



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

***MINUTES***

***89th Meeting of the Board of Directors  
Thursday, June 3, 2004***

***Present Directors***

Glenn S. Gerstell, Chairman  
Bruce Romer, Vice Chairman  
David J. Bardin  
James Caldwell  
Alfonso N. Cornish  
Michael Hodge  
Alexis Roberson  
Anthony Griffin  
Lucy Murray  
Alexander McPhail

***Present Alternate Directors***

Paul Folkers  
Larry Coffman  
David Lake  
James Wareck  
Stephanie Nash  
Robert Stalzer (pending swearing in)

***WASA Staff***

Jerry N. Johnson, General Manager  
Wendy Hartmann-Moore, Interim General Counsel  
Linda R. Manley, Secretary to the Board of Directors

Chairman Gerstell convened the June 3, 2004, Board of Directors meeting at 9:32 a.m.

Ms. Manley, Board Secretary, called the roll to establish a quorum.

## **Approval of Minutes of May 6, 2004 Meeting**

It was Moved by Alfonso Cornish and seconded by Bruce Romer that the minutes of the Board of Directors meeting of May 6, 2004 be approved. The motion carried unanimously.

### **Committee Reports**

#### **Environmental Quality and Operations Committee**

*Reported by: James Caldwell*

Mr. Caldwell reported that the Committee met on Thursday, May 20<sup>th</sup> and was provided a status of the Blue Plains Plant. Plant flows averaged 370 MGD for April and all NPDES permit requirements were met.

EPA has closed the record for public comments on the new Blue Plains permit and is preparing the final permit. There is still a concern about the Long Term Control Plan requirements in the permit, which the Authority will need to follow.

The Corps of Engineers is still narrowing options for solids removal from the Washington Aqueduct, but the primary alternative at this point looks like on-site dewatering and trucking the solids off site.

There was some discussion that as the water treatment with orthophosphate proceeds it is important to be clear to the press and public about who holds the responsibility for water treatment – namely, the Corps, not WASA.

Mr. Caldwell reported that WASA staff completed the third and final public meeting on lead. Combining all three meetings, total attendance was less than 25 individuals. To date 14,000 samples have been completed and the results returned to customers. An additional 8,000 are still in process.

Mr. Marcotte provided information about the various concepts under consideration for further management of the lead program. There was discussion of various timelines and economic considerations, staffing, contracting methods and permitting issues and new technologies available to better refine the actual number of lead service lines. Finding a better method to identify lead lines is important especially since EPA has directed WASA to reassess the number of lead lines in the system. Staff anticipates presenting a recommended program to the Board on today.

To date, over 900 replacements have been completed and the goal is to replace almost 1,800 by the end of September at a cost of 23-36 million dollars.

The Authority continues to sample as required under the Lead Copper Rule and results continue to be above the action level. Next month the Committee will be reviewing the method for determining sample location.

Mr. Caldwell stated that on last month he reported that the Authority had initiated a strategic plan for liquid treatment at Blue Plains, which will consider plant modifications needed in the future to address Bay goals, long term control plan flows, and potential for additional treatment capacity. This is a major study with potential major technology and economic impacts. It will require a significant involvement of stakeholders and the public. Mr. Marcotte briefed the Committee on the outreach plan and identified a two-tiered approach. Tier 1 will be for technical stakeholders and Tier 2 will include policy stakeholders.

Mr. Caldwell stated that at the last Board meeting Ms. Roberson requested that the Operations Committee review the reported asbestos incident. In response, Mr. Marcotte presented a detailed account of the incident and noted that procedures have been changed to prevent this type of incident from occurring in the future.

Ms. Roberson asked Mr. Caldwell to provide the Board a little more information on what process and procedures have been taken in order that this does not happen again.

Mr. Marcotte stated that staff has identified plant-wide where all of the asbestos is, and is posting notices in those buildings so that people know as they walk into the building or begin any kind of work. Staff reviewed with the construction manager the approaches to be taken in the event that asbestos-containing materials are found. Staff also reviewed with the Authority's safety people and a safety person directly assigned to the issue of construction safety and new construction safety dealing with the asbestos issue.

