

WASHINGTON SUBURBAN SANITARY COMMISSION

MINUTES OF THE COMMISSION MEETING

Wednesday, April 19, 2017  
Laurel, Maryland

Chairman 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. Hocesvar ("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, General Counsel Amanda Stakem Conn 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 welcoming everyone and asking Commissioner Denis to lead the pledge of allegiance.

**AGENDA APPROVAL**

Commissioner Rogers moved to adopt the Commission's Public Meeting Agenda of April 19, 2017, as amended to remove Agenda Item 7A per the General Manager's request, to which Commissioner Denis seconded the motion. The motion carried unanimously with six affirmative votes.

**APPROVAL OF MINUTES**

Commissioner Lawson moved to approve the open session minutes of the March 15, 2017 Regular Commission Meeting, as drafted. Commissioner Denis seconded the motion. The motion carried unanimously with six affirmative votes.

Commissioner Denis then moved to adopt the open session minutes of the March 7, 2017 special commission meeting, as drafted. Commissioner Lawson seconded the motion, which 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 April 2017:

Jacob Brodsky, Process Control Specialist III, Process Control Group, retires with 31 years and 2 months of service.

Craig Brown, Utility Technician III, Utility Services North Group, retires with 33 years and 6 months of service.

Kim Spencer, Utility Technician III, Utility Services North Group, retires with 30 years and 2 months of service.

Mark Proctor, Utility Technician III, Utility Services Central Group, retires with 32 years and 3 months of service.

**COMMUNICATIONS VIDEO**

Communications and Community Relations Director Charles "Chuck" Brown presented a video on "WSSC at Work - What Customers Should Expect," educating customers on construction projects and the overall construction process from community outreach to final restoration.

**COMMISSIONER/PUBLIC COMMENTS**

**Commissioner Comments.** Commissioner Denis reminded management that, in order to promptly respond to concerns expressed at the upcoming Public Hearings on the WSSC Rate Re-Structuring, it is imperative that Commissioners be informed quickly of comments that come in from customers, council members and the respective county executive' offices. He also requested that management share the timeline and process leading up to decision making with county officials to ensure everyone is informed and on same page.

Chair Bayonet noted the communication with county officials on construction projects has indeed improved.

**Public Comments.** None.

**GENERAL MANAGER'S REPORT**

**Monthly Report.** General Manager ("GM") Carla Reid provided her monthly report, which can be found in the corresponding segment of

the archived meeting video and written "General Manager's Report." However, highlights are as follows:

Improve Infrastructure:

- Rally for Water on Capitol Hill - GM joined members of Congress and other water utility professionals, sharing the great need for federal investment in water infrastructure.

Enhance Stakeholder Relationships:

- Prince George's County Public School (PGCPS) Lead Testing Assistance - WSSC has partnered with PGCPS in testing for lead exposure in local schools.
- 7th Annual Women Business Owners Expo - Excellent event; over 230 participants, including Commissioner Rogers.
- Maryland House Bill 319 - Passed in 2017 Maryland legislative session, extending WSSC's Minority Business Enterprise (MBE) program through July 1, 2022. SLMBE Office name change also approved - now the Office of Supplier Diversity and Inclusion.
- Whole Foods Opening - WSSC participated in grand opening of first Whole Foods store in Prince George's County.

Deliver Excellent Customer Service:

- Permit Services - New technology and streamlined services has proven to be very beneficial to WSSC customers in expediting permit approval process and avoiding construction delays.
- Customer Feedback Community (CFC) - CFC provided feedback on WSSC's positive and negative attributes. Positive - customers trust WSSC; Negative - poor customer service, lack of timely resolution of issues and poor customer communication.

Inspire Employee Engagement:

- Lakeside Chats 2.0 - Completed 9 of 10 meetings; engaged with hundreds of employees.
- Leaders on Same Page - Conducted all management meeting with WSSC leadership on March 20<sup>th</sup>; participants were briefed on number of WSSC initiatives. Also trained on what leaders are expected to be, know and do.

Process Excellence and Financial Stability:

- 2016 Quality Report - Recently issued and available online; 98<sup>th</sup> year without single water quality violation.
- Rate Structure Study - Briefed County Councils at Joint Council Committee Meeting at WSSC on March 30<sup>th</sup>. Extensive public outreach planned with several public meetings to be held in May and June.
- Special Billing Task Force - New task force created to improve customer service, billing issues and overall billing process.
- Equipment Cost Savings - Strategic sourcing process has proven beneficial; saved \$1.7 million over 24 months by better cost saving strategies and negotiation efforts.
- Force Main Emergency Response Tabletop Exercise - Recently held on Piscataway incident to ensure better preparation for future; reviewed areas of vulnerability and risk.

