

WASHINGTON SUBURBAN SANITARY COMMISSION

MINUTES OF THE COMMISSION MEETING

**Wednesday, December 18, 2019
Laurel, Maryland**

Chair Chris Lawson called the meeting to order at 10:08 a.m., in the Auditorium of the Washington Suburban Sanitary Commission (hereinafter "WSSC Water") 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 Lawson, Commissioners Fausto R. Bayonet, Keith E. Bell, Howard A. Denis, T. Eloise Foster and Sandra L. Thompson, were present at the meeting, reflecting a quorum. Also, in attendance were WSSC Water General Manager and Chief Executive Officer ("GM") 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 Water management were called upon, during certain portions of the meeting, to provide information to the Commission.

PLEDGE OF ALLEGIANCE

Chair Lawson opened the meeting by welcoming everyone and asking Commissioner Denis to lead the pledge of allegiance.

Following the pledge, the Chair asked GM Carla Reid to lead the Commission in the recitation of its mission and vision statements.

NEW COMMISSIONER WELCOME

Next, the Chair took a moment to officially welcome WSSC Water's newest Commissioner, Keith E. Bell, to the Board of Commissioners. Mr. Bell represents Prince George's County and was appointed by the Prince George's County Executive with confirmation by the Prince George's County Council, on November 19, 2019. Mr. Bell is an administrative law judge for the Occupational Safety and Health Review Commission. A lawyer by profession, Mr. Bell's background, legal expertise and passion to protect water and the environment, will aid the Commission in its

oversight duties. His appointment fills the final vacant seat on the WSSC Water Board of Commissioners.

AGENDA APPROVAL

Commissioner Foster moved to adopt the Commission's Public Meeting Agenda of December 18, 2019, as drafted, to which Commissioner Denis seconded the motion. The motion carried unanimously with six affirmative votes.

APPROVAL OF MINUTES

Commissioner Denis moved to approve the open session minutes of the October 16, 2019 Regular Commission Meeting, as drafted. Commissioner Foster seconded the motion. The motion carried unanimously with six affirmative votes.

RETIREES

Retirement & Investments Division Manager Richard Baker recognized the Retirees for the month of December 2019, as follows:

Kim Luquette, Accounting Division Manager, Accounting Division, retires with 19 years and 1 month of service.

James Sams, Systems Construction Inspector II, Pipeline Construction Division, retires with 35 years and 11 months of service.

Joseph Shirriel, Utility Technician II, Utility Services South Division, retires with 33 years and 10 months of service.

Robert Williamson, Security Officer, Police and Homeland Security Office, retires with 24 years and 11 months of service.

Bremman Busby (present), Field Service Representative, Meter Services Division, retires with 29 years and 11 months of service.

Keith Busey (present), Field Meter Mechanic, Meter Services Division, retires with 27 years and 4 months of service.

Deborah Connors, Administrative Assistant II, Seneca / Damascus / Hyattstown Wastewater Treatment Plants, retires with 20 years of service.

James Cudmore (present), Fleet Technician, Fleet Services Division, retires with 30 years and 3 months of service.

Darryl Davis (present), Systems Construction Inspector II, Pipeline Construction Division, retires with 30 years of service.

David Dohm (present), Project Manager, Development Services Division, retires with 43 years and 9 months of service.

Joseph Greenfield, Utility Technician III, Utility Services South Division, retires with 24 years and 9 months of service.

Steven Proctor (present), Administrative Assistant I, Water/Wastewater Systems Assessment Division, retires with 31 years and 3 months of service.

Roland Ray (present), Plumbing Inspections Supervisor, Regulatory Division, retires with 30 years and 3 months of service.

Melissa Sawyer (present), Customer Care Support Application Developer, IT Applications & Development Division, retires with 30 years and 4 months of service.

Thais Vitagliano (present), Asset Management Program Division Manager, Asset Management Office, retires with 31 years and 9 months of service.

