

WASHINGTON SUBURBAN SANITARY COMMISSION

MINUTES OF THE COMMISSION MEETING

**Wednesday, June 20, 2018
Laurel, Maryland**

Chair Thomasina V. Rogers called the meeting to order at 10:10 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, Omar M. Boulware, 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 called upon, during certain portions of the meeting, to provide information to the Commission.

PLEDGE OF ALLEGIANCE

Chair Rogers opened the meeting by welcoming everyone and asking Commissioner Boulware 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 Boulware moved to adopt the Commission's Public Meeting Agenda of June 20, 2018, as amended, to which Commissioner Denis seconded the motion. The motion carried unanimously with six affirmative votes.

APPROVAL OF MINUTES

Commissioner Foster moved to approve the open session minutes of the April 18, 2018 and May 16, 2018 Regular Commission Meetings,

as drafted. Commissioner Lawson seconded the motion. The motion carried unanimously with six affirmative votes.

WSSC RETIREES

Retirement Plan Executive Director Richard Baker recognized the Retirees for the month of June 2018, as follows:

Raymond Payne (present), Collection Technician III, Water/Wastewater Systems Assessment Division, retires with 37 years and 8 months of service.

David Venanzi (present), Civil Engineering Support Section Manager, Engineering and Environmental Services Division, retires with 31 years and 3 months of service.

Julie Evans (present), Materials Planner, Materials Management Division, retires with 32 years of service.

Rodney Butler (present), Utility Services Maintenance Section Manager, Utility Services Central Division, retires with 31 years and 11 months of service.

Mark E. Brown (present), Construction Management Section Manager, Pipeline Construction Division, retires with 33 years of service.

Theresa Bond (present), Community Outreach Coordinator, Communications & Community Relations Office, retires with 33+ years of service.

Tara Woods, Administrative Assistant IV, General Manager's Office, retires with 28 years and 9 months of service.

ROBERT G. BERGER SCHOLARSHIP AWARDS

WSSC Employees Patricia Vaughan-Braimbridge and Aaron Hughes of the Robert G. Berger Memorial Scholarship Board, presented the scholarship awards for the 2018-2019 academic year. Ms. Vaughan-Braimbridge 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 entirely for the scholarship awards, which provide tuition assistance to numerous children of WSSC employees and retirees.

The following 19 student recipients (and WSSC parents) were honored:

- o Rachel Barnhill - Elizabethtown College
- o Sudeep Behera - University of Maryland, College Park
- o Paige Berman - University of Maryland, College Park
- o Christian Dixon - University of Maryland, Baltimore County
- o Hana Flores - University of Maryland, Baltimore County
- o Shania Foster - Towson University
- o Jalen Graham - Stevenson University
- o Alonnie Hodges - Clark Atlanta University
- o Danielle Holmes - Towson University
- o Jessica Kelly - Frederick Community College
- o Gabrielle Madike - Frostburg State University
- o Faith Malone - Frostburg State University
- o Nathan Mitchell - Howard Community College
- o Caleb Mitchell - Liberty University
- o Tyler Seth - Jacksonville University
- o Lauren Westendorf - University of Mary Washington
- 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 \$100,000 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 Rogers congratulated the student recipients, wishing them well in their academic studies.

CHAIR'S FINAL REPORT

Chair Rogers provided her final report as Chair, sharing highlights from the Commissioners' Centennial Event celebrating "A Century of Governance," held on May 16th at WSSC, whereby six former Commissioners (Stanley Botts, Manuel Geraldo, Artis Hampshire-Cowan, Kevin Maloney, Gregory Wells and Jinhee Wilde) engaged in a fireside chat, discussing various issues involving WSSC and its operations over the years and challenges each Commissioner faced during their service on the board. Topics centered around the critical importance of engaging customers and elected stakeholders; the spirit of collegiality and collaboration that must exist among commissioners; and, the need for a strong and appropriately calibrated partnership between commissioners and management.

