



District of Columbia Water and Sewer Authority

Board of Directors

MEETING MINUTES

Thursday, December 3, 2009

Present Directors

Chairman William M. Walker, District of Columbia
David J. Bardin, District of Columbia
Keith Stone, District of Columbia
Timothy Firestine, Vice Chairman, Montgomery County
Robert Hoyt, Montgomery County
Paivi Spoon, Alternate for Vacant Position, Prince George's County
David Byrd, Prince George's County
Brenda Richardson, Alternate for Alan Roth, District of Columbia
F. Alexis Roberson, District of Columbia
Anthony Griffin, Fairfax County
Neil Albert, District of Columbia

Present Alternate Directors

David Lake, Montgomery County
Beverly Warfield, Prince George's County
Dr. Joseph Cotruvo, District of Columbia
Howard Croft, District of Columbia
Howard Gibbs, District of Columbia
Jimmie Jenkins, Fairfax County

WASA Staff

George S. Hawkins, General Manager
Avis M. Russell, General Counsel
Linda R. Manley, Secretary to the Board of Directors

Chairman William Walker called the 149th meeting to order at 9:35 a.m.

Board Secretary Linda Manley confirmed a quorum.

Approval of the November 5, 2009 Meeting Minutes

Chairman Walker asked for a motion to approve the November 5, 2009 minutes. The minutes were Moved and Seconded with approval by the Board.

Chairman's Overview

Chairman Walker noted that this is the final meeting of the year and it has been a year of change, challenges and plenty of accomplishments. He thanked staff for all they have done. In addition, he thanked Board members who put in a tremendous amount of work over the past year and the partners of DCWASA, those entities with which the Authority interacts on a daily basis.

Chairman Walker reminded the Board of the Authority's International Holiday Party on December 11th.

It was noted by Chairman Walker that the General Manager's Report shows solid progress on many issues from the previous month, but there are certain areas of the Board report that seem to have stalled. For instance, account receivable has declined from \$10 million outstanding down to about \$5 million outstanding, but for the last two years it has remained at about \$5 million. There needs to be a plan in place to start driving that number down further. He noted that call volumes are very consistent and asked if there is a goal to reach in call volumes. Finally, over 1 percent of the hydrants are out of service and 63 of those hydrants have been out of service for over 60 days. Chairman Walker requested that staff focus on those 63 hydrants.

Chairman Walker noted that the General Manager will have a new format for reporting out to the Board.

Chairman Walker stated that the Board needs a half day session to have a review of the strategic plan to determine if the Authority is operating in line with the strategic plan.

Chairman Walker informed the Board that Mr. Howard Croft, and Mr. Maurice Boissiere, were confirmed by the District of Columbia Council during the month of November. The nomination of Dr. Cotruvo is in committee and going to the Council for vote at the beginning of January.

Chairman Walker will discuss committee assignments for 2010 and make adjustments and appointments for the coming year.

Customer and Community Services Committee

Reported by: Brenda Richardson for Alan Roth, Chairperson

The Committee met on November 17th and received a SPLASH update. From October 2008 through September 2009, \$95,161.69 was received, bringing the total to \$117,191.80. Of this amount, the Washington Urban League distributed \$109,835.42 to approximately 348 customers.

The Committee suggested that staff provide a detailed assessment of the remaining 15 federal meters in a closeout report and indicate which can realistically be done and are economically feasible.

Mr. Roth requested that staff resume providing the chart that lists the delinquent accounts in the monthly Customer Service Report.

The Committee suggested that staff consider scheduling a meeting with the Property Managers Association to give interested property managers an opportunity to express their concerns.

Ms. Batson reported that staff is on target for the Annual Report, which should be published by January 2010.