COMMISSIONER/PUBLIC COMMENTS

Commissioner Comments. Commissioners each welcomed Commissioner Bell to the Commission with Commissioner Denis stating how

pleased he is to finally see six Commissioners sitting on the dais, to which the Chair and others joined in agreement.

Public Comments. None.

GENERAL MANAGER'S REPORT

Monthly Report. 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 Commissioner questions and comments, the GM's Report was received as information.

INSPECTOR GENERAL REPORT

Monthly Activity Report. Inspector General ("IG") Arthur Elkins reported on the monthly activities of the Office of the Inspector General (OIG), for the month of November 2019. 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.

OIG Annual Report for Fiscal Years (FYs) 2019 and 2018. Mr. Elkins next provided the OIG's annual report for FYs 2019 and 2018, walking through a power point presentation provided in the advance materials. Specific details can be found in the corresponding segment of the archived meeting video and narrative report provided in the briefing materials. In summary, the OIG was established in October 2018 under Chapter 130 of the Maryland Annotated Code and provides policy direction for and conducts audits, investigations and management reviews of WSSC Water operations and programs. The OIG is independent from WSSC Water operations with the office reporting directly to the WSSC Water Board of Commissioners.

The Commission received the OIG Monthly and Annual Reports, as information.

OTHER REPORTS

General Counsel's Office (GCO)

Ethics Program Update. Ethics Program Activity Report for November 2019 was provided in advance materials. No questions were raised.

The Commission received the Ethics Program Update, as information.

Finance

Approval of 2020 Front Foot Benefit Rates and House Connection

Charges. Front Foot Benefit rates are charged to recover the cost of construction for smaller water and sewer lines for single family or health hazard applicants. House Connection rates are charged to recover the cost of construction for lines built from WSSC's water and sewer system to the applicant's property.

Management presented the rate calculations for the Proposed 2020 Front Foot Benefit Rates and House Connection Charges at last month's Commission meeting and is now before the Commission to request approval of such rates to become effective January 1, 2020. A public hearing for the proposed rates and charges was conducted on November 20, 2019 and no comments were made at the hearing. Additionally, no written testimony has been received to date.

Management is proposing that the Commission: 1) adopt the front foot benefit base per foot rates of \$4.00 for water and \$6.00 for sewer to be paid over a period of 30 years as presented at the Commission's November 20, 2019 meeting; 2) adopt water and sewer charges for unimproved and improved residential small size house connections as presented at the Commission's November 20, 2019 meeting and as contained in Attachment 1 of the Finance board materials on this item (incorporated herein by reference); and 3) adopt right of way water and sewer connection charges for 2020 which are consistent with current year charges as contained in Attachment 2 of the Finance board materials on this item (incorporated herein by reference).

Whereby, a motion was duly made by Commissioner Thompson and properly seconded by Commissioner Bayonet, to approve the 2020 Front Foot Benefit Rates and House Connection Charges, as proposed by management, to be effective January 1, 2020.

The motion carried unanimously with six affirmative votes.

Approval of FY 2021 Preliminary Proposed Budget for

Publication/Public Hearing Purposes. Chief Financial Officer (CFO) Patricia Colihan presented WSSC's preliminary proposed operating and capital budget for FY 2021 for publication/public hearing purposes (in order to allow the public the opportunity to comment). State law requires that the Commission publish, before January 15th, a proposed operating and capital budget for the upcoming fiscal year. Public hearings on the budget must then be held prior to February 15th, with submission of the proposed budget to the Counties by March 1st.

Public Hearings on WSSC's FY 2021 Preliminary Proposed Budget have been scheduled as follows:

Montgomery County - Monday, January 27, 2020 - 7:30 p.m.

Stella B. Werner Office Building, 7th Floor Hearing Room
100 Maryland Avenue, Rockville, Maryland 20850;

Prince George's County - Tuesday, February 4, 2020 - 7:30 p.m.

Prince George's County Department of the Environment,
Conference Room 140, 1801 McCormick Drive, Largo, Maryland 20774;

Inclement Weather Date: Wednesday, February 12, 2020 at 7:30 p.m.

