



**District of Columbia
Water and Sewer Authority**

Board of Directors

**Environmental Quality and
Operations Committee**
Tuesday, May 26, 2009

10:30 a.m.

MEETING MINUTES

Committee Members Present

David W. Lake, Chairman
David J. Bardin
Joseph Cotruvo
Howard Gibbs
Jimmie Jenkins
Brenda Richardson
Paivi Spoon
Beverly Warfield

WASA Staff Present

Jerry Johnson, General Manager
Leonard Benson, Acting Chief Engineer
Avis Russell, General Counsel
Linda Manley, Board Secretary

I. CALL TO ORDER

Mr. Lake called the meeting to order at 10:30 a.m. and thanked the Retail Services Committee and all attendees for accommodating the holding of the Retail Services Committee discussion before this Committee, rather than after.

II. AWTP STATUS UPDATES

1. BPAWTP Performance

Mr. Walt Bailey, Director of Wastewater Treatment (DWT), reported that plant performance met all target parameters for April. Flow averaged 325 MGD for the month. Rainfall was higher than normal, at 4.2 inches vs. the normal 2.8 inches. Biosolids production averaged 1297 wet tons per day, with a 12 month average of 1159 tons. BNR performance averaged 5.3 mg/l, with the 12 month rolling average below the annual nitrogen limit goal, however the performance of the process continues to be hampered by construction activities.

Mr. Bailey updated the Committee on the results of the recent inspection of large return activated sludge (RAS) lines in the nitrification/denitrification process. The pipe inspection company is recommending spot repairs to the pipe and the installation of cathodic protection. The general integrity of the pipe appears good, and with the recommended repairs, should be suitable for 20 years (+) of

life. Mr. Johnson noted that this is good news as compared to initial concerns that the pipe was in need of replacement, at an estimated cost of \$20 million. The necessary work should be significantly less costly than anticipated (approximately \$2.0 million).

Mr. Bailey referred to last month's question on water use at Blue Plains. There are two water systems in use on the plant. Potable City Water (CW) from the city-wide water distribution system is used for domestic uses and certain process uses requiring very clean water. Process Service Water (PSW) from treated wastewater is used for process and housekeeping needs where potable water is not required. The estimated use of PSW is 10 to 20 million gallons per day; use of CW averaged 534,016 gallons per day in 2008. CW is metered and billed to WASA and all fees paid by other users including PILOT, ROW, and IAC are included in the charges.

Referring to the monthly report, the Committee asked why the reported flow by jurisdiction was only through March; Mr. Bailey explained that the Department of Engineering and Technical Services had to collect data from various sources to prepare this, leading to this delay each month.

There was a brief discussion on the handout on WASA's TN obligations-the Committee wanted the Board to be aware that TN levels may go up during future construction activity. Mr. Bailey pointed out that we still anticipate being under the goal level.

The Committee asked for a status update next month on the Cedarville sludge storage site for the biosolids program.

III. STATUS UPDATE

1. AWTP NPDES Permit

Mr. Leonard Benson, Acting Chief Engineer, advised the Committee that the 30-day comment period for the draft permit will close on June 8th. Final WASA comments will be generated by June 5th, after discussions with the full Board at their June 4th meeting. After the comment period closes, EPA has an unspecified period of time to issue the final permit. It was stated that this draft permit addresses WASA management's concerns expressed over the previous draft permit.

There was discussion by the Committee on whether the recently expressed federal commitments to improvements in the conditions of the Chesapeake Bay translated into more financial assistance, which it has not, as yet. Mr. Lake pointed out that all of the contributors to the decline of the bay have to do their part in achieving two-year goals (rather than 10 or more year goals), and that treatment plants, and in particular Blue Plains, have done more than their share

so far, but as point sources, they are easily targeted for improvements. In response to discussion about the relative contributors to the Bay's decline, and improvement required for each, Mr. Lake stated that wastewater treatment plant performance relative to the others can be furnished (staff agreed to furnish this information to the Committee). Mr. Johnson pointed out that the need for grant assistance has been noted, but that only small grants have been forthcoming to date.

