

WASHINGTON SUBURBAN SANITARY COMMISSION

MINUTES OF THE COMMISSION MEETING

**Wednesday, June 17, 2020
Laurel, Maryland**

Chair Chris Lawson called the virtual¹ meeting of the Washington Suburban Sanitary Commission (hereinafter "WSSC Water"), 14501 Sweitzer Lane, Laurel, Maryland, 20707, to order at 10:07 a.m., 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 virtually, 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 Bell to lead the pledge of allegiance.

Following the pledge, the Chair asked General Manager 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 June 17, 2020, as drafted, to which Commissioner Foster seconded the motion. The motion carried unanimously with six affirmative votes.

¹ Virtual meeting conducted due to the global COVID-19 pandemic and public health emergency. Stay-at-Home Orders in place in Maryland as well as all other parts of the region and country.

APPROVAL OF MINUTES

Approval of the Minutes was deferred until next month.

WSSC RETIREES

Retirement & Investments Division Manager Richard Baker recognized the Retirees for the months of June 2020, reporting from a power point presentation displayed at the meeting reflecting the Retirees' names and photos. Retirees' information can be found in the archived meeting video and presentation, incorporated herein by reference.

OUTGOING CHAIR RECOGNITION

Recognition of Outgoing Chair Chris Lawson. Commissioner Foster recognized outgoing Chair Chris Lawson, thanking him for his excellent leadership over the past year and especially during a time when lives have been changed dramatically as a result of the public health emergency/global pandemic. Full remarks can be found in the corresponding segment of the archived meeting video.

Outgoing Chair Remarks. After thanking his colleagues for the recognition, Chair Lawson highlighted significant accomplishments that WSSC Water had achieved during his chairmanship, to include upgrading to a new billing system and implementing a new rate structure, among other things. Past Chair's full remarks can be found in the corresponding segment of the archived meeting video.

ELECTION OF FY 2021 CHAIR

Chair Lawson called for nominations for Chair of the Commission for FY 2021.

Whereupon, a motion was duly made by Commissioner Lawson and properly seconded by Commissioner Thompson, to nominate Commissioner Howard Denis as the Chair of the Commission for FY 2021.

The motion carried with a vote of five-to-zero, and one abstention (Commissioner Denis abstained from the vote).

Past Chair Lawson congratulated new Chairman Denis, officially passing the gavel to him.

New Chairman Howard Denis is now presiding over the meeting.

New Chair Remarks. Chairman Denis thanked Commissioners and his County Executive Marc Elrich for their confidence and support, sharing how he envisions "navigating through the new normal" as Chairman of WSSC Water for the next fiscal year. Chairman Denis's full remarks can be found in the corresponding segment of the archived meeting video.

ELECTION OF FY 2021 VICE CHAIR

Chairman Denis called for nominations for Vice Chair.

Whereby, a motion was made by Commissioner Bayonet, to nominate Commissioner Keith Bell as the Vice Chair of the Commission for FY 2021. Commissioner Thompson seconded the motion, which carried with five affirmative votes and one abstention (Commissioner Bell abstained from the vote).

Chairman Denis congratulated Commissioner Bell on his election as Vice Chair.

FY 2021 COMMISSION MEETING DATES

Resolution 2020-2252. A motion was made by Commissioner Foster and seconded by Commissioner Lawson, to approve Resolution 2020-2252, adopting the Commission Meeting Dates for FY 2021, as follows: July 15, 2020; August 19, 2020; September 16, 2020; October 21, 2020; November 18, 2020; December 16, 2020; January 20, 2021; February 17, 2021; March 17, 2021; April 21, 2021; May 19, 2021; and, June 16, 2021.

The motion carried unanimously with six affirmative votes.

COMMISSIONER COMMENTS

Vice Chair Bell, along with Chairman Denis, thanked Commissioner Foster for her leadership as Vice Chair for the past fiscal year.

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 Monthly Report was received as information.

Annual Review of WSSC Strategic Plan. Chief Strategy and Innovation Officer Jaclyn Vincent provided an update on WSSC Water's strategic plan adopted by the Commission in June 2019, reporting from a power point presentation contained in the advance materials and incorporated herein by reference. Management has developed key strategic initiatives to drive achievement of the plan which management summarized. Specific details relating to the Strategic Roadmap, can be found in the presentation handout and corresponding segment of archived meeting video.