Commission Hearing Room/Auditorium, WSSC, RGH Building, Laurel, MD.

Specific details on the proposed budget (for publication) can be found in the respective Finance board report contained in the board materials and incorporated herein by reference and the corresponding segment of the archived meeting video.

In summary:

The preliminary proposed budget for FY 2021 for all operating and capital funds totals \$1.462 billion (0.5% increase over FY 2020 budget); majority of budget covers operating expenses of approximately \$856.2 million with capital budget of \$606.7 million. Operating budget increase of 4.7% over FY 2020 primarily driven by holistic rehabilitation of the Piscataway basin to help address excess flows at the Piscataway WRRF and prevent permit violations; increased operating costs for this WRRF and debt service on infrastructure renewal. Capital budget reflects -5.0% decrease which is primarily result of construction progress on Trunk Sewer Reconstruction Consent Decree work and near completion of Brink Zone Water Storage improvements and Broad Creek Wastewater Pumping Station Augmentation project.

Budget provides for proposed/combined 7.0% average increase in water and sewer consumption revenue which meets the Spending Affordability Guidelines recommended by both counties.

Following discussion, on motion made by Commissioner Bell and seconded by Commissioner Denis, the Commission voted unanimously, six-to-zero, to approve for transmittal, publication and public hearing purposes, the Preliminary Proposed WSSC Operating and Capital Budget for Fiscal Year 2021, as recommended by management.

Information Technology (IT)

Monthly Project Cornerstone Update. Chief IT Governance Officer Stacey Chisholm along with Chief Strategy and Innovation Officer Jackie Vincent provided the monthly update on Project Cornerstone, reporting from a power point presentation contained in the advance materials and incorporated herein by reference.

Eight successful releases have been completed to Customer-to-Meter (C2M) and Mobile Workforce Management (MWM) since July 2nd

Go-Live date. One additional release planned for 2019. Challenges involve the performance of C2M/MWM during stabilization phase.

The Commission received the Cornerstone monthly update, as information.

General Services

Climate Change Vulnerability Assessment Adaptation and Mitigation

Plan (CCVAAMP) Briefing. Energy Manager Robert Taylor provided this briefing to the Commission reporting from a power point presentation contained in the advance materials and incorporated herein by reference. Mr. Taylor walked through contract scope and drivers, climate analysis and projections, facility vulnerability assessment and adaptation planning, Greenhouse Gas Reduction progress and FY 2020 tasks. Specific details can be found in the corresponding segment of the archived meeting video.

The Commission received the briefing as information.

IRO

Legislative Update. The Intergovernmental Relations Office (IRO) Team provided an update of IRO activities and proposed bills expected to move through the 2020 Legislative Session.

The Commission received the update as information.

Engineering & Construction (E/C)

E/C Construction Contract CP4231G05, Change Order No. 6, Broad Creek Augmentation Project, Broad Creek Pumping Station Improvements and Force Main. Chief Engineer Mike Harmer presented this construction contract for Commission approval.

Whereby, a motion was made by Commissioner Bayonet and seconded by Commissioner Bell, to approve Change Order No. 6 to E/C Construction Contract CP4231G05, Broad Creek Pumping Station Improvements and Force Main, to Norair Engineering Corporation, in the amount of \$377,788.00, for a total cumulative contract

amount of \$33,742,158.99, as requested and recommended by management.

The motion carried unanimously with six affirmative votes.

Human Resources (HR)

HR Contract 7313, Change Order No. 2, Staffing and Related Services. HR Director Todd Allen presented this contract for Commission approval which involves an expansion of the ACRO Staffing contract for additional temporary services. Specific details can be found in the interoffice memorandum dated December 2, 2019 from Mr. Allen to Commissioners, contained in the advance board materials.

Following discussion, a motion was made by Commissioner Bell and seconded by Commissioner Denis, to approve Change Order No 2 to HR Contract 7313, Staffing and Related Services, to ACRO Service Corporation, in the amount of \$700,000.00, for a total cumulative contract amount of \$1,076,452.00, as requested and recommended by management.

