

HEIDRICK & STRUGGLES

Company, Position & Person Profile

DC Water and Sewer Authority

Chief Engineer

February 2009



Heidrick & Struggles advises the company on the basis of an exclusive consulting assignment. The following details are for your personal information and should be kept confidential.

The Company

DC Water and Sewer Authority (DC WASA; Authority) is an independent water and sewer authority of the District of Columbia (District) government that provides drinking water, wastewater collection, and treatment to more than 580,000 residential, commercial, and governmental customers in the District of Columbia. It also collects and treats wastewater for 1.6 million customers in Montgomery and Prince George's counties in neighboring Maryland and in Fairfax and Loudoun counties in Virginia.

Authority has complete

1. Budgeting
2. Finances, rate setting
3. Personnel
4. Procurement

DC WASA develops its own budget, which is incorporated into the District's budget and then forwarded to Congress. At the end of Fiscal Year 2007, DC WASA had net assets of \$980.9 million and operating revenues of \$306.5 million.

The Authority provides retail water and wastewater services to its residential and commercial customers in the District. Wholesale wastewater treatment is provided to areas of Montgomery and Prince George's counties in Maryland, and in Fairfax and Loudoun Counties, as well as the Town of Vienna, in Virginia. The suburban jurisdictions pay the full cost for their use of DC WASA facilities and services.

The Blue Plains Advanced Wastewater Treatment Plant, located on the Potomac River, is the largest advanced wastewater treatment facility of its kind in the world. The plant covers 150

acres with a capacity of 370 mgd and has a peak capacity of 1.076 billion gallons per day.

The Washington Aqueduct, a division of the U.S. Army Corps of Engineers, treats water from the Potomac River and sells it wholesale to DC WASA for distribution in the District. Since its creation, DC WASA has become a model for regional cooperation in providing critical public services 24 hours a day in a heavily regulated environment.

Some additional facts:

- Nearly 1,124 employees work at various facilities throughout the District.
- DC WASA's service area covers approximately 725 square miles.
- The Authority delivers water to more than 130,000 locations in Washington, DC, and provides nearly 135 million gallons of drinking water a day (mgd) for use by individuals and businesses.
- DC WASA operates the Blue Plains Advanced Wastewater Treatment Plant, which is the largest advanced wastewater treatment plant of its type in the world.
- DC WASA establishes rates, fees, and other charges for all services provided. The fees collected from DC WASA's two million customers generate the revenue to pay for operating costs, including debt service.
- To distribute water and support the distribution system, The Authority operates nearly 1,300 miles of water main pipes, five pumping stations, five reservoirs, four elevated water storage tanks, 36,000 valves, and 9,100 hydrants.

- To collect wastewater and stormwater, DC WASA operates approximately 1,800 miles of sanitary, storm and combined sewers, 22 flow metering stations, nine off-site wastewater pumping stations, and 16 storm water pumping stations within the District. Separate sanitary and storm water sewers serve two-thirds of the city. In the older portion of the system, primarily in the downtown area, combined sewers are in service.
- DC WASA has an unusually stable customer base. More than 38 percent of its revenue comes from federal, municipal, and county governments, and 40 percent comes from commercial entities whose businesses are substantially driven by the regional economy. Only 17 percent of revenue is derived from residential customers in the District.

The Organizational Structure:

With the vision of becoming the world-class, industry leading provider of water and wastewater services, DC WASA is organized in a manner that focuses on customer service, engineering expertise and environmental stewardship.

The Authority is governed by an 11-member Board of Directors composed of representatives from each service area plus 11 Alternate Members. The Board members are six District of Columbia representatives, two each from Montgomery and Prince George's counties in Maryland, and one from Fairfax County in Virginia. The Board is in charge of establishing policy and approves the budget, while DC WASA's daily operations are administered by a General Manager who reports to the Board. The General Manager is charged with the daily management of the organization. That position is held today by Mr. Jerry N. Johnson. The Chief Engineer reports directly to the General Manager.

As an independent authority, its organizational structure enables DC WASA to respond quickly to changes in the industry to create its own regulations and policies for procurement, human resources, and finances, to negotiate its own contracts and labor agreements, and to sell bonds. The DC WASA's Board of Directors establishes rates, fees, and other charges for service. These revenues, along with federal grant monies and bond sales, are used to pay for operating costs and water and sewer system capital improvements.

www.DC.WASA.com

The Position

Title:	Chief Engineer
Location:	Washington, DC
Reports to:	General Manager

Specific Responsibilities

The Chief Engineer provides overall management of activities and programs in the Departments of Engineering & Technical Services the Long Term Control Plan, and Wastewater Treatment. He/she is responsible for all engineering matters concerning the Authority's Capital Improvement Program, and operation of the waste water treatment plant. The Chief Engineer manages activities and programs that include a capital budget of \$2.0B for the Combined Sewer System Long Term Control Plan and a \$6.2B lifetime budget for the 10-year Capital Improvement Plan.

Specific responsibilities include, but are not limited to:

- Overseeing preparation of strategic and annually-updated plans for the Engineering & Technical Services, Long Term Control Plan and Wastewater Treatment departments.
- Developing and coaching direct reports to enhance their managerial skills, and serving as a role model by providing general guidance to the Authority's workforce on effective managerial practices.
- Ensures that the Authority has the leadership talent required to support its vision, mission, and values through talent acquisition, performance management, and succession management.
- Demonstrates a strong commitment to building a diverse workforce.
- Maintaining effective relationships with government officials at the state, county and local levels; executives of other utilities; industry representatives; interest groups; and regulatory agencies. Political savvy and familiarity with the region helpful.
- Ensuring the Authority operates the wastewater treatment plant within legal and environmental regulations through efficient and effective use of facilities, finances, personnel, equipment and all DC WASA resources
- Managing operational and financial performance of the departments.
- Setting performance objectives for quality, timeliness and customer satisfaction with service, regularly evaluate overall department achievement of performance objectives.

