



District of Columbia Water and Sewer Authority

MINUTES

**94th Meeting of the Board of Directors
Thursday, December 2, 2004**

Present Directors

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

Present Alternate Directors

Brenda Richardson
Stephanie Nash
Robert Stalzer
David Lake

WASA Staff

Paul Bender, Acting General Manager
Avis Marie Russell, General Counsel
Linda R. Manley, Secretary to the Board of Directors

Chairman Gerstell called the 94th meeting of the Board of Directors to order.

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

Chairman Gerstell stated that the Board would be discussing a matter currently in litigation. Therefore, the Board would move into an Executive Session and then resume with its regular agenda.

The Board reconvened into its public meeting.

Approval of Minutes of November 4, 2004 Meeting

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

Committee Reports

Chairman Gerstell asked each Committee Chair to be brief in their reporting.

Community and Customer Service

Reported by: Alexander McPhail, Chairman

Mr. McPhail reported that the Authority's SPLASH program, which is a contribution to the Salvation Army that comes from the Authority's customers to assist people in difficulties in paying their water and sewer bill, was officially launched off to a very good start. The first month the Authority received over \$2,000 in contributions.

Mr. McPhail also recognized Hexagram Corporation for their contribution to the Authority's SPLASH program.

Mr. McPhail noted that Resolution #04-104 is a Board policy on the release of public information. The policy is consistent with the Federal Freedom of Information Act in that when information is released to the public, information of a personal nature, such as names, addresses, and social security numbers, would not be provided to individuals or government entities unless required by law. This policy allows the General Manager and other members of the staff a firm policy on the release of public or private information that is in the Authority's possession.

Mr. McPhail congratulated the Customer and Community Services Committee and members of staff that have worked very hard on the Committee's work plan items. He noted, in this context that the Communications Plan should be finalized soon, and that the Government Relations Plan is finalized and had been circulated.

Human Resources/Labor Relations Committee

Reported by: Bruce Romer, Chairman

Mr. Romer reported that the Committee met on November 17, 2004. The Committee convened into an executive session to review the status of some labor/management issues. The Committee members came away satisfied that management is taking appropriate actions with respect to the issues on the table.

The Committee also reviewed the selection process to come up with a vendor to provide recordkeeping and investment services for the Authority's various retirement plans. The Authority had good competition, and received eight responses to the Request for Proposal. The process resulted in the selection of Fidelity Investments.

Mr. Romer stated that the Committee took a look at WASA's Comprehensive Safety Program. The Committee was very impressed with some of the progress that has been made. The metrics are very good. As an example, the Authority posted a 50 percent reduction in lost work days and a significant decline in Worker's Compensation claims for the past year. The Committee was pleased to hear that.

The Committee reviewed its work plan to ensure that it is progressing satisfactorily on the items that are on the work plan for the year.

Joint Meeting of the Finance and Budget and Environmental Quality and Operations Committee

Reported by: Chairman Glenn Gerstell

The Committee heard extensive presentations from the financial staff on both the Operating and Capital Budgets. The revised Operating Budget for FY 05 is \$275 million, which is in line with what the Committee had previously approved. The proposed FY 06 Operating Budget is \$290 million, which is an increase of \$15 million, but reflects several things. The staffing is still less than the 1998 level, so that is really a remarkable achievement for the Authority to still have fewer positions than 1998, reflecting really the Internal Improvement Plan Program and the success of that.

Chairman Gerstell reported that of the 16 new staffing positions proposed, 12 are for lead-related activities. He stated that if the Authority had not had the lead issue, it would have only had an increase of 4 positions.

The Committees also reviewed the Capital Program and will be getting into it in greater detail at the December meetings.

The Committee received an update regarding the electricity report. There has been discussion about the issue of the Authority contracting directly to purchase electricity. The Board is comfortable with staff's approach.

Environmental Quality and Operations Committee

Reported by: James Caldwell, Chairman

The Environmental Quality and Operations Committee met on November 18th following the joint meeting. It was reported that the digester project has been going on for some time, and some concern has been the fact that the project cannot continue to move forward until approval is received from the District on the height variations.

The Zoning Commission did hear the case last month and made a decision from the bench to approve the height variations and, while that is a significant factor in the project's progress, it still need to be approved by the National Capital Planning Commission. The Authority is on schedule and ready to start to move quickly with the digesters.

