



**DISTRICT OF COLUMBIA
WATER AND SEWER
AUTHORITY**

BOARD OF DIRECTORS

*Governance Committee
September 12, 2012
9:00 a. m.*

MEETING

MINUTES

Committee Members

Alethia Nancoo,
Chairperson
Kathleen Boucher
David Lake
Edward Long, Jr.
Alan Roth

DC Water Staff

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

Chairperson Alethia Nancoo called the meeting to order at 9:05 a.m., and turned the Committee's attention to Agenda Item # 2 – Major Projects M/WBE Contracting and Local Employee Compliance. Gus Bass, Manager, Engineering Management Services Branch of the Department of Engineering and Technical Services (DETS) summarized the activities that had been accomplished subsequent to the July briefing before the Committee. Mr. Bass noted that the Environmental Protection Agency (EPA) approved DC Water's fair share objectives which are the highest in Region 3. Mr. Bass also stated that an on-site employment trailer for contractors to interview skilled and unskilled labor will be opening at Blue Plains on October 15, 2012. Mr. Bass then introduced Loretta Caldwell, the Major Projects Compliance Officer, who updated the members on the status of the M/WBE contracting and local employment compliance for DC Water's major projects since the July briefing.

Ms. Caldwell stated that since July there had been a fifteen percent increase (15%) in design contract costs awarded to MBE and WBE firms and a ninety-seven percent (97%) increase in construction contract costs awarded to MBE and WBE firms. In addition to tracking contract costs awarded, Ms. Caldwell also noted that dollars paid are also tracked.

Ms. Caldwell then turned the Committee's attention to challenges DC Water faces in meeting its M/WBE goals. Fortunately, DC Water is facing fewer challenges than it faced in July. However, Ms. Caldwell reported that prime contractors are still reluctant to push subcontracting goals down to larger non-M/WBE first - tier subcontractors with subcontracting and supply opportunities. Additionally, contractors with prior contracts are still slow to respond to new reporting requirements.

Ms. Caldwell then reported on employment questions raised by the Committee during its July meeting. Ms. Caldwell gave the Committee a breakdown of the resident jurisdictions of employees other than those residing in user jurisdictions. The breakdown used information from contractors working on the Enhanced Nitrogen Removal 1C Project and the Final Dewatering Facility 2C Project. The breakdown also showed the number of employees in professional positions, the number in managerial positions, and the number in labor positions. The Committee asked whether similar information was available for all the Projects. Ms. Caldwell stated that such information would be made available to the Committee in November and would be presented on an ongoing basis. Ms. Caldwell then reported on how the DC resident employees were selected. Specifically, a breakdown was shown of those DC resident employees hired through the District Department of Employment Services and those DC resident employees currently employed and transferred to Major Projects. A discussion of transfers ensued and it was reported that in order to be considered a transfer the employee must be listed as part of a company's 'base'. Ms. Caldwell also identified the DC resident employees by District ward. The Committee also requested DC apprenticeship statistics during its July meeting which was provided by Ms. Caldwell.

Ms. Caldwell then discussed employment initiative programs being developed for October 2012. Specifically, Ms. Caldwell discussed the program to introduce major project contractors to training resource providers and the opening of an onsite employment trailer. A discussion ensued regarding how new hires are alerted to job openings. The Committee requested that during the November meeting, the Committee be given a tour of the employment trailer.

The Chairperson turned the Committee meeting over to the Vice Chairperson, Mr. Roth, prior to leaving the meeting. The Vice Chairperson then turned the Committee's attention to Agenda Item # 3 –Government Affairs: Update. William Pickering, the Government Relations Manager, updated the Committee on both federal and District issues and legislation.

Mr. Pickering reported that Congress had returned from recess and appeared poised to pass a six (6) month stopgap funding measure that will increase government spending by half of one percent for the first half of FY13. Mr. Pickering stated that final funding levels for the Clean Rivers Project would probably not be known until March 2013. Mr. Pickering then stated that after discussions with Congress about a legislative approval of the Intermunicipal Agreement (IMA), the District government is exploring alternative methods to address its Anti-Deficiency Act concerns with the IMA. Mr. Pickering stated that one possible solution being explored was an addendum to the 2012 IMA that would

address the District's Anti-Deficiency Act concerns. The Committee then discussed the District's Anti-Deficiency Act concerns and whether an addendum would need to be signed by all the user jurisdictions. The Committee was informed that the addendum would need to be approved by all the user jurisdictions. The Committee was informed that the District was concerned about seeking "active" approval from Congress rather than "passive" approval. It was hoped that an addendum would avoid the need for either active or passive congressional approval.

Mr. Pickering then reported to the Committee on District government matters. Since the last Governance Committee meeting the District of Columbia Council has scheduled two (2) hearings that directly affect DC Water. On September 25th at 2:00 pm, a hearing is scheduled on the recent flooding in the Bloomingdale and LeDroit Park neighborhoods. A hearing on the Water Quality Assurance Amendment Act is scheduled for October 12th at 11 am. Mr. Pickering reminded the Committee that the Water Quality bill hearing was previously scheduled for July 2nd but was postponed to allow DC Water and the Council to improve the introduced version of the bill. DC Water worked with the staff from Councilmember Catania and Councilmember Cheh's offices to draft a new bill eliminating the previously envisioned burdensome mandates placed on DC Water. Mr. Pickering noted that it is DC Water's hope that the new bill will be the basis for discussion at the hearing. A more detailed presentation on the compromise bill will be provided to the Water Quality and Water Services Committee.

Regarding the Bloomingdale hearing, the Vice Chairperson asked whether the District and/or DC Water was looking into federal disaster relief. The General Manager stated that this matter was under review. The question was raised whether a diversionary system or similar structural work would qualify for disaster relief funds. The staff was requested to research the matter.

The Vice Chairperson then turned the Committee's attention to Agenda Item # 4 – Emerging Issues. Committee Member Lake requested that an item entitled - Discussion Regarding the General Manager's Contracting Authority, be placed on the agenda for the upcoming Committee meeting in anticipation of forthcoming recommendations from the Environmental Quality and Sewerage Services Committee. Turning to Agenda Item # 5 – Agenda for Upcoming Committee Meeting, the staff was directed to place the matter requested by Committee Member Lake on the next Governance Committee meeting agenda. The Vice Chairperson noted that the Finance and Budget Committee might also wish to review this subject.

The Vice Chairman adjourned the meeting at 10:20 a.m.