



**DISTRICT OF COLUMBIA
WATER AND SEWER AUTHORITY**

**Customer and Community Services
Committee Meeting
Thursday, February 10, 2005
10:00 a.m.**

Meeting Minutes

Committee Members

Alexander McPhail, Chairman
David J. Bardin
Brenda Richardson

Staff Members

Jerry N. Johnson, General Manager
Charles Kiely, Director of Customer Service
Paul Bender, CFO
Johnnie Hemphill, Asst GM for
Intergovernmental Relations
Karen Dewitt, Public Affairs Director
Linda R. Manley, Board Secretary

Communication Plan

Karen Dewitt discussed the communication strategy for the proposed rate increase. Karen Dewitt reported that in the past, very few people have shown up to WASA-hosted meetings. She suggested that WASA “piggyback” on other meetings in the community rather than hosting their own independent meeting.

Mr. McPhail noted that the public hearing on the proposed rates increase is required by law. Mr. McPhail stated that his hope is that WASA could change the format of the public hearing so that there is less time spent on presentations by management, and more time spent on hearing what the public has to say.

Ms. Dewitt stated that she would send out op eds to newspapers on the proposed rate increase and that she already talked to some radio stations, and that station WPFW will allow the Authority to reach a constituency they do not normally reach. She suggested putting an audio message from the General Manager on the website as well.

Ms. Dewitt pointed out that the Authority currently has a lead service line video and audio on its website of the segment that WAMU radio did on the CSO.

Mr. McPhail asked what the response is, generally. Karen Dewitt replied that they are often told it will take several months to get on the agendas of community groups located East of the River agenda. She stated that in such cases, that her office needs to be more persuasive about calling back and letting people know that several months is too long to wait to tell constituents about the lead service line replacements. She noted that

people usually oblige and give WASA five minutes on the agenda, if they see it as an issue that directly affects the people they report to, i.e. their constituents. She stated that WASA has four (4) commitments at this point, including a big meeting in April with all the Advisory Neighborhood Commissions.

Brenda Richardson inquired as to what happened with the Mayor's television station. Ms. Dewitt replied that she has written a proposal to Channel 16 but has not heard back. She mentioned running ads for the public hearing date.

Mr. McPhail requested that every Friday, the Board Secretary send along with the emergency contact list a full list of public meetings for the next week.

Mr. Bardin asked what the message of the formal public hearing of the Retail Rates Committee is going to be. Ms. Dewitt replied that the message will not only concern the rate increase; it will also concern the benefits from WASA and the capital improvement program.

Mr. Bardin observed that this is the same message they try to put forth every year, but nobody comes to the meetings. He stated that they have to get this message across in venues people are in already, and fit it into whatever timeframe they are given.

Mr. Bardin stated that people do not attend the public hearings because they figure that the rate increase is going to happen no matter what. He suggested that the hearing be geared to other things in addition to the rate increase.

The General Manager replied that part of the purpose of public meetings is to ensure that WASA communicates effectively with the public, and also that they hear what the public has to say. He stated that they just have not found the right forum to draw the public to the meetings. He added that attendance is more of an issue in some neighborhoods than others, and that in problematic areas, WASA should look to team up with existing meetings and organizations.

Mr. Bardin suggested a forum where a news or business-oriented television program might ask the consultant questions prior to his appearance before the Board because normally, nobody gets to ask the consultant questions except for the Retail Rates Committee.

Mr. McPhail stated that the rate increase is only one piece of what WASA should be telling the community about. He stressed the need for a communications strategy so that the public will be able to say more about what WASA is doing than just, "They're raising rates."

The General Manager added that he would also like to include evaluation and assessment components to the communications plan.

Brenda Richardson posed several questions to the General Manager. She asked the General Manager about getting some help to assist Johnnie Hemphill with the Intergovernmental Relations office and for details of the hiring process for another staff person. She also noted that President Bush did not approve any money for WASA and inquired as to what the effect of that would be on their funding. Finally, she noted that President Bush allocated millions of dollars to investigate more efficient use of federal

land, and questioned what impact this would have on WASA stations located on this land, such as the Poplar Point pumping station.

The General Manager replied that he was not sure of the impact of the investigation of federal land, but mentioned that WASA's efforts in this arena would probably be incorporated with those of the Department of Transportation.

Mr. Bardin broadened the question by asking if there are any pieces of federal land in the District that might be useful to WASA to carry out their program or plan for the future.

The General Manager stated that the federal land investigation is not limited to the District, but that WASA will certainly try to take advantage of any opportunities for the long term. He noted that they have had discussions with the National Parks Service about this issue.

The General Manager reported to the Committee that the Mayor's request for funding for CSO did not make it into his budget this year. He stressed that there would be no immediate effect on WASA, especially since our "big spending" will not occur for approximately another five (5) years.