The Strategic Plan update 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 May 2020. 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 May 2020 was provided in advance materials. No questions were raised.

The Commission received the Ethics Program Update, as information.

FINANCE

Front Foot Benefit Charges and Deferred House Connection Charges for the 2020 Assessment Levy. The purpose of Levy 2020 is to

assess front foot benefit charges (FFBC) against properties benefitted and/or served by water and sewer mains or deferred house connections (HC) built by WSSC Water. The assessments, authorized by Maryland Law, are levied to recover WSSC Water's cost of constructing water and sewer mains and service connections. The 2020 Levy was comprised of 342 Notices mailed in April and May to affected customers in Prince George's and Montgomery County. In accordance with the Public Utilities Article, Section 25-204, the property owners were informed in writing of the amount of the assessment and provided an opportunity to appeal before a WSSC Water Commissioner. The informal FFBC Appeals Hearing date was to be proposed for a date in May; however, no customers have requested hearings. Management is therefore recommending approval of the 2020 FFBC Levy, comprised of 342 un-appealed assessments.

Whereupon, a motion was made by Commissioner Lawson and seconded by Commissioner Foster, to approve the Front Foot Benefit Charges and Deferred House Connection Charges for the 2020 Assessment Levy.

The motion carried unanimously with six affirmative votes.

Resolution 2020-2253 - Adoption of WSSC Water FY 2021 System Development Charge (SDC). This proposed resolution increases the maximum allowable charge while keeping the rates to be actually charged unchanged for FY 2021. However, management is recommending, with the County Councils' concurrence, that the maximum allowable SDC be increased by 1.2% from FY 2020 limits,

in order to maintain future rate flexibility for potential future growth funding gaps.

Whereby, Commissioner Bayonet moved, and Commissioner Lawson seconded, that the Commission approve Resolution 2020-2253, adopting the System Development Charge (SDC) Rates and Fee Schedule, as stipulated in said Resolution, for FY 2021, to be effective July 1, 2020.

The motion carried unanimously with six affirmative votes.

Resolution 2020-2254 - Adoption of WSSC FY 2021 Rates and Fees.

Management is recommending approval of the FY 2021 Water and Sewer Rate Schedules and Charges and Miscellaneous Fees and Charges for FY 2021, as contained in Appendices A-D of the proposed Resolution.

Whereby, a motion was made by Commissioner Bayonet and seconded by Commissioner Thompson, to approve Resolution 2020-2254, adopting the proposed FY 2021 Water and Sewer Rates and Fees and Miscellaneous Fees and Charges' Schedules, to be effective July 1, 2020, as recommended and presented on this date by management.

The motion carried unanimously with six affirmative votes.

Resolution 2020-2255 - Adoption of WSSC Water's FY 2021 Operating and Capital Budget.

This item acknowledges the joint action of the two County Councils on May 7, 2020, in approving the proposed FY 2021 \$1.455 billion WSSC Water Operating and Capital Budget in accordance with Public Utilities Article, Section 17-202 of the Annotated Code of Maryland. Section 17-202 requires WSSC Water to adopt an Operating and Capital Budget after the County Councils' action on said budget by July 1 of each year. Management is thereby recommending approval.

Whereby, Commissioner Bayonet moved, and Commissioner Lawson seconded, that the Commission approve Resolution 2020-2255,

adopting WSSC Water's FY 2021 Operating and Capital Budget of \$1.455 billion, to be effective July 1, 2020.

The motion carried unanimously with six affirmative votes.

Resolution 2020-2256 - Adoption of WSSC Water's Six-Year CIP for FYs 2021-2026. This item, with combined program totaling \$5,547,775,000, was jointly approved by the Prince George's and Montgomery County Councils on May 7, 2020 and reflects the final modifications approved by both Counties in their respective resolutions. Maryland Law requires WSSC Water to adopt the CIP before the beginning of the first fiscal year of the program. Six Year program totals \$3,703,130,000 with FY 2021 budget year total of \$615,005,000. Management is requesting approval.

