



**DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY
BOARD OF DIRECTORS**

**MEETING MINUTES
THURSDAY, JANUARY 8, 2015**

Present Directors

Matthew T. Brown, Chairman, Alternate to Vacant Position, District of Columbia
Edward L. Long, Second Vice Chairman, Fairfax County
Rachna Butani, District of Columbia
Nicholas Majett, Prince George's County
Obiora "Bo" Menkiti, District of Columbia
Timothy Firestine, Montgomery County
Robert L. Mallett, District of Columbia
Alan J. Roth, District of Columbia
David Lake, Alternate to Vacant Position, Montgomery County
Adam Ortiz, Alternate to Nicholas Majett, Prince George's County

Present Alternates

Howard Gibbs, District of Columbia
Brenda Richardson, District of Columbia

DC Water Staff

George S. Hawkins, General Manager
Randy Hayman, General Counsel
Mark Kim, Chief Financial Officer
Linda R. Manley, Board Secretary

Chairman Brown called the 205th Meeting of the District of Columbia Water and Sewer Authority's Board of Directors to order at 9:32 a.m. The roll was called and a quorum established.

Approval of the December 4, 2014 Meeting Minutes

Chairman Brown asked for a motion to approve the December 4, 2014 minutes. Mr. Roth moved that the minutes be approved, and the motion was seconded. The minutes were approved by the Board of Directors, with one abstention. Mr. Lake stated that he was not present at the meeting.

Approval of the December 16, 2014, 10th Special Meeting

Chairman Brown asked for a motion to approve the minutes from the December 14, 2014, 10th Special Meeting. Mr. Roth moved that the minutes be approved, and the motion was seconded. The minutes were approved, with one abstention from Mr. Lake.

Chairman's Overview

Chairman Brown stated that he wanted to thank Mr. Lew for his service to the D.C. Water Board and him being a tremendous advocate for D.C. Water in his role as City Administrator. Chairman Brown indicated that among Mr. Lew's accomplishments were his advancing the headquarters building and the Green Infrastructure Consent Decree, and his work on the Bloomingdale flooding. He stated that he especially wanted to thank Mr. Lew for the way he handled the flooding situation and how he worked with D.C. Water and the District's city departments. It showed his tremendous dedication to both D.C. Water and the residents of the District.

Chairman Brown announced that there would be a budget presentation following the meeting. He stated that this was very important to him because he had recently been appointed as the Budget Director for the District of Columbia. Budget is in his blood. Also, in his early career he was a budget analyst for the Milwaukee Metropolitan Sewerage District.

Chairman Brown indicated that he wanted to continue the practice of committees serving a robust function at D.C. Water and asked that committee reports be kept to a minimum.

Chairman Brown stated that the Green Infrastructure Consent Decree is well on its way and that the appropriate people within the new administration have been briefed. After their formal sign off and approval, the Consent Decree will go to the U.S. Environmental Protection Agency and the Department of Justice.

Environmental Quality and Sewerage Services Committee

Reported By: Obiora "Bo" Menkiti, Vice Chair

Mr. Menkiti stated that the Committee met on December 18, 2014 and received an update on plant performance from Walter Bailey, Assistant General Manager for Wastewater Treatment. He reported that the average monthly flow was 267 million gallons per day (mgd), bringing the 12 month average to 301 mgd. There were 2.6 inches of precipitation during November and biosolids production was 938 wet tons a day, which is slightly down from the annual average production of 1,081 wet tons a day. Nitrogen was at 3.9 milligrams a liter, below the 4.1 allowable threshold. Overall plant performance was excellent with 100 percent compliance.

Mr. Menkiti also reported that Mr. Bailey briefed on the progress on the digesters and their seeding. The digesters are currently at 40 percent capacity and is producing high quality solids cake. They plan to have 100 percent digestion of biosolids in the next few weeks. The Committee asked if there were any challenges in ramping up the digesters and he informed them that other than some challenges about getting enough steam availability on the site that required pulling in some additional temporary boilers, things have been going fairly smoothly.

The Committee received an update from David McLaughlin, Director of Engineering and Technical Services, concerning the Odor Abatement Project at the Potomac Interceptor Sewer.

The Virginia sites have been delayed, with the Fairfax site planned to be completed in mid-March. The issues primarily are due to issues with Dominion Power and of coordination. The Old Angler's Inn status is that there is a new counteractive agent system being used and some modifications to the exhaust vent that are allowing for greater dispersion of the air coming out of the vent. Mr. McLaughlin reported that they continue to monitor the situation. They do not expect any problems given since it is outside of the odor season until the summer.

