



**District of Columbia
Water and Sewer Authority**

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

Thursday, July 15, 2004 – 9:30 a.m.
Room 407, COF, Blue Plains

MEETING MINUTES

Board Members

James Caldwell, Chairman
David J. Bardin
Alexis Roberson
Alexander McPhail
Larry Coffman

Staff Members

Jerry Johnson, General Manager
Leonard Benson, Director, DETS
Avis Russell, General Counsel
Linda R. Manley, Board Secretary

I. CALL TO ORDER

Chairman James Caldwell called the meeting to order at 9:42 a.m.

The Committee was provided copies of the latest CIP report, for a discussion at the next meeting, in September.

II. STATUS UPDATES

Mr. Benson presented a brief update on plant performance and permit status.

1. Plant Performance

Flows for June averaged 350 MGD. All Blue Plains NPDES permit requirements are being met. BNR was 5.45 mg/l vs. a goal of 7.5 mg/l. Biosolids production was 15.49 wet tons/day.

2. AWTP NPDES Permit

There has been no new permit progress this month. DC Department of Health (DOH) is working on certification language. DOH agrees with WASA's position.

3. WAD NPDES Permit

EPA has received an appeal on the permit, and it is now residing at EPA with no action.

The Committee requested that they receive these plant performances and permit status reports in advance of the meeting, in writing. There was also a request for attachments 1 and 2 from the General Managers Report. The General Manager indicated that the information was not available in that detail as early as the EQ&Op's Committee Meeting, but that a summary would be made available. It was also requested that the status report from the previous General Manager Report be added as a standing agenda item. The Chairman asked that each committee member bring their own copy of last month's General Manager's Report to avoid additional copies being made.

III. DCWASA'S LEAD SERVICE REPLACEMENT (LSR) PROGRAM

Budget Concerns:

At last month's Board Meeting, the Board directed WASA to remove all lead piping by September 2010, and directed the staff to produce a plan to accomplish this. WASA proposes to remove 2,500 lead service lines each year in FY 2005 and FY 2006, and 4,000 each FY thereafter. We will strive to ramp up in FY 2006, if possible. This program will require a program lifetime budget increase of \$272 million, and an increase for FY 2004 to \$64 million from the current budget of \$28 million (+\$36 million). This budget increase is in addition to the \$53 million increase previously approved for the digester project. Together, these budget increases reflect a rate increase of 13% in the ten-year plan.

WASA has current congressional authority to proceed, but the congressional authorization could become a problem in FY 2005. WASA can issue contracts using bond funds without congressional authorization.

WASA staff is currently in the process of developing the budget for FY 2005. The staff will look to pruning some of the funds from currently scheduled storm water projects by differing the projects to later years. Currently, the budget for storm water pumping is \$25 million.

DC WASA Procurement Regulations:

During a recent Environmental Quality & Operations Meeting and a Board Meeting, during presentations relating to the upcoming Accelerated Lead Service Line Replacement Program it was stated that the large dollar amount of the contracts (anticipated at approximately \$10 million each) could create a bonding problem for contractors, and, in particular, our LSDBE contractors. It now has been determined this is not the case.

Of the three contracts that WASA has currently awarded for Lead Service Replacement, a total of eight bidders have participated in the bidding. Four were LSDBE contractors. DETS has contacted each of these four LSDBE contractors, and each has indicated that they have the interest and bonding capacity to participate in the four Lead Service Replacement contracts anticipated to be bid in the coming year.

Two of the four anticipated contracts will be EPA funded and will fall under the requirements for EPA procurement; the remaining two will be using WASA discretionary funding and will fall under the regulations pertaining to WASA procurement.

Federal Regulation 40 CFR 35.936-22 will govern requirements for bonds during bidding and construction on the EPA funded projects. 40 CFR 35.936-22 requires on all construction contracts greater than \$100,000, a bid bond of 5% of the bid amount be furnished, and that the winning contractor furnish a Performance Bond and a Labor and Material Payment Bond, each in an amount of not less than 100% of the contract value.

WASA's normal procurement practices for bonding of construction contracts are the same as those of EPA, and these are the requirements that were included in the previous three Lead Service Replacement contracts. Where WASA discretionary funding is used, WASA's Business Development Plan states:

WAIVERS

The General Manager shall have the authority to determine when it is in the best interest of WASA to waive bonding and insurance requirements if the General Manager determines:

- 1) a waiver will assist small, local and disadvantaged businesses to remove obstacles to participation in WASA contracts; and*
- 2) the interests of WASA are not adversely affected.*

IV. BLUE PLAINS AWTP DIGESTER PROJECTS STATUS

Last month a PowerPoint presentation on the digester project was handed out, but the presentation was not made because of time constraints. Two items related to the digester project need to be addressed in additional detail: gas utilization and approval of height variance.

