

WASHINGTON SUBURBAN SANITARY COMMISSION

MINUTES OF THE COMMISSION MEETING

**Wednesday, March 19, 2014
Laurel, Maryland**

Chair Gene W. Counihan called the meeting to order at 8:35 a.m., in the Auditorium of the Washington Suburban Sanitary Commission (hereinafter "WSSC") Richard G. Hovevar 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, Roscoe M. Moore, Jr., and Mary Hopkins Navies, were present at the meeting, reflecting the presence of a quorum. Also in attendance were WSSC General Manager and Chief Executive Officer Jerry N. Johnson, General Counsel Jerome K. Blask, and Corporate Secretary Sheila R. Finlayson, Esq., who recorded the minutes of the meeting. Other members of WSSC management were also called upon, during certain portions of the meeting, to provide information to the Commission.

PLEDGE OF ALLEGIANCE

Chair Counihan opened the meeting by welcoming everyone and asking Commissioner Moore to lead the pledge of allegiance.

AGENDA APPROVAL

The General Manager shared that one of the contracts listed under the March Briefing/Action Items section of the Agenda, specifically Construction Contract CD4231D05, Piscataway WWTP Storage and Headwork Improvements, is under protest and thus, will need to be removed from consideration at today's meeting.

Whereupon, a motion was duly made by Commissioner Lawson and properly seconded by Commissioner Moore, to adopt the Commission's Public Meeting Agenda of March 19, 2014, as amended. The motion carried unanimously with six affirmative votes.

APPROVAL OF MINUTES

Commissioner Navies moved to approve the open session minutes of the February 19, 2014 Commission Meeting, as drafted.

Commissioner Lawson seconded the motion. The motion carried unanimously with six votes in the affirmative.

Commissioner Boulware then moved to approve the open session minutes of the February 26, 2014 Special Commission Meeting, as drafted, to which Commissioner Lawson seconded the motion. The motion carried by a vote of five-to-zero with one abstention. Dr. Moore abstained as he was absent from the meeting.

WSSC RETIREES

Richard Baker, Executive Director of the WSSC Employees' Retirement Plan, recognized the following WSSC Retirees for the month of March 2014: Rosalinda Pineda (present at meeting), Unit Coordinator, Laboratory Services Group/Consolidated Lab Facility, retired with 29 years and 11 months of service; and, Brenda J. Layton, Paraprofessional, Customer Relations Group/Consolidated Office Building, retired with 28 years and 10 months of service.

COMMUNICATIONS VIDEO

Communications and Community Relations Director Jim Neustadt presented a video on the Robotic Inspections of WSSC's Smaller Diameter (36-inch/42-inch) Pre-stressed Concrete Cylinder Pipes (PCCP), pointing out that WSSC has the largest monitoring system of PCCP in the United States. WSSC's larger pipes (48-inches and greater) are currently inspected and monitored by Acoustic Fiber Optics (AFO).

WOMEN'S HISTORY MONTH RECOGNITION

Commissioner Navies took an opportunity to recognize the importance of Women's History Month, sharing the following:

"Each time a little girl opens a book and reads a woman-less history, she learns she is worth less. History helps us to learn who we are; but, when we don't know our own history, we don't know our power and we can't dream."

As recent as the 1970s, women's history was a virtually unknown topic in the K-12 curriculum and in the general public's conception. The first step toward success came in February 1990 when President Carter issued the first Presidential Proclamation

declaring the week of March 8th as National Women's History Week. From the first settlers who came to the shores, men and women have worked together to build this nation. Too often, the women were unsung and sometimes their contributions went unnoticed. But the achievements, leadership, courage, strength and love of women, who built America, were as vital as that of the men whose names we know oh so well.

Women's History Month, a time to celebrate the heritage, impact and influences of women all across our nation. The history of Maryland is filled with stories of strong and courageous females; leaders from Harriet Tubman to Clara Barton. But women are also making history here today, women like our own Commissioner Mandel. Commissioner Mandel has served WSSC since October 2007. [She] retired in 1997 from an 18-year career with Montgomery County Government during which time she opened the Holiday Park Multi-Service Senior Center; served as a Special Projects Coordinator with the Department of Health and Human Services; and, for 10 years was a Lobbyist to the State Legislature for the County's Office of Intergovernmental Relations. Prior to her service in local government, she was a staff member in the offices of a U.S. Senator and Congressman.

