

**WASHINGTON SUBURBAN SANITARY COMMISSION**

**MINUTES OF THE COMMISSION MEETING**

**Wednesday, November 20, 2019  
Laurel, Maryland**

Chair Chris Lawson called the meeting to order at 10:04 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, 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 Thompson 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 November 20, 2019, as drafted, to which Commissioner Foster seconded the motion. The motion carried with five affirmative votes.**

**APPROVAL OF MINUTES**

**Commissioner Denis moved to approve the open session minutes of the September 18, 2019 Regular Commission Meeting, as drafted.**

**Commissioner Bayonet seconded the motion. The motion carried with five affirmative votes.**

#### **RETIREES**

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

Harold Martin, Welder/Fabricator, Facilities Maintenance Division, retires with 37 years and 5 months of service.

David Tomich, Contract Manager, Utility Services Department, retires with 33 years and 3 months of service.

Milton Holmes, Meter Reading Supervisor, Meter Services Division, retires with 35 years and 9 months of service.

Luis Mendez, Machinist, Facilities Maintenance Division, retires with 23 years and 7 months of service.

Laura Ruprecht (present), General Services Director, General Services Department, retires with 32 years of service.

Gary Staubs (present), Water O & M Technician III, Potomac Water Filtration Plant, retires with 29 years and 6 months of service.

Terry Ugwueke, Accountant I, Accounting Division, retires with 25 years and 2 months of service (October Retiree).

#### **COMMISSIONER/PUBLIC COMMENTS**

**Commissioner Comments.** Commissioner Thompson took a moment to thank the many staff members at various WSSC Water facilities that served as hosts during her tour of WSSC Water plants, taking time out of their schedules to help familiarize her to the many functions and operations of the agency.

Commissioner Denis shared feedback from the meeting he attended at Leisure World in Montgomery County, commending staff on the

excellent presentation provided to the residents on the new rate structure and other customer matters raised by the concerned residents. He also made mention of the Water Metering Briefing that was recently conducted by the City of Rockville, with WSSC Water invited, noting that although he was not able to attend, he thought the information circulated from the meeting contained a lot of good and helpful information.

Chair Lawson shared his pleasure in attending the bond rating meetings over the weekend in New York with management. He noted how well the meetings had gone and how impressed he was by the positive reception received from the agencies, acknowledging the WSSC Water team for the excellent preparation and outcome.

**Public Comments.** Richard Norair, Principal of the Norair Engineering Corporation, addressed the Commission, expressing concerns over the bid process for a contract that was on the meeting's agenda for approval by the Commission today (Little Anacostia Wastewater Pumping Station construction contract), stating that his firm was not selected even though his bid was substantially lower than the bid that was awarded. He also shared that he has operated in Prince George's County for 50 years and has worked on two large projects for WSSC Water under favorable conditions.

#### **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, 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 October 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 Monthly report, as information.**

**External Auditors' Fiscal Year 2019 Audit Results.** Sean Walker, Engagement Partner of the external auditing firm of Clifton Larson Allen LLP ("CLA"), provided a summary of the firm's audit of WSSC Water's financial statements for the year ended June 30, 2019. Mr. Walker reported from a power point presentation contained in the advance materials and incorporated herein by reference.

CLA performed audits of WSSC Water's comprehensive financial statements, Employees' Pension Plan and Retiree Other Post-Employment Benefits (OPEB) Plan and, issued unmodified (clean) opinions for each. Specific details can be found in the presentation handout and accompanying materials provided by CLA, and in the corresponding segment of the archived meeting video.

**Following Commissioner' questions, the Commission received the External Auditors' Annual Audit Report, as information.**

#### **OTHER REPORTS**

##### **General Counsel's Office (GCO)**

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

**The Commission received the Ethics Program Update, as information.**

#### **Finance**

**2020 Front Foot Benefit Rates and House Connection Charges Work Session.** Chief Financial Officer ("CFO") Patricia Colihan

presented the proposed rate calculations for the 2020 Front Foot Benefit Rates and House Connection Charges, 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 the corresponding segment of the archived meeting video and both are referred to for that purpose.

For the proposed 2020 front foot benefit rates, management is proposing maximum front foot benefit rates per foot of \$4.00 for water and \$6.00 for sewer, to be paid annually over a period of thirty years. For the proposed 2020 house connection charges, the proposed rates are included on a chart provided in the aforementioned presentation. No changes from current rates (improved and unimproved) for residential small-sized meters. No changes from current rates on right of ways (connections installed by plumbers).