The Committee asked about the intentions of WASA management regarding the re-allocation of TN loadings from Blue Plains to WSSC's Seneca plant, and whether the new permit codifies it. Mr. Benson stated that the permit codifies it, and Mr. Lake noted that WSSC does not use its allotted Blue Plains capacity that would account for this load. Mr. Bardin asked that staff, in their response on the permit, to the Board, explain their decision in this regard. The Committee asked whether the permit requirement to have contracts awarded for detailed design by June 1, 2009 would be met. Mr. Benson stated that WASA has a designer under contract for a facility that will enable us to meet the permit. Other contracts, such as for centrate treatment design and secondary facility improvements will make compliance easier but are not critical to meeting the permit conditions.

Mr. Bardin noted that there are very large concurrent projects coming up. It was postulated that a comment be formulated in WASA's permit response to EPA that the permit compliance date be extended if the WASA Board deemed the digester project to have a great benefit, and for some reason DCWASA could not accomplish both projects. This was not proposed as Board direction per se, and Mr. Lake pointed out that staff has stated that both projects could be accomplished concurrently.

2. LTCP/Water Quality Standards

Mr. Benson noted that the long standing issue with regard to narrative water quality standards and potential issues with the approved LTCP is satisfactorily resolved by the language in the draft permit.

IV. STATUS UPDATES

1. Potomac Interceptor Sewer Odor Abatement Project

Mr. David McLaughlin, Acting Director of Engineering and Technical Services, updated the Committee on recent activities, with progress continuing towards a July construction advertisement for Maryland and D.C. sites. Mr. McLaughlin noted that WASA will address the odor issue on an interim basis for this summer. He stated that an interim odor control chemical will be used beginning June 1, to mitigate odor.

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

Mr. McLaughlin advised the Committee that the crescent plates on the pump inlets have been removed and the system received sufficient rain to test two pumps at high flows. However, staff have not seen sufficient improvement in flow rates to certify station performance. A meeting with the expert panel for further discussion will take place June 2nd. EPA will be notified today about the current status. Mr. Lake noted that there should be information from the expert panel to be reported on next month.

V. BIOSOLIDS MANAGEMENT PROGRAM STATUS REPORT

Mr. Benson reviewed an update of the monthly program report. He had not received any comments or recommended changes on last month's report. He clarified that the task listing that noted WASA was working on terms and conditions with Cambi, the supplier of a thermal hydrolysis process, was incorrect. Cambi is representative of that technology, basically a brand name, but WASA is not at a point of working on contract terms with a specific entity. There are possible competing systems, although to our knowledge they have not been implemented at a scale approaching our needs.

The Committee asked if ozonation hydrolysis was considered in our process evaluations. It was not, and the Committee was advised that WASA staff will investigate and report back on the viability of ozonation as an alternative to a thermal-pressure hydrolysis process, but indicated that it had not been conducted at the scale that WASA would require for implementation.. There was some confusion regarding the "on-line" date for the biosolids process; 2013 or 2014. Mr. Benson clarified that the process should be on-line and operational in early 2014. The Committee requested that this fall they receive a write-up on the project with respect to meeting national greenhouse gas and energy policy objectives.

VI. ENERGY MANAGEMENT PROGRAM STATUS REPORT

Mr. Benson discussed a handout that listed the objectives, project components, and activities of a proposed Energy Audit Project. It is anticipated that audits of WASA facilities will take place in the latter part of this year, with development of recommendations, implementation plan and determination of funding sources late this year and continuing into next spring. Mr. Benson confirmed that the Washington Aqueduct will be engaged in a similar process. The Committee noted that there was no "baseline" of energy usage on a separate handout which listed the impact of major projects. The baseline WASA-wide electrical energy usage should be assumed as approximately 300,000,000 KWH per year, and actual energy usage for FY 2008 was 304,504,245 KWH.

There was a discussion whether energy usage should include natural gas purchases. Mr. Benson received committee support to focus on electricity only for this report.

VII. LTCP - BLUE PLAINS TUNNEL PROJECT DELIVERY

Mr. Benson introduced this topic, which has been under development for over a year, and then turned the presentation over to Mr. Michael Loulakis, an attorney and engineer with broad experience with alternatives to the traditional design-bid-build (DBB) method of accomplishing projects. He is a consultant reporting to WASA management. Workshops were held with an expert panel in the fall leading to the proposed recommendation of design-build (DB), with a 2-step selection process consisting of solicitation of qualifications followed by short-listing of 3 firms/teams to submit proposals. Payment of stipends for the proposal preparation is recommended. This initial DB plan is for the Blue Plains Tunnel project only.

