

WASHINGTON SUBURBAN SANITARY COMMISSION

MINUTES OF THE COMMISSION MEETING

**Wednesday, April 17, 2019
Laurel, Maryland**

Chair T. Eloise Foster called the meeting to order at 10:05 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 ("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 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 Boulware 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.

AGENDA APPROVAL

Commissioner Boulware moved to adopt the Commission's Public Meeting Agenda of April 17, 2019, as drafted, to which Commissioner Denis 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 28, 2019 Regular Commission Meeting, as drafted.

Commissioner Boulware 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 2019:

Angela Lamot, Engineering Assistant IV, Water/Wastewater Assessment Division, retires with 33 years and 9 months of service.

Pamela McMillan, Customer Service Advocate, Customer Care Division, retires with 26 years and 6 months of service.

Tracy Bowers (present), Chief Water Plant Operator, Potomac Water Filtration Plant, retires with 33 years and 8 months of service.

Andre Martin (present), Utility Technician III, Utility Services Central Division, retires with 31 years and 10 months of service.

Clive Mattis (present), Division Manager, Utility Services South Division, retires with 27 years and 3 months of service.

Ralph Sweitzer (present), Plumbing Inspector, Regulatory Services Division, retires with 26 years and 6 months of service.

COMMISSIONER/PUBLIC COMMENTS

Commissioner Comments. The following comments were shared:

Chair Foster attended the Piscataway Bioenergy Project Open House in Accokeek, MD on April 10, 2019, along with Commissioners Boulware, Rogers, and GM Reid. This is an important \$250 million project that will turn sewage into renewable energy. Once completed, it will reduce WSSC's greenhouse gases by 15% and will save customers over \$3 million a year. While lightly attended, the event and presentations were informative with several WSSC staff members on hand to explain various aspects of the project.

Commissioner Denis recounted the horrific fire involving the Notre Dame Cathedral in France, asking that WSSC stand in solidarity with the French people in showing support. He also recognized the GM for standing strong on the Purple Line project and its impact to WSSC's water supply.

Public Comments. Two members of the public, Charles Small and Kevin Black, of the Washington Suburban Master Plumbers Association (WSMPA) addressed the Commission on the HomeServe USA contract renewal item on today's agenda, requesting that the Commission not renew due to HomeServe's recent acquisition of CroppMetcalf, a WSSC licensed local plumbing company regulated by WSSC, and the perceived conflict that now exists. Copies of their testimonies were provided to the Corporate Secretary and are incorporated herein by reference.

The Chair then announced that the Commission would convene into closed session to discuss the HomeServe agreement with counsel, thereby calling for a motion to go into closed after noting her approval of the written closing statement.

FIRST CLOSED SESSION

Whereby, at 10:24 a.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) (7), to consult with counsel to obtain legal advice regarding the HomeServe USA Agreement.

The motion carried by majority vote of five-to-one. Commissioner Denis voted against.

The Chair declared the meeting was Closed at 10:24 a.m. The Commission relocated from the Auditorium to the Commission Office Large Conference Room to conduct the closed session.

ATTENDEES: Chair Eloise Foster, Vice Chair Chris Lawson; Commissioners Fausto Bayonet, Omar Boulware and Thomasina Rogers.

Staff present: Corporate Secretary Sheila Finlayson, General Manager Carla Reid, Deputy General Counsel Russel Beers, Deputy General Manager (DGM) James Price, DGM Joseph Beach, DGM Monica Johnson, Associate Counsel Danny O'Connor, Chief of Staff Jackie Vincent, Customer Service Director Crystal Knight-Lee and Director of Communications Chuck Brown.

Following discussion, the Chair called for a motion to end closed session (11:06 a.m.).

On motion made by Commissioner Boulware and seconded by Commissioner Lawson, the Commission voted five-to-zero, with one absent, to end closed session. The motion carried.

OPEN SESSION RESUMED

The Commission took a short recess to relocate to the Commission Auditorium. The Commission reconvened in open session in the Commission Auditorium at 11:14 a.m., with all six Commissioners in attendance.

GENERAL MANAGER 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 the GM's briefing and Commissioner' questions, 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 March, 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.