A public hearing on the proposed rates is scheduled for this afternoon at 2:30 p.m. in the WSSC Water Auditorium. Record to remain open for public comments through December 17, 2019.

Proposed 2020 rates to be presented to Commissioners for approval at the December 18, 2019 Commission Meeting, with effective date of January 1, 2020.

**The Commission received the Briefing, on the Proposed Rate Calculations for the 2020 Front Foot Benefit Rates and House Connection Charges, as information.**

**Resolution 2020-2240 - Appointment of Members to WSSC Water Employees' Retirement Plan Board of Trustees.** Four vacancies exist on the Board due to term expirations of certain members. Three currently-serving members are eligible for reappointment and one is not. Management conducted interviews to replace the "employee member" representative who is no longer eligible to serve, and is recommending a replacement employee member for appointment, along with the three other currently-serving members that are up for reappointment. Details of the selection process

and management recommendations are provided in the submitted board materials incorporated herein by reference.

**Following discussion, a motion was made by Commissioner Foster and seconded by Commissioner Thompson, to adopt Resolution 2020-2240, appointing Patricia Colihan as an Employee Representative; reappointing Mark Brackett as an Employee Representative; reappointing Nathan Leshner as a Retiree Representative; and reappointing Sylvia Olivetti as a Public Member, all to the Board of Trustees of the Washington Suburban Sanitary Commission Employees' Retirement Plan, for terms as specified therein, as recommended by management.**

**The motion carried with five 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 presentation contained in the advance materials and incorporated herein by reference.

Seven successful releases have been completed to Customer-to-Meter (C2M) and Mobile Workforce Management (MWM) since July 2<sup>nd</sup> Go-Live date. Two additional releases planned for 2019. Challenges continue around increased employee workload from new billing system.

**The Commission received the Cornerstone monthly update, as information.**

**IT Update.** Chief Information Officer (CIO) Christopher Carter provided a brief IT update on his initial thoughts and assessment of the IT function since coming on board two months ago. He summarized key focus areas and plans to provide a more formal assessment during the next IT Quarterly Update, scheduled for January 2020. The CIO also will address Commissioner' questions concerning sensitive IT/cybersecurity information during today's closed session.

**The Commission received the IT Update as information.**

**IRO**

**Legislative Update.** Intergovernmental Relations Office (IRO) Director Karyn Riley provided an update of IRO activities and proposed bills expected to move through the 2020 Legislative Session, requesting the Commission's approval on management's recommendations and positions on certain legislation.

**Whereby a motion was made by Commissioner Thompson and seconded by Commissioner Bayonet, to take the positions recorded below on the following proposed legislation for the 2020 Maryland General Assembly Session, as recommended by management:**

- **PG/MC 102-20 - Bi-County Commissions - Annual Reports - Conflicts of Interest and Lobbying (Support with Amendments)**
- **PG/MC 103-20 - WSSC - Discrimination - Prohibited (Hold)**
- **PG/MC 105-20 - Income Tax - Subtraction Modification - MNCPPC and WSSC Police Force (Support).**

**The motion carried with five affirmative votes.**

**Engineering & Construction (E/C)**

**E/C Contract CP5926A15, Little Anacostia Wastewater Pumping Station.** Deputy General Manager ("DGM") James Price and Procurement Director Caprecia Poole-Williams presented this construction contract for Commission approval, providing an overview of the bid process to address Commissioner' questions and concerns noted by Mr. Norair who provided public comments earlier in the meeting. In summary, only two bids were received and only one of the two was evaluated on its price proposal; the other bidder did not meet technical requirements, so pricing was not opened/reviewed.

**Following Commissioner' questions and discussion, a motion was made by Commissioner Thompson and seconded by Commissioner**

**Bayonet, to approve Construction Contract CP5926A15, Little Anacostia Wastewater Pumping Station, to W.M. Schlosser Company, Inc., in the amount of \$5,441,880.00, with a completion time of 600 days, as requested and recommended by management.**

**The motion carried with five 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. Ms. Finlayson took a moment to express her appreciation to Commissioners, WSSC Water colleagues and others, for the many expressions of kindness extended during her family's recent bereavement in the loss of her brother.

**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 October 30, 2019. As of September 30, 2019, the Plan's assets were \$825.3 million which represents a year-to-date investment gain of \$100.9 million, or an increase of 13.9% from December 31, 2018 to September 30, 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 is requesting proposals for a Governance Consultant to assist the Commission in developing the board's strategy, refining its role and advising on overall governance responsibilities.



