



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

***Board of Directors***

***MEETING MINUTES***

***Thursday, November 4, 2010***

***Present Directors***

Vice Chairman, David Byrd, Prince George's County  
Timothy Firestine, Montgomery County  
David J. Bardin, District of Columbia  
Robert Hoyt, Montgomery County  
Paivi Spoon, Alternate for Ralph Moultrie, Prince George's County  
Alethia Nancoo, District of Columbia  
Neil Albert, District of Columbia  
Anthony Griffin, Fairfax County  
Alan Roth, District of Columbia  
F. Alexis Roberson, District of Columbia

***Present Alternate Directors***

Howard Gibbs, District of Columbia (via conference call)  
Beverly Warfield, Prince Georges County  
Joseph Cotruvo, District of Columbia  
James Patteson, Fairfax County  
Howard Croft, District of Columbia  
Kathleen Boucher, Montgomery County  
Brenda Richardson, District of Columbia

***WASA Staff***

George S. Hawkins, General Manager  
Randy Hayman, General Counsel  
Linda R. Manley, Secretary to the Board of Directors

Vice Chairman Byrd called the 159th Meeting of the District of Columbia Water and Sewer Authority's Board of Directors to order at 9:35 a.m.

Vice Chairman Byrd asked Ms. Manley to confirm a quorum. Board Secretary Linda Manley confirmed a quorum.

### **Approval of the September 2, 2010 Meeting Minutes**

Vice Chairman Byrd asked for a motion to approve the October 4, 2010 minutes. The minutes were Moved and Seconded with approval by the Board of Directors.

The General Manager introduced the new General Counsel, Randy Hayman. Mr. Hayman served as the General Counsel for the past ten years for the St. Louis Wastewater Authority with prior legal experience in the private sector here in Washington, D.C.

Mr. Hayman noted that he is looking forward to working with the Board.

The General Manager informed the Board that he was advised by the General Counsel that if you take notes on the board book, those notes become a public document. The notes will remain a public document from the period that they are posted on the board book until the actual book is archived. Therefore, if the notes that you write you want to maintain personally, it is suggested that they be written on paper.

### **Environmental Quality and Sewerage Services Committee**

*Reported by: Robert Hoyt, Chairperson*

The Committee met on October 21, 2010. It was reported that the plant met all of the standards although it was a month of higher flow than usual due to higher rainfall.

The total nitrogen was well below the Chesapeake Bay Program's goal.

The comment period ended for the trash TMDL water quality standard. Staff is evaluating whether to recommend that DC Water contest through legal action.

The Chesapeake Bay TMDL and the District's Watershed Implementation Plan is in the public comment period. DC Water staff is developing comments to submit on those issues.

Mr. Leonard Benson, Chief Engineer, reported to the Committee that DC Water is still awaiting action from the Department of Justice on the Long Term Control Plan (LTCP) Consent Decree modification. The Committee discussed a letter/petition from NRDC endorsing the Low Impact Development (LID) and a recommendation that LID be used to meet the CSO regulatory limits as an alternative to building the LTCP tunnels in the Potomac and Rock Creek basins. DC Water is waiting to see EPA's reaction to the recommendation.

Mr. David McLaughlin, Director of Engineering and Technical Services, provided the Committee an update on the Potomac Interceptor Sewer Odor Abatement Project. He reported that work continues in the D.C. site and two Maryland sites. DC Water hopes to receive a Park Service permit for the third Maryland site shortly. Staff hope to resolve the dispute over access for the Fairfax site soon..

Mr. McLaughlin reported that efforts continue on the Potomac Sewage Pumping Station intake structures to improve performance. In addition, DC Water is in negotiation with EPA, DOJ, and Earth Justice on getting pumping capacity at the pumping station .

The Committee has had lengthy discussions on whether to exercise options on contracts or go out for separate procurement. The Committee requested an annual review of the contracting procedures, and to include additional narrative information on the option year fact sheets.

The Committee was provided a briefing on the new denitrification process.

The Committee is recommending six action items for Board approval. Three of the action items would involve some joint use facilities in the long term, as well as water system upgrades. The Committee agreed that they should be treated as joint use, and reviewed by the Water Quality and Water Services Committee.

### **Water Quality and Water Services Committee**

*Reported by: Neil Albert, Chairperson*

The Committee met on October 27, 2010. The Committee was provided a summary of activities on the recent study on potential alternatives methods of treatment for drinking water. It was reported that a third of three technical workshops had been held. Future activities include the following: preparation of a report by the consultant in January; review of the report with the Wholesale Customer Board in February, public outreach in March through May; and then later in 2011 in conjunction with the Technical Committee of the Wholesale Customer Board work to develop an implementation plan that lays out a concept, a schedule, and resource requirements for the preferred treatment solution.

Mr. Richard Giani, Manager of Water Quality, reported that there have been no positive coliform samples collected in 2010.

Mr. Giani reported that the second semester sampling is halfway completed. So far there has been only one first-draw sample exceeding the EPA Action Level, and only four second draw samples have exceeded this level. The 90<sup>th</sup> percentile from all samples was 8 parts per billion on the first draw and 9 parts per billion on the second draw. The presence of galvanized premise pipe was found in half of the homes with high sample values.

