Our review of the drinking water provided to employees at WASA disclosed that 8 of the 13 locations tested had operable drinking fountains available to employees. In order to assess the quality of the water at the WASA facility, we requested a D.C. OSHA representative to take water samples at these 8 locations. The test results identified unsafe water at 4 of the 8 locations tested. One location identified a lead concentration of more than ten times the allowable limit (Grit Chamber Building #2) and elevated levels at the remaining 3 locations. Further, we learned that certain models of drinking fountains at the Plant had been recalled several years ago by the manufacturer because they may contain lead solder joints. The Safety Officer was aware of this condition prior to our notification and had taken initial steps to identify and remove the recalled fixture; yet after more than 5 years, these fixtures still remain in service.

Based on the results of lead content tests, we had additional water samples taken to test the bacteria content of the water at the Plant. Heterotrophic Plate Count tests of the bacteria levels were tested at 4 different locations. These tests identified that 3 of the 4 locations tested were found to have bacteria levels in excess of federally prescribed limits.

The OIG provided the results of these tests to WASA management on May 4, 2000. To our knowledge, WASA did not take water samples to determine if the condition existed at other locations, or any other action in regard to these findings, despite employee concerns over potable water at the Plant.

Additionally, we were informed by supervisory personnel that many of the drains at the Plant were not properly connected to prevent the backflow sifonage into the basin of water fountains. We observed water collections in fountain basins at the Plant.

Emergency Back-up Lights and Exit Illumination

Numerous emergency lights and exit signs that illuminate exits routes and stairways in the event of fire or power outage were inoperable or missing. Specific examples are included in reports issued by D.C. OSHA and D.C. Fire and EMS Inspectors. These reports are included as Exhibits C and D, respectively.

Ladder Inspection Program

WASA did not establish a ladder safety program. We observed ladders on the premises that were rotted and unstable. During a walk through of the Nitrification Building, the Safety Director had a ladder destroyed that was missing the lock securing the metal spreader device that was being used by a contractor. We also observed employees using ladders without taking proper precautions such as properly securing the ladder or being accompanied by another employee. We identified injuries that have occurred at WASA due to defective ladders.

OSHA regulations require employers to identify ladders and implement a program to ensure that all ladders are maintained in good condition. We did note that WASA did provide ladder safety classes. See Exhibit A for specific CFR requirements.

Fire Extinguisher Inspection Program

Our inventory of fire extinguishers disclosed that WASA did not have an effective program for identifying fire extinguishers that require re-certification or hydrostatic testing. Additionally, we identified numerous fire extinguishers in the Administration, Chlorine, Grit Chamber, Chemical, Chemical Laboratory, Maintenance, Lime and Nitrification Buildings that had not been inspected or certified for more than 3 years. In some instances fire extinguishers were missing entirely. WASA completed an inventory of fire extinguishers in response to our February 7, 2000, MAR and issued a Request For Proposal for a contractor to re-certify or replace, as necessary, all fire extinguishers at the Plant.

Employers are responsible for the inspection, maintenance and testing of all portable fire extinguishers in the workplace. See Exhibit A for specific CFR requirements.

Elevator Inspections

Elevator inspection certificates in the Central Operations Building indicated that the elevator was last inspected in 1979. Additionally, the elevator in the Central Maintenance Building and the Laboratory were last inspected in 1980. WASA management stated that they were in the process of obtaining certifications for these elevators. To our knowledge, these inspections have not been completed. The Director of the Elevator Inspections Unit within the D.C. Consumer and Regulatory Affairs stated that the owners of the buildings are required to ensure that elevators are inspected routinely and periodically.

4. COMMUNICATION

Our review of WASA's internal and external channels of communication found them to be ineffective in relaying information between employees, managers and residents of the neighboring community about safety and health related issues at the Plant. We identified five methods of communication that WASA used to relay information at the Plant: (1) employee newsletters, (2) news releases issued by WASA's Public Relations and Communications Department, (3) Advisory Neighborhood Commission meetings, (4) a hotline, and (5) WASA's Safety Committee. Additionally, we observed that the communication channels at WASA are for the most part one way – downward. For example, we could not identify any instance in which managers appreciated candor or negative information or were open to discussion or criticism. We concluded that WASA's executive management does not interface with plant operators on a regular basis. Infrequent trips, if any, are made to certain plant buildings. We believe management needs to establish a better rapport with the employees.

