



**DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY**

**BOARD OF DIRECTORS  
WATER QUALITY AND WATER SERVICES COMMITTEE**

**MEETING MINUTES  
THURSDAY, JANUARY 21, 2016  
(via conference call)**

**Present Board Members**

Rachna Butani Bhatt, Chair  
Kendrick Curry  
Alan Roth  
Howard Gibbs

**Present D.C. Water Staff**

George Hawkins, General Manager  
Charles Kiely, Assistant General Manager  
for Customer Care and Operations  
Linda Manley, Secretary to the Board

**I. Call to Order**

Ms. Butani called the meeting to order. She stated that the agenda was being modified to first discuss the Capital Improvement Program (CIP) and contracting project issues and then the other items would be addressed.

**II. Water and Sewer CIP Briefing**

Ms. Butani Bhatt introduced Liliana Maldonado, Director of the Engineering and Technical Services Department, who presented the water and sewer CIP briefing. Ms. Maldonado stated that there were four presentations that would address some of the questions that were raised by the Committee. The last two presentations provide more detailed answers. She indicated that she thought it was important to understand the large picture which included the background process that is used for these types of contracts.

Ms. Maldonado reported that the water and sewer CIP is different from the work that the Board is use to hearing reports on in the Environmental Quality and Sewerage Services Committee meetings which relates more to Clean Rivers and the Blue Plains work. There are two types of projects that they have been asked questions about. In the large valve replacement category there are four active contracts and they have been asked the status of one specific location within one of the contracts. Ms. Maldonado stated that the total dollar value that they are

managing is about \$10.8 million. The contracts have 53 locations where the work is being done. Of those locations, Ms. Maldonado indicated that they were talking in this presentation about one where they have had some challenges. She noted that for the small diameter water main portion of the CIP they have five active construction contracts for a total of 38 different locations where work is being done. They have received questions related to two specific locations within contracts 9A and 9B. Ms. Maldonado reported that there is a lot of work going on in the city with regards to both small diameter water mains and large valve replacement work. She stated that they are having good success with all of that work but every now and then they do have specific locations where some challenges present themselves. This is the context of how this fits into a larger water and sewer CIP.

### **III. Large Valves Replacement Process for Complete Installation**

Ms. Maldonado reported on the large valve replacement process for complete installation. Her briefing showed how contracts get developed and executed in the field. The handouts distributed on the contracts are available on-line and include the Business Process Flow Diagram for the installation of large valves. She walked the Committee through the entire Flow.

Ms. Butani Bhatt stated that one of the issues was about the projects where they are plated or backfilled and it is done so poorly that people in the community are very concerned about their vehicles and feel like the plates should have been put in lower so that they do not cause traffic congestion. She wanted to know to what extent D.C. Water goes out and checks the quality of the backfilling and plating work that has been done to see if it could be done better in a way that would not affect traffic, inconvenience people in that area, and have the potential to damage vehicles. Ms. Maldonado asked Deidre Saunders, Manager of the Construction Management Division, DETS, to answer the question on their quality assurance process. Ms. Saunders stated that their guidelines are based on the District's Department of Transportation (DDOT) requirements for backfill, as well as for temporary asphalt restoration. She reported that the inspector on her staff does the initial quality control and over time they are normally out there every two or three days still working at the site and checking on the work. Ms. Butani Bhatt said that the Board has received complaints and that she has been very disappointed in some of the backfill or plating.

Mr. Roth announced that he was leaving for another appointment and wanted to state his concerns with the final stages of the project when the work was done and the time comes to close the project. His issues are about the lag times between the temporary restoration of the roadway and the final restoration. With the Fort Meyer contract he is not sure who is responsible for what went wrong on 14<sup>th</sup> Street. Based on his reading of the presentation the timetable shows that it takes way too long to go from the backfill and temporary restoration of the roadway to completion and permanent restoration. He believes D.C. Water should not be supplicants before DDOT and that they need to get the General Manager, the Chairman of the Board, the Director of DDOT, the City Administrator, and if necessary, the Mayor to get together and solve the problem. It takes way too long and it is clearly unnecessary. The end result is that the work that is being done is causing incredible disruption on major arteries of the City and inconveniencing people in the City. He believes D.C. Water does a much better job of finishing off this work than virtually any other utility.

Ms. Butani Bhatt stated that she has also expressed frustrations in terms of quality control for what she has seen in the areas that she pointed out. She told Mr. Roth that she believes management has heard them and understands that they have some issues with the quality control in terms of watching the contractors.

Mr. Hawkins informed Mr. Roth that they are taking this to heart and will make sure D.C. Water's quality assurance and inspection program does as tough a job as possible. He stated that they are scheduling a meeting with the DDOT Director about the issues Mr. Roth raised.

