

WASHINGTON SUBURBAN SANITARY COMMISSION
MINUTES OF THE COMMISSION MEETING

Wednesday, January 18, 2012
Laurel, Maryland

Chair Roscoe M. Moore, Jr. called the meeting to order at 8:52 a.m. in the Auditorium of the Richard G. Hovevar Building, 14501 Sweitzer Lane, Laurel, MD 20707, with due notice having been given to all members of the Commission and the public. Vice Chair Chris Lawson, Commissioners Adrienne A. Mandel, Antonio L. Jones, Gene W. Counihan and Melanie Hartwig-Davis were present at the meeting. Also, present were General Manager Jerry Johnson, General Counsel Jerry Blask, and Corporate Secretary Charlett Bundy.

PLEDGE OF ALLEGIANCE

Chair Moore asked Commissioner Hartwig-Davis to lead the pledge of allegiance.

Chair Moore then asked for a moment of silence for all to reflect on 2011.

AGENDA APPROVAL

Commissioner Jones moved to approve the agenda for the WSSC Commission public meeting for Wednesday January 18, 2012. Vice Chair Lawson seconded the motion. The vote was called by Chair Moore and the motion carried with five affirmative votes as Commissioner Mandel had not yet arrived.

MINUTES

Commissioner Hartwig-Davis moved to approve the open session minutes of the December 14, 2011 Commission meeting. Commissioner Counihan seconded the motion. The motion carried with five affirmative votes as Commissioner Mandel had not yet arrived.

Commissioner Hartwig Davis moved to approve the open session minutes of the December 21, 2011 Commission meeting. Commissioner Counihan seconded the motion. The motion carried with four

affirmative votes from Chair Moore, Vice Chair Lawson and Commissioners Counihan and Hartwig-Davis. Commissioner Jones abstained because he was absent from that meeting. Commissioner Mandel had not yet arrived.

WSSC RETIREES

Only one of the four employees who retired this month was present to be recognized: Carl H. Eisgruber, a Project Manager in the Infrastructure Systems Group retired with 24 years of service. Also retiring this month were Janice A. Bailey, a Records Storage Administrator in Human Resources Non-Department retired with 27 years and 5 months of service; Peg Robinson, a Permit Services Unit Coordinator in the Development Services program Group retired with 23 years and 5 months of service and Melvin J. Blossom a Maintenance Mechanic II in the Human Resources Non-Department retired with 22 years and 11 months of service.

COMMUNICATIONS

Mr. Jim Neustadt, Communications Director provided a video of comments by some of the employees who will be honored during the service awards ceremony on January 25, 2012. They spoke about their tenure at WSSC.

MEDIA COMMENTS

There were no comments from the media.

COMMISSIONER COMMENTS

There were no comments from Commissioners this month.

PUBLIC COMMENTS

There were no comments from the public.

GENERAL MANAGER'S OFFICE

Monthly Report. The first topic of Mr. Johnson's report this month was the status of Charles Duckett, a 12-year employee who disappeared during his work shift on the Triadelphia Reservoir December 2, 2011. Mr. Johnson advised that Mr. Duckett's body was found in the Triadelphia Reservoir on December 16th. Mr. Johnson attended the funeral as did a number of WSSC employees and managers. Mr. Johnson expressed sympathy and support for the significant loss of Mr. Duckett. All of the managed hunts that had been scheduled for December 2011 were cancelled. Training related to utilization of boats and boating practices continued to be reviewed. Several investigations had not been brought to closure by the time of the meeting. The units conducting investigations were: Maryland Occupational Safety and Health Administration, the Montgomery County Police Investigation Unit, and the WSSC Police Department which will delay issuing a final report on Mr. Duckett's death until it has received all of the reports from the other law enforcement and regulatory agencies. Mr. Johnson noted he has retained a third party expert in boating and water safety to review all of the activities and actions taken at WSSC to make sure the program is safe and to identify any problems with the program.