The Chair thanked everyone who participated and contributed to the program's success, including the distinguished panelists, Prince George's and Montgomery County Executives, Rushern L. Baker, III and Isiah Leggett, who attended and provided very thoughtful and encouraging remarks, and the two elder commissioners/statesmen (Anthony Morella and Henry Arrington, Sr.), who shared riveting testimonials of their experiences serving during historic times of great controversy and change in the nation when racial barriers were falling and new standards were being set for equal opportunity and how WSSC conducts its business. The Chair also recognized her fellow Commissioners, the Vice Chair, Corporate Secretary and several members of management for the expertise and support lended, along with the team from the WSSC Trade Shop who created the captivating commemorative wooden scroll containing the names and service dates of all WSSC Commissioners dating back to 1918. The work of art/scroll is on display in the WSSC Auditorium. A copy of the fireside chat program and the video recording of the

commemorative event can be found on the "Our Governance" page of the WSSC website.

OUTGOING CHAIR RECOGNITION

Recognition of Outgoing Chair Thomasina V. Rogers. Vice Chair Foster, along with the other Commissioners, recognized outgoing Chair Rogers, presenting her with a plaque of appreciation and engraved crystal glass water drop in recognition of her distinguished service as the Fiscal Year 2018 Chair of WSSC.

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

ELECTION OF FISCAL YEAR 2019 CHAIR

Chair Rogers then called for nominations for Chair of the Commission for the upcoming Fiscal Year 2019.

Whereupon, a motion was duly made by Commissioner Lawson and properly seconded by Commissioner Bayonet, to nominate Commissioner T. Eloise Foster as the Chair of the Commission for Fiscal Year 2019. The motion carried with five affirmative votes; one abstention (Commissioner Foster, as the nominee up for election, abstained from the vote).

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

[New Chair T. Eloise Foster is now presiding over the meeting].

New Chair Remarks. Chair Foster thanked Commissioners and County Executive Leggett for their support and confidence in her abilities to serve in this new leadership role, touching on her plans for the next year as Chair of WSSC. Chair Foster's remarks

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

ELECTION OF FISCAL YEAR 2019 VICE CHAIR

Chair Foster then called for nominations for Vice Chair.

Whereupon, a motion was made by Commissioner Denis to nominate Commissioner Chris Lawson as the Vice Chair of the Commission for Fiscal Year 2019. Commissioner Bayonet seconded the motion. The motion carried with five affirmative votes; one abstention (Commissioner Lawson abstained from the vote as the nominee up for election).

FISCAL YEAR 2019 COMMISSION MEETING DATES

Resolution 2018-2191. A motion was made by Commissioner Bayonet, and properly seconded by Commissioner Boulware, to adopt Resolution 2018-2191, approving the Commission Meeting Dates for Fiscal Year 2019, as follows: July 18, 2018; August 15, 2018; September 19, 2018; October 17, 2018; November 21, 2018; December 19, 2018; January 16, 2019; February 20, 2019; March 20, 2019; April 17, 2019; May 15, 2019; and, June 19, 2019.

The motion carried unanimously with six affirmative votes.

COMMISSIONER/PUBLIC COMMENTS

Commissioner Denis referenced an article in *today's Wall Street Journal*, on page A15, under book reviews, which he intends to read and is recommending that others check out. The name of the book is "What The Eyes Don't See," and is about what happened in Flint, Michigan. It is written by a pediatrician, Dr. Mona Hanna-Attisha, who became one of the leaders in the community who helped to rectify the terrible situation. Commissioner Denis shared, "there are emails in the book that are horrifying and show how important it was for citizen activists to move strongly and quickly to help rectify the situation when public officials seemed to turn the other way... It's clearly a cautionary tale for all water systems everywhere in the country and in the

world," strongly recommending that it be required reading for all here at WSSC.

There were no comments from the public.

GENERAL MANAGER'S 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 be found in the presentation and corresponding segment of the archived meeting video and both are referred to for this purpose.

Following the GM's briefing and 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 April 9, 2018 through June 1, 2018.

Achieve Business Process Excellence and Maintain Financial Stability

FY 2018 Risk-Based Audit Projects: Four in fieldwork phase; majority over 70% complete. One discussion draft issued. Final report issued for Payroll Audit.

Carryover Audit Projects: Final reports issued for both projects; awaiting feedback from management.

Internal Audit Follow-up: No management action items closed since last report and none required Internal Audit verification. One action plan's implementation was rejected (General Services - 151 days delinquent) - management working to rectify.

Continuous Compliance Audits: Six reports issued; will be discussed during next audit committee meeting.