In WASA's FY 2000 Strategic Work Plan, communication is depicted as the top priority facing the plant. It is certain that communication is an important area of an employer's safety program. Getting safety information out to supervisors and Plant operators is critical. Communication is also a required element under OSHA's Hazard Communication Standard (HAZCOM). The HAZCOM Standard requires employees who might be exposed to hazardous materials to have full knowledge of the hazards. Also, in order to facilitate scheduling of safety training, it is prudent to publish a schedule far in advance of actual training dates, and it is important to disseminate new safety requirements, regulations, safe work practices or lessons learned as soon as they are available.

A formal recommendation contained in an August 1999 Independent Assessment of WASA's safety program addressed the need for managers and supervisors to meet with employees on at least a monthly basis to briefly discuss the results of safety committee meetings and other safety issues and to encourage employees to voice their safety concerns. The report stressed that it is the combined role of managers and supervisors to reduce accidents and set the safely climate. Our audit found no documentation that the managers and supervisors had discussed this information with workers at the Plant.

We have described below the methods of communication identified at the Plant and our observations as to their adequacy of meeting WASA's strategic goal or providing safety related information to WASA employees, contractors, or neighborhood businesses and residents.

Employee Newsletters

WASA publishes two newsletters: "HR Corner" and "Employee Update." HR Corner is put out by WASA's Human Resources Department mainly to provide employees with information on WASA's new payroll system. We were told that this publication was being phased out, as the implementation of the new payroll system was now complete. In our review of copies of these publications, we noted that issues contained safety related information and safety training schedules. The Employee Update was composed of articles and information on all of WASA's operations and information relating to facility happenings and management issues. WASA's hotline number was frequently displayed in this publication, and the November 1999 issue did have information relating to safety practices at the Plant.

We determined that this method of communication was adequate at best for conveying general plant information but did not provide for the transfer of any substantial information related to safety issues, notifications, hazards, policies, or the like. Additionally, WASA could not ensure that all employees were provided with a copy.

Public Relations and Communications Department

Press releases depicting such topics as WASA operations, its CIP, environmental efforts, and community involvement are issued by WASA's Public Relations and Communication Department to area media sources.

With the exception of one article in which the Chairman of WASA's Board of Directors issued a statement in response to the newspaper article critical of WASA's safety program, we were unable to identify any specific press releases or other documentation which addressed safety issues at the plant.

Public Meetings

We were unable to identify any supporting documentation to verify that WASA had conducted any public hearings to notify persons of the hazardous materials at the Plant. Although WASA did post notices of public meetings on rate changes and other process related data in local newspapers, we could not determine that any information relating to the hazardous chemical at the Plant or even emergency evacuation procedures had been discussed. We asked to review agendas, sign-in sheets, and other documentation related to any public meetings conducted by WASA officials. No documentation was available. Additionally, we were informed that WASA officials routinely speak at Neighborhood Advisory Commission meetings and have met with neighboring businesses to discuss safety, evacuation, and emergency response related issues. Again, no documentation was available to substantiate that these meetings were attended by WASA officials and what was discussed.

Employees and residents neighboring the Plant who may be exposed to safety and health hazards are required to be informed of preventative safety procedures. The Emergency Planning and Community Right-To-Know Act (EPCRA) was created to facilitate planning and awareness for chemical emergencies at the state and local levels and to provide pertinent information to the public and employees about the chemicals used, stored and released in the communities. WASA could not provide any data to support that they were in compliance with the EPCRA.

Hotline

In April of 1999, WASA established a hotline to report information on waste, mismanagement, or theft at WASA. WASA published the telephone number and posted signs advertising its availability throughout the Plant. In discussions with persons tasked with monitoring hotline calls, we were told that the hotline was designed to provide a means to report any acts of fraud, waste or abuse but not necessarily safety related incidents. In a review of the logbook in which all calls are recorded, we determined that since its establishment, WASA received less than ten phone calls. Incidents such as theft and questionable hiring practices were reported.

