



District of Columbia Water and Sewer Authority

MINUTES
92nd Meeting of the Board of Directors
Thursday, October 7, 2004

Present Directors

Anthony Griffin, Acting Chairman
David J. Bardin
Alfonso N. Cornish
Lucy Murray
Fariba Kassiri
James Caldwell
Stephanie Nash for Alexander McPhail
Paul Folker for Bruce Romer

Present Alternate Directors

Larry Coffman
Brenda Richardson

WASA Staff

Jerry N. Johnson, General Manager
Avis Russell, General Counsel
Linda R. Manley, Secretary to the Board of Directors

The General Manager stated to the Board that for the first time in the history of the Authority the Board is in a unique position, in that the Chairman and Vice Chairman were both absent. He stated that he has consulted with Ms. Russell the Authority's General Counsel and Ms. Russell has advised him that the bylaws provide that in cases where there is no specific course of action outlined, the Robert's Rules of Order will govern. Mr. Johnson asked the General Counsel to explain what action the Board needs to take to convene the meeting and take care of the Authority's business.

Avis Russell, General Counsel, informed the Board that Robert's Rules provides that where a Chair or a Vice Chair is not present, then in the instance where you have Vice Presidents, you would select a Vice President in that order. The Board does not have

Vice Presidents. Then Robert's Rules of Order states that the Secretary should preside over the meeting; the Board does not have an officer as the Secretary. Robert Rules of order states that provided a quorum is present, the Board should nominate someone to serve as Chair for that meeting. Therefore, it is the Board's responsibility to nominate and then vote for an Acting Chairman to preside over the meeting.

James Caldwell made a motion to nominate Anthony Griffin to serve as Acting Chairman and the motion was seconded by Paul Folker and moved to be closed by David Bardin.

General Manager Jerry Johnson assumed the responsibility for carrying the motion. It was moved and properly seconded that Mr. Griffin be named Acting Chair to convene the 92nd meeting of the District of Columbia Water and Sewer Authority's Board of Directors. The motion was carried to close the nominations.

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

The Board convened into Executive Session to discuss litigations.

The Board reconvened into the public meeting.

Approval of Minutes of September 4, 2004 Meeting

It was Moved and Seconded that the minutes of the Board of Directors meeting of September 4, 2004 be approved. The motion carried unanimously.

Committee Reports

Community and Customer Service

Reported by: David J. Bardin

The Committee met on September 9th and reviewed the Customer Information Systems data.

Mr. Kiely shared with the Committee the year-by-year reduction in the number of estimated readings, thanks to the increase of AMRs. Mr. Kiely presented an analysis of the Authority's residential customers organized by quartiles.

The first quartile averaged some 16 CCF a month, and the lowest quartile before it averaged 1.9, less than 2 CCF a month. The average of the WASA residential customers, based on AMR meter readings, was 7.9 CCF a month. The fourth quartile is quite high, and it is one of the things that staff wants to revisit to see whether there are customers who are classified as residential, perhaps because buildings were residential but now have some other uses or additional uses which explain the higher readings. This is the beginning of the ability of WASA to understand its retail customer base better through statistics.

Mr. Kiely reported that effective with October's billing, all WASA customers are now being billed monthly.

The Committee raised with the General Manager the thought that the AMR data, which WASA is collecting, could be an invaluable source of research to the academic community, obviously removing the names of the individual customers for privacy reasons. The General Manager agreed to look into that and discuss it further with the Chair and members of the Customer and Community Relations Committee.

Mr. Bardin requested that the General Manager send to all members of the Board, a copy of the new bill format.

The Committee expressed an interest in establishing focus groups and administering a customer survey. The General Manager's plan is to address those issues at the next meeting.

The Committee discussed promoting internal and external stakeholder involvement, and there are several examples provided in the minutes.

The General Manager informed the Committee that he will present a plan of action at the October meeting regarding the Covington and Burling report recommendations.

The Committee discussed the Lead Service Line Replacement Program. Staff shared with the Committee a brochure that is being prepared for customers on the lead service replacement program.

