

WASHINGTON SUBURBAN SANITARY COMMISSION

MINUTES OF THE COMMISSION MEETING

Wednesday, July 19, 2017
Laurel, Maryland

Chair Thomasina V. Rogers called the meeting to order at 10:09 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 Rogers, Commissioners Fausto R. Bayonet, Howard A. Denis, T. Eloise Foster and Chris Lawson, 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.

Absent: Commissioner Omar M. Boulware,

PLEDGE OF ALLEGIANCE

Chair Rogers opened the meeting by welcoming everyone and asking Commissioner Bayonet to lead the pledge of allegiance. Following the pledge, the Chair asked General Manager Carla Reid to lead the Commission in the recitation of its mission and vision statements.

AGENDA APPROVAL

Commissioner Denis moved to adopt the Commission's Public Meeting Agenda of July 19, 2017, as drafted, to which Commissioner Lawson seconded the motion. The motion carried by a vote of five-to-zero, with one absent (Commissioner Boulware).

APPROVAL OF MINUTES

Commissioner Foster then moved to approve the open session minutes of the June 21, 2017 Regular Commission Meeting, as drafted. Commissioner Bayonet seconded the motion. The motion

carried with five affirmative votes, one absent (Commissioner Boulware).

WSSC RETIREES

WSSC Retirement Plan Division Manager Richard Baker recognized the following Retirees for the month of July 2017:

Michael Byrd, Utility Technician III, Utility Services North Division, retires with 30 years and 4 months of service.

James Krause, Senior Telecom Support Engineer, IT Network Infrastructure & Data Center, retires with 33 years and 6 months of service.

John Kupke, Asset Management Section Manager, Operations Support Division, retires with 8 years and 1 month of service.

Reginald Marbury, Utility Technician III, Utility Services Central Division, retires with 30 years and 11 months of service.

William Bayliss (present), Electrical/Mechanical Specialist, Facilities Maintenance Division, retires with 36 years and 1 month of service.

ENGINEERING SCHOLARSHIP AWARDS

Chair Rogers and Corporate Secretary Sheila Finlayson presented this year's Commissioners' Engineering Scholarship Awards.

The Awards program provides for up to two new scholarships to be awarded annually to engineering students/residents of the WSSC sanitary district of Prince George's and Montgomery County. Candidates' rankings are based on scholastic achievement, essay content and overall application package.

This year's essay topic was as follows: "As a result of increasingly aging infrastructure, WSSC has a goal each year to replace 61 miles of variously-sized water mains located throughout the WSSC sanitary district. Recognizing this places a

tremendous burden on the communities WSSC serves, describe, in 1500 words or less, the program you would establish to accomplish this goal, along with associated impact/outcomes.”

Winners are awarded a scholarship in the amount of \$1000 and may receive additional awards of \$1000 each year for up to four consecutive years as long as they meet the GPA (2.5 or above cumulative) and maintain continued residency in the sanitary district. Winners also receive priority consideration for participation in WSSC’s paid summer internship program.

This year’s winners were as follows:

- Trevor Moore, a Prince George’s County resident and rising junior at Purdue University, Lyles School of Civil Engineering; and
- Shannon Jin, a Montgomery County resident and incoming freshman at Columbia University, Fu Foundation School of Engineering.

Ms. Finlayson also recognized past winners who also received cash renewal awards under the program and are also participating in WSSC’s summer internship program:

- Kwynn Johnson, 2014 winner from Montgomery County and rising senior at UMBC majoring in mechanical engineering. Kwynn has interned in various engineering divisions at WSSC for the past three summers and has reaped the full benefits of scholarship program, having also received cash awards for the past four years.
- Ragime Young, 2014 winner from Prince George’s County and senior at Morgan State University majoring in electrical engineering. Ragime has also benefitted greatly from the program, having received cash awards for four consecutive years and serving as a paid summer intern in various engineering departments for the past two summers.
- William (Billy) Rosenberg, 2016 winner from Prince George’s County and rising sophomore at University of Maryland, College Park campus, majoring in mechanical engineering.

Chair Rogers thanked Corporate Secretary Sheila Finlayson for her fine work in overseeing the awards program on behalf of Commissioners and ensuring its continued success.