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

OTHER REPORTS

GENERAL COUNSEL'S OFFICE (GCO)

Ethics Program Update. The Chair indicated the update was provided in the advance materials, asking if Commissioners had questions, to which none were raised.

The Commission received the Ethic Program Update for March 2019, as information.

Appointment of Labor Relations Administrator - Set Public Hearing Date for May 15, 2019 at 3:00 p.m. General Counsel Amanda Conn, provided the purpose for this agenda item, which is to set the public hearing date for the Appointment of the Labor Relations Administrator (LRA). The Public Utilities Code requires that a public hearing be held by the Commission prior to appointment of the LRA. Staff has recommended the date of Wednesday, May 15, 2019, for the hearing. The LRA mediates disputes between WSSC and its Union employees. Commissioners will receive information on the candidate that both the Union and management agree upon, prior to the hearing. The current LRA, whose term expired in February, has elected not to be reappointed.

Whereby, a motion was made by Commissioner Boulware, and seconded by Commissioner Rogers, to set the Public Hearing date relating to the Appointment of the Labor Relations Administrator, for Wednesday, May 15, 2019, at 3:00 p.m., in the WSSC Auditorium, with Commissioner Denis serving as the Hearing Officer. This action was taken to comply with the requirement that a hearing be held prior to appointment of the LRA.

The motion carried unanimously with six affirmative votes.

FINANCE

Set Public Hearing Dates for Proposed Fiscal Years (FYs) 2021-2026 Capital Improvements Program. Management is requesting that the Commission set dates for the WSSC Public Hearings on the Proposed FYs 2021-2026 Capital Improvements Program (CIP), as follows:

- Montgomery County - Wednesday, September 4, 2019; and,
- Prince George's County - Thursday, September 5, 2019.

Public comment period to remain open until Monday, September 16, 2019 and a notice of the public hearings will be included with all water bills sent to WSSC customers during June, July and August. A preliminary draft CIP document will be distributed by August 16, 2019. CIP must be transmitted to the Counties by October 1, 2019.

Whereby, a motion was made by Commissioner Bayonet, and seconded by Commissioner Boulware, to set the public hearing dates on the Proposed WSSC Capital Improvements Program (CIP) for Fiscal Years 2021-2026, as follows:

Montgomery County

Wednesday, September 4, 2019, 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 5, 2019, 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.

First Amendment to Retirement Plan for Expense Reimbursement.

Retirement & Investments Division Manager Richard Baker requested that the Commission approve an amendment to the WSSC Employees' Retirement Plan to allow for Plan expenses to be paid from the Trust and for the Commission to be reimbursed from the Trust for costs borne by it.

Following discussion, a motion was made by Commissioner Bayonet and seconded by Commissioner Lawson, to adopt the First Amendment to the WSSC Employees' Retirement Plan (restated and amended January 1, 2016), as presented and recommended by management, to be effective on July 1, 2019.

The motion carried unanimously with six affirmative votes.

Resolution 2019-2218 - Establishing Water Connection Pipe Emergency Replacement Loan Program. Management is requesting approval of Resolution 2019-2218, adding provisions to the WSSC's Code of Regulations to establish the Water Connection Pipe Emergency Replacement Loan Program. Commissioners received an informational briefing on this item at the March Commission Meeting. The Loan Program will provide loans to eligible customers to finance the replacement of leaking pipes located on residential property that connect from the WSSC service connection to the residential property.

Whereupon, a motion was made by Commissioner Boulware, and seconded by Commissioner Denis, to adopt Resolution 2019-2218, approving the regulation and adding said provisions to the WSSC Code of Regulations to establish the WSSC Water Connection Pipe Emergency Replacement Loan Program, as recommended by management, to be effective July 1, 2019.

The motion carried unanimously with six affirmative votes.

Resolution 2019-2219 - Authorizing Issuance of Water Quality Bond, Series 2019. Chief Financial Officer Patricia Colihan is requesting Commission approval of Resolution 2019-2219, authorizing the issuance of Water Quality Bond, Series 2019.

