



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

***Board of Directors***

***MEETING MINUTES***

***Thursday, February 3, 2011***

***Present Directors***

Chairman William Walker, District of Columbia (via telephone)  
Timothy Firestine, Vice Chairman, Montgomery County  
David J. Bardin, District of Columbia  
Robert Hoyt, Montgomery County  
Paivi Spoon, Alternate for Vacant Principal, Prince George's County  
Beverly Warfield, Alternate for Vacant Principal, Prince George's County  
Alethia Nancoo, District of Columbia  
Anthony Griffin, Fairfax County  
Alan Roth, District of Columbia  
Howard Gibbs, Alternate to Alexis Roberson, District of Columbia

***Present Alternate Directors***

Joseph Cotruvo, District of Columbia  
James Patteson, Fairfax County  
Brenda Richardson, District of Columbia  
Howard Croft, District of Columbia  
David Lake, Montgomery County

***DC Water Staff***

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

Vice Chairman Firestine called the 162nd Meeting of the District of Columbia Water and Sewer Authority's Board of Directors to order at 9:31 a.m.

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

## **Approval of the January 6, 2011 Meeting Minutes**

Vice Chairman Firestine asked for a motion to approve the January 6, 2011 minutes. The minutes were moved and seconded with approval by the Board of Directors.

Vice Chairman Firestine noted that he will have to leave at 11:30 a.m. and the objective is to adjourn the meeting at that time. However, if the meeting is not adjourned by 11:30 a.m., he will turn the meeting over to Mr. Griffin to serve as the Chair.

Vice Chairman Firestine recognized and welcomed Allen Lew, City Administrator, from the District of Columbia, noting that Mr. Lew has not yet been nominated and confirmed as a Board member.

## **Executive Session**

Vice Chairman Firestine requested a motion to go into an executive session. The motion was moved by Ms. Nancoo and seconded by Mr. Bardin. The motion to enter into an executive session was approved by the Board.

The Board went into an executive session at 9:34 a.m., and reconvened into public session at 10:31 a.m.

## **Public Session**

Vice Chairman Firestine asked if there is a motion that the Board would like to make based on the discussion in executive session.

Mr. Griffin made the motion that the Board accepts the results of the discussion held in the executive session regarding the evaluation of the General Manager. The General Manager's performance for this past year has been very satisfactory. He noted that there was no change to the base compensation of the General Manager for the coming year. The Chairman of the Board and the Chairman of the Human Resource and Labor Relations Committee would make minor amendments to the General Manager's employment agreement referencing transportation and moving expenses. The final employment agreement will come to the Board at its meeting in March.

The motion was moved and seconded by Mr. Bardin with unanimous approval by the Board.

## **DC Retail Water and Sewer Rates Committee**

*Reported by: David J. Bardin, Chairperson*

The Committee met on January 25, 2011.

Ms. Downs summarized and the Committee discussed the FY 2010 consumption for 104,070 accounts comprising the Residential Customer Class. In summary, the mean consumption in 2010 was less than the mean consumption in 2009, decreasing very slightly from 669 cubic feet a month average to 666 cubic feet. The median was considerably lower, staying at 550 cubic feet for each of the years. The Committee requested similar information for the non-residential class of customers at its next meeting.

The Committee entered into executive session from 9:40 a.m. to 10:12 a.m. It reconvened into the public session and began the review of management's revised draft ten-year financial plan resolution, which was coordinated with two other committees.

The Committee reviewed the proposed schedule for the retail rate cycle and at that point Vice Chairman Howard Gibbs presided over the meeting. Upon his return, Mr. Bardin highlighted the May 11, 2011 public hearing date with the emphasis that the full Board will reach a conclusion on the retail rates increase at its July meeting.

The conversion from cubic feet into gallons was discussed by the Committee with the suggestion that the General Manager inform all Board members of his plan to communicate gallons and/or cubic feet to customers.

The Committee discussed its work plan and is interested in understanding those revenue enhancement measures that can be worked into this fiscal year's rate cycle as well as future rate cycles. It was agreed upon that an overall review of the Impervious Area Charge be added to the work plan.

Mr. Adebo provided a presentation to the Committee on the status of unpaid bills by two large customers of the Authority.

## **Governance Committee**

*Reported by: Alethia Nancoo, Chairperson*

The Governance Committee met on January 19, 2011.

The Committee discussed at its last meeting the posting of Board materials on the Authority's website to enhance the transparency of the Board and its workings. The General Counsel discussed three types of materials, the General Manager's Report, draft resolutions and fact sheets which accompany contracts. The General Counsel noted that the posting of fact sheets was the only category

of materials that could be problematic. The problematic issue with respect to the fact sheets is that in some cases, if not all, there are certain competitive materials that are disclosed in those fact sheets. The General Counsel will present templates of the fact sheets at the next Committee meeting illustrating what information contained therein should or should not be redacted prior to posting on the website.