Revenue projections based on spending through November are under budget: Revenue is \$17 million under budget and expense is \$18.7 million less than budgeted at the five month mark. All WSSC plants are operating well within their permit parameters with no violations. The Call Center remains a bit challenged in that it is operating at 83% for December however there were 51,000 calls during that time. This represented a 25% increase in calls received in December. Some of the increase of in-coming calls can be attributed to the number of out-going calls which increased by 57% in December. Mr. Johnson noted that there are on-going

solutions being considered to provide a better and stabilized call center response rate.

The annual water audit was completed and the results were submitted to the State of Maryland in compliance with WSSC's water appropriations permit. Water losses in 2010 amounted to 17.19% and in 2011, 16.69%. A water loss reduction plan will be presented to the State in July 2012.

WSSC's Annual Systems Development Charge (SDC) Report was submitted to both counties. Revenue and interest totaled \$17,462,000; eligible project expenses were \$25,049,000; debt service was \$2,398,000; and reimbursements and uncollectable charges were \$4,600,000 with an account balance of \$87,762,000.00. This latter amount will be spent down according to a plan in the 2013 Budget.

Regarding the Design Manual changes, WSSC continues to work with the counties' planning departments and stakeholders. Mr. Johnson presented the Design Manual Working Group's planned schedule of informal briefings with stakeholders noting that Commissioners will be briefed on final language of the Design Manual changes in March with the expectation of presenting the manual to Commissioners in April 2012 for review.

Mr. Johnson updated Commissioners on the status of the reduction in the backlog of customer complaints that will be addressed by the revised Dispute Resolution Board. The DRB heard 30 cases through January 11, 2012 with a total of 19 adjustments made totaling \$5,177 in adjustments, significantly down from a total disputed amount of \$36,000.

WSSC employees provided over 17,000 cans of food for a holiday food drive to stock the pantries of local food banks. The SLMBE Office and Leadership Support Team each sponsored a local family during December providing food, clothes, toys, and gifts. The Patuxent Treatment Plant sponsored a company-wide Toys-for-

Tots drive. Mr. Johnson acknowledged the many generous donations by the WSSC staff to this charity.

He congratulated the Communications Department for having the winning entry of "Green, Greener and Greenest" for the Maryland Youth Summit held in Sandy Point Park. WSSC won several free registrations to that event.

The current Leadership Montgomery class visited the Potomac Plant. Mr. Johnson thanked the chief engineer for his participation. The group took away a greater understanding of the operations and financing of water production.

WSSC's Communication Department was chosen to receive the National Association of Clean Water Agencies 2012 National Environmental Achievement Award in Public Education and Information in the Video Category for their production of the video "Feasty Boys." This is a promotional video supporting WSSC's Can the Grease operation designed to educate about the need to avoid putting grease in drains.

January marks the 11th Anniversary of National Mentoring Month which was initiated in 2002 by President Bush and currently supported by President Obama. WSSC's mentoring program began in 1989. These WSSC mentors were acknowledged with certificates of appreciation: Sylvia Anderson; Angela Ballard-Landers; Maxene Bardwell; Kristi Gibbs; Deborah Johnson; LaQuisha Josey; Kira Calm Lewis; Serita Milner; Ann Sanders; Barbara Templeman; and Bobbie Tolston-Wilkerson.

Mr. Johnson noted that in 1995 WSSC entered the American Water Works Association Partnership for Safe Water and has collected turbidity (measure of clarity of the water) data for Potomac and Patuxent Plants. The United States Environmental Protection Agency set maximum contaminant levels for turbidity and WSSC has been well below that mark since it joined AWWA in 1995. As a result of this stellar record, the Patuxent Plant, one of

nine plants in the country out of 200 that participate in the Partnership was recognized for its commitment to superior water quality. The award reads "Partnership for Safe Water Directors' Award WSSC Potomac Water Filtration Plant in recognition of your commitment to superior water quality." The partnership for Safe Water is sponsored by the American Water Works Association, the Association of Metropolitan Water Agencies; the Association of State Drinking Water Administrators; the U.S. Environmental Protection Agency; the National Association of Clean Water Companies and the Water Research Foundation. Mr. Johnson recognized Potomac Plant Superintendent, Joe Johnson who received the award on behalf of the Potomac Plant.

