

WASHINGTON SUBURBAN SANITARY COMMISSION

BOARD OF ETHICS

OPEN MEETING MINUTES

Thursday, June 8, 2017
Laurel, Maryland

The Board of Ethics ("Board") met in the Commissioners' Conference Room at the Washington Suburban Sanitary Commission, 14501 Sweitzer Lane, Laurel, Maryland pursuant to the Md. Code Ann., General Provisions § 3-101(g).

Chair Pruden called the meeting to order at 2:05 p.m. with the following members present:

George Pruden, II, Chair – (via telephone)
Dr. Steven Hausman, Member
Robert Moore, Member
Lorielle Pankey, Alternate Member – (via telephone)

Also present:

Joseph Beach, Chief Financial Officer
Maxene Bardwell, Director of Internal Audit
Angelique Dorsey, Ethics Officer
Lucretia Morris, Administrative Professional

Heather Ashbury, Associate Counsel arrived at 2:25 p.m.

Chair Pro Tem

Due to Mr. Pruden joining the meeting via telephone, a Chair Pro Tem was selected in accordance with Board of Ethics Rules of Procedure Article III, Sec. A.6. On motion of Mr. Moore, seconded by Mr. Pruden, the Board voted 3-0 (Moore, Pruden, and Pankey) to elect Dr. Hausman to serve as Chair Pro Tem for this meeting.

Executive Leader Meetings

The Board met with Joseph Beach, Chief Financial Officer. By way of background, he stated that he joined the WSSC 11 months ago and has many years of financial experience. Prior to joining WSSC, Mr. Beach served in various roles within Montgomery County government, including as Finance Director.

The finance office at WSSC has 5 divisions:

- 1) Accounting – maintains the financial books and records
- 2) Budget – handles the operating and capital budgets
- 3) Disbursements – processes invoices & payments in Accounts Payable and Payroll handles time and attendance, W-2's, & employee payouts (i.e., retirement and leave)
- 4) Revenue - processes deposits for bill payments and other revenue payments
- 5) Retirement – handles the employee trust fund and retirement of employees

The finance office at WSSC has a staff of approximately 65 people. The finance office handles approximately \$740 million in the overall operating budget for water and sewer; and \$650 million in the Capital budget. The total annual budget is \$1.4 billion. Mr. Beach highlighted a few items in progress:

- 1) **Water & Sewer Rate Study** – WSSC is working with consultants Black & Veatch to review the current rate structure and proposed alternative rate structures. WSSC has met with the Customer Feedback Community) and obtained two recommendations for structuring the rates.
 - a. Single volume rate
 - b. 4-tiered declining block rate

WSSC has conducted four public meetings and two more are planned with the communities in Prince George's and Montgomery counties to obtain feedback regarding the cost of service study and rate structure.

- 2) Expediting invoice payments through the Oracle system**
- 3) Updating the Procurement system through Oracle**
- 4) Working on Fiscal Year 2019 Budget**

Regarding ethics issues that may arise involving the Finance Department, Mr. Beach noted that there could possibly be concerns with vendors and vendor relationships. He and his staff recognize the need to remain objective and he also noted that contracts are subject to the competitive bid process.

Mr. Beach left the meeting at 2:20 p.m.

Approval of Minutes

The Board discussed the draft Open Session meeting minutes from May 11, 2017 and suggested minor changes.

On motion of Mr. Moore, seconded by Mr. Pruden, three members of the Board (Moore, Pruden, and Hausman) voted to approve the Open Session meeting minutes.

Matters of Discussion

Ethics Office Monthly Report

Ms. Dorsey provided highlights of the Ethics Office activities for the month of May 2017. She reported that she provided input on risks as part of the Internal Audit Department's (IAD) 2017 Risk Assessment and participated in the IAD's International May Awareness Month Open House. Ms. Bardwell also provided an overview of the IAD International May Awareness Month Open House. Additionally, Ms. Dorsey reported that she performed ethics advisory services related to 7 matters:

- a) Employee Restrictions (former employee) - 1,
- b) Gifts - 1; and
- c) Financial Disclosures & Conflicts of Interest statements – 5

Ms. Dorsey conducted Ethics training for thirteen (13) employees on May 22, 2017, during new employee orientation.