Whereby, Commissioner Lawson moved that the Commission approve Resolution 2020-2256, adopting WSSC Water's Six Year CIP, as amended, for FYs 2021-2026, to be effective July 1, 2020.

Commissioner Foster seconded. The motion carried unanimously with six affirmative votes.

Approval of Debt Refunding Plan and Transmittal to Counties.

Management presented a bond/debt refunding plan, prepared by WSSC Water's independent financial advisors WYE River Capital, Inc., for Commission approval to transmit to both County governments for subsequent approval. The Plan assists WSSC in identifying opportunities to refinance outstanding debt.

Following discussion, a motion was made by Commissioner Lawson and seconded by Commissioner Thompson, to adopt the Debt Refunding Plan as proposed, for transmittal to the County Governments of Prince George's and Montgomery for approval, in accordance with the Washington Suburban Sanitary District (WSSD) Code.

The motion carried unanimously with six affirmative votes.

Resolutions to Authorize Issuance of Public Improvement Bonds.

Management is seeking approval to issue debt in Fiscal Year 2021 to fund capital improvement projects for the construction of water supply facilities and large transmission mains, sewage disposal facilities and large collection mains and WSSC Water-built water/sewer pipes in subdivisions. A portion of the debt may be realized through the State of Maryland Revolving Loan Program and through WSSC's Multi-Modal Note Program with the balance to be obtained through a competitive bid process as authorized by State law.

Resolution 2020-2257 - Authorization Providing for Issuance, Sale, Delivery and Publication of Notice of Sale, of Water Supply Bonds, Sewage Disposal Bonds and General Construction Bonds and Providing for Consolidation of Such Bonds for Issuance, Sale and Delivery as a Single Issue of Bonds.

On motion made by Commissioner Thompson, and seconded by Commissioner Bayonet, the Commission voted unanimously six-to-zero, to adopt Resolution 2020-2257, authorizing and providing for the issuance, sale, delivery and publication of notice of sale, of Water Supply Bonds, Sewage Disposal Bonds and General Construction Bonds, and providing for the consolidation of such bonds for issuance, sale and delivery, as a single issue of bonds, as stipulated in the aforementioned Resolution.

INFORMATION TECHNOLOGY (IT)

Monthly Project Cornerstone Update. Chief IT Governance Officer Stacey Chisolm and Cornerstone Project Manager Anthony Ferrara, 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.

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

ENGINEERING AND CONSTRUCTION

WSSC Water FY 2019 Water Audit and Water Loss Reduction Plan

Briefing. Chief Engineer Mike Harmer and Planning Division Manager Thomas Hilton provided a briefing on the FY 2019 Water Audit and Water Loss Reduction Plan, 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 2019, WSSC experienced total water losses of 18.2%, with estimated apparent losses (metering inaccuracies, theft, data errors) at 4.6% and estimated real losses (system leakage) at 13.6%. Costs associated with water loss valued at \$17.9 million, with apparent losses at \$15.8 million and real losses totaling \$2.1 million.

Following discussion, the Commission received the Water Loss Briefing, as information.

EEO

Proposed EEO and Anti-Harassment Regulations. EEO Officer Don King presented the proposed EEO regulations, walking through a power point presentation contained in the advance materials. Such regulations are being proposed to reflect changes in the law and to update and upgrade other provisions of previous WSSC Water Standard Procedures. Specific details can be found in the meeting materials and archived meeting video. Mr. King to come back next month for Commission vote.

The Commission received the briefing as information.

HUMAN RESOURCES**Contract 1133, Temporary Personnel Services, Option Term No. 2.**

HR Director Todd Allen presented management's request to exercise Option Term 2 of Contract 1133, Temporary Personnel Services, for a one-year term, with no additional funding. The Commission approved Option Term 1, in the amount of \$3 million in June 2019, and Change Order No. 1, in the amount of \$5 million in October 2019. The remaining balance of unspent funds from Option Term 1

and Change Order 1 of \$4 million is sufficient to perform the services under Option Term 2. The original contract was approved in June 2016, with a base term amount of \$7 million and two (2) one-year options, to three vendors: 1st Choice, ABSS Solutions and JuneGem Technologies.

