



**District of Columbia Water and Sewer Authority**

**MINUTES**

**96th Meeting of the Board of Directors  
Thursday, February 3, 2005**

**Present Directors**

Bruce Romer, Vice Chairman  
Anthony Griffin  
F. Alexis Roberson  
David J. Bardin  
James Caldwell  
Alexander McPhail  
Alfonso Cornish  
Brenda Richardson (alternate for vacant principal position)

**Present Alternate Directors**

Stephanie Nash  
Donna Wilson  
David Lake  
Robert Staizer

**WASA Staff**

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

Vice Chairman Romer called the 96<sup>th</sup> meeting of the Board of Directors to order.

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

## **Approval of Minutes of January 6, 2005 Meeting**

It was Moved and Seconded that the minutes of the Board of Directors meeting of January 6, 2005 be approved. The motion carried unanimously.

## **Committee Reports**

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

*Reported by: James Caldwell, Chairman*

#### **Blue Plains Plant Performance**

Mr. Caldwell reported that the Committee met on January 26<sup>th</sup> and the first order of business was to discuss the performance of the Blue Plains plant. The average flow for the month of December was 326 mgd, and the Authority was in compliance with all parameters.

Staff reported to the Committee that EPA modified the Blue Plains NPDES operating permit to include long-term control plan issues associated with the plant. The permit is in operation from December 16<sup>th</sup>, 2004 – February 25, 2008. Two appeals have been filed: one by the Authority and another by the Sierra Club and Friends of the Earth. The appeal aspects of the permit will be held in abeyance as they are under discussion and all other criteria will be in effect. EPA is working with the Authority and the two environmental organizations in an attempt to reach mediation on those appeals.

The Authority was informed that the Washington Aqueduct modified its plans and no longer considers Blue Plains as an option for dewatering their solids. The Aqueduct is looking at the area behind Sibley Hospital as a dewatering site. This area would provide better truck access.

#### **Digester Project Approvals**

The Digester Project is still on schedule. However, there are some issues associated with the design. The issues are not structural engineering but more architectural issues. The height variance for the Digesters has been approved. The plan that the Authority presented and was accepted by the National Capitol Park and Planning Commission was one that has subsequently been characterized as Victorian architecture. The Zoning Commission and the Commission on Fine Arts (CFA) have yet to agree on whether they like Victorian architecture or 1930s industrial art deco architecture.

The Authority's consultants modified the design to reflect the desires of the CFA. Staff will work closely with the Zoning Commission and the CFA on both a formal and informal basis to reach a consensus on the design issues.

### **Water Service Program Status**

Staff reported to the Committee that for the month of December, the Authority had one positive sample. This result does not place the Authority in noncompliance.

### **Lead Service Replacement Program**

The Committee received a status update from staff on the Lead Service Replacement Program. The Authority is on schedule. This is the first report the Committee received based on its request from staff to keep the Committee updated from the measures associated with the Authority's progress.

The Committee reviewed eight contracts, and the Committee agreed to recommend the contracts to the full Board for approval.

### **CSO Stormwater Management**

The Committee reviewed the Anacostia Tunnel Project and the Authority is in the process of consultant selection for the facility planning aspect of the project. The selection is expected within the next couple of weeks.

### **MS4 Permit Appeal Status**

The permit disagreements have not yet been resolved and EPA will schedule a hearing for negotiations with all parties.

The Committee received a brief history on the tidal gates in the tidal basin. The Committee was informed that it was found that the tidal gates have been silted in and the gates are partially in an open position. There is discussion underway right now with the National Park Service to determine who is responsible for the repairing of the tidal basin gates because it is affecting the Authority's ability to deal with the Combined Sewer Overflow issues.

### **Advocacy for LID**

The Authority proposed a LID program to the District for several of their projects, to include the new baseball stadium. There could be some potential activity at the stadium to show that the Authority is dealing with stormwater and low impact development designs.

In other business of the Committee, it was noted that the Blue Plains Chief Administrative Officer's have accepted the annotated Intermunicipal Agreement (IMA) that had been worked on for about the last five years, and they will be initiating renegotiation of the IMA probably in the fall

Mr. Bardin asked the General Counsel if the Zoning Commission has issued the written approval on the height variance. Ms. Russell, General Counsel, replied no. Mr. Bardin requested that the Board be e-mailed a copy of the approval once received by the General Counsel.

## **Customer and Community Service Committee**

*Presented by: Alexander McPhail*

### **Private Line Replacement Update**

Mr. McPhail reported that the Committee met on January 13<sup>th</sup>. The Committee was updated on the lead service line replacements. The Committee was informed that there was low acceptance from customers to replace the private side of the lead service line, despite the efforts the Authority had gone through to put in place methodologies for people to determine how much it would cost to find sources of financing and even for the Authority's lowest income customers to find grants.