The General Counsel discussed the Discoverability of Electronic Notes on DC Water's computer system including E-Chatting. He emphasized to the Committee that such notes are discoverable unless they fall within a legal exception. The General Counsel also noted that if a quorum of the Board e-mailed among themselves, such activity could be a violation of the Open Meetings Act.

Mr. Roth noted that staff provided at the last Governance Committee meeting a proposal on the channeling of Board member requests for information, and the Committee provided feedback to staff. He asked if the proposal was discussed at the meeting. Ms. Nancoo stated that it was not discussed but the Committee can take it up at its next meeting.

Mr. Roth also noted that there was a discussion at the Retail Rates Committee meeting on District Board members' attendance at the Blue Plains Regional Committee (BPRC) meetings. A suggestion was made that the General Manager send a letter to the Blue Plains Regional Committee informing them that the DC Board members from time to time may want to attend the meetings. Mr. Roth is hoping that the General Manager can send the letter, or if other Board members have a problem with that approach, it could be discussed at the Governance Committee meeting.

Mr. Bardin stated that the Retail Rates Committee discussed the District Board members' attendance at the Blue Plains Regional Committee meeting and asked the General Manager to send to the Board guidance to follow to request attendance at the Blue Plains Regional Committee meetings.

Mr. Roth noted that he reviewed the Council of Government's (COG) website and the website is not transparent to the public and any information request has to be channeled through a COG staff person. He is hoping that the Governance Committee can discuss the Board's relationship and interaction with the BPRC and the public's right to know what is going on there.

Mr. Griffin stated that as Chair of the Blue Plains Chief Administrative Officers Committee, he will take Mr. Roth's suggestions to the Council of Governments. He noted that the Blue Plains Regional Committee meets twice a year. However, there are technical committees that meet and those meetings are not subject to the open meeting requirements because there are no elected officials involved. Mr. Griffin anticipates a meeting in the late February-March time frame

depending on the appointments by the District of Columbia and Prince George's County.

### **Human Resources and Labor Relations Committee**

*Reported by: Anthony Griffin, Chairperson*

The first item on the agenda which is a standing item is an opportunity for the presidents of the unions to raise any concerns or issues they have. Mr. Shanks, President of AFGE 872 followed up on a letter that he sent to the General Manager, with copies to the Board, raising his concerns that sewer workers were assigned work on water mains which could potentially result in water contamination. The General Manager noted that there are protocols that were followed regarding sterilization and the usage of equipment to ensure no cross-contamination. At the request of Barbara Milton, President, AFGE 631, staff provided an update on the fire alarm systems at all DC Water facilities.

The Committee discussed a proposed action item which was subsequently removed, relating to lesser competitive areas. The Committee raised several questions and asked staff to do some further work before bringing it back to the Committee.

The Committee is recommending two items on the consent calendar relating to CIGNA Healthcare.

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

*Reported by: David Lake, Vice Chairperson*

The Committee met on June 20, 2011 and went into an executive session to discuss a contract procurement matter. The Committee recovered into open session and received a report that the plant met all of its permit requirements.

David McLaughlin, Director of Engineering and Technical Services, briefed the Committee on an upcoming outreach activity to owners of buildings constructed over public sewers. During development of the sewer system assessment, staff identified over 1800 such structures. Notification to 10,000 identified customers will be going out before the next Committee meeting.

Leonard Benson, Chief Engineer, reported on EPA's efforts to issue the Total Maximum Daily Load (TMDL) for the Chesapeake Bay. DC Water was successful in its technical comments to EPA with regard to nutrient loading, in that Blue Plains received an allocation that cannot be unilaterally taken away from Blue Plains by a jurisdiction for use elsewhere. The TMDL is now consistent with DC Water's NPDES permit.

The Committee is recommending Board approval of two contract items and the FY 2010 – FY 2019 Capital Improvement Program

The Committee received a status update on the component projects that make up the Enhanced Nutrient Removal Facility (ENRF), the Biosolids Management Plan (BMP), and the Clean Rivers Project. DC Water received bids thirty percent lower than expected for the ENRF's two contracts and the BMP contract.

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

*Reported by: Joseph Cotruvo, Vice Chairperson*

The Committee met on Thursday, January 20, 2011 and addressed the question of future scheduling. It was agreed that the Committee keep its current practice of meeting on the same schedule as the Environmental Quality and Sewerage Services Committee.

Charles Kiely, Assistant General Manager for Consumer Services, reported that there was one positive Total Coliform sample in the month of December, noting that it had been the first positive sample in 13 months.

Mr. Kiely reported that the second semester Lead and Copper Rule (LCR) monitoring, consisting of 105 sample results, had been reported. The final 90<sup>th</sup> percentile value for the year was 9 parts per billion which is a little higher than it had been in the past. The reason is that additional sampling sites were added in and several had galvanized plumbing. It was discussed that the galvanized pipe contribution to lead measurements had not been contemplated when the LCR was originally developed as a corrosivity screening, thus; it is not clear whether a water supplier could exclude homes with galvanized pipe from the sampling pool. The Committee suggested that DC Water discuss this issue with EPA because it could impact compliance determinations in the future.

