

WASHINGTON SUBURBAN SANITARY COMMISSION

MINUTES OF THE COMMISSION MEETING

**Wednesday, June 21, 2017
Laurel, Maryland**

Chairman Fausto R. Bayonet called the meeting to order at 10:02 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, 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 Foster to lead the pledge of allegiance.

AGENDA APPROVAL

Commissioner Lawson moved to adopt the Commission's Public Meeting Agenda of June 21, 2017, as drafted, to which Commissioner Foster seconded the motion. The motion carried unanimously with six affirmative votes.

APPROVAL OF MINUTES

Commissioner Denis moved to approve the open session minutes of the May 17, 2017 Regular Commission Meeting, as drafted. Commissioner Rogers seconded the motion. The motion carried unanimously with six affirmative votes.

Commissioner Rogers then moved to adopt the open session minutes of the May 11, 2017 Special Commission Meeting, as drafted.

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

WSSC RETIREES

Retirement Plan Executive Director Richard Baker recognized the Retirees for the month of June 2017, as follows:

Noelle Cranford (present), Associate Project Manager, Infrastructure Systems Group, retires with 30 years and 8 months of service.

Andrew Fitzsimons (present), Project Manager, Utility Management Group, retires with 31 years and 3 months of service.

Teresa Kincius (present), Legal Office Manager, General Counsel's Office, retires with 30 years and 3 months of service.

Thomas Laughlin, E & M Technician, Potomac Group, retires with 11 years and 7 months of service.

James Hearn, Regulatory Affairs Manager, Planning Group, retires with 15 years and one month of service.

ROBERT G. BERGER SCHOLARSHIP AWARDS

Senior Internal Auditor Jane Lewis and Sarah Tillery, Administrative Assistant III, Utility Strategic Development Group; both members of the Robert G. Berger Memorial Scholarship Board, presented the scholarship awards for the 2017-2018 academic year. Ms. Tillery provided a brief history of the scholarship program, named after former Commissioner Robert G. Berger, personally acknowledging and thanking the Berger family, WSSC employees and WSSC retirees for their support and contributions over the years. All funds collected are used solely for the scholarships which provide tuition assistance to numerous children of WSSC employees and retirees.

The following 22 student recipients (and WSSC parents) were honored:

- o Brionna Allen - Towson University
- o Drew Arnett - Coppin State University
- o Cayli Baker - University of Maryland, College Park
- o Sudeep Behera - University of Maryland, College Park
- o Tyler Bond - Florida State University
- o Courtney Bradshaw - Temple University
- o Najee Corbin - Lycoming College
- o Jennifer Delacey - North Carolina State University
- o Kelley Delacey - Berry College
- o Christian Dixon - University of Maryland, Baltimore County
- o Hana Flores - University of Maryland, Baltimore County
- o Shania Foster - Laurel High School
- o Keona Gardner - University of Maryland, College Park
- o Jalen Graham - Stevenson University
- o Dominique N. Johnson - Prince George's Community College
- o Jessica Kelly - Frederick Community College
- o Gabrielle Madike - Frostburg State University
- o Nathan Mitchell - Howard Community College
- o Jennifer Ngo - University of Maryland, Baltimore School of Nursing
- o Alexandra Whatley - Howard Community College
- o Kayla Williams - Widener University
- o Justin Wright - University of Maryland, Baltimore County

Since its inception in 1996, the fund has awarded over \$130,000 in scholarships to more than 125 students. Formerly known as the WSSC Employee Scholarship Fund, it was renamed in 2003 to honor the memory of former Commissioner Berger, who was a tremendous advocate for higher education and played a pivotal role in creating the WSSC Scholarship Fund. Mr. Berger was appointed to the Commission from Montgomery County in 1993 and served until 2001.

At the conclusion of the award presentations, Chair Bayonet congratulated the student recipients, wishing them well in their academic studies.