### **Call Center Update**

Mr. McPhail stated that as noted in the General Manager's report, this is one of the most difficult parts of the Authority's business. Staffing in customer service is made more difficult by the length of time it takes to have the people fully trained and the nature of the business. The Authority is hearing from other entities is that people do not stay a long time in customer service operations. Staff has committed to try to fill the vacancies as quickly as possible, and also continue to upgrade the technology so that technology can assist in addressing customer concerns.

Mr. McPhail requested that the Board Secretary distribute to other Board members the presentation on the call center. The presentation shows the response on a typical day, and that the highest peak is at the lunch hour.

### **Federal Grant Initiative**

The Committee and staff discussed ways to increase the amount of federal grants that the Authority receives specifically for two items the Committee would like to target: (1) the Combined Sewer Overflows; and (2) the lead service line replacements.

Based on the discussion, it was noted that the Authority when compared to other utilities, receives more grants than most utilities. The Committee requested that staff explore other ways to address receiving grants and to have a formal effort of undertaking this. Mr. McPhail stated that Johnnie Hemphill has experience with this and has come up with some helpful suggestions. An additional staff person will be hired to assist Mr. Hemphill.

The Committee then focused on the way the Authority communicates to its customers and the community. The Authority has come a long way and is improving in its outreach

to the community. The Authority is beginning to be more strategic about its outreach, and is beginning to initiate those strategies. In addition, staff is seeing this as an opportunity to get ahead in reaching out to the community. An example of this outreach is the report card that was sent out to the community and customers on how the Authority is doing regarding the lead service line activities.

Mr. Cornish asked if an analysis was done of the workload of the customer service operation to see if that is related to the turnover. The General Manager stated that the Authority went through a tremendous amount of transition within the customer service office and there is now higher standards that have been established for that operation.

The General Manager stated that some of the turnover is attributable to people who just are not able to make it through the probationary period, and in some cases where people have just taken on and found other opportunities and left the organization. The General Manager informed the Board that staff will take a look at some of the other utilities that have gone through similar transition and try to determine if that is, in fact, the case. The General Manager stated that it is more a factor of getting professionals who can actually deal with customers and work at the level of the Authority's expectation. Mr. Cornish stated that the General Manager may want to consider some level of retention incentives to assist in retaining people. Mr. Johnson stated that that suggestion was discussed at the Customer Service Committee meeting and staff will research those incentives.

Mr. Bardin discussed the article that was printed by the Authority on its Community Pledge. Mr. Bardin stated that there are three sentences in the ad that garbles the message. He hopes that the Customer and Community Service Committee will review those sentences carefully and consult with the General Manager on how the Authority can have a more focused, accurate and to the point communication in the future.

Vice Chairman Romer noted that before the Board continues with the next committee report, he would like to acknowledge representatives from the Virgin Islands Waste Management Authority. The Board is honored that the representatives decided to come to the DC Water and Sewer Authority to learn about its operations.

## **Finance and Budget Committee**

*Reported by: Anthony Griffin*

Mr. Griffin reported that the Finance and Budget Committee met on January 25<sup>th</sup> and received briefings from staff on the financial overview of the Authority through December. The Authority completed the first quarter of the fiscal year, and the performance is on track.

### **Operating Receipts**

Mr. Griffin noted that with twenty-five percent of the fiscal year completed, the Authority collected twenty-seven percent of the projected revenue. In terms of operating expenditures through the first quarter, the Authority spent twenty-two percent of its budget.

One of the highlights is the increased cost in chemicals. The Authority is in the process of rebidding a lot of its chemical contracts, and noted a significant increase in the chemical budget. A partial explanation for the increase is the increase in oil prices. It is anticipated by staff that in the chemical expenditure category, in fact, the Authority may exceed that. Staff will monitor that expenditure and make sure that the budget works.

In the utilities category, year-to-date spending is at 22 percent of budget, with 25 percent of the fiscal year completed.

Year-to-date debt service payments total \$41.3 million, or 20 percent of budget, with 25 percent of the fiscal year completed.

### **Capital Expenditures**

Capital disbursements increased in the month of December. For the quarter, the Authority is at 19 percent versus 25 percent and will get a more complete review of this at the completion of the second quarter.

The current cash balance is above the Board's reserve requirements, and the forecasts indicate that the Authority should be above it for the remainder of the year.

### **Cash Reserve and Investments**

The Authority's investments are tracking pretty close to the three month treasury bill, which is a little lower than the Authority had performed in the past. However, the Authority took advantage a year ago to lock in some higher rates, and now that the interest rates are inching up, while the Authority benefited on the front end, the Authority is not benefitting as well on the rear, but is still doing reasonably well.

### **Electricity Procurement Update**

The Committee received a detailed briefing on the purchase of electricity. Mr. Griffin stated that the minutes reflect a thorough discussion.

Mr. McPhail asked how much the increase of the electricity bill is compared to the increase in percentage terms this year. Mr. Griffin stated that it is about a 30 percent increase over last year purchases.

Mr. Griffin noted that staff would monitor the electricity procurement closely. In addition, he noted that staff is doing a lot of outreach in terms of working with the District and with WSSC staff to look at alternative ways in terms of how electricity can be purchased.

