



District of Columbia Water and Sewer Authority

Board of Directors

MINUTES

Thursday, February 5, 2009

Present Directors

Chairman William M. Walker, District of Columbia
Vice Chairman Dan Tangherlini, District of Columbia
Anthony Griffin, Fairfax County
David J. Bardin, District of Columbia
Keith Stone, District of Columbia
Timothy Firestine, Montgomery County
Robert Hoyt, Montgomery County
Dr. Jacqueline Brown, Prince George's County
David Byrd, Prince George's County
Alan Roth, District of Columbia
Howard Gibbs Alternate for F. Alexis Roberson, District of Columbia

Present Alternate Directors

Joseph Cotruvo, District of Columbia
Jimmie Jenkins, Fairfax County
Paivi Spoon, Prince George's County
George Hawkins, District of Columbia
David Lake, Montgomery County

WASA Staff

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

Chairman William Walker called the 140th meeting to order at 1:03 p.m.

Chairman Walker asked the Secretary to dispense with the calling of the roll and confirm that there is a quorum to conduct the business of the Board.

Board Secretary Linda Manley confirmed a quorum.

Chairman Remarks

Chairman Walker noted the recent challenges that the WASA crews are faced with including the severe weather problems and the inauguration, and how the crews dealt with it in such a terrific manner. He noted the need to have some positive public relations done on how well the number of disruptions were handled.

Chairman Walker also noted that during the month of January the Authority raised \$300 million in the capital markets. Given the challenges of the bond market and the success of the Authority, Chairman Walker presented the General Manager and the Chief Financial Officer with the Authority's offering statement framed congratulating them on behalf of the Board.

Chairman Walker stated that the Authority was on the front page of the Washington Post as it relates to a new study based on lead levels in water between 2001 and 2003. This publicity has brought some significant discussion about WASA and the public's trust in this entity. He stated that he wrote an opinion editorial piece for the Washington Post that was carried in Sunday's "Outlook" section, putting forth that after communicating with the Board and the General Manager, the Authority is taking the issue seriously and will review the study and get an independent analysis of the study. If there are areas that need to be addressed, WASA will address them.

The General Manager, during his report will provide a detailed plan on how the Authority will address the study from Virginia Tech and the Children's National Medical Center. In addition, Chairman Walker requested that the General Manager elaborate on the Washington Aqueduct serving as the Authority's in-house laboratory and if the Authority is receiving the services that it contracted with George Washington University Medical Center to provide. He also wanted to determine if the Authority is in touch with the CDC and the Department of Health regarding two studies in 2004 vis-à-vis the recent study.

Chairman Walker requested that the financial performance be reported on a monthly and a quarterly basis. He requested that the 6,000 accounts that are basically dead accounts be cleaned up or written off of the books. In addition, there is a need to look at the billion gallons of loss water a month and the staffing in the Call Center.

Chairman Walker questioned the Authority's public relations strategy in the General Manager's Report. He noted that the report does not reflect the Authority's goals and objectives.

Chairman Walker stated that he previously asked the Governance Committee to take a look at the frequency of meetings and if the meetings can take place on a bimonthly or a quarterly basis. Given what has happened over the last ten days, he feels that this is not the right time to explore the frequency of meetings. The Board should focus on long-term strategic issues.

Approval of the January 8, 2009 Meeting Minutes

Chairman Walker asked for a motion to approve the January 8, 2009 minutes. The minutes were Moved and Seconded with unanimous approval by the Board.

Customer and Community Services Committee

Reported by: Alan Roth, Chairperson

The Committee met on January 13, 2009 and received its second six-month update on progress being made toward full implementation of the Authority's public information plan, which was adopted in late 2008, to implement the Board's October 2008 public information policy.

The Committee requested that the monthly report of the hits to the Authority's website be included in the General Manager's Report.

The Committee discussed the preparation and mailing of the turbidity notice and the issue of primacy.

Chairman Walker requested that management freshen the crisis communications plan to ensure that it is in place.

Chairman Walker stated that there was a note in the Customer and Community Services Committee minutes and the DC Retail Services Committee relating to the potential to petition EPA on disclosure requirements associated with minor or technical violations. Chairman Walker suggested that now is not the time for the Authority to petition EPA on changing disclosure requirements. The General Manager stated that there may have been some Committee discussions, but management had not planned to take any action.

Environmental Quality and Operations Committee

Reported by: David Lake, Chairman

The Committee received a report on the plant performance. The twelve month rolling annual average flow was just under 300 million gallons per day.

At the time of the Committee meeting, the plant's NPDES permit had not been issued but word has since been received that the permit has been issued.

The Authority is on schedule with the Potomac Interceptor Odor Control Abatement Project.

Testing is continuing at the Potomac Sewage Pumping Station and the Authority has not met the consent decree requirements.