COMMISSIONER/PUBLIC COMMENTS

Commissioner Comments. Commissioner Denis congratulated the winners of the Commissioners' scholarships and echoed the Chair's remarks in thanking the Corporate Secretary for a job well done.

Public Comments. None.

GENERAL MANAGER REPORT

Monthly Report. General Manager ("GM") Carla Reid provided her monthly report, reporting from a power point presentation displayed at the meeting and incorporated herein by reference. The GM's full report can also be found in the corresponding segment of the archived meeting video and written "General Manager's Report" and both are referred to for this purpose. However, highlights are as follows:

Improve Infrastructure

WIFIA Loan Application:

- WSSC not selected; WIFIA application denied

Replacing Aging Infrastructure:

- WSSC making progress - national issue.
- Using cutting-edge technology - Acoustic Fiber Optics (AFO); \$1.9 billion over next 6 years.
- Saving millions; longest active AFO monitoring system in the world.

Silver Spring Water Main Replacement Projects:

- Commissioners approved \$11 million in June to replace aging water mains in Silver Spring.

- Extensive outreach has been made to customers and businesses regarding work and anticipated traffic disruptions.

Achieve Business Process Excellence and Maintain Financial Stability

Peak Performance Awards:

- Piscataway WWTP earned Platinum Award for first time from National Association of Clean Water Agencies (NACWA).
- 100% permit compliance - 5 consecutive years.
- 5 WSSC plants also achieved platinum status.

Examining Rate Structure Options:

- Good management practice dictates review currently being conducted.
- Commission held first special meeting on rate structure setting process on June 30th with additional special meetings scheduled for August 3rd and August 15th (to examine rate structure options).
- Public will have opportunity to comment at all meetings.

Protect Our People, Infrastructure, Systems, and Resources

Focused on Protecting:

- Combined offices of Police & Homeland Security Divisions to enhance alignment.
- Building stronger connections with local public safety organizations.

Enhance Customer Experience and Community Engagement

Clean Water Partnership:

- WSSC improving sewer systems to protect environment.
- Counties improving storm water infrastructure.
- Stream improvements provide counties with pollution reduction credits.

WSSC and Town of Damascus Agreement:

- Plan "D" agreement reached re school mascot painting on WSSC water tower per Georgia Tech objections to hornet mascot.
- Commended by Delegate Luedtke.

Inspire Employee Engagement

- #H2OPeople Connect - Team building activities conclude this month; focus on improving teamwork and collaboration.
- #H2OPeople Meetups - next activity up.
- Us Teaching Us Workshops - Employees learning from each other; showcases interests and passion and generates teamwork.
- Employee Service Awards - held twice a year to celebrate employee service milestones; next one scheduled for July 27th with 85 employees to be honored (one with 40 years and 28 with 30+ years).

Prior to concluding her report, the GM introduced new EEOC Officer Don King, who joined WSSC this month and comes from NASA.

Following Commissioner questions, the GM's Monthly 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 2, 2017 through June 30, 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. No SDC Reports

issued 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. 14 cases closed since last report with 6 in progress. As of 6/30/17, top case types over latest 12 months are: 3 conflict of interest and fraud; 2 customer relations, 2 employee relations, 2 theft of goods/services; one theft of time, one safety & sanitation and one falsification of company records.

Ethics Office. The Board of Ethics held its regularly-scheduled meeting on June 8, 2017; several open and closed items were reviewed. New hire orientation/code of ethics and fraud, waste and abuse training was provided to 49 summer interns and 10 new employees on June 19, 2017.

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

The IAO Monthly Report was received as information.

OTHER REPORTS

Finance

Work Session/Briefing for Proposed CIP for Fiscal Years 2019-2024. Mark Brackett, Section Manager, Capital Budget/Budget Division, provided an overview of the proposed WSSC Capital Improvements Program (CIP) for Fiscal Years 2019-2024. Specific details of the presentation can be found in the corresponding segment of the archived meeting video, written power point handout, and staff draft work session booklet (incorporated herein by reference), and all are referred to for that purpose.

Point of Information: Total CIP totaling \$3.5 billion proposes planning, design and construction expenditures for major water and sewer projects. Six-year program cost at \$2.0 billion.

