

WASHINGTON SUBURBAN SANITARY COMMISSION

MINUTES OF THE COMMISSION MEETING

**Wednesday, May 15, 2019
Laurel, Maryland**

Chair T. Eloise Foster called the meeting to order at 10:07 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 Deputy General Manager ("DGM") Monica Johnson (acting in General Manager ("GM") Carla Reid's absence), 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.

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 DGM Monica Johnson 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 May 15, 2019, as drafted, to which Commissioner Denis seconded the motion. The motion carried with five affirmative votes, one absent (Rogers).

APPROVAL OF MINUTES

Commissioner Bayonet moved to approve the open session minutes of the March 20, 2019 Regular Commission Meeting, as drafted. Commissioner Boulware seconded the motion. The motion carried with five affirmative votes, one absent (Rogers).

WSSC RETIREES

WSSC Retirement and Investments Division Manager Richard Baker recognized the following Retirees for the month of May 2019:

Rose Ciprich, Accounting Specialist, Disbursements Division, retires with 31 years and 10 months of service.

Cesar Garciaguirre, Utility Technician I, Utility Services West Division, retires with 24 years and 7 months of service.

Thomas Russell, Facility Technician I, Patuxent Water Filtration Plant, retires with 32 years and 2 months of service.

Donald Smith (present), Plumbing Inspections Supervisor, Regulatory Services Division, retires with 28 years and 5 months of service.

Franklin Taylor (present), Utility Technician III, Utility Services South Division, retires with 31 years of service.

COMMISSIONER/PUBLIC COMMENTS

Commissioner Comments. The following comments were shared:

Chair Foster, along with Commissioners Lawson, Bayonet and Denis, took time to recognize and thank departing Commissioners Omar Boulware and Thomasina Rogers, for their outstanding service, knowledge and expertise, which helped to make WSSC successful in its efforts during their tenure. Both will be stepping down at the end of the month due to the expiration of their respective terms.

Public Comments. There were no comments from the public.

GENERAL MANAGER REPORT

Monthly Report. DGM Monica Johnson (acting in GM Carla Reid's absence) provided the GM's 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 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 April 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. Ethics Program Activity Report for April 2019 was provided in advance materials. No questions were raised.

The Commission received the Ethics Program Update, as information.

Regulatory Change for Ethics Review of Financial Disclosure Statements. General Counsel Amanda Stakem Conn presented the proposed revisions to the WSSC Ethics Regulation, whereby the Ethics Officer will be charged with reviewing the annual financial disclosure statements for the Commission's direct reports (General

Manager, Inspector General and Corporate Secretary). Management to come back to Commission next month for approval.

The Commission received the briefing, as information.

Resolution 2019-2223 - Transmittal of Annual Ethics Report to Counties. Following the report out and discussion, a motion was made by Commissioner Lawson and seconded by Commissioner Denis, to adopt Resolution 2019-2223, approving the transmittal of the Annual Ethics Report for Calendar Year 2018 to the County Governments of Prince George's and Montgomery, as required by State law.

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

FINANCE

Business Investment & Growth (BIG) Program 2018 Annual Report.

Chief Financial Officer Patricia Colihan presented the 2018 Annual Report for the BIG program. In summary, the BIG program was initiated in February 2017 to assist community banks and local businesses. WSSC provided \$12 million deposit to six local community banks. The participating banks leveraged the deposits 2:1, thereby creating \$24 million in available funding for loans to local businesses. In the first year of operation, the BIG program generated \$90,000 of interest income with \$12,090,000 reinvested in 2018. With the 2:1 leverage, the respective banks lent over \$24 million for small and local business expansion in Prince George's

and Montgomery counties and the program supported the creation of an estimated 97 new jobs in 2018.

The BIG Program regulations were amended in January 2018 to maintain a competitive rate of return for WSSC's investments. The interest earnings for 2018 were projected to be double to earnings for 2017 and WSSC exceeded the projection with \$208,000 of interest earnings in 2018. Due to the program's success, WSSC has increased its investment in 2019 by 25 percent, expanding deposits to \$15 million and allowing participating banks the ability to loan \$30 million to local businesses this year.

Following Commissioner' questions, the Commission received the BIG Annual Report briefing, as information.

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 and incorporated herein by reference. Specific details can be found in the presentation handout and archived meeting video. Release One Go-Live date is on target for July 2, 2019; impact on existing business processes will be significant. Release Two - red level of risk; Budget/Schedule - yellow.

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

ENGINEERING AND CONSTRUCTION**WSSC FY 2018 Water Audit and Water Loss Reduction Plan Briefing.**

Planning Division Manager Thomas Hilton provided a briefing on the WSSC FY 2018 Water Audit and Water Loss Reduction Plan as well as current and proposed water loss reduction initiatives, reporting from a power point presentation displayed at the meeting and incorporated herein by reference. Specific details can be found in the presentation handout and archived meeting video.

In summary, of total water supplied for FY 2018, WSSC experienced total water losses of 17.6% with apparent losses (metering inaccuracies, theft, data errors) at 4.5% and real losses (system leakage) at 13.1%. Costs associated with water loss valued at \$17.5 million, with apparent losses at \$15.4 million and real losses totaling \$2.1 million. Included in the 17.6 water loss percentage is the historic number of water main breaks experienced in FY 2018.