The Committee received a presentation from the Authority's Energy Manager relative to the Climate Change Report. The Energy Management Plan for the Authority will be available in the spring.

The Committee received a brief presentation on the Revised Procurement Regulations due to a full agenda. Chairman Walker recommended that the review of the Revised Procurement Regulations be handled with the Finance and Budget Committee. The Board Secretary will coordinate a joint meeting with the Environmental Quality and Operations Committee and the Finance and Budget Committee.

The Committee is recommending five action items for Board approval.

D.C. Retail Services Committee

Reported by: Joseph Cotruvo, Chairperson

The Committee was informed that in January, zero (0) sites tested positive for coliform.

WASA is in its preliminary stages for collecting samples for the first round of annual compliance testing for the Lead and Copper Rule.

The Committee discussed the Washington Aqueduct's changing its treatment process by adding free chlorine as the secondary disinfectant to the water supply each April for a period of six weeks ('chlorine burn'). Staff is recommending the continuation of the chlorine burn and agreed to continue monitoring the process.

The Committee received an update on the fire hydrants and watermain breaks.

Tom Jacobus, General Manager, Washington Aqueduct attended the meeting and begin discussions with WASA on the relationship between the Aqueduct and WASA.

The Committee is recommending two action items for Board approval.

Chairman Walker requested that the Retail Services Committee take the lead as it relates to the lead issue.

Mr. Cotruvo informed the Board that the Department of Health is reviewing the Virginia Tech study. Chairman Walker requested that the Committee inform the Board of a definitive date for the final review and response by DOH.

District of Columbia Retail Rates Committee

Reported by: Dan Tangherlini, Chairperson

Mr. Tangherlini reported that the Authority is on schedule for an implementation of the impervious area charge for April 1st. The General Manager noted that the legislation was signed on and transmitted yesterday to Capitol Hill and the implementation date will have to be moved to May 1st.

The Committee has a rulemaking proposal for Board approval.

The Committee expressed interest in exploring tying the number of residential ERUs to the actual size of the residence and making sure that the Authority recognizes the need or interest in moving in that direction so that it maintains reality with the intellectual basis of pursuing the ERU system and the IAC in general.

The Committee discussed under emerging issues, the possibility of a special assessment legislation, which would create a partnership between the Deputy Mayor for Economic Development's office and DC WASA to allow activities of special assessment to be used to pay for investments that would support economic development activities within the District of Columbia.

Finance and Budget Committee

Reported by: Daniel Tangherlini, Chairperson

The Committee received a report on the finances of the Authority. The operating expenses and revenues are running slightly below budget. This is because of the way the Authority accessed its rate stabilization funds. Mr. Tangherlini noted that the capital expenditures are above budget which is normal because of some of the front payments and the season.

The Committee discussed the fire suppression fee cost of service study. Mr. Tangherlini will meet with the General Manager to work out additional details to ensure that the right number is incorporated into the 2010 budget for the city to accommodate the fire suppression fee cost of service.

Mr. Tangherlini noted that the Mayor and Governors have sent a letter to President Obama and his environmental team asking for assistance on financing

the Blue Plains Wastewater Treatment Plant changes, both for nitrogen as well as for the long-term control plan.

Chairman Walker asked Mr. Griffin, as Chairman of the Blue Plains Chief Administrative Officers Committee, to provide the Board an update on the Intermunicipal Agreement discussions. Mr. Griffin noted that the CAO's met twice and were provided an update of the requirements of the IMA, the Long Term Control Plan and the total nitrogen removal program. Mr. Griffin stated that he has been advised that the Blue Plains Technical Committee in terms of the CSO Plan and the Total Nitrogen Removal Plan have technical recommendations. The next step is for the CAO's to receive a briefing on the recommendations.

Human Resources and Labor Relations Committee

Reported by: Anthony Griffin, Chairperson

The Committee met with two of the five union presidents to hear their concerns. One of the presidents raised an issue as it relates to the Bryant Street facility. It is a homeland security-type issue. The General Manager has taken it under advisement and offered the president a tour of the facility to show the precautions that have been taken.

The Committee initiated the discussion on domestic partner benefits. Staff is in the process of collecting data and will come back to the Committee with recommendations and responses to Committee members questions.

The Committee discussed a floating holiday for non-union employees. Three of the five unions have negotiated a floating holiday. The question was raised that if some employees have the benefit, all employees should have it. Therefore, the Committee is recommending that a floating holiday be extended to non-union employees.

The Committee discussed the Authority's wellness program and what is the Authority doing to minimize its exposure on health insurance, etc. The Committee received an update on proposals that staff is looking at in terms of how the Authority can minimize increases or reduce cost.