We identified the following deficiencies that attributed to the low response rate to WASA's hotline. Because the hotline was not staffed, callers were not met with a friendly concerned voice but rather were transferred into the voice mail system. Additionally, calls received were not timely retrieved from the voice mail system or followed up on. Most notably, WASA's hotline had inadvertently been disconnected for over two months before it was brought to management's attention. WASA personnel stated that with the departure of the previous Security Director, no one had been specifically assigned the responsibility of monitoring the hotline. Other personnel in the Security Department performed these duties, as time was available. Without a viable mechanism to report incidents at the Plant, workers may not feel compelled to report issues. Additionally, workers told us that any reported deficiencies would most likely be ignored or looked unfavorably upon by management.

Safety Committee

Our review of WASA's Safety Committee identified that major improvements are needed. First, WASA's Safety Committee was established solely as an advisory committee without the power or authority to effect change. Second, it has not been effective.

WASA's Safety Committee was not established until October 1999. We want to commend the Safety Director for his efforts in forming WASA's Safety Committee. The committee is composed of a cross section of the organization's workforce and included a combination of managers as well as employees at mid-grade supervisory levels and a designated union representative. The Safety Director has written a mission statement that clearly states the goal of the committee and its authority. However, Safety Committee procedures, frequency of meetings, agenda, and related records need to be kept, and the line of communication between the committee and top management needs to be improved.

Safety committees are an essential element of a sound safety program. A well-organized safety committee plays a vital role in creating a safer work place. Safety committees should review workers compensation injury reports, perform accident investigations and develop recommendations that will prevent recurrence. In addition, safety committees are to conduct formal written safety surveys on a monthly basis and evaluate the overall control of hazards within the organization. We were unable to identify any documentation that any of these functions had been performed.

We found that WASA's Safety Committee did not report to WASA's Board of Directors. In a discussion with the Assistant General Manager, to whom the Safety Officer reported, we were told that she did not feel it was necessary to have this committee report separately to the Board. Instead, any pertinent issues would be included in the General Manager's Report to the Board of Directors. The Assistant General Manager informed us that she had not attended any safety meetings, nor could she provide information on the items discussed, provide copies of minutes of any meetings conducted, or discuss any resulting recommendations from past meetings. Our review of WASA's Safety Committee material indicated that minutes from past meetings had not been recorded.

5. <u>INFORMATION PROVIDED TO OUTSIDE PARTIES</u>

During the course of our audit, WASA officials reported information or provided documents relating to its operations in response to requests, inquires, or data from outside parties, to include the D.C. Council, EPA, OSHA and the OIG. We believe that many of the documents provided and statements made were misleading or incomplete. Therefore, we are including a discussion of the discrepancies identified so that WASA can provide clarification of the information previously provided. In our opinion, all information relayed to parties with an oversight responsibility should be unambiguous and reflective of actual conditions.

Testimony Before the D.C. Council

WASA officials testified in December of 1999 that they had completed a number of policies and procedures for its safety program. As of the date of the hearing, and as late as April 2000, no policies had been approved or implemented.

WASA officials testified that they had an extensive training database and that WASA had completed twenty courses and 150 training sessions. Our review of training records and discussions with the Training Director disclosed that WASA had conducted only 9 courses for the period June 1999 to March 2000.

Lastly, in its Performance and Budgeting Hearings held on February 19, 2000, WASA officials justified actions taken in response to our MAR dated February 7, 2000, regarding unsanitary bathrooms in the Lime Building. In an attempt to correct the reported deficiencies, WASA removed bathroom fixtures rather than making necessary repairs and providing janitorial services. When questioned as to why they did not simply replace the fixtures or provide janitorial services, WASA indicated that it would not be monetarily prudent since the Lime Building was scheduled to be demolished in April of 2000. Our review determined that the Lime Building would not be demolished for at least 18 months – or no sooner than July of 2001.

Our discussions with the engineers responsible for WASA's CIP stated that the Lime Building is slated for demolition. However, the first step in this process was the issuance of the Request for Proposal (RFP) which would identify potential contractors who would design a replacement system for Lime. The RFP was to be issued on or about April 20, 2000. It was anticipated that it would take, at a minimum, 90 days to select the contractor, an additional year for the selected contractor to design and construct a new building and switch over the lime process. Once this was complete, WASA planned to run the new process and the current lime process concurrently for a period of at least 3 months. After it was determined that the new system was operating satisfactorily, the Lime Building could be demolished. We estimate this complete process to take at least

18 months. The nearest bathroom facilities are in an adjacent building approximately 200 yards away.