Public hearings on the CIP will be held in each County in September, as follows:

Tuesday, September 5, 2017 (7:30 p.m.) - Prince George's County

Prince George's Community College, Largo Student Center Community Room A, 301 Largo Road, Largo, Maryland; and,

Wednesday, September 6, 2017 (7:30 p.m.) - Montgomery County

Stella B. Werner Office Building, 3rd Floor Hearing Room, 100 Maryland Avenue, Rockville, Maryland.

Following the Work Session, the Commission received the Proposed CIP Briefing for Fiscal Years 2019-2024, as information. The Final CIP will be considered by the Commission at the September 2017 Commission Meeting.

Approval of Bond Refunding Plan. Management presented a bond refunding plan, prepared by WSSC's independent financial advisors WyeRiver, for Commission approval to transmit to both County governments for subsequent approval. The Plan provides the Commission with the opportunity to realize debt service savings of approximately \$22.3 million. Estimated cost of issuance is \$300,000.00.

Whereupon, a motion was made by Commissioner Foster and seconded by Commissioner Lawson, to adopt the Bond Refunding Plan as proposed and presented to the Commission at this meeting, for transmittal to the County Governments of Prince George's and Montgomery for approval, in accordance with the Washington Suburban Sanitary District Code.

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

Resolutions to Authorize Issuance of Bonds.

Management is also seeking approval to issue bonds in Fiscal Year 2018 for the construction of water supply facilities and large

transmission mains, sewage disposal facilities and large collection mains and WSSC-built water/sewer pipes in subdivisions.

A portion of the debt may be realized through the State of Maryland Revolving Loan Program and through WSSC's Multi-Modal Note Program. The balance of debt to be obtained through a competitive bid process as authorized under State law. The bond sale amount, not to exceed \$570,022,000.00, is consistent with WSSC's Capital Improvements Program requirements, and is within budget estimates.

Additionally, Commissioners approved a bond refunding plan at this meeting and immediately prior to this subsequent request by management for approval of certain bond issuances. Recent favorable market conditions require management to act quickly in order to realize the potential debt service savings of \$22.3 million from the refunding of certain bonds. Management anticipates the sales to take place in September of 2017. Sales to be facilitated by an electronic bidding method utilizing the PARITY System.

Resolution 2018-2163 - Authorization Providing for Issuance, Sale, Delivery and Publication of Notice of Sale, of Water Supply Bonds and Sewage Disposal Bonds and Providing for Consolidation of Such Bonds for Issuance, Sale and Delivery as a Single Issue of Bonds.

Whereupon, a motion was duly made by Commissioner Bayonet and properly seconded by Commissioner Foster, to adopt Resolution 2018-2163, providing Commission authorization to proceed, as stipulated in the aforementioned Resolution.

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

Resolution 2018-2164 - Authorization Providing for Issuance, Sale, Delivery and Publication of Notice of Sale of Sewage

Disposal Refunding Bonds, Water Supply Refunding Bonds and General Construction Refunding Bonds, to refund certain outstanding Bonds of the Washington Suburban Sanitary District and Providing for the Payment of such Outstanding Bonds from an Escrow Account and for the Payment of such Refunding Bonds, and Providing for the Consolidation of Such Bonds for Issuance, Sale and Delivery as a Single Issue of Bonds.

Whereupon, a motion was duly made by Commissioner Denis and properly seconded by Commissioner Bayonet, to adopt Resolution 2018-2164, providing Commission authorization to proceed, as stipulated in the aforementioned Resolution.

The motion carried with five affirmative votes, one absent.

Resolution 2018-2167 - Appointment of Public Member to WSSC Employees' Retirement Plan Board of Trustees. Current Trustee Marita Brown's term expired on June 30, 2017, and management is recommending her reappointment for a three-year term expiring June 30, 2020. Ms. Brown is eligible for reappointment as a Public Member to the Board of Trustees, representing Prince George's County.

Whereby, a motion was duly made by Commissioner Lawson and properly seconded by Commissioner Denis, to adopt Resolution 2018-2167, reappointing Marita Brown as a public member (Prince George's County), to the WSSC Employees' Retirement Plan Board of Trustees, for three-year term expiring June 30, 2020, as recommended by management.