The Committee reviewed eight action items, five joint use and three non-joint use, Following discussion and requests for minor reporting modifications, all items were recommended for approval by the Committee.

The CSO Storm Water Subcommittee then met and Mr. Marcotte described the Fort Stanton Project. The plan is to build a new storm sewer, disconnect roof drains from the system and convert the combined sewer to a sanitary sewer only.

Mr. Caldwell reported that the next Committee meeting will be held on Wednesday, June 16<sup>th</sup>. At that time, the IMA Blue Plains Regional Committee will make a presentation to the Environmental Quality and Operations Committee. This will be the first joint session to exchange work initiatives and ideas.

Mr. Bardin stated that management is showing some important imagination and creativity on the CSO work for the Fort Stanton Sewer Shed. He stated that this is a small sewer shed, but management has decided conceptually and is in the process of translating it into engineering design and ultimately to a management process by hitting the lead lines and the combined sewer at the same time so the attack on the street, or the penetration of the site of the pavement, is done once. Working in low-impact development reduces the cost of the project.

Instead of disconnecting each of the sanitary systems in each of the houses and putting in new sanitary systems, they are going to use the combined sewer as the sanitary, and

the only thing that would have to be built for the separation would be a new storm sewer, which means a pipe and catch basins along the street. This is exactly the same thing you do in a highway kind of project, and it has a lot of possible implications for how things are done elsewhere in the city later on. The Subcommittee will keep oversight on that and report back to the Committee.

Mr. Lake asked Mr. Marcotte to explain the schedule for the Blue Plains Facility Planning Stakeholder outreach. Mr. Marcotte stated that the process will start this summer with the involvement of the Technical Committee, and then move into the fall.

### **Finance and Budget Committee**

*Reported by: Chairman Gerstell*

Chairman Gerstell reported that the Authority's finances remain consistent with the prior reports, with additional lead related expenses. Chairman Gerstell reported that the lead-related expenditures for FY 2004 should be approximately \$2 million less than the \$13.3 million estimate previously provided to the Board.

In accordance with Board policy, the Authority would charge all expenses to the current operating budget. The Committee felt that it might be appropriate to seek a supplemental appropriation from Congress. The District's CFO's Office has assured the Committee that they will try to transfer some of the District's budget authority to WASA to make sure it remains in compliance with Federal statues regarding the amount we can expend relative to what is budgeted.

Chairman Gerstell reported that the bond issuance is proposed for approximately \$280 million. This would be in July. The Board would be asked at the next month's meeting to approve the documentation.

Mr. Romer asked if the Authority has an update on getting the information from the Auditor that is potentially holding up this bond issue.

Mr. Johnson stated that he drafted correspondence to the City Auditor reminding her of the schedule that we are moving on in an effort to determine if there are any problems that might hold it up, and spoke this morning with the Deputy Auditor, who is to get back to him later today to advise him of whether there are any material issues that the Authority might anticipate that would cause any kind of delay. A copy of that correspondence was distributed to the Board.

Mr. Bardin requested that the bond documentation be sent to the Board for their review early. In addition, Mr. Bardin requested that the budget page with the year to date and projections that was omitted from the General Manager's Report be sent to the Board.

## **Audit Committee**

Reported by: Michael Hodge

Mr. Hodge reported that the Audit Committee met on Thursday, May 27<sup>th</sup>. Mr. Hunter, DCWASA Internal Auditor, reported that the Authority is seeking certification through the National Biosolids Partnership, which requires an internal audit, and that the internal audit was completed. A summary is provided in the packet.

The Internal Audit Office is still recruiting for the Senior Internal Auditor position, and is in the final rounds of interviews.

The Committee previously requested information on the Sarbanes-Oxley Act, which was distributed to the Board, and comments are welcomed.

The Committee received a report on the A133 annual review by the Auditor, and there were no findings from this engagement, which is an improvement from the previous year when there was one finding.