Information Provided to EPA

On June 17, 1999, WASA filed its Tri-Annual Risk Management Plan with EPA. Under a section titled Emergency Response Program, WASA reported they had a detailed Emergency Response Plan. Additionally, the report stated that the plan was reviewed and updated on a regular basis to ensure that the latest plant and community information is current. WASA's Emergency Response Plan was written in 1995. The only documented review occurred the previous month on May 6, 1999, by an independent contractor. The May 6, 1999 report found:

- The emergency response plan was incomplete. It does not have evacuation details, employee accountability, and detailed plant alarm procedures.
- There has not been a training review of the ERP for several years.
- There is neither definition nor distinction of the levels of response.

WASA also informed EPA in this same report that they had conducted an emergency drill with local government agencies to ensure the plan is functional for both WASA and the community. WASA officials could not provide any documentation to verify that a drill took place. Additionally, the deficiencies identified above still have not been corrected.

Information Provided to OSHA

Our audit identified that WASA did not accurately report occupational injuries to OSHA nor did WASA post the annual summary of occupational injuries for calendar years 1998 or 1999.

OSHA standards require the recording and reporting of occupational injuries. Occupational injuries are defined as injuries or illnesses, which result in lost workdays or which require medical treatment administered by a physician or by registered professional personnel under the standing orders of a physician. Additionally, occupational injuries and illnesses are required to be recorded on OSHA LOG Form 200 and posted annually covering the previous calendar year no later than February 1 of each year and remain posted until March 1. Failure to post a copy of the establishment's annual summary could result in the issuance of citations and assessment of penalties. See Exhibit A for specific CFR requirements.

As discussed previously, WASA's Risk Management Department did not have accurate information regarding the number of occupational injuries because workers often contact the insurance company directly and WASA had not reconciled their records with data provided by its insurance company. As for WASA's failure to annually post a summary of its occupational injury logs, WASA personnel appeared confused about whether posting summary logs was the responsibility of the Office of Risk Management or the Office of the Safety Manager. Each office was under the impression the other office had the responsibility to post the annual summary. To our knowledge, the annual summary logs reporting the number of injuries and lost workdays have never been provided to WASA employees.

Information Provided to the OIG

We repeatedly requested - verbally, in writing, and finally through an IG subpoena - that WASA provide us with documentation to identify and support all amounts paid to WASA employees in excess of $1,000 for bonuses, incentive, performance awards, executive compensation or any other form of compensation over and above salary. WASA eventually reported that bonuses totalling $39,653 were paid to its General Manager, Chief Engineer, and Chief Financial Officer in February of 1999.

We were unable to determine whether any other forms or amounts of compensation existed or were paid to other members of its executive staff. However, we identified documents indicating that WASA had made other such payments. The documents included offer letters of employment to executive level staff which included language that they were eligible to receive deferred compensation amounts and would be furnished a car for both business and personal use with WASA paying related costs for maintenance, insurance, and other associated expenses. We believe that these amounts, if provided, should have been reported in response to our request for information relative to other forms of compensation provided to WASA employees in excess of $1,000. (See Finding 2 for further details.)

SECTION 2

FINDING 2: WASA's Use of Resources and Assets

SYNOPSIS WASA management had not established controls to ensure that expenditures were justified. We reviewed expenditures in the following three areas: (1) Executive Bonuses, (2) Overtime, and (3) Employee Gain Sharing. Documentation provided to support these expenditures was not adequate to ensure that they were reasonable, within prescribed limits, and properly controlled.

AUDIT RESULTS WASA did not have controls in place to effectively monitor its use of assets. Our audit identified that during FY 1999, WASA paid $39,653 in bonuses to executive level managers and an estimated $42,000 in executive incentives, gain sharing amounts of $575,000, and more than $5,117,000 in overtime payments to WASA employees based on unsupported, inadequate or questionable justification. WASA recently implemented performance measurement plans and strategic goals for managers and line supervisors that will be used to rate employees and substantiate bonuses and gain sharing payments. Additionally, in January of 2000, WASA began managing its payroll function and should be able to more closely monitor overtime. Without adequate controls to ensure efficient and prudent use of resources, WASA expenditures are open to abuse and mismanagement. The following is a discussion of the areas reviewed.