A Committee member commented that they did not necessarily agree with some of the conclusions supporting the proposed method of DB, feeling that some of the conclusions were over-stated in favor of DB. The Committee also requested additional details be provided on the tasks involved in the bars that make up the bar charts presented to describe the work tasks, scope and schedules.

The Committee asked for greater clarification of the financial needs (amounts and disbursement schedules) of this project, along with the digester project and the TN project. The retail rate impact of these on a year-by-year basis should be developed for the Board. Mr. Johnson advised that these have been developed for the Board in the past, however they may not reflect the recent agreements with users for project components. Mr. Johnson also advised the Committee that there are water and sewer system facility plans that recommend initiation of over a billion dollars worth of work which has not yet been included in the capital budget. The Committee requested that each facility plan be shared with them and Mr. Johnson noted that the Board has received a summary presentation on both, and would need to define what level of detail they would like to see.

VIII. DCWASA BUSINESS DEVELOPMENT PLAN

Ms. Barbara Grier, Assistant General Manager Support Services introduced this topic and then introduced Ms. Loretta S. Caldwell, who described the proposed Business Development Plan recommendations. Ms. Caldwell made a presentation that highlighted the key points of the plan, which for non-federally assisted procurements will involve local and small business participation goals with associated preference points. Certifications will be accepted from jurisdictions within the WASA service area. Federally funded projects will continue with established EPA fair share objectives.

There was a question from the Committee regarding when the last annual report was submitted to the Board. Mr. Johnson advised that it was for the 2006 fiscal year. Data for 2007 and 2008 are ready, and he needs to sit down with staff to review, prior to getting it out to the Board in the next couple of weeks. Ms. Grier noted that this presentation will be made to the Budget and Finance Committee on May 28th, and the full Board on June 4th.

IX. ACTION ITEMS – JOINT USE

(In the interest of full involvement of the Committee, discussion on this topic occurred out of the original order, after Agenda Item VI.) The following five joint use contract items were presented by Mr. Benson and submitted for Committee consideration to forward to the full Board:

Joint Use Contracts Considered and Approved				
No.	Type	Prime Contractor	Scope	Amount
WAS-08-025-AA-RV	Goods and Services	Carter & Carter Enterprises, Inc.	Option Year 1	\$3,132,000.00
WAS-07-047-AC-RE	Goods and Services	Global Management Systems, Inc.	Contract Modification	\$340,000.00
WAS-07-047-AF-RE	Goods and Services	KeyTech Service, Inc.	Contract Modification	\$350,000.00
030210	Construction	Ulliman Schutte Construction, LLC	Change Order	\$521,705.21
DCFA #423-WSA	Engineering Services	Black & Veatch Corporation	Agreement	\$2,319,000.00

A Committee member requested clarification of the Global Management and KeyTech action items, as it seemed unclear why this was a contract modification and not an option year. It was explained that additional services are necessary for the remainder of the annual term; this was presented for Board approval because the cumulative value of the contract with the modification will exceed the General Managers approval authority. The Committee agreed to forward all action items to the full Board for approval.

(Discussion of Agenda Items VII., VIII. and X. continued after this item was concluded.)

X. EMERGING ISSUES/OTHER BUSINESS

1. Six Month Look Ahead: Large Contracts

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

2. Stimulus Projects

There was no discussion on this topic.

3. Watts Branch and Oxon Run Sewers

A handout of a presentation on these two sewers was distributed and briefly reviewed by Mr. Benson. The presentation indicates the cooperation between WASA, DDOE and the US Fish and Wildlife Service in these stream restorations. Mr. Benson advised that if there were any questions on this they can be entertained any time between now and the next meeting. A Committee member asked for an electronic copy of the presentation.

4. Quarterly CIP Report

This report was distributed to the Committee and there was no discussion on this item at this time.

As other business, Mr. Kiely discussed the billing of water usage to Blue Plains. It was noted that all fees that are applicable to other customers i.e. Right of Way and PILOT are currently billed and that Impervious Area Charge will be applied to this bill, however the IAC currently does not show up due to the effective date being after the date of this bill. It was noted that this originally was set up as a water (only, i.e., no sewage) account. This is currently being reassessed. The Committee requested a rechecking of the ERU's assigned for the Blue Plains site.

XI. ADJOURNMENT

The meeting was adjourned at 1:14 p.m.