Mr. Hunter assured the Committee that the Internal Audit or has been working with the Department of Engineering on the emergency lead line replacement prioritization and to ensure that the information received from the Department of Health as well as the processes used to select the lines for replacement are reliable and traceable.

The Committee discussed training for the Audit Committee. The members agreed that the training should be held during the month of September. Mr. Hodge invited all Board members to participate in the training.

The Committee reviewed the extension of the audit contract. This is the final option year for the contract. The CFO and the Internal Auditor reported that they were satisfied with the work that had been done previously. The Committee recommended that the Board approve the option year.

## **Community and Customer Service**

Reported by: Alexander McPhail

Mr. McPhail reported that the call volume on the Lead Services Hotline has decreased to about 200 calls per day.

Mr. McPhail stated that in response to the letter that was sent to all customers asking for people to self-select as priority replacement customers, 3,000 responses were received, and about 1500 of those are really eligible priority customers.

The Committee continues to work on determining standard charges for the replacement of the lead service lines, which are on private property, and there is some correspondence that was handed out this morning.

The Committee was provided a draft of the new water bill for their review. Mr. McPhail provided copies of the bill to the Board members.

Mr. McPhail reported that the Authority received 1,000 contributions to the SPLASH Program, which totaled \$6,600. He noted that on the new bill format there is the ability to round up; for example, if your bill ends in 55 cents, we would round up to the closest dollar and the balance would go to the Authority's SPLASH Program. Also, you can round up plus a dollar, or round up plus two dollars.

Ms. Roberson asked if the Authority is specifically looking for a public relations firm with an Hispanic background or just picked the best firm. Mr. Johnson stated that the Authority contacted two firms and identified a firm that is very adept at doing that and have been working with them for a couple of months in order to get access to some of the Hispanic business community, landlords and other community activists and leaders. That has been fairly successful. To ensure that the communications that the Authority is doing was appropriate for that community, the broader issue had to do with getting some general assistance with some of the Authority communications efforts and, after interviewing several firms, hired the firm of Edelman to assist the Authority with the broader communications plan and the overall activities.

Mr. Bardin requested that each month every Board member receive a copy of a typical WASA bill and also the "bill stuffer" insert. Chairman Gerstell suggested that Board members receive it in their Board packages.

#### **Status Report to the Board on Covington and Burling's Review on the Handling of the Lead Issue by WASA**

Chairman Gerstell stated that he received a letter from Covington and Burling, which the Board members will recall is the firm that had been retained by the Board to conduct an independent investigation, along with the assistance of two very distinguished academics in the government and public health fields, to take a look at how WASA has handled this question of elevated levels of lead in the District's drinking water in some home. The Board had originally hoped that the investigation, which is lead by a partner of the firm named Eric Holder would be done within 60 days.

As Covington and Burling got more involved in the investigation and as WASA's staff, and Board learned more about the complexity of the issues, the Board realized that the 60-day time period was a little optimistic. The Board had hoped instead that it would be able to have that report presented today. Chairman Gerstell stated that he sent a letter to both the EPA and the Army Corps of Engineers in March requesting their active cooperation and prompt cooperation with Mr. Holder's inquiry. Covington and Burling did not receive any response from EPA until recently, in which case they indicated that the EPA would not be able to respond until June 25<sup>th</sup> and they would respond in writing to a series of questions that had been proposed by that law firm.

Chairman Gerstell stated that after discussion with Mr. Holder, rather than producing an interim report, Mr. Holder felt that it would make sense to get the detailed responses from the EPA and the Army Corps of Engineers to round out his inquiry and answer some yet unanswered questions and, therefore, it would make sense to delay the report

until the July 1<sup>st</sup> Board meeting. Chairman Gerstell stated that he wanted this to be a Board decision to extend the deadline to July 1<sup>st</sup>.

Christopher Burke, Senior Attorney assisting Mr. Holder informed the Board members that Covington and Burling is in its late stages of the investigation and they have done a number of interviews both internally at WASA and with others, relating to the lead monitoring issues that we are looking at and also reviewed many documents.

