

WASHINGTON SUBURBAN SANITARY COMMISSION

MINUTES OF THE COMMISSION MEETING

**Wednesday, November 28, 2018
Laurel, Maryland**

Chair T. Eloise Foster 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 Foster, Commissioners Fausto R. Bayonet, Omar M. Boulware, Howard A. Denis 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.

Absent: Commissioner Thomasina V. Rogers (due to death in family).

PLEDGE OF ALLEGIANCE

Chair Foster opened the meeting by welcoming everyone and asking Commissioner Lawson 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 November 28, 2018, as drafted, to which Commissioner Denis seconded the motion. The motion carried with five affirmative votes, one absent.

APPROVAL OF MINUTES

Commissioner Lawson moved to approve the open session minutes of the August 15, 2018 and September 19, 2018 Regular Commission Meetings, as drafted. Commissioner Bayonet seconded the motion. The motion carried with five affirmative votes, one absent.

Commissioner Bayonet then moved to approve the open session minutes of the September 11, 2018 and September 12, 2018 Special Commission Meetings, as drafted. Commissioner Boulware seconded the motion. The motion carried with five affirmative votes, one absent.

WSSC RETIREES

WSSC Retirement and Investments Division Manager Richard Baker recognized the following Retirees for the month of November 2018:

Vernon Futrell, Collection Technician III, Water/Wastewater Systems Assessment Division, retires with 31 years and 9 months of service.

Joanne Keesee, Revenue Protection Specialist, Billing and Revenue Protection Division, retires with 30 years and 5 months of service.

Joseph Mantua, Deputy General Manager (DGM) for Operations, General Manager's Office, retires with over 25 years of service.

Mary Morrow, Human Resources Coordinator, Human Resources Office, retires with 31 years and one month of service.

Floyd Patterson, Field Meter Mechanic, Meter Services Division, retires with 30 years and 4 months of service.

Sharon Vanlowe-Delacey, Wastewater O&M Technician III, Seneca/Damascus/Hyattstown WWTPs, retires with 30 years of service.

Ralph Bond (present), Technical Contracts Manager, Pipeline Construction Division, retires with 32 years of service.

Timothy Jeter (present), Property Management Technician II, Facilities Maintenance Division, retires with 17 years and 5 months of service.

Terrence Massey (present), Utility Technician III, Utility Services South Division, retires with 33 years of service.

Joanne Styers, Permit Agent, Development Services Division, retires with 31 years of service (October Retiree).

COMMISSIONER/PUBLIC COMMENTS

Commissioner Comments. The following comments were shared:

Chair Foster recently attended a WSSC Open House in Silver Spring ("In Your Neighborhood,") on October 30, 2018, where WSSC shared information on the new WSSC rate structure which will take effect in July 2019, and construction projects that are currently underway in the neighborhood. WSSC also had exhibits set up on Winter Preparedness and how customers can protect their pipes with staff on hand to field and answer questions about billing and water quality issues. Chair Foster stated that the event was very informative, commending staff for the great work in organizing and hosting these helpful community meetings.

Commissioner Denis expressed condolences to Commissioner Rogers on the loss of her mother-in-law, to which all Commissioners joined in sharing similar sentiments.

Commissioner Denis made mention of a recent article in the Washington Post regarding Maryland Congressman Elijah Cummings' appointment as Chair of the House Committee on Oversight and Reform, noting the significance and huge impact this appointment will have on the Washington region, further expressing his pleasure and appreciation of the Congressman's selection.

Commissioner Denis attended the farewell meeting for the Montgomery County Council, sharing how deeply moving he found the event to be, which was attended by former and future council members who had

collegially come together post-election, as a united group, in the changing of guards and passing of the baton.

Commissioners concluded this segment with individual acknowledgments to both of the outgoing County Executives for their outstanding service and support over the years, along with each also expressing congratulations and well wishes to the two newly-elected County Executives and their respective administrations.

Public Comments. Ms. Theodora Scarato, WSSC customer, shared information and her thoughts on safe technology, wireless (radio frequency) radiation and its links to cancer, requesting the Commission oppose any action or plans to implement advanced metering infrastructure at WSSC. Ms. Scarato's testimony can be found in the corresponding segment of the archived meeting video.