- Develops incentives and methods for measuring/evaluating the performance of each department head's managerial skills.
- Ensuring the Authority operates within legal and environmental regulations through efficient and effective use of facilities, finances, personnel, equipment and all DC WASA resources.
- Directing strategic planning for infrastructure renewal and new facilities, and implement practices necessary to support system enhancement and the extension of new service to meet projected growth needs within the service area.
- Leading the development and implementation of a twenty-year infrastructure plan embodied by Master Plans and aligned with the Authority's ten-year financial plan.
- Exercising extensive independent judgment and action in developing and implementing policies, practices, and procedures within guidelines established by the Authority and government regulations.
- Representing the Authority at Board of Directors', congressional, state/local regulatory agencies, and public meetings.
- Acting as an official spokesperson for DC WASA, he/she addresses the public on DC WASA activities and represents the Authority at appropriate county, city, state and other government forums and briefings.
- Assisting the General Manager in developing and implementing business plans for the Authority.
- Demonstrating the highest level of DC WASA

core values and ethical behaviour.

- Ensuring the Authority's operations are in compliance with all Federal, state and local laws and regulations.
- Directing the implementation of the Capital Improvement Program.
- Serves as the Authority's chief engineering executive when interfacing with internal and external stakeholders.

Key success factors for the first year are:

- Managerial control of the use of consultants.
- Demonstrates command of capital program.
- Successful management of external and internal relations.
- Successful analysis of the organization structure for effectiveness.

Qualifications & Experience

The Person

This position requires fifteen (15) years of related experience in a public utility, large public sector entity, or private engineering firm as a member of a senior management team and/or engineering experience inclusive of ten (10) years of senior engineering management experience.

The position also requires ability to analyze financial data and budgets; ability to provide leadership to others; experience with directing and supervising the work of senior management level employees in professional and technical fields; demonstrated skill in multi-year, strategic planning and management; ability to

communicate persuasively orally and in writing, and to serve effectively as advocate for the needs of the utility before stakeholders including ratepayers and employees; ability to develop and implement long-term plans and programs and to evaluate work accomplishments; demonstrated ability to establish and maintain cooperative working relationships with industry officials, employees, and the general public; ability to analyze facts and exercise sound judgment in arriving at conclusions; good professional judgment, tact, courtesy, and integrity.

Candidates are also required to have:

- (a) Comprehensive knowledge of contemporary concepts, principles and practices in the field of engineering; comprehensive knowledge of public works planning, design, and administration;

A bachelor's degree in engineering from an accredited college or university is required and a master's degree is preferred. The successful candidate must possess and maintain license as a Professional Engineer and retain a PE license for the District of Columbia within 18 months of employment. Five years of proven management and leadership experience in a 500+ employee public organization.

Leadership & Management Behavioral Competencies

We will focus on the following priorities as we assess candidate competencies for this key assignment:

Leadership: We seek a candidate who possesses clear achievement orientation and tenacity in leading and executing. The ideal person will demonstrate the ability to use strategic skills, a broad network of influence and decision-making relationships to achieve tactical objectives and maximizing capital resources.

Functional & Subject Matter Know-How: Our candidate will need to possess or have access to a broad range of technical knowledge and related expertise including, but not limited to, wastewater treatment and water and sewer management, facilities management, customer services, long range facilities planning, financial operations and/or administrative oversight.

Operational Excellence – Setting Standards & Getting

Results: Our successful candidate will have an impressive record of leading significant improvement in complex organizations with a demanding customer base:

- Capital-intensive structure.
- Large-scale daily operations with direct customer interface and expectations.
- An organization with associated workforce, expertise, equipment, and facility requirements and issues,
- An unwavering focus on quality.
- Significant government oversight.

He/She will achieve this operational excellence through a broad but intense focus on service, quality, cost, and schedule. The Chief Engineer will demonstrate a highly empowered approach to gaining this performance improvement across the DC WASA departments.

Managing Direct Reports: Given the complexity of the role and the scale of the area of responsibility, the Chief Engineer will need to have strong capabilities in managing a large and diverse workforce including a significant “contracted-out” A/E and construction work. The successful candidate will have demonstrated in previous positions the ability to lead and drive

significant organizational improvement that is measurable. The ability of the candidate to choose his/her direct reports and successfully leverage that organization through those direct reports is a key criterion.

Personal Characteristics

The ideal candidate will be a confident, hands-on, creative leader and change agent; adaptable, flexible, comfortable in a large, fast-paced, very diverse public organization, experienced in cultural transformation; results-oriented; able to multi-task; committed to serving the community; able to inspire and motivate others; energetic, self-confident, open and forthcoming and a self-starter; politically astute; comfortable interacting with a variety of individuals (internal/external).

Heidrick & Struggles Contacts

Pat Friel

Partner

direct line: 202/331-4901

e-mail: pfriel@heidrick.com

Guy McLeod

Partner

direct line: 703/748-8280

e-mail: gmcleod@heidrick.com

Michael H. Otte

Senior Associate

direct line: 404/577-7457

mobile: 404/502-7908

e-mail: motte@heidrick.com

Kathy Pardo

Executive Assistant

Direct line: 703/748-8871

e-mail: kpardo@heidrick.com

Heidrick & Struggles

2001 Pennsylvania Ave., NW, Suite 925

Washington, DC 20006

telephone: 202/331-4900

facsimile: 202/331-4937

www.heidrick.com