Ms. Maldonado then moved back to presenting the process. When she reached Slide No. 18, she indicated that they are done with the mechanical work on the job and go to temporary restoration. It only takes a few hours in a day to do the temporary restoration. Ms. Maldonado stated that they have questioned the need for the temporary restoration step because if they could eliminate that step from the process, she believes the 35 days between temporary and permanent restoration could be cut to a 2-week period. Ms. Maldonado informed the Committee that when they have emergency projects they have been able to negotiate the temporary restoration step out of the process because DDOT is comfortable with the quality of the work D.C. Water's contractors do. She welcomes anything the Board can do to help them work with DDOT in coming up with some agreement where they can eliminate that step, especially in areas where traffic is very congested or at very critical intersections.

There are also issues related to the scope of paving. When they bid their contracts out, they make certain assumptions as to the amount of pavement that they have to replace and sometimes the costs are 100 percent over what they estimated. The DDOT inspector has flexibility to decide what he or she believes is an appropriate limit of restoration. Ms. Saunders stated that they use DDOT's standards on paving but sometimes DDOT does not follow them and there is a lot of interpretation and negotiation in the field that goes on between DDOT, the contractor, and D.C. Water's staff to try to arrive at an acceptable answer. Sometimes it does not end with a reasonable agreement and they have no choice but to do what DDOT asks them to do.

Mr. Gibbs asked if they have pre-construction conferences with the contractors to say this is what is being done, this is what D.C. Water will disturb, and not disturb. It seems to him that they are coming out and saying fix this and that, even if D.C. Water and the contractors had never touched the area. Ms. Saunders stated that they do not meet with them at the beginning of a project but she considers it an excellent suggestion and will add it to the list of issues for discussion with DDOT. Ms. Maldonado noted that they do document the condition of the site before they touch it and when it is completed with photos. Often they refer to those photos and argue with the DDOT inspectors for days and still get no resolution.

Mr. Curry stated that it sounds to him that it needs to be a higher level meeting with DDOT to start to hammer out the memorandum of understanding and D.C. Water needs to elevate the priority of it and put a timeline on it. If they can reduce the responsiveness from 35 days downward toward 14 or less, he asked what is taking so long with regard to calling the meeting and setting some times and getting the MOU done. Ms. Maldonado replied that she, Gus Bass, Carlton Ray, and Deidre Saunders have held meetings with DDOT but to no avail. She believes the issues need to be elevated to the agency head level and that they need help from D.C.

Water's General Manager and the Board members who might have some relationships with people who could be helpful. Mr. Hawkins indicated that changes need to be made and that he has discussed the issues with Matthew Brown, D.C. Water Board Chairman, who is also the D.C. Budget Director, and past DDOT Director. He agrees and believes discussions need to be raised to the top level.

Mr. Curry requested from staff, the cost impact of reducing something from 35 days down to 14. He asked how much would be saved. Ms. Saunders said that she does not have the numbers now but will calculate the costs in time and the damages to vehicles if a plate shifts. Mr. Curry stated that the cost is a major driver and they want to wisely spend D.C. Water's resources. Ms. Maldonado said that this information would be prepared and provided to Mr. Hawkins for his meeting.

#### **IV. Large Valve Replacement at 14<sup>th</sup> Street, Between F and G Streets, N.W.**

Ms. Maldonado stated that the prime contractor on the job is Flippo and the subcontractor for the restoration work is Fort Meyers. She presented the work outline and milestones on slides. Ms. Maldonado indicated that they are very happy with the work Flippo does on projects. On this project the planned dates on the restoration process, temporary first step and then the permanent last, were about two months apart. She reported that one of the challenges they see in their work is that the volume of concrete that they need is very small in comparison with a lot of the construction activity going on in the City and that they are not a priority. They sometimes are last in line on a given day and there is no guarantee on time delivery of the concrete. Ms. Butani Bhatt said that D.C. Water should be on the suppliers' priority work list no matter what the quantity is. She indicated that sitting down with them and discussing this issue is very important.

Ms. Maldonado then went through some of the challenges encountered on this particular job. It experienced some delays that were due to unique conditions at the site. DDOT did not approve the normal work hours that D.C. Water typically sees in other projects. The contractor could only do work between 9:30 a.m. and 3:30 p.m. which amounted to a five-hour workday instead of eight after time is taken setting up and closing down. Five hours is not sufficient.

