

WASHINGTON SUBURBAN SANITARY COMMISSION

MINUTES OF THE COMMISSION MEETING

**Wednesday, October 21, 2015
Laurel, Maryland**

Chair Adrienne A. Mandel called the meeting to order at 10:11 a.m., in the Auditorium of the Washington Suburban Sanitary Commission (hereinafter "WSSC") Richard G. Hocevar ("RGH") Building, 14501 Sweitzer Lane, Laurel, Maryland, 20707, with due notice having been given to all members of the Commission and the public. In addition to Chair Mandel, Commissioners Fausto R. Bayonet, Omar M. Boulware, Chris Lawson (Vice Chair), Roscoe M. Moore, Jr. and Mary Hopkins Navies, were present at the meeting, reflecting the presence of a quorum. Also in attendance were WSSC General Manager and Chief Executive Officer Jerry N. Johnson, General Counsel Jerome K. Blask, and Corporate Secretary Sheila R. Finlayson, Esq., who recorded the minutes of the meeting. Other members of WSSC management were also called upon, during certain portions of the meeting, to provide information to the Commission.

PLEDGE OF ALLEGIANCE

Chair Mandel opened the meeting by asking Commissioner Lawson to lead the pledge of allegiance.

AGENDA APPROVAL

Commissioner Boulware then moved to adopt the Commission's Public Meeting Agenda of October 21, 2015, as drafted, to which Commissioner Lawson seconded the motion. The motion carried unanimously with six affirmative votes.

APPROVAL OF MINUTES

Commissioner Boulware moved to approve the open session minutes of the September 16, 2015 Regular Commission Meeting, as drafted. Commissioner Lawson seconded the motion. The motion carried unanimously with six affirmative votes.

WSSC RETIREES

Richard Baker, Executive Director of the WSSC Employees' Retirement Plan, recognized the following WSSC Retirees for the month of October 2015: George Clay (present), Industrial Investigations Supervisor, Regulatory Services Group, retired with 29 years and 8 months of service and Michael Dobbs (present), Contract Manager, Systems Inspection Group, retired with 33 years and 9 months of service.

COMMUNICATIONS VIDEO

Communications and Community Relations Director Jim Neustadt presented a video that highlighted WSSC's My Life Employee Benefit Wellness Campaign.

Mr. Neustadt also shared the ad that is being aired on local television stations relating to the final WSSC Disparity Study Community Meeting to be held at WSSC on tomorrow, Thursday, October 22, 2015 at 10:00 a.m.

COMMISSIONER/PUBLIC COMMENTS

Commissioner Comments. Commissioner Moore announced that today may be his last meeting as a Commissioner, reminding Commissioners that his term ended in May of this year and that he had agreed to stay on while the Commission searched for a new General Manager, to which the Chair and Commissioners expressed gratitude to Commissioner Moore for his service and contributions over the past seven years. The Commission presented Dr. Moore with a replica of the workmen's statue that is located in the lobby of the RGH Building.

Public Comments. Two members from the public were present to address the Commission. Mr. Greg Jones of Columbia, Maryland asked the Commission to reconsider its ban on stand-up surf board paddle boarding at its watersheds/reservoirs. Ms. Flavia Walton of Fort Washington, Maryland next shared a complaint concerning WSSC's claims' process and specifically, her pending property damage claim request as a result of 5 WSSC water/sewer breaks which caused damage to her home and its contents. Ms. Walton requested that Commissioners look into her claim and the entire claims review process, expressing her extreme dissatisfaction with how the claims are reviewed and resolved, which she indicated unfairly penalizes the property owner and creates a situation which diminishes property value and the property owner's ability to sell.

GENERAL MANAGER'S REPORT

General Manager ("GM") Jerry Johnson was recognized to provide his monthly report. The General Manager's full report can be found in the corresponding segment of the archived meeting video and the written "General Manager's Report" provided in the meeting

materials, and both are referred to for that purpose. However, highlights are as follows:

Call/Contact Center answer rate at 95% for the month, which is the target. Average monthly answer rate at 92% for fiscal year (2 months out). WSSC is continuing to make strides in this area; new metrics have been added and will continue to be employed as WSSC moves forward.

Decline in overall delinquencies due to the federal payments received.

All plants are operating well within permit parameters.

WSSC has been monitoring a latex spill that occurred upstream; working closely with utilities in area and Washington Aqueduct to review its impact (see page 4 of GM Report).