This year marks WSSC's 96th Anniversary. To date, we salute 14 female Commissioners. WSSC's workforce consists of 446 women (29%) of which 41 (10%) are managers. There are a total of 12 executives of which 4 are female (33%). As we honor the many women who have shaped our history, let us also celebrate those who make progress in our time. Let us also remember, when women succeed, America succeeds. And from Wall Street to Main Street, and the White House and on Capitol Hill, let's put our Nation on the path to success. In order for us to keep building a meaningful women's history, we must reach back and pull forward; each one of us has an obligation to teach one.

Let me close by saying, I was inspired by my Mom, who instilled in me as early as I can remember, that I could grow up to be anything that I wanted to be. She led by example, giving me the values to help me to understand that it is important to give back. Thank you."

Commissioners Mandel and Navies put together a program during Women's History Month, which they hope will become a WSSC

tradition, whereby employees were asked to identify "SHEROs" in their lives with three female employees selected to share at today's Commission meeting, the women that have inspired them, of which WSSC Regulatory Group Leader Zohreh Movahed and SLMBE Director Towanda Livingston, were among the SHEROs identified by their fellow colleagues. The full presentation can be found on the corresponding segment of the archived meeting video.

The Chair also recognized and thanked all of the women at WSSC who contribute significantly to the work of the agency.

COMMISSIONER/PUBLIC COMMENTS

Commissioner Moore shared that the County Council of Montgomery County on March 11, 2014 presented a Proclamation to the Greater Silver Spring Chamber of Commerce (of which Dr. Moore serves as a board member) identifying Silver Spring, Maryland as the 13th most exciting suburb in the United States.

There were no comments from the public.

ADVISORY BOARDS ANNUAL REPORTS

Board of Ethics. WSSC Board of Ethics Chair George E. Pruden, II, along with WSSC Ethics Officer Kim Neal, presented the 2013 WSSC Annual Ethics Report to the Commission. Such report, which addresses conflict of interest matters brought before the WSSC Board of Ethics in 2013 and lobbying activities before WSSC during 2013, is required, under the Maryland Public Ethics Law and the WSSC Code of Ethics, to be transmitted to the County Governments of Prince George's and Montgomery, annually. A copy of the annual report is also provided to the Maryland State Ethics Commission.

Whereupon a motion was duly made by Commissioner Mandel and properly seconded by Commissioner Boulware, to adopt Resolution 2014-2037, approving the transmittal of the 2013 Ethics Annual Report to the County Governments of Prince George's and Montgomery Counties. The motion carried unanimously by a vote of six-to-zero.

WSSC Employees' Retirement Plan Board of Trustees. Executive Director of the Retirement Plan Richard Baker next presented the 2013 Annual Results for the WSSC Employees' Retirement Plan,

noting that the plan experienced a very good year. Mr. Baker walked through a power point presentation contained in the board materials and incorporated herein by reference. At December 31, 2013, the Plan's assets were \$745.7 million.

The Chair, on behalf of the Commission, thanked both Boards for their excellent work and service, and the annual reports were received as information.

GENERAL MANAGER'S REPORT

General Manager and Chief Executive Officer Jerry Johnson began by reporting on the Call Center answer rate of 83% for the month; average answer rate of 85% to date as compared to 93% for the same period last year. Management has started implementation of its action plan reported to the Commission at the last board meeting; the GM to provide a time-line and update on progress at the next meeting. Delinquencies are trending downward as anticipated. Water production is down from budget, more information to be provided under the mid-year update.

All plants and facilities continue to operate well within permit parameters. Total Enterprise Asset Management System (TEAMS) has been implemented at several plants; all of the production group will be online by the end of the month. Significant savings have been achieved as a result.

Water main breaks are down as compared to January; 179 in February as compared to 585 for the month of January.

The General Manager, Acting Chief Financial Officer and Chair traveled to New York last week to visit all three rating agencies for WSSC and reported to them; expects to hear back from the rating agencies in April.