OUTGOING CHAIRMAN RECOGNITION

Recognition of Chairman Fausto R. Bayonet. Vice Chair Lawson, along with the other Commissioners, recognized outgoing Chairman Bayonet, presenting him with a plaque of appreciation and engraved glass replica water drop in recognition of his distinguished service to the Washington Suburban Sanitary Commission.

Outgoing Chair Remarks. Upon thanking Commissioners for the recognition, Chairman Bayonet took an opportunity to highlight some of WSSC's accomplishments over the past year during his chairmanship. The Past Chair's comments can be found in the corresponding segment of the archived meeting video.

ELECTION OF FISCAL YEAR 2018 CHAIR

Chair Bayonet then called for nominations for Chair of the Commission for the upcoming fiscal year 2018.

Whereupon, a motion was duly made by Commissioner Foster and properly seconded by Commissioner Lawson, to nominate Commissioner Thomasina Rogers as the Chair of the Commission for Fiscal Year 2018. The motion carried with five affirmative votes; one abstention (Commissioner Rogers, as the nominee up for election, abstained from the vote).

The Past Chair congratulated the new Chair, officially passing the gavel to Chair Rogers.

[Chair Rogers is now presiding over the meeting].

New Chair Remarks. Chair Rogers thanked Commissioners and County Executive Baker for their support and confidence in her abilities to serve in this exciting new leadership role, touching on her past experiences, plans and priorities for the next year as Chair

of WSSC. Chair Rogers' full remarks can be found in the corresponding segment of the archived meeting video.

ELECTION OF FISCAL YEAR 2018 VICE CHAIR

Chair Rogers then called for nominations for Vice Chair.

Whereupon, a motion was made by Commissioner Lawson to nominate Commissioner Eloise Foster as the Vice Chair of the Commission for Fiscal Year 2018. Commissioner Denis seconded the motion. The motion carried with five affirmative votes; one abstention (Commissioner Foster abstained from the vote as the nominee up for election).

FISCAL YEAR 2018 COMMISSION MEETING DATES

Resolution 2017-2156. A motion was made by Commissioner Boulware, and properly seconded by Commissioner Denis, to adopt Resolution 2017-2156, approving the Commission Meeting Dates for Fiscal Year 2018, as follows: July 19, 2017; August 16, 2017; September 20, 2017; October 18, 2017; November 15, 2017; December 20, 2017; January 17, 2018; February 21, 2018; March 21, 2018; April 18, 2018; May 16, 2018; and, June 20, 2018.

The motion carried unanimously with six affirmative votes.

COMMISSIONER/PUBLIC COMMENTS

There were no comments from Commissioners nor the public.

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:

- Brighton Dam Rehab Project - Two-year upgrade project underway; \$13 million projected cost. Dam is structurally safe; repairs being made to prolong useful life and meet environmental standards.

Enhance Stakeholder Relationships:

- Union Agreement - WSSC and Union agreed on new terms effective July 1, 2017 through June 30, 2020.
- Damascus Tank - undergoing rehabilitation. WSSC received request from Damascus community to paint tank with school logo to which WSSC agreed; Damascus will pay for related costs of \$15,000.

Deliver Excellent Customer Service:

- Rate Structure Public Meetings - Continuing extensive outreach; 5 held in June. Great attendance and feedback.
- Customer Feedback Community (CFC) - First in-person meeting held in June; received CFC feedback on what matters most to customers and latest HomeServe mailing.

Inspire Employee Engagement:

- #H2OPeople Connect - Team building activities continuing; aimed at improving collaboration and teamwork among employees.
- Employee Rodeo; new activity this year in lieu of annual picnic; 900 attendees - skills rodeo competition among employees.