Internal Audit Office

Monthly Activity Report. Ms. Bardwell presented the activity of her office from December 5, 2011 to January 6, 2012. The FY 12 Audit Plan continues and the completion of the FY 11 carryover also continues. The Internal Audit Self Assessment is in the preliminary review work stage. The goal is to hire external parties who can look at the internal audit services to see if the department is in compliance with the Institute of Auditors Standards. During the reporting period there was no activity in the auditing of SDC charges as final documents from developers have not yet been submitted to WSSC. Fifteen active audits continue and there are 35 pending issues in the open category. There are 69 closed issues listed in the detailed report. She then highlighted the number of items that are delinquent.

The WSSC Board of Ethics met December 8th to address closed and open items. The search committee completed its work to identify a candidate for the pending vacancy on the WSSC Ethics Board. Code of Ethics training was provided to nine new employees

on December 12th. The office also administered the required ethics training to 13 employees who missed the initial round of training.

As for enterprise risk management, the auditors are compiling the summaries requested at the last meeting to include governance stats related to the hotline and will distribute the reports on a quarterly basis.

Appointment to the Board of Ethics. The search committee recommended Col. Robert J. Moore, Esq. to fill the vacancy caused the completion of Col. Moore's first term which ended November 18, 2011. Ms. Bardwell explained the process used by the committee to arrive at a recommendation. Col. Moore, a Prince George's County resident was asked to present his reasons for seeking another term. Pursuant to the standard procedure, the Prince George's Commissioners were to make the recommendation for the reappointment. Commissioner Hartwig-Davis moved that the Commission approve Resolution 2012-1948 that re-appoints Robert J. Moore as a regular member of the WSSC Board of Ethics. Commissioner Counihan seconded the motion. The motion carried with six affirmative votes.

DEPARTMENT BRIEFINGS

Logistics

Mr. Roscoe Wade, Logistics Director presented Commissioners with Contract 6080 for the purchase of small foundry items for the continual maintenance and repair of the water system.

Engineering & Construction

Construction Contracts. This month Mr. Gary Gumm presented three architect and engineering contracts for approval. They were: Option 1 and Change Order 1 for Contract PM0013A07 which covers inspection for PCCP pipe. Next he discussed Change Order Two to Contract IC2007A07 for consulting inspection services. Mr. Gumm then briefed a Basic Ordering Agreement for Engineering

Services and Inspection of PCCP, contract PM0016A10 for relocating a transmission water main.

Mr. Gumm presented seven contracts regarding construction. They were: Contract BR/MV5007B09 for water main and large vault reconstruction; Contract CI5182A11 indefinite delivery/indefinite quantity for sewer work throughout the system; and four other contracts, i.e., LC5222A11, LC5364A12, LC5267A11, LC5365A12 which were all for water and sewer house connection renewal. Contract CI4900B08 for sewer main lining and other sewer rehabilitation was briefed last.

CONSENT CALENDAR

Commissioner Counihan moved that the Commission approve Resolution 2012-1949 that adopts the Consent Calendar for the January 18, 2012 containing the following items:

A. Logistics

1. Small Foundry Items, Contract 6080 to Bingham & Taylor Corp. for a total of \$1,856,558.95.

B. Engineering and Construction

Architect and Engineering Contracts

1. Option 1 and Change Order 1 for PM0013A07, Basic Ordering Agreement for Engineering Services and Inspection of PCCP to Openaka, Inc. for a total of \$17,200,000.00.
2. PM0016A10, Transmission Water Main Rehabilitation Basic Ordering Agreement to O'Brien & Gere, Inc. for a total of \$4,000,000.00.
3. Change Order 2 for IC2007A07, Inspection Services to Development Facilitators, Inc., for a total of \$577,925.78.

