

WASHINGTON SUBURBAN SANITARY COMMISSION

MINUTES OF THE COMMISSION MEETING

**Wednesday, April 17, 2013
Laurel, Maryland**

Chair Chris Lawson called the meeting to order at 9:00 a.m. in the Auditorium of the Richard G. Hocevar Building, 14501 Sweitzer Lane, Laurel, MD 20707, with due notice having been given to all members of the Commission and the public. Vice Chair Gene Counihan, Commissioners Adrienne A. Mandel, Antonio L. Jones, Melanie Hartwig-Davis, and Roscoe M. Moore, Jr. 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 Lawson asked Commissioner Hartwig-Davis to lead the pledge of allegiance.

AGENDA APPROVAL

Commissioner Hartwig-Davis moved to approve the agenda for the WSSC Commission meeting for Wednesday April 17, 2013. Commissioner Jones seconded the motion. The motion carried with five affirmative votes as Vice Chair Counihan had not arrived when the vote was taken.

MINUTES

Commissioner Jones moved to approve the open session minutes of the March 20, 2013 Commission meeting. Commissioner Mandel seconded the motion. The motion carried with five affirmative votes as Vice Chair Counihan had not arrived when the vote was taken.

WSSC RETIREES

Four long-term employees retired this month. James A. Price, Jr., Chief of Plant Operations, Production Team retired with 30 years and 9 months of service. Mr. Price received a standing ovation. Mr. Johnson remarked that while all the employees are extremely important in causing the 1.8 million customers to be satisfied, he expressed the need to give special

recognition to retiring employee, James Price. Mr. Price came to WSSC first as a maintenance man then advanced to become a plant operator. Mr. Price earned a bachelor's degree and proved himself capable of being a leader within the WSSC family when he was promoted to Chief of Production. The number of years Mr. Price has worked has given him experience at several plants. Mr. Johnson said that Mr. Price and his team had done a "tremendous job." Mr. Price first thanked Mr. Johnson and then recalled that his nearly 31 years of WSSC employment began with his dumping chemicals out of paper bags by hand. Now he leads one of WSSC's largest departments. He noted how difficult his decision was to retire and he noted that he could not have stayed as long without good managers and leadership. He expressed his pleasure in working for Mr. Johnson and noted that WSSC has been a great place to work.

Others retiring this month included: Sarita A. Milliner, Special Billing Agent Supervisor in the Customer Relations Group retired with 26 years and 5 months of service; Jacquelyn Y. Barry, Customer Relations Group Leader retired with 19 years and 4 months of service, and Cheryl L. Connor, retired as an Administrative Assistant III in the Production Team with 27 years and 9 months of service.

COMMUNICATIONS

The Communications Department Director, Mr. Jim Neustadt presented a video on the new WSSC interactive phone app that gives information about fire hydrants to firefighters so they can more quickly identify where to connect hoses in an emergency.

MEDIA/PUBLIC COMMENTS

There were no media or public comments.

COMMISSIONER COMMENTS

Commissioner Hartwig-Davis noted she attended part of the WSSC Expo for Women Business Owners and gave kudos to the staff for an engaging and very well-attended event. She also commented on SLMBE Director Towanda Livingston's talented emcee skills. Commissioner Hartwig-Davis' Leadership Prince George's Class that includes Kira Calm-Lewis of Communications held a job fair for 120 youths, 16 to 22 years old who are aging out of the Prince George's Foster Care Program. Some of these youths are already homeless. Ms. Kira Calm-Lewis gave a very entertaining and engaging talk on personal hygiene and how to dress for success. The meeting also focused on personal development. The next meeting will bring together business owners seeking to hire at the entry level with these youths with the hope some of them will get hired. Commissioner Hartwig-Davis thanked staff for participating in these events.

Chair Lawson then asked for a few moments of silence to recognize the victims from the Boston Marathon bombing, the families who endured the loss of loved ones, and those families that are suffering because their loved ones were injured.

Commissioner Jones commented that he was listening to a national news station that recounted the major tragedies that the nation has suffered during the month of April in the last 15 or so years, e.g. the Columbine High School shootings, the Oklahoma City bombing, and the shoot-out in Waco Texas. He cautioned that Americans need to be vigilant at all times but remember that for some, April has some significance and thus, the public should be mindful.

Commissioner Mandel suggested regarding April in a positive way where celebration of Earth Day on April 22nd has become a national occurrence. She said all of us are a very significant part of Earth Day because environmental stewardship is part of the WSSC ethos, its objectives and mission to deliver clean, potable water in a way that returns clean water to the environment. She said, "We should feel by our daily work and activities we are participating all the time in preserving, maintaining, and sustaining our planet Earth. On behalf of all Commissioners she

thanked all of you those who actively work to maintain and sustain the environment.

GENERAL MANAGER'S OFFICE

Monthly Report. A series of meetings with both Counties on the WSSC capital and operating budgets was the topic of Mr. Johnson's opening remarks. He noted that the Counties responded very affirmatively to the current fiscal plan for the coming year. He also thanked Commissioners who appeared at those hearings and meetings to listen to the remarks from the committees and councils in both jurisdictions.

