

WASHINGTON SUBURBAN SANITARY COMMISSION

MINUTES OF THE COMMISSION MEETING

Wednesday, August 17, 2016
Laurel, Maryland

Chair Fausto R. Bayonet called the meeting to order at 10:03 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 Bayonet, Commissioners Omar M. Boulware, Howard A. Denis, T. Eloise Foster, Chris Lawson and Thomasina V. Rogers were present at the meeting, reflecting the presence of a quorum. Also in attendance were WSSC General Manager and Chief Executive Officer Carla A. Reid, Acting General Counsel Russel Beers, 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 Bayonet opened the meeting by asking Commissioner Foster to lead the pledge of allegiance.

AGENDA APPROVAL

Commissioner Boulware moved to adopt the Commission's Public Meeting Agenda of August 17, 2016, as amended, to add a discussion in closed session relating to a personnel matter, to which Commissioner Denis seconded the motion. The motion carried unanimously with six affirmative votes.

APPROVAL OF MINUTES

Commissioner Boulware then moved to approve the open session minutes of the July 20, 2016 Regular Commission Meeting, as drafted. Commissioner Foster seconded the motion. The motion carried unanimously with six affirmative votes.

WSSC RETIREES

WSSC Retirement Plan Group Leader Richard Baker recognized the WSSC Retirees for the month of August 2016, as follows:

- **Beverly Houser**, Licensing Specialist, Regulatory Services Group, retired with 20 years and 11 months of service; and,

- **James Troxler**, Pipe Technician III, Utility Enhancement Support Group, retired with 38 years and 10 months of service.

COMMUNICATIONS VIDEO

Communications and Community Relations Director Jim Neustadt presented two short videos on "Theft of Water." The media kickoff prevention program has already prompted 37 service calls of suspected water theft, resulting in one citation.

Additionally, Mr. Neustadt announced that WSSC is the recipient of the following five Videographer awards:

- "Children's Water Festival" (Award of Excellence)
- "Storing Water" (Award of Distinction - PSA)
- "My Life at WSSC" (Award of Distinction)
- "Honoring Service at WSSC" (Honorable Mention)
- "Pipe Scene Investigators" (Honorable Mention)

COMMISSIONER/PUBLIC COMMENTS

Commissioner Comments. Commissioner Denis asked that WSSC consider placing signage (or request with the proper authorities that it be placed) on Route I-95 that would direct visitors and customers to the WSSC building, pointing out that getting to the building can be confusing due to the new traffic direction and street (Konterra Road). He thinks it would be helpful for people visiting for the first time to see signage for the exit to WSSC that is clearly marked.

Chair Bayonet made mention of the recent tragedy in Silver Spring where seven residents of an apartment building were tragically killed in a gas explosion; sending his condolences and prayers on behalf of the Commission to the families and victims.

Chair Bayonet also referred to the recent court order stopping construction on the Purple Line project which may have implications for WSSC, to which Commissioner Denis agreed, requesting that Commissioners be briefed on this matter in the near future.

Commissioner Boulware commended General Manager Carla Reid and Crystal Knight-Lee, Chief of Customer Relations, for their timely

and satisfactory handling of consumer complaints that Commissioner Boulware had referred to them.

Corporate Secretary Finlayson also praised recent local Olympic Gold Medalists Katie Ledecky and Michael Phelps for their outstanding achievements during the 2016 Summer Olympics in Rio, acknowledging that the two Marylanders (with one residing directly in our Sanitary District) are the best of the best.

Public Comments. None.

GENERAL MANAGER REPORT

General Manager ("GM") Carla Reid was recognized to provide her monthly report. The GM'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:

In response to recent incident at Prince George's County Hospital where the NICU (Neonatal Intensive Care Unit) was closed due to the presence of pseudomonas bacteria; WSSC reached out and offered assistance to the Prince George's County Health Department. Although initial reports indicated that the bacteria had come from a water pipe, WSSC's sampling site near the hospital showed that WSSC chlorine levels were within the required regulations and no coliform bacteria was detected. It later became apparent that the bacteria came from a source within the hospital. The State Department of Health and Mental Hygiene also contacted WSSC about sampling in the area.

On Call Center performance: despite WSSC's attempts, the call answer rate fell back to 86% in July. In addition, WSSC's service level of answering 80% of the calls within 180 seconds dropped to 63% in July. Although WSSC is assessing the reasons for this decline in performance metrics, management believes it was due to customer service representatives having to stay on the lines longer addressing customer concerns regarding increased rates. Additionally, there were several days in July that the IVRS (Interactive Voice Response System) experienced difficulties with answer and hold times before the problem was resolved by the IT department.