Governance Committee

Reported by: Keith Stone, Chairperson

The Committee met on November 18th and the General Counsel, Avis Marie Russell discussed Item # 2 on the Agenda – Conflict of Interest Issues. The General Counsel informed the Committee members that they had been supplied with the relevant regulations for this item – specifically Sections 1814 and 1815, Chapter 18, Part 1 of the District of Columbia Personnel Regulations. The General Counsel noted that the regulations were relevant as they govern the actions of the new General Manager who was previously an employee of the District of Columbia. The Committee was informed that when the General Manager is required to recuse himself from handling a matter pursuant to the regulations, he can delegate the matter to senior management.

The Committee discussed the hiring and firing of a potential General Counsel. After a lengthy discussion, the Committee requested that staff benchmark other utilities to see how the reporting of their General Counsel is handled. Further discussion will take place at the January committee meeting.

Chairman Walker stated that he made an agreement with Ms. Russell in stepping into the role of the Interim General Manager that if there is any change to her employment status when the new General Manager was hired, that change would come through the Board.

The Committee received an update on the issue of acquiring the Washington Aqueduct. After discussion, it was agreed that the matter be tabled until June 2010.

Chairman Walker noted that after the first quarter in 2010, he would like to move the Board meetings to bi-monthly. He charged the Governance Committee with taking a look at the possibility and bringing it back to the Board. In addition, he requested that the Committee take a look at Mr. Hawkins' proposal to change the organization's name.

Under emerging issues, Mr. Bardin noted that the District Council had attempted to expand the Authority's Board from eleven to thirteen members in 2007 without eliciting the Authority's input. The Committee took no further action. Chairman Walker and Mr. Bardin will discuss this matter offline.

Human Resources and Labor Relations Committee

Reported by: Anthony Griffin, Chairperson

Mr. Griffin highlighted one item from his report. He noted that under the consent items joint use, Resolution No. 09-131 relates to exercising the fourth option year for health insurance for the Authority's employees with CIGNA Healthcare. He reported that in four years the cost of the contract has grown from \$2.7 million to \$5.9 million. Part of that growth is due to the fact that DC WASA has a fairly senior employee workforce. The Committee recommends that the Board approve the renewal of CIGNA Healthcare.

Joint Meeting – Environmental Quality and Operations/Finance and Budget/Retail Service Committees

Reported by: David Lake, Chairperson

The joint committees met on Thursday, November 19th. The Committees were provided an overview of the October 2009 Financial Report.

The Committees received a presentation from the Authority's financial advisors, Public Financial Management Group. The financial advisor's indicated that the Authority has done well by going to the bond market in 2009. In addition, the advisors discussed the future timing of the Authority's next bond issuance and it was suggested that the Authority will need to look at late 2010 or early 2011. The financing options were identified and they are listed as Build America Bonds (BABs), commercial paper, and the other instrument referred to as the Master Equipment Lease Program. The financial documents should be ready for Committee recommendation and Board approval next summer.

The Committee received a Revised FY-2010 and Proposed FY -2011 budget overview by the General Manager. Mr. Hawkins will present more detail at the budget workshop following the Board meeting today.

There were some issues that were proposed for action relating to some District items and as a result those items were deferred to the Retail Rates Committee.

Environmental Quality and Operations Committee

Reported by: David Lake, Chairperson

The Committee met on Thursday, November 19, 2009 and was informed that the performance of the plant has been excellent.

Ms. Russell informed the Committee that EPA has not yet issued the Blue Plains discharge permit.

The bid for the Potomac Interceptors was awarded last month by the Board and the notice to proceed on that will begin in the next few weeks.

Mr. Carlton Ray, Director of the Long-Term Control Plan provided the Committee with an update of some of the preliminary aspects of moving forward into construction. He also indicated that there is a site preparation contract that will be moving forward in the location of the old digesters here at the plant.

Dr. Sudhir Murthy provided the Committee a briefing on the research efforts at the Authority.

The Committee is recommending two action items for Board approval.

