

WASHINGTON SUBURBAN SANITARY COMMISSION

MINUTES OF THE COMMISSION MEETING

**Wednesday, February 26, 2014
Laurel, Maryland**

Chair Gene W. Counihan called this special meeting to order at 10:17 a.m., in the Auditorium of the Washington Suburban Sanitary Commission (hereinafter "WSSC") Richard G. Hocevar 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 Counihan, Commissioners Chris Lawson (Vice Chair), Omar M. Boulware, Adrienne A. Mandel (by phone), and Mary Hopkins Navies, were present at the meeting, noting the presence of a quorum. Also in attendance were Corporate Secretary Sheila R. Finlayson, Esq., who recorded the minutes of the meeting; Senior Counsel Vicki Webb and Chief of Staff Johnnie Hemphill who sat in for General Manager/CEO Jerry Johnson, who had to depart at 10:35 a.m. Other members of WSSC management were also called upon, during certain portions of the meeting, to provide information to the Commission.

Absent: Commissioner Roscoe M. Moore, Jr.

PLEDGE OF ALLEGIANCE

Chair Counihan opened the meeting by stating the purposes of this special meeting and reviewing the agenda items to be covered. He then asked Commissioner Navies to lead the pledge of allegiance.

AGENDA APPROVAL

Commissioner Navies moved to adopt the Commission's Public Meeting Agenda of February 26, 2014, as drafted. Commissioner Mandel seconded the motion. The motion carried with five affirmative votes. Commissioner Moore absent from the vote.

APPROVAL OF MINUTES

Commissioner Lawson moved to approve the Minutes of the Special Commission Meeting of January 23, 2014, as drafted. Commissioner Boulware seconded the motion. The motion carried with five votes in the affirmative. Commissioner Moore absent from the vote.

LEGISLATIVE AGENDA UPDATE

House Bill 0005. This bill would require licensed plumbers and gasfitters to obtain eight hours of trade-related continuing education annually. The General Manager had previously briefed Commissioners on this bill by email and is requesting that the Commission take a position of "Support."

Whereby, a motion was made by Commissioner Boulware and seconded by Commissioner Navies that the Commission take the position of "Support" on House Bill 0005 - State Board of Plumbing - Continuing Professional Competency - Master Plumbers and Master Natural Gas Fitters, as recommended by management. The motion carried by a vote of five-to-zero. Commissioner Moore absent from the vote.

House Bill 361. This bill, as amended, would require the State Plumbing Board to recognize just one plumbing code, the International Plumbing Code (IPC). The General Manager had previously briefed Commissioners on this bill by email and is requesting that the Commission take a position of "Support."

Whereby, a motion was made by Commissioner Boulware and seconded by Commissioner Navies that the Commission take the position of "Support" on House Bill 361 - State Plumbing Code - Adoption of International Code Council Standards, as recommended by management. The motion carried by a vote of five-to-zero. Commissioner Moore absent from the vote.

Senate Bill 1071. Wastewater Collection Systems Group Leader Calvin Farr provided the Commission with an overview of this bill relating to the Montgomery County and Prince George's County Fair Share Act of 2014. This bill would require WSSC to impose a sewage and sludge remediation charge on specified ratepayers annually and the Montgomery County Council and the Prince George's County Council to determine the amount of the charges. Management is recommending that the Commission "Oppose" this bill.

Whereupon, a motion was made by Commissioner Boulware and seconded by Commissioner Navies that the Commission take a position of "Oppose" on Senate Bill 1071 - Fair Share Act of 2014, as recommended by management. The motion carried with five affirmative votes. Commissioner Moore absent from the vote.

House Bill 975. Commissioners were briefed by management at the February 19th Commission Meeting on the status of this bill which would authorize WSSC to establish a Customer Affordability Program. The General Manager informed Commissioners that WSSC was unsuccessful in its efforts to try to move this bill forward as advanced and is now recommending that WSSC withdraw the legislation so that management can thoroughly research the issues involved and strategize on a well-thought out approach and proposed framework for implementation to ensure success/passage during the next legislative session.

Whereupon, a motion was made by Commissioner Navies and seconded by Commissioner Lawson to withdraw the proposed legislation relating to the Customer Affordability Program (House Bill 975/PG/MC 103-14), as recommended by management. The motion carried with five affirmative votes. Commissioner Moore absent from the vote.

The Chair requested that management prepare letters to send to the Chairs of both delegations sharing WSSC's reluctance to pull the bill and its intent to follow-up with legislators in an effort to pursue approval of the CAP and related legislation at next year's legislative session, to which management agreed.

The General Manager departed at this juncture, 10:35 a.m.

DELEGATION OF AUTHORITY

Per discussion at the regular Commission meeting last week, management is requesting Commission approval of proposed amendments to the WSSC Delegation of Authority to include betterment projects and to expand the General Manager's authority to approve certain types of projects without regard to the related costs of such projects if the project is covered by an agreement between WSSC and the County (Prince George's or Montgomery, depending upon where the project is located). The amendments would also limit the General Manager's authority where there is no agreement, to projects with costs that do not exceed \$250,000.

Following discussion, there was general agreement to special order this item to the March Agenda so that the term betterment could be further defined in the proposed resolution and amendments.

RATE STUDY

WSSC Consultant Dave Hyder of the Municipal and Financial Services Group (MFSG), presented the findings from the recently-completed WSSC Water and Sewer Rate Study. Mr. Hyder walked through a power point presentation circulated to Commissioners and incorporated herein by reference. Specific details can be found in the handout and the corresponding segment of the archived meeting video and are referred to for that purpose.

In summary, the Consultant briefed Commissioners on national trends, water and sewer affordability, customers and usage analysis, rate analyses and rate alternatives and projected impact on customers.

MFSG also proposed recommendations for the following rate design concepts for the Commission's consideration:

- Implementation of a new separate, fixed reconstruction fee by meter size to fund a portion of the annual debt service expense for large and small diameter water and sewer pipe programs;
- Recalibration of the existing Account Maintenance Fee (AMF) to recover 100% of the costs for which the fee is intended; and,
- Keeping the Commission's current usage rate structure in place.

Following the presentation and Commissioner questions, management proposed that the Commission endorse the approach and above concepts recommended by the Rate Study Consultants.

Commissioner Mandel discontinued her participation at 11:45 a.m.

There was general consensus to defer action until the March Commission Meeting.

The Chair thanked the Consultants.

ADJOURNMENT

There being no additional business, the Chair called for a motion to adjourn, whereby, Commissioner Navies moved to adjourn the meeting. Commissioner Lawson seconded the motion. The motion

carried with four affirmative votes. Commissioners Mandel and Moore were absent from the vote.

At 12:00 p.m., the meeting was declared adjourned.

Respectfully submitted,

//signed//

Sheila R. Finlayson, Esq.
Corporate Secretary