Outside Employment Policy (Draft)

Ms. Dorsey requested comments on the draft policy that she circulated at the May meeting. The members requested a “Word” version to input their comments directly into the document. These edits will be discussed at a future meeting.

Proposed Changes to the Code of Ethics

Ms. Dorsey stated that she will continue to include this item on the agenda, regardless of whether there are changes proposed, as discussed at the May meeting. The Board anticipates discussing any changes at the July meeting. Once changes have been agreed upon, they will be presented to the Commissioners for review and approval.

Informational Items

Fraud, Waste & Abuse (FW&A) Hotline Activity Reports

Ms. Bardwell gave an overview of the Executive Summary and Incident Report from the May 2017 FW&A Hotline Monthly Activity Reports. She stated that four (4) new reports were received during the relevant period involving the following allegations: one (1) Conflicts of Interest, two (2) Fraud, and one (1) Theft of Goods/Services.

Delinquent Financial Disclosure Filer(s)

Ms. Dorsey stated there are none to report at this time.

Closed Session Approval

At 2:36 p.m., upon the motion of Mr. Moore and seconded by Mr. Pruden, three members of the Board (Moore, Pruden, and Hausman) voted to enter into Closed session pursuant to General Provisions Article § 3-305(b)(13) to approve May 11, 2017 Closed Meeting Minutes; General Provisions Article § 3-305(b)(13) and Code of Ethics § 2-7 to address two Complaints and one Advisory Opinion, and Article § 3-305(b)(7) to obtain legal advice regarding two Complaints and one Advisory Opinion.

Attendees: Chair Pro Tem Steven Hausman; Members George Pruden and Robert Moore; and Alternate Member Lorie Pankey. Staff present: Ethics Officer Angelique Dorsey; Internal Audit Director Maxene Bardwell; Associate Counsel Heather Ashbury; and Administrative Professional Lucretia Morris.

Approval of May 11 2017 Closed Session Meeting Minutes

The Board reviewed the draft Closed Session meeting minutes from May 11, 2017. On motion of Mr. Moore, seconded by Mr. Pruden, three members of the Board (Moore, Pruden, and Hausman) voted to approve the Closed Session meeting minutes with minor changes.

Complaint 16-03

Ms. Dorsey provided the Board with an update on this matter. On motion of Mr. Moore, seconded by Mr. Pruden, three members of the Board (Moore, Pruden, and Hausman) agreed to move forward to a hearing on this case. The Board requested Ms. Ashbury to prepare the necessary paperwork for scheduling the hearing and public notice.

Complaint 17-04

Ms. Dorsey updated the Board on this complaint. On motion of Mr. Moore, seconded by Mr. Pruden, three members of the Board (Moore, Pruden, and Hausman) voted to extend the disposition of this matter until the July meeting.

Advisory Opinion 17-02

Ms. Dorsey provided the Board with an update on this advisory opinion request. On motion of Mr. Moore, seconded by Mr. Pruden, three members of the Board (Moore, Pruden, and Hausman) voted to extend the disposition of this matter for 45 days.

Approval to Reconvene in Open Session

On motion of Mr. Moore, seconded by Mr. Pruden, three members of the Board (Moore, Pruden, and Hausman) agreed to end the Closed Session of the meeting at 3:12 p.m. and to reconvene in Open Session.

Unfinished Business

Ms. Dorsey informed the Board that the summaries of the Closed session items requested by the Commissioners have been prepared and are being reviewed by Ms. Ashbury. The draft will be presented to the Board at a later date.

Adjournment

On motion of Mr. Moore, seconded by Mr. Pruden, three members of the Board
(Moore, Pruden, and Hausman) voted to adjourn the meeting at 3:22 p.m.


Angelique P. Dorsey, Esq.
Ethics Officer