The Committee received an update from Ms. Ayodele McClenney on the Fire Hydrant Program. Ms. McClenney reported that there were currently 99 defective out-of-service hydrants, which remain slightly above the 1 percent of D.C. Water's total public inventory of fire hydrant inside the Board's self-imposed cap. Ms. Nancoo asked what percentage to date includes the private hydrants. Mr. Hawkins responded that the number Ms. McClenney reported is relevant to public hydrants. However, DC Water receives a report from Fire and EMS who inspects private hydrants and that number is in the report provided to the Committee.

Ms. McClenney noted that the private fire hydrant bill for the District of Columbia Committee for Public Safety in the District had not progressed during the current council session, but staff will continue to provide updates at upcoming Committee meetings.

Ms. Laura Preston, Director of Customer Services, gave an update on the DC Water Impervious Area Charge. She informed the Committee that the new rate and multi-tier structure was implemented October 1, 2010 for DC Water, and comparable changes for the DC Government stormwater fee would be implemented November 1, 2010. Discussion was held regarding the recent opinion letters from the Federal Government about the Federal Government's payment of stormwater fees and handling of existing funds already collected.

Mr. Hawkins commented that a final decision from the Department of Justice is not yet issued, so there remains a chance the decision to not pay stormwater fees might change. DC Water is to hold a portion of funds in escrow until there is a resolution of the fees charged to federal agencies.

Ms. Preston reported on irrigation-only accounts. She indicated that there are only 466 such accounts, and it is considered not substantial enough to warrant specific rate making for these accounts.

The Committee is recommending three joint use basic ordering agreement contracts. These contracts were recommended for approval by the Environmental Quality and Sewerage Services Committee. However, because of the possibility that non-joint use tasks may be assigned under the contracts, the Chair recommended that this Committee review the documents.

The Committee also recommended a non-joint use construction award with Anchor Construction Company for large valve replacement, 80 percent of which was federally funded.

Finally, the Committee is recommending an authorization to increase the discretionary lead service line replacement budget authority from \$500,000 to 1 million dollars in fiscal year 2011.

Mr. Roth requested that the minutes of the Water Quality and Water Services Committee be revised to reflect the descriptive discussion regarding the joint use contracts, which will be used primarily for non-joint use projects but may have some joint use work assigned under them. Vice Chairman Byrd stated that Mr. Roth should work with Ms. Manley to make those revisions.

**Joint Meeting – Finance and Budget, Environmental Quality & Sewerage Services, DC Retail Water and Sewer Rates and Water Quality and Water Services Committee**

*Reported by: Timothy Firestine, Chairperson*

Mr. Firestine congratulated the staff on the successful October bond sale. DC Water sold \$300 million worth of Build America bonds at the lowest fixed rate of 3.6 percent. Mr. Firestine noted that compared to DC Water's traditional tax-exempt bond, DC Water saved about \$2.7 million a year in interest costs.

The joint committee's began its review of the FY 2011 revised budget and 2012 budgets.

The Committee discussed the Citibank contract for credit card purchases. After discussion with the General Manager, it was concluded that this is not a contract of a nature the Committee would normally consider. The money for the contract is already in the budget. It is a contract just to use a credit card processor for making those purchases. Therefore, it does not have to be approved by the Board.

Mr. Bardin noted that the minutes reflect a discussion of some 35 accounts with 2 of DC Water's largest commercial customers, who have been billed since 2004 and have not made a payment to DC Water. Mr. Bardin stated that he would like the General Manager to address his concern at the November 19<sup>th</sup> Retail Rates Committee meeting.

**General Manager's Report**

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

The General Manager noted that the two accounts addressed by Mr. Bardin are on his radar screen and staff will be looking into it.

Mr. Hawkins discussed the credit market issuance. He noted that the interest rate received by DC Water was a better rate than the rate offered to some institutions at a higher credit rating than DC Water.

DC Water had a double subscription, over \$700 million , of orders for DC Water's \$300 million issuance, which demonstrated the interest in the market for what DC Water was offering.

Mr. Hawkins congratulated Olu Adebo and the DC Water staff for this accomplishment.

Mr. Hawkins noted the description of the response to the Constitution Avenue water main break in the General Manager's Report. In addition, Mr. Hawkins noted that there was a three-alarm fire on Rhode Island Avenue and DC Water staff was there making sure that the right hydrants are being connected in the right way. He gave kudos to the Department of Water Services staff for a job well done.

The General Manager noted that after the joint committee meeting to discuss the budgets, staff received many good questions from the Board and he is requesting that all questions be filtered through Ms. Manley to ensure a timely response.

The General Manager informed the Board that he and the Board Chairman have been discussing a strategic retreat for January. Mr. Griffin noted that because January is budget time for Fairfax County and probably the other counties, he hoped it would be possible to schedule the retreat following a regular Board meeting.

**Consent Items (Joint Use)**

Mr. Griffin moved the adoption of Resolutions No. 10-104 through 10-109, and Mr. Albert seconded the motion.

The motion to approve Resolutions No. 10-104 through 10-109 was unanimously approved by the Board of Directors.

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

Mr. Roth moved the adoption of Resolution No. 10-110 and 10-111, and Ms. Nancoo seconded the motion. The Resolutions were approved unanimously by the District members of the Board of Directors.

The 159th meeting of the DCWASA Board was adjourned at 10:22 a.m.

  
Secretary to the Board of Directors