The Committee reviewed a series of contracts for recommendation to the full Board.

General Manager's Report

Presented by: Paul Bender, Acting General Manager

Mr. Bender reported that over the last 30 to 45 days, the Authority saw a rate of over 10 percent of homeowners taking advantage of the private line replacement compared to 1 or 2 percent previously. This is a result of the increased communications efforts the Authority is undertaking by getting contracts to customers along with the initial notification.

Mr. Bardin requested a report from management to the committees on what is going on regarding the distribution of water filters. The report should also address whether the Authority should consider going back to EPA and seeking an amendment of that Consent Decree, to rationalize the system so that filters are put where they are needed.

Mr. Bender responded that he would provide a response to Mr. Bardin's request.

Administrative Items

The Board approved the resolution which extends its gratitude to Hexagram Corporation for their contribution to the Salvation Army for the Authority's SPLASH program.

The Board presented plaques to Lucy Murray (Founding Member) and Michael Hodge for their dedication and outstanding services to the Board of Directors. Chairman Gerstell noted their many accomplishments during their tenure on the Board.

Consent Items (Joint Use)

1. Approval of Contract No. 010140, Fru-Con Construction Corporation - Resolution #04-98 (Recommended by the Environmental Quality and Operations Committee 11/18/04)
2. Approval of Contract No. 00-0160, W. M. Schlosser Company, Inc. - Resolution #04-99 (Recommended by the Environmental Quality and Operations Committee 11/18/04)
3. Approval of Contract No. 99-0040, W. M. Schlosser Company, Inc. - Resolution #04-100 (Recommended by the Environmental Quality and Operations Committee 11/18/04)
4. Approval of Contract No. 970099, W. M. Schlosser Company, Inc. - Resolution #04-101 (Recommended by the Environmental Quality and Operations Committee 11/18/04)
5. Approval Contract No. WAS-04-040-AA-VW, The Wackenhut Corporation - Resolution #04-102 (Recommended by the Environmental Quality and Operations Committee 11/18/04)

6. Approval of Contract No. WAS-04-053-AA-MB, C&E Services, Inc. of Washington – Resolution #04-103 (Recommended by the Environmental Quality and Operations Committee 11/18/04)
7. Adoption of Policy on Public Access to Customer Information – Resolution #04-104 (Recommended by the Customer and Community Service Committee 11/10/04)
8. Approval of Aon Insurance – Resolution #04-105 (Recommended by the Joint Committee of the Environmental Quality and Operations and Finance and Budget 11/18/04)
9. Approval of Ace Insurance – Resolution #04-106 (Recommended by the Joint Committee of the Environmental Quality and Operations and Finance and Budget 11/18/04)

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

Consent Items (Non-Joint Use)

- Approval of Contract No. WAS-04-060-AA-MB, Alliance Data Systems – Resolution #04-107 (Recommended by the Environmental Quality and Operations Committee 11/18/04)

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.

Agenda Amendment

Resolution #04-18 –Authorization for the General Manager to Sign a Consent Decree on Behalf of the Authority in Settlement of Lawsuits Brought by certain Environmental Organizations and the United States.

Mr. Bardin stated that this is the settlement of the Long-Term Control Plan/Combined Sewer Overflow litigation brought by EPA through the Department of Justice against the Authority and the District of Columbia. It has been negotiated long and hard by the General Manager, who briefed a joint meeting of two committees in Executive Session last month. The Board had a further briefing at the Executive Session this morning, and feels that this is a good, balanced proposed settlement that carries forward the statutory obligations of the Authority and the policy goals of the Authority and the District of Columbia.

Mr. Bardin suggested two language changes to the proposed resolution. In the "Whereas" that begins at the bottom of the first page and goes onto the second, he suggested adding "which when fully implemented will reduce overflows to the Anacostia River by 40 percent," and then the next to the last "Whereas" after the words "the Clean Water Act," add "and will further improve, to 98 percent, the reduction of overflows to the Anacostia River."

Mr. Bardin moved the approval of the resolution with the revisions and Mr. Romer seconded the approval.

Hearing no other business the meeting was adjourned.

Respectfully submitted,

Linda R. Manley
Secretary to the Board of Directors