Mr. Burke stated that one of the significant aspects of the report has been reaching out to governmental agencies that play an important role. Obviously, EPA has been one that we have worked with since the beginning of the investigation. He stated that after making contact with EPA and requesting the ability to interview its employees, EPA had indicated that they would permit in-person interviews and requested a detailed list of questions that would be asked or topics that would be covered. At a certain point, EPA decided not to permit in-person interviews, but stated that they would provide written answers to questions that were provided. Covington and Burling provided those written questions and EPA has indicated that they will provide responses but not be in a position to do so until June 25<sup>th</sup>. He reported that the Army Corps of Engineers would provide written answers to detailed questions by the close of business on today or within the next few days.

Mr. Bardin stated that Covington and Burling did quite a thorough and commendable job on the letters with an excellent set of questions. Mr. Bardin asked what consideration did Covington and Burling give to the effect of the shift from free chlorine to chloramines on corrosivity, on the leaching of lead, and on all of the issues, which have plagued the Authority. He did not see any specific questions about that issue.

Mr. Burke responded that the scope of Covington and Burling's investigation has been on the lead monitoring process that the Authority has gone through since the beginning of the 2000-2001 testing period. Also included are related aspects to that including public education and notification procedures and the Lead Service Line Replacement Program, as well as related issues, such as WASA's internal communications with respect to the monitoring, communications with outside agencies, including the Army Corps.

In terms of focusing on the scope, as was discussed with the Chairman, and also the scope of the investigation the investigation is, not specifically addressing the chloramines issue, but with respect to the Army Corps' participation in the process of lead monitoring, they are obviously looking at that. The report will definitely touch on those issues and make any appropriate recommendations or conclusions.

The scope of the report is a broad one, but focuses on the lead monitoring process and related issues.

The Board agreed to extend the deadline date for Covington and Burling's report to July 1<sup>st</sup>.

The General Manager introduced the Authority's 2004 internship class. He stated that the Authority has a total of 38 students. The students come from 14 colleges and

universities around the country and abroad. The Authority this year has attracted four Ph.d. candidates to the program, in addition to eight graduate students who are joining the program this year.

Mr. Griffin introduced Rob Stalzer as the new alternate member from Fairfax County replacing John Wesley White. Mr. Stalzer is the Deputy County Executive for Planning and Development and Public Safety.

Chairman Gerstell stated that the Board would move into an executive session to discuss some pending civil litigations.

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

*Reported by: Jerry N. Johnson*

Mr. Johnson reported that the Authority is having its second annual safety day on June 10<sup>th</sup>. This is an activity that is being sponsored by the Union-Management Safety Committee and is a part of the recognition of June as National Safety Month.

Plant performance for the month was excellent. Those parameters are on pages 17 through 24 of the General Manager's Report. Mr. Bailey, Director of Wastewater, can address any exceptions that may have occurred.

The Authority is working diligently to catch up on some of the water main and water service repairs. There are a number of those that are beyond the 10-day time frame and into the backlog category. The Authority is working to get those dried up and get them done as quickly as possible and have a plan in place for addressing that.

The Authority has spent a fair amount of effort promoting land application of biosolids. It has a very aggressive program for dealing with biosolids. On page 24 of the General Manager's Report there is a series of photographs and the description of some efforts that have been taken in working with a number of groups in Virginia where biosolids is land-applying. The program is beginning to make some inroads into a number of those communities there in terms of their acceptance of biosolids on a much broader basis.

The Authority presented two papers as part of the Water Environment Federation Conference. The papers were primarily focused on wastewater and odor control.

The General Manager distributed to the Board a copy of the Inspector General's review. The Authority requested this review. The Inspector General's first review had to do with the accuracy of the meters and the devices that we were installing, and concluded upon the end of that review that there was no casual relationship between any higher water consumption and the installation of the new meters. The Authority got an excellent clean bill of health with regard to the installation of that new technology, although it did not get much public recognition when the actions and the reports were done.