The General Manager updated the Commission on the status of the service account and proposed water shut off for a property in Prince George's County, Maryland (Lynhill Condominiums); Management continues to work with the County.

With regard to Montgomery County, WSSC received a high volume of high bill complaints from customers and a member of the Council on behalf of his constituents due to the extreme weather conditions

and WSSC's inability to read meters as a result during the December/January timeframe. Management is working to resolve this issue and has offered extended payment plans to affected customers and has increased its manpower in order to catch up on the outstanding meter readings.

WSSC will hold its Annual H2O Summit on Saturday, March 22nd at the Silver Spring Civic Center. The agency will also participate in the prescription drug take-back day on April 26th sponsored by the Counties and the Drug Enforcement Agency (DEA), which provides a safe, responsible and convenient way for members of the community to dispose of their prescription drugs and aids WSSC in its efforts to stop residents from disposing of these drugs by flushing them down their toilets.

Lastly, the General Manager took an opportunity to recognize three WSSC employees for their outstanding contributions to the industry and community: WSSC Energy Manager Robert Taylor (Received Individual Leadership Award by Environmental Protection Agency for his leadership in energy efficiency and climate change in Greenhouse Gas Reduction); Regulatory Services Group Leader Zohreh Movahed (Published Article - "Community Water Services for an Affordable Price" with her husband Ben Movahed in the January/February issue of "World Water" Magazine (an international peer review publication), on their cost-effective strategy for providing clean water and sanitation services to residents lacking indoor plumbing); and, Dr. Martin Chandler of the WSSC Environmental Group (Received National Recognition Award - 2014 Engineering Excellence Award for Competition from the American Council for Engineering Companies for his work relating to the SSO Consent Decree, specifically, Bacterial Source Tracking Project).

Mid-Year Budget Status Report. Acting Chief Financial Officer Chris Cullinan presented the mid-year monthly status report as of December 31, 2013. As a result of the mid-year budget analysis, the Acting CFO is recommending changes to the year-end water production estimate and FY 2014 projected financial results. Such recommendations are included in the report provided to the Commission and incorporated herein by reference. Additional details can also be found in the corresponding segment of the archived meeting video.

Following discussion, the General Manager and Chief Executive Officer's Report, was received as information.

INTERNAL AUDIT REPORT

Monthly Activity Report. Internal Audit Manager Maxene Bardwell reported on the monthly activities of the Internal Audit Office (IAO) for the period of February 10, 2014 through March 7, 2014. Fiscal year-to-date savings for the System Development Charge (SDC) Audits total approximately \$533,613.42 (Internal Auditor noted that the number last month was reported incorrectly). For Fiscal Year 2014 Risk-Based Audits, IAO has commenced preliminary work on the Customer Relations Group Operational Audit and the Construction Contracts Change Orders Special Audit with date being confirmed for the Blue Plains Audit. With respect to Fiscal Year 2013 Carryover Audit projects, a discussion draft has been issued for the Information Technology Inventory Audit and management's responses are being incorporated for the Industrial Asset Management Group Inventory Audit. Under internal audit follow-up activities, eight management action items have been closed since the last status report and implementation of management action plans for eight issues is delinquent, with two over 120 days delinquent and one over 90 days delinquent.

Hotline. As of March 7, 2014, the top five case types for the last 12 months include: Fraud (4); Safety Issues and Sanitation (3); Employee Relations and Conflicts of Interest (2); and Theft of Time (1). The next quarterly report will be presented at the June Commission Meeting.

Board of Ethics. The Board held its regularly-scheduled meeting on February 27, 2014; several open and closed items were reviewed.

Code of Ethics Training. The Ethics Officer provided training to 10 new hires on February 18, 2014.

Resolution 2014-2036 - Reappointment of WSSC Board of Ethics Chair

On motion made by Commissioner Boulware and properly seconded by Commissioner Moore, the Commission unanimously approved, by a vote of six-to-zero, Resolution 2014-2036, reappointing George E. Pruden, II, as Chairperson of the WSSC Board of Ethics for a one

year term, to be effective March 20, 2014, as recommended by the WSSC Board of Ethics.

The report of the Internal Audit Office, as presented by the Internal Audit Manager, was received as information.

