



***DISTRICT OF COLUMBIA  
WATER AND SEWER AUTHORITY***

***BOARD OF DIRECTORS***

*Governance Committee  
November 18, 2009*

***MEETING MINUTES***

**Committee Members**

Keith Stone, Chairman  
David J. Bardin  
Kathleen Boucher  
David Byrd  
Anthony Griffin

**WASA Staff**

George S. Hawkins, General Manager  
Avis Marie Russell, General Counsel  
Linda R. Manley, Board Secretary

**Non-Committee Members Attending**

Howard C. Gibbs  
Brenda Richardson

Keith Stone, Chairman, called the Governance Committee (the Committee) to order at 9:25 a.m.

Chairman Stone requested the General Counsel, Avis Marie Russell, to discuss 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.

Chairman Stone then directed the Committee's attention to Item # 3 on the Agenda – Board's Role in the Hiring and Firing of the General Counsel and the Chief Financial Officer. The Chairman stated that it was his understanding that the Authority's enabling statute only authorizes the Board to employ the General Manager. A discussion ensued during which

it was mentioned that when the Authority was initially created, the Board hired not only the

General Manager, but also the Chief Financial Officer and the Chief Engineer. It was further pointed out that it is common practice in Virginia to have Boards and Commissions confirm their General Counsels' appointments. The Committee expressed various positions on the item under discussion. The Committee asked the General Counsel what percentage of her time was spent performing work exclusively for the Authority's Board. The General Counsel responded that, in her opinion, approximately twenty percent of her time was spent in this manner.

The Committee requested that staff investigate other entities' practices regarding this matter and to compose a list of pros and cons.

Chairman Stone then requested the General Counsel to update the Committee on Item # 4 on the Agenda – the Washington Aqueduct. After the update, the Chairman asked the General Manager for his thoughts on taking up the issue of acquiring the Washington Aqueduct in light of the fact that, as the newly hired General Manager, he is currently facing numerous pressing issues. The Chairman suggested that the General Manager may wish to postpone this matter for a year. The General Manager stated that he had toured the Aqueduct and that his impression was that of a good organization, run by good people. He continued that he needed to review the matter over time, especially with regards to the potential to save money. The General Manager concluded that the potential acquisition of the Washington Aqueduct was on his list, and he believed he could review the matter sooner. The Chairman then requested that the Board Secretary, Linda Manley, table the matter until June 2010.

Chairman Stone asked the General Counsel to address Item # 5 on the Agenda – Annual Report Update. The General Counsel stated that the Annual Report was still on target to be transmitted to the District within the required time period. The General Counsel noted that the previous General Manager required the Annual Report to reflect an audited financial statement prior to being transmitted to the District. The 2009 Annual Report will have unaudited financial reports.

Chairman Stone stated to the Committee that, with regards to Item # 6 on the Agenda – Government Affairs Update, he had been informed by the Director of Government Relations, Gordon Fry, that there was nothing to report on this matter at this time. Committee member Bardin requested that the Committee be updated on the status of the Appropriations Bill before Congress and the progress of the projects being undertaken pursuant to the stimulus funds allotted to the Authority. The General Manager stated that the bids for the projects targeted to be paid for by stimulus funds, were coming in lower than expected and that a second tier of projects had been identified.

The Chairman then turned the Committee's attention to Item # 7 on the Agenda – Emerging Issues, and polled the Committee members for their input. Committee member Bardin

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suggested that the Committee may wish to examine the pros and cons of expanding the Authority's Board. 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. A discussion ensued regarding the efficacy of bringing this item forward at this time. The Committee took no further action.

Chairman Stone commented that Terry Gilmore, the Training Manager for Human Resources, was in the audience. The Chairman strongly encouraged Mr. Gilmore to examine the possibility of the Authority partnering with the Phelps Technical High School which has developed a strong engineering and construction curriculum. By reaching out to the high school, the Chairman suggested that the Authority could assist in growing talent at home through local programs.

The Chairman adjourned the meeting at 10:40 a.m.