

WASHINGTON SUBURBAN SANITARY COMMISSION

MINUTES OF THE COMMISSION MEETING

**Wednesday, August 21, 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") 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, Howard A. Denis and T. Eloise Foster, were present at the meeting, reflecting 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 Lawson opened the meeting by welcoming everyone and asking Commissioner Bayonet 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 Bayonet moved to adopt the Commission's Public Meeting Agenda of August 21 2019, as drafted, to which Commissioner Foster seconded the motion. The motion carried unanimously with four affirmative votes.

Moment of Silence. The Chair, on behalf of Commissioners, requested a moment of silence to observe the recent passing of two of WSSC's former General Managers - John Brusnighan, passed away earlier this month and served as the GM from 1983 to 1985

and Andrew (Andy) Brunhart, passed in December 2018 and served as GM from 2005 to 2008.

APPROVAL OF MINUTES

Commissioner Foster moved to approve the open session minutes of the June 19, 2019 Regular Commission Meeting, as drafted.

Commissioner Bayonet seconded the motion. The motion carried unanimously with four affirmative votes.

WSSC RETIREES

Retirement & Investments Section Manager Laurie Watson recognized the Retirees for the month of August 2019, as follows:

Joseph Grim, Utility Technician III, Utility Services North Division, retires with 29 years and 6 months of service.

Patricia Green, Field Service Representative, Meter Services Division, retires with 26 years of service.

COMMISSIONER/PUBLIC COMMENTS

Commissioners Bayonet and Denis took an opportunity to publicly thank Montgomery County Executive Marc Elrich and the Montgomery County Council for reappointing them to the Commission for second terms, to which the Chair and Vice Chair congratulated both.

Commissioner Denis also shared his concerns with the critical attention the agency has received with respect to its rebranding initiative, requesting that Commissioners and management take heart to it. He also expressed appreciation to the work crew that attended to the recent water main break on East West Highway in Montgomery County.

Chair Lawson shared that he attended the annual MACo Conference last week in Ocean City, Maryland, and thought it went well.

Public Comments. There were no comments from the public.

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.

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 July 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.

The Commission received the OIG Report, as information.

OTHER REPORTS**General Counsel's Office (GCO)**

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

The Commission received the Ethics Program Update, as information.

FINANCE

Set Public Hearing Dates for FY 2021 Proposed Budget. Budget Division Manager Letitia Carolina-Powell recommended the Commission set the Public Hearing Dates for WSSC's Fiscal Year 2021 Proposed Budget at designated locations in the WSSC Sanitary District's two Counties of Montgomery and Prince George's.

Whereby, a motion was made by Commissioner Denis and seconded by Commissioner Bayonet, to set the Public Hearing Dates for WSSC's Fiscal Year 2021 Proposed Budget, as follows:

Montgomery County**Monday, January 27, 2020, at 7:30 p.m.****Stella B. Werner Office Building****7th Floor Hearing Room****100 Maryland Avenue, Rockville Maryland****Prince George's County****Tuesday, February 4, 2020, at 7:30 p.m.****Department of the Environment Building****Conference Room 140****1801 McCormick Drive, Largo, Maryland****Inclement Weather Backup Date****Wednesday, February 12, 2020, at 7:30 p.m.****WSSC Headquarters, RGH Building****14501 Sweitzer Lane, Laurel, Maryland****The motion carried unanimously with four affirmative votes.**

Spending Affordability Guidelines Briefing. Deputy General Manager ("DGM") for Administration Joseph Beach and Chief Financial Officer Patricia Colihan presented on the preliminary recommended FY'21 Spending Affordability Guidelines ("SAG") for WSSC and the long-term financial forecast for the WSSC Budget for FY'2021-2026.

Management walked through a power point presentation provided in the advance materials and incorporated herein by reference. Specific details can be found in the handout and the corresponding segment of the archived meeting video, and both are referred to for this purpose.