Following discussion, a motion was made by Commissioner Foster and seconded by Commissioner Lawson, to approve management's request to exercise Option Term 2 to HR Contract 1133, for Temporary Personnel Services, for a one-year term, with no additional funding required, as recommended by management.

The motion carried unanimously with six affirmative votes.

CONSENT CALENDAR

Contracts for Approval

A motion was made by Commissioner Thompson and seconded by Commissioner Bell, to adopt Resolution 2020-2259, approving the three contracts included on the Consent Calendar for June 17, 2020 Commission Meeting, as follows:

A. Engineering and Construction

Construction Contracts

1. BF6405A17, Potomac Water Filtration Plant High Zone Pumps 7 and 8 LCI Drives Replacement, to W.M. Schlosser Company, Inc., in the amount of \$2,377,000.00, with a completion time of 406 days.
2. CP4231G05, Change Order No. 7, Broad Creek Pumping Station Improvements and Force Main, to Norair Engineering Corporation, in the amount of \$780,726.00, for a total cumulative contract amount of \$34,522,884.99.

B. Utility Services

1. Contract 7138, On Call Emergency Plumbing Services, Option Term 1, to L.E. Diggs Plumbing and Heating, LLC and Joseph Heil Company, Inc., in the amount of \$1,400,000.00, for two-year term, for total cumulative contract value of \$4,150,000.00. Each contractor to receive \$700,000.00 in the Option Term.

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. No questions were raised.

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

WSSC Employees' Retirement Plan Board of Trustees. Commissioner Lawson reported on the April 2020 investment results, noting that, as of April 30, 2020, the Plan's assets were \$742.3 million, which represents a year-to-date loss of \$94.8 million or a decrease of 11.1% from December 31, 2019 to April 30, 2020.

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

Governance & Strategic Visioning Committee. Commissioner Foster provided an update on the Governance consultancy and project that is currently underway to assist Commissioners in defining roles/responsibilities, board strategy and developing a Governance handbook.

The Commission received the report as information.

Legislative & Compliance Committee. IRO Director Karyn Riley provided a brief update, noting that this year's MACo Conference will be conducted virtually via online sessions to be offered.

The Commission received the report as information.

Audit Committee. No report.

Customer and Other Stakeholder Relations Committee. No report.

Innovation & Infrastructure Committee. No report.

The Committee reports were received as information.

Committee Appointments for FY 2021. Chairman Denis to share his appointments next month after conferring with his fellow Commissioners.

Chairman Denis 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, Chairman Denis called for a vote.

CLOSED SESSION

Whereby, at 1:45 p.m., Commissioner Bayonet moved, and Commissioner Bell seconded, that the Commission go into Closed Session, pursuant to Maryland Code Annotated, General Provisions Article: Section 3-305(b) (13) to approve the April 15, 2020 Closed Session Minutes and Section 3-305(b) (3) to consider the acquisition of real property for a public purpose and matters directly related to the acquisition.

The motion carried unanimously with six affirmative votes.

Chairman Denis declared the meeting was closed at 1:45 p.m.

The Chairman then called for a lunch recess. Closed Session reconvened at 2:52 p.m.

ATTENDEES: Chairman Howard Denis, Vice Chair Keith Bell; Commissioners Fausto Bayonet, Eloise Foster, Chris Lawson and Sandra Thompson. Staff present: Corporate Secretary Sheila Finlayson, GM Carla Reid, General Counsel Amanda Conn, General Services Director Al Roshdieh, Deputy General Manager (DGM) Jay Price, Associate Counsel Claudia Koenig, DGM Monica Johnson and DGM Joe Beach.

Closed Session Minutes - Approval of minutes deferred until next month.

Acquisition of Real Property. Commissioners and the GM and her designated team discussed management's request to acquire real property located at 14400 Sweitzer Lane.

At 4:31 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

Resolution 2020-2260 - Authorization for Purchase of Property at 14400 Sweitzer Lane (Customer Resource Building).

On motion made by Commissioner Thompson and seconded by Commissioner Bayonet, the Commission unanimously voted six-to-zero, to amend the Agenda to remove this item from the agenda.

ADJOURNMENT

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

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

Respectfully submitted,

Sheila R. Finlayson, Esq.
Corporate Secretary