



# **DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY**

## **BOARD OF DIRECTORS**

*Retail Rates Committee  
Thursday April 1, 2010  
8:45 a.m.*

## **MEETING MINUTES**

### **COMMITTEE MEMBERS**

William Walker, Board Chairman  
David Bardin, Chairman  
Maurice Boissere  
Howard Gibbs  
Alan Roth  
Joseph Cotruvo  
Brenda Richardson  
Alethia Nancoo

### **WASA STAFF**

George Hawkins, General Manager  
Meena Gowda, Principal Counsel  
Olu Adebo, Chief Financial Officer  
Linda R. Manley, Board Secretary  
Charles Kiely, Acting General Manager Customer Service

### **Call to Order**

Chairman David Bardin called the Retail Rates Committee meeting to order at 8:49am.

### **DC Fire Protection Service Fee**

#### **Review and consider public comment**

Chairman Bardin stated that the DC Fire Protection Service Fee was the subject of the Committee meeting. A public hearing was held on a fee proposal of \$640.48 per public hydrant on March 18, 2010. Two public witnesses testified at the hearing Mr. Adebo gave a brief history on the fire protection service fee, the cost of service study that supports the current recommendation and the public hearing process. A complete transcript and copy of all of the public hearing notices was distributed to all Board members in advance of the committee meeting

#### **Discussion and Management Proposal**

Mr. Adebo stated that a one page summary was done to show how DC WASA arrived at the fee. Mr. Bardin asked for a clarification of the hydrant operating costs compared to the capital debt service costs. Mr. Adebo explained the components and noted that a breakout is provided on slide 6 of the Committee package. Mr. Kiely described the size of the DC WASA repair crews involved in the operating activities. Mr. Bardin asked whether DC WASA pays the Fire and Emergency Services (FEMS) office for inspection services. Mr. Adebo responded in the affirmative and noted that these costs are included within the fee proposal and are ultimately still costs to the City for hydrant services.

Ms. Nancoo asked whether there were any contingencies built into the DC Fire Protection Service fee operating costs to allow for changes in schedules or timeframes. Mr. Adebo replied not a whole lot. The fee is estimated based upon services outlined by the 2007 MOU and ongoing discussions with FEMS. Current discussions with the City Administrators' office include the possibility of re-prioritizing the timing and amount of services desired - balanced with affordability for the City. In addition, it was noted that meetings over the past two months between the City and DC WASA have included the possibility of a variety of alternate payment options that could include some lump sum payment of prior year costs. These are still under discussion and are not likely to alter the need for approximately \$6.2 million per year for necessary activity. The city has essentially accepted the concept of the higher per hydrant annual fee, but is trying to identify the payment sources and size of program.

Chairman Bardin asked whether DC WASA has a plan to eliminate the PILOT fee. Mr. Hawkins replied that he has been meeting with City officials. What has been agreed upon thus far is that a different methodology other than the current PILOT formula would be needed for a variety of reasons; and an independent, third party is to be identified and agreed upon by both sides to review the issues and current DC land use and recommend a new fee and methodology. Ms. Nancoo asked whether the third party independent review body would consider other payment options or would only focus on an appraisal of the real estate for rental payments from DC WASA to the District. Chairman Walker replied that the option for alternative is open.

Chairman Bardin proposed that the staff recommendation for the change in fire service fee be reduced by \$0.48 to \$680.00 annually per hydrant. The Committee agreed that the recommendation move forward to the full Board.

### **Action Items**

#### **Approval of the DC Fire Protection Service Fee**

The Retail Rates Committee agreed to recommend that the full Board of Directors approve the amendment to the DC Fire Service Protection Fee to increase the fee from \$217 annually per hydrant to \$680 per hydrant annually.

### **Committee Work Plan Development**

Given the time, Chairman Bardin stated that the work plan discussion be postponed until the next meeting. He noted that he would ask Ms. Manley to follow through on a questionnaire to get a consensus of the committee members on a work plan. Chairman Bardin asked Mr. Adebo if there was a specific need to meet in April. Mr. Adebo replied that no and Chairman Bardin stated tentatively that the April meeting will be cancelled. Chairman Bardin asked that Committee members consider which days of the week are best (or worst) for scheduling future meetings and also asked about potential alternate locations. Generally, Blue Plains as a meeting location works for all Committee members, however, it was noted that an occasional downtown location maybe something to consider. Both Bryant Street and Fort Reno came up as potential locations for field meetings.

**Other Business**

No activity

**Adjournment**

Hearing no further business, Chairman Bardin adjourned the meeting at 8:30am