The second part of the Inspector General's Report looked at the actual customer service operation, and they hired the independent auditing firm of Bert Smith and Company to determine whether WASA is accurately billing residential customers for water usage and whether WASA's process for resolving customer complaints is

effective and efficient. They also looked at the average cost of processing a complaint to completion. The audit concluded that WASA is accurately billing its residential customers for water usage and that it is as recorded on the meters. They did cite several areas, about seven things, that could be done to improve our responsiveness to customers. All of those actions have been taken, as they were pointing them out to staff during the time that the report was being done. They sampled some 35 transactions that were done in early '93. About 150,000 of those types of transactions are done on an annual basis. This is a positive report and was of some assistance in looking at some of the things being done. This will be discussed in more detail at the upcoming Customer Service Committee meeting.

Mr. Romer asked if the Authority was planning to make a public statement regarding the Inspector General's findings on the meter replacement program. The General Manager stated that he could modify the press release and make it to a public announcement.

### **Report on Accelerated Lead Service Line Replacement**

Mr. Marcotte stated that the resolution two months ago was a proposal to adopt a policy on replacement of lead service lines to have no lead service lines in the public space portion of the water supply system, and to remove all those known lead service lines by September 30, 2010. There was a request that the Authority have a series of public meetings and advise the ANC's to seek comment, with the anticipation that a decision could be made by the Board at its June meeting.

The Authority held three public meetings in April and May. A relatively small number of people testified and because these meetings had multiple purposes, including dealing with the rate increase in the initial two, as well as the CAP program, and the resolution on acceleration, the majority of comments were directed toward the rate issues and in fact, very few comments were specifically directed to the issue of acceleration. It is safe to say from those meetings that there was no clear strong consensus emerging from the public based on the small number of people in attendance and the small number of comments.

The Board Secretary received a number of written comments in response to the circulation of the resolution. Several ANC's supported, and some noted they wished that the Authority would accelerate the process even further. Some suggested the date of 2007 as opposed to 2010. Councilmember Brazil supported with some extensive comments. The Authority received a letter from Children's Hospital and Dr. Wolf supporting, with a number of comments. The Authority received an extensive communication from the Natural Resources Defense Council, which commented on many aspects of the lead program, but did generally support the ideas of acceleration of lead service lines.

The Operations Committee reviewed the alternatives and concerns, and the Committee requested some additional detailed information by the June meeting.

Mr. Marcotte reported that staff is committed to the removal of all lines and that the Authority should not consider stopping when optimization occurs, which is expected to occur over the next year. This would, in effect, remove one of the six alternatives that

staff previously presented to the Board, which could be to stop all replacements when optimum corrosion control is achieved.

Mr. Marcotte stated that staff is not prepared to make a specific recommendation on the specifics of the timing on the replacements. He reviewed other issues the staff had laid out. Staff's objective in doing this would be to accelerate the schedule through the replacement block-by-block, initially focusing on highest density of service lines. Attention to the issue of maintaining mobility would be required. Staff would, in all likelihood, continue a priority program at least for the initial years, as any health issues or unusual situations that surfaced were addressed.

One issue important to build into the plan would be some "ramping up" to an increased level of replacements per year over the next two years. The Authority started last year with 400 physical replacements and will exceed 600 this year. There is doubt if the Authority could get to 4,000 in the next year without some considerable difficulty. There are some intergovernmental issues that the Authority is attempting to work out, including low-cost efficient permitting with the various agencies. A quick look at a 4,000 replacement per year program would involve over \$1 million in permitting fees paid to various agencies of the D.C. Government. WASA would also need to work with the DDOT to determine the impact of our construction presence on roads, and a ten-year capital program for street improvements. One conclusion that might be reached is that a ten-year program matching more closely with the DDOT program may be a more effective way to deal with this issue.

The Authority is seeking a blanket permit for all lead service line work to be signed by all the agencies and renewed biannually, and a waivers of certain permit fees.

The planning process leads the Authority to some challenging questions about timing to complete all the replacements. A Board proposal suggests six years, some input from ANC's and others supporting that, or a faster plan, and EPA regulations include a 14-year program.

