



*District of Columbia
Water and Sewer Authority*

**Board of Directors
Environmental Quality and Operations
Committee Meeting**

Thursday, April 20, 2006, 9:30 a.m.
Room 407, COF, Blue Plains

SUMMARY MINUTES

Board Members

James Caldwell, Chairman
David J. Bardin
David Lake
Brenda Richardson
Beverly Warfield
Howard C. Gibbs
Kenneth Davis
Stephanie Nash
Joseph Cotruvo

Staff Members

Jerry Johnson, General Manager
Avis Russell, General Counsel
John Dunn, Chief Engineer
Linda R. Manley, Board Secretary

I. CALL TO ORDER

James Caldwell called the meeting to order at 9:40 a.m.

II. STATUS UPDATES

1. **BPAWTP Performance**

Average flow at Blue Plains for the month of March was 296 MGD, with rainfall at a record low for the month (0.05" vs. 3.5" average). This was the first month in 2- to 3-years that the flow has been below 300 MGD. All permit parameters were met. Biosolids production was 1,210 tons per day, and effluent total nitrogen for the month was 4.37 mg/L vs. a permitted annual goal of 7.5 mg/L.

A Committee member requested that the 12-Month Rolling Average Flows graph be removed from the General Manager's Report. Another Committee member pointed out that this information might be useful to new Committee members in getting familiar with the plant operations. It was agreed that the graph would be maintained for three months and then Committee would express whether they wanted it continued.

2. **Status AWTP NPDES Permit**

EPA has decided on setting the eventual limit for total nitrogen (TN) discharge at 4.2 mg/L and has proposed an interim level of 5.3 mg/L. EPA plans on opening the present permit in May or June of this year to set the interim nitrogen permit limit. While WASA achieved 5.3 mg/L annual average discharge in 2005, this was only because that was an extremely warm year, and one of near average rainfall. After the first negotiating meeting with EPA and as agreed at the meeting, WASA will perform a statistical study of past performance data, and propose an interim nitrogen discharge limit within approximately one month. EPA has accepted WASA's schedule of developing a plan by May 2007 to achieve the final discharge limit. However, though WASA's proposed schedule was explicitly contingent upon certain approval actions by

EPA, their acceptance of the schedule did not address that issue. EPA has agreed to submit to WASA by May 2006 a letter that will clearly outline EPA's approach with respect to changes to current planning and permit approaches proposed by WASA that would allow for a significant reduction in TN treatment cost (capital and operating) while also resulting in discharge of a lesser amount of nitrogen to the Anacostia and Potomac Rivers, and thus to the Chesapeake Bay. Also, to date, EPA has not established a methodology for computing the penalty amount for failing to achieve the TN discharge limits. It appears that in a worst case scenario the amount could be as much as \$14 Million / year for violation of an annual limit.

A new Committee member asked what was driving EPA to establish strict limits on WASA for nitrogen discharge. This is a Chesapeake Bay driven requirement, and, with Blue Plains being the largest single point discharge within the bay drainage area, we are the easiest target for EPA to address. While both agricultural runoff and air quality each contribute more nitrogen to the bay than point sources (both waste water treatment plants and industrial sources), the point sources are an easier target. WASA has been a leader in reducing nitrogen discharged to a Bay tributary, while other wastewater treatment plants will now be required to meet the same limits as WASA. A Committee member asked if the General Manager has the authority to approve permit limits without Board action. The General Manager responded that this issue had been raised in the past (the last time in relation to an appeal to a permit); the issue has never been resolved. He suggested that the issue be brought before the full Board for resolution. The Committee requested that the WASA staff prepare an analysis of the pros and cons of providing the General Manager with this authority.

III. WATER SERVICE PROGRAM

1. Coliform Testing

WASA has had no positive samples in March, or to date in April.

2. Orthophosphate Addition/OCCT

Since the orthophosphate addition was reduced from 3.5 ppm to 2.5 ppm, there have been no adverse effects.

3. LCR Compliance Testing: Report and Review Status

We have completed 70 of the required 100 samples for this semester, and have had only two that exceed the action level. We have also completed 1,016 priority replacements, and this satisfies our commitment under the Administrative Order.

4. LCR, Water Administrative Order, and EPA Requirements: Status LSR Priority Program Report

A report on the sampling was submitted by WASA to the EPA on March 27, and EPA responded to this submittal on April 10. EPA invalidated 12 of the samples, and WASA is appealing for three of these to be revalidated. WASA will submit a final report to EPA this week that should complete WASA's requirements under the Administrative Order.

A new member of the Committee asked about the status of a free chlorine burn on the system. He was informed that WASA did not perform a free chlorine burn last year nor has scheduled one for this year. With our present treatment, chloramine and orthophosphate addition, combined with our flushing program, we do not feel that a free chlorine burn is necessary. Within the industry, the decision to perform or not perform a chlorine burn appears to be made mostly based on the past practices of the individual utilities and not on empirical data.

IV. BLUE PLAINS STRATEGIC PLANNING: QUARTERLY REPORT

Items that were to be discussed under this topic were covered under previous topics, see Agenda Item II.2.

