

WASHINGTON SUBURBAN SANITARY COMMISSION

MINUTES OF THE COMMISSION MEETING

**Wednesday, April 18, 2018
Laurel, Maryland**

Chair Thomasina V. Rogers called the meeting to order at 10:39 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. The meeting was pushed back by a half an hour to facilitate Commissioners attending Prince George's County Executive Rushern Baker's State of the Economy Breakfast. 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 also 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 Foster moved to adopt the Commission's Public Meeting Agenda of April 18, 2018, as drafted, to which Commissioner Boulware seconded the motion. The motion carried unanimously with six affirmative votes.

APPROVAL OF MINUTES

Commissioner Bayonet moved to approve the open session minutes of the February 21, 2018 Regular Commission Meeting. Commissioner

Boulware seconded the motion. The motion carried unanimously with six affirmative votes.

Commissioner Lawson then moved to approve the open session minutes of the March 27, 2018 Regular Commission Meeting, as drafted. Commissioner Denis seconded the motion. The motion carried unanimously with six affirmative votes.

WSSC RETIREES

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

Clifford Carey, Plumbing Inspections Supervisor, Regulatory Services Division, retires with 11 years of service.

Don Clark (present), Field Meter Mechanic, Meter Services Division, retires with 44 years and 4 months of service.

Nikhil Shirodkar (present), Plant Engineering Section Manager, Piscataway Wastewater Treatment Plant, retires with 25 years and one month of service.

COMMISSIONER/PUBLIC COMMENTS

Public Comments. None.

Commissioner Comments. Commissioner Lawson commented on County Executive Baker's final State of the Economy breakfast, which he attended this morning, stating that it was a wonderful event with a great turnout; approximately 700 attendees. Mr. Lawson acknowledged the County Executive for his appointment, along with that of his colleagues, noting that he came to the Commission at the same time the County Executive came in [to the County] and how he has enjoyed serving on the WSSC Board.

Commissioner Denis shared that he attended the ribbon-cutting and renaming ceremony on Saturday, April 14th for the local library in Bethesda, Maryland named after Connie Morella, noting it was a fantastic event with several dignitaries in attendance, including, County Executive Isiah Leggett, Ambassador and Former U.S. Representative Connie Morella, U.S. Representative Jaime Raskin, Councilmembers Roger Berliner and Hans Riemer and State Senator Susan Lee. He also made mention of the sea of changes coming to WSSC with the end of the legislative session and passage of the new Inspector General bill, which becomes effective on October 1, 2018.

CHAIR REPORT

Chair's Report. Chair Rogers commented on the Prince George's County State of the Economy breakfast she had attended this morning, agreeing with Commissioner Lawson on how good the event was. She also reminded all about the Commissioner Centennial event planned for May 16, which will consist of a Fireside Chat among former WSSC Commissioners who will be opining on past and present water issues. Invites will go out on Thursday (tomorrow).

The Chair also attended the Prince George's County Council recent THE Committee meeting where the WSSC budget was reviewed, sharing that the Council supported a 4.5% rate increase and had commended WSSC on its excellent work.

WSSC is in receipt of a letter from the Maryland Department of the Environment (MDE) regarding grant of \$4.5 million for the Broad Creek Basin project, noting that the Finance team will follow-up with the required documentation to MDE for receipt of such funding.

Lastly, the Chair read a thank you letter from the Pastor of Alfred Street Baptist Church, thanking WSSC Commissioners for its generous contribution to the church in memory of Patria Finlayson, sister of Corporate Secretary Sheila Finlayson.

The Commission received the Chair's report as information.

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 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.

Annual Review of Strategic Plan. GM Reid referenced her memorandum to Commissioners provided in the advance materials, reporting that management is not recommending any changes to the strategic plan adopted by the Commission in June 2017. Management had conducted a work session with Commissioners in March, providing an environmental scan of the water industry, current industry trends, update of the Veolia Benchmarking Report, key performance indicators and a summary of strategic initiatives in Fiscal Year (FY) 2018 and FY 2019. Further details can be found in the meeting materials, incorporated herein by reference, and corresponding segment of the archived meeting video.