Commissioner Lawson requested that management obtain stakeholder feedback on WSSC outreach and communication and what stakeholders would like to see improved.

Commissioner Rogers stressed the importance of allowing customers the opportunity to participate fully in the Rate Structure Setting process to ensure customer satisfaction and buy-in; recommending that management structure vehicle to encourage customer participation. She also reiterated the need for management to share public comments with Commissioners, to include volume received.

**Following Commissioner questions, 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 March 6, 2017 to April 7, 2017.

**FY 2017 Audit Projects:** Three in fieldwork phase; two in planning phase.

**FY 2016 Carryover Audit Projects:** One in field-work stage; Two reporting phase. Audit report issued for Blue Plains FY '14 Audit; final cost savings of \$2,323,705.

**FY 2015 Carryover Projects:** Construction Contracts Change Orders closed out with audit report issued on March 17, 2017.

**System Development Charges (SDC) Audits:** No SDC Reports issued; 20 SDC audit requests in process with 17 active and 3 inactive.

**Internal Audit Follow-up:** No management action items closed. Thorough review underway for three implemented pending Internal Audit verification action items. No delinquent management plans of action.

**Hotline.** Fifteen in progress with five closed; majority are complex multi-year investigations being undertaken by WSSC Police Unit.

**Ethics Office.** The Board of Ethics held its regularly-scheduled meeting on March 9, 2017; several open and closed items were reviewed. New hire orientation/code of ethics training was provided to 5 new employees on March 27, 2017. CY 2016 Annual Ethics Report finalized and will be presented for approval at this meeting.

**External Auditors.** Entrance Conference scheduled for April 12, 2017.

**Resolution 2017-2151 - Approval of Transmittal of Annual Ethics Report to Counties.** Ethics Officer Angelique Dorsey presented the Calendar Year (CY) 2016 WSSC Annual Ethics Report to the Commission. Such report, which addresses conflicts of interest matters brought before the WSSC Board of Ethics in 2016 and lobbying activities, is required under the Maryland Public Ethics Law and the WSSC Code of Ethics to be transmitted to the County Governments of Prince George's and Montgomery annually by April 15th of each year. A copy of the Annual Report, which is included in the board materials and incorporated herein by reference, is also provided to the Maryland State Ethics Commission.

**Following discussion, a motion was made by Commissioner Lawson and seconded by Commissioner Foster, to adopt Resolution 2017-2151, approving the transmittal of the CY 2016 Annual Ethics Report to the County Governments of Prince George's and Montgomery Counties, as required by State law.**

The motion carried unanimously with six affirmative votes.

The IAO Monthly Report was received as information.

OTHER REPORTS

Finance

Set Public Hearing Dates for Proposed Fiscal Years (FY) 2019-2024 Capital Improvements Program (CIP). Following management's recommendation, Commissioner Lawson moved that the Commission set its public hearing dates on the Proposed CIP for FYs 2019-2024, as follows:

Prince George's County

Tuesday, September 5, 2017, at 7:30 p.m.

RMS Building - Room 308

1400 McCormick Drive, Largo, Maryland

Montgomery County

Wednesday, September 6, 2017, at 7:30 p.m.

Stella B. Werner Office Building - 7th Floor Hearing Room

100 Maryland Avenue, Rockville Maryland

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

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 Denis, to adopt Resolution 2017-2152, approving the three contracts included on the Consent Calendar for the April 19, 2017 Commission Meeting, as follows:

A. Engineering and Construction

Construction Contracts

1. PM0002A17, Demolition Services Basic Ordering Agreement (BOA), to K & K Adams, Inc., in an amount not to exceed \$8,000,000.00, with three-year base term and one (1) two-year option.

**B. General Services**

1. **Contract 7148, Fire Hydrant Adapters, to HD Supply Waterworks, Ltd., in an amount not to exceed \$3,300,000.00, with three-year base term and one (1) two-year option term. Contract to be used by Anacostia Warehouse in Hyattsville, Maryland.**
2. **Contract 7134, Small Foundry Items, to Bingham & Taylor Corp., in an amount not to exceed \$5,700,000.00, with base term of three years and one (1) two-year option term.**

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

**ADDITIONAL BRIEFINGS**

**IRO Legislative Update.** Intergovernmental Relations Office (IRO) Director Karyn Riley provided an update of IRO activities for the month along with final legislative matrix and summary of bills proposed for 2017 Maryland General Assembly Session, highlighting those that passed and others that failed.