V. DIGESTER PROJECT UPDATE

1. Surety / Bonding Issues

The General Counsel has had discussion with St. Paul Travelers, the bonding surety, regarding their concerns with the project. St. Paul Travelers has three areas of concern: the bond language, consequential damages liability, and equipment guarantee requirements.

WASA is reluctant to change the language in the bond. Unlike most states, the District of Columbia does not have a statute that defines the obligations of a surety under a bond. While other independent authorities in DC have used either the AGC or AIA bond forms (notably, the Sports Authority), WASA is reluctant to do this. While there is nothing in WASA's Procurement Regulations that would prohibit the use of other Performance Bond forms, the General Counsel is reluctant to reduce the coverage afforded under the current form.

The Committee asked if there was anything that could be done by a Board Resolution that could resolve the issues relating to the Bond form. The General counsel did not feel that a Board Resolution was necessary.

The consequential damages issue appears to center around concerns relating to environmental damage. We feel that the surety does not understand the risk of environmental damage with this project, which we feel is very low. We have invited the surety along with the potential bidders to visit the site, and see and discuss the situation. We feel that this should mitigate St. Paul Travelers' concerns to the level that we can resolve this problem.

The equipment guarantee issues appear to be resolvable, and we are working toward a resolution.

2. Next Steps

The General Manager assured the committee that resolution of these issues and getting this project back on track was the highest priority within WASA. We are investigating all options, including alternate project delivery methods.

The Committee asked how long the project could be delayed before the potential bidders would incur a substantial amount of work to recalculate their bids for the project because of inflation and other factors. This time should be approximately another "month or two." The Committee requested that if any additional problems develop with the project, all Board members be notified immediately, and that it not wait until the next Committee or Board meeting.

VI. LID ADVOCACY: DC WASA COMMITMENT AND ROLE

A report was provided to the Committee outlining the requirements on WASA for LID advocacy under the LTCP Consent Decree.

One Committee member proposed that the requirements under the Consent Decree should not be the limits of WASA's advocacy involvement. The opinion was expressed that WASA should lead by example by incorporating LID into projects wherever possible, and should take the leading role in advocating LID's within DC. It was proposed that ≈\$1 million annually be included as a line item in WASA's budget to hire a professional firm for LID advocacy.

It was suggested by the General Manager that the responsibility for advocacy within DC should appropriately be that of the Mayor and the City Council, and this should be carried out by the new Department of the Environment.

The Committee asked if any LID projects for WASA have been completed. Projects that have been completed include installation of triple bay catch basins for evaluation, a sand filtration system at the Bryant Street parking lot, and pervious pavement at Bryant Street. Others are currently under construction. It was also pointed out that WASA is concentrating their resources in the CSO areas of the city, as these would provide the greatest advantage to Blue Plains and alleviating CSO's.

VII. WATER MAIN BREAKS WINTER '05 – '06: REPORT

A PowerPoint presentation was made on the water main repairs and other work undertaken by the Department of Water Services during the winter. The presentation addressed break repairs, preventative maintenance, valve operation and replacement, flow testing, and flushing.

There was a discussion within the Committee on the difficulties of water main repairs, including the misunderstandings of what work is required to make repairs.

VIII. ACTION ITEMS

The following contracts were submitted for Committee action:

| Contracts Considered and Approved | | | | |
|------------------------------------------|----------------------|-----------------------------------|------------------------|----------------|
| No. | Type | Prime Contractor | Scope | Amount |
| Joint Use | | | | |
| WAS-01-025-AA-LW | Goods & Services | First Vehicle Services | Contract Modification | \$250,000.00 |
| WAS-04-041-AA-JS | Goods & Services | Maryland Environmental Service | Second Option Year | \$557,922.00 |
| GS-35F-5570H | Goods & Services | Adsystech, inc. | Contract Modification | \$1,184,000.00 |
| GS-35F-5057H | Goods & Services | IQuest Solution | Contract Modification | \$1,802,000.00 |
| 020020 | Construction | Ulliman Schutte Construction, LLC | Change Order | \$164,886.00 |
| N/A | Legal Services | Morgan Lewis & Bokius, LLP | Contract Modification | \$1,000,000.00 |
| Non-Joint Use | | | | |
| 010050 | Construction | Whiting-Turner Contracting Co. | Change Order | \$10,775.00 |
| DCFA#384 WSA | Engineering Services | Hazen and Sawyer, P.C. | Supplemental Agreement | \$544,400.00 |

The Committee requested that the following modifications be made to Fact Sheets:

- Contract # WAS-01-025-AA-LW; Add wording to Purpose of the Contract indicating that this extension is required to provide time for revising the RFP for the replacement contract.
- Contracts # GS-35F-5570H and GS-35F-5057H; Indicate that these are indirect cost contracts, and include contractor's past performance.

With the requested modifications, all action items were unanimously recommended for approval.

IX. EMERGING ISSUES

No Emerging Issues were presented.

X. OTHER BUSINESS

No Other Business was presented.

XI. ADJOURNMENT

Mr. Caldwell adjourned the meeting at 11:36 a.m.