The Commission expressed no objections to the GM's recommendation and received the annual report on WSSC's Strategic Plan, 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 March 5, 2018 through April 6, 2018.

Achieve Business Process Excellence and Maintain Financial Stability

FY 2018 Risk-Based Audit Projects: Four in fieldwork phase and two in report phase; majority over 50% complete.

Carryover Audit Projects: Final reports issued for both projects.

Internal Audit Follow-up: Five management action items closed since last report. None requiring Internal Audit verification. One action plan's implementation rejected (General Services - 96 days delinquent).

External Auditors. External auditing firm of Clifton Larson Allen LLP commenced auditing WSSC's Employee Retirement Benefit Plan and OPEB on March 5, 2018.

Improve Infrastructure

System Development Charges (SDC) Audits: Total fiscal year-to-date actual financial adjustments of \$843,105.76. No reports issued during reporting period. 21 SDC audit requests in process with 18 active and 3 inactive.

Protect Our People, Infrastructure, Systems and Resources

FWA Training/Hotline. FWA training provided to 13 new employees. Next quarterly hotline report to be provided in July.

Ethics Office. The Board of Ethics held its regularly scheduled meeting on March 8, 2018; several open and closed items were reviewed. Code of ethics training provided to 13 new employees on March 26, 2018. Annual Financial Disclosure filing process launched on March 30, 2018, currently at 75% completion.

Following discussion, the IAO report was received as information.

OTHER REPORTS

Finance - Set Public Hearing Dates for Proposed FYs 2020-2025 Capital Improvements Program (CIP). Following management's recommendation, Commissioner Boulware moved and Commissioner Denis seconded, that the Commission set its public hearing dates on the Proposed WSSC CIP for FYs 2020-2025, as follows:

Montgomery County

Wednesday, September 5, 2018, at 7:30 p.m.

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

Prince George's County

Thursday, September 6, 2018, at 7:30 p.m.

**Department of the Environment Building - Conference Room 120
1801 McCormick Drive, Largo, Maryland**

The motion carried unanimously with six affirmative votes.

Production - Resolution 2018-2182 - Delegation of Authority for Energy Purchases to General Manager. The Commission purchases approximately \$20 million of electricity and natural gas supply per year. The GM's delegated authority is up to \$1.2 million for approval of energy procurements and such competitively bid energy purchases require approval within 15 to 30 minutes of bid receipt. Management is therefore requesting approval authority for the GM on all competitively bid energy procurements for the Commission.

Whereby, a motion was made by Commissioner Foster and seconded by Commissioner Boulware, to adopt Resolution 2018-2182, delegating Commission authority to the General Manager/CEO for the purchase of energy, as described in the aforementioned Resolution.

The motion carried unanimously with six affirmative votes.

Engineering and Construction (E/C) - 2018 WSSC Plumbing and Fuel Gas Code Proposed Changes. WSSC Chief Engineer Gary Gumm and

Code Planning and Cross Connection Section Manager Thomas Buckley presented the proposed changes to the current WSSC 2015 Plumbing and Fuel Gas Code. Within the body of changes are specific sections that will adopt the 2018 International Plumbing and Fuel Gas Codes. Various sections of the WSSC Code are being amended to bring clarity to the regulations. Mr. Buckley walked through the material/power point presentation provided in advance board books, incorporated herein by reference. Specific details can also be found in the corresponding segment of the archived meeting video.

In summary, under State law, WSSC inspects plumbing and fuel gas systems in the Washington Suburban Sanitary District. WSSC published its first plumbing code in 1925 and the "in-house" Code remained in effect until 2006 when WSSC decided to defer to a model code. In 2007, WSSC adopted the International Plumbing and International Fuel Gas Codes as the technical basis for the WSSC Code.