Executive Bonuses

WASA paid an estimated $87,653 for bonuses and other incentives to executive management personnel for calendar years 1998 and 1999 without adequate support or justification. Offer Letters of Employment contained language outlining these payments. However, related performance evaluations and ratings did not exist. Without controls in place or adequate justification to support these payments, they appear arbitrary and become subject to scrutiny.

WASA reported that bonuses totalling $39,653 were paid to its General Manager, Chief Engineer and Chief Financial Officer in February of 1999. Additionally, we identified that offer letters of employment for certain executive level staff provided additional incentives relative to deferred compensation amounts paid on their behalf and the use of an automobile for both business and personal use. Related costs for maintenance, insurance and other expenses associated with the vehicle would also be paid by WASA. We were informed by WASA officials at the exit conference that WASA no longer provides its executive staff with an automobile for personal use based on Federal mandates prohibiting the personal use of government vehicles. For calendar years 1998 and 1999, maximum allowable limits for deferred compensation were $8,000 per year. WASA officials confirmed that these amounts were paid, however, believed them to be included in the compensation package rather than separately reported as a bonus. Therefore, in total, amounts paid for employees bonuses and related incentives was $87,653 for the three executive staff persons identified above for 1998 and 1999.

It is important to state that we are not questioning the worth or value of WASA's executive staff. However, we are questioning how WASA can justify paying up to an additional $36,000 in employee incentives per year, per executive staff member, over and above their six figure salaries when there were no performance evaluations completed or ratings to support such payments. We also noted that repeated requests for critical positions in its Safety and Health Department were denied and management failed to replace bathroom fixtures or supply janitorial services or bathroom supplies to its employees because supposedly it would not be fiscally prudent.

Overtime

WASA pays overtime at one and a half times an employee's hourly rate. WASA could not provide any documentation or analyses performed that would identify specific departmental overtime cutbacks or whether it would be more economical to hire new positions rather than employ contractors or consistently pay individuals overtime wages. We were informed that WASA had a FTE ceiling of 1,374. During our audit, WASA employed approximately 1,150. Therefore, WASA apparently had the availability to hire additional employees.

Additionally, we could not identify controls used to monitor and track overtime. Specifically, we determined that for calendar year 1999, 42 percent of WASA's approximately 1,300 employees received more than 10 percent of their total pay in overtime, or an average of $5,000. We also identified a person who received overtime wages totalling 92 percent of his wages and 44 employees who earned an additional 50 percent of their annual salary in overtime wages. We could not find any data or analysis performed by WASA to determine whether worker injuries were attributed to excessive overtime.

We also noted that WASA did not have a formal overtime policy in place which would require adequate justification for any overtime work authorized or prohibit overtime to be earned in the same period in which leave was granted. Without proper controls in place to monitor and control overtime, WASA is subject to improper, unnecessary, and excessive costs.

During interviews with contractors and WASA employees, we were informed that it is a common practice for employees to routinely work back-to-back shifts or 24 hours in a 32-hour period. We also noted that about 50 percent of the workers compensation claims were filed by individuals who worked overtime in the period in which their claim was filed.

Prior to January of 2000, WASA's payroll was processed by the District's Office of Pay and Retirement. Beginning with the new calendar year, this function was transferred to WASA. With this function being performed in-house, management should better be able to monitor overtime and implement other controls to efficiently use its resources.

Employee Gain Sharing

In FY 1999, WASA paid 1,101 employees gain sharing awards totalling $575,000. We question the criteria used and related support for these awards. We determined that criterion used to award bonuses was not adequate to ensure established goals were achieved or that required work was performed.

In 1998, WASA was one of the first public agencies in the Washington metropolitan area to introduce a gain sharing program. This program was unique because it offered financial incentives to encourage employees to "stretch" beyond their normal performance measures to achieve productivity and efficiency goals. Amounts paid to employees in each department included in the program ranged from $200 to $800. Each department had established goals that had to be achieved that determined their participation level in the program. After our inquiries into this program, we learned that management had temporarily cancelled the program due to the controversy raised and questionable justification used to determine and pay gain sharing awards.