Human Resources/Labor Relations Committee

Reported by: Alfonso Cornish

The Human Resources and Labor Relations Committee met on September 15th. The Committee received a presentation from Otho Milbourne, Benefits Manager. Mr. Milbourne informed the Committee of the results of the negotiations of the 2005 health and welfare insurance premiums.

The overall increase in the employee and employer annualized premiums is 7.1% or \$254,000. The Committee feels that this is very significant because, if you look at the national trend, the national trend is double-digit, about 14 percent for medical, 7.3 percent for dental/PPOs, and 5 percent for dental/HMOs. The Committee applauded the Human Resource staff for the work that they have done in negotiating benefits.

Mr. Romer asked the General Manager to provide an update at the next committee meeting on the human resources issues identified in the Holder Report.

The General Manager reviewed the provisions of the Employment of Relatives policy with the Committee and the policy is standard and consistent with many of the local jurisdictions. In addition, Barbara Grier Human Resources Director, provided an overview of the reorganization in the Materials Management Branch.

The General Manager provided an update to the Board that the unit modification case was moved up to October the 4th and the final case presentations were heard on that date.

Environmental Quality and Operations Committee

Reported by: James Caldwell

Mr. Caldwell reported that the Committee met on September 16th. The Committee was provided with status updates. Flows for August averaged 320 million gallons a day, which is significantly lower than it has been primarily due to dryer weather.

The Committee discussed the Washington Aqueduct's Residual Disposal Feasibility Study. Three options were presented: (1) onsite dewatering and monofill; (2) onsite dewatering and offsite trucking; and (3) installing a 12-inch line and pumping the residual to Blue Plains for dewatering and trucking offsite.

The Committee agreed that it is time for Blue Plains to weigh-in and suggested that option 3 is not a viable alternative considering the footprint problem WASA is having with its own construction needs at Blue Plains, as well as the added impact to the Authority's ability to operate its own responsibilities under the NPDES program

The Committee had a brief discussion on the status of the water services program, primarily the lead removal program. The Authority is making a stronger push to have the private portion of the service lines replaced, and that is being achieved through offering fixed customer unit pricing, and also some greater outreach mailings to present to the public what their options are and that the cost should be lower than if they pursued it through a private contractor.

The Committee requested a status report on a monthly basis on the Lead Replacement Program.

Mr. Bender reported to the Committee that the DC Auditor initiated a major audit of the Large Meter Testing and Repair Contract, covering the period of May 2000 through June 2001. The contract was for the testing and repairs of approximately 2,800 large service meters accounting for approximately half of the total DC retail water use. The audit report contained twelve findings and nine recommendations. WASA agreed to five follow up actions in response to the findings and all but one have been completed.

The Committee was provided a status of the digester project. On November 18th, the Authority will be go before the Zoning Commission to present their application for a planned unit development and a height variance to pursue the last hurdle before the Authority can start digging in the ground to get the digesters underway.

The Committee discussed the Maine and O Street Pumping Station project. The Zoning Commission placed several stipulations on the special exception approval. The Authority felt that the stipulations were not in the best interest of the Authority's ratepayers. The Authority found that all of its increased needs and demands can be

contained within the building, and there was not a need to pursue the request for special exception.

The Committee is recommending thirteen joint-use and six non-joint use consent items for Board approval.

CSO Stormwater Subcommittee

The Committee requested a regular written status of the CSO Program. A report status form was presented to the Committee for review and comment.

Finance and Budget Committee

Reported by: Anthony Griffin

Mr. Griffin reported that the Committee met on Thursday, September 23rd.

Mr. Bender reported to the Committee that capital disbursements are projected to be lower at the end of the fiscal year ending September 30th, compared to the third quarter estimate, by approximately \$20 million.

The Committee was informed that operating expenditures were at 86 percent of the \$258.9 million budget with 92 percent of the fiscal year completed.

Mr. Griffin stated that one of the concerns of the Authority was the expenditure of funds dealing with the lead issue and the affect it would have on the Authority's appropriation ceiling. The General Manager and the Chief Financial Officer reached in agreement with the District's Chief Financial Officer, and there will be a transfer of \$12 million from the District's Budget Authority to cover the expenses that are being incurred by WASA, and this document was signed on September 22nd.

