

**WASHINGTON SUBURBAN SANITARY COMMISSION**

**MINUTES OF THE COMMISSION MEETING**

**Wednesday, August 15, 2018  
Laurel, Maryland**

Chair T. Eloise Foster called the meeting to order at 10:08 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 Foster, Commissioners Fausto R. Bayonet, Omar M. Boulware, Howard A. Denis, 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 called upon, during certain portions of the meeting, to provide information to the Commission.

**PLEDGE OF ALLEGIANCE**

Chair Foster opened the meeting by welcoming everyone and asking Commissioner Denis 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 Bayonet moved to adopt the Commission's Public Meeting Agenda of August 15, 2018, as drafted, to which Commissioner Boulware seconded the motion. The motion carried unanimously with six affirmative votes.**

**APPROVAL OF MINUTES**

**Commissioner Rogers moved to approve the open session minutes of the June 20, 2018 Regular Commission Meeting, as drafted.**

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

**Commissioner Bayonet then moved to approve the minutes of the Special Commission Meeting on the Rate Structure held on July 17, 2018, as drafted. Commissioner Boulware seconded the motion. The motion carried unanimously with six affirmative votes.**

#### **WSSC RETIREES**

There were no retirees for the month of August.

#### **COMMISSIONER/PUBLIC COMMENTS**

Commissioners shared the following highlights:

Chair Foster attended the IT intern graduation last week, noting how smart, articulate and well-prepared the IT interns were in presenting their projects and developing solutions to various IT challenges they had been tasked with during the summer program.

The Chair also commended the GM and her team on the "Utility of the Future Today" recognition, which celebrates the achievement of forward-thinking innovative water utilities that are providing resilient value-added services to the community. WSSC was one of 32 utilities recognized this year by its various water sector organizations.

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.

At the end of the GM's briefing, Ms. Reid recognized Chris Hornback from the National Association of Clean Water Agencies

(NACWA) to recognize several of WSSC's facilities for their consistent "Peak Performance" in regulatory compliance.

**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 July 1, 2018 to August 3, 2018. Ms. Bardwell presented from a power point presentation displayed at the meeting and incorporated herein by reference. The full report can be found in the presentation handout and corresponding segment of the archived meeting video and both are referred to for this purpose.

**Fiscal Year 2017 Fraud, Waste and Abuse Hotline Closed Case Summaries.** Following her monthly report, Ms. Bardwell also provided a short briefing on selected hotline closed cases for Fiscal Year (FY) 2017. Action requested by the Internal Auditor was deferred.

**Audit Committee Meeting Follow-Up.** Lastly, due to time constraints at the July meeting, which prevented the Internal Audit Director from properly reporting on the quarterly business of the Audit Committee, Ms. Bardwell provided follow-up of various audit findings conducted by the Internal Audit team at this meeting. Specific details can be found in the presentation handouts and corresponding segment of archived meeting video. Summary of this portion of the meeting can also be found in the separate meeting minutes of the audit committee.

**Following discussion, the IAO report was received as information.**

#### **OTHER REPORTS**

##### **ENGINEERING & CONSTRUCTION**

**Resolution 2019-2198 - Belnor Senior Residences Development Project Waiver Request.** Management provided an overview of the

waiver request received from Soltesz, LLC, the engineer for the Belnor Senior Residences, LLC (a proposed 122-unit senior residences living facility within Broad Creek Augmentation Project in Prince George's County Maryland), whereby Belnor is requesting waiver of the requirements under WSSC Standard Procedure (SP)/Regulation (REG) IFSM-EC-2016-007 - Use of WSSC Sewer Model in Conjunction With Phase I Hydraulic Planning Analyses, which is supported by the Prince George's County Executive.

Management reviewed and considered the request and is recommending Commission approval, subject to conditions as outlined in the GM's letter to the Commission dated July 23, 2018.

**Following discussion, and on motion made by Commissioner Bayonet and seconded by Commissioner Lawson, the Commission voted five-to-zero, with one abstention (Commissioner Rogers), to adopt Resolution 2019-2198, approving the request for waiver of WSSC SP/REG-IFSM-EC-2016-007 as submitted by Soltesz, LLC on behalf of Belnor Senior Residences, LLC, subject to conditions as presented at this meeting and specified in management's recommendation letter of July 23, 2018. Commissioner Rogers abstained due to a potential conflict of interest.**

#### **CUSTOMER SERVICE**

**Delegation of Authority to Write-Off Bad Debt.** Management briefed Commission on this item at the July Commission Meeting and is now requesting approval. In summary, management would like authority to write off \$2,114,286.00 in bad debt from 2054 uncollectible water/sewer accounts over the period of 1979 to 2014.