We reviewed criteria and reported work accomplishments for the following two departments. Our conclusions follow.

> ***Safety Department.*** Based on our conclusion that WASA does not have a viable safety program, has not met OSHA Requirements, the fact that several previously reported deficiencies and recommendations remain unresolved, and many safety and health violations still exist at the plant, we question how management can justify its position that goals have been met and that work expectations have been exceeded.
>
> ***Maintenance Services Department.*** Criteria established for the Department of Maintenance Services gain sharing plan included both WASA goals and departmental goals. One of the reported goals of WASA's maintenance department was to plan 50 percent of completed work. We believe that statistical data may have been manipulated in order to report that goals were achieved. In discussions with personnel in WASA's Management Maintenance Department, we were informed that numbers reported depicting work orders processed and completed are not accurate. We were also informed that inspectors are not available to ensure that work is performed as required and that there are many deficiencies with the current Management Maintenance System (MMS). Based on these concerns, we are unable to adequately determine whether WASA met the established criteria of this gain sharing element and how that would in turn affect participation in the gain sharing program. The following is a summary of WASA's MMS and the deficiencies identified.

Management Maintenance System

The purpose of a management maintenance system (MMS) is to provide controls to ensure efficient operations, timely completion of routine maintenance work, and a mechanism to control inventory items and provide an analysis of costs for labor, equipment, and supplies associated with the repairs or inspections of equipment. It should be noted that during our audit WASA was in the process of implementing a new management maintenance system. Because the new system is not fully operational, we limited our review to the current system and determining what steps management had taken to ensure that proper controls are in place to optimize WASA's assets.

A review of the current MMS system identified the following deficiencies:

- system software updates were not kept current,
- many of the available reports were not utilized,
- policies and procedures for the recording and monitoring of repairs were not kept current,
- employees were not adequately trained to use the system,
- only select maintenance/repairs are included in the system, and
- there are no controls in place to ensure that required or scheduled repairs were made.

The Facility Maintenance Department performs most of the preventive and routine maintenance for the plant equipment. A computerized preventive maintenance scheduling system automatically generates work orders on a scheduled date. We noted that WASA had not kept the program updates current, and many maintenance related work orders are not recorded in the system. Such work includes electrical, painting, lawn care, and plumbing. WASA is in the process of replacing this system with a new MMS. Personnel in the Facilities Maintenance area stated that they had great reservations as to how work in the current process is performed, monitored, and recorded and also how work in the other areas noted above is scheduled and completed. Additionally, WASA personnel had concerns as to how successful the new system will be, given that the entire plant will not be included and it is questionable that the data being put into the new system is accurate. The cost of the new system is estimated at approximately $900,000.

The current MMS automatically generates work orders on a scheduled date. If any work is not done, the computer will continue generating work orders at prescribed intervals until the necessary repairs are reported as complete. There is a planning and estimating group which plans the work and establishes the preventive maintenance schedule, which lists the date of the work, the number of employees required, the equipment component number, the amount of time needed for the work, etc. Specific examples of deficiencies noted with WASA's MMS follows.

Identified Deficiencies with the Current MMS:

- WASA could not produce adequate documentation to support that all equipment and machinery is included in its MMS or those items no longer in service had been removed. Additionally, we were informed that there is virtually no assurance that work orders generated from the current MMS have been completed. Personnel in the facility maintenance department stated that they have received stacks of work orders back from various building supervisors and told to process them as work completed. We reviewed work orders from the Chlorine 1 Building for the time period September 15, 1999 to December 31, 1999. We found that the work orders did not contain approval from a supervisor denoting that the scheduled work had been completed. We also identified equipment which required specific inspections were not included in the MMS. For instance, the Chlorine 1 Building contains seven chlorine sensors that are to be tested bi-weekly. Our review of the work orders processed by the MMS only identified work orders for six sensors for 1999. Additionally, we were informed that due to staffing shortages, inspectors were not available to review work completed to ensure that the work met manufacturer's specifications and to ensure proper controls over personnel time and parts inventories.