Mr. Menkiti reported that 13 joint-use action items were reviewed by the Committee and recommended for Board approval. The Committee had asked for a report about cured in place pipeline subcontracting opportunities because there was a sense that there was going to be limited minority business entrepreneur (MBE) and women business entrepreneur (WBE) opportunities. Len Benson, Chief Engineer, provided information to the Committee and showed them a video that showed the process. He reported that the new technology creates some challenges in D.C. Water's subcontracting opportunities. The process appears to cause a considerable saving of time, money, and efficiency in moving things forward at a minimal disruption to residents. Due to the specialized nature of the work and proprietary nature of the materials, people need to be approved as vendors and subcontractors. Mr. Benson stated that that requirement has somewhat limited the subcontractor opportunities. They expect that D.C. Water will be slightly below its fair share objective goals of 32 percent for MBE and 6 percent for WBE when doing these types of projects.

Joint Meeting of the Environmental Quality and Sewerage Services Committee and the Water Quality and Water Services Committee

Reported By: Obiora "Bo" Menkiti

Mr. Menkiti reported that the joint meeting was an opportunity to review the plans for the upcoming D.C. Water headquarters building, the status, the process, and the contractor selected. This will be covered in the General Manager's Report.

Ms. Butani stated that she was fascinated to see the number of strong qualified candidates that submitted proposals, most of the large construction, development, and architectural players in the District. She indicated that this showed a lot about how prominent D.C. Water is and how the building will absolutely be beautiful on the waterfront.

Water Quality and Water Services Committee

Reported By: Rachna Butani, Chair

Ms. Butani stated that the Committee met on December 18, 2014. Charles Kiely, Assistant General Manager for Customer Care and Operations updated them on water quality monitoring. For total coliform report monitoring there were no positive samples so far in December. There were two positive samples in November. As the weather gets colder, there is less bacteria.

Mr. Kiely reported that in terms of lead and copper monitoring they had sampled and analyzed 104 samples thus far. The level was at 4.4 parts per billion, which is extremely low. The monitoring included the summer period. D.C. Water did great in 2014.

Ms. Butani stated that the Committee was informed that out of 4,900 public fire hydrants, 53 were out of service, which is a decrease from the 61 last month. The Committee continues to focus on fire hydrants that have been out of service for over 120 days. Ms. Butani reported that they were informed about 10 hydrants that were out of service due to construction. Of the 10, 2

were completely inaccessible and they are trying to determine how to remove them from the inventory and the report.

The last issue discussed was the Customer Satisfaction Survey which is Goal 4 in the Strategic Plan. Both residential and non-residential customers will be surveyed and a baseline will be established. Impact International has been selected to conduct the survey and do the focus groups. Ms. Butani stated that the Committee recommended some modifications to the questions and also that the survey be pushed back to late spring. Mr. Kiely indicated that he would meet with Impact and see what they thought about the recommended adjustments.

D.C. Retail Water and Sewer Rates Committee

Reported By: Alan Roth, Chair

Mr. Roth stated that the Committee met on December 19, 2014 and received a presentation from the staff about what will probably be a very significant restructuring of D.C. Water's retail water and sewer rates. A consultant also briefed the Committee on their review of D.C. Water's Financial Plan and essentially validated it. Mr. Roth reported that Mark Kim, Chief Financial Officer, will present more details later at the discussion of the Financial Plan and the Rate Restructuring Proposal for 2016. He stated that staff is recommending that the different components of the retail water and sewer rates be broken into three categories, residential, multi-family (which would include the D.C. Housing Authority), and non-residential. Each class would be charged different water rates based upon a peaking factor that staff has calculated based upon historical usage.

Mr. Roth also reported that in the residential class D.C. Water would start offering a lifeline rate for the first four CCFs of water usage. An infrastructure fee would be considered and would be a new component on the customer bill targeted specifically at renewal and replacement of aging water infrastructure in the retail service area. This would be done in order to continue D.C. Water's replacement of aging infrastructure of one percent a year.

The Customer Assistance Program (CAP) will be maintained as it is now. Some portion of the first four CCFs of the water and sewer rate, which is being considered for classification as infrastructure fee, will be extended for CAP customers.

Mr. Roth stated that these issues will be considered again at the Financial Plan discussion and at the next retail rates meeting. They will bring back a more formal presentation to the D.C. Board members for the formal rate-setting process in the spring time.

General Manager's Report

Reported By: George Hawkins, CEO/General Manager

Mr. Hawkins stated that they are planning to do something for Mr. Lew before the next meeting to thank him for his service and everyone will be notified.

Additionally, Mr. Hawkins welcomed Chairman Brown as the Board's new chairman. He stated that he was fascinated to learn that Chairman Brown held a budget analyst position with the Milwaukee Metropolitan Sewerage District and he learned that much of his trade in one of the better organizations in the country. He congratulated him on his role as District Budgeted Director and his appointment as Chairman of the D.C. Water Board of Directors. Mr. Hawkins pledged to Chairman Brown that he and staff would help him in any way to make sure that he has everything he needs to do the job.