Some of the knowns and unknowns confronting WASA are the health impacts, that are not completely known. It appears that a consensus is emerging that the health impacts of this issue are relatively small and manageable.

Mr. Bardin asked Mr. Marcotte the basis for that statement. Mr. Marcotte stated that WASA has had a number of discussions with Dr. Calhoun and Dr. Faggette of the Health Department, as well as with Dr. Guidotti. In fact, it is anticipated that Dr. Guidotti and

Dr. Calhoun will be meeting over the next couple of weeks, and we believe that there is a consensus emerging on this issue.

The need for a priority replacement program beyond two years is not known at this point. WAS has received approximately 3,000 requests for priority replacement. About half of those appeared to be minimally qualified, i.e., they had young children or nursing mothers. The question is how much that list will grow, and how much that will need to be managed in the future.

Mr. Marcotte stated that Aqueduct has initiated, as of 9:00 a.m. on Tuesday, June 1, the addition of orthophosphate in a small area of D.C. This program will continue and citywide application is anticipated later in the summer. We do not know at this point precisely how long elevated lead levels will continue, but we expect them to drop over the next several months.

The other challenging issue is that WASA does not have a specific location of every lead service line. We know that there are approximately 23,000 in the lead services inventory, based on the Weston report and the best information we have, but we know that those are probably scattered among nearly 50,000 accounts. We have made some progress with an alternative technology that will allow us to identify the pipe material without digging, but have not reached a conclusion that that approach is going to serve us well as the final determinant.

Another challenging unknown is the regulatory arena. There are discussions ongoing with EPA in this area, and one of the concerns is whether any action taken by the Board would be translated into a regulatory requirement, thereby limiting our flexibility in the future. The specific question is would a six-year resolution by the Board lead to a six-year regulatory mandate. We also know that there are some uncertainties in the action that EPA might take relating to compliance with the lead rule.

The financial burdens are significant. WASA have identified some of these in previous presentations. The timing and magnitude of the Long-Term Control Plan is a significant unknown. The cost and timing of Chesapeake Bay Program initiatives is an unknown, although we believe at least for the very short-term that may be managed. The cost of future security expenditures is unknown. We believe that we have managed that security issue very well, but we also recognize that those things could change rather dramatically within a moment's notice if something else happened, but the possibility that WASA would be required to go back and look at additional capital improvements or changes is certainly there.

WASA has underway a massive study of the sewer system, which is expected to identify additional needs. While some programming and categorical funds are included in the current Capital Program, whether those will need to be revisited in the future is an open question. We know the cost of the current CIP, and we know that there is some ability (although it is fairly limited) to reprogram and move things around and make some adjustments to the CIP.

Another issue where there are some unknowns is the feasibility of doing the construction in six years. We believe that the six-year program represents a very aggressive program, and at least at this point, based on the information we have, we think we can get there, but we will actually have to ramp up to know that. With the use of in-house crews, as has been recently suggested, or the use of contractors to complete a substantial portion, is a challenging issue for us, and one that we want to spend more time talking with our employee unions.

Another issue involves the market impact of multiple large contracts. With four 1,000 service replacement contracts at some point, this would be a significant "ramp up" from where we have been. As has been pointed out, the use of in-house crews could

provide some savings. The cost of those workers and their associated overhead is undeniably lower. There are some concerns about staffing up and training people to start a major initiative. On the other side, this would be a finite program and would raise questions of what we do with those workers after we had finished the work.

Finally, concerns about efficiency are at the nub of our analysis. Our review of what happened in the past would suggest that there were significant differences in the productivity of the WASA (or WASA predecessor) workforces in removing services and replacing them, as opposed to private contractors.

The market concerns are that there are a limited number of bidders, and the large number of contractors could flood the market, causing some bonding problems and reducing some of the competitiveness in pricing. We have mentioned the DDOT coordination challenges and the fact that their plan generally looks at a ten-year versus a six-year plan.