Breaks and leaks are about average for this time of year. Experienced a couple of major breaks on commuter routes that lasted a couple of days; making repairs has been challenging due to underground utilities that traverse the area.

Water main construction is on target; sewer repairs, replacements and laterals are actually ahead of goals for this year. Cumulative sewer work is on target (see pages 8-10 of GM Report).

Year-end financial status report and audit will be provided at next month's meeting; closed out books and audit completed.

Disparity Study; still in data collection phase. Executive oversight meetings are being held every two weeks. Two public meetings held in both counties to date. Next meeting will be held tomorrow in Auditorium at WSSC from 10am to 12:30pm.

SLMBE activities can be found on page 17 of GM Report; findings from SLMBE Legislative report will be presented at this meeting.

Customer Assistance Program (CAP) - 1435 enrollees to-date; 900 carryovers with 535 new. At end of fiscal year, had 6700 people in program; expect a big jump in numbers at the end of this month.

Drug Take-Back program held on September 26th was a success; 36 pounds of unwanted pharmaceuticals collected and dropped off at the DEA office for proper disposal. WSSC has partnered with DEA over last few years to get message out to dispose of prescription drugs properly and not flush down the toilet.

Several other outreach activities conducted over past month: WSSC Annual Watershed Fair and Campfire (September 26th); United Way Campaign Kickoff (September 30th) - currently at \$56,000 with goal of \$65,000; Girl Scouts/Brownies "Wonders of Water" Day (October 3rd) and Montgomery County Community Service Week - participating in several events (October 16th-25th).

WSSC received the Association of Metropolitan Water Agencies (AMWA) Sustainable Water Utility Management Award during AMWA's 2015 Executive Management Conference held in October. This is a new award (deemed as AMWA's highest award) presented to utilities across the country; only twelve members have received this prestigious award.

Following Commissioner questions and discussion, the General Manager's Report was received as information.

INTERNAL AUDIT REPORT

Monthly Activity Report. Internal Audit Director Maxene Bardwell reported on the monthly activities of the Internal Audit Office (IAO) for the period of September 7, 2015 through October 2, 2015. The fiscal year-to-date System Development Charge (SDC) Audits total \$0.00 in actual financial savings. No SDC audit reports were issued during the reporting period. IAO currently has twelve SDC audit requests in process with eight active and four inactive. The Fiscal Year (FY) 2016 Audit Projects are as follows: FY 2014 Blue Plains WWTP O & M and Capital Indirect Audit; Payroll Operational Audit; Cloud Computing Services Compliance Audit and Right to Audit Specified Procurement Contracts. With respect to FY 2015 Carryover Audit Projects - Auditors performing field work for the Regulatory Services Group Operational Audit and Construction Contracts Change Orders Audit. An exit conference has been scheduled for the Technical Services Group Special Audit. Under Internal Audit Follow-up Activities, one management action item was closed as of October 2, 2015 with one also implemented-pending. There are no delinquent management action plans.

Hotline. Next quarterly status report to be provided at the November Commission Meeting.

External Auditors. External Auditors will be present at the November Commission Meeting to present the year-end financial statements review audit.

Audit Committee Meeting. Next meeting to be held at the November Commission Meeting.

Ethics Office. The Board of Ethics held its regularly-scheduled meeting on September 10, 2015; several open and closed items were reviewed. Two auditors from IAO provided new hire orientation/code of ethics training to 15 new employees on September 28, 2015. Four interviews held for Ethics Officer vacancy; additional day of interviews scheduled for remaining candidates.

Fiscal Year 2015 Annual Report. Ms. Bardwell, along with Internal Auditor Jane Lewis, delivered the Internal Audit Office's Annual Report for Fiscal Year 2015. Specific details can be found in the report contained in the board materials, the presentation handout circulated at the meeting and the corresponding segment of the archived meeting video and all are referred to for that purpose.

In summary, Mmes. Bardwell and Lewis provided an overview of the office's fiscal activities for the year, which included the IAO strategic plan, key performance indicators, risk-based audit plans, financial impact analyses, Fraud, Waste and Abuse hotline allegations/case status, and outreach activities.

Following discussion, the Monthly and Annual Reports of the Internal Audit Office, were received as information.

CONSENT CALENDAR

Contracts for Approval

Following a few clarifying questions on two of the contracts included on the Consent Calendar, the Chair requested a motion to approve the Consent Calendar Resolution.

