



DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

BOARD OF DIRECTORS

*Retail Rates Committee
Thursday, January 22, 2009
11:00 a.m.*

MEETING MINUTES

COMMITTEE MEMBERS

Daniel Tangherlini, Chairman
Brenda Richardson
Joseph Cotruvo
David J. Bardin

WASA STAFF

Jerry N. Johnson, General Manager
Olu Adebo, Chief Financial Officer
Avis Russell, General Counsel
Linda R. Manley, Board Secretary

Presenter

Louis Desjardins

Call to Order

Chairman Tangherlini called the scheduled Retail Rates Committee meeting to order at 11:05 a.m.

Impervious Surface Project Update

Database Update (Attachment A)

Mr. Adebo introduced Mr. Louis Desjardins for the update on the impervious surface project. Mr. Desjardins summarized the project status, noting that WASA is still on track to implement the impervious area charge on April 1, 2009. Since our last meeting WASA has been aggressively working on finishing the QA/QC and database acceptance process. There is some slippage on the delivery of system tools however this is not currently on the critical path. Mr. Bardin asked whether there are any issues on the project that the Board should be aware of and Mr. Johnson responded that the project is on track for April 1, 2009 and other than legislative delays, there are no significant system development issues to be noted. Mr. Bardin requested that slide 21 of the presentation given in December 2008 be attached to the minutes of the January 22, 2009 Retail Rates Committee meeting.

IAC Legislation

Ms. Russell updated the committee on the status of the IAC legislation noting that the Mayor has not yet signed the legislation approved by the City Council on second reading December 16, 2008. Chairman Tangherlini noted with high assurance that the IAC legislation would not be vetoed.

Ms. Russell noted that the Legislative Services of the Office of Attorney General has reviewed the IAC legislation and had questions regarding the District Department of the Environment (DDOE) stormwater legislation, with particular emphasis on a specific provision that had to do with WASA working with DDOE on development of a Low Impact Development (LID) program within DDOE. WASA expressed concerns on the way it was written during the legislative process, but the stormwater legislation was approved with the seemingly perplexing language.

Proposed Rulemaking (Attachment B)

Ms. Russell reviewed the proposed rulemaking with the committee, noting the revisions between the document attached to the Board committee package and the document distributed at the Committee meeting reflecting comments received by Mr. Bardin regarding language impacting regulation 4101.2. Ms. Russell noted that the WASA rate structure has only two classifications of customers which are residential and non-residential. All other references to groups within the customer classes are not defined by municipal regulation. Also, the regulations do not define residential or non-residential. Based on Mr. Roth's comments, staff has included a definition and the changes made to the rulemaking provide a definition. Mr. Bardin noted that he would like to revised "ie" to "eg" on page 2 of the proposed rulemaking.

Chairman Tangherlini asked whether there are any concerns in cases where a condominium is individually metered may exceed the number of ERU's that would otherwise have been charged based upon the footprint of the building only. Mr. Kiely replied that management is not currently aware of such an example. This condition applies mostly to horizontal condominiums that are comparable to row house situations. Large condominium buildings typically have one service line and are mastered metered and would therefore be charged by the total amount of impervious surface on the property.

Ms. Richardson asked how WASA will treat Saint Elizabeth Hospital. Mr. Adebo replied that based on the information received from the GIS database, the amount of impervious surface area will be determined within their boundaries and calculated into ERUs. The hospital will then be charged \$1.24 for each ERU.

Noting the level of precision now available for residential properties, Chairman Tangherlini asked whether the model should be adjusted to charge residential customers for the actual amount of impervious surface on their property so that the larger properties would carry a larger share and the smaller homes would pay less. Mr. Johnson explained the history of the project, noting that WASA did not have this precise information in the early stages and that the program is better served used a phased approach that will provide some future method of differentiating residential customers by quantity of impervious area. Mr. Tangherlini asked whether it is possible to implement the residential phase now instead of waiting. Mr. Johnson replied that it would be difficult to take this on at this point because the programming has been done based upon decisions made earlier. The committee asked that a discussion on multi-tiered action steps for residential customers be included on the agenda for the next committee meeting.

IAC Outreach Activities Update (Attachment C)

Mr. Adebo updated the committee on the IAC outreach activities, noting that existing customers will be able to view their properties and impervious area on line through "My Account" by the second week of February. Ms. Richardson inquired as to the process to ensure that the public understands the subject matter from the presentations given at various public meetings. Mr. Adebo replied that staff strives to answer all questions and provides additional information on the WASA website. He noted that at recent meetings with the Westchester Condo Association and ANC/Civic of Federation Associations there was a lot of questions and interaction. Mr. Bardin suggested that some of the outreach activities be discussed by the Customer Service Committee of the Board.

Other Business

Mr. Johnson updated the committee on the recently approved expansion to the Customer Assistance Program (CAP). WASA will start implementing the additional sewer discount with the first billing cycle in February or as soon after the notice is posted within DCMR. About 2,500 current customers will receive retroactive credit to October 1, 2008.

WASA has been working with a variety of District agencies primarily the Office of the Deputy Mayor for Economic Development on projects in the District. Most familiar is the development in the M

Street corridor for infrastructure improvements with roadway systems ahead of the actual construction of buildings in the area. At the time, District Department of Transportation (DDOT) agreed to do a special assessment of the property owners in that area in order to recover the costs for infrastructure improvements of about \$16 million and a second phase of about \$10 million. The necessary water and sewer improvements were then included within the DDOT construction contract for roadways, curb, gutters and catch basins. WASA has been approached with the concept of proposed legislation be advanced that would allow WASA the ability to establish a special assessment district, bond the costs of the improvements to support desired development in the area and bill the property owners within the assigned assessment district. There was some discussion on the subject with the General Manager noting that continued research on this concept is on-going. WASA will be coming back to the Finance and Budget and this committee on this subject before WASA can advance any legislative proposal.

Adjournment

Hearing no further business, Acting Chairman Tangherlini adjourned the meeting at 12:05 pm.