This location was also a very congested traffic corridor, so there were a lot of challenges with the traffic control plan. Another challenge was that there were significant utilities in the area too close to where D.C. Water's valve replacement was happening which required a change in their planned field work from the use of mechanical equipment for excavation to having to hand excavate so that they did not cause damage to the utilities. These and other site conditions resulted in legitimate delays that were outside of the control of the contractors and they had to come up with alternative approaches during the construction effort. Ms. Maldonado reported on their inability to use the traditional manhole in the location. They believe it was a two-week delay just for these two issues.

Ms. Maldonado indicated that they examined the lessons learned on the projects and looked back at what they could have done differently. They are now waiting for the final walk through by DDOT on January 31 before officially closing the job.



**IV. Small Diameter Water Main Locations: P Street Between 26<sup>th</sup> to 28<sup>th</sup> Street, N.W., and R Street Between Wisconsin and 30<sup>th</sup> Street, N.W.**

Ms. Maldonado stated that issues with one of these projects was raised by Mr. Roth and one by Ms. Butani Bhatt. These projects are where they have had some challenges with the contractor. Locations are under different projects but they are with the same contractor. There are 38 locations associated with these two projects. The description of the work is the installation of small diameter water mains, fire hydrants, and valves in multiple locations.

The contractor is Judlau, Inc., from New York, a reputable utility contractor with experience working in Manhattan and in heavily developed, congested areas. Ms. Maldonado stated that from a technical perspective, the due diligence was done for this contract award, and they were the apparent low bidder, and their technical references were very strong. However, this contractor had never worked in D.C. before, so they were both a new contractor to the Washington, D.C. metro area and a new contractor to D.C. Water. One of the things discussed with Board members previously was the fact that there are only a handful of contractors who are able to do this type of work, so they were excited to see a reputable contractor come and be willing to get into this market.

Ms. Maldonado indicated that the two contracting questions were on contract 9A and 9B, and one of the challenges they faced with the new contractor was that they were the apparent low bidder on both of these contracts. The two contracts were bid two months apart. D.C. Water did not have any experience with them yet in the field to concern them that there was going to be a problem in terms of their capabilities and capacity to get the work done. It takes contracts months to get the permits and all the other things they need to start the work.

For contract 9A, the P Street location, notice to proceed was given on November 12, 2013 and currently they are 90 percent complete. According to Ms. Maldonado they were supposed to finish the project by May 2015, so they are essentially 8 months late. Because of some of the challenges they encountered, D.C. Water approved a no cost time extension which basically allows them to continue the work and they have to eat up any costs associated with the extended time for completion. They have given them an October completion date and they have been informed that they will be assessed liquidated damages on this project. Ms. Saunders and her team had concerns from the beginning on the contractor's lack of progress. They met with them fairly early in the late Spring of 2014 to basically ask them a bunch of questions around whether they were sure they were on track and to make sure that they understood that D.C. Water was watching very closely and was very concerned that they were not making sufficient progress.

On contract 9B which is the R Street location, it was awarded in March 2014, about four months after the first contract. Currently they are 85 percent complete with an original completion date of October 2015 and so far they have approved a 68-day time extension to December of 2015. Ms. Maldonado went over the list of issues encountered by the contractor which included them being very slow staffing up the project, being new to the area, and having no local staff. They communicated on numerous occasions about the problems and the contractor would show improvement and then revert back. In July they met with them and discussed the problems and were assured that they had it under control and everything would be finished on time. A

Committee member asked why they were not fired at that point. Ms. Saunders stated that they looked at termination at that point and spoke to the President of the company who committed to resources that were never delivered. They felt that in terminating them it would actually cost the Authority more money and it takes time, the community would be left in a partial state, and someone would have to maintain the location until it was assigned to another contractor. They decided to stick it out.

Ms. Butani Bhatt asked if they had performance bonds on the contractor and Ms. Saunders said yes. Ms. Butani Bhatt stated that she does not feel any agency should be afraid to terminate the contractor when performance bonds are in place. It will cost money but if you are terminating for cause, the performance bonds should kick in and all of the costs experienced by D.C. Water would be covered by the bonding company. She asked if they had written to the bonding company informing them of the issues. Ms. Saunders replied, no. She said they felt they were prosecuting progress with them and when they communicated with the contractor, they would see some progress. Ms. Butani Bhatt stated that they have to follow through in writing to the bonding company who is the only entity that will put a lot of pressure on the contractor to perform consistently. If they feel like the contractor is failing, they can go after everything and take it from the contractor, personal assets and company assets. She encouraged them to utilize this tool in every situation where D.C. Water holds a bond on a contractor.

Ms. Maldonado gave the schedules for completion of 9A. Ms. Saunders stated that 9A had now been completed. On 9B they were working on the times and it is scheduled to be completed in April.

