



Board of Directors

**Joint Meeting of the Environmental
Quality and Sewerage Services and
Water Quality and Water Services
Committees**

Thursday, January 15, 2015

10:15 a.m.

MEETING MINUTES

**District of Columbia
Water and Sewer Authority**

Committee Members Present

Howard Gibbs, Acting Chairperson
David Lake
James Patteson
Matthew Brown
Adam Ortiz

DC Water Staff Present

George Hawkins, General Manager
Len Benson, Chief Engineer
Randy Hayman, General Counsel
Linda Manley, Secretary to the Board

I. Call to Order

Mr. Howard Gibbs, Acting Chairperson, called the meeting to order at 10:15 AM.

II. FY 2015 – FY2024 CAPITAL IMPROVEMENT PROGRAM (CIP)

Mr. Len Benson, Chief Engineer, noted that the FY2015 – FY204 CIP is being presented as a follow-on to the budget workshop with the Board held on January 8, 2015. Mr. Robert Mallett-, at the workshop, asked for more details as to how projects were filtered or weighted, and how the decision was made to move forward with one project to the exclusion of another. Mr. Benson explained that Mr. Mallett's question would require more time than is available for today's meeting and requested the question be addressed in the February or March 2015 committee meeting.

Mr. Benson noted that there are two Action Items to be discussed today consisting of Project Lifetime Budgets and Disbursements-based budgets.

Mr. Benson explained that the development of the CIP is limited by affordability considerations, while balancing the prioritization of projects driven by legal mandates, health and safety concerns, and potential for failure, for example. Mr. Benson noted that the Lifetime Budget was discussed multiple times at the January 8, 2015 BOD workshop. Before going into details on the Lifetime Budget slide, Mr. Benson walked through the "Structure of CIP" (slide 15 in the presentation materials included with the Board Committee package) to help explain how disbursement projections are determined in the CIP process and how the "Lifetime Budgets by Service Area" are derived. Mr. Benson explained in slide 15, titled "Structure of CIP", that there

included in the Facility Planning updates that are completed every five years, where projects/facilities are identified based on the condition of existing assets, projected remaining life and/or other identified needs.

Mr. Benson explained the New Fleet Management Facility is a result of Main and O Street Pumping Station site changes where DC water is negotiating with the District of Columbia for the government to acquire approximately 7 acres of the 10-acre DC Water property for the Forest City Redevelopment project. The deal would include the developer or DC Government compensating DC Water for a suitable site to accommodate Fleet and Sewer Operations. Mr. Benson noted that DC Water is negotiating for a parcel of land in Prince George's County for the New Fleet Management Facility. The land negotiation is anticipated to close in the next five weeks: DC Water has advised the District that DC Water must have cash-in-hand from the District to proceed with the land acquisition in Prince George's County. The committee asked for more details about the District agreement. Mr. Hawkins explained that the agreement is connected to the Anacostia Waterfront development initiatives of the District. Current discussions have been taking place for over five years as to how to relocate a significant portion of Main and O Street Pumping Station facilities and operations. The committee asked where the new Headquarters (HQ) Building would fit in the Main and O Street Pumping Station land deal. Mr. Hawkins stated that the new HQ Building will be constructed on the portion of the Main and O Street Pumping Station site to be retained by DC Water.

Mr. Benson continued going through the projects listed on slide 5 titled "Lifetime Budgets – Project Changes." Mr. Benson noted the increase of \$96 million for the Anacostia LTCP Projects was a result of higher than expected bids for Poplar Point Pumping Station and money previously designated for risk management, some of which has now been moved into the budget for the Northeast Boundary Tunnel Project contract.

Mr. Benson explained the budget increase of \$14 million for the St. Elizabeth Water Tank is to alleviate low water pressure issues in three areas in the Anacostia water system. Mr. Benson noted permitting challenges with Commission of Fine Arts (CFA), National Capital Planning Commission (NCPC), and DC Historical Preservation Office (DC HPO). Additionally, DCRA required individual permits (approximately 1500 permits) for each home to install pressure reducing valves (PRV) where the distribution water pressure will be above 80 psi; DC Water was previously seeking a blanket permit to install the PRVs. The committee asked if there is an approved design for the water tank and thought it was a stumbling block. Mr. Benson responded the design was a stumbling block due to the screens around the tank. The DC SHPO, CFA and NCPC, however, have agreed to proceed with the tank construction and to then work with local community and DC SHPO/CFA/NCPC on a mitigation plan for the tank's presence.