Management, with the endorsement of the WSSC Plumbing and Fuel Gas Board, is recommending Commission adoption of the proposed changes to the last amended 2015 Code at the next Commission Meeting. Such Code, once approved, will be regarded as the 2018 WSSC Plumbing and Fuel Gas Code. The Code changes essentially cover the following:

- 1) Adopt 2018 International Plumbing and Fuel Gas Codes;
- 2) Improve permit and inspection protocols;
- 3) Improve Code violation protocols;
- 4) Improve Fats, Oil and Grease (FOG) Program;
- 5) Revise and align Industrial Discharge limits and regulations with State and Federal requirements.

Following discussion, the Commission received the briefing on the proposed Code changes, as information.

E/C - WSSC FY 2017 Water Audit and Water Loss Reduction Plan

Briefing. Mr. Gumm and Planning Division Manager Thomas Hilton provided the annual WSSC Water Audit Report for FY 2017 and WSSC

Water Loss Reduction Plan. Management reported from a power point presentation contained in the advance materials and incorporated herein by reference. The full report can be found in the corresponding segment of the archived meeting video.

Following discussion, the Commission received the Annual Water Loss Report as information.

E/C - Piscataway Waste Water Treatment Plant (WWTP) Bio Energy Project Status Update. Facility Design and Construction Division Manager Theon Grojean provided this status update. Mr. Grojean reported from a power point presentation contained in the advance materials and incorporated herein by reference. Specific details can also be found in the corresponding segment of the archived meeting video. In summary, this project is one of the most technically advanced projects in WSSC's history and will totally transform WSSC's management of biosolids, rebranding WSSC's current facilities from wastewater treatment plants to water resource recovery facilities. WSSC plans to build a regional facility at the Piscataway Plant that will provide biosolids treatment for all of WSSC's wastewater plants. The project has hit its first milestone and management will present a contract package for Commission approval of Phase I of the design build (for \$44 million) next month.

The Commission received the Piscataway WWTP Bio Energy Project Status Report as information.

Procurement - Travel Regulation Briefing. Management provided an overview of WSSC's new proposed travel regulation that will replace the existing procedures. In summary, WSSC is converting to a per diem approach. New regulation to be presented for Commission approval in June with recommended effective date of August 1, 2018. Specific details can be found in the presentation handout and corresponding segment of the archived meeting video.

Following discussion, the Commission received the briefing 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 Boulware, to adopt Resolution 2018-2181, approving the seven contracts included on the Consent Calendar for the April 18, 2018 Commission Meeting, as follows:

A. Engineering and Construction:

Architect/Engineer Contracts

1. PM0004A18, Sewer Replacement and Rehabilitation Basic Ordering Agreement (BOA), to Brown and Caldwell, O'Brien & Gere Engineers, Inc. and Remington & Vernick Engineers, Inc., in a not to exceed amount of \$4,500,000.00 each, with a three (3) year base term, and one (1) one-year option in the amount of \$1,500,000.00 each.
2. 1154, Replacement Planning BOA, to Mott MacDonald, LLC and CDM Smith, Inc., in an not to exceed amount of \$12,000,000.00, with a three (3) year base term, and one (1) one-year option.
3. IC2018A18, Consultant Inspection Services, to Louis Berger U.S., Inc., in an not to exceed amount of \$13,000,000.00, with two (2) year base term, and two (2) two-year options.

Construction Contracts

1. CD5170D11, Piscataway WWTP Secondary Clarifiers and Polymer Feed System Upgrade/Expansion, to Norair Engineering Corporation, in the amount of \$24,032,100.00, with substantial completion time of 840 days.
2. 7168, Street Repair Services (Paving), Change Order No. 1, to M. T. Laney Company, Inc. and Ft. Myer Construction

Corporation, with upset limit modified as follows:
increase M. T. Laney by \$18,500,000.00 from \$51,000,000.00,
for total upset limit of \$69,500,000.00; increase Ft. Myer
by \$18,500,000.00 from \$42,000,000.00, for total upset
limit of \$60,500,000.00. Total Costs to terminating
vendor M. Luis for actual work performed equals
approximately \$5,000,000.00.