Gas Utilization:

WASA is currently preparing an RFP for electric power purchase, and is coordinating the requirements with the projected generation of gas from the digesters to assure that there will be no conflicts when the gas is available. Currently, WASA's electrical power costs approximately \$15 million per year, approximately \$12 million of that being used at Blue Plains. When digester gas is available – projected at 2008 -, approximately 20% to 30% of the electrical power needs at Blue Plains can be provided by the gas.

Because WASA's load profile is better than most, we expect to receive a favorable rate structure. Currently, the demand at Blue Plains is at approximately 40 megawatts, and it is expected to drop maximum 10 megawatts after digester gas availability.

The Committee requested that copies of the RFP be provided to the Committee members. The Committee also requested that consideration be placed on requiring some percentage of the power purchased be from renewable energy sources.

Height Approval:

The Planned Unit Development (PUD) was filed with the DC Zoning Commission for approval on June 15. Currently, the General Counsel's Office projects that the issue will be presented before the Zoning Commission by the Office of Planning at the September meeting, and action on the PUD will be taken in February, with a final, written approval in March.

The Committee raised several questions to the General Manager concerning the legal process being pursued to gain approval of the proposed height of the digester facilities. It was noted that WASA is beyond its original schedule in obtaining approval to construct facilities to a height considerably greater than the 90-foot limit in zoning applicable to the project site. It was also noted that WASA was proceeding with design of the facilities at the height exceeding the 90 foot limit while anticipating that approval of the exceedance will be forthcoming; this being in accordance with the project plan and schedule previously shared with the Committee.

The Committee requested that the following be provided:

- Monthly Office of Planning agenda.
- Notice of this item when published in the DC Register (tomorrow?)
- Recommendation of Office of Planning to Zoning to set WASA's PUD application down for hearing, when available.
- Zoning Commission Agenda listing consideration of Office of Planning recommendation

The Committee also asked that the status of this be placed on the agenda for a monthly update, and that the staff emails each committee member with notification of each action taken related to this item.

V. ACTION ITEMS

The following contracts were submitted for Committee action:

Contracts Considered and Approved				
No.	Type	Prime Contractor	Scope	Amount
990040	Construction (Joint Use)	W. M. Schlosser Company, Inc.	Change Order	\$46,066.00
010030	Construction (Non-Joint Use)	Fort Myer Construction Co., Inc.	Change Order	\$3,250,000.00
DCFA #358- WAS	A/E (Joint Use)	Hazen and Sawyer, P.C.	Supplemental Agreement	\$610,000.00
GS-35F- 0075N	Services (Non-Joint Use)	Annance Consulting	Extend Contract	\$151,755.00

All action items were approved unanimously, with the following exception:

- DCFA #358-WAS: Deferred.

VI. CSO/STORMWATER MANAGEMENT SUBCOMMITTEE

Mr. Bardin opened the floor for a discussion of CSO issues.

A Committee member recommended a tour of 1425 K St., a green roof building. Chair Bardin requested that the Board Secretary schedule a tour for the Committee and also invite other Board members who are interested to attend.

Mr. Benson indicated that there was no change in the MS – 4 permit status. DC Department of Health has not certified the permit. WASA is not listed on the permit, all of WASA's concerns have been addressed.

Mr. Johnson indicated that there would be action soon on filling the Storm Water Manager position.

The Committee asked about the impact of separating the sewers in the Navy Yard Sewer Shed as part of the Lead Service Replacement Program. Mr. Benson noted that the Long Term Control Plan (LTCP) only contains two separation projects, with a total of approximately 30 acres. Separation has about a 4 to 1 cost differential as compared to the "tunnel" plan in our LTCP, or about \$360,000 per acre. With the Navy Yard Sewer Shed at approximately 640 acres that would be an additional \$170 million to \$260 million, with \$220 million a good number for planning purposes. The tunneling design reduction would be marginal, at about a 5% savings. In total, this would add about \$170 million to the projected LTCP cost. In addition, separation would be more disruptive, with a larger impact to the area, and could delay the Lead Service Replacement Program. Also, in the future we foresee the requirement for an additional reduction of 83% of total suspended solids, and an additional reduction of 97% of bacteria for storm water runoff that would have to be provided.

The Committee questioned whether the current plan was compatible with the Anacostia's development plan. It was also stated that sewer separation in the Navy Yard sewershed would allow for incremental improvement, while the tunnels would produce no improvement until far into the future.

Mr. Benson stated that the procurement action for acquiring a consultant for the tunneling project was proceeding, and projected NTP for February. We are currently looking at the requirements for in-house resources and staffing.

Mr. Benson made a presentation on the status of all of the Combined Sewer System projects, including whether congressional dollars will be spent on each of the projects. The Sub-Committee requested that they be kept informed on the groundbreaking date for each project, and the percent of congressional dollars spent on each project be provided. The General Manager advised that future quarterly CIP progress reports would include such information.

VII. EMERGING ISSUES

There was a letter received from a labor union relating to the types of paints used on WASA projects. Safety will be responding to the letter.

VIII. OTHER BUSINESS

No other business was introduced.

IX. ADJOURNMENT

Mr. Caldwell adjourned the Meeting at 12:15 p.m.