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 be found in the presentation handout 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.

INSPECTOR GENERAL REPORT

Monthly Activity Report. Inspector General Arthur Elkins reported on the monthly activities of the Office of the Inspector General (OIG) for the period of October 8, 2018 to November 2, 2018. Mr. Elkins 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.

The OIG report was received as information.

External Auditors' Annual Financial Audit Results Report for Fiscal Year 2018. Remi Omisore, Engagement Partner of the new external auditing firm of Clifton Larson Allen (CLA), provided a summary of the firm's independent audit results of WSSC's financial statements for the year ended June 30, 2018. Mr. Omisore reported from a power point presentation contained in the advance materials and incorporated herein by reference. Specific details can be found in the presentation handout and corresponding segment of the archived meeting video.

In summary, CLA performed audits of WSSC's comprehensive financial statements, WSSC's Employees' Pension Plan and the Retiree Other Post-Employment Benefits (OPEB) Plan, and issued unmodified (clean) opinions for each. In performing the audits, the firm considered WSSC's internal control over financial reporting as a basis for designing appropriate audit procedures and did identify areas where WSSC's internal controls could be strengthened which are outlined in a letter from CLA to management dated October 4, 2018 (contained in the board materials and incorporated herein by reference).

Following Commissioner questions, the Commission received the External Auditors' Report, as information.

OTHER REPORTS

ENGINEERING & CONSTRUCTION

Potomac Water Filtration Plant Consent Decree Projects Update.

Chief Engineer Gary Gumm and Simon Baidoo, Project Manager, Facilities, Design and Construction Division, reported on the Potomac Water Filtration Plant Consent Decree Short and Long-Term Projects. Management 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.

The Commission received the report as information.

FINANCE**Finance - 2019 Front Foot Benefit Rates and House Connection**

Charges Work Session. DGM for Administration Joseph Beach presented the proposed rate calculations for the 2019 Front Foot Benefit Rates and House Connection Charges, reporting from a power point presentation contained in the advance materials and incorporated herein by reference. Specific details can be found in the presentation handout and the corresponding segment of the archived meeting video and both are referred to for that purpose.

In summary, for the proposed 2019 front foot benefit rates, management is proposing maximum front foot benefit rates per foot of \$4.00 for water and \$6.00 for sewer, to be paid annually over a period of thirty years. For the Proposed 2019 House Connection Charges, the proposed rates are included on a chart provided in the aforementioned presentation. No changes from current rates on proposed improved and unimproved connection charges. Same goes for proposed water and sewer rates (inside and outside meters) - no changes from current rates for residential small and non-residential small and large sized. No changes from current rates on right of way charges (connections built by plumbers).

A public hearing on the proposed rates is scheduled to take place this afternoon at 2:30 p.m. in the WSSC Auditorium. Record to remain open for public comments through December 18, 2018. The proposed 2019 rates will be presented to Commissioners for approval at the December 19th Commission Meeting, with the rates to become effective on January 1, 2019.

Following discussion, the Commission received the Briefing on the Proposed Rate Calculations for the 2019 Front Foot Benefit Rates and House Connection Charges, as information.

Resolution 2019-2205 - Appointment of Replacement Member to WSSC

Retiree OPEB Trust Board of Trustees. A vacancy exists on the current board due to the recent retirement of former OPEB board member/Trustee Thomas Street (former DGM of Administration). Management is recommending new CFO Patricia Colihan Barney to

serve as the replacement member for the remainder of Mr. Street's term.

Whereby, a motion was made by Commissioner Lawson and seconded by Commissioner Bayonet, to adopt Resolution 2019-2205, appointing Patricia Colihan Barney as a replacement member to the WSSC Retiree OPEB Trust Board of Trustees for the remainder of the existing vacant seat term, effective November 28, 2018, and continuing through June 30, 2019, as recommended by management.

The motion carried with five affirmative votes, one absent.

Amendment to Resolution 2019-2195 Authorizing the Issuance of Consolidated Public Improvement Bonds. Management is recommending an amendment to this bond resolution, initially approved by the Commission at its July 18, 2018 Commission Meeting, to allow for the inclusion of General Construction Bonds in the issuance (omitted from the original resolution).

Whereby a motion was made by Commissioner Bayonet and seconded by Commissioner Boulware, to adopt an Amendment to Resolution 2019-2195, approved by the Commission at its July 18, 2018 Meeting, to allow for the inclusion of General Construction Bonds in the issuance of Consolidated Public Improvement Bonds authorized by the Commission.

The motion carried with five affirmative votes, one absent.

INFORMATION TECHNOLOGY (IT)

Monthly Project Cornerstone Update. Program Director Abe Meer, supported by CIO Vennard Wright, provided the monthly update on Project Cornerstone, reporting from a power point presentation contained in the advance materials and incorporated herein by reference. Specific details can be found in the presentation handout and archived meeting video. In summary, Mr. Meer advised Release One of Project Cornerstone Go-Live, is on target for May 29, 2019.

The Commission received the monthly update as information.

IRO

Legislative Update. Intergovernmental Relations Office (IRO) Director Karyn Riley provided an update of IRO activities and proposed bills expected to move through the 2019 Legislative Session, requesting the Commission approve management's recommendations/positions on respective legislation.

Following discussion, on motion of Commissioner Boulware and seconded by Commissioner Bayonet, the Commission voted five-to-zero, with one absent, to take the following positions on the following proposed legislation for the 2019 Maryland General Assembly Session, as recommended by management:

- **MC/PG 101-19 - WSSC - Moratorium and Study on Advanced Metering Infrastructure (Oppose)**
- **MC/PG 104-19 - WSSC - Office of the Inspector General - Technical Changes (Support)**
- **MC/PG 107-19 - WSSC - Discrimination - Prohibited in Contracts (Support)**
- **MC/PG 108-19 - Property Tax Credits - MNCPPC Park Police Officers (Support with Amendments)**
- **MC/PG 105-19 - WSSC - Indirect Customer Assistance Program (Support)**

CONSENT CALENDAR

Contracts for Approval

The Chair asked if Commissioners wished to remove any contracts included on the Consent Calendar prior to consideration of the Resolution, to which there was no such request.

A motion was thereby made by Commissioner Lawson and seconded by Commissioner Denis, to adopt Resolution 2019-2206, approving the seven contracts included on the Consent Calendar for the November 28, 2018 Commission Meeting, as follows:

A. Engineering and Construction - Architect/Engineer Contracts:

1. PM0005A18, General Engineering Services Basic Ordering Agreement (BOA), to Johnson, Mirmiran & Thompson, Inc., in an not to exceed amount of \$3,000,000.00, with three (3) year base term, and one (1), two-year option to renew.
2. PM0009A18, Potomac Water Filtration Plant Design Services BOA, to O'Brien & Gere Engineers, Inc. and Whitman, Requardt & Associates, LLP, in an not to exceed amount of \$8,000,000.00, with a four (4) year base term, and one (1), three-year option to renew.

B. Construction Contracts:

1. CP6009B11, Waste Water Pumping Station Upgrades (Fort Washington Estates), to Old Line Construction, Inc., in the amount of \$1,499,000.00, with a substantial completion time of 365 days (Clean Water Settlement Consent Decree Work).
2. BRBT6012A16, Transmission Water Main Replacement (Fairhaven), to V. Fernandes Construction Co., Inc., in the amount of \$1,969,599.00, with a substantial completion time of 320 days.
3. BTBR5678A14, Chillum Road 16-Inch Water Main Replacement, Change Order No. 3, to A&M Concrete Corporation, in the amount of \$70,642.42, for cumulative contract value of \$4,980,639.08. Change Order provides additional funding and support to repair water main leak on adjacent main.
4. BT5782A14, Metzerott Road 16-Inch Transmission Water Main Replacement, Change Order No. 5, to Taylor Utilities, in the amount of \$769,553.20, for a cumulative contract value of \$5,561,583.49. Change order provides additional funding and support to replace water main.
5. PM5425A12, Sewer Main, Sewer House Connection and Sewer Manhole Repair, Replacement and Rehabilitation (Parkway Basin), IDIQ, ESA, Option Term 1, to AB Construction, Inc., in the amount of \$5,000,000.00, for a cumulative contract value of \$13,750,000.00. Consent Decree Contract originally approved by Commissioners on August 21, 2013 for three-year base term. Actual Notice to Proceed for contract occurred on September 3, 2015, initiating base term. Contract extended through November 30, 2018.

The motion carried with five affirmative votes, one absent.

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. Chair Foster reported on the recent meeting of the Retirement Plan Board of Trustees held on October 31, 2018. As of September 30, 2018, the Plan's assets were \$842.5 million which represents a year-to-date investment gain of \$27.4 million or an increase of 3.5% from December 31, 2017 to September 30, 2018.

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

Governance & Strategic Visioning Committee. No report.

Legislative & Compliance Committee. No report.

Audit Committee. Quarterly Meeting to be conducted following Committee Reports. Approval of Audit Committee Minutes Deferred.

Customer and Other Stakeholder Relations Committee. No report.

Innovation & Infrastructure Committee. Committee Chair Bayonet provided a summary report of the committee meeting held on November 15, 2018.

The report was received as information.

Quarterly Audit Committee Meeting. The Commission officially convened in open session as an Audit Committee at 1:11 p.m. to conduct its quarterly meeting. Business related to the Audit Committee concluded at 1:50 p.m. Minutes of this proceeding were recorded separately and can be found in the Audit Committee Minutes, incorporated herein by reference. Additional details can also be found in the corresponding segment of the archived meeting video.

Following conclusion of the Audit Committee Meeting, Chair Foster announced the Morning Open Session business had concluded and that an additional open session item would be conducted in the afternoon open session in the Commissioners' Conference Room, following the closed session. She then called for a motion to go into Closed after noting approval of the written closing statement.

CLOSED SESSION

Whereby, at 1:50 p.m., Commissioner Boulware moved and Commissioner Denis seconded, that the Commission go into Closed Session, pursuant to Maryland Code Annotated, General Provisions Article: Section 3-305(b) (13) to approve the August 15, 2018 and September 19, 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; and Section 3-305(b) (1) to discuss personnel matters.

The motion carried with five affirmative votes, one absent.

The Chair declared the meeting was closed at 1:50 p.m. The Commission then took a lunch recess, with the Commission reconvening in Closed at 3:05 p.m. in the Commission Office Large Conference Room.

ATTENDEES: Chair Eloise Foster, Vice Chair Chris Lawson, Commissioners Fausto Bayonet, Omar Boulware and Howard Denis.
Staff present: General Manager Carla Reid, Corporate Secretary

Sheila Finlayson, General Counsel Amanda Conn, DGM Joseph Beach, DGM Monica Johnson, Associate Counsel Jim O'Day and Associate Counsel Danny O'Connor.

Closed Session Minutes - On motion made by Commissioner Boulware and seconded by Commissioner Lawson, the Commission voted five-to-zero, to approve the closed session minutes of its August 15, 2018 and September 19, 2018 regular meetings, as drafted.

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

Personnel Matters. Due to potential conflicts, the Commission approved a request to move the Ethics Office from under the Office of the Inspector General to the General Counsel's office. The GC to revise related regulations so provisions and references align with the new change in structure.

At 3:20 p.m., Commissioner Boulware moved to end the Closed Session. Commissioner Bayonet seconded the motion. The motion carried with five affirmative votes.

OPEN SESSION RESUMED

RGH Renovations Plan Update. DGM Joe Beach and General Services Director Laura Ruprecht provided an update to Commissioners on management's plans to renovate RGH and other WSSC facilities. In short, management has re-evaluated its plan due to budget concerns and will be scaling down and reducing the scope of renovations (primarily at RGH) which should result in reduced costs and savings of \$50 to \$60 million.

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 4:24 p.m., the meeting was declared, adjourned.

Respectfully submitted,

//signed//

Sheila R. Finlayson, Esq.
Corporate Secretary