Process Excellence and Financial Stability:

- Emergency Response Exercise - two-day table top exercise held among senior leadership; functional exercise in field.
- AWWA ACE Annual Conference - Great turnout from WSSC.
- Partnership for Safe Water Directors Award - Potomac Water Treatment Plant honored; recognized for excellence in operations over 5-year period.
- Wendell LaDue Utility Safety Award - WSSC recognized; 4th year in a row.
- Leadership Montgomery/Prince George's - Past Chair Bayonet completed Leadership Montgomery membership for Class of 2017. WSSC Customer Advocate Kevin Woolbright completed Class of 2017 for Leadership Prince George's.

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

Rate Structure Public Meetings Update - Briefing on Public

Comments Received. Chief Financial Officer Joseph ("Joe") Beach, along with Public Affairs Manager Jerry Irvine, updated the Commission on the four Rate Structure Public Meetings that were held in June. Extensive public outreach continued through direct mail, radio ads, social media, news releases, website. 675+ attendees in person; more than 2,500 reached with more than 100 comment cards received, 101 letters/emails and 54 calls.

Common themes of public feedback were as follows:

Rockville Meeting (6/5/17 - 40 customers):

- Impact on conservation
- Affordability
- Ready to Serve charge
- Residential v. commercial - should charge different rates
- Review budget to control costs

Largo Meeting (6/6/17 - 140 customers):

- Affordability for residential customers
- Reconsider June 2018 adoption
- Billing accuracy concerns
- Billing and customer service issues
- Transparency in rate discussions/adoption

Rockville Meeting (6/19/17 - 30 customers):

- Impact on Conservation
- Affordability for residential customers
- Providing timely information to customers on bill and water use
- Appreciation for open process

RGH Meeting (6/20/17 - 67 customers):

- Concerns about impact of single volume rate for residential customers on low and fixed income households
- Concerns about impact of Ready to Serve charges
- Support for continued investment in infrastructure

Additional meetings to be held as requested. Mr. Beach will again provide Commissioners a detailed analysis of the public comments and questions from all of the meetings.

Further detail can be found in the corresponding segment of the archived meeting video.

The report on the rate structure public meetings and public comments, was received as information.

Commissioner Boulware had to depart the meeting at this juncture; 11:57 a.m.

Revised Strategic Plan. GM Reid walked through new proposed WSSC Strategic Plan which included feedback from Commissioners discussed at strategy planning session held with GM on May 11, 2017. Management is requesting adoption of new revised plan which contains changes to WSSC's vision, values and strategic priorities. Further detail can be found in the strategic plan document and corresponding segment of the archived meeting video and both are referred to for this purpose.

Following discussion, a motion was made by Commissioner Lawson and seconded by Commissioner Bayonet, to adopt the WSSC Revised Strategic Plan, as recommended by management. The motion carried with five affirmative votes, one absent (Commissioner Boulware).

IT Contract 1124. Chief Procurement Officer David Malone, along with his Group Leader Carlnetta Curry, walked through the power point slide distributed to Commissioners at meeting (incorporated herein by reference) detailing the procurement process for this

contract/BOA and requesting Commission authorization for fiscal year 2018 spending. Due to the additional briefing and subsequent discussion pertaining to this contract, the Chair requested that the contract be pulled from the consent calendar and considered separately, to which there were no objections.

Whereupon, a motion was made by Commissioner Lawson and seconded by Commissioner Foster to approve the fiscal year 2018 funding in the amount of \$5.4 million for the second year of the two-year base term for BOA 1124, as requested by management. The motion carried with five affirmative votes, one absent (Commissioner Boulware).

Issue Trakr Update. Senior Staff Director Jaclyn Vincent provided an overview of the new Issue Trakr system recently implemented to improve customer service by providing employees with an easy to use tool to capture, monitor and track customer feedback. Ms. Vincent walked through a power point presentation distributed to Commissioners at the meeting. Specific details can be found in the presentation handout (incorporated herein by reference) and corresponding segment of the archived meeting video.

The Commission received the report 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 May 8, 2017 to June 2, 2017.