DEPARTMENT BRIEFINGS

FINANCE

Setting Front Foot Benefit Appeals Hearing Date. Property owners are notified in writing in early spring of their front foot benefit assessments. Customers who have issues with such assessments may request an appeal hearing before the Commission. Acting Chief Financial Officer has recommended the date of Wednesday, May 21, 2014 at 3:00 p.m. for the appeals hearing.

Whereby, a motion was made by Commissioner Mandel and seconded by Commissioner Lawson to set the Front Foot Benefit Appeals Hearing date for Wednesday, May 21, 2014 at 3:00 p.m. with Commissioner Lawson to serve as the Hearing Officer and Commissioner Counihan to serve as an Alternate. The motion carried by a vote of five-to-zero. Commissioner Boulware temporarily left the room and was absent from the vote.

Resolutions to Authorize the Issuance of Refunding Bonds.

Management is seeking approval to refund certain outstanding water supply, sewage disposal and general construction bonds due to favorable market conditions. The refunding will result in a potential savings of \$3.9 million with associated costs estimated at \$150,000.

Resolution 2014-2038 - Authorization for Issuance of Water Supply Refunding Bonds.

Whereupon, a motion was duly made by Commissioner Mandel and properly seconded by Commissioner Navies to adopt Resolution 2014-2038 authorizing the issuance of water supply refunding bonds, as stipulated in the aforementioned Resolution. The motion carried with five affirmative votes (Commissioner Boulware left room during discussion and was absent from vote).

Resolution 2014-2039 - Authorization for Issuance of Sewage Disposal Refunding Bonds.

Whereupon, a motion was duly made by Commissioner Mandel and properly seconded by Commissioner Lawson to adopt Resolution 2014-2039 authorizing the issuance of sewage disposal refunding bonds, as stipulated in the aforementioned Resolution. The motion carried with five affirmative votes (Commissioner Boulware left room during discussion and was absent from vote).

Resolution 2014-2040 - Authorization for Issuance of General Construction Refunding Bonds.

Whereupon, a motion was duly made by Commissioner Mandel and properly seconded by Commissioner Navies to adopt Resolution 2014-2040 authorizing the issuance of general construction refunding bonds, as stipulated in the aforementioned Resolution. The motion carried with five affirmative votes (Commissioner Boulware left room during discussion and was absent from the vote).

Resolution 2014-2041 - Authorization Providing for Public Sale and Publication of Notice of Sale of Water Supply Refunding Bonds, Sewage Disposal Refunding Bonds and General Construction Refunding Bonds and Providing for Consolidation of Such Bonds for Issuance, Sale and Delivery as a Single Series of Bonds.

Whereupon, a motion was duly made by Commissioner Mandel and properly seconded by Commissioner Lawson to adopt Resolution 2014-2041 authorizing and providing for the public sale, and publication of notice of sale, of the water supply refunding bonds, the sewage disposal refunding bonds and the general construction refunding bonds, and providing for the consolidation of such bonds for issuance, sale and delivery as a single series of bonds, as stipulated in the aforementioned Resolution. The motion carried with five affirmative votes (Commissioner Boulware left room during discussion and was absent from the vote).

Resolution 2014-2042 - Authorization for Issuance of Water Quality Bond, Series 2014A. WSSC is utilizing the Maryland Water Quality Financing Administration's Water Quality Revolving Loan Program to finance the second loan for the Blue Plains WWTP New Digestion Facility (Combined Heat and Power Project). The State has reviewed all submittals on the project and is ready to issue loan

proceeds. Management is seeking Commission approval of loan and related closing. The State-approved loan amount is \$15,000,000 and is within the approved debt limits for FY 2014.

Whereby a motion was made by Commissioner Mandel and seconded by Commissioner Navies, to adopt Resolution 2014-2042 authorizing the issuance of the Water Quality Bond, Series 2014A, as stipulated in the aforementioned Resolution. The motion carried by a vote of five-to-zero with one abstention. Commissioner Boulware abstained from the vote as he was not present during the discussion.

Adoption of Montgomery County Council Amendment to Approved CIP.