Mr. Marcotte asked that since the Authority is in an uncertain climate based on the issues, should the Board commit to a six-year plan, which is clearly an ambitious one? Would the resolution invite tighter regulatory requirements? Should the Authority commit this time to a specific plan for \$350+million expense amid unknown future financial burdens with the unknown impacts on the local construction market and with apparently little health benefit, especially if optimum corrosion control is achieved in the near-term?

Mr. Marcotte requested that the issue be revisited at the June Environmental Quality and Operations Committee meeting and that at that point staff will be prepared to present additional feedback on the issue of timing, anticipating a final decision at the July Board meeting.

Chairman Gerstell stated that he was disappointed that the public's reaction to the proposed lead service replacement policy has been so muted.

He also stated that he would like the Board to act upon this at the next meeting, and he proposes to vote in favor of a lead service replacement policy.

Ms. Murray stated that the Retail Rates Committee should review the lead service policy for the financial impact. Chairman Gerstell agreed.

Mr. Bardin stated that he is convinced that the Authority should move ahead with the lead service replacement policy.

Mr. McPhail stated that he was disappointed that the Board will not vote on the resolution today. However, he would be happy to vote on it in the July meeting, but would be very reluctant to postpone it past July.

### Consent Items (Joint Use)

**Approval of Contract No. WAS-01-005-AA-JS, MVM Inc. – Resolution #04-42 –**

The purpose of this contract is to extend the security guard services for the period of June 27, 2004 through September 30, 2004. The contract extension amount is \$622,126.92

**Approval of Contract No. WAS-03-016-AA-JS, Carter & Carter Enterprises, Inc. – Resolution #04-43**

Exercising option year 1 of this contract will allow the Authority to continue to procure Liquid Ferric Chloride. The option amount is \$1,347,800.

**Approval of Contract No. IFB-04-01, Colonial Chemical Solutions, Inc. – Resolution #04-44**

This contract will allow the Authority to procure methanol. The contract amount is \$2,300,976.10.

**Approval of Contract No. WAS-01-023-AA-DW, Erco, Inc. – Resolution #04-45**

Exercising option year two of this contract will allow the Authority to continue to procure services for bio-solids hauling and recycling. The option amount is \$839,500.

**Approval of Contract No. IFB 04-01, Hardy & Son Trucking, Inc. – Resolution #04-46**

This contract will allow the Authority to procure polymer. The estimated contract amount is \$1,003,800.

**Approval of Contract No. WAS-01-022-AA-LW, Thompson, Cobb, Bazilio & Associates – Resolution #04-47**

Exercising option year three of this contract will allow the Authority to procure audit services from an Independent Certified Public Accountant, to audit the DC Water and Sewer Authority's financial statements for the year ending September 30, 2004 (FY 04). The option amount is \$236,773.

The Motion to Adopt Consent Items (Joint-Use) was Moved and Seconded with unanimous approval.

### Consent Items (Non-Joint Use)

**Approval of Contract No. DCFA #396-WSA, EA Engineering, Science and Technology, Inc. – Resolution #04-48**

The purpose of this contract is to provide professional construction management and related services on an as-needed basis. The contract amount is \$6,000,000.

**Approval of Contract No. 04-0100, C&F Construction Company – Resolution #04-49**

This change order is necessary to incorporate an additional 425 service replacements with resultant increases in cost for all applicable line items on a prorated basis. The change order amount is \$4,241,770.

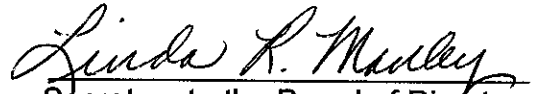
**Approval of Contract No. 03-0230, Ulliman Schutte – Resolution #04-50**

The purpose of this contract is to construct a new 45 MGD East Side Pumping Station. The contract amount is \$12,121,000.

The Motion to Adopt Consent Items (Non-Joint Use) was Moved and Seconded with unanimous approval by those Board members representing the District of Columbia.

The meeting was adjourned at 11:45 a.m.

Respectfully submitted,

  
Secretary to the Board of Directors