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

FY 2016 Carryover Audit Projects: All in report phase.

System Development Charges (SDC) Audits: Total fiscal year to date actual financial savings of \$700,523.69. Two SDC Reports

completed during reporting period; 19 SDC audit requests in process with 16 active and 3 inactive.

Internal Audit Follow-up: No management action items closed since last report and none requiring Internal Audit verification. No delinquent management plans of action.

Hotline. Next quarterly report to be presented at July Commission Meeting.

Ethics Office. The Board of Ethics held its regularly-scheduled meeting on May 11, 2017; several open and closed items were reviewed. New hire orientation/code of ethics training was provided to 13 new employees on May 22, 2017.

External Auditors. Audit work underway on OPEB Trust and Retirement Audits.

The IAO Monthly Report was received as information.

OTHER REPORTS

FINANCE

Front Foot Benefit Charges and Deferred House Connection Charges for the 2017 Assessment Levy. The purpose of Levy 2017 is to assess front foot benefit charges (FFBC) against properties benefitted and/or served by water and sewer mains or deferred house connections (HC) built by WSSC. The assessments, authorized by Maryland Law, are levied to recover WSSC costs of constructing water and sewer mains and service connections. The 2017 Levy was comprised of 382 Notices mailed in April to affected customers in Montgomery and Prince George's County. The informal FFBC Appeal Hearings were held on May 17, 2017 and no appeals were made or heard. Management is recommending approval of the 2017 FFBC Levy comprised of 382 un-appealed assessments.

Whereupon, a motion was made by Commissioner Lawson and seconded by Commissioner Denis, to approve the Front Foot Benefit Charges and Deferred House Connection Charges for the 2017 Levy. The

**motion carried with five affirmative votes, one absent
(Commissioner Boulware absent from vote).**

Resolution 2017-2157 - Adoption of WSSC FY 2018 System

Development Charge (SDC). This Resolution increases the maximum allowable charge while keeping the rates to be actually charged unchanged for Fiscal Year (FY) 2018. Management recommends that the Commission keep the SDC rates unchanged for FY 2018; however, the maximum allowable SDC should be increased by 1.2% from FY 2017 limits in order to maintain future rate flexibility to address future potential growth funding gaps. This item was approved by the Montgomery and Prince George's County Councils on May 11, 2017, and upon approval by the Commission, will become effective on July 1, 2017.

Whereupon, Commissioner Lawson moved that the Commission approve Resolution 2017-2157, adopting the Washington Suburban Sanitary Commission's FY 2018 System Development Charge Fee Schedule, to be effective July 1, 2017, as recommended by management.

Commissioner Bayonet seconded the motion, which carried with five affirmative votes, one absent (Commissioner Boulware absent from vote).

Resolution 2017-2158 - Adoption of WSSC FY 2018 Rates and Fees.

Management presented the FY 2018 Water and Sewer Rate Schedules and the Miscellaneous Charges and Fees Schedules for Commission adoption as contained in Appendices A-D of the proposed Resolution.

Whereby, a motion was made by Commissioner Denis and seconded by Commissioner Lawson, to adopt Resolution 2017-2158, approving the Washington Suburban Sanitary Commission's FY 2018 Water and Sewer Rates and Fees Schedules, to be effective July 1, 2017, as recommended and presented by management. The motion carried with five affirmative votes, one absent (Commissioner Boulware absent from vote).

Resolution 2017-2159 - Adoption of WSSC FY 2018 Operating and Capital Budgets. This item acknowledges the joint action of the two County Councils on May 11, 2017 to approve the proposed FY 2018 \$1.426 billion WSSC Operating and Capital Budget in accordance with Public Utilities Article Section 17-202 of the Annotated Code of Maryland.

Commissioner Foster moved that the Commission approve Resolution 2017-2159, adopting the Washington Suburban Sanitary Commission's Fiscal Year 2018 Operating and Capital Budgets of \$1.426 billion. Commissioner Lawson seconded the motion.