District of Columbia Retail Services Committee

Reported by: Dr. Joseph Cotruvo

Dr. Cotruvo reported that the Committee received an update on the lead copper rule compliance testing. In the first draw samples collected, only one exceeded the action level of 15. The 90th percentile was down to 7 parts per billion.

There were 56 second-draw samples and 8 that exceeded the action level. This is more of an informational sample.

It was reported that one sample tested positive for coliform in the month of October. In the month of November three samples have tested positive for coliform and the results seem to reflect a new distribution system problem (nitrification) that is arising.

The Committee received a status update on the fire hydrant program. Hydrants that are scheduled for repair or replacement are roughly around one percent.

The Committee is recommending four non-joint use action items for Board approval.

The Committee received a report from Tom Jacobus, General Manager, Washington Aqueduct (WAD). Mr. Jacobus informed the Committee that beginning in January 2010, WAD will begin changing their disinfectant from pure chlorine (gas) to sodium hypochlorite. This is a safety measure that water suppliers around the country are doing. In addition, there will be a series of public releases and notifications on the change.

Chairman Walker wanted to make sure on a communication standpoint that the Authority is well ahead of the curve and from a testing standpoint that staff monitors the disinfectant change to make sure that the levels are exactly where they need to be.

General Manager's Report

Reported by: General Manager, George S. Hawkins

Mr. Hawkins noted that this is the last version of the old-style General Manager's report. A new report will be unfolded for the January meeting. The plan is to connect a fair amount of the information to an online dashboard version of performance.

Mr. Hawkins noted that he met with the Authority's Green Team. In addition, he informed the Board that his Chief of Staff and a Special Assistant will start on Monday.

Mr. Hawkins informed the Board that he met with Jack Johnson, County Executive, Prince George's County.

Mr. Hawkins noted that he is very mindful that the Authority is slightly over the one percent target for out of service hydrants and that it needs to be resolved. He stated that he will report back to the Board exactly what the Authority is doing to respond to 60-day plus inventory on out of service hydrants.

Mr. Hawkins noted for the record that the contract for the Chain Bridge small main replacement is under his purview and that the project will be undertaken. Chairman Walker stated that the Authority is changing the Chain Bridge Road main for water quality issues. He noted that the Chain Bridge Road main changes pressure zones when the water comes from the top of it down to the bottom, and it goes into a much larger main running down to MacArthur Boulevard. Because the water is not coming into the MacArthur Boulevard main with the pressure and speed that it needs, the water is backing up the main on Chain Bridge Road, causing water quality issues.

Mr. Hawkins discussed the positive story of the Authority reaching the Chesapeake Bay goal and a visual depiction of where the Authority needs to go in the future.

Mr. Hawkins informed the Board of some of the Authority's community outreach.

Mr. Albert requested that staff match the reality of the revenue collection with the actual projections.

Chairman Walker presented Resolution No. 09-139, Approval of the Annual Report, to be added to the agenda. He noted that Mr. Bardin had a change regarding the regional approach of the organization and noted that the change will be made in the final report.

Chairman Walker highlighted Resolution No. 09-138, Proposed Notice of Rulemaking for Amendment of the District of Columbia Fire Protection Service Fee. Mr. Albert questioned how the increase was determined. After a discussion of Mr. Albert's concern and the rulemaking process if the resolution was deferred, the Board agreed to defer the resolution until the January 2010 Board meeting.

Consent Items (Joint-Use)

Resolutions No. 09-131 through 09-133 were moved and seconded with unanimous approval by the Board of Directors.

Resolution No. 09-138 was moved and seconded with unanimous approval to defer a vote until the January 2010 meeting.

Resolution No. 09-139 was moved and seconded with unanimous approval by the Board of Directors

Consent Items (Non-Joint Use)

Resolutions No. 09-134 through 137 were moved and seconded with unanimous approval by the District members of the Board of Directors

The 149th meeting of the District of Columbia Board of Directors adjourned at 11:16 p.m.


Secretary to the Board of Directors