External Auditors. External auditing firm of Clifton Larson Allen LLP began auditing WSSC's Financials on April 23, 2018.

Improve Infrastructure

System Development Charges (SDC) Audits: Total fiscal year-to-date actual financial adjustments of \$1,724,294.06. Four reports issued during reporting period. 14 SDC audit requests in process with 11 active and 3 inactive.

Protect Our People, Infrastructure, Systems and Resources

Fraud, Waste and Abuse (FWA) Training/Hotline. FWA training provided to 15 new employees. Next quarterly hotline report to be provided in July.

Ethics Office. The Board of Ethics held its two regularly-scheduled meetings on April 12, 2018 and May 10, 2018; several open and closed items were reviewed. Code of ethics training provided to 17 new employees on April 23, 2018 and 15 new employees on May 21, 2018.

Following discussion, the IAO report was received as information.

Resolution 2018-2185 - Approval of Transmittal of Annual Ethics Report to Counties. Following discussion, and on motion made by Commissioner Bayonet and seconded by Commissioner Boulware, the Commission unanimously adopted Resolution 2018-2185 by a vote of six-to-zero, approving the transmittal of the Annual Ethics Report for Calendar Year 2017 to the County Governments of Prince George's and Montgomery, as required by State law.

OTHER REPORTS

ENGINEERING & CONSTRUCTION

Resolution 2018-2186 - Approval of WSSC 2018 Development Services Code. Management is requesting adoption of a consolidated

regulations manual for the planning, design and construction of water and sewer systems, previously located within several outdated documents and manuals. Commissioners were briefed on the proposed revisions to the new comprehensive code at the May Commission Meeting.

Whereby, a motion was made by Commissioner Boulware and seconded by Commissioner Bayonet, to approve Resolution 2018-2186, adopting the 2018 WSSC Development Services Code with an effective date of August 1, 2018, as recommended by management. The motion carried unanimously with six affirmative votes.

FINANCE

Front Foot Benefit Charges and Deferred House Connection Charges for the 2018 Assessment Levy. The purpose of Levy 2018 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 2018 Levy was comprised of 392 Notices mailed in April to affected customers in Prince George's and Montgomery County. The informal FFBC Appeal Hearing was held on May 16, 2018 and no appeals were made or heard. Management is recommending approval of the 2018 FFBC Levy, comprised of 392 un-appealed assessments.

Whereupon, a motion was made by Commissioner Rogers and seconded by Commissioner Denis, to approve the Front Foot Benefit Charges and Deferred House Connection Charges for the 2018 Assessment Levy. The motion carried unanimously with six affirmative votes.

Amendment to WSSC Six-Year Capital Improvements Program (CIP) for Fiscal Years (FYs) 2018-2023. Management is requesting Commission action to amend the Adopted Six-Year CIP for FYs 2018-2023 to provide funding for completion of the Marlboro Meadows community water and sewer systems in Prince George's County. The Commission had previously approved this funding in the amount of \$2,533,200.

Whereby, a motion was made by Commissioner Boulware and seconded by Commissioner Denis, to adopt the proposed Amendment to the Adopted FYs 2018-2023 WSSC CIP, as presented to the Commission on this date and in the June board meeting materials for this item, as recommended by management and prescribed by State law. The motion carried unanimously with six affirmative votes.

Resolution 2018-2187 - Adoption of WSSC FY 2019 System

Development Charge (SDC). This proposed resolution increases the maximum allowable charge while keeping the rates to be actually charged unchanged for Fiscal Year (FY) 2019.

Whereupon, Commissioner Lawson moved that the Commission approve Resolution 2018-2187, adopting WSSC's FY 2019 System Development Charge Fee Schedule, to be effective July 1, 2018, as recommended by management. Commissioner Bayonet seconded the motion, which carried unanimously with six affirmative votes.

Resolution 2018-2188 - Adoption of WSSC FY 2019 Rates and Fees.

Management presented the FY 2019 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 Bayonet and seconded by Commissioner Denis, to approve Resolution 2018-2188, adopting WSSC's FY 2019 Water and Sewer Rates and Miscellaneous Fees Schedules, to be effective July 1, 2018, as recommended and presented by management. The motion carried unanimously with six affirmative votes.