- We were informed that work such as painting, electrical, plumbing, and lawn care were not processed or recorded as part of WASA's MMS system. We were also told that if a department required these types of services they would have to make a request through the Security Department by either leaving a voice mail or E-Mail message with the Director. We were told that favoritism was afforded to certain departments over others and that workers were scheduled at the discretion of the Director with emphasis being placed on WASA's Capital Improvement Plan rather than routine or preventive maintenance. We were also told during interviews with other building supervisors that much of the routine and preventive maintenance work was not performed because most of the buildings were going to be demolished in the next three to seven years.

- We were also informed that no reports are generated that would identify the cost of labor associated with repairs performed and related supply costs. The only reports generated and provided to management identified the number of the work orders opened, processed, and closed during each two-week reporting period. Additionally, these reports were used as the basis for determining whether the Facility Maintenance Department reached established goals and whether they would receive work incentive bonuses referred to as gain-sharing. We question the appropriateness of the gain sharing payments due to the inadequacies of WASA's MMS system and the lack of verification that desired goals were actually achieved.

Identified Deficiencies with the Proposed MMS:

- Because all required preventive and routine maintenance is not included in the system (electrical, plumbing, painting, lawn care), WASA can not be assured that all required or requested work will be performed as necessary. It should be noted that we were informed that these other areas were using a separate reporting maintenance system. We have reservations, as does the staff in the Facilities Maintenance Department that priority will be given to work orders and that the work performed will be monitored and reported for use in determining performance measures, identifying machine down time, and managing labor and supply costs.

- Because information contained in the existing system is not complete or correct, data transferred to the new system may not be accurate.

Recommendations

We recommend that the General Manager of WASA:

RECOMMENDATION 1

Address and adequately resolve all outstanding recommendations identified in its PSM Audit, and correct all identified deficiencies reported in the OIG MARs, D.C. Fire and EMS report, and the D.C. OSHA report. Such actions should adequately and timely resolve all deficiencies, including assigning a responsible manager, and establishing milestones and related timetables for completion.

WASA RESPONSE

WASA stated in its response dated October 30, 2000, that recommendations contained in previous reviews/audits of the WASA facility that are considered appropriate for Authority operations will be implemented in a manner consistent with the current Authority work plan, approved budget and Capital Improvement Plan.

OIG COMMENT

The actions planned and taken by WASA should correct the conditions noted.

RECOMMENDATION 2

Perform tests necessary to determine the quality of drinking water at the Plant. Tests should address lead and bacteria content as well as the report of backflow siphonage. Additionally, make potable water readily available to all employees.

WASA RESPONSE

In its response dated October 30, 2000, to our draft report, WASA stated that potable water is available to all employees and that test results of water samples taken have been made available to the OIG.

OIG COMMENT

A review of the test results provided by WASA follows.

WASA responded that a total of forty-two lead, copper and microbiological samples were taken from three WASA facilities (Blue Plains (22), O Street (19) and Bryant Street (1). Five of the 11 water fountains sampled for lead (45 percent) at Blue Plains contained lead in excess of EPA acceptable levels. Only one water fountain was tested at Bryant Street and that fountain exceeded EPA acceptable levels.

Twenty-one water samples were taken at two locations--Blue Plains (10) and O Street (11) for Heterotropic Plate Counts (HPC). Of the twenty-one water samples taken, thirteen failed to meet EPA standards. Two of the thirteen had HPC counts too numerous to count and three were in excess of ten times the EPA standard.

WASA indicated the plumbing mechanism must be changed or new drinking water fountains with such mechanism installed so that water is constantly re-circulated. Routine diagnostic monitoring for chlorine residue, temperature, HPC, pH, turbidity, total and fecal coliform must be conducted and the situation studied.

WASA has already replaced three fountains that had manufacture's notice of recall at the Blue Plains Facility. They are continually testing water samples at various locations and are making necessary changes as appropriate. The actions planned and taken by WASA should correct the conditions noted.

RECOMMENDATION 3

Amend testimony provided to the Committee on Public Works and the Environment to set forth the correct amounts of training provided to WASA employees to date and the status of WASA's training database. Additionally, formally inform EPA of necessary revision to its Tri-Annual Risk Management Plan previously submitted to accurately reflect WASA's emergency response plan, related drills conducted and training provided. Lastly, submit a revised occupational injury log to OSHA for the previous two reporting periods that accurately reflect the number and type of injuries and illnesses reported at WASA.

