



District of Columbia Water and Sewer Authority

Board of Directors

MEETING MINUTES

Thursday, May 6, 2010

Present Directors

Chairman William M. Walker, District of Columbia
Joseph Cotruvo, Alternate to David J. Bardin, District of Columbia
Timothy Firestine, Montgomery County
Robert Hoyt, Montgomery County
Ralph Moultrie, Prince George's County
David Byrd, Prince George's County
Alan Roth, District of Columbia
F. Alexis Roberson, District of Columbia
Alethia Nancoo, District of Columbia
Anthony Griffin, Fairfax County
Neil Albert, Prince George's County

Present Alternate Directors

Beverly Warfield, Prince George's County
Maurice Boissiere, District of Columbia
Brenda Richardson, District of Columbia
David Lake, Montgomery County
Howard Gibbs, District of Columbia
James Patteson, Fairfax County
Howard Croft, District of Columbia
Kathleen Boucher, Montgomery County
Paivi Spoon, Prince George's County

WASA Staff

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

Chairman Walker called the 154th Meeting of the District of Columbia Water and Sewer Authority's Board of Directors to order at 9:35 a.m.

Chairman Walker asked Ms. Manley to confirm a quorum.

Board Secretary Linda Manley confirmed a quorum.

Approval of the April 1, 2010 Meeting Minutes

Chairman Walker asked for a motion to approve the April 1, 2010 minutes. The minutes were Moved and Seconded with approval by the Board.

Chairman's Overview

Chairman Walker thanked the Committee Chairs for submitting the nominations for vice-chairs.

Chairman Walker noted that, as the General Manager outlined in his overview, the Authority sent out a notice during the month of April due to a chlorine spike that was determined at the Fort Reno pumping station. Chairman Walker commended the staff for their quick response and their communication strategy. He noted that there was clearly some breakdown in communication to the Board. However, he is confident that the next time an incident of that nature occurs, the General Manager will handle future communications to the Board in a distinct manner from how this was handled.

Chairman Walker requested that the General Manager provide the Board an update on the fire hydrant replacement fee and the finances.

Chairman Walker noted that the Board received a letter from the General Accounting Office relating to the impervious surface charge stating that GAO believes the impervious surface charge is a tax and not a fee, and that therefore the federal government is not liable for it. Staff is preparing a significant case on the Authority's part to be able to discuss that issue with the federal government and work through it appropriately.

Chairman Walker noted that the General Manager and his staff have been doing a tremendous amount over the past few months to move the Authority forward, making some real progress in major areas, and he is enlisting the support of all Board members in assisting the General Manager in keeping the momentum moving forward.

Environmental Quality and Sewerage Services Committee

Reported by: Robert Hoyt, Chairperson

The Committee held its first meeting as the Environmental Quality and Sewerage Services Committee on Thursday, April 15, 2010.

The Committee thanked Mr. Lake for his hard work over the years as Chair of the Committee. Mr. Lake was appointed the Vice Chairman of the Committee.

Mr. Walt Bailey provided the Committee a report on plant compliance. The plant met all permit limits and the flow for the month was high, at 367 MGD, due to the groundwater levels being high.

Mr. Benson reported that the Authority is working with DDOE on the proposed trash TMDL for the Anacostia. In addition, staff is working with EPA on consent decree modifications necessary to reflect the Total Nitrogen/Wet Weather Plan implementation.

There is a formal groundbreaking ceremony for the DC side of the Potomac Interceptor scheduled for May 20th which will be attended by representatives from NPS, DC WASA, the District Government and various private stakeholder groups.

The Committee received a report from Mohsin Siddique, Supervisor of Environmental Planning, on Clean Air Act permitting activities related to the Blue Plains Wastewater Treatment Plant. There was discussion between DCWASA and DDOE of whether WASA is a Title 5 discharger and needs to get a Title 5 permit. WASA decided to apply for the permit for future projects that will put WASA in the category of a major discharger.

The Committee is recommending four contracts for Board approval.

The General Manager briefed the Committee on a small electrical fire that occurred at the Potomac Pumping Station.

DC Water Quality and Water Services Committee

Reported by: Joseph Cotruvo, Vice Chairman

The Committee met on April 15, 2010.

Dr. Cotruvo noted that he chaired the meeting in the absence of Neil Albert, the new committee chair.

Mr. Charles Kiely, Assistant General Manager, reported that zero (0) samples had tested positive for coliform in the month of March, and thus far in April.

Mr. Kiely reported that so far 52 samples have been analyzed under Lead and Copper Rule (LCR) compliance testing this year. So far only one sample exceeded the 15 ppb criterion, which occurred in the first round of sampling.

Mr. Kiely reported that the extended switch from chloramines to free chlorine as the secondary disinfectant appears to be successful, as good chlorine residuals have been maintained throughout the system. He noted that the switch will continue until May 17th.

The Committee received a status update on the Fire Hydrant Program. Current number of public defective hydrants is reported at 96, which is within the 1 percent goal that has been established.

Mr. Hawkins informed the Committee that staff is reviewing legislation that is being drafted by the City Council that would direct WASA to oversee privately owned hydrants, to repair the hydrants as necessary, and to receive payment from the owners for such repairs.

Mr. Kiely gave a presentation on the methods that are being used for prioritizing water main replacement projects. He noted that the rate of replacement construction remains at about 0.3 percent of the system inventory

The Committee will receive a report in the near future from both WASA and the Aqueduct on what they have determined to be appropriate measures to improve the communication process.

Mr. Hawkins was asked if the monitoring program was being moved from Fire and EMS to WASA or staying with Fire and EMS. Mr. Hawkins noted that WASA is negotiating with the City Administrator's office to finalize the financial arrangements on how the work is going to be handled. There are still some details left about exactly what will be done and in what order, Mr. Hawkins stated that WASA will be taking on the main role of inspecting the fire hydrants.