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

Resolution 2018-2166 - Developer Request to Waive Standard Procedure (SP) REG-IFSM-EC-2016-007 (Top Golf National Harbor Project). Chief Engineer Gary Gumm, along with Development Services Division Manager Ray Chicca, presented this request for waiver of WSSC SP REG-IFSM-EC-2016-007 relating to a development

project being proposed in Prince George's County, Maryland, specifically the Top Golf National Harbor Project, consisting of a 1,000 seat restaurant and entertainment center, to be located in Oxon Hill, Maryland (in Broad Creek Basin in Prince George's County). Mr. Chicca walked through the request submitted by the construction project's developer, The Peterson Company, on June 8, 2017, along with the General Manager's recommendation of July 12, 2017, in support of granting the waiver request, subject to certain conditions. Specific details can be found in the meeting package materials and corresponding segment of the archived meeting video.

Following management's recommendation and related discussion, a motion was made by Commissioner Bayonet and properly seconded by Commissioner Denis, to adopt Resolution 2018-2166, approving the request for a waiver of WSSC SP REG-IFSM-EC-2016-007 from The Peterson Company, in connection with the proposed Top Golf National Harbor Development Project in the Broad Creek Basin of Prince George's County, subject to the conditions as specified in the WSSC General Manager recommendation letter of July 12, 2017.

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

In accordance with the SP/REG requirements, the Corporate Secretary to notify the Developer, The Peterson Company, of the Commission's decision taken on this date.

SSO Consent Decree Update. Chief Engineer Gary Gumm requested the Commission's guidance on how often Commissioners would like to receive updates. Management had been reporting quarterly due to the requirements under the Consent Decree. However, since WSSC was successful in getting an extension, management did not believe that updates needed to be reported out as frequently. Last update provided in January 2017.

Following discussion, the Commission requested that management provide updates at least twice a year moving forward with the next update to be presented in August 2017.

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 Bayonet and seconded by Commissioner Denis, to adopt Resolution 2018-2165, approving the six contracts included on the Consent Calendar for the July 19, 2017 Commission Meeting, as follows:

A. Engineering and Construction

Construction Contracts:

1. BE1442A95, Clarksburg Elevated Water Storage Facility, to Landmark Structures I, L.P., in the amount of \$4,298,000.00, with substantial completion time of 560 calendar days.
2. BRBM5924A15, Powder Mill Road Water Main Replacement, to Rivers Construction Group, Ltd., in the amount of \$2,814,495.00, with substantial completion time of 385 calendar days.

B. Utility Services

1. Contract 7174, Engineering Consultant Consent Decree Basic Ordering Agreement (BOA), to Black & Veatch Corporation, in the amount of \$1,500,000.00, with three (3) year base term and one (1) two-year option term.

C. Information Technology (IT)

1. Contract 1067, IT Technical Staff and Professional Services BOA, Multi-Award Contract. Approval to exercise Option Term IV and add additional funding in the amount of \$12,800,000.00 to support services throughout final option term of July 1,

2017 to June 30, 2018. All terms and conditions remain unchanged.

D. General Services

1. Contract 7181, Meter Housing, to Omega Supply Services, Inc., in the amount of \$2,373,000.00, for three (3) year base term with one (1) two-year option term.

E. Production

1. Contract 7195, Poly Aluminum Chloride (Single Source), to USALCO, LLC, in the amount of \$3,114,496.00, for term of one (1) year.

The motion carried by a vote of 5-0, one absent (Commissioner Boulware).

ADDITIONAL BRIEFINGS

COMMISSION OFFICE

Corporate Secretary Report. Corporate Secretary Sheila Finlayson provided a summary of her activities for the month, which included an overview of the work she completed to bring the Commissioners' Engineering Scholarship Awards Program to a close. Ms. Finlayson shared that she thought the program [earlier] went well, pointing out that the Commission recognized two excellent candidates, and even though we had a lower turnout than usual, she believes it was successful in terms of the two awardees. She reiterated that the program is working and doing what it was intended to do - shaping future leaders, building the WSSC pipeline and giving back to the community which is a huge plus for WSSC.

Overall, seven recipients; two new winners for 2017 and five past winners received scholarship awards. Three past winners also participating in WSSC's paid summer intern program which the Corporate Secretary noted is an added benefit of being named winners of the scholarships.

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

WSSC Employees' Retirement Plan Board of Trustees. Commissioner Foster reported on the recent activities of the Retirement Plan Board of Trustees, sharing that the Plan's assets were \$774.4 million as of May 31, 2017 which represents year-to-date investment gain of \$52.5 million (an increase of 7.3% from December 31, 2016 to May 31, 2017). Next meeting to be held on July 26, 2017.