Each County in the WSSC Sanitary District has authority under State Law to initiate amendments to the WSSC CIP which WSSC must adopt. The Montgomery County Council is thereby requesting the adoption of an amendment that it approved on February 11, 2014, specifically Council Resolution 17-1008 amends the adopted WSSC CIP for Fiscal Years 2014-2019 to add Project S-103-16 - Cabin John Trunk Sewer Relief. Project planning, design and construction will be paid by the applicant. No WSSC rate-supported debt will be used for this project.

Whereby, a motion was made by Commissioner Mandel and properly seconded by Commissioner Lawson to adopt the Amendment by the Montgomery County Council to the Approved WSSC Six-Year Capital Improvements Program (CIP) for Fiscal Years 2014-2019 relating to the addition of Project S-103.16 - Cabin John Trunk Sewer Relief. The motion carried unanimously with six affirmative votes.

ENGINEERING AND CONSTRUCTION/UTILITY SERVICES

Contracts for Commission Approval

Chief Engineer Gary Gumm, of Engineering & Construction, presented eight architect/engineer contracts and seven construction contracts; and, Team Chief of Utility Services Hak Kwon, presented two utility services contracts, for Commission approval. [Such contracts were approved as part of the March Meeting Consent Calendar].

CONSENT CALENDAR

Chair Counihan then called for a vote of the items listed on the Consent Calendar for the March Commission Meeting.

Whereupon, Commissioner Boulware moved that the Commission adopt Resolution 2014-2044 (as amended), approving the architect/engineer, construction and utility services contracts included on the Consent Calendar for the March 19, 2014 Commission Meeting, as follows:

A. Engineering and Construction

Architect/Engineer Contracts

1. PM0001A13 and PM0002A13, Corrosion Engineering Services Basic Ordering Agreement (BOA), to Dacco Sci, Inc. and Russell Corrosion Consultants, Inc., in the amount of \$2,000,000.00 for each contract.
2. PM0003A13, PM0004A13, PM0005A13, PM0006A13, and PM0007A13, Water and Sewer Design Services BOA to: The Wilson T. Ballard Company, KCI Technologies, Inc., A. Morton Thomas and Associates, Inc., Michael Baker Jr., Inc. and EBA Engineering, Inc., in the amount of \$5,000,000.00 for each contract.
3. DCFA#420-WSA/P78425, Program Management Services (Riding DC Water Contract), to Greeley and Hansen, LLC, in the amount of \$8,134,392.00.

Construction Contracts

1. BR5579A13, Water Main Replacement, University City I, to Sagres Construction Corporation, in the amount of \$2,927,780.00.
2. BR5472A12, Water Main Replacement, Seat Pleasant, to A&M Concrete Corporation, in the amount of \$2,896,213.00.
3. BR5565A13, Water Main Replacement, Chillum, to J. Fletcher Creamer & Son, Inc., in the amount of \$2,344,480.00.
4. BR5471A12, Water Main Replacement, Fort Washington, to J. Fletcher Creamer & Son, Inc., in the amount of \$4,199,476.00.
5. BRLR5569A13, Water/Sewer Main Replacement, Woodside Park, to Fort Myer Construction Corp., in the amount of \$1,996,185.00.
6. BT5460A12, Water Main Replacement, Opus Avenue, to Sagres Construction Corporation, in the amount of \$1,259,945.00.
7. CT1582A91, Sweitzer Lane Relief Sewer, to W.F. Wilson & Sons, Inc., in the amount of \$2,663,311.00.

B. Utility Services

1. Contract 6488, Sewer Cleaning and Closed Circuit Television (CCTV) Inspection, to PEER Consultants, P.C., in an amount not to exceed \$1,799,500.00; Riviera Enterprises, Inc., in an amount not to exceed \$1,891,700.00 and Video Pipe Services, Inc., in an amount not to exceed \$1,952,400.00.
2. Contract 75502483A, Small Water Valve Assessment Program, to Wachs Valve & Hydrant Services, LLC, dba Wachs Water Services, in an amount not to exceed \$3,000,000.00.

Commissioner Mandel seconded the motion. The motion carried unanimously with six votes in the affirmative.