Resolution 2018-2189 - Adoption of WSSC FY 2019 Operating and

Capital Budgets. This item acknowledges the joint action of the two County Councils on May 10, 2018, approving the proposed FY 2019 \$1.437 billion WSSC Operating and Capital Budget in

accordance with Public Utilities Article Section 17-202 of the Annotated Code of Maryland.

Whereby, Commissioner Rogers moved that the Commission approve Resolution 2018-2189, adopting WSSC's Fiscal Year 2019 Operating and Capital Budgets of \$1.437 billion. Commissioner Denis seconded the motion.

The motion carried unanimously with six affirmative votes.

Resolution 2018-2190 - Adoption of WSSC Six-Year CIP for FYs 2019-2024. This item, totaling \$3,572,820,000, was jointly approved by the Prince George's and Montgomery County Councils on May 10, 2018 and reflects the modifications approved by both Counties in their respective resolutions.

Whereby, Commissioner Lawson moved that the Commission approve Resolution 2018-2190, adopting WSSC's Six Year CIP, as amended, for Fiscal Years 2019-2024, to which Commissioner Bayonet seconded. The motion carried unanimously with six affirmative votes.

Debt Capacity Planning - FY 2020 Capital Budget and FYs 2020-2025 CIP. CFO Joseph Beach reported on this item, presenting from a power point presentation contained in the board materials and incorporated herein by reference. Specific details can be found in the presentation and corresponding segment of the archived meeting video.

Following discussion, the Commission received the report as information.

CUSTOMER SERVICE

Customer Affordability Program Status Update. Director of Customer Service Crystal Knight-Lee, along with WSSC experts Scott Rubin and Jay Sakai, provided this update on the WSSC existing Customer Affordability Programs and Improvement Strategy, presenting from a power point contained in the advance

materials and incorporated herein by reference. Specific details can be found in the presentation and corresponding segment of the archived meeting video.

Following discussion, the Commission received the report as information. Management to come back to Commission for action on proposed Customer Assistance Program (CAP) Regulation, also discussed.

PROCUREMENT

Resolution 2018-2193 - Approval of New Travel Regulation. In support of WSSC's strategic priorities, management reviewed WSSC's existing travel and expense reimbursement policy and is proposing a new and enhanced Travel Expense Reimbursement Regulation for the Commission's approval. Management briefed Commissioners on the proposed changes and enhancements at the May Commission meeting.

Whereby, a motion was made by Commissioner Boulware and seconded by Commissioner Denis, to approve Resolution 2018-2193, adopting the new WSSC Travel Expense Reimbursement Regulation, with an effective date of August 1, 2018, as recommended by management.

The motion carried unanimously with six affirmative votes.

INFORMATION TECHNOLOGY (IT)

IT Contract 7318 - Desktop and Laptop Replacement. Following discussion, on motion made by Commissioner Bayonet and seconded by Commissioner Boulware, the Commission unanimously approved the award of IT Contract 7318 for Desktop and Laptop Replacement, to HCGI Hartford, Inc., in the amount of \$3,366,328.00, and a base term of five years, as recommended by management. The motion carried by a vote of six-to-zero.

UTILITY SERVICES

Utility Services (US) Contract 1152 - Automatic Metering Infrastructure (AMI) Project Manager. Following discussion, on motion made by Commissioner Rogers and seconded by Commissioner

Bayonet, the Commission unanimously approved the award of US Contract 1152 for AMI Project Manager to Arcadis U.S., Inc., in the amount of \$8,667,982.00, and a base term of five years, as recommended by management. The motion carried by a vote of six-to-zero.

CONSENT CALENDAR

Contracts for Approval

A motion was made by Commissioner Bayonet and seconded by Commissioner Boulware, to adopt Resolution 2018-2192, approving the five contracts included on the Consent Calendar for June 20, 2018 Commission Meeting, as follows:

A. Engineering and Construction

Architect/Engineer Contracts:

1. CP4231C05, Design Services During Construction for Broad Creek Augmentation Project, Change Order No. 1, to Gannett Fleming/Mott MacDonald (Joint Venture), in the amount of \$1,610,210.00. Contract completion date of December 31, 2019.