The Commission received the report of the Retirement Plan Board of Trustees, as delivered by Trustee Foster, as information.

Personnel and Governance. Chair Rogers shared that she is currently reviewing the committee structure and will provide recommendations for new committees that better align with the Commission's strategic plan and priorities. The Commission is also in the process of reviewing the General Manager's performance for her first year.

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

Legislation. Commissioner Denis asked the IRO Director to confirm whether the General Assembly will conduct a special session this summer and if so, to look into possibly adding the customer classes proposed legislation requested by Commissioners to the agenda, in connection with the current rate restructuring process.

Audit. 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 12:49 p.m. to conduct its quarterly meeting. Business related to the Audit Committee concluded at 1:17 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.

The Chair announced that the Morning Open Session business has concluded and called for a motion to go into Closed after indicating that she has read and approved the written closing statement. Following the vote, the Commission will recess for lunch and reconvene in Closed Session in the Commissioners' Large Conference Room at approximately 2:20 p.m.

CLOSED SESSION

Whereby at 1:20 p.m., Commissioner Foster 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 and June 21, 2017 Closed Session Minutes; Section 3-305(b)(7) and Section 3-305(b)(8) to consult with counsel to obtain legal advice on Open Meetings Act, pending request under the Public Information Act 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 and staffing.

Commissioner Denis seconded the motion. The motion carried with five affirmative votes, one absent (Commissioner Boulware).

The Chair declared the meeting was Closed at 1:20 p.m. The Chair then recessed the meeting for lunch. The meeting reconvened at 2:26 p.m. in the Commission Office Large Conference Room.

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 Manager for Strategic Partnerships Monica Johnson, Deputy General Manager for Administration Thomas

Street, Senior Staff Director Jaclyn Vincent, Communications and Community Relations Director Chuck Brown, Chief Procurement Officer David Malone, Associate Counsel Matthew Gallagher and Outside Counsel from Ballard Spahr, LLP (attended portion of closed session).

Closed Session Minutes - On motion made by Commissioner Foster and seconded by Commissioner Lawson, the Commission voted by an affirmative vote of 5-0 with 1 absent (Commissioner Boulware), to approve the closed session minutes of the May 17, 2017 meeting, as drafted.

Per the Corporate Secretary's request, consideration/adoption of the closed session minutes of June 21, 2017 will be deferred until next month.

Legal Matters - Commissioners were briefed by the General Counsel and attorneys from a contracted outside firm on confidential attorney/client privileged legal and pending litigation matters affecting the Commission. The General Counsel also provided a briefing on changes to the Open Meetings Act (OMA) which now require at least one Commissioner to be trained under the Act, along with an update of a pending Maryland Public Information Act request.

There was general agreement to designate the Chair and Vice Chair to take the OMA required training.

Outside counsel was excused at 3:25 p.m. Mr. Malone departed at 3:35 p.m. Mr. Gallagher departed at 3:41 p.m.

The Commission voted to authorize counsel to file legal suit proceedings in Federal Court and to engage Ballard Spahr, LLP, to represent WSSC, with regard to a pending legal matter. The motion carried with five affirmative votes, one absent (Commissioner Foster - mover, Commissioner Bayonet - seconder; Commissioner Boulware - absent from vote).

The Commission also voted to authorize counsel to file an appeal with regard to a pending litigation matter (Commissioner Lawson - mover; Commissioner Foster - seconder; motion carried with five affirmative votes, one absent (Commissioner Boulware)).

Personnel Matters - The Commission met in executive session at 3:52 p.m. with the General Counsel and Senior Counsel, to discuss a confidential personnel matter.

At 4:09 p.m., the Chair called for a motion to end closed, whereby a motion was made by Commissioner Lawson and seconded by Commissioner Bayonet to end the Closed Session. The motion carried with five affirmative votes.

OPEN SESSION

At 4:09 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 Lawson moved to adjourn the meeting. Commissioner Bayonet seconded the motion. The motion carried with five affirmative votes.

At 4:09 p.m., the meeting was declared adjourned.

Respectfully submitted,

//signed//

Sheila R. Finlayson, Esq.
Corporate Secretary