**Whereby, a motion was made by Commissioner Lawson and seconded by Commissioner Denis, to approve management's request to write off \$2,114,286.00 in bad debt from uncollectible water and sewer bills from 1979 to 2014.**

**The motion carried unanimously with six affirmative votes.**

#### **INTERGOVERNMENTAL RELATIONS**

**Legislative Overview for 2019 Session.** Intergovernmental Relations Office (IRO) Director Karyn Riley provided an overview of the legislative activity of the office and anticipated legislation for the 2019 session. Ms. Riley reported from a Memorandum to Commissioners contained in the advance materials and incorporated herein by reference. Details can also be found in the corresponding segment of the archived meeting video.

**The Commission received the IRO report, as information.**

#### **FINANCE**

**Set Public Hearing Dates for FY 2020 Proposed Budget.** Deputy General Manager for Administration/Acting CFO Joseph Beach recommended that the Commission set the Public Hearing Dates for WSSC's Fiscal Year 2020 Proposed Budget at designated locations in the Counties of Montgomery and Prince George's (WSSC's Sanitary District).

**On motion made by Commissioner Boulware and seconded by Commissioner Bayonet, the Commission voted unanimously six-to-zero, to set the Public Hearing Dates for WSSC's Fiscal Year 2020 Proposed Budget, as follows:**

##### **Montgomery County**

**Monday, February 4, 2019, at 7:30 p.m.**

**Stella B. Werner Office Building**

**3<sup>rd</sup> Floor Hearing Room**

**100 Maryland Avenue, Rockville Maryland**

##### **Prince George's County**

**Tuesday, February 5, 2019, at 7:30 p.m.**

**Department of the Environment Building**

**Conference Room 140**

**1801 McCormick Drive,**

**Largo, Maryland****Inclement Weather Backup Date****Wednesday, February 13, 2019, at 7:30 p.m.****WSSC Headquarters/ RGH Building****14501 Sweitzer Lane, Laurel, Maryland**

**Spending Affordability Guidelines Briefing.** Next, Mr. Beach reported on the preliminary recommended FY'20 Spending Affordability Guidelines ("SAG") for WSSC and the long-term financial forecast for the WSSC Budget for FY'20-25.

Mr. Beach walked through a power point presentation provided in the advance materials and incorporated herein by reference. Specific details can be found in the handout and the corresponding segment of the archived meeting video.

In summary, the SAG was established in 1994 by Resolution of both Councils and is based on a multi-year planning model to stabilize annual rate increases and limit rate supported debt to less than 40% of the operating budget. The goal is to establish mutually acceptable limits by November 1 of each year for maximum average rate increase, debt service, new debt and total water and sewer operating expenses. Final Council approved budget/rates can be above or below November limits. Potential FY 2020 budget rate impact of 6.0% (Same Services). WSSC will use 6.0% as a baseline (FY 20-25 CIP & Same Services Budget). WSSC to strongly emphasize to Counties budget driven by CIP.

**The Commission received the report as information.**

**INFORMATION TECHNOLOGY (IT)**

**Project Cornerstone Update.** IT Project Manager Anthony Ferrara provided this monthly update on Project Cornerstone, the current technology project/initiative being implemented to keep track of WSSC's Work and Asset Management (WAM), Mobile Workforce Management (MWM), and Customer-to-Meter (C2M) programs. Specific details can be found in the presentation handout and archived

meeting video. In summary, Mr. Ferrara advised the budget is on track for all three components.

**The Commission received the monthly update, as information.**

#### **PROCUREMENT**

**Supply Chain Transformation Update.** Chief Procurement Officer (CPO) David Malone provided this update, reporting from a power point presentation displayed at the meeting and incorporated herein by reference. The CPO's full update can be found in the corresponding segment of the archived meeting video and written "Supply Chain Transformation Update" handout and both are referred to, for this purpose.

**The Supply Chain Transformation Update was received as information.**

#### **CONSENT CALENDAR**

##### *Contracts for Approval*

Commissioner Rogers requested that the one contract on the Consent Calendar be removed, for discussion. At issue was a memorandum from the Office of Supplier Diversity & Inclusion (OSDI) to Commissioners, dated June 25, 2018, attached to the contract. The memorandum with June 2018 date, however, had not been previously shared with Commissioners until right before the meeting. Commissioners questioned the process for OSDI Concurrence of the Award and appropriate distribution of the memorandum to Commissioners. Following discussion, Commissioners determined to defer action on the contract until next month.