WSSC's AAA bond rating was reaffirmed by all three rating agencies in the previous month. Moody's continues to hold a negative outlook for entities relying on federal agencies. The \$150 million consolidated public improvement bond sale netted five bids and the winning bid offered a 2.31 interest rate. It was from J.P. Morgan Securities, LLC. The proceeds will be used to fund the Commission's capital improvements to include replacement and reconstruction of the infrastructure. In another sale, \$101,560,000 in consolidated public improvement refunding bonds was sold to the winning bid that offered a 1.45 interest rate. It was from Bank of America/Merrill Lynch. The proceeds will refund several outstanding bond issues and will result in a savings to the Commission of \$9.2 million over the next 13 years. Continual monitoring of the fiscal status allows WSSC to take advantage of market conditions resulting in savings to the Commission.

The Call Center continues to experience some challenges. There are many things that impact the performance of the Call Center, e.g. Mr. Johnson advised that the inclement weather in March caused a lower than average number of calls to be answered. In turn, that led to an 89% answer rate for the month. The number of delinquent accounts remain the same from the previous month.

All plants and facilities are operating well within the permit parameters. WSSC is working with the MNCPPC group to better coordinate communication and restoration of areas where

pipe failures occurred. A hearing was held with the T & E Committee of Montgomery County about the pipe monitoring program. A failure on a pipe was reported by a resident and this demonstrates how WSSC relies on the observations of its customers to provide helpful information: It allowed for the discovery of an important failure in a joint. The work is completed on the 60" pipe in the Connecticut Avenue area and the area has been restored.

Water main construction, sewer repairs and replacements and lateral replacements are on schedule due to the diligence of staff and the benefit of a mild winter season.

The SLMBE Office had a very busy month. One of the highlights was the Women Business Owners Expo attended by Commissioner Hartwig-Davis who spoke briefly to the attendees. Mr. Johnson noted her attendance was appreciated.

WSSC's Communications Department had a busy month with several community outreach events and continues to market WSSC as a good corporate citizen in the community.

Ms. Towanda Livingston was awarded the Distinguished Community Service Award at the annual banquet of the Women's Empowerment to Achieve the Impossible organization.

Reggie Thorpe of the Information Support Group has been named a "2013 Computer World Honors Laureate." This is a prestigious honor. Over 700 applicants from 29 counties competed for this award. Mr. Thorpe created a web application that allows WSSC employees to upload data on an iPad directly to the system that monitors water quality. It reduces turn around time and gives employees access to certain data in real time. It was developed in about 90 days. It allows for more efficiency within the organization.

The Communications Team won two "Telly" Awards, a premier award for video production recognizing excellence in cable TV commercials and programs. The new "E-plan Review Process" video and the "Assessment of the Anacostia 102" Sewer Pipe" video were the two award winning videos.

April is Earth Month so the Community Outreach Team will be planting trees and cleaning river banks. The signature event, the Children's Water Festival will be held May 8 and 9th. Mr. Johnson noted employees could still register for Earth Month activities by contacting Kim Knox of the Communications Department.

Mr. Johnson announced that the Water Quality Report has been published and that WSSC has never had a drinking water violation. Since providing drinking water is one of WSSC's core missions there is no clearer or simpler way as a basic indicator of how well WSSC is doing to serve its customers than to consider the data in the Water Quality Report. He thanked all of the employees who are so integral to providing safe, clean water to the WSSC customers.

For the first time, WSSC is distributing its annual Water Quality Report electronically. A recent ruling by the Federal Environmental Protection Agency authorizes electronic distribution of the Water Quality Report. Mr. Jim Neustadt explained the change makes electronic distribution optional but some paper copies are still required. Mr. Neustadt named a number of employees who he thanked for ensuring that the deadline was met despite the change in delivery method for the Water Quality Report. To announce the availability of the Water Quality Report online, WSSC used several methods: A video prepared by the Communications Department, newspaper ads in Spanish and English, social media, and the WSSC internet site. Mr. Neustadt observed that the reduction from 39,000 to 5,000 paper copies of the report saved \$30,000 and 25,000 pounds of paper. Other utilities and the Maryland Department of the Environment have inquired about WSSC's process of switching to an electronic water quality report.

Annual Report. This report is about the strategic projects monitored during Fiscal Year 2012. Mr. Johnson advised that the 2013 report will be timely.

Performance Report. Mr. Johnson noted that this second report is a part of being transparent about the measured outcomes of the strategic operational activities the company undertakes.

Progress is being made in various areas of operations within WSSC and that progress is highlighted in the report which also notes where improvements need to be made and it identifies performance objectives and results. He noted that this report and the annual report should help identify future strategic direction of the organization. Mr. Johnson thanked the Community Relations and Strategic Systems Office for their collaboration in producing this report.

Ms. Crystal Knight-Lee, Acting Director of the Strategic Systems Office presented a more detailed summary of the report in a power point presentation.

Mr. Johnson continued his report with a summary of activities from various departments. He responded to questions from Commissioners that were posