

**WASHINGTON SUBURBAN SANITARY COMMISSION**

**MINUTES OF THE COMMISSION MEETING**

**Wednesday, January 17, 2018  
Laurel, Maryland**

Chair Thomasina V. Rogers called the meeting to order at 10:40 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 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 Foster moved to adopt the Commission's Public Meeting Agenda of January 17, 2018, as drafted, to which Commissioner Lawson seconded the motion. The motion carried with five affirmative votes, one absent (Boulware).**

**APPROVAL OF MINUTES**

**The Corporate Secretary requested that action on the November 15, 2017 minutes be deferred until next month, to which there were no objections.**

**WSSC RETIREES**

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

George Spielman, Utility Technician III, Utility Services North Division, retires with 30 years and 9 months of service.

Jon Sims, Fleet Division Manager, General Services Department, retires with 33 years and 6 months of service.

Lori Huffstetler (present), Senior Application Support Analyst, Information Technology Infrastructure & Operations Division, retires with 37 years and 10 months of service.

**COMMISSIONER/PUBLIC COMMENTS**

**Public Comments.** None.

**Commissioner Comments.** Commissioner Denis took a moment to express his gratitude to WSSC employees for the outstanding way they've addressed the multiple water main breaks during the recent cold weather snap and freezing temperatures that WSSC is experiencing, to which the Chair joined in agreement.

**CHAIR REPORT**

**Chair's Report.** The Chair made mention of the declared emergency that she, the Vice Chair and General Manager, had to declare at the beginning of January due to the onslaught of excessive water main breaks that transpired over the last month and into the new year due to the extremely cold temperatures, again acknowledging and thanking the WSSC crews that worked around the clock 24/7 to make sure water kept flowing to WSSC customers.

**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 corresponding segment of

the archived meeting video and written "General Manager's Report" and both are referred to for this purpose.

**Ratification of Emergency Action Regarding Water Main Breaks.**

Extreme cold weather conditions causing excessive water main breaks, coupled with impacts to the Potomac and Patuxent Water Filtration Plants water production levels, put the WSSC system at risk of not being able to maintain adequate pressure to deliver drinking water to customers and fire flow to public safety and first responders. Due to this potential imminent threat to the WSSC water system, a declaration of emergency was instituted.

Management presented additional details of the emergency declaration in a memorandum to Commissioners contained in the board materials and incorporated herein by reference. Action to ratify the emergency declaration is now being requested.

**Whereby, a motion was made by Commissioner Lawson and seconded by Commissioner Bayonet, to ratify the emergency action of the Chair and Vice Chair taken on January 5, 2018 on behalf of the Commission, as outlined and described by management in the Emergency Declaration Memorandum to Commissioners dated January 17, 2018 and Summary of Emergency Call of January 5, 2018, whereby an emergency was declared by the General Manager, Chair and Vice Chair of the Commission, in accordance with Article 4 of the Commission's Bylaws, Rules and Regulations, with all related and necessary actions to be taken by management authorized, in order to address the excessive water main breaks that had transpired since January 2, 2018.**

**The motion carried by a vote of five-to-zero, with one absent (Boulware).**

**Strategic Planning Kickoff.** The General Manager provided an overview of management's plans with regard to engaging Commissioners on strategic planning priorities and goals for this year and beyond, reporting that a work session is scheduled for the February Commission meeting for the following purposes: 1) to

review progress on the implementation of current strategic priorities for FY 2018; 2) to present list of targeted strategic initiatives by level of importance; and, 3) to share industry trends and discuss benchmarking and key performance indicators.

Goal for FY 2020 is to have alignment in budget, strategic planning and performance management.

**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 December 5, 2017 through January 5, 2018.

#### **Achieve Business Process Excellence and Maintain Financial Stability**

**FY 2018 Audit Projects:** Three in fieldwork phase; two in report phase and one in preliminary review phase.

**Carryover Audit Projects:** Both in report phase.

**Internal Audit Follow-up:** no management action items closed since last report. Three require Internal Audit verification. Two delinquent management plans of action (Customer Service, Human Resources).

**External Auditors.** External Auditor Solicitation finalized; Clifton Larson Allen LLP awarded contract.

#### **Improve Infrastructure**

**System Development Charges (SDC) Audits:** Total fiscal year-to-date actual financial adjustments of \$843,105.76. One report issued during reporting period. 22 SDC audit requests in process with 19 active and 3 inactive.

#### **Protect Our People, Infrastructure, Systems and Resources**

**FWA Training/Hotline.** FWA training provided to 14 new employees. Next quarterly hotline report to be provided in February.

**Ethics Office.** The Board of Ethics held its regularly-scheduled meeting on December 14, 2017; several open and closed items were reviewed. New hire orientation/code of ethics training provided to 14 new employees on December 18, 2017. 99.9% completion rate for annual mandatory Ethics Training held in December.

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

#### **OTHER REPORTS**

**Finance - Approval of Amended Standard Procedure/Regulation for Local Business Investment and Growth (BIG) Program.** Amendments needed to be made to current regulation in order to provide a competitive rate of return for WSSC's investments. Increases in interest rates on short term investments since the BIG program's inception in February 2016 have not been reflected in the FDIC Weekly National Rate. Management is requesting approval of proposed revisions to Section IV. C. "Investment Process" of the BIG regulation, whereby the rate of return on WSSC investments in the program is being changed from the FDIC Weekly National Rate plus 50 basis points to the U.S. Treasury Constant Maturity less 12.5 basis points. To date, WSSC has invested \$12 million with six local banks.

**Following discussion, a motion was made by Commissioner Bayonet and seconded by Commissioner Lawson, to approve the Revised Standard Procedure/Regulation pertaining to the WSSC Local Business Investment and Growth (BIG) Program, as proposed and recommended by management, to be effective following the mandated 30-day public notification period.**

**The motion carried by a vote of five-to-zero, with one absent (Boulware).**

**Customer Service - Approval of Amended Standard Procedure /  
Regulation for Adjustment and Correction of Water/Sewer Bills.**

Management briefed Commissioners on the proposed SP/REG changes at the December Commission Meeting and is now back before the Commission for approval. Specific details of the policy revisions can be found in the board materials for this item, and are thereby incorporated herein by reference. The primary changes relate to high bills which account for the majority of WSSC customer complaints. Additionally, management met with Senators sponsoring water leakage legislation; requesting that WSSC lower threshold for allowing high bill adjustments from three times the comparable ADC to two times. Management currently reviewing as this type of change would have significant financial impact. Will report back on cost analysis.

**On motion made by Commissioner Bayonet and seconded by Commissioner Lawson, the Commission voted five-to-zero, with one absent (Boulware), to approve the revised standard procedure/regulation pertaining to the Adjustment and Correction of Water/Sewer Bills, as proposed and recommended by management, to be effective on or about March 1, 2018 following the mandated 30-day public notification period.**

**Information Technology (IT) - Quarterly IT Update.** Chief Information Officer Vennard Wright provided a status update on current WSSC IT projects and contracts along with an overview of the IT department goals. Mr. Wright reported from a power point presentation 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 and both are referred to for that purpose.

**The Commission received the Quarterly IT Update, as information.**

**Engineering and Construction - Approval of Relocation Project RE7855A14, Betterment with Takoma Park to Accomplish Water Main Reconstruction.** WSSC Pipeline Design Manager Marcia Tucker

presented this item for Commission consideration, reporting as follows:

Since Fiscal Year 2014, WSSC has been working with the City of Takoma Park to coordinate construction of Betterment Project No. BR5701A14 - which coincided with the City's Green Street Road Improvement Project. WSSC's Betterment project is part of WSSC's annual water main replacement program, and the affected pipes were constructed between 1919 - 1921.

Historically, both WSSC and the City of Takoma Park have been utilizing an existing 1962 Agreement between both agencies, to handle construction of WSSC's Relocation projects. The Agreement, however, does not cover the construction of WSSC's Betterment projects.

Relocation projects address only those assets that are impacted by the other agency's work. Where feasible, the Commission uses these opportunities to accomplish additional reconstruction of assets that are separate in scope but which are in the same general area of the other agency's work. These are known as Betterment projects.

Some of the benefits of a Betterment project are: 1) Efficient scheduling of work resulting in minimized disruption to the community; 2) Avoidance of moratoriums, and 3) cost savings - in this case, the City's project will include a full overlay and pavement restoration of Flower Avenue which will be done by the City after all the pipeline work is completed. Additionally, what would have been a lengthy and involved permitting process will be eliminated as the City will provide all permits required for WSSC's work.

The Betterment project is estimated at \$3,174,135.42 which includes a 10% contingency. Since this exceeds \$250,000 and is not covered in the existing agreement with the City, in

accordance with the Delegation of Authority (DOA), the project must be brought before you for approval.

Approval is requested to authorize this work, which will be done in coordination with Relocation Project No. 14RE7855A; and, to pay the City of Takoma Park the estimated amount of \$3,174,135.42 for Betterment Project No. BR5701A14.

A new agreement with the City of Takoma Park is being developed to govern the Relocation and Betterment process, and allow for the intended delegation and sub-delegations of authority.

**Following discussion, a motion was made by Commissioner Foster and seconded by Commissioner Bayonet, to approve the work authorization and payment to the City of Takoma Park, Department of Public Works and Transportation, for construction/replacement of water mains in connection with the WSSC/City of Takoma Park Roadway Improvement/Betterment Relocation Project/Contract RE7855A14 (Flower Avenue, Montgomery County, MD), in the amount of \$3,174,135.42 (total estimated project costs), as requested by management.**

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

**Engineering and Construction - SSO Consent Decree Update.** Chief Engineer Gary Gumm provided Commissioners with an update on the status of projects being undertaken to comply with the Consent Decree. Detailed information can be found in the presentation handout contained in the advance board materials and the corresponding segment of the archived meeting video. In summary, Mr. Gumm reported on schedule status, costs and areas of concern.

Cumulative actual costs to date at \$1,229,384,483. Areas of concern continue to center around Rights of Entry (ROE) - total



outstanding ROEs decreased from 28 to 27; and, the National Park Service (NPS).

**The Consent Decree Update was received as information.**

**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 Lawson, to adopt Resolution 2018-2176, approving the six contracts included on the Consent Calendar for the January 17, 2018 Commission Meeting, as follows:**

**A. Engineering and Construction**

*Construction Contracts:*

1. AM5916A15, Multi-Yard Stormwater Pollution Prevention Plan (SWPPP) Stormwater Management (SWM) Best Management Practices (BMP) Remediation Project, to Triangle Contracting, LLC, in the amount of \$4,039,832.00, with substantial completion time of 210 days.
2. BL5273A11, 385B Pressure Zone Water Transmission Improvements, to Sagres Construction Corporation, in the amount of \$7,977,000.00, with substantial completion time of 450 days.
3. BRBI6135A16, West Forest Road Water Main Replacement, to ECM Corporation, in the amount of \$2,118,205.00, with substantial completion time of 520 days.
4. BT5970A15, Philadelphia Avenue Water Main Replacement, to WR Sewage & Excavation, Inc., in the amount of \$2,320,610.00, with substantial completion time of 297 days.
5. PM5337A11, Piscataway Creek Basin Sewer Reconditioning IDIQ, Change Order No. 1, to Layne Inliner, LLC., in the amount of \$1,334,763.38. This change order facilitates the transfer of Task Order 20 issued under Piscataway Creek Basin ESA, from Cherry Hill Construction to Layne Inliner, LLC and increases

Layne Inliner's total contract value from \$17.5 million to \$18.8 million.

*Architect/Engineer Contracts*

1. CD5170B11, Piscataway Wastewater Treatment Plant Electrical Upgrades, Change Order No. 2, to Greeley and Hansen, in the amount of \$227,543.10, for cumulative contract amount of \$3,303,011.49.

**The motion carried unanimously by a vote of five-to-zero, one absent (Boulware).**

**ADDITIONAL BRIEFINGS**

**Intergovernmental Relations Office (IRO) - Legislative Update.**

IRO Director Karyn Riley provided an update of IRO's legislative activities, including a status report on legislation currently moving through the 2018 Maryland General Assembly Session and affecting the Commission. Will come back to the Commission in February on additional position recommendations on related State legislation. Also working to confirm date for legislative lunch with elected officials in Annapolis.

**The Commission received the IRO Legislative Update as information.**

**COMMISSION OFFICE**

**Corporate Secretary Report.** Corporate Secretary Sheila Finlayson reported on her recent activities, referring to her written report provided in the advance board materials, to which no questions were raised.

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

**WSSC Employees Retirement Plan Board of Trustees.** No report as no meeting held in December or January. Next meeting to be held on February 28, 2018.

**Governance & Strategic Visioning Committee.** The Commission Chair indicated that Commissioners had received the proposed redline changes to the Internal Audit Charter in the advance materials, incorporated herein by reference, thereby requesting that the Commission vote to eliminate certain language under Section 4.1 that was added/approved by the Commission on March 18, 2015 and restore the SP/Charter to its pre-March 18, 2015 status. Specifically, the Commission, at its March 18, 2015 meeting, had voted to approve the addition of the following language to the Internal Audit Charter, Section 4.1: "Any audit of the business, files and personnel records of the Commission Office by the IAD and/or by the Internal Audit Office's staff of auditors shall be initiated solely by official action taken by the full Commission in accordance with the Commission's Bylaws."

**Whereby, a motion was made by Commissioner Foster and seconded by Commissioner Lawson, to approve the revision to the Internal Audit Charter, as recommended by the Chair of the Commission/Governance Committee.**

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

**Legislative & Compliance Committee.** Nothing additional to report outside of IRO briefing.

**Audit Committee.** No report. Next Quarterly Meeting to be held on February 21, 2018.

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

**Innovation & Infrastructure Committee.** No report. First Committee meeting to be held on February 14, 2018.

**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, the Chair called for a vote.**

**CLOSED SESSION**

Whereby at 1:45 p.m., Commissioner Denis moved and Commissioner Foster seconded, that the Commission go into Closed Session pursuant to Maryland Code Annotated, General Provisions Article: Section 3-305(b) (1) to discuss personnel matters relating to Commission Office direct reports and staffing.

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

The Chair declared the meeting was Closed at 1:45 p.m. The Commission then recessed for lunch, with the Closed Session portion of the meeting to reconvene at approximately 2:45 p.m. in the Commission Office Large Conference Room.

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

**ATTENDEES:** Chair Thomasina Rogers, Vice Chair Eloise Foster, Commissioners Fausto Bayonet, Howard Denis and Chris Lawson.

**Personnel Matters** - The Commissioners discussed personnel matters in executive session with no members of management present.

At 4:20 p.m., the Chair called for a motion to end closed, whereby a motion was made by Commissioner Foster and seconded by Commissioner Lawson to end the Closed Session. The motion carried with five affirmative votes.

**OPEN SESSION**

At 4:20 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 Foster moved to adjourn the meeting. Commissioner Lawson seconded the motion. The motion carried with five affirmative votes.

**At 4:20 p.m., the meeting was declared adjourned.**

Respectfully submitted,

//signed//

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Sheila R. Finlayson, Esq.  
Corporate Secretary