#### **ADDITIONAL BRIEFINGS**

#### **COMMISSION OFFICE**

**Corporate Secretary Report.** Corporate Secretary Sheila Finlayson provided an overview of her activities for the month, presenting from her report distributed to Commissioners in the advance materials. No questions were raised.

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

**WSSC Employees' Retirement Plan Board of Trustees.** Vice Chair Lawson reported on the June 2018 Investment Results, noting that, as of June 30, 2018, the Plan's assets were \$810.0 million, which represents a year-to-date investment gain of \$5.7 million or an increase of 0.8% from December 31, 2017 to June 30, 2018. The next meeting of the Retirement Plan Board of Trustees scheduled for Wednesday, September 26, 2018. No meeting in August.

**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 additional reporting outside of what was provided earlier in meeting.

**Customer and Other Stakeholder Relations Committee.** No report.

**Innovation & Infrastructure Committee.** No report.

**The Committee reports were received as information.**

**Inspector General Search/Recruitment.** The Chair provided an update on the Inspector General Search currently underway. The Commission has engaged a search firm who is actively recruiting candidates. Both County Councils have appointed members to the IG Appointment Committee per the statute and the Chair has appointed two Commissioners - Commissioners Rogers and Denis to serve on the Committee. The position announcement was posted on WSSC's website on July 25<sup>th</sup> and is also being advertised through external methods. The Commission also issued a press release on



August 1<sup>st</sup>. Final interviews are expected to be conducted in mid-late September with candidate selected by October 1<sup>st</sup>.

The Chair then announced that the Morning Open Session business had 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 1:52 p.m., Commissioner Lawson moved and Commissioner Bayonet seconded, that the Commission go into Closed Session, pursuant to Maryland Code Annotated, General Provisions Article: Section 3-305(b) (13) to approve the June 20, 2018 Closed Session Minutes, Sections 3-305(b) (7) and 3-305(b) (8) to consult with counsel to obtain legal advice and discuss pending or potential litigation for attorney/client privileged legal matters; Section 3-305(b) (3) to consider the acquisition of real property for a public purpose and matters directly related to the acquisition; and Section 3-305(b) (1) to discuss personnel matters relating to Commission Office direct reports.

The motion carried unanimously with six affirmative votes.

The Chair declared the meeting was closed at 1:52 p.m. The Commission then took a lunch recess with the Commission Meeting reconvening in Closed at 3:00 p.m. 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 Claudia Koenig, Associate Counsel Danny O'Connor, Associate Counsel Jim O'Day, Deputy General Manager (DGM) Joseph Beach, DGM Joe Mantua, Chief of Staff Jackie Vincent, Associate Counsel Julianne MontesDeOca, Chief Engineer Gary Gumm and Pipeline Construction Division Manager John Mitchell.

**Closed Session Minutes - On motion made by Commissioner Boulware and seconded by Commissioner Bayonet, the Commission voted unanimously by an affirmative vote of 6-0, to approve the closed session minutes of the June 20, 2018 regular meeting, as drafted.**

**Pending Litigation/Legal Advice - Commissioners were briefed by the General Counsel, members of her legal team and other staff on pending attorney/client privileged litigation and legal matters.**

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

**At 4:09 p.m., Commissioner Boulware moved to end the Closed Session. Commissioner Rogers seconded the motion. The motion carried unanimously with six affirmative votes.**

**OPEN SESSION RESUMED**

**WSSC Branding Project Update.** GMMB Consultants provided an update to Commissioners on the WSSC Re-Branding Effort being led by Communications Director Chuck Brown. The consultants presented from a power point presentation distributed to Commissioners and incorporated herein by reference. Following discussion, management to follow-up with Commissioners at the next meeting.

**RGH Renovations Update.** Management requested that this update be deferred until the next meeting.

**Personnel Matters.** The Commission convened into closed executive session at 5:04 p.m. to discuss personnel matters. The General Manager joined the executive session at 6:15 p.m.

**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 unanimously with six affirmative votes.

At 7:00 p.m., the meeting was declared, adjourned.

Respectfully submitted,

//signed//

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Sheila R. Finlayson, Esq.  
Corporate Secretary