Whereby, a motion was made by Commissioner Boulware, and seconded by Commissioner Moore, to adopt Resolution 2016-2102, approving

the five contracts included on the Consent Calendar for the October 21, 2015 Commission Meeting, as follows:

A. Engineering and Construction

Architect/Engineer Contracts

1. CD5170B11, Design Services for Piscataway WWTP Electrical Upgrades, to Greeley and Hansen, LLC, in an amount not to exceed \$2,666,671.35.

Construction Contracts

1. CD4231D05, Change Order No. 5, Piscataway WWTP Storage and Headworks Improvements, to Adams Robinson Enterprises, Inc., in the amount of \$130,641.00, for a total contract amount of \$45,613,832.10.
2. BRLR5869B15, Repost for Fairland Estates B Water Main Replacement, to Corinthian Contractors, Inc., in the amount of \$1,370,086.00.
3. BR5737A14, University City III Water Main Replacement, to A&M Concrete Corporation, in the amount of \$3,489,493.00.

B. Production

1. Contract 1110, Alta Vista Tank and Vault Rehabilitation, to Nostos SS Contractors, LLC, in the amount of \$1,975,520.00.

The motion carried unanimously with six affirmative votes.

ADDITIONAL BRIEFINGS

Legislative Update - Proposals. Intergovernmental Relations Office (IRO) Director Michael Stroud provided an update on the IRO activities for the month. Management also presented two proposals for the Commission's consideration which had been previously discussed at the special meeting held on September 24, 2015.

Following discussion, on motion made by Commissioner Boulware and seconded by Commissioner Moore, the Commission voted unanimously six-to-zero, to approve the proposed WSSC Legislation for the 2016 Maryland General Assembly Session, as presented by management.

Specifically, the proposals adopted by the Commission are as follows:

- 1) PG/MC 107-16 - WSSC - Commissioners - Compensation Study; and,
- 2) PG/MC 105-16 - WSSC - Board of Ethics - Subpoena Powers.

Authorization to Enter into Consent Decree with PRK, CBF and MDE.

WSSC Legal Counsel reported that WSSC and all parties - Potomac Riverkeeper, Inc. (PRK), Chesapeake Bay Foundation, Inc. (CBF) and Maryland Department of the Environment (MDE) - have reached an agreement in principle which is being presented to Commissioners for action. The settlement agreement will resolve all claims that the Plaintiffs and MDE brought or may have brought against WSSC for alleged Clean Water Act and permit violations at the Potomac Water Filtration Plant.

The Chair recommended that action on this item be special ordered until later in the meeting in order for the Commission to consult with counsel in Closed Session, to which there were no objections. The Commission to entertain a vote on this matter during the afternoon open session following conclusion of the closed session.

Developer Request to Waive SP ENG 11-01 - Town Center at Camp

Springs Phase IV. Prior to discussion on this matter, Commissioner Navies disclosed that she is purchasing a home in the Camp Springs development and thereby recused herself from participating in this matter. Ms. Navies left and was not present in the Auditorium room during this portion of the meeting.

Ray Chicca, Acting Development Services Group Leader, along with Planning Group Unit Coordinator Kenneth Dixon and Development Services Group Unit Coordinator Rufus Leeth, reported on this matter, which has been under review by management since receipt of the initial waiver request by the Metropolitan Development Group (MDG) in April 2015. In summary, management presented the Commission with its findings and reasoning for determining that the developer's request for waiver did not meet the requirements and legal standard established in SP ENG 11-01 and thus, recommending that the waiver request be denied by the Commission. Members from MDG were also on hand and afforded the opportunity to provide Commissioners with their perspective. Specific details can be found in the corresponding segment of the archived meeting video.

Commissioners requested that management make every effort to work with the developer to find a workable solution and provide Commissioners with monthly updates on status and progress.

Consent Decree Quarterly Update. Acting Chief Operating Officer Gary Gumm provided Commissioners with a quarterly update on the status of projects being undertaken to comply with the Consent Decree. Detailed information can be found in the presentation handout circulated to Commissioners and the corresponding segment of the archived meeting video. In summary, Mr. Gumm reported on schedule status, costs and areas of concern. Cumulative projected cost at \$972.9 million with total program costs estimated at \$1.465 billion; \$818 million has been spent-to-date. Areas of concern: Rights of Entry (ROE); National Park Service (NPS); Stream Stabilization Permits; Contractor Capacity Limitations and Consent Decree Modification.

The Commission received the Consent Decree Quarterly Update as information.

