



**District of Columbia
Water and Sewer Authority**

Board of Directors

**Environmental Quality and
Operations Committee**

Thursday, October 15, 2009

9:30 a.m.

MEETING MINUTES

Committee Members Present

David W. Lake, Chairman
David J. Bardin
Joseph Cotruvo
Howard Gibbs
Jimmie Jenkins
Alan Roth
Paivi Spoon

WASA Staff Present

Avis Marie Russell, Interim General Manager
Leonard Benson, Acting Chief Engineer
Meena Gowda, Acting General Counsel
Linda R. Manley, Board Secretary

I. CALL TO ORDER

Mr. Lake called the meeting to order at 9:48 a.m. The late start was due to a preceding joint committees meeting chaired by Board Chairman William Walker at which the Revised FY 2010 & Proposed FY 2011 Budget decisions was outlined by Ms. Russell to the Board along with a brief presentation titled "Sustainability-Managing Aging Assets during Challenging Economic Times." Mr. Walker excused himself after the joint meeting, and Mr. Lake convened this Committee.

II. AWTP STATUS UPDATES

1. BPAWTP Performance

Mr. Walter Bailey, Director of Wastewater Treatment (DWT), reported that plant performance was excellent for September and met all permit parameters. Flow averaged 281 MGD, with a 12 month rolling average of 299 MGD. Rainfall was 3.3 inches, vs. a typical September average of 3.9 inches. Biosolids production averaged 1083 wet tons per day, with a 12 month rolling average of 1157 wet tons per day. Biosolids production continued a trend downward as the plant has been able to achieve improved biosolids cake solids concentration. Maintenance of this higher cake solids level is an operational goal. BNR performance averaged 4.8 mg/l, for a 12-month annual average of 6.5 mg/l. This improvement

in performance from prior months was attributed to upgraded reactors being placed back into service; the upgrades result in better flow and air distribution.

The Committee was interested in the research and planning focus in the DWT report, and Mr. Bailey offered to provide a more detailed presentation in the future. There was discussion on the observed changes in influent flows; specifically that plant influent is increasing in strength. Mr. Bailey pointed out that this is not simply due to decreased water use or conservation measures, but also we are experiencing increased loads to the plant in addition to decreased flows, which would have higher concentration of pollutants even if the total loadings remained constant.

III. STATUS UPDATES - USEPA

1. AWTP NPDES Permit

Ms. Russell, Interim General Manager, advised the Committee that a revised draft of the permit is expected to be issued by EPA soon, but WASA has not been told when. The reason for the delay is unknown.

2. LTCP/Water Quality Standards

Ms. Russell noted that with these issues are a part of the NPDES permit, and therefore there is no new information to report.

IV. STATUS UPDATES: POTOMAC INTERCEPTOR

1. Potomac Interceptor Sewer Odor Abatement Project

Mr. David McLaughlin, Acting Director of Engineering and Technical Services, noted that the construction bids were received for Maryland and D.C. sites and is an action item for approval today. For Virginia sites, time was lost for zoning issues, but it appears that it can be recovered in the construction phase and enable the Virginia sites to be delivered at the same time as those of Maryland and D.C. For the Maryland and D.C. sites there are still some permitting loose ends to tie up with the Park Service, Montgomery County and MDE. Mr. Lake offered assistance if needed.

2. Potomac Sewage Pumping Station – Consent Decree Compliance: Update

Mr. McLaughlin advised that the spool piece with straightening vanes to improve pump suction conditions will likely be installed in December. The results will determine whether other pumps should be similarly modified; this information will be available in January. Ms. Russell advised that a meeting with the Department of Justice to discuss this situation has been scheduled for October

26th. In response to a question from the Committee as to who is bearing these costs, Ms. Russell advised that it is currently a mix, and they have been distributed among the parties. Once the cause and solution are ascertained, WASA will assess responsibility.

V. DIGESTER PROJECT: ANALYSIS OF DEFERRING DEBT SERVICE PAYMENT UNTIL FACILITY IS ON-LINE

Mr. Benson made a presentation on the digester project and impacts of expenditures under various scenarios, including traditional financing, deferred financing, and deferral of the project. The financing problem is caused by the fact that this is not a legally mandated project, and to implement it as soon as possible compounds the impact on retail rates in the near term that will result from proceeding with the mandated Total Nitrogen and Long Term Control Plan projects. The digester project however will result in reduced and avoided operational costs in the future, thus reducing the DCWASA's expenditures. An answer appears to be to defer financing costs until the project is operational. This is a common practice for projects that will save money. We expect to hear from the Department of Energy at the end of this month regarding a possible grant for the construction of the Combined Heat and Power (CHP) component of this project. In summary, everything in the project is still looking encouraging. Given the possible impact of this project on air permitting, the Committee requested a future report on the air permit status. It was noted that the current budget proposal treats this project as described in the deferred financing alternative. The Committee asked why other capital program costs could not be funded in a similar manner. Mr. Olu Adebo, Chief Financial Officer, pointed out that such funding is generally used for projects that will save money or generate income. It was noted that the deferred financing was proposed only for the D.C. share of the costs. The Committee requested that the user's cost breakdown over time be furnished.