The General Manager provided the Committee with an update on the hiring process of an additional staff person to assist Johnnie Hemphill. Brenda Richardson asked how long the hiring process takes. The General Manager replied that it depends on the caliber of candidates, although they are going to try to hire people as quickly as possible. Brenda Richardson requested a copy of the job announcement for the Intergovernmental Relations Coordinator.

Johnnie Hemphill stated that the President's budget for District appropriations is \$10 to \$15 million short of last year, and he voiced concern as to how this would affect the setting of priorities. He also brought up the consolidation of the House Appropriations Subcommittee for the District into a new subcommittee dealing with transportation and treasury issues. He pointed out benefits of this arrangement, such as having access to a larger slice of the federal budget, and the fact that WASA has already worked with the Chair of the new subcommittee.

Finally, Mr. Hemphill mentioned that WASA receives a percentage of dollars distributed nationwide for the Safe Drinking Water Act and Clean Water Act in the form of a grant, unlike states which receive part of a revolving loan.

Mr. Bardin asked whether President Bush is asking for less than last year, or whether he's just asking for less than Congress appropriated. Johnnie Hemphill was not sure whether it was less than last year, but stated it was less than the appropriation.

Mr. Bardin stated his concern about the CSO being "zeroed out" by President Bush. He asked the General Manager when he plans to notify the Board. The General Manager stated that he will highlight the issue at the next Board meeting.

Mr. McPhail asked if WASA is going to be working with Edelman to brand the rate increase or to brand their whole new program. Karen Dewitt replied that it's the whole program, but it is still pending.

Mr. McPhail inquired about Edelman's role with WASA, the scope of their assistance to the District, and whether they are on retainer. The General Manager said Edelman is not on retainer anymore. Karen Dewitt stated that Edelman worked with WASA last time with no retainer, and that she has spoken to them about integrating them into WASA's whole scope of work and not just calling on them for emergencies.

Mr. McPhail stated that despite how far WASA has come in communications with the public, they are not quite there, and he wondered how they will build this capacity without outside consultants.

The General Manager made reference again to the hiring process. He stated that they just hired a professional writer and will be looking to hire more new personnel, and that once this process is finished, they can supplement the in-house staff with outside resources as needed.

Mr. McPhail stated that the role of Edelman is still unclear to him. The General Manager replied that the role of any outside organization depends upon the needs of WASA at the time, and that no outside organization provides every kind of support equally well. He cited the example of WASA's consultation with GW to address any "what if?" public health questions that they expected to hear from reporters or the public.

Mr. McPhail asked for confirmation on his understanding that day-to-day communications with the public and the press and "what's on tap" would all be conducted in-house, and that staffing and training would be used to shore up these efforts.

The General Manager responded that training is broader than the particular audience in question, and that training requirements need to be assessed on an individual basis as well as a company basis.

Mr. McPhail inquired again about the delineation between in-house functions and the role of outside organizations such as Edelman. The General Manager reiterated that the role of an outside organization depends on the issue at hand and the strengths of said organization. He stated that Silverberg and Associates is good at op eds and sensitive issues and has excellent contacts within the business and news community; Edelman has good contacts within lobbyist groups and other organizations, and also has good creative people.

Mr. McPhail asked about the perception of WASA in the community and how WASA plans to address that. Mr. Bardin stated that WASA, unlike companies like Pepco, is a nonprofit utility, and as such does not need to collect as much revenue through rates. He posed the question of whether or not the public is aware of this, and if not, what should WASA's strategy be for conveying that message?

Johnnie Hemphill suggested a customer survey, as WASA had done in the past, to assess customer perceptions, priorities, and needs. He stated that consultation of outside resources would follow this step to decide how to address customer concerns, but that WASA needs to do things on a day-to-day basis to address these concerns as well.

Mr. McPhail voiced concern about how WASA plans to improve the consistency of its customer outreach efforts. He also raised a question about how the Authority should communicate issues like lead service line replacements to the public. He stated that, in his opinion, the Washington Aqueduct should discuss the chemical side and DC-WASA should limit itself to discussing progress on replacing the lead service lines in the public space.

Mr. Bardin stated that the way to tell a story is to pick a fair measure of performance that can be measured over and over again, and where you are confident you can show a consistent improvement. He cited the case of San Diego Gas & Electric, which used to have the highest electric rates in the western U.S. and then, under a new CEO, was able to drop their rates consistently by developing new programs. He said they designed a chart to show this continual downward progression to their public, and wondered if WASA should implement something like this as a part of their PR strategy, rather than the statistics being something that only the Board sees monthly.

The General Manager pointed out that WASA cannot rely on major media outlets in the District to provide this kind of coverage, and that it would be necessary to seek other avenues for getting this message out. He cited Coca-Cola and Nike as companies who consistently win over their customers via repetition of the same successful communications strategy.

Mr. McPhail mentioned the customer survey again. He stated that an outside PR firm would be of help in designing and implementing the customer survey. He also stated that perhaps, since WASA has a "report card" for lead, they should also have a report card for all the other issues that customers deem important.