B. General Services

1. Contract 7007, #57 Stone, Change Order No. 02, to L.E. Blue and Associates, Inc., in the amount of \$1,000,000.00.

B. Utility Services

1. Contract 1153, Flow Monitoring Services, to RJN Group, Inc., in an not to exceed amount of \$11,380,941.60, with three (3) year base term, and one (1) one-year option.

The motion carried unanimously with six affirmative votes.

ADDITIONAL BRIEFINGS

Intergovernmental Relations Office (IRO) - Legislative Update.

IRO Director Karyn Riley provided an update of IRO's legislative activities, along with final legislative report and summary of bills that moved through the 2018 Maryland General Assembly Session, highlighting those that passed and others that failed. Inspector General (IG) bill passed and will be effective October 1, 2018. Ethics/General Counsel's Office will gain subpoena power. Commission must take appropriate steps over next few months to institute IG. Further information can be found in the 2018 Legislative Report matrix contained in the advance board materials and incorporated herein by reference.

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. The Corporate Secretary advised that the 2018 Commissioners' Engineering Scholarship Campaign launched on April 13, 2018. Essay has Centennial theme; application deadline is June 1, 2018.

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

WSSC Employees Retirement Plan Board of Trustees. Plan's assets were \$820.3 million, which represents a year-to-date investment loss of \$2.7 million from December 31, 2017 to February 28, 2018. Trustee Foster noted this is first time plan has experienced a loss since she has been at Commission.

The Commission received the report as information.

Governance & Strategic Visioning Committee. No report.

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

Audit Committee. No report.

Customer and Other Stakeholder Relations Committee. No report.

Innovation & Infrastructure Committee. Next meeting scheduled for May 9, 2018.

The Committee report was received as information.

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 1:40 p.m., Commissioner Lawson moved and Commissioner Foster seconded, that the Commission go into Closed Session pursuant to Maryland Code Annotated, General Provisions Article: Section 3-305(b) (13) to approve the February 21, 2018 and March 27, 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 relating to Commission Office direct reports.

The motion carried unanimously with six affirmative votes.

The Chair declared the meeting was closed at 1:40 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 2:45 p.m. in closed session in the Commission Office Large Conference Room.

ATTENDEES: Chair Thomasina Rogers, Vice Chair Eloise Foster, Commissioners Fausto Bayonet, Omar Boulware, Howard Denis and Chris Lawson. 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 James O'Day, Associate Counsel Stephanie Kinder, Deputy General Manager (DGM) Joe Mantua, DGM Monica Johnson, Chief of Staff Jackie Vincent and IRO Director Karyn Riley (for portion of session).

Closed Session Minutes - On motion made by Commissioner Boulware and seconded by Commissioner Foster, the Commission voted five-to-zero, with one absent (Lawson - left room momentarily), to approve the closed session minutes of its February 21, 2018 and March 27, 2018 Regular Meetings, as drafted.

Legal Matters - Commissioners were briefed by the General Counsel and members of her team on confidential attorney/client privileged legal matters affecting the Commission.

Ms. Riley departed the session at 3:33 p.m. and Messrs. O'Day and O'Connor departed at 3:40 p.m. All other members of management departed at 3:55 p.m.

Personnel Matters - Commissioners then met in executive session without management present to discuss personnel matters.

At 4:50 p.m., the Chair called for a motion to end closed, whereby a motion was made by Commissioner Lawson and seconded by Commissioner Denis, to end the Closed Session. The motion carried unanimously with six affirmative votes.

OPEN SESSION

At 4:50 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 unanimously with six affirmative votes.

At 4:50 p.m., the meeting was declared adjourned.

Respectfully submitted,

//signed//

Sheila R. Finlayson, Esq.
Corporate Secretary