The SAG was established in 1994 by Resolution of both Councils and is based on a multi-year planning model to stabilize annual rate increases and limit rate supported debt service to less than 40% of the operating budget. Goal is to establish mutually acceptable limits with the Counties by November 1 of each year

for maximum average rate increase, debt service, new debt and total water and sewer operating expenses. Final Council-approved budget/rates can be above or below November limits. WSSC projecting potential FY 2021 budget rate impact of 8.0%.

Following significant discussion and questions from Commissioners, the SAG briefing was received as information.

Addendum to FY 2020 Approved Miscellaneous Fees and Charges

Schedule. Management reported that the fees schedule that Commissioners approved in June was missing certain meter fees and is requesting the Commission adopt an addendum to the FY 2020 approved miscellaneous fees and charges schedule.

Whereby, a motion was made by Commissioner Foster and seconded by Commissioner Bayonet, to approve an Addendum, as presented in the August 21, 2019 meeting materials, to the Fiscal Year 2020 Approved Miscellaneous Fees and Charges Schedule adopted at the June 19, 2019 meeting, as recommended by management.

The motion carried unanimously with four affirmative votes.

INFORMATION TECHNOLOGY (IT)

Monthly Project Cornerstone Update. Chief IT Governance Officer Stacey Chisholm provided the monthly update on Project Cornerstone, reporting from a power point contained in the advanced materials and incorporated herein by reference. Release One moving along well with three successful updates to C2M/MWM since Go-Live. Initial stabilization on target for 9/30/19 completion with full stabilization on target for 12/31/19 completion. Major issues identified since Go-Live have been resolved with issue remediation still in progress. Release Two is being paused to focus on Release One priorities. Lessons learned from Release One will be utilized upon implementation of Release Two.

The Commission received the monthly update, as information.

BOA 1111, Change Order No. 1, IT Customer Care and Billing Consulting and Integration Services. Management is requesting additional funding to support Cornerstone and extended stabilization phase.

A motion was made by Commissioner Foster, and seconded by Commissioner Bayonet, to approve Change Order Number 1 to IT BOA 1111, IT Customer Care and Billing Consulting and Integration Services, in the amount of \$3.5 million for Option Year Three, for a total cumulative contract value of \$48,500,000.00, as recommended by management.

The motion carried unanimously with four affirmative votes.

Utility Services Contract 1130 (P80016, P80332, P80333, P80334, P80335), Trunk Sewer and Manhole Inspection Services (Piscataway WRRF), Change Order No. 1. Management is requesting additional funding to support Consent Decree-mandated work.

A motion was made by Commissioner Bayonet and seconded by Commissioner Foster, to approve the award of Change Order Number 1 to Utility Services Contract 1130 for Trunk Sewer and Manhole Inspection Services, in the amount of \$3,953,595.00, for a total cumulative contract value of \$19,953,595.00, as recommended by management, to be distributed to the five Contract 1130 awardees, as follows: AECOM Technical Services, Inc. for \$793,555.00; Arcadis U.S., Inc. for \$811,021.00; Brown and Caldwell for \$761,764.00; Hazen and Sawyer, P.C. for \$847,641.00; and RJN Group, Inc. for \$739,614.00.

The motion carried unanimously with four affirmative votes.

CONSENT CALENDAR

Contract for Approval

A motion was made by Commissioner Bayonet and seconded by Commissioner Foster, to adopt Resolution 2019-2237, approving the sole contract on the Consent Calendar for this meeting -

Construction Contract BF5339B12, Potomac Water Filtration Plant Filter Air Scour Upgrades, in the amount of \$6,588,000.00, to W.M. Schlosser Company, Inc.

The motion carried unanimously with four 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. No questions were raised.