On July 26th, WSSC launched the HomeServe USA initiative / partnership to provide optional water and sewer line protection plans to WSSC customers who own homes. Approximately 2,700 homeowners have enrolled to-date. Despite WSSC's outreach efforts to inform customers about the partnership and related details, several customers have complained about the HomeServe mailings and in particular, the language that seemed to suggest that the plans were mandatory. Some customers have also expressed concern that WSSC is not performing the work on the pipes itself as opposed to contractors provided by HomeServe.

WSSC has also received negative feedback (a letter) from the Washington Suburban Master Plumbers Association, criticizing management's decision to enter into the HomeServe agreement. Management will meet with this group in the near future to address their concerns and will expand its communication efforts to ensure that customers understand the HomeServe plan is optional.

WSSC continues to promote STEM education and careers to students in STEM; hosting a summer camp for students at the Seneca Wastewater Treatment Plant and partnering with YMCA at this year's Thingamajig Convention in Prince George's County.

SLMBE Director Towanda Livingston was named as one of the Top 100 under 50 Diversity Executive Leaders by MBA Magazine.

NACWA Awards. Mr. Adam Krantz, CEO of the National Association of Clean Water Agencies (NACWA), presented Peak Performance Awards to all six of WSSC's wastewater treatment plants for 100% National Pollutant Discharge Elimination System (NPDES) permit compliance during 2015.

- Damascus (16 consecutive years), Seneca (10 consecutive years), Parkway (10 consecutive years) and Hyattstown (first recognition at this level) received Platinum Awards;
- Piscataway and Western Branch earned Gold Awards.

GM concluded by recognizing the WSSC Police Department and Chief Harvey Baker. This year the Department participated in six events for the Annual National Night Out celebration across both Montgomery and Prince George's Counties. New WSSC Police Officers were sworn in on August 9th; Chief Baker has done an excellent job building the Department and filling related vacancies. Chief

Baker was invited and participated in the White House 21st Century Policing Briefing at the White House on August 16th.

Following 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 June 25, 2016 through August 5, 2016.

FY 2016 Carryover Projects: all in the field-work stages.

FY 2015 Carryover Projects: Exit Conference scheduled for Regulatory Services Group Audit with Construction Contracts Change Orders Audit under IAO management review.

No SDC reports issued; 13 SDC audit requests in process with 10 active and 3 inactive.

Internal Audit Follow-up: No management action items closed as of August 6, 2016. Thorough review underway for 5 implemented pending. Five - delinquent.

Hotline. Quarterly Report to be provided in September.

Ethics Office. The Board of Ethics held its regularly-scheduled meeting on July 14, 2016; several open and closed items were reviewed. New hire orientation/code of ethics training was provided to 8 new employees on July 18, 2016.

External Auditors. Commission's financial statements audit is currently underway. A-133 Single Audit commenced on August 8, 2016. The OPEB Audit Report was issued on July 28, 2016.

The report of the Internal Audit Office was received as information.

OTHER REPORTS

Finance

Set Public Hearing Dates for FY 2018 Budget. Budget Group Leader Letitia Carolina-Powell recommended that the Commission set the Public Hearing Dates for WSSC's Fiscal Year 2018 Proposed Budget,

Whereupon, a motion was made by Commissioner Boulware and seconded by Commissioner Foster to set the public hearing dates for WSSC's Fiscal Year 2018 Proposed Budget, as follows:

Montgomery County

Wednesday, February 1, 2017, at 7:30 p.m.

Stella B. Werner Office Building

7th Floor Council Hearing Room

100 Maryland Avenue, Rockville Maryland

Prince George's County

Thursday, February 2, 2017, at 7:30 p.m.

RMS Building - Room 308

1400 McCormick Drive

Largo, Maryland

Inclement Weather Backup Date

Wednesday, February 8, 2017, at 7:30 p.m.

WSSC Headquarters/ RGH Building

The motion carried unanimously with six affirmative votes.

Appointment of Members to WSSC Retiree OPEB Trust Board of Trustees/Resolution 2017-2135. The WSSC Retiree Other Post-Employment Benefits ("OPEB") Trust establishes a Board of Trustees responsible for investing the assets of the WSSC OPEB Trust. Management, by resolution, is recommending the appointment of WSSC CFO Joseph Beach and WSSC Deputy GM Thomas Street to serve as Trustees to the WSSC Retiree OPEB Trust Board of Trustees, replacing the seats previously held by former WSSC employees Yvette Downs and Johnnie Hemphill.

On motion made by Commissioner Foster and seconded by Commissioner Boulware, the Commission voted six-to-zero to adopt Resolution 2017-2135, appointing WSSC Deputy General Manager Thomas J. Street and WSSC Chief Financial Officer Joseph F. Beach as Trustees to the WSSC Retiree Other Post-Employment Benefits (OPEB) Trust Board of Trustees, to serve the remainder of the terms previously held by former WSSC employees Johnnie Hemphill and Yvette Downs, beginning August 17, 2016 and continuing through June 30, 2019, as recommended by management.

Motion carried.