Construction Contracts

2. BRLR6078A16 / BRLR5837A15, Rock Creek Hills and Kensington Parkway Water Main Replacements, to Rustler Construction Inc., in the amount of \$5,291,949.00, with substantial completion time of 900 days.
3. BR5708A14, Bartlett Park Water Main Replacement Project, Change Order No. 3, to Fort Myer Construction Corporation, in the amount of \$295,563.40.
4. BT5782A14, Metzertott Road Water Main Replacement, Change Order No. 4, in the amount of \$127,506.00.

B. General Services

1. Contract 7335, Various Water Meter Replacements (Multiple Awardees), in the amount of \$10,003,998.30, and for a base term of three (3) years.

The motion carried unanimously with six affirmative votes.

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 refund hearings she presided over in May and June, the Special Commissioner Centennial Event she helped facilitate and plan with the Chair and Vice Chair, the 2018 Commissioners' Engineering Scholarship Program which she is in the process of wrapping up with awards to be presented at the July Commission meeting and other activities and meetings she has attended since her last report.

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

WSSC Employees' Retirement Plan Board of Trustees. Commissioner Lawson reported on the April 2018 investment results, noting that, as of April 30, 2018, the Plan's assets were \$810.6 million, which represents a year-to-date investment loss of \$3.1 million or a decrease of 0.03% from December 31, 2017 to April 30, 2018. The next meeting of the Retirement Plan Board of Trustees is scheduled for Wednesday, July 25, 2018.

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

Governance & Strategic Visioning Committee. No report.

Legislative & Compliance Committee. No report.

Audit Committee. No report.

Customer and Other Stakeholder Relations Committee. No report.

Innovation & Infrastructure Committee. Next meeting to be held in September.

The Committee reports were received as information.

Committee Appointments for FY 2019. Chair Foster indicated she will share the appointments at the next meeting after she's had an opportunity to consult with her fellow Commissioners.

The Chair announced that the Morning Open Session business has concluded and called for a motion to go into Closed. After noting her approval of the written closing statement, Chair Foster called for a vote.

CLOSED SESSION

Whereby, at 1:51 p.m., Commissioner Boulware moved and Commissioner Rogers seconded, that the Commission go into Closed Session, pursuant to Maryland Code Annotated, General Provisions Article: Section 3-305(b) (13) to approve the April 18, 2018 Closed Session Minutes, and Sections 3-305(b) (7) and 3-305(b) (8) to consult with counsel to obtain legal advice pertaining to rate structure review and discuss pending or potential litigation for attorney/client privileged legal matters.

The motion carried unanimously with six affirmative votes.

The Chair declared the meeting was closed at 1:51 p.m. The Commission then recessed for lunch with the Closed Session portion of the meeting to reconvene at approximately 3:00 p.m. in the Commission Office Large Conference Room.

The meeting reconvened at 3:00 p.m. in closed session in the Commission Office Large Conference Room.

ATTENDEES: Chair Eloise Foster, Vice Chair Chris Lawson, Commissioners Fausto Bayonet, Omar Boulware, Howard Denis and Thomasina Rogers. **Staff present:** General Manager Carla Reid, Corporate Secretary Sheila Finlayson, General Counsel Amanda

Conn, Senior Counsel Russel Beers, Associate Counsel Heather Ashbury, Associate Counsel Danny O'Connor, Associate Counsel Stephanie Kinder, Deputy General Manager (DGM) Joe Mantua, DGM Monica Johnson, DGM Tom Street, CFO Joe Beach and Chief of Staff Jackie Vincent.

Closed Session Minutes - On motion made by Commissioner Bayonet and seconded by Commission Boulware, the Commission adopted the Closed Session Minutes of April 18, 2018, as drafted. The motion carried unanimously with six affirmative votes.

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 the rate restructure review/setting process.

A motion was made by Commissioner Boulware and seconded by Commissioner Lawson, to authorize settlement of a pending WSSC legal claim, as recommended by counsel. The motion carried unanimously with six affirmative votes.

At 5:00 p.m., Commissioner Lawson moved to end the Closed Session. Commissioner Denis seconded the motion. The motion carried unanimously with six affirmative votes.

OPEN SESSION RESUMED

ADJOURNMENT

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

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

Respectfully submitted,

//signed//

Sheila R. Finlayson, Esq.
Corporate Secretary