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

WSSC Employees' Retirement Plan Board of Trustees. Commissioner Foster reported on the June 2019 Investment Results, noting that, as of June 30, 2019, the Plan's assets were \$807.8 million, which represents a year-to-date investment gain of \$95.3 million or an increase of 13.1% from December 31, 2018 to June 30, 2019. The next meeting of the Retirement Plan Board of Trustees scheduled for Wednesday, September 25, 2019. No meeting in August.

The Commission received the report of the WSSC Employees' Retirement Plan Board, as delivered by Commissioner/Trustee Foster, as information.

Governance & Strategic Visioning Committee. No report.

Legislative & Compliance Committee. Commissioner Denis requested that IRO plan walkthroughs of the House and Senate buildings and offices during next session for Commissioners and staff to interact with delegations, noting he and the Corporate Secretary visited offices of certain delegates during the last session and found it to be very engaging and beneficial. He also made mention again of the WSSC Rebranding Initiative and the article

in *Maryland Matters* which referenced the logo and signage issues/contention back when the RGH building was first built in 1991, commenting that it would have been helpful for Commissioners to have been briefed on this historical information and the potential negative impact, in advance and prior to consideration of management's recommendation.

Audit Committee. Quarterly Meeting to take place after the Committee Reports.

Customer and Other Stakeholder Relations Committee. No report.

Innovation & Infrastructure Committee. No report.

The Committee reports were received as information.

Quarterly Audit Committee Meeting. The Commission officially convened as an Audit Committee at 12:28 p.m. Business related to the Audit Committee concluded at 12:38 p.m. Minutes of this proceeding are recorded separately and can be found in the Audit Committee Minutes, incorporated herein by reference.

The Chair then announced that the Morning 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 12:40 p.m., Commissioner Foster moved and Commissioner Denis seconded, that the Commission go into Closed Session, pursuant to Maryland Code Annotated, General Provisions Article: Section 3-305(b) (13) to approve the June 19, 2019 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 reports.

The motion carried unanimously with four affirmative votes.

The Chair declared the meeting was closed at 12:40 p.m. The Commission then took a lunch recess with the Commission reconvening in Closed at 1:52 p.m. in the Commission Office Large Conference Room.

ATTENDEES: Chair Chris Lawson, Vice Chair Eloise Foster, Commissioners Fausto Bayonet and Howard Denis. Staff present: General Manager Carla Reid, Corporate Secretary Sheila Finlayson, General Counsel Amanda Conn, Deputy General Counsel Russel Beers, Associate Counsel Heather Ashbury, Associate Counsel Danny O'Connor, Associate Counsel Stephanie Kinder, DGM Jay Price, DGM Joe Beach, Communications Director Chuck Brown and Customer Service Director Crystal Knight-Lee.

Closed Session Minutes - On motion made by Commissioner Foster and seconded by Commissioner Denis, the Commission unanimously voted 4-0, to adopt the closed session minutes of the June 19, 2019 regular meeting, as drafted.

Pending Litigation/Legal Advice - Commissioners were briefed by the General Counsel, members of her legal team and other staff on pending attorney/client privileged litigation and legal matters, affecting the Commission.

A motion was made by Commissioner Foster and seconded by Commissioner Denis, to authorize settlement of a pending WSSC legal claim, as recommended by counsel. The motion carried unanimously with four affirmative votes.

Personnel Matters. At 2:48 p.m., Commissioners met with General Counsel Amanda Conn, Deputy General Counsel Russel Beers and Associate Counsel Stephanie Kinder. The Corporate Secretary was not present during this meeting. Counsel departed at 3:32 p.m.

Commissioners continued to meet in executive session with the General Manager joining the meeting at 4:19 p.m. The General Manager departed at 6:00 p.m.

At 6:30 p.m., Commissioner Foster moved to end the Closed Session. Commissioner Denis seconded the motion. The motion carried unanimously with four 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 Denis seconded the motion. The motion carried unanimously with four affirmative votes.

At 6:30 p.m., the meeting was declared, adjourned.

Respectfully submitted,

//signed//

Sheila R. Finlayson, Esq.
Corporate Secretary