Mr. Hawkins spoke about December being a big month. The water main break temporarily shut down the Metro subway at Metro Center during rush hour. The same week there was a report of a petroleum smell in drinking water that started at an elementary school which is of course of great significance. Mr. Hawkins stated that everyone mobilized to address the emergencies and took the protective steps first before they had confirmed the reports. They put out alerts and went door to door. Public safety is always the first job. It took two days until they were sure there was no risks. Mr. Hawkins stated that the team worked, Jonathan Reeves, Director, Emergency Management and the whole crew. The Board had supported investing in an emergency response vehicle and he reported that it is instrumental when these moments occur.

He thanked Charles Kiley, Incident Commander, for the incredible job he does orchestrating D.C. Water's response to emergency incidents, and asked Mr. Kiely to highlight the team that responded to both emergency incidents. Mr. Kiely provided a summary of some of the actions they took. The water was cut off in 90 minutes at the Metro Center. Over two million gallons were spilled. He pointed out Jason Hughes who is the Director of Utilities, and Marley Franson, Manager of Operations for Water Services. Mr. Kiely stated that over 125 people were deployed within 3 hours for the petroleum-based smell incident. EPA and CDC were brought in to assist in determining if it was a health-based concern. Members of Jonathan Shanks', AFGE Local, Meter Operations, Sewer Services, and others under the umbrella of customer care and operations were deployed. The emergency management team was mobilized which includes John Lisle, Director, External Affairs, and his group were instrumental in dealing with the media. Mr. Kiely indicated that next time he would bring people in and introduce them formally, but they were currently busy dealing with another emergency in the city.

The CEO/General Manager stated that he had to leave at 11:00 a.m. because he was making a presentation of the Green Infrastructure Project at EPA at 3:00 p.m. in New Jersey. He highlighted an event which occurred in December concerning where the new tunnel boring machine. This boring machine will go down into the ground at RFK Stadium. At the event it was christened "Nannie" after Nannie Helen Burroughs, the great educator who focused on Ward 7 and Ward 8 and on technical training for women. The Archbishop of Washington, Donald Wuerl, participated. He brought an element of the saint that is put on mining machines by employees and blessed it on site. The message was that the workers would be ten stories below ground working safely with the piece of machinery.

Mr. Hawkins announced that Mark Kim won the Government Finance Officers Association's Excellence in Government Finance Award. Also, in December D.C. Water won the Owner of the Year Award from the Engineering News Record.

CEO/General Manager Hawkins announced also that the continuing resolution authorizing Federal funding through the end of Fiscal Year 2015 was passed and it includes \$14 million for D.C. Water's Clean Rivers Project. He indicated that it is a hard battle fought by D.C. Water and the City, every year to make sure that Clean Rivers is maintained in the budget.

New staff and promotions were announced and the successful employees introduced by Mr. Hawkins. They are Gregory Stevens who was promoted to Foreman of Operations; new hire Marley Franson to the position of Manager of Water Distribution; and new hire Liliana Maldonado to the position of Director of the Department of Engineering and Technical Services, who replaces Dave McLaughlin. Chairman Brown also welcomed the new hires and the promotion. He said that he was impressed by the team Mr. Hawkins continues to attract and believes it bodes well for the future of D.C. Water.

Mr. Hawkins stated that Board member Mr. Menkiti who has a fascinating career doing projects in the city, has become a partner with Four City. The issue concerns whether Mr. Menkiti's involvement with Four City would cause any issues of conflict of interest because he is a Board member. He reported that it has been reviewed through the General Counsel's Office and they are confident Mr. Menkiti can recuse himself. General Counsel Hayman concurred and stated that they would be in constant communication should the situation change.

Mr. Roth stated that before going on to the action items he wanted to recuse himself from voting on Resolution 15-06 which is a contract for Verizon Federal. Chairman Brown thanked him.

Ms. Richardson thanked the D.C. Water team on the service she received following a sewage backup flood at her house which came from the street. She stated that the team came out, took care of the problem in the street, and took care of the problem in her house and her neighbor's house. Ms. Richardson said that she was grateful that she had an opportunity to see how well they worked and that they should be commended for doing such an excellent job.

Consent Items (Joint Use)

Chairman Brown asked for a motion to approve the joint use contract items. Mr. Firestine moved to approve Resolutions 15-00 through 15-13 and it was seconded. The motion to approve Resolutions 15-00 through 15-13 was unanimously approved by the Board.

Chairman Brown the meeting at 10:08 a.m.


Secretary to the Board