



**DISTRICT OF COLUMBIA
D.C. Water and Sewer Authority
Board of Directors
Customer and Community Services Committee**

**Tuesday, July 21, 2009
11:00 a.m.**

Meeting Minutes

Committee Members Present

Alan J. Roth
Howard Gibbs
Joseph Cotruvo
Howard Croft

Other Board Member

David J. Bardin

Consultants

Beverly Silverberg
Ben Zingman

Call to Order

Mr. Roth called the meeting to order at approximately 11:05 a.m. The agenda was revised to reflect that item no. one (Customer Confidence & Communications – Update) would be discussed at the end of the meeting along with item no. six (Public Affairs Update) due to the anticipated extensive discussion on this subject.

IAC - Update

Mr. McCoskey distributed a one page update and gave the Committee an overview of the IAC project. As of the end of May, staff had begun to mail monthly IAC bills to all customers who had over 25 ERU's. In June alone WASA billed a total of 390,809 ERU's which includes all bill classes.

From April to July the call volumes have been relatively small in relation to the number of customers billed (350,000 bills rendered vs. 200 inquiries).

Beginning in September impervious-only customers who have under 25 ERU's will be billed semi-annually -- approximately 8,864 accounts. Informational mailers will be sent out in advance to prepare customers for the September billing. Staff will receive additional training so that they are prepared to answer any questions the customers might have regarding IAC. The Committee asked how many of the 8,864 accounts to be billed in September include

Staff Present

Avis M. Russell, Interim General Manager
Johnnie Hemphill, Chief of Staff
Meena Gowda, Acting General Counsel
Charles Kiely, Ass't Gen Mgr, Customer Service
Jay McCoskey, Customer Service Director
Mujib Lodhi, Information Technology Director
Michele Quander-Collins, Public Affairs Director
Debra L. Mathis, Executive Assistant
to the Board Secretary

portions of residential property (e.g., a garage on a separate but adjacent record lot). Staff agreed to provide this data.

AMR Upgrade

Mr. Kiely gave a presentation on the AMR upgrade. He noted that WASA was one of the first utilities to embark on an AMR project. Initially WASA was looking for a state-of-the-art system that could be used to develop other applications down the road (ex. HUNA, interactive voice response, website interaction, etc.) and to maintain compliance with IT infrastructures and projects.

The technology selected for the AMR project allowed WASA to leverage a major upgrade for the Supervisory Control and Data Acquisition (SCADA) system and the communication plan to support the SCADA application. The AMR system is supported by 58 data collection units (DCU) which are located throughout the city. Each meter has a meter transmitting unit (MTU) that sends a signal to a DCU twice daily.

The core philosophy of the upgrade is to promote flexibility and reliability. The current system relies on a radio transmission to the DCU and a cell phone back to First Street to update data. With this new technology WASA has built in a number of redundancies to ensure dual or in some cases triple reliability. This will allow WASA to include some of the large meters in the SCADA system in the future which will then not only allow WASA to monitor these accounts from an AMR perspective for billing but also to quickly detect any unusual activities in the distribution system.

Mr. Kiely also noted that WASA was responsible for developing the hierarchical communications infrastructure which has three distinctive layers with specific functions: 1) Field wireless; 2) IP Backbone; and 3) Applications.

Mr. Kiely also pointed out that the DCUs currently in use are one-way communication devices. However the fixed network applications offered by Aclara has established a two-way communication device which WASA has been piloting for the last nine to ten months. WASA installed one of their prototype DCUs next to an existing DCU located at Bryant Street and found that the two-way communication device is an improved technology.

When the propagation analysis was conducted by Aclara it was suggested that WASA would need to install over a hundred DCUs to support WASA's reliability index. Subsequently, WASA's IT Team challenged this study using six years of data and discovered that a DCU was capable of picking up as many as 40,000 reads depending on its elevation and location. Consequently, WASA conducted a propagation study on every DCU in the system and found that each of the 58 DCUs received an average of about 20,000 readings but that 10 to 12 were receiving only one unique reading. WASA concluded that only 36 DCUs are needed for the system.

WASA is the only utility using real data for its propagation analysis to determine how the network should be set up. WASA will be expanding the pilot program to include additional two-way communication devices in other areas of the District. They will be used concurrently with the existing DCUs to confirm the data WASA already has on hand. It is believed that once the data is confirmed there will be a significant savings to WASA using this new technology (approximately 70% less than what the vendor was proposing). It is estimated that this project will be completed by this time next year and will cost in the range of \$900,000 to \$1.1 million.

Customer Service Update

The Customer Service Report was handled by exception. The Committee asked for a status on the high bill dispute with the 99 year old customer. Ms. Russell explained that the matter was set for hearing and the customer requested a continuance. The hearing has been rescheduled for the end of August. In addition, Mr. McCoskey gave the Committee chronological details of the activities surrounding this case.