Government Relations Strategic Plan: Monitoring & Evaluation Indicators

Mr. McPhail moved on to ask Johnnie Hemphill about the government relations strategic plan they had discussed previously, and asked for any updates. Johnnie Hemphill spoke briefly about the development of appropriate performance measures to determine the success of the FY 05 Government Relations program: (1) Management Inventory of Authority Projects for Potential Funding (2) Private Sector Involvement in Funding Initiative, and (3) Relationships with Local, Regional, and Federal Entities

Review of the Committees Strategic Goals 1a and 1b

Mr. Kiely provided the Committee with an update on the AMR program. Mr. Bardin referenced a presentation by Charles Kiely in which he showed customer profiles and data concerning residential water use. He suggested that this kind of information should be presented at the community meetings.

Mr. McPhail requested that management do a three minute spiel about who WASA is that can be presented at every public meeting and that would answer the basic questions about WASA and better inform the public.

Mr. Kiely mentioned upcoming telecommunications upgrades, along with CIS enhancements and modifications.

The Committee discussed administering a customer survey to measure customer expectations. Mr. McPhail asked how long it will take to implement a customer survey and biannual focus groups. The General Manager replied that it does not take very long, and that the planning phase requires the most energy.

The Committee asked staff to set goals, a game plan, and a definitive schedule for implementing the customer survey and focus groups by the time of their regular committee meeting in April.

The General Manager stated that the survey would be biannual. He stated that multiple surveys are important because the first survey often contains “bad news”, which can then be rectified with follow-up surveys showing improvement and progression.

The General Manager stated that he will present a timeline to the Committee for the customer survey.

Mr. McPhail brought up implementation of the internal and external communications plan, and asked what kinds of things WASA had been doing internally. He inquired about an internal newsletter. Karen Dewitt stated that an internal newsletter comes out once a month.

The General Manager responded that there are various things happening internally, such as the newsletter, regular meetings, work plan sessions, etc.

Mr. McPhail asked whether WASA has an intranet. He stated that within his organization [not WASA], it is an “e-mail culture”, and daily internal communications are conducted through this channel. The General Manager stated that this would not work for everybody within WASA, as not everybody has access to the same means of communication.

Mr. Bardin asked about internal communications to the Board, and cited as an example the monthly electronics payment graph. Mr. Bardin asked if the graph could be modified to show as a comparison to all payments received by WASA. He also suggested modifying the GM’s monthly report because currently, it is difficult to understand the story being told and to assess progress. He proposed presenting some of the information graphically rather than verbally in order to help eliminate information that’s not useful.

Mr. McPhail stated that a possible approach may be to ask Board members what they find useful in the monthly report and work from there.

Mr. Bardin agreed that that would be a good way to get to the information, and then brought up again the issue of presenting the information. He reiterated his stance that the more information presented pictorially, the better.

Mr. McPhail suggested sending a survey to all Board members, with 15 to 20 questions, including questions such as, “What section of the GM’s report do you always read?” and “What section of the GM’s report do you never read?” He stated, however, that this would not dictate the content of the GM’s report. Mr. McPhail asked that the questions be prepared by the staff and sent to him for transmittal to the Board.

Mr. Johnson brought up an issue around the delivery of PUR water filters. He stated that PUR was unable to provide replacement filter parts in January of 2005, and that WASA remedied the problem by distributing brand-new General Electric filters they had in overstock. Mr. Johnson informed the Committee that EPA was notified and there was no violation of the Administrative Order WASA has with the EPA. He stated the importance of getting a “negative” story like this one out to the media and the public before it is “discovered” by outside sources. He also mentioned that WASA fielded some questions about cost, among other things, to the Washington Post after the story was run on February 9, 2005.

Mr. Bardin asked whether water filters stop working suddenly, or whether there’s a gradual decline in function after the recommended date of change.

Mr. Johnson replied that the health advisors stated that the life of a filter is always longer than the recommended date of change, due to manufacturer concerns about both liability and profit. He stated that although extended overuse of a filter can lead to growth of bacteria and attendant health problems, the people who waited a few extra weeks for new filters would not be in any danger of developing problems.

Mr. Bardin stated that the press release issued by WASA stated that WASA distributed 35,000 filters, and that only 25,000 customers had lead service lines in need of replacement. He inquired as to where all the extra filters were going. The General Manager replied that they planned to replace any service line that tested above 15 parts per billion of lead, and that this coupled with the incidence of multiple lines (e.g. at daycare centers) pushed the 25,000 figure up.

The General Manager mentioned a letter he received from Carol Schwartz about lead testing at the Library of Congress and a Capitol Hill building that she was not apprised of in advance. He stated that WASA was not apprised of this testing either, and that they do not have dominion over this area. He said that, because the maintenance of this building falls under the responsibility of the Architect of the Capital, he responded to Ms. Schwartz’s letter to inform her that WASA only learned of the testing when they read it in the newspaper.

Meeting was adjourned at 12:10 p.m.