WSSC is utilizing the Maryland Quality Financing Administration's Water Quality Revolving Loan Program to finance a portion of the Piscataway Water Resource Recovery Facility (WRRF) Bio-Energy

Project, and the Board of Public Works has approved Loan No. 1 for this project. Loan requires a closing between the State and WSSC. The aforementioned Resolution will allow management to proceed with the closing of the loan in an amount not to exceed \$44,000,000 and authorizes the signing of closing documents, following approval.

Whereby, a motion was made by Commissioner Lawson, and seconded by Commissioner Denis, to adopt Resolution 2019-2219, authorizing the issuance of Water Quality Bond, Series 2019, in an amount not to exceed \$44 million, as recommended by management.

The motion carried unanimously with six affirmative votes.

INFORMATION TECHNOLOGY (IT)

Monthly Project Cornerstone Update. Chief Information Officer Vennard Wright, provided the monthly update, reporting from a power point presentation displayed at the meeting. Specific details can be found in the presentation handout and archived meeting video. In summary, Go-Live date has been moved to July 2nd for Release One. Down to zero critical defects as of last evening. Release Two critical path milestone dates have been developed, defects review meetings are being held daily, and the post production service desk set-up and other details are being finalized.

Following Commissioner questions, the Commission received the Monthly Project Cornerstone Update, as information.

Quarterly IT Update. Next, Mr. Wright provided the Quarterly IT Update, 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.

The Commission received the Quarterly IT Update, as information.

CUSTOMER SERVICE

HomeServe USA Contract Renewal. Monica Johnson, Deputy General Manager ("DGM"), Strategic Partnerships, and Crystal Knight-Lee, Director, Customer Service, reported on this item. The agreement is scheduled to automatically renew on May 17, 2019 unless WSSC notifies HomeServe of its intent not to renew the agreement, which must be given to HomeServe by no later than today, April 17, 2019. Management had previously recommended renewal of the agreement; however, in light of the recent events involving HomeServe's acquisition of CroppMetcalf, a local plumbing company that WSSC regulates, and the negative implications that could result from this relationship, management is recommending that the Commission vote not to renew the agreement and allow it to expire on May 16, 2019.

Whereby, a motion was made by Commissioner Rogers, and seconded by Commissioner Bayonet, to authorize management to notify HomeServe USA of WSSC's intent not to renew the HomeServe USA agreement, as recommended by management.

The motion carried unanimously with six affirmative votes.

Resolution 2019-2220 - Adopting Revisions to Chapter 3.25 of WSSC Code of Regulations - Billing and Collecting Water and Sewer Use Charges. Next, Ms. Knight-Lee requested Commission approval on the proposed new Regulation on Billing and Collecting Water and Sewer Use Charges, which will replace the current billing Regulation under Chapter 3.25 of the WSSC Code of Regulations. Briefing on this matter was presented to Commissioners at the March 20, 2019 Commission Meeting.

Whereupon, a motion was made by Commissioner Lawson, and seconded by Commissioner Bayonet, to approve Resolution 2019-2220, adopting revisions to Chapter 3.25 of the WSSC Code of Regulations relating to Billing and Collecting Water and Sewer Use Charges, as recommended by management, to be effective July 2, 2019.

The motion carried unanimously with six affirmative votes.

IRO

Legislative Update. Guy Andes, Government Affairs Manager, Intergovernmental Relations Office ("IRO"), provided a final update on WSSC-related bills that passed/failed during the 2019 Legislative Session. Specific details can be found in the legislative update handout contained in the advance materials, and incorporated herein by reference.

Following the briefing, the IRO report was received as information.

CONSENT CALENDAR*Contracts for Approval*

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

A motion was thereby made by Commissioner Bayonet, and seconded by Commissioner Lawson, to adopt Resolution 2019-2221, approving the two contracts included on the Consent Calendar for the April 17, 2019 Commission Meeting.

A. Engineering and Construction*Construction Contracts*

1. BT6212A17, Brandywine Road Transmission Water Main Replacement, to Rustler Construction, Inc., in the amount of \$3,693,284.00, with a completion time of 615 days.
2. PM5425A12, Parkway Basin Sanitary Sewer System Rehabilitation, IDIQ, ESA, to Inland Waters Pollution Control, in the amount of \$5,000,000.00, with three (3) year option term. Consent Decree work. Approval request is to exercise Option Term I.