- **SPLASH Expenditure Report**

Mr. McCoskey reported that in May WASA had the Finance Department work with the Urban League to reconcile the SPLASH balances previously provided to the Committee. Based on the reconciliation there is a balance of \$1,734 as of the end of June. One of the issues in the current reporting process is that there is a one month lag in the Urban League's report. Contributions and disbursements reflected in WASA's July report are reflected in the Urban League's August report. The Committee expressed concerned that the Urban League has developed a trend for regularly disbursing more funds than they are bringing in. In May 2008 the Urban League had to stop disbursing for four months. After August 2008 they resumed the same pattern. Staff was asked if they have met with the Urban League regarding this issue. Mr. Hemphill noted that staff has had this conversation with the Urban League and that it is staff's impression that the Urban League understands the issue. Mr. Roth asked staff to provide an update on the Splash contributions and disbursement at the November 2009 committee meeting.

Mr. Hemphill reported that at the Committee's last meeting staff was working with the Mayor's Office and the Office of Partnership and Grants Services (OPGS) to expedite consideration to solicit and receive private resources from various sources. A conference call conducted last week resulted in WASA submitting the application for authority to receive private donations. OPGS is in the process of drafting a MOU that will delegate the necessary authority to meet WASA's objectives. OPGS estimated that this process should take approximately two weeks to complete. Staff believes that this course is preferable to seeking the legislation previously discussed to address WASA's authority to solicit and receive private contributions.

Public Affairs Update

- **Customer Confidence & Communications – Update**

Ms. Russell gave the Committee some background information on this undertaking. She noted that the process is in an effort to implement the portion of the strategic plan regarding improving public confidence and communications. Staff wanted the survey to service as a benchmark in terms of developing a strategy for moving forward. Mr. Roth added that he requested that the executive summary be distributed not only to the Committee but to all Board members, particularly because those on the search committee for the new General Manager would find this information useful in interviewing and considering prospective candidates and informing all Board members about how the public views WASA.

Mr. Ben Zingman noted that the research was conducted to better understand WASA's customers and to understand where WASA is with regards to the development of an enhanced communications plan. The research was conducted using a detailed telephone generated survey and the use of focus groups. The telephone survey was conducted in mid March 2009 and consisted of 410 District of Columbia adult residents. The survey data has a +/- 5% margin of error. The focus groups were conducted in April at a focus group facility in the District and the participants were also District of Columbia adult residents. The focus groups were divided into different categories – general residents and opinion elites. The results of the survey and the focus groups supported one another.

When asked about the problems faced by the residents of the District water issues do not rank in the top four priorities. However, when prompted, a majority indicated that they felt the water quality was either fair or poor. Forty-three percent of those surveyed believe that their water is unsafe. Negative views regarding WASA crossed all demographics. The two top sources most frequently mentioned for receiving drinking water information are the Washington Post and TV news. Interestingly, WASA got good marks on rates and customer service, findings which were strongly reinforced in the focus groups.

Mr. Zingman noted that WASA has a below average favorability rating for a utility, running behind Pepco and Washington Gas. WASA scored low on a number of factors including perception of caring, communications, providing safe drinking water, and concern for public health. The sense from the survey is that while WASA is doing many positive things from a communications standpoint, somehow the information is not being remembered. Mr. Zingman also noted that comparative analyses are subject to what is going on at the time of the study and what people remember. In WASA's case the negatives are not strongly held, which suggest that there is room to change customer minds. In response to a question regarding how WASA is perceived as environmental stewards, Mr. Zingman noted that the focus groups expressed their desire for WASA to be seen as strong environmental stewards.

Ms. Silverberg gave the Committee a brief overview of a six-month communication plan. She reported that the plan was to develop a strategy to restore stakeholder confidence in the organization, its leadership, and water quality. There was also a desire to broaden WASA's profile and brand awareness. The bottom line is to establish WASA as environmental

steward and a caring organization that is handling the key issues responsibly. WASA developed several critical messages that would be communicated proactively to internal and external audiences.

There was additional discussion on the implementation of the communication plan. The Committee agreed that it will be very challenging on developing a strategy to effectively communicate the desired message that we want customers to appreciate about our product. In moving forward Mr. Roth reminded the Committee that the purpose of this exercise is to take the results from the survey and focus groups and to translate it into a plan to turn the negative perceptions around.

The Committee noted that it was important to consider adding the following two additional items to the plan: 1) Add as an objective -- Developing broader support from public officials from all jurisdictions and; 2) Add as a message – We are being good environmental stewards. They also asked staff to consider rephrasing items B and C under the messages to sound less “lawyerly.” Finally, the Committee noted that it is important that the messages be effectively tested and that they be honest and build credibility.

Other Business

Hearing no other business, the meeting was adjourned at 1:40 p.m.