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

**Legislative & Compliance Committee.** No report.

**Audit Committee.** Quarterly meeting to be conducted following Committee reports.

**Customer and Other Stakeholder Relations Committee.** Chair Lawson requested to meet with CEO, IRO Director and Customer Service Director to exchange ideas around the purpose, focus and work of this Committee.

**Innovation & Infrastructure Committee.** No report.

**Quarterly Audit Committee Meeting.** The Commission officially convened in open session as an Audit Committee at 12:40 p.m. to conduct its quarterly meeting. Business related to the Audit Committee concluded at 12:50 p.m. Minutes of this proceeding were 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 the 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 his approval of the written closing statement, Chair Lawson called for a vote.

**CLOSED SESSION**

**Whereby, at 12:51 p.m., Commissioner Bayonet moved and Commissioner Foster 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 September 18, 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; Section 3-305(b) (15) to discuss cybersecurity, if the public body determines that public discussion would constitute a risk to: (i) security assessments or deployments relating to information resources technology; (ii) network security information, including information that is: 1) related to passwords, personal identification numbers, access codes, encryption, or other components of the security system of a governmental entity; 2) collected, assembled, or maintained by or for a governmental entity to prevent, detect, or investigate criminal activity; or 3) related to an assessment, made by or for a governmental entity or maintained by a governmental entity, of the vulnerability of a network to criminal activity; or (iii) deployments or implementation of security personnel, critical infrastructure, or security devices; Section 3-305(b) (3) to consider the acquisition of real property for a public purpose and matters directly related to the acquisition; and, Section 3-305(b) (1) to discuss personnel matters affecting one or more specific individuals.

The motion carried with five affirmative votes.

The Chair declared the meeting was closed at 12:51 p.m. The Commission then recessed for lunch.

Following lunch, the Commission reconvened in Closed Session in the Commission Office Large Conference Room, at 2:05 p.m.

ATTENDEES: Chair Chris Lawson, Vice Chair Eloise Foster, Commissioners Fausto Bayonet, Howard Denis and Sandra Thompson. Staff present: General Manager Carla Reid, Corporate Secretary Sheila Finlayson, DGM James Price, DGM Joseph Beach, DGM Monica Johnson, CFO Patricia Colihan, General Counsel Amanda Conn, Deputy General Counsel Russel Beers, Associate Counsel Claudia Koenig, General Services Director Al Roshdieh, Budget Division Manager Mark Brackett, CIO Christopher Carter, IT Division Manager Christine Grooby, IG Arthur Elkins, Assistant IG for Audit Maxene Bardwell and Internal Auditor Janice Hicks.

**Closed Session Minutes - On motion made by Commissioner Foster and seconded by Commissioner Denis, the Commission voted 5-0, to adopt the closed session minutes of the September 18, 2019 regular meeting, as drafted.**

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

**Acquisition of Real Property.** Management reported on a real property acquisition proposal it is considering that would benefit WSSC Water.

**The Commission authorized management to negotiate on the proposal.**

**Mmes. Colihan, Koenig, and Messrs. Roshdieh and Brackett departed following this briefing, at 3:20 p.m.**

**CIO Chris Carter and IT Division Manager Christine Grooby joined the meeting at this juncture, 3:25 p.m.**

**Cybersecurity Briefing.** The Commission received a cybersecurity briefing from CIO Carter in response to questions raised by Commissioners on WSSC Water's cybersecurity and related risks.

**Following this briefing, Mmes. Reid, Johnson, Conn and Grooby, departed, along with Messrs. Beach, Price, Beers and Carter.**

**IG Arthur Elkins, Assistant IG for Audit Maxene Bardwell and Internal Auditor ("IA") Janice Hicks, joined the meeting at this juncture, 4:15 p.m.**

**Personnel Matters.** The Commission met in closed executive session to discuss personnel matters. The Corporate Secretary was present for a portion of the discussion, along with IG Elkins, Assistant IG for Audit Bardwell and IA Hicks.

At 5:00 p.m., Mmes. Finlayson, Bardwell and Hicks, and Mr. Elkins, were excused while the Commission continued to meet in executive session.

At 6:15 p.m., Commissioner Foster moved to end the Closed Session. Commissioner Denis seconded the motion. The motion carried with five 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 with five affirmative votes.

At 6:15 p.m., the meeting was declared, adjourned.

Respectfully submitted,

//signed//

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Sheila R. Finlayson, Esq.  
Corporate Secretary