Following Commissioner' questions, the Commission received the Water Loss briefing, as information.

CUSTOMER SERVICE

Customer Affordability Program Briefing. Director of Customer Service Crystal Knight-Lee, along with water affordability and conservation expert Jay Sakai, provided a briefing on the status of the Customer Affordability Program enhancements. Specific details can be found in the presentation materials and archived meeting video, and both are referred to for this purpose.

In summary, for the past six months, management has conducted a comprehensive evaluation of the Commission's affordability programs in collaboration with the affordability experts and will be recommending five program enhancements for FY 2020 in concert with the rate structure design change: 1) Leak Adjustment Regulation Change, 2) Water Fund Grant Increase, 3) Water Conservation Assistance, 4) Extended Payment Arrangements, and 5) Expansion of CAP Eligibility.

Management will provide further details at the June Commission Meeting, with request for Commission vote to approve Regulation changes at July 2019 meeting.

Following discussion, the Commission received the briefing as information.

CONSENT CALENDAR

Contracts for Approval

With no request to remove any contracts from the Consent Calendar, the Chair called for a vote.

Whereupon, a motion was made by Commissioner Boulware and seconded by Commissioner Denis, to adopt Resolution 2019-2222, approving the three contracts on the Consent Calendar for the May 15, 2019 Commission Meeting, as follows:

A. Engineering and Construction

Construction Contracts

1. CD5170B11, Piscataway Water Resource Recovery Facility (WRRF) Electrical Upgrades, to Ulliman Schutte Construction, LLC, in the amount of \$55,948,000.00, with a completion time of 925 days.

2. AM6402A17, Consolidated Lab Gas Storage Facility, to CPP Construction Company, Inc., in the amount of \$3,934,000.00, with a completion time of 365 days.

3. CP4231G05, Change Order No. 5, Broad Creek Improvements and Force Main, to Norair Engineering Corporation, in the amount of \$739,916.00.

The motion carried with four affirmative votes, two absent (Rogers, Lawson - left room momentarily).

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. 2019 Commissioners' Engineering Scholarship Campaign kicked off on March 28, 2019 with application submission deadline of June 3, 2019. No applications received as of yet however Corporate Secretary advised, not unusual as students tend to apply close to deadline. No questions were raised.

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

WSSC Employees' Retirement Plan Board of Trustees. Trustee Foster reported on the March 2019 investment results, noting that, as of March 31, 2019, the Plan's assets were \$800.8 million, which represents a year-to-date investment gain of \$73.4 million or an increase of 10.0% from December 31, 2018 to March 31, 2019.

The next meeting of the Retirement Plan Board of Trustees is scheduled for Wednesday, May 29, 2019.

The Commission received the report as information.

Governance & Strategic Visioning Committee. No report.

Legislative & Compliance Committee. No report.

Audit Committee - Adoption of March 20, 2019 Audit Committee Minutes. A motion was made by Commissioner Boulware and seconded by Commissioner Denis, to adopt the Audit Committee Minutes of March 20, 2019. The motion carried unanimously with five affirmative votes, one absent (Rogers).

Customer and Other Stakeholder Relations Committee. No report.

Innovation & Infrastructure Committee. No report.

Quarterly Audit Committee Meeting. The Commission officially convened in open session as an Audit Committee at 12:46 p.m. to conduct its quarterly meeting. Business related to the Audit Committee concluded at 1:13 p.m. Minutes of this proceeding are 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, the Chair announced that the Morning Open Session business had 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 1:14 p.m., Commissioner Boulware moved and Commissioner Lawson seconded, that the Commission go into Closed Session, pursuant to Maryland Code Annotated, General Provisions Article: Section 3-305(b)(13) to approve the March 20, 2019 Closed Session Minutes; and 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 five affirmative votes, one absent (Rogers).

The Chair declared the meeting was closed at 1:14 p.m. The Commission then took a lunch recess, with the Commission reconvening

in Closed at 2:15 p.m. in the Commission Office Large Conference Room.

ATTENDEES: Chair Eloise Foster, Vice Chair Chris Lawson, Commissioners Fausto Bayonet, Omar Boulware, Howard Denis. Staff present: Corporate Secretary Sheila Finlayson, General Counsel Amanda Conn, DGM James Price, DGM Joseph Beach, DGM Monica Johnson, Associate Counsel Heather Ashbury, Chief of Staff Jackie Vincent and Director of Communications Chuck Brown.

Closed Session Minutes - On motion made by Commissioner Boulware and seconded by Commissioner Bayonet, the Commission unanimously voted five-to-zero, to adopt the closed session minutes of its March 20, 2019 Regular Commission Meeting, as drafted.

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 settle a pending legal matter/claim by a vote of five-to-zero (Commissioner Lawson - mover; Commissioner Denis - seconder).

At 2:51 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

Strategic Planning Worksession. Management and Commissioners engaged in a second strategic planning work session; first one conducted in April. Management presented proposed changes to the strategic plan based off last month's discussion and feedback from Commissioners and employees. Management to present revised strategic plan with proposed changes to core values and strategic priorities, to Commission in June for vote.

ADJOURNMENT

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

At 3:30 p.m., the meeting was declared, adjourned.

Respectfully submitted,

//signed//

Sheila R. Finlayson, Esq.
Corporate Secretary