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, presenting from her report distributed to Commissioners in the advance materials. Highlights included, planning new Commissioner orientation with GM's office for new Commissioner Bell on December 11, 2019 and working with Procurement to procure services for Governance consultant to assist Board of Commissioners on board strategy, roles and responsibilities and Board Governance handbook.

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

WSSC Water Employees' Retirement Plan Board of Trustees.

Commissioner Foster reported on the recent meeting of the Retirement Plan Board of Trustees held on December 4, 2019. As of October 31, 2019, the Plan's assets were \$833.6 million which represents a year-to-date investment gain of \$114.2 million, or an increase of 15.8% from December 31, 2018 to October 31, 2019.

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

Governance & Strategic Visioning Committee. Commissioner Foster reported that the Commission has received and is reviewing proposals for a Governance Consultant to assist the Commission in developing the board's strategy, refining its role, creating a Governance handbook and advising on overall governance responsibilities. The Governance Committee expects to select candidates for interviews next month with a consultant hopefully on board by the beginning of February 2020.

The Commission received the report of the Governance Committee Chair, as information.

Legislative & Compliance Committee. No report.

Audit Committee. Audit Committee Chair Thompson reported that she had the opportunity to meet with the IG and his team last month which she found to be very informative. She also requested approval of the Audit Committee Minutes of November 20, 2019.

Whereby, a motion was made by Commissioner Thompson and seconded by Commissioner Foster, to adopt the Audit Committee Minutes of November 20, 2019. The motion carried unanimously with six affirmative votes.

Customer and Other Stakeholder Relations Committee. No report.

Innovation & Infrastructure Committee. Commissioner Bayonet provided an update on innovation projects being undertaken by WSSC management.

The Commission received the Innovation and Infrastructure Committee report as information.

Following the Committee reports, the Chair announced that the Open Session business had concluded and called for a motion to go into Closed. After noting his approval of the written closing statement, Chair Lawson called for a vote.

CLOSED SESSION

Whereby, at 1:18 p.m., Commissioner Denis moved and Commissioner Bell seconded, that the Commission go into Closed pursuant to Maryland Code Annotated, General Provisions Article, Title 3, Open Meetings Act, Subtitle 3, Open Meetings Requirements - Closed Sessions: Section 3-305(b) (13) to approve the October 16, 2019 Closed Session Minutes; Section 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 affecting one or more specific individuals.

The motion carried unanimously with six affirmative votes.

The Chair declared the meeting was closed at 1:18 p.m. The Commission then recessed for lunch.

Following lunch, the Commission reconvened in Closed Session in the Commission Office Large Conference Room, at 2:20 p.m.

ATTENDEES: Chair Chris Lawson, Vice Chair Eloise Foster, Commissioners Fausto Bayonet, Keith Bell, Howard Denis and Sandra Thompson. Staff present: Corporate Secretary Sheila Finlayson, HR Director Todd Allen.

Closed Session Minutes - On motion made by Commissioner Foster and seconded by Commissioner Bell, Commission voted unanimously 6-0, to adopt the closed session minutes of the October 16, 2019 regular meeting, as drafted.

Pending Litigation/Legal Advice. There was no legal report.

Personnel Matters. The Commission met in closed executive session with HR Director Todd Allen to discuss personnel matters. The Corporate Secretary was present for a portion of the discussion but was excused at 2:28 p.m. Mr. Allen was excused at 2:55 p.m., while Commissioners continued to meet in executive session without any members of management present.

At 4:37 p.m., Commissioner Foster moved to end the Closed Session. Commissioner Thompson 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 Foster moved to adjourn the meeting. Commissioner Thompson seconded the motion. The motion carried with six affirmative votes.

At 4:37 p.m., the meeting was declared, adjourned.

Respectfully submitted,

//signed//

Sheila R. Finlayson, Esq.
Corporate Secretary