



DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

BOARD OF DIRECTORS

*Governance Committee
May 9, 2012
9:30 a.m.*

MEETING MINUTES

Committee Members

Alethia Nancoo, Chairperson
Kathleen Boucher
Carla Reid
Alan Roth

DC Water Staff

George Hawkins, General Manager
Randy Hayman, General Counsel
Linda R. Manley, Board Secretary
William Pickering, Government Relations
Manager, External Affairs

Chairperson Alethia Nancoo called the meeting to order at 9:43 a.m., and turned the Committee's attention to Agenda Item # 2 – Government Affairs: Update. William Pickering, Government Relations Manager, first briefed the Committee on Federal issues and legislation. The Government Relations Manager reported that the General Manager and the Director of the Long Term Control Plan updated both the Senate and the House appropriations staff on the Clean Rivers Project, advocating for the \$11.5 million federal payment proposed in the President's FY13 Budget for the Project. He noted that the briefing was well received and three of the four staff persons present will be participating in a tour of Blue Plains this coming Friday. The Government Relations Manager further related Representative Norton's remarks at the House Infrastructure hearing. Representative Norton reiterated her support for DC Water's green infrastructure alternative proposal, and noted her concern with the declining role of the federal government in funding water projects causing DC Water ratepayers to bear the burden of funding the Clean Rivers Project. Representative Norton also discussed DC Water's efforts to discourage bottled water.

The Government Relations Manager then addressed District of Columbia issues and legislation. He noted that the District of Columbia Council Chairperson introduced the IMA on behalf of the Mayor to the DC Council on April 27, 2012. The DC Council has forty-five (45) days to proactively approve the resolution before it is deemed approved.

The Government Relations Manager further noted that Councilmember Mary Cheh will hold a public roundtable on the IMA on May 18, 2012 during which the General Manager will provide testimony and answer questions. The DC Council is expected to vote on the IMA at their June 5, 2012 meeting. The Government Relations Manager pointed out to the Committee that language in the IMA approval resolution indicates the IMA will not be effective until the United States Congress proactively approves it through an amendment to the DC Home Rule Act. If this is the case, the Congressional approval process will take significant time and effort. The Committee discussed this matter at length. The Committee questioned why this is a problem now but had not been a problem in previous years. The General Counsel noted that the District Attorney General's Office considered this congressional process necessary, but DC Water's legal analysis resulted in a different conclusion. It was noted that DC Water is continuing to address this issue while exploring different options.

The Government Relations Manager then briefed the Committee on the "Water Quality Assurance Amendment Act of 2012", which was co-introduced by Councilmembers Cheh and Catania on May 1st, 2012. The bill, if approved, would mandate additional emerging contaminant testing of both drinking water and wastewater. The legislation would create a panel of experts to review the results of the additional testing and make recommendations to the Mayor concerning whether additional water quality testing and treatment standards should be regulated. The General Manager pointed out that such a bill would be problematic as the District of Columbia does not have primacy in this area. A Committee discussion ensued. It was noted that various jurisdictions are conducting similar tests and regional collaboration may be worth exploring. It was suggested that DC Water reach out to the Interstate Commission for the Potomac River Basin. The Committee members were informed by the General Manager that while traces of new contaminants have been found, the question of what it means has not as yet been explored. The Committee noted that the majority of the contamination of the Chesapeake comes from feedlots and the matter may be a job for the federal government.

The Government Relations Manager then informed the Committee that DC Water continues to gain support from elected officials and organizations for its green infrastructure pilot proposal. Specifically, letters of support have been sent to the EPA Administrator from Mayor Gray, Representative Norton, the DC Council, the DC Business Industry Association (DCBIA) and the Apartment and Office Building Association (AOBA). The Committee asked whether letters of support had been received from environmental groups. The General Manager stated that the environmental groups were not unified. The Chairperson suggested that letters of support should be sought from the Business Improvement Districts (BIDs) which are located in all sections of the District. The Committee then focused on the types of jobs that would be created as a result of the green infrastructure initiative, specifically permanent maintenance and upkeep jobs. The Committee asked whether the White House was aware of this initiative. They were informed that the White House was very aware of the cost of mandates by the EPA on urban jurisdictions. The Committee noted that the green infrastructure initiative could be used as the national model for such initiatives in other

jurisdictions.

The Government Relations Manager concluded his update by stating that the DC Committee on Public Works, Transportation, and the Environment has scheduled confirmation hearings for May 18th, 2012 for the Mayor's six nominees to the DC Water Board.

The Chairperson then turned the Committee's attention to Agenda Item # 3 –Emerging Issues. As no Committee member raised an emerging issue, the Chairperson then turned to Agenda Item # 4 –Agenda for Upcoming Committee Meeting. The Committee requested a briefing from Gus Bass and Loretta Caldwell regarding DC Water contracting matters at its next meeting in July.

The Chairperson turned to Agenda Item #5 –Strategic Plan Assignment/Discussion. The Chairperson then turned the floor over to the consultants from SUNESIS. The consultants referred the Committee to the booklet covering the DC Water Strategic Planning Process. The consultants requested the Committee to refer to page 3 to briefly review the Board's vision that had been developed earlier in the year at the Board Retreat. The consultants informed the Committee that the Strategic Planning Committee had held its first meeting earlier in the week. The General Manager pointed out how the timing for undertaking this effort fit in very well with the work to be done on the 2014 Budget. The timing allows for there to be a direct connection between the Budget and the support given to the Budget by the Strategic Plan.

The consultants informed the Committee that each Committee of the Board had been assigned goals. The goals assigned to the Governance Committee were: (i) increase Board focus on strategic direction; and (ii) enhance customer /stakeholder confidence, communication and perception. The consultants asked the Committee members if they were supportive of these goals and members acknowledged their support.

A discussion ensued regarding actions that could be undertaken to support the first goal. Such actions included modifying the format of Board and committee agendas to include items dealing with the strategic plan. It was noted that the current agendas are operational oriented and more strategic plan matters needed to be built into the agenda. It was suggested that each agenda item should reference the goal in the Strategic Plan to which it relates. During the course of the discussion, the Committee stated that the Board and committees can not overlook their oversight role.

The Committee then discussed the second goal. The point was made that DC Water's stakeholders should be clearly identified. The Committee concluded that a baseline inventory should be undertaken of the various means of communication with DC Water stakeholders and ratepayers currently in place.

The Chairperson adjourned the meeting at 11:05 a.m.