Construction Contracts

1. BR/MV5007B09, Water Main Reconstruction, Whitehouse Heights II, to Rustler Construction, Inc. for a total of \$1,955,820.00.
2. CI5182A11, Residential/Roads for Western Branch, Horsepen, Patuxent Center, NE Branch, NW Branch and Oxon Run Basins (Consent Decree) to Inland Waters Pollution Control, Inc. for a total of \$20,000,000.00.
3. LC5222A11, Area Water and Sewer House Connection Renewal, Prince George's County to Fort Myer Construction Corp. for a total of \$2,208,055.00.
4. LC5364A12, Area Water and sewer house Connection Renewal, Prince George's County to City Contractors, Inc. for a total of \$2,129,100.00.
5. LC5267A11, Area Water and Sewer House Connection Renewal, Montgomery County to Fort Myer Construction Corp. for a total of \$2,233,690.00.
6. LC5365A12, Area Water and Sewer House Connection, Montgomery County to Fort Myer Construction Corp. for a total of \$2,208,055.00.

7. Change Order 4 for CI4900B08, Sewer Main Lining and Other Sewer Rehabilitation, NW Branch Basin to Miller Pipeline Corp. for a total of \$631,161.96.

Vice Chair Lawson seconded the motion. The motion carried with six affirmative votes.

BRIEFING AND POLICY ITEMS

**Engineering & Construction/
Office of the General Counsel**

Mr. Gumm described the latest actions taken towards completion of a 2012 Inter-municipal Agreement (IMA) a document that governs the business relationship between WSSC, Fairfax County, VA, the District of Columbia and the operations of Blue Plains Wastewater Treatment Plant there. The briefing covered the benefits to the region for adopting the IMA and the process for reviewing and approving the IMA.

Engineering & Construction

Plato Chen (Senior Scientist in the Engineering and Construction Environmental Group) advised Commissioners of the results of the 2011 Tracer Study. Mr. Chen's presentation described: What constitutes a tracer study; why WSSC conducted the study; what were the results in the 2001 Tracer Study; differences in the 2001 study and the current study; and how the information collected in the current study will be used.

Communication

Mr. Neustadt summarized the results of WSSC's 2011 Customer Satisfaction Survey. He stated that the survey's goals were to discover: what customers value; what services customers desire; and how WSSC is perceived in terms of rates compared to other utilities. Mr. Neustadt shared the survey recommendations and the proposed strategies designed to enhance customer relations and service. The study establishes performance measurements for baseline data for future surveys. The Action Plan and next steps were also presented.

Chair Moore then recessed the meeting for lunch at 12:18 p.m.

COMMISSIONERS' CONFERENCE ROOM

The meeting resumed at 1:35 p.m. in the Commissioners' Conference Room.

**Customer Care/
Office of the General Counsel**

Derrick Phillips, Acting Team Chief of Customer Care and Jacquelyn Barry presented a synopsis of the WSSC Revised Dispute Resolution Policy that considers the new constitution of the Dispute Resolution Board.

Intergovernmental Relations Office

PG/MC 107-12. Mr. Wineland advised that there was a House WSSC sub-committee hearing earlier in the morning on this bill and that Tom Traber, WSSC CFO testified at that hearing. There was a difference in the estimate of the fiscal impact of the bill such that WSSC stated it would be \$40 million and Senator Peters' Office stated it would be \$250,000. The Department of Legislative Services was asked to review WSSC's estimate.

PG/MC 101-12. This was Senator Benson's bill. The committee voted unanimously to withdraw the legislation.

Commissioners' Compensation Bill. Commissioners asked for clarification in the language of the bill that proposes a change in the statutory provision describing Commissioners' salaries. Commissioners seek to have Montgomery and Prince George's County each imbued with the authority to jointly exercise an option of augmenting their respective County's Commissioners' statutory salary. This approach is slightly different from Article 18 of the Maryland Code that governs the National Capitol Park and Planning Commission. Article 18 allows either NCPPC Commissioners' income to be augmented at the discretion of each county.

PG/MC 110-12. Sponsored by Delegate Hucker of Montgomery County. This bill mirrors legislation that has been passed by the

state assembly for buildings constructed by other state agencies. It is written to require certain energy efficient standards be included in buildings WSSC constructs that are either new or are undergoing major renovations. Mr. Wineland opined that the impact of this legislation is minimal on WSSC because of the exemptions included in the legislation. Mr. Johnson recommended that Commissioners favor the legislation. Commissioner Counihan moved that the Commission support PG/MC 110-12. Commissioner Hartwig-Davis seconded the motion. The motion carried with six affirmative votes.

