

County of Fairfax, Virginia

To protect and enrich the quality of life for the people, neighborhoods and diverse communities of Fairfax County

Testimony of

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Fairfax County, Virginia
and
Principal and Vice-Chairman,
District of Columbia Water and Sewer Authority

Before the Subcommittee on Federal Workforce, Postal Service and the District of Columbia

Danny K. Davis, Chairman

Tuesday, April 15, 2008

Room 2157 Rayburn House Office Building Washington, DC 20515 2:00 p.m. Testimony of Anthony H. Griffin, County Executive, Fairfax County, VA on April 15, 2008 Subcommittee on Federal Workforce, Postal Service and the District of Columbia Page 1 of 3

Good afternoon Mr. Chairman, Mr. Ranking Member, and Members of the Subcommittee. I am Anthony H. Griffin, County Executive, Fairfax County, Virginia. I also have the privilege to be serving as Fairfax County's voting member to the District of Columbia Water and Sewer Authority (DCWASA).

I appreciate the opportunity to speak to you today. I have taken the liberty to coordinate my testimony with my regional colleagues and fellow DCWASA Board members to minimize repetition in our comments. As the most senior in tenure on the Board, having been Fairfax County's voting member since November, 1996, I will attempt to give some historical perspective and context to this hearing. My colleagues will address current issues.

When the first meeting of the DCWASA Board of Directors was convened in October, 1996, it was an organization borne of the District of Columbia Department of Public Works, saddled with debt, unreliable revenue and a physical plant that was barely functioning. Just this past March, DCWASA's bond rating had been improved to double "A" by one rating agency, its reserves are healthy and its overall operation is approaching premier status with the Blue Plains facility earning the industry's platinum award for its quality operation. Consultants hired by the DCWASA Board of Directors to do a comprehensive budget review of the Authority, at the behest of the City Council of the District of Columbia, called DCWASA "the best kept secret on the East Coast."

The success achieved to date has come about because the Board of Directors checked their jurisdictional hats at the door and committed to make DCWASA a "world class" organization. The District of Columbia and its jurisdictional neighbors can only make our metropolitan area a success if we all work together. The core cannot succeed without its neighbors, and the suburbs are diminished without the Capital City State.

Twice the Board of Directors has commissioned a Board committee and studies to look at the issue of governance. The first time was in response to a legislative mandate, District of Columbia Law 11-102, Section 43-1677, (g)(1) to include responding to the requirement of "determining the feasibility of establishing the Authority as an independent regional authority and make recommendations for the ongoing relationship of user jurisdictions to the Authority." The threshold question for the first study was "would sufficient benefits result from changing the current DCWASA governance structure to that of a regional authority model?"

At the time of the study, the Authority was believed to be independent in that DCWASA had established its own rate structure and operating and capital budgets, provided that the Mayor and Council of the District of Columbia could review and comment prior to being incorporated into the annual appropriation legislation sent by the District to Congress. Water and sewer funds had been segregated from the District's general fund and DCWASA had established independent bonding authority. New financial, procurement, and personnel systems had been created to support DCWASA's ability to operate. Against this three year record of independent operation, the tasked committee and the Board of Directors concluded that while a wholly independent

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regional authority was technically feasible, no change in DCWASA's governance should be pursued. I was on the committee and was the maker of the motion to not change DCWASA's governance structure. My rationale was that the current organization, while not perfect, was sufficiently independent and accomplishing what was intended in terms of accountability. Additionally, seeking change would be politically difficult and not the best use of resources.

One recommendation from the initial governance study was to revisit the question of governance no later than 2005, on the theory that there is benefit from reexamining whether the purpose of DCWASA is still being accomplished. The second review, completed in 2006, reached a similar conclusion to the first, in that the current structure was working. The additional consideration, not addressed in the initial study concerned DCWASA's long term interest in who operates the Washington Aqueduct, currently operated by the U.S. Army Corps of Engineers.

I recite this history because I believe it is important to make clear that DCWASA has become a success story because all the jurisdictional partners focused on making it a success. Fairfax County was looking to make sure that its investment produced accountable and reliable service, nothing less, but nothing more. DCWASA will not advance if it is at the expense of one or more of its member jurisdictions.

I am, on the County's behalf, very sensitive to the ownership and location of the Blue Plains facility. The Board strictly adheres to voting according to "joint-use and non joint-use" on contractual and financial issues. Retail rates are approved only by District members of the Board, but my observation is that rate increases have been balanced between the legitimate business requirement of DCWASA and the needs and ability to pay of the customers being served. This balance was not always observed, requiring the creation of DCWASA. As long as the Board of Directors continues to be fiduciarily prudent and responsible, the financial independence that Congress intended for DCWASA should not be compromised. Consequently, Fairfax County supports the passage of H.R. 5778 clarifying that the Chief Financial Officer for the District of Columbia cannot override decisions of the DCWASA Board of Directors. The proposed legislation is, quite frankly, the clarification that Congressman Tom Davis intended in his "Colloquy on H.R. 4942, FY2001 District of Columbia Appropriations on Water and Sewer Authority".

Mr. Chairman, thank you again for the privilege to speak. I will be pleased to respond to the Committee's questions.