Mr. Bender provided the Committee a report on the Authority's Variable Rate Debt Issuance. This report will be provided to the Committee on a monthly basis.

Mr. Bender reported to the Committee that insurance policies for blanket property, fidelity and crime, and fiduciary liability are expiring in October. The current annual cost of premiums for these policies is \$955,000, and Mr. Bender estimated that the new premiums will be slightly less. The only issue was the flood insurance. Historically, WASA's insurer has applied a \$10 million limit to Blue Plains due to the height of the floodwall. It has now been determined that all other facilities that fall within the high hazard flood zones, as well as Blue Plains, will be subject to a total \$10 million per year in coverage.

The Committee had some discussion on the electricity procurement and is recommending the Board authorize the General Manager to execute his authority in purchasing electricity for the Authority.

General Manager's Report
Presented by: Jerry N. Johnson

Mr. Johnson reported that the Authority participated for the first time in the District of Columbia's tax sale this year. The Authority submitted 105 accounts, totaling \$2.7 million, and received payout from 49 of those accounts.

The SPLASH program has attracted \$851,000, and of that \$851,000 the Authority distributed \$5,700 of the money during the course of the year for 24 customers. That is an average of \$239 per customer in the past year, through the Salvation Army.

Mr. Johnson presented a video clipping that was aired on channel 4 regarding the AMR program.

Mr. Johnson reported that the Authority have been working closely with the Health Department in terms of their examination of blood lead levels and its association with lead in drinking water. The Health Department concluded that with all the data collected, there was no nexus between any elevated blood lead levels and the lead in water problems in the District of Columbia. The data will also be included in the weekly morbidity and mortality report published by the Center for Disease Control. The final version of the Health Department's report will be reported out at the Lead in Water Workshop on October 11th.

Mr. Johnson stated that the Authority is well within the permitted parameters in operating the plant.

Mr. Johnson reported that as part of the National Biosolids Partnership, the Authority is one of two utilities in the country that have been certified under the biosolids management program audit.

The Potomac Interceptor lawsuit appeals were dismissed during the past month. The Authority is now working with the attorneys on settlement of its claim for attorney fees.

Mr. Johnson noted that during the most recent labor/management partnership symposium, for the third of five years, the Authority was awarded second place for the Pothole Award. Mr. Johnson recognized the Authority's Department of Facilities for receiving that award. The Department of Procurement received the National Achievement of Excellence Award in Procurement from the National Purchasing Institute.

Mr. Johnson reported that as of September 30th, the Authority completed 1,715 lead service line replacements in public space. The Authority reported to EPA a total of 1,689 because the report was due on the last day of the month, and the Authority did not want it to be late. Therefore, the report will be updated for the number that was completed by the end of that period. Mr. Johnson stated that of those replacements in the 2003 program, there were 12 private replacements. In the 2004 program to date, there are 14 and 16 more contracts pending that are part of the '04 contract.

Mr. Johnson stated that there is a Total Coliform Rule established by the U.S. EPA, that requires every jurisdiction to test on a monthly basis a number of samples for total coliform. Coliform is a marker that is used to establish whether there is an environment that is present, or where other bacteria may grow. The coliform is not a bad bacteria.

Mr. Johnson reported that by the end of the month, the Authority completed 290 or more samples, and just over 6 percent of those were positive. To date, this month the Authority has run tests since the first day, and none of them have come up positive. The Authority is taking a number of steps as the Authority goes forward to address this issue, and all of those steps go beyond what is required as a part of the Federal regulations. The lessons learned from the lead issue are that there is a demand for a higher degree of information and for a higher degree of service in this community than is required by the floor of the regulations.

Mr. Johnson stated that the Authority is increasing its water main flushing program. The Authority is ensuring that disinfection levels remain high throughout the system. The Authority is looking at the issues of quality control around the sampling program, to ensure that that is being effectively done. In addition, the Authority is effectively responding to customer questions and sending updates to every home in the District of Columbia. The rules require that the Authority send a notice to all the customers and the Authority has set up a rapid response team to deal with any customer concerns or complaints. Notices was printed in the daily newspaper on Monday the 4th, which is almost three weeks earlier than is required. A notice will also appear in every community newspaper in the District. We are working out some special arrangements with a couple of the newspapers that more effectively address people with HIV/AIDS and immune-compromised systems. Also, a concise letter will accompany the notice, in addition to the language of the Federal regulations that is included there, so that we provide a bit more clarity to the issue, will accompany the notice.