Mr. Albert noted that the role the Fire and EMS would play is just one of quality control going forward. Mr. Albert stated that a full report will be provided to the Committee and the full Board in June. Chairman Walker noted that the Authority should establish a service-level agreement between DC WASA and Fire and EMS so that as the monitoring moves from Fire and EMS to D.C. WASA, today there is shared accountability. Mr. Hawkins agreed and stated that the Authority is intensively negotiating a service-level agreement.

Chairman Walker requested that the General Manager provide the Board information on the Authority's outreach program.

Finance and Budget Committee

Reported by: Timothy Firestine, Chairman

Mr. Firestine reported that at the end of March 2010 with 50 percent of the fiscal year completed, expenditures and revenues are slightly behind because WASA is holding the transfer from the rate stabilization fund, which makes it appear artificially behind schedule.

Mr. Firestine noted that on the expenditure side, personnel services are on track with the budget. Utilities are trailing the budget by about 38 percent, primarily because a decision was made to lock into electricity load pricing that ended up being much better than previously budgeted.

In the chemical budget category, waste pickle liquor is no longer available for use in the wastewater treatment process and will be replaced with ferric chloride, which will add 25 percent to the cost of this category.

The Committee is recommending the approval of the Authority's Commercial Paper Program, which is a short-term debt instrument with short-term rates that reset frequently and is designed to be used to advance fund expenditures in the capital budget.

Finally, it was reported that the rating agency Moody's is going through an effort to recalibrate its ratings for municipal bonds. As a result, they have upgraded the Authority from an AA3 rating to an AA2 category.

Audit Committee

Reported by: David Byrd, Chairperson

The Committee met and discussed the internal audit charter, the internal audit status, special projects, and the internal audit of corporate policies and procedures.

The Committee was provided the framework of what the charter and plan will follow. The Committee made minor revisions to the charter and will have a final review at its next meeting for approval. The Committee was provided a report on some of the internal audit activities and its progress. Those audits are moving forward and on track.

Mr. Byrd reminded the Board that at a previous meeting, the Board was provided a report regarding the audit of reimbursed WSSC biosolid charges. There were no unsupported or erroneous charges found. Therefore, the Committee decided that there was no need to continue an audit from 2006 to 2009 for biosolid charges.

The Committee discussed in an executive session the internal audit of corporate policies and procedures.

General Manager's Report

Reported by: General Manager, George S. Hawkins

The General Manager reported that the American Academy of Environmental Engineers presented the Authority with an award for the operations and management of the Blue Plains Nitrogen Removal Program and the National Initiative for the Chesapeake Bay Cleanup development of sustainable compact state-of-the-art wastewater purification technology. Mr. Akilye Tsefaye, Manager, Wastewater Treatment, introduced staff involved in the programs. The General Manager thanked all the staff who worked on the projects.

Mr. Hawkins noted that Debra Mathis and Tonya Williams were awarded Administrative Professionals of the Year.

The General Manager announced that he will testify before Councilmember Graham's committee tomorrow, Friday, May 7th from 1:00 p.m. – 3:00 p.m.

The Authority is doing very intensive ward-based meetings which are centered around the rate proposal. In addition, job listings are provided at the meetings and customer service staff attend the meetings. The General Manager also met with the Apartment Owners Building Association and the Downtown Business and Industry Association.

The General Manager noted that there is an extensive description of the Authority's assessment of both the overflow and the problems at the Potomac Pump Station as well as the chlorine issues. In both cases there were lessons learned for the Authority on how to improve its own operations.

The plan is to have a commonly structured incidence response sheet for any significant issue to put on the website, identifying the issue and the Authority's response to allow people to see how the Authority responded, what was learned, and what is being done to resolve the issue.

The General Manager noted that there is an IAC charge that the Authority bills on behalf of the Department of the Environment, which is for their MS4 Program. Both are for stormwater management, but one is for the non-combined areas and one is for the combined areas. The Authority received letters from the GAO, the Navy, and the GSA, with GAO leading the way. Now every federal agency that hopes to get out from paying this fee is following in their footsteps. However, the Authority is preparing both operationally, financially, and legally what its position is.

The first step is to meet with GAO in hope that the Authority can persuade them to take an alternative course. Should they be unpersuaded, the Authority certainly has a lot of allies and friends who are willing to come in and stand at its side, including the National Association of Clean Water Agencies, and the National Stormwater Administration. Mr. Griffin asked if the General Manager has talked with EPA on the issue. Mr. Hawkins replied that he has had conversations with EPA, and EPA is very sympathetic to the position that the Authority has taken and has contacted the Council for Environmental Quality, which is the White House office on the environment, to try to work this out on the federal side.

Mr. Roth noted that based on the report provided to the Board, the FY 2010 revenues are not affected by this issue but as of October 1st it will become a potential problem. Mr. Hawkins confirmed.

Consent Items (Joint Use)

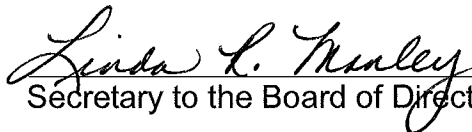
Mr. Griffin moved the adoption of Resolutions No. 10-54 through 10-62. The resolutions were seconded and unanimously approved by the Board of Directors.

Mr. Roth requested that the General Counsel provide the Board an explanation regarding the designation of joint use where the cost allocation is attributed to the District of Columbia at 100 percent.

Consent Items (Non-Joint Use)

Mr. Roth moved the adoption of Resolution No. 10-63. The resolution was seconded and unanimously approved by the District members of the Board of Directors.

The 154th meeting of the DCWASA Board was adjourned on 11:16 a.m.


Secretary to the Board of Directors