The motion carried with five affirmative votes, one absent (Commissioner Boulware absent from vote).

Resolution 2017-2160 - Adoption of WSSC Six-Year Capital Improvements Program for Fiscal Years 2018-2023. This item, totaling \$3,348,799,000, was jointly approved by the Prince George's and Montgomery County Councils on May 11, 2017 and reflects the modifications approved by both Counties in their respective resolutions.

Commissioner Lawson moved that the Commission approve Resolution 2017-2160, adopting the Washington Suburban Sanitary Commission's Six Year Capital Improvements Program, as amended, for Fiscal Years 2018-2023, to which Commissioner Denis seconded. The motion carried with five affirmative votes, one absent (Commissioner Boulware absent from vote).

HUMAN RESOURCES

Resolution 2017-2162 - Authorizing GM to Execute Collective Bargaining Agreement (CBA). Management presented this item requesting Commission authorization for the GM to execute the CBA with the American Federation of State, County and Municipal Employees, AFL-CIO Council 67 and Local 2898 (AFSCME).

Management walked through a power point presentation outlining the key provisions of new CBA. Specific details can be found in the corresponding segment of the archived meeting video. The new

agreement, selected by an arbitrator, to be effective July 1, 2017 to June 30, 2020.

Following discussion and on motion made by Commissioner Lawson, and seconded by Commissioner Denis, the Commission voted five-to-zero, with one absent (Commissioner Boulware), to adopt Resolution 2017-2162, authorizing the General Manager/CEO to sign and execute the Collective Bargaining Agreement on behalf of the Commission with AFSCME. Such CBA to be effective July 1, 2017 through June 30, 2020.

ENGINEERING & CONSTRUCTION

Piscataway WWTP Bio-Energy Project Update. Chief Engineer Gary Gumm along with Project Delivery Group Leader Theon Grojean reported on this matter, covering the proposed biosolids management plan and business case for the aforementioned project which should result in a much-improved biosolids product, pathogen free and aesthetically pleasing. Specific details can be found in the presentation handout and corresponding segment of the archived meeting video.

Following the presentation, the Commission received the report as information.

CONSENT CALENDAR

Contracts for Approval

A motion was made by Commissioner Foster and seconded by Commissioner Bayonet, to adopt Resolution 2017-2161, as amended, approving the remaining four contracts included on the Consent Calendar for June 21, 2017 Commission Meeting, as follows:

A. Engineering and Construction

Construction Contracts:

1. BRBT4802A08, Georgia Avenue Water Main Replacement and 16-Inch Transmission Water Main Replacement, to Allan Myers MD, Inc., in the amount of \$7,637,777.00, with a substantial completion time of 310 calendar days for the Water Main Replacement

project and 720 calendar days for the 16-Inch Transmission Water Main project.

2. BT5977A15, Colesville Road 20-Inch Transmission Water Main Replacement, to Rivers Construction Group, Ltd., in the amount of \$3,431,980.00, with substantial completion time of 660 calendar days.
3. AC5902A15, Area Water House Connection Installations (Various Locations), Option Term I, to City Contractors, in the amount of \$1,685,225.00. Contract has base term of one year with one-year option to be exercised at Commission's discretion.

B. Information Technology

1. Contract 1124, IT Management Support Services and Expert Assistance BOA, Contracting Authority for FY 2018 Spending (Multiple Vendors) - **REMOVED AND CONSIDERED SEPARATELY EARLIER IN MEETING.**

C. Utility Services

1. Contract 7138, On-Call Plumbing Services, to L.E. Diggs Plumbing & Heating and Joseph Heil Company, Inc., in the amount of \$2,100,000.00, with three-year base term and one two-year option term.

The motion carried with five affirmative votes, one absent (Commissioner Boulware absent from vote).

