA will actually have the cost offset by the advantages of having the digester in place.

Mr. Bardin requested that the General Manager identify options already built-in or could be built into the rate structure to deal with those people that are the least able to pay their water bills in the District. Ms. Spoon requested that staff take a look at the revenue structure from the point of view of fixed versus variable costs.

Mr. Hawkins noted that staff is very conscious of the issues and will take the advice.

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

*Reported by: Dr. Joseph Cotruvo*

The Committee met on Thursday, October 15. Mr. Kiely presented the monthly report on coliforms and the results were good. There were no positives in September and one positive so far in October.

It was reported that there have been 41 samples collected regarding lead copper rule compliance testing. There were no exceeders of 15 parts per billion in the first draw. There were five exceeders in the second draw, which is not a regulatory analysis but for summation purposes.

There were 153 total hydrants out of service.

Howard Croft requested information on the location of fire hydrants in the District. It was noted that the information will be provided to the Retail Services Committee at its next meeting. In addition, Charles Kiely stated that the information is on Google Earth. Chairman Walker requested that staff provide a demonstration at the next Board meeting on how to retrieve Google Earth to review the fire hydrant information.

Mr. Bardin requested that staff identify the best way to inform the Board on the most relevant information regarding the Authority's fire hydrant program. In addition, Mr. Bardin requested that staff benchmark other utilities on flow testing. Chairman Walker requested that during the benchmarking of other utilities staff include the other utilities' national standard percentage wide for operable fire hydrants.

## **Finance and Budget Committee**

*Reported by: Chairman Walker*

Chairman Walker noted that the major issue discussed by the Committee was staff's presentation on the investment strategy of the significant cash and reserves on the DC WASA balance sheet. Certain Board members were looking for higher yield returns given the amount of cash that is there and others taking the more conservative stance of saying that the low interest that the Authority is earning on those reserves today is perfectly defined. Staff has gone back to tranche up the portfolio and will come back to the Committee with a proposal for the Committee to present to the Board.

## **General Manager's Report**

*Reported by: General Manager, George S. Hawkins*

Mr. Hawkins provided a brief background on his work experience to the Board and the public. He noted that WASA is a well run organization and congratulated Avis Russell and staff in making a decision to go public about the galvanized lead study.

Mr. Hawkins reported that Mujib Lodhi was named one of the top 100 CIOs. In addition, he read excerpts from a letter from the Washington DC Chapter of the National Forum for Black Public Administrators recognizing Gus Bass for his exceptional service to the forum. Olu Adebo has been nominated as one of the finalist for CFO of the Year by the Washington Business Journal.

Revenues were slightly under the percentage basis, but given the size of it, not insignificant dollar figures. The primary reason for that is reduction in consumption. Expenditures were under budget which is a message that the Authority's financial picture is strong.

Mr. Hawkins noted that there was a mistake on the hydrant chart and a revised page will be sent to the Board.

Mr. Hawkins informed the Board that he is looking at revising the General Manager's Report to ensure that the Board receives information it needs to really focus in on the critical, strategic questions facing the enterprise. The desire is to highlight the biggest questions that are appropriate for the Board to discuss and resolve. The report will be much shorter with three to five pages and a smaller amount of critical data.

Mr. Hawkins requested that emails come in through Linda Manley or to him. He also noted that emails sent to the Board will have a header explaining what the email is, why it matters and if any action is need by the Board.

Mr. Hawkins noted that a much shorter version of the budget will be presented reflecting a series of strategic decisions which, of course, is a proposal from staff.

Mr. Hawkins provided the Board with a SWOT analysis requesting that the Board respond and submit their response to him by Friday,

The Authority is working to have all Board materials electronically available.

**Consent Items (Joint-Use)**

**Resolution No. 09-119 through 09-129 were moved and seconded with unanimous approval by the Board of Directors.**

**Consent Item (Non-Joint Use)**

**Resolution No. 09-130 was moved and seconded with unanimous approval by the District members of the Board of Directors**

The 148<sup>th</sup> meeting of the District of Columbia Board of Directors adjourned at 11:43 p.m.

  
Secretary to the Board of Directors