Some of the lessons learned and potential solutions they have discussed were presented by Ms. Maldonado. They are not making recommendations at this time because they need to continue working on their ideas. Lessons learned included how to increase assistance to new contractors to this area so that they fully understand D.C. Water's requirements. They will continue to work to attract additional competent contractors and provide more assistance to them on key elements of D.C. Water's and the City's processes that may be unique from what others do. Ms. Maldonado stated that the final completion dates are not tied now to specific locations but to the overall contract, so they may develop a schedule of milestones and a schedule of values for the projects that allow them to tie in cash flow to specific locations so that they incentivize the contractor to get in and out as quickly as possible in the locations that are most critical to D.C. Water and the City.

Ms. Maldonado also presented actions to avoid when working with contractors who are poor performers. They have most of the things in the contracting documents but they need to take a closer look and review the language from a contract management and legal perspective and see if they can tighten it more. More of these actions are listed in the handout which is on the website.

Ms. Maldonado said that they will continue to look at all possible solutions to the challenges and also to continue to benchmark with others to make improvements. They are not ready yet for recommendations on what they want to do differently. She wants to reach the level where she feels they have done sufficient evaluation and that everything makes sense. Ms. Maldonado

indicated that they will be hearing more in the next year or so because it is weighing heavily on her mind and because as the number of projects continues to increase, they have to look at alternative ways to get the work done by using creating contracting, as well as procurement approaches, to get to the best possible outcomes.

Ms. Butani Bhatt asked if the Board members had additional questions on the presentations. Mr. Gibbs asked if the contractor will be allowed to continue to bid on projects. Ms. Saunders stated that when the contracts are completed, the contractor will be assessed liquidation damages to date and that will go on their record. The contractor is well aware of the implications when they respond to any other advertisements or bids that D.C. Water has. That is a death nail for contractors. Their performance evaluation will probably be a 1 on a schedule from 1-4. They will probably be considered non-responsive/responsible based on those factors. Ms. Maldonado assured the Committee that they will bring this to them for discussion before they move forward.

## **V. Water Quality Monitoring**

### **A. Total Coliform Testing (TCR)**

Charles Kiely, Assistant General Manager for Customer Care and Operations, reported that there were zero positives in December and so far in January. This is expected in the cold months.

### **B. Lead and Copper Rule Monitoring**

Mr. Kiely stated that they filed the Lead and Copper Rule Testing on January 10, 2016 with the U.S. Environmental Protection Agency and they came in at 3.7 parts per billion, rounded to 4. He gave kudos to the Drinking Water Division and the Office of the General Counsel. Mr. Kiely mentioned the struggles D.C. Water had back in 2004 and what is going on today in Flint, Michigan. D.C. Water is really on top of this and it is the work of a small group of people, especially Jessica Edwards-Brandt with the Drinking Water Division, Maureen Schmeling, and Gregory Holt from the General Counsel's Office. They believe they have achieved optimum corrosion control with respect to the water treatment process. This is one of the lowest levels in the history of D.C. Water.

## **VI. Fire Hydrant Upgrade Program**

David Wall, Manager, reported on the status of fire hydrants for December. They continue to work on reducing the out-of-service hydrants found to be defective and they are now down to 31 out of over 9,400 public hydrants. For the hydrants that have been out of service for over 120 days, they continue to work on those. Mr. Hawkins asked if this was the lowest percentage they have had and Mr. Wall replied, yes, since he has been on-board. There was nothing to note on the map of clustered out-of-service hydrants.

## **VII. Non-Joint Use Contracts**

Mr. Kiely presented the two contracts. The first one is for Mueller Systems for interim positive displacement meters. This is basically to extend the current contract and they are going out

later this year for a larger contract. These are in support of the Water Main Replacement Program.

The second contract is for Fort Meyer to add money to the water main infrastructure repair and replacement contract. This is for a modification, contract extension which is important for winter months. Mr. Kiely stated that the contractor has performed good.

Mr. Curry asked about the Fort Meyer contract and if this was change order number one. Mr. Kiely said there had been no other modifications under this contract.

Ms. Butani asked that Mr. Roth's comments be considered seriously. D.C. Water has to expect the best from its contractors, not excuses. She understands that things happen but she encourages everyone to hold the contractors accountable and to use the means and methods available to keep them in line. Give them feedback on what D.C. Water's expectations are. Mr. Hawkins agreed and welcomed this type of direction from the Board and will act on it.

There were no additional comments or questions on the two contracts. The Committee recommended both contracts for full Board approval.

Ms. Butani Bhatt thanked everyone for participating in the conference call and adjourned the meeting.