WASA RESPONSE

In its response, WASA stated that based on the fact that it is in regular and routine contact with the Committee on Public Works and the Environment and the Environmental Protection Agency, there is no need to amend testimony or other documents or reports provided to these entities.

OIG COMMENT

We will provide copies of our final report to these entities and leave it to their discretion to contact WASA officials to request additional, revised, or updated information if deemed warranted. This recommendation is considered closed.

RECOMMENDATION 4

Document justification for executive level bonuses and other incentives paid to employees and provide such documentation to the OIG for the calendar years of 1997 – 2000.

WASA RESPONSE

On October 20, 2000, documentary materials were provided to the OIG in support of this recommendation.

OIG COMMENT

Our review of the documentation provided by WASA to support executive level bonuses and other incentives paid to employees disclosed the following exceptions.

- No documentation for executive bonuses was provided for WASA's General Manager;
- Performance plans provided for the Chief Engineer covered only the three month period July 1, 1999 through September 30, 1999, not the time period for which the identified bonus was paid. Further, it was not signed or dated;
- Neither the Chief Engineer nor the Chief Financial Officer had interim or final appraisals; and
- Both the Chief Engineer and the Chief Financial Officer prepared self-appraisals but the self-appraisals were not for the periods covered by the performance plan provided or the period for which the identified bonuses were paid. Additionally, neither of the self-appraisals were signed and dated, and neither had documentation that they were reviewed by or discussed with the General Manager or another supervisory official.

Based on the current efforts to establish a new performance measurement system in alignment with the Mayor's Scorecard, we believe that future documentation to support bonuses paid to WASA employees will be maintained. Accordingly, we consider this recommendation closed.

RECOMMENDATION 5

Establish controls to ensure that new training and MMS systems provide for, or contain, at a minimum, the following elements.

Training:

- Data fields to record initial, safety, job-related, or refresher training conducted,
- controls to ensure that employee safety training certifications are monitored,
- documentation to support grandfathered employee certifications,
- documentation of safety training and related records for contractors,
- comprehensive safety training schedules that meet established requirements, and
- controls to use the most cost effective measures to provide safety training.

MMS:

- All equipment and machinery at WASA; and
- all work to include painting, electrical, plumbing, and lawn care.

WASA RESPONSE

In its response, WASA stated that each system will be implemented so as to meet the Authority's needs and to integrate with other Authority systems.

OIG COMMENT

The actions planned and taken by WASA should correct the conditions noted.

RECOMMENDATION 6 We recommend that the Chairman of WASA's Board of Directors:

Establish a direct link between the Director of Occupational Safety and Health at WASA and the Board by requiring WASA's Safety Committee to report directly to the Board.

WASA RESPONSE

WASA management responded on behalf of the Chairman of WASA's Board of Directors. WASA management does not favor creating a direct reporting relationship between the Safety Office/Safety Committee and the WASA Board of Directors. It is the position of management that significant and developing issues of the Safety Office/Safety Committee be reported to the Board of Directors through the General Managers report. It was decided, however, that the General Manger would address any matters concerning safety to the Operations Committee of the Board of Directors, which in turn reports to the full board on a monthly basis.

OIG COMMENT

WASA's Safety Committee was established solely as an advisory committee without the power or authority to effect change. Without this authority it has not been effective. Additionally, because WASA's Safety Committee does not report to WASA's Board of Directors it can not be assured that all matters of importance, as identified by the Safety Director, are brought to the attention of all appropriate officials. An independent link would provide such assurances. We ask that the current Acting Chairman of WASA's Board of Directors reconsider management's position and respond accordingly.

RECOMMENDATION 7: We recommend that the Director of Employment Services:

Review the funding and staffing of the D.C. OSHA Office to support enhancements needed to increase its effectiveness. Additionally, pursue legislative action aimed at strengthening regulatory enforcement powers of the D.C. OSHA.

DOES RESPONSE

The DOES recognizes the shortcomings of and the need to strengthen the District's OSH program. Additionally, the DOES concurs with the recommendation included in the draft report and has began a 5-phase approach to address these issues. The process includes increasing staffing, conducting more comprehensive inspections, and implementing a program of enforcement so that agencies with continuing unabated serious hazards would be subject to penalties and or fines.

OIG COMMENT

The actions planned and taken by DOES should correct the conditions noted.