Legislative Breakfast. Mr. Wineland announced the date of the breakfast that WSSC will sponsor for the Maryland legislators returning for the 2012 session. It will be held Wednesday, February 1, 2012 in Annapolis at 7:30 a.m. at Harry Brown's.

Commission Office

1. Sub-Committee Reports

I. Governance Policy - Commissioner Hartwig-Davis indicated that the review would be resumed in February with Commissioners receiving the next session before the arrival of the February meeting packet.

b. Bi-County Infrastructure Funding Working Group - Commissioner Jones reported on the activities of this group. He noted that the committee received the consultant's final report and would bring the report to Commissioners at the February meeting so Commissioners may review the conclusions and recommendations in the final report. It is expected the report will focus on long-term and short-term solutions including: a proposal for customer affordability program; alternative structures for restructuring existing and new debt; rate structure options for cost renewal recover and other strategies that may drive sources of revenue.

c. Pension Board of Trustees - Vice Chair Lawson reported that the WSSC Employees' Retirement Plan Trust met January 4, 2012 wherein the status of the Trust as of November 30, 2011 was reported. The plan's assets were \$615.7 million. Since the October 31st, 2011 report the Plan had an investment loss of \$6.5 million or 1.0%. Domestic and international equities (both U.S. and non-U.S. and emerging markets) were at 53% of the Plan's invested assets; domestic fixed income was at 29.2%; global tactical funds were at 14.6%; and real estate investments remained at just under 3% of the plan's total investment portfolio. As of November's month end, all assets classes were within the range limits for their respective allocation ranges. He then summarized the market conditions for last month. The annual pension review will be given February 18, 2012 and all Commissioners are invited to attend as it will be held immediately following the monthly Commission meeting.

Corporate Secretary. Ms. Bundy summarized her monthly activities.

CLOSED SESSION

At 2:47 p.m. Vice Chair Lawson moved that the Commission go into closed session pursuant to Maryland State Government Article 10, Subtitle 5, Section 10-508(a)(13) to approve the December 14 and 21, 2011 Closed Session minutes; and Section 10-508(a)(7) to review legal opinion on a contract dispute and the different legal opinion on the 80-foot setback change proposed for the WSSC Design Manual. Commissioner Jones seconded the motion. The motion carried with five affirmative votes as Commissioner Mandel had temporarily left the room.

At 2:49 p.m. Chair Moore declared the meeting was closed. Chair Moore called for a five minute recess to allow Commissioner Mandel to return to the meeting.

CLOSED SESSION

ATTENDEES: Chair Dr. Roscoe Moore; Vice Chair Lawson; Commissioners Adrienne A. Mandel, Gene Counihan, Antonio Jones, and Melanie Hartwig-Davis, General Manager Jerry Johnson, General Counsel Jerry Blask, and Corporate Secretary Charlett Bundy. Also in attendance were Laura Swisher to discuss the 80-foot set back and Internal Audit Manager Maxene Bardwell and Auditor Angela Makle-Fortune, Johnny Hemphill Chief of Staff.

Closed session minutes. Commissioner Hartwig-Davis moved to adopt the Closed Session Minutes for the December 14, 2011. Commissioner Counihan seconded the motion. The motion carried with six affirmative votes. Commissioner Mandel moved to approve the December 21, 2011 Closed Session Minutes. Vice Chair Lawson seconded the motion. The motion carried with five affirmative votes: Commissioner Jones abstained because he was absent from the December 21st meeting.

Commissioners discussed a legal opinion of the General Counsel in relation to a contract complaint. Ms. Makle-Fortune, Ms. Bardwell leave. At 3:10 p.m. Attorney Laura Swisher and Mr. Gary Gumm arrive to aid in the discussion of the legal opinion on the design manual changes.

At 3:42 p.m. Ms. Swisher, Mr. Gumm and Mr. Hemphill leave the closed session.

Commissioner Mandel moved to end the closed session immediately thereafter. Commissioner Hartwig-Davis seconded the motion. The motion carried with six affirmative votes.