ADDITIONAL BRIEFINGS

COMMISSION OFFICE

Corporate Secretary Report. Corporate Secretary Sheila Finlayson provided an overview of her activities for the month, which included an update on the Commissioners' Engineering Scholarship Program.

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

WSSC Employees' Retirement Plan Board of Trustees. Commissioner

Foster reported on the April 2017 investment results, noting that, as of April 30, 2017, the Plan's assets were \$769.9 million, which represents a year-to-date investment gain of \$43.3 million or an increase of 6.0% from December 2016 to April 2017. The next meeting of the Retirement Plan Board of Trustees is scheduled for Wednesday, June 28, 2017.

The Commission received the report of the WSSC Employees' Retirement Plan Board, as delivered by Commissioner/Trustee Lawson, as information.

Personnel and Governance. The Chair shared that she is currently reviewing the Committee structure and will discuss her thoughts with Commissioners, noting that an outcome of the April summit was to review the governance structure to ensure the committees aligned closely with the Commission's strategic priorities.

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

Legislation. Nothing to report for the month.

Audit. Next meeting to be held at the July Commission Meeting.

Fiscal Year 2018 Committee Appointments. To be determined.

Chair Rogers then announced that the open business has concluded and called for a motion to go into Closed. After noting her approval of the written closing statement, the Chair called for a vote.

CLOSED SESSION

Whereby at 2:00 p.m., Commissioner Denis moved that the Commission go into Closed Session pursuant to Maryland Code Annotated, General Provisions Article: Section 3-305(b)(13) to approve the May 17, 2017 Closed Session Minutes; Section 3-305(b)(7) and Section 3-305(b)(8) to consult with counsel to obtain legal advice on State Ethics laws and requirements and to

discuss pending or potential litigation for attorney/client privileged legal matters; and Section 3-305(b)(1) to discuss personnel matters relating to Commission Office direct reports.

Commissioner Bayonet seconded the motion. The motion carried with four affirmative votes, two absent (Commissioner Boulware absent from meeting and Commissioner Lawson left room momentarily during vote).

The Chair declared the meeting was Closed at 2:00 p.m.

The Chair then called for a lunch recess (2:00 p.m.).

Following lunch, the meeting reconvened in Closed Session in the Commissioners' Large Conference Room, at 3:00 p.m.

ATTENDEES: Chair Thomasina Rogers, Vice Chair Eloise Foster; Commissioners Fausto Bayonet, Howard Denis and Chris Lawson.
Staff present: General Manager Carla Reid, Corporate Secretary Sheila Finlayson, General Counsel Amanda Conn, Senior Counsel Russel Beers, Deputy General Managers Joe Mantua, Monica Johnson and Thomas Street, Associate Counsel Jim O'Day, Associate Counsel Matthew Gallagher, Associate Counsel Danny O'Connor, Associate Counsel Heather Ashbury, and Senior Staff Director Jackie Vincent.

Closed Session Minutes - Action Deferred.

Pending Litigation/Legal Advice - Commissioners were briefed by the General Counsel and members of her legal team on pending attorney/client privileged litigation and other legal matters, including a pending ethics matter, State Ethics laws and rules surrounding political activity and the rate structure setting process.

Personnel Matters - The Commission did not address any personnel matters due to time constraints.

At 4:52 p.m., Commissioner Lawson moved to end the Closed Session. Commissioner Foster seconded the motion. The motion carried with five affirmative votes, one absent (Commissioner Boulware absent from vote).

OPEN SESSION RESUMED

Special Meetings. The Commission determined to conduct special meetings on the rate structure setting process over the next few months with the first special meeting to be held on June 30, 2017. The Corporate Secretary will reach out to Commissioners to determine other mutually acceptable dates for special meetings to be held in July and August.

ADJOURNMENT

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

At 4:57 p.m., the meeting was declared adjourned.

Respectfully submitted,

//signed//

Sheila R. Finlayson, Esq.
Corporate Secretary