**The Commission received the IRO update on proposed legislation as information.**

**COMMISSION OFFICE**

**Corporate Secretary Report.** Corporate Secretary Sheila Finlayson reported on her recent activities, referring to her written report provided in the advance board materials, and sharing that campaign details have been finalized for the 2017 Commissioners' Engineering Scholarship Program with official public announcement /press release issued on March 27, 2017.

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

**WSSC Retirement Plan Board of Trustees.** Commissioner Lawson presented the January/February 2017 Plan results with plan assets at \$765.6 million; representing year-to-date investment gain of \$29.8 million and an increase of 4.1% from December 31, 2016 to February 28, 2017. Next meeting to take place on April 26, 2017.

**The Commission received the report, as delivered by Retirement Plan Trustee Lawson, as information.**

**Personnel and Governance Committee.** Chair advised performance evaluation in process for General Manager.

**Legislation Committee.** Nothing additional to report outside of information provided by IRO Director.

**Audit Committee.** The Chair announced that the Commission would now convene in open session as the Audit Committee to conduct the Audit Committee quarterly meeting.

**Audit Committee Meeting.** The Commission officially convened as an Audit Committee at 11:22 a.m. to conduct its quarterly meeting. Business related to the Audit Committee concluded at 12:16 p.m. Minutes of this proceeding were recorded separately and can be found in the Audit Committee Minutes, incorporated herein by reference. Additional details of the meeting can also be found in the corresponding segment of the archived meeting video.

Following conclusion of the Audit Committee Meeting, the Chair announced that the Morning Open Session business had concluded and called for a motion to go into Closed.

After noting his approval of the written closing statement, the Chair called for a vote.

#### CLOSED SESSION

Whereby at 12:18 p.m., Commissioner Lawson moved that the Commission go into Closed Session pursuant to Maryland Code Annotated, General Provisions Article: Section 3-305(b) (13) to approve the March 15, 2017 Closed Session Minutes; Section 3-305(b) (7) and Section 3-305(b) (8) to consult with counsel to obtain legal advice on MTA Purple Line Agreement and proposed changes to Pipeline Design Manual and to discuss PSC Boltuck Order; Section 3-305(b) (9) to conduct collective bargaining negotiations or consider matters that relate to the negotiations; and Section 3-305(b) (1) to discuss personnel matters relating to Commission Office direct reports.

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

The Chair declared the meeting was Closed at 12:18 p.m.



The Chair then called for a lunch recess (12:19 p.m.).

Following lunch, the meeting reconvened in Closed Session in the Commissioners' Large Conference Room at 1:21 p.m.

**ATTENDEES:** Chair Fausto Bayonet; Commissioners Omar Boulware, Howard Denis, Eloise Foster, Chris Lawson and Thomasina Rogers. Staff present: General Manager Carla Reid, Corporate Secretary Sheila Finlayson, General Counsel Amanda Conn, Deputy General Manager for Operations Joe Mantua, Deputy General Manager for Administration Thomas Street, Deputy General Manager for Strategic Partnerships Monica Johnson, Senior Counsel Russel Beers, Associate Counsel Danny O'Connor, Associate Counsel Heather Ashbury, Director of Communications and Community Relations Chuck Brown, Senior Staff Director Jaclyn Vincent and Human Resources Director Todd Allen (for a portion of the meeting relating to the union negotiations discussion).

Closed Session Minutes - On motion made by Commissioner Boulware and seconded by Commissioner Lawson, the Commission voted unanimously six-to-zero, to adopt the closed session minutes of its March 15, 2017 Meeting, as drafted.

**Collective Bargaining Negotiations.** Human Resources Director Todd Allen briefed Commissioners on the status of the union negotiations. Mr. Allen will follow-up with Commissioners again in May, with new agreement anticipated to come publicly before the Commission at the May meeting.

**Legal Matters** - Commissioners were briefed by WSSC Counsel and management on confidential attorney/client privileged legal matters affecting the Commission, which included the MTA Purple Line Agreement, WSSC Pipeline Design Manual (proposed changes) and Public Service Commission (PSC) Boltuck Order.

**Personnel Matters.** Commissioners met in executive session at 3:07 p.m. to discuss personnel matters.

At 5:00 p.m., the Chair called for a motion to end closed, whereby a motion was made by Commissioner Foster and seconded by Commissioner Boulware, to end the Closed Session. The motion carried unanimously with six affirmative votes.

**OPEN SESSION**

At 5:00 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 5:00 p.m., the meeting was declared adjourned.

Respectfully submitted,

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Sheila R. Finlayson, Esq.  
Corporate Secretary