The Committee received a status report on the Fire Hydrant Program. It was noted that the current out of service percentage is below the 1 percent target. The new hydrant replacement contract was initiated in December, so it is anticipated that there will continue to be significant improvements in the monthly statistics.

Mr. Thomas Jacobus, the General Manager of the Washington Aqueduct, briefed the committee on the recent media reports concerning hexavalent chromium. The Environmental Working Group published a survey on chromium VI content in samples taken from several water systems in the country, including Washington DC where a small amount of chromium VI was detected. Washington Aqueduct has conducted sampling for total chromium as part of its regular monitoring which has shown the levels are quite low, very close to .06.

Mr. Jacobus also described a recent change in recommendations issued by the Center for Disease Control and EPA regarding recommended fluoride addition to public water as a public health measure to reduce tooth decay. The new

recommendation, 0.7 milligrams of fluoride per liter of water, as the balance point between decay reduction benefits and mild dental fluorosis, replaces the previous recommended range of 0.7 to 1.2 milligrams per liter. The Aqueduct received an advance notice of the revised CDC recommendations and has already adjusted the dosage.

The General Manager provided an update on a strategy for "Get the Lead Out." There were five items in the strategy which are outlined in the Committee report. The Committee expressed support for most elements of the initiative but suggested caution on the 4<sup>th</sup> item (Monitoring Assessment and Alternatives), stating that this is more appropriately a regulatory agency function rather than one for any utility and could lead to confusion for the public. The General Manager agreed to delay implementation of #4 pending further discussion, while the other elements of the initiative were put in place.

The Committee is recommending one non-joint use item for Board approval.

### **Finance and Budget Committee Meeting**

*Reported by: Timothy Firestine, Chairperson*

The Committee met and was informed that, with 25 percent of the fiscal year completed, revenues were at 24 percent of budget. Operating expenditures 21 percent of budget and capital disbursements were at 18.6 percent of budget.

Mr. Firestine noted that there has also been a change to the proposed budget presented in December. The January alternative budget removes from the budget approximately \$3.6 million related to any additional amount for pay adjustments and the PILOT fee. The corresponding reduction of 0.07 per Ccf to \$7.30 per Ccf in the proposed FY 2012 Retail Water and Sewer rate and \$0.8 million in the FY 2012 wholesale operating revenues to \$71.5 million.

The Committee recommends approval of the four resolutions to complete the budget process. In addition, the Committee recommends the approval of PAYGO Policy.

### **General Manager's Report**

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

The General Manager noted that he appreciates the time Mr. Griffin spent with him on his performance evaluation.

The General Manager introduced Roslyn Inge as the new Procurement Director and thanked Teresa Scott for doing a spectacular job serving as Acting Procurement Director.

The General Manager gave kudos to his senior managers who often do remarkable work and wanted to recognize Charles Kiely. He stated that there was a power outage that affected the Anacostia pumping station and there was a problem at the MacMillan Reservoir. Mr. Kiely's problem solving, knowledge, skills and willingness to go into the field, jump into the job, and come back to the office at any time of day or night is really impressive.

The General Manager noted that Dave Cross, Director of Organizational Development, is engaging in a series of targeted efforts where he brings in members from every level of the organization to focus on particular questions and issues that DC Water wants to improve. That group will be empowered to engage in the question and drive improvements.

Between December 1<sup>st</sup> and February 3, DC Water has had 352 water main breaks or leaks. The General Manager noted that while the dashboard report showed investment cash earnings to be below target, our investment yields continue to exceed target. The reason for this anomaly is timing. The investment cash earning is driven by the maturity date of our investments, while the investment yield is driven by the earned date. As our investments mature during the year, investment cash earnings is expected to exceed the target amount. The General Manager also highlighted the call center performance. The General Manager stated that a full briefing will be given to the Board regarding the IMA.

Ms. Nancoo asked the General Manager why the numbers are very low for the Customer Assistance Program. The General Manager replied that the Department of Environment starts their process to verify income determination in the fall. It is not until they are completed with their income determination that DC Water then makes its determination. He noted that the performance numbers should be modified to reflect that. Once that is done, DC Water usually exceeds or meets its targets for the program.


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

Mr. Griffin moved the adoption of Resolutions No. 11-14 through 11-22, and the motion to approve Resolutions No. 11-14 through 11-22 was moved by Ms. Spoon, seconded by Ms. Nancoo and unanimously approved by the Board.

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

Mr. Bardin moved the adoption of Resolution No. 11-23 and 11-24. Mr. Roth seconded the motion. The Resolution was approved unanimously by the District members of the Board.

The 162<sup>nd</sup> meeting of the DC Water Board was adjourned at 11:38 a.m.

  
Secretary to the Board of Directors