Mr. Bardin asked the General Manager what his thinking is on what the Authority has to do regarding the restoration of major league baseball to the District of Columbia that involves two locations near WASA's facilities. Mr. Johnson stated that he has had some preliminary discussions with the Deputy Mayor for Economic Development and they will meet in the future so that he can have a better understanding of the plan.

Consent Items (Joint Use)

1. Approval of Change Order No. 5 of Contract No. 020010, Ulliman Schutte Construction, LLC – Resolution #04-68 (Recommended by the Environmental Quality and Operations Committee 09/16/04)
2. Approval of Change Order No. 10 of Contract No. 020020, Ulliman Schutte Construction, LLC – Resolution #04-69 (Recommended by the Environmental Quality and Operations Committee 09/16/04)

3. Approval to Exercise Part of Option Year Three of Contract - WAS-01-004-AA-MB C&E Services, Inc. of Washington – Resolution #04-70 (Recommended by the Environmental Quality and Operations Committee 09/16/04)
4. Approval to Exercise Option Year Two of Contract - WAS-01-023-AB-DW, JABB II, LLC Joint Venture – Resolution #04-71 (Recommended by the Environmental Quality and Operations Committee 09/16/04)
5. Approval to Exercise Option Year Four of Contract - WAS-2031-AA-BS, K-F Environmental Technologies, Inc. – Resolution #04-72 (Recommended by the Environmental Quality and Operations Committee 09/16/04)
6. Approval to Exercise Option Year Three of Contract - WAS-01-039-AA-JS, Tricon of Washington DC, Inc. – Resolution #04-73 (Recommended by the Environmental Quality and Operations Committee 09/16/04)
7. Approval to Exercise the Fourth Year of Contract - GS-35F-0698J, BTG Incorporated – Resolution #04-74 (Recommended by the Environmental Quality and Operations Committee 09/16/04)
8. Approval to Extend Contract - WAS-01-005-AA-JS, MVM, Inc. – Resolution #04-75 (Recommended by the Environmental Quality and Operations Committee 09/16/04)
9. Approval to Extend Contract - GS-35F-5057H, IQuest Solutions – Resolution #04-76 (Recommended by the Environmental Quality and Operations Committee 09/16/04)
10. Approval to Extend Contract - GS-35F-0197L, Networking for Future, Inc. – Resolution #04-77 (Recommended by the Environmental Quality and Operations Committee 09/16/04)
11. Approval to Extend Contract - GS-35F-4076D, Dell Marketing, LP – Resolution #04-78 (Recommended by the Environmental Quality and Operations Committee 09/16/04)
12. Approval to Extend Contract - GS-35F-5570H, Adsystem, Inc. – Resolution #04-79 (Recommended by the Environmental Quality and Operations Committee 09/16/04)
13. Authorization to Negotiate Electricity Supply Contracts – Resolution #04-80 (Approved by the Environmental Quality & Operations Committee 09/16/04 and the Finance & Budget Committee 09/23/04)

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

Consent Items (Non-Joint Use)

1. Approval of Supplemental Agreement No. 4 of Contract - DCFA #358-WSA, Hazen and Sawyer – Resolution #04-81 (Recommended by the Environmental Quality and Operations Committee 09/16/04)
2. Approval of Change Order No. 16, Contract No. 01-0050, Whiting-Turner Contracting Co. – Resolution #04-82 (Recommended by the Environmental Quality and Operations Committee 09/16/04)
3. Approval of Change Order No. 3, Contract No. 040010, C&F Construction Company – Resolution #04-83 (Recommended by the Environmental Quality and Operations Committee 09/16/04)
4. Approval to Exercise Option Year Three of Contract - GS-10TF-02-EBD-0005, Ebits Corporation – Resolution #04-84 (Recommended by the Environmental Quality and Operations Committee 09/16/04)

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.

Respectfully submitted,


Secretary to the Board of Directors