Mr. Bardin called to the attention of staff and the Board an article in today's Washington Post. There is a two page ad by the Director of the Office of People's Counsel on the question of what is happening to electricity prices this month, why it is happening and what consumers can do. Mr. Griffin requested that staff share that article with the suburban jurisdictions, because they have similar issues.

Ms. Roberson asked if an update was provided to the Board prior to her arrival on the relationship between the Commission of Fine Arts and the Zoning Commission. Mr. Caldwell stated that the Authority is waiting for a final determination on those organizations.

Mr. Caldwell provided other Board members the background of Ms. Roberson's request. He stated that the issue is that the Zoning Board and the Commission of Fine Arts both have reason to comment and make decisions on the architecture of the digesters, and the question of concern was whether or not the Zoning Board could act independently or if the Commission of Fine Arts had some authority to also weigh in or are they just advisory.

Mr. Bardin requested a written memorandum from the General Counsel spelling out which agency is controlling and which merely advisory.

Vice Chairman Romer stated that if the Zoning Commission and the Commission of Fine Arts collaborate or come to the same conclusion and this keeps the Authority on schedule, than the necessity for a legal opinion becomes probably unnecessary if they do come back with the answer that the Authority wants. In the alternative, if the Commissions do not come to the same conclusion then there may be a need for some legal opinion, and the General Manager and his staff should be posed to do that if they sense that the answer is going to come back different. Mr. Cornish agreed with Mr. Romer and stated that most important is resolving the issue and moving forward and not having a delay.

Mr. Bardin stated that even if the General Manager informally resolves the issues on the Digesters, he would like the General Counsel to put in writing the General Counsel's view because the same issues can come up again each time the Authority proposes major construction at Blue Plains. On each such occasion, he expects, the Authority will have to return to the D.C. Zoning Commission – either to approve a new Planned Unit Development (PUD) or to amend the "Digester Pud" –now that the Authority has committed itself to zoning regulation by PUD.

Mr. Johnson noted that he would provide the Environmental Quality and Operations Committee at its next meeting the expenditures so far regarding the design project of the digesters.

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

*Reported by: Jerry Johnson, General Manager*

The General Manager noted that on page 5 of his report the capital disbursements are laid out by category. The Authority is at \$25.2 million in disbursements for the month, and a total of \$55.7 million for the quarter.

The first quarter capital project report was distributed at the Operations Committee meeting, and he recommends that report to the Board for their review.

Staff continues to monitor the electric cost. The Authority averaged about \$42 a megawatt in December. By late January the Authority was at 36.

The General Manager reported that the comprehensive annual financial report would be available to the Board by the middle of February.

The General Manager called the Board's attention to page 10 and 11 for the call center performance. Based on a review by the Customer and Community Service Committee, staff revised the reporting by separating the peak hours from normal performance time.

The Authority issued \$3.4 million in goods and services contracts, another \$16 million in construction and A&E contracts.

The Plant is well within the permit parameters.

The General Manager noted that the Authority hired a person on board to specifically focus on construction contractors and safety issues at the Blue Plains plant and in the Authority's field operations.

The General Manager acknowledges the resignation of Kofi Boateng, Water Services Manager. Mr. Boateng accepted a position in Palm County, Florida.

### **Consent Agenda Joint-Use**

**The agenda was modified to remove Resolution No. 05-15 from the non-joint use to the joint-use consent agenda.**

1. Approval of Contract No. FCWA-05-01, Chemicals Unlimited (Allegiance) - Resolution #05-10 (Recommended by the Environmental Quality & Operations Committee 01/26/05)
2. Approval of Contract No. FCWA-05-01, Colonial Chemicals – Resolution #05-11 (Recommended by the Environmental Quality & Operations Committee 01/26/05)
3. Approval of Contract No. FCWA-05-01, Kuehne Chemical – Resolution #05-12 (Recommended by the Environmental Quality & Operations Committee 01/26/05)
4. Approval of Contract No. FCWA-05-01, J & K Distributors – Resolution #05-13 (Recommended by the Environmental Quality & Operations Committee 01/26/05)
5. Approval of Contract No. FCWA-05-01, Tricon of Washington – Resolution #05-14 (Recommended by the Environmental Quality & Operations Committee 01/26/05)
6. Approval of Contract No. GS-10-F-0383L, PB Consult – Resolution #05-15 (Recommended by the Finance & Budget Committee 01/25/05)

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

**Consent Agenda Non-Joint Use**

1. Approval of Contract No. 030220, William M. Schlosser Company – Resolution #05-16 (Recommended by the Environmental Quality & Operations Committee 01/26/05)
2. Approval of Contract No. 030070, O'Donnell Construction Co. – Resolution #05-17(Recommended by the Environmental Quality & Operations Committee 01/26/05)
3. Approval of Change Order No. 21 of Contract No. 01-0050, Whiting-Turner Contracting Co. – Resolution #05-18 (Recommended by the Environmental Quality & Operations Committee 01/26/05)

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