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 the Corporate Secretary report distributed to Commissioners in the advance materials. The Corporate Secretary advised that the 2019 Commissioners' Engineering Scholarship Campaign launched on March 28, 2019. Essay theme involves "benefits of tap water;" application deadline is June 3, 2019. In addition to the essay, applicants must submit an introductory video and proof of residency, along with an official transcript and two letters of reference.

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

WSSC Employees' Retirement Plan Board of Trustees. Commissioner/Trustee Foster reported on the recent meeting of the Retirement Plan Board of Trustees held on March 27, 2019. As of February 28, 2019, the Plan's assets were \$796.4 million which represents a year-to-date investment gain of \$64.2 million or an increase of 8.7% from December 31, 2018 to February 28, 2019.

The Commission received the report as information.

Governance & Strategic Visioning Committee. No report.

Legislative & Compliance Committee. No report.

Audit Committee. No report.

Customer and Other Stakeholder Relations Committee. No report.

Innovation & Infrastructure Committee. No report.

The Chair announced that the Morning Open Session business had concluded and called for a motion to go into Closed for a second time. After noting her approval of the written closing statement, the Chair called for a vote.

SECOND CLOSED SESSION

Whereby, at 1:12 p.m., Commissioner Lawson moved and Commissioner Denis seconded, that the Commission go into Closed Session, pursuant to Maryland Code Annotated, General Provisions Article: 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.

The motion carried unanimously with six affirmative votes.

The Chair declared the meeting was Closed at 1:12 p.m. The Commission then took a lunch recess, with the Commission reconvening in Closed at 2:16 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: Corporate Secretary Sheila Finlayson, General Manager Carla Reid, General Counsel Amanda Conn, Deputy General Counsel Russel Beers, DGM James Price, DGM Joseph Beach, DGM Monica Johnson, Associate Counsel Claudia Koenig, Associate Counsel Danny O'Connor, Chief Engineer Mike Harmer, Chief of Staff Jackie Vincent and Director of Communications Chuck Brown.

Pending Litigation/Legal Advice - Commissioners were briefed by WSSC Counsel and management on confidential attorney/client privileged pending legal matters affecting the Commission.

The Commission authorized counsel to take legal action regarding a pending legal matter. The motion was made by Commissioner Denis and seconded by Commissioner Boulware, with unanimous vote of six-to-zero.

At 2:48 p.m., Commissioner Boulware moved to end the Closed Session. Commissioner Denis seconded the motion. The motion carried unanimously with six affirmative votes.

OPEN SESSION RESUMED

The Commission reconvened in Open Session at 2:48 p.m., to receive the two afternoon informational briefings from management, and to conduct a strategic planning worksession.

COMMUNICATIONS OFFICE

Branding Update. Communications Director Chuck Brown reported on this item, presenting from the handout contained in the advance materials. In summary, management presented three new logo options for the Commission's consideration. Chair requested that Mr. Brown provide Commissioners with associated costs. Management to follow-up.

The Commission received the update as information.

Communication Plan/Strategy for Rate Structure Implementation.

Next, Mr. Brown walked through the slides provided in the advance materials relating to the new rate structure and WSSC's communication strategy on rate changes to rate payers. He also shared new visuals being used in messaging.

The Commission received the briefing as information.

STRATEGIC PLANNING WORKSESSION

GM Reid led the Commission through a strategic planning worksession, presenting from power point contained in advance materials and engaging Commissioners and obtaining their feedback on management's thoughts on potential revisions to WSSC's strategic plan and current vision, mission, values and strategic priorities. This session follows engagement meetings that management conducted with employees on WSSC's strengths, opportunities, aspirations and results (SOAR analysis/comments), which Ms. Reid shared with Commissioners in obtaining their additional input.

Management to incorporate Commissioners' input into a revised strategic plan to present to Commission in June for vote. Will provide draft to Commission in May.

ADJOURNMENT

There being no additional business, the Chair called for a motion to adjourn, to which Commissioner Bayonet moved to adjourn the meeting. Commissioner Lawson seconded the motion. The motion carried with six affirmative votes.

At 4:39 p.m., the meeting was declared, adjourned.

Respectfully submitted,

//signed//

Sheila R. Finlayson, Esq.
Corporate Secretary