The Committee requested that Ms. Russell provide a short briefing on findings from a trip last week to talk to owners of facilities that utilize the Cambi thermal hydrolysis process. The owners were all pleased with the Cambi process, and start-up problems had been resolved. Ms. Russell noted that none of the owners visited had contracted directly with Cambi. The Committee requested a written report.

Mr. Lake asked the Committee to develop a recommendation for the full Board and subsequently determined that the consensus of the Committee was to strongly support the digester project, that it should be implemented in the near term (not delayed), and if necessary use deferred financing to do so.

VI. CYBER SECURITY

Mr. Mujib Lodhi, Director, Department of Information Technology, introduced this presentation, indicating the importance of cyber security is related to the fact that threats and vulnerabilities are never within our complete control. He introduced Mr. Terry Rankin, Information Security Officer, who reviewed details of the presentation, which defined “Information Security”, listed the most significant security threats, presented how DCWASA addresses them and indicated the effectiveness of this approach. In the interest of time, Mr. Lake requested that the high points be touched on. A Committee member noted that he had forwarded some questions that were not answered and would like Mr. Lodhi and the General Counsel to see that they are addressed. He also turned over some information that he had gathered for the use of IT, and noted that the presentation shows that DCWASA is much farther along than many companies and industries. Mr. Lake suggested that Committee members review the presentation in detail and if they have any questions forward them to Ms. Manley.

VII. ACTION ITEMS – JOINT USE

The following nine joint use contract items were presented to the Committee for consideration to forward to the full Board:

Joint Use Contracts Considered and Approved				
No.	Type	Prime Contractor	Scope	Amount
WAS-09-004-AA-FW	Goods and Services	MVS, Inc.	Contract	\$1,257,363.60
090190	Construction	Corinthian Contractors, Inc	Contract	\$9,731,900.00
030210	Construction	Ulliman Schutte Construction, LLC	Change Order	\$300,804.00
DCFA #400-WSA	Engineering Services	URS	Supplemental Agreement	\$974,826.00
WAS-07-047-AP-RE	Goods and Services	TieBridge, Inc.	Option Year 2	\$960,000.00
WAS-07-047-AO-RE	Goods and Services	Tessada & Associates, Inc.	Option Year 2	\$800,000.00
WAS-07-047-AM-RE	Goods and Services	Peak Technology Solutions, Inc.	Option Year 2	\$800,000.00
WAS-07-047-AC-RE	Goods and Services	Global Management Systems, Inc.	Option Year 2	\$675,000.00
WAS-07-047-AB-RE	Goods and Services	Advance Digital Systems, Inc.	Option Year 2	\$760,000.00

The Committee raised several specific questions that were addressed by staff. The IT services action items generated some discussion. The Committee agreed to recommend all action items to the full Board for approval, subject to receipt, prior to the full Board meeting, of an estimate of how much was estimated to be spent under each of the five option year action items for IT services. Also, the Committee questioned why the Peak Technology option year was for an amount

that was double the previous year; they would like to see what changes or enhancements that caused this increased in cost.. Ms. Russell advised that a Committee question, i.e., whether it is more cost efficient to hire staff to perform IT functions rather than contract for those services, should be submitted to Ms. Manley as a comment related to the DC WASA budget rather than these particular action items. Mr. Lodhi did point out that IT does perform functions in house; an example is the case of the implementation of GIS, done by IT, which saved several million dollars versus outsourcing.

VIII. EMERGING ISSUES/OTHER BUSINESS

1. Six Month Look Ahead: Large Contracts

The updated six-month look-ahead of anticipated large procurements was distributed by mail out.

2. Federal Triangle Flooding Study

A background and status notes paper on this issue was included in the mail out. Discussion was deferred due to time constraints.

3. Philadelphia, PA “Green” LTCP

This presentation was deferred until next month due to time constraints. Some discussion ensued regarding the Philadelphia plan, which has not been approved by Pennsylvania or EPA.

IX. ADJOURNMENT

The meeting was adjourned at 12:05 p.m.