Mr. Benson explained slide 6 titled "Disbursements Plan by Service Area" (second Action Item) by highlighting the Total CIP row for each year for the period FY2015 through FY2024, depicting a total of \$3.8 billion. Mr. Benson noted the spending trend for each fiscal year decreasing and that a nominal \$300 million spending per fiscal year after FY 2024, in working with Mr. Kim in Finance, might be a sustainable number for planning purposes at this time. Mr. Benson noted that Engineering does not manage the Total AMR/Meter/CIS, Washington Aqueduct, and Capital Equipment and deferred to Mr. Kim to outline these three capital programs. Mr. Kim explained the Total AMR/Meter/CIS drivers are for the replacement of meters and replacement of the customer billing system (CIS) with a 10-year disbursement budget of \$58 million and Lifetime Budget of \$100 million; the Washington Aqueduct drivers are costs associated with the improvements of Dalecarlia and McMillan Reservoirs and Water Treatment Plants and

III. BOARD MEMBER QUESTIONS AND FOLLOW-UP PROPOSED CIP AND OPERATING BUDGETS

The committee asked about what the action to recommend the two Action Items to the Board means to the rest of the budget calendar. Mr. Hawkins explained that multiple Board committees evaluated the various elements of the CIP budget in January and will recommend the budget for approval by the Board at the February meeting. The Board-approved budget is submitted to the District for inclusion with the District budget that is submitted to Congress. The DC Water approved budget is then used to create public presentations for Town Hall meetings in April; public hearings will be held in May on the rate proposal. A final decision on the CIP Budget would be made in July; and implemented along with supporting increased revenue on October 1.

IV. ACTION ITEMS

1. Recommendation for Board Action – Project Lifetime Budget
2. Recommendation for Board Action - Disbursements

The Committee recommended all action items to the Board for action.

V. ADJOURNMENT

The meeting was adjourned at 11:28am.

Follow-up Items

1. Provide presentation in the February or March 2015 committee meeting to explain the process for project selection/prioritization as requested by Mr. Mallet.

III. Fire Hydrant Upgrade Program

David Walls, Manager of the Distribution Branch, reported that of the approximately 9,400 public hydrants, approximately 120 were out of service. Of the 120 hydrants, 60 were due to some defect and 61 due to construction or some kind of temporary condition. D.C. Water has control over the 60 that are due to defect, for which the goal is no more than 1 percent and it was at .6 percent. The increase over last month's total is because of water main breaks and different activities that occur in the winter months. These out of service hydrants have been addressed and the number is now back down to the mid-50s again. The numbers represent a snapshot and the report date was as of January 5, 2015.

Ms. Butani asked if there crews that repair hydrants are the same crews that do water main repairs and everything else. Mr. Walls stated that generally they are the same, but they do have fire hydrant repair crews that do the maintenance as one of their priority. As a call comes in and they are made aware of a location, they respond, check it out, and perform a repair.

Mr. Walls stated that on the hydrant map there are no new areas of concentration.

V. Do Not Drink Advisory Update

Jason Hughes, Director of Water Distribution, provided an update on the incident concerning the petroleum-based smell in the R Street area. He stated that he invited some of the team members who participated in addressing the problem. They included Jessica Brandt-Edwards, David Walls, Maureen Schmelling, Jonathan Reeves, Constant Pierre, and Nicole Condon.

Mr. Hughes used a slide presentation to summarize the incident and he talked about what was learned and what actions they took. The Fire Department's Hazmat Team responded to the report of a petroleum smell in the area. They believe that there was a gas leak or break nearby the evening before, as well as the issue with the gas smell within a school. The Fire Department contacted the District's Department of Environment (DDOE) who also responded. DDOE followed their procedures and contacted the 33rd National Guard Civil Support Team to provide localized sampling. Those initial tests identified something but they could not figure what it was or the concentration. They thought it could potentially cause an issue and they contacted D.C. Water. It was not initially a water concern, so according to DDOE's procedures, they contacted the National Guard. D.C. Water dispatched crews to the area and began collecting and testing samples. The Emergency Management Team was activated and the Incident Command Post was established at Bryant Street. The Command Van was deployed to 8th and R to provide a presence in the middle of the event. Along with EPA and others, a decision was made to issue a "Do Not Drink" Advisory was issued. Sampling continued and a plan for flushing out the system developed. Samples were taken to EPA's Laboratory at Fort Meade by police escort. There was great support from all the agencies that participated.

Ms. Butani asked if the National Guard charges someone for their time and services to recoup the costs. Mr. Hughes responded that at the beginning they were there on behalf of DDOE. There is a limit on the time they can be there in that capacity and they were approaching that limit which would have required another declaration. Jonathan Reeves stated that the first 12 hours are free and then a bill would be issued.