CONSENT CALENDAR

Contracts for Approval

The Chair asked if there were any contracts that Commissioners would like removed prior to consideration of the Consent Calendar Resolution, to which there were none.

Whereby, a motion was made by Commissioner Foster and seconded by Commissioner Rogers, to adopt Resolution 2017-2136, approving the three contracts included on the Consent Calendar for the August 17, 2016 Commission Meeting, as follows:

A. Engineering and Construction

Architect/Engineer Contracts

1. PM0003.4.5.19A16, Water Main Design Services Basic Ordering Agreements, to Hatch Mott Macdonald, The Wilson T. Ballard Company, Wallace, Montgomery & Associates, LLP, and Michael Baker International, Inc., in an amount not to exceed \$4,000,000.00 for a base term of 3 years with a one year option, each in the amount of \$2,000,000.00.

Construction Contracts

1. BT5782A14, Metzert Road 16-Inch Transmission Water Main Replacement, to Taylor Utilities, Inc., in the amount of \$4,206,776.00, with a substantial completion time of 688 calendar days.

B. Production

1. Contract 6845, Biosolids Management and Hauling, Option Year 1, to Synagro Central, LLC for Parkway and Seneca/Damascus WWTPs, in the amount of \$3,094,949.16 and Nutri-Blend, Inc., for the Piscataway WWTP in the amount of \$1,847,859.07, for a total contract award amount of \$4,942,808.23. Contract term to commence on September 1, 2016 and expire on August 31, 2017 with three one-year option terms remaining.

The motion carried unanimously by a vote of six-to-zero.

ADDITIONAL BRIEFINGS

COMMISSION OFFICE

Corporate Secretary Report. Corporate Secretary Sheila Finlayson provided an overview of her activities for the month, which included a final report on the Commissioners' Engineering Scholarship Program, sharing that the program was very successful with five scholarships awarded to students from the WSSD for \$1,000.00 each. The Corporate Secretary also highlighted the fact that three of the past scholarship winners had also participated in WSSC's paid summer internship program this year, pointing out that such an opportunity was afforded to them directly as a result of being named winners of the scholarship. She also was pleased to share that, due to increased and targeted promotion efforts; the number of applicants for the program had increased to 22 this year as compared to 5 last year.

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

WSSC Retirement Plan Board of Trustees. Commissioner Lawson reported on the recent meeting of the Board of Trustees held on July 27th stating that as of June 30, 2016, the plan's assets were \$708.0 million which represents an investment gain of \$21.6 million or an increase of 3.3% from December 31, 2015 to June 30, 2016.

The Commission received the report of the Retirement Plan Board of Trustees as information.

Personnel and Governance Committee. Chair Bayonet reported that the Committee is in the process of performing evaluations for two of its direct reports.

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

Legislation Committee. Commissioner Denis advised that the Maryland Legislative Process is beginning with the pre-filing of bills. He requested that management keep the Committee informed with regard to proposed legislations, positions, recommendations, notice of hearings of delegations, and the like.

The Commission received the report of the Legislation Committee as information.

Audit. Chair Bayonet reported that the next quarterly meeting has been pushed back to the September 2016 meeting.

The Chair announced that the Morning Open Session business has concluded and called for a motion to go into Closed. After sharing the written closing statement with the Chair, the Corporate Secretary advised that the Commission would be conducting a vote to go into Closed Session pursuant to Maryland Code Annotated, General Provisions Article, Section 3-305(b)(1) to discuss personnel matters relating to Commission Office direct reports and other personnel. The Chair then called for a vote.

CLOSED SESSION

Whereby at 11:03 a.m., Commissioner Boulware moved that the Commission go into Closed Session pursuant to Maryland Code Annotated, General Provisions Article, Section 3-305(b)(1) to discuss personnel matters involving Commission Office direct reports and other personnel.

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

The Chair declared the meeting was Closed at 11:03 a.m. The Chair then called for a short recess for the Commission to relocate to the Commissioners' Large Conference Room. The meeting reconvened in Closed in the Commissioners' Large Conference Room at 11:15 a.m. with the six sitting Commissioners meeting in executive session.

ATTENDEES: Chair Fausto Bayonet; Commissioners Omar Boulware, Howard Denis, Eloise Foster, Chris Lawson and Thomasina Rogers. General Manager Carla Reid and Corporate Secretary Sheila Finlayson were requested to join the executive session at 12:08 p.m.

At 12:29 p.m., the Chair called for a motion to end closed, whereby a motion was made by Commissioner Boulware and seconded by Commissioner Lawson to end the Closed Session. The motion carried unanimously with six affirmative votes.

OPEN SESSION

At 12:29 p.m., the Commission reconvened in open session.

ADJOURNMENT

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

At 12:29 p.m., the meeting was declared adjourned.

Respectfully submitted,

//signed//

Sheila R. Finlayson, Esq.
Corporate Secretary