Betterment Contract BL5273E11. Management is requesting approval for authorization of payment in the amount of \$4,665,300.00 to the Maryland State Highway Administration (MSHA) for the construction of water mains as Betterment work to be added to a Relocation project (11RW/S7445A) impacted by MSHA's Road Improvement Project located at MD 5 at Brandywine Road. Approval would enable WSSC to incorporate this critical work into the MSHA's road improvement construction project.

Whereupon, a motion was made by Commissioner Boulware and seconded by Commissioner Moore, to approve management's request for work authorization and payment to the Maryland State Highway Administration (MSHA) for the execution of Betterment Project BL5273E11 covering 3,246 feet of 30-inch water mains in association with the MSHA Road Improvement Project located at MD 5 at Brandywine Road. Costs for this project estimated at \$4,665,300.00. Such work to be done in coordination with the approved Relocation Project 11RW/S7445A with estimated costs at \$5,974,496.00.

The motion carried unanimously with six affirmative votes.

[Related Letter of Agreement provided by MSHA to be executed by WSSC Chair.]

Fiscal Year 2015 SLMBE Legislative Report. Acting Chief Operating Officer Gary Gumm (in Small, Local and Minority Business Enterprise (SLMBE) Office Director Towanda Livingston's absence)

presented the Fiscal Year (FY) 2015 SLMBE Program Legislative Report. Mr. Gumm reported from a power point presentation circulated to the Commission at the meeting and incorporated herein by reference.

The SLMBE Office is dedicated to creating an inclusive purchasing environment while building sustainable relationships, expanding opportunities and cultivating the growth of small, local and minority businesses which add value to the Commission and to the local community. The Legislative Report highlights the SLMBE program accomplishments in promoting inclusion of diverse suppliers in WSSC contracting opportunities. In FY 2015, WSSC awarded \$187,869,377 million to Minority and Women Business Enterprises (M/WBEs) and paid \$134,409,006 million in contract payments to M/WBEs - this amounts to 25 percent of total contract payments, with 54 percent of the M/WBE payments made to firms in Prince George's County and Montgomery County and the State of Maryland. Spending with Small, Local Business Enterprises (SLBEs) totaled \$37,165,733 million (5 percent of total awards) with \$22,011,136 million paid to SLBE firms (4 percent of total payments).

The Legislative Report to be sent to Maryland Legislators by the October 31st deadline.

The Commission received the briefing on the SLMBE Legislative Report for FY 2015, as information.

Resolution 2016-2103. Management recommended that the Commission adopt Resolution 2016-2103 appointing a WSSC Retiree Representative to the WSSC Employees' Retirement Plan Board of Trustees.

Whereupon, a motion was made by Commissioner Boulware and seconded by Commissioner Moore, to adopt Resolution 2016-2103 appointing Nathan Leshner as a Retiree Representative to the WSSC Employees' Retirement Plan Board of Trustees for a four-year term beginning October 21, 2015 and continuing through October 20, 2019, as recommended by management. The motion unanimously carried with six affirmative votes.

COMMISSION OFFICE

Corporate Secretary Report. Corporate Secretary Sheila Finlayson provided an overview of her activities for the month in the advance board materials; no questions were raised by Commissioners.

The Commission received the Corporate Secretary's Report as information.

WSSC Employees' Retirement Plan Board of Trustees. A summary of the July/August 2015 Investment Performance Results was included in the advance board materials; no questions were raised by Commissioners.

The Commission received the report of the WSSC Employees' Retirement Plan Board, as information.

Personnel and Governance. Commissioner Navies reported that Committee has completed its final performance evaluation for the Commission Office direct reports and will present its recommendation to the Commission in Closed Session.

The Commission received the report of the Personnel and Governance Committee, as information.

General Manager Search. Commissioner Lawson (Co-Chair of the General Manager Search Committee) reported that the Commission is continuing its deliberation of a potential selection.

The Commission received the report of the General Manager Search Committee, as information.

Legislation. Nothing to report outside of the report provided by the IRO Director.

Audit. Nothing to report.

Chair Mandel then announced that the morning open business has concluded and called for a motion to go into Closed. Following the vote, the Commission will recess for lunch and reconvene in Closed Session in the Commissioners' Conference Room. The Commission will go back into Open Session following Closed to entertain any unfinished business.

CLOSED SESSION

Whereby at 1:27 p.m., Commissioner Boulware moved that the Commission go into Closed Session pursuant to Maryland Code Annotated, General Provisions Article: Section 3-305(b)(13) to approve the September 16, 2015 Closed Session Minutes; Section 3-305(b)(7) to consult with counsel to obtain legal advice on pending or potential litigation; and, Section 3-305(b)(1) to discuss personnel matters relating to Commission Office Direct Reports and the General Manager Search.