ADDITIONAL BRIEFINGS

WSSC Rate Study - Rate Design Recommendations - Resolution 2014-2045. The Commission had received a briefing on the WSSC Water and Sewer Rate Design Concepts and Study at its special meeting held on February 26, 2014 and management is now seeking Commission approval of the rate design concepts recommended by the utility rate consultants and management in order to move forward in the rate setting process. The Acting CFO summarized the rate design concepts that were shared with Commissioners at that special meeting. In summary, the rate study consultants recommended and staff concurred, with the following rate design concepts:

- 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; and,
- 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 sixteen step inclining block rate structure.

Additional details can be found in the corresponding segment of the archived meeting video which is referred to for that purpose.

After discussion, on motion made by Commissioner Boulware and seconded by Commissioner Moore, the Commission voted unanimously to approve Resolution 2014-2045, adopting the Rate Study Consultant and Management's recommendations for the proposed WSSC rate design concepts, and directing management to communicate such

recommendations to County and State-elected officials as specified in the aforementioned Resolution. Such recommendations to be communicated to County and State officials and customers by no later than September 1, 2014 for incorporation into Spending Affordability Guidelines and Budget for Fiscal Year 2016 with implementation by July 1, 2015.

The motion carried by a vote of six-to-zero.

Approval of Amendments to Delegation of Authority. General Counsel Jerome Blask presented proposed amendments to paragraph 9 of Resolution 2010-1876 (adopted by the Commission in 2010), which delegates certain authority to the General Manager/CEO. Specifically, Amendment Three to Resolution 2010-1876, clarifies and expands the General Manager's authority to approve certain types of projects without regard to the projects WSSC-related costs when the project is covered by an agreement with a County or limits that authority where there is no agreement to projects with costs that do not exceed \$250,000.

After discussion and on motion made by Commissioner Lawson and seconded by Commissioner Moore, the Commission voted unanimously to adopt Amendment Three to WSSC Resolution 2010-1876, which delegates certain authority to the General Manager/CEO, as set forth and described by the WSSC General Counsel.

The motion carried with six affirmative votes.

Mattawoman Energy Agreement. WSSC Planning Group Leader Craig Fricke of Engineering and Construction, provided an overview of the Mattawoman Energy Project reported to the Commission at last month's meeting. WSSC has reached agreement with Mattawoman, who desires to construct a power generating plant in the Brandywine area of Prince George's County and buy treated effluent from WSSC, on all key terms of the proposed agreement. Management advised that further discussion relating to contract negotiations and financial details will need to be discussed confidentially (in Closed Session), to which the Commission unanimously agreed to special order action on this item until later in the meeting. .

2014 Legislative Agenda Update. Acting Intergovernmental Relations Office (IRO) Director Eugene Williams provided an update

on the status of the WSSC bills and how they were moving through the legislative process.

The Commission received the Legislative Agenda update as information.

COMMISSION OFFICE

Virginia Manor Road Development Project. The General Manager advised that the proposed agreement is still under review by counsel for the Konterra group.

Corporate Secretary Report. Corporate Secretary Sheila Finlayson provided an overview of her activities for the month, sharing, among other things, that the Counihan/Starks Engineering Scholarship Program planning for 2014 had been finalized with the scholarship awards information updated on the website and a press release issued, to which the Chair commended the Corporate Secretary (and Committee's) work in this regard. The deadline for applications is May 30, 2014 with the scholarship awards to be presented to the winners at the July Commission Meeting. This year's essay topic is as follows: *"In 1500 words or less, describe the biggest threat to this region's source water and what you think should be done about it."*

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

WSSC Employees' Retirement Plan Board of Trustees. Commissioner Boulware shared that the Executive Director of the Plan had provided the annual results earlier in the meeting and that he had the pleasure of attending his first meeting in February and was looking forward to serving and contributing as a member of this Board.

The Commission received the report of the WSSC Employees' Retirement Plan Board Sub-Committee, as information.

Personnel, Governance & Legislation. Commissioner Mandel provided an update of the activities of the Committee, noting that the Committee has been focusing its oversight responsibilities this month on WSSC contracts and how to make the review process more efficient, WSSC proposed legislation and how the bills are

progressing in Annapolis and on monitoring the 90 and 120-day delinquencies, as reported by the internal audit office.

The Commission received the Personnel, Governance and Legislation Committee report, as information.