Governance Committee

Reported by: Keith Stone, Chairperson

The Committee discussed proposed Board member training and travel. The Committee requested that staff identify firms currently under contract with the Authority that can conduct the training courses.

The Committee vetted a working draft of a Board's self-assessment document. A major concern for the Committee was the purpose of the assessment and how the results would be conveyed. The Committee agreed that additional input was needed from the Board Chair for more direction. Chairman Walker stated that the Board needs broad-based input on how the Board is functioning, the communication between the Chairman and the Board members, and the communication between the Board and the General Manager. Also, is the Board looking at issues such as governance and legal. Is the Board properly represented as far as skill sets and points of view and is there an open forum to exchange ideas? Do people feel like their points of view are being heard.

The Committee discussed staff's proposed work plan to explore the proposed move of the committee schedules from monthly to bimonthly or quarterly.

The Committee discussed the issue of acquiring the Washington Aqueduct. The General Manager informed the Committee that WASA is currently in a Memorandum of Understanding with the City Manager of Falls Church and Arlington County to address potential issues and impacts with acquiring the Aqueduct.

Mr. Gordon Fry, the Director of Governmental Relations, briefed the Committee on the status of various legislation impacting the Authority including the Stimulus Bill and the Impervious Area Charge bill.

General Manager's Report

Reported by: Jerry Johnson

The General Manager noted that the Board received the Comprehensive Annual Financial Report. This is the Authority's 12th consecutive year with a clean audit.

The CAP expansion will be implemented with the first billing cycle in February. That was moved up to go back and do the retro credits from October for the sewer charge portion of the bill.

The Authority had 117 water main breaks in January, which does not include frozen meters, service line leaks and other system repairs that had to be done. This represents a 138 percent increase over the previous year for water main breaks and is consistent with the changing in temperature. There are 22 active breaks that WASA is working on in the system. WASA has 128 fire hydrants that are currently out of service.

The Authority received a draft permit on Monday from USEPA. The formal draft permit will be issued later this month.

The bond sale was at 5.516 for the true interest cost and all in a 5.53. WASA will close on the sale on February 11th.

The General Manager noted that the American Council of Engineers of metro Washington selected the Blue Plains Total Nitrogen Weather Plan as the grand prize winner for the non-design category Engineering Excellence Award.

The General Manager discussed the lead report authored by Mark Edwards and Dr. Dana Bess. He noted that the report generated a request from the Chairperson of the Committee on Government Operations and the Environment and the Chairperson of the Committee on Public Works and Transportation to request another review by the Inspector General of the program that was executed several years ago.

The General Manager discussed with the Board several public relations activities that the Authority is undertaking regarding the lead report. He noted that the Authority's message to the public has been one of clean and safe drinking water. The General Manager reported that the Authority provided the report to an epidemiologist and a Ph. D., who is familiar with lead and has a national reputation, to provide feedback on the report. He is expected to have an assessment back next week.

Chairman Walker noted that the Authority needs to go well above and beyond the call of duty by becoming diligent in ensuring that people understand that the water quality in the District of Columbia is outstanding.

Consent Items (Joint-use)

Mr. Tangerhlini moved joint-use items 09-29 through 09-34 and Mr. Griffin seconded.

Mr. Roth noted for the record that from early 2004 through early 2008 his former firm represented CH2M Hill (Resolution No. 09-31) and he was directly involved with that representation, although not on any matters pertaining to DCWASA. He consulted the Authority's General Counsel and was informed that he was not required to recuse himself or even to disclose this relationship. However, Mr. Roth stated that while he had decided to participate in the matter, he believed full disclosure was appropriate here to address any questions that might arise in the future.

Items 09-29 through 09-34 were unanimously approved by the Board of Directors.

Consent Items (Non-joint use)

Mr. Tangerhlini moved the approval of Items 09-35 and 09-36 and David Bardin seconded.

Items 09-35 and 09-36 were unanimously approved by the District members of the Board of Directors.

Mr. Tangherlini noted that given the issue of lead being one of some significance and continued controversy, he will move Item 09-37 separate from the others. David Bardin seconded.

Item 09-37 was unanimously approved by the District Members of the Board of Directors.

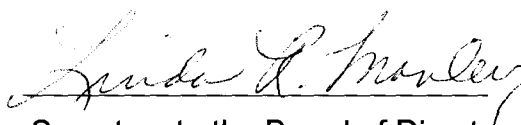
Mr. Tangerhlini noted that because Item 09-38 was the subject of some discussion back and forth, he will move Item 09-38 separately as amended. David Bardin seconded.

Item 09-38 as amended was unanimously approved by the District members of the Board of Directors.

The Board convened into an executive session at 2:49 p.m.

The Board reconvened into the general session at 3:27 p.m.

The 140th meeting of the District of Columbia Board of Directors adjourned at 3:27 p.m.


Secretary to the Board of Directors