Commissioner Moore seconded the motion. The motion carried unanimously with six affirmative votes.

The Chair declared the meeting was Closed (1:27 p.m.). The Chair then called for a lunch recess. The meeting reconvened in Closed Session at 2:25 p.m. in the Commissioners' Conference Room.

ATTENDEES: Chair Adrienne Mandel; Vice Chair Chris Lawson; Commissioners Fausto Bayonet, Omar Boulware, Roscoe Moore and Mary Hopkins Navies. Staff present: General Manager Jerry Johnson, General Counsel Jerry Blask, Corporate Secretary Sheila Finlayson; Associate Counsel James O'Day, and Technical Services Group Unit Coordinator Bob Buglass (departed at 2:41 p.m.).

Closed Session Minutes - On motion made by Commissioner Boulware and properly seconded by Commissioner Bayonet, the Commission voted unanimously six-to-zero, to adopt the closed session minutes of its September 16, 2015 Commission Meeting, as drafted.

Legal Matters - Commissioners were briefed on confidential legal matters affecting the Commission, including terms of the negotiated Consent Decree settlement agreement with PRK, CBF and MDE relating to the Potomac WFP reported out in Open Session. Counsel also discussed how negotiations were proceeding with the 2005 SSO Consent Decree extension. **Commissioners took action to allow management to move forward in negotiations relating to the SSO Consent Decree extension (mover - Commissioner Boulware, seconder - Commissioner Bayonet, unanimous vote 6-0).**

HR Director Todd Allen, HR Group Leader/Compensation Lisa Watts and Chief of Staff Johnnie Hemphill joined the meeting at 3:15 p.m. to report on the WSSC employee compensation study.

Personnel Matters - Commissioners received a briefing from the HR Director on the results of the employee compensation study that had been conducted and the proposed General Schedule system that will be rolled out in November.

Following the HR Report, the Chair called for a Motion to End Closed.

On motion made by Commissioner Boulware and seconded by Commissioner Bayonet, the Commission voted unanimously six-to-zero to end the Closed Session (3:47 p.m.).

OPEN SESSION

At 3:47 p.m., the Commission reconvened back into Open Session.

Consent Decree Settlement Agreement. On motion made by Commissioner Boulware and seconded by Commissioner Moore, the Commission voted unanimously six-to-zero, to authorize WSSC to enter into a Consent Decree with the Potomac Riverkeeper, Inc., the Chesapeake Bay Foundation and the Maryland Department of the Environment, in Civil Action No. 8:14-CV-00417-TDC, before the United States District Court of Maryland [Motion carried].

CLOSED SESSION

The Chair then called for a second motion to go back into Closed, whereby a motion was made by Commissioner Boulware and seconded by Commissioner Moore, to reconvene back into Closed pursuant to Maryland Code Annotated, General Provisions Article, Section 3-305(b)(1) to discuss personnel matters relating to Commission Office direct reports and the General Manager Search. The motion carried unanimously with six affirmative votes.

The Chair declared the meeting was Closed (3:50 p.m.).

ATTENDEES: Chair Adrienne Mandel; Vice Chair Chris Lawson; Commissioners Fausto Bayonet, Omar Boulware, Roscoe Moore and Mary Hopkins Navies.

The Commission met in executive session without management present to discuss the performance evaluation for one of the Commission Office direct reports and the General Manager Search.

The Corporate Secretary rejoined the meeting at 5:50 p.m.

Personnel Matters. The Chair advised the Corporate Secretary that during the Executive Session, the Commission unanimously voted six-to-zero, to approve the annual performance score/results for the Corporate Secretary for her Fiscal Year 2015 performance (Mover - Commissioner Navies, Seconder - Commissioner Bayonet).

Second Motion to End Closed. On motion made by Commissioner Boulware and seconded by Commissioner Moore, the Commission voted unanimously six-to-zero to end the [second] Closed Session (5:50 p.m.).

OPEN SESSION RESUMED

ADJOURNMENT

There being no additional business, the Chair called for a motion to adjourn, to which Commissioner Boulware moved to adjourn the meeting. Commissioner Moore seconded the motion. The motion carried with six affirmative votes.

At 5:55 p.m., the meeting was declared adjourned.

Respectfully submitted,

//signed//

Sheila R. Finlayson, Esq.
Corporate Secretary