Bi-County Infrastructure Funding Working Group. Members of the Subgroup of the Bi-County Infrastructure Funding Working Group were present to provide a follow-up report to the Commission to include additional information as requested by Commissioners in November 2013 during the Subgroup's initial presentation relating to the financing alternatives for unserved and underserved areas in the WSSC sanitary district. Members of this subgroup presented from a power point presentation distributed to the Commission and incorporated herein by reference. The full report can be found in the corresponding segment of the archived meeting video and is referred to for that purpose.

Following discussion, management requested that the Commission accept the findings of the subgroup and authorize management to transmit such findings to the legislative and executive bodies of the two counties, to which a motion was made by Commissioner Lawson and seconded by Commissioner Moore, to accept the findings of the Subgroup on Unserved and Underserved Areas and to authorize the transmittal of such findings to the legislative and executive branches of the two counties for consideration. The motion carried unanimously with six affirmative votes.

The Chair called for a motion to go into Closed while in Open Session. Following the vote, the Commission will recess for lunch and reconvene in Closed Session in the Commissioners' Conference Room following lunch. The Special Ordered item to be considered in Open Session prior to adjournment.

CLOSED SESSION

Whereby at 1:16 p.m., Commissioner Boulware moved that the Commission go into Closed Session pursuant to Maryland Code Annotated, State Government Article: Section 10-508(a)(13) to approve the February 19, 2014 Closed Session Minutes; Section 10-508(a)(7) to consult with counsel to obtain legal advice on pending litigation; and, Section 10-508(a)(4) to consider a matter that concerns the proposal for a business or industrial

organization to locate, expand or remain in the State.

Commissioner Mandel seconded the motion. The motion carried unanimously with six affirmative votes.

At 1:17 p.m., Chair Counihan declared the meeting was Closed. The Chair then called for a lunch recess. The meeting reconvened into Closed at 2:14 p.m.

ATTENDEES: Chair Gene Counihan; Vice Chair Chris Lawson; Commissioners Omar Boulware, Adrienne Mandel, Mary Hopkins Navies and Roscoe Moore, Jr. Staff present: General Manager Jerry Johnson, General Counsel Jerry Blask, Corporate Secretary Sheila Finlayson, Planning Group Leader Craig Fricke, Associate Counsel Russel Beers, Chief Engineer Gary Gumm, Acting Chief Financial Officer Chris Cullinan and Acting Chief of Plant Operations J.C. Langley (Messrs. Fricke, Beers, Gumm, Cullinan and Langley were present for the Mattawoman Energy Project/Agreement discussion at the start of Closed Session and were excused following the discussion at 2:37 p.m.).

Closed Session Minutes - On motion made by Commissioner Lawson and properly seconded by Commissioner Boulware, the Commission voted unanimously by a vote of six-to-zero, to approve the closed session minutes of its February 19, 2014 Commission Meeting, as drafted.

Mattawoman Energy Agreement - Commissioners were briefed on the status of the agreement negotiations and key terms of the Mattawoman Energy Project/proposed agreement with WSSC with the Commission reserving any action on the matter until closed session has concluded.

Pending Litigation/Legal Advice - Commissioners were briefed by counsel on pending litigation and other confidential/privileged legal matters affecting the Commission.

At 3:06 p.m., Commissioner Lawson moved to end the Closed Session. Commissioner Moore seconded the motion. The motion carried unanimously with six affirmative votes.

OPEN SESSION RESUMED

Resolution 2014-2043 - Mattawoman Energy Project

On motion made by Commissioner Mandel and seconded by Commissioner Navies, the Commission voted unanimously, by a vote of six-to-zero, to approve Resolution 2014-2043, authorizing the General Manager to enter into an Agreement with Mattawoman Energy, LLC.

Commissioner Navies departed at this juncture (3:10 p.m.).

ADJOURNMENT

There being no additional business, the Chair called for a motion to adjourn, to which Commissioner Boulware moved to adjourn the meeting. Commissioner Moore seconded the motion. The motion carried with five affirmative votes (Commissioner Navies absent from vote).

At 3:15 p.m., the meeting was declared adjourned.

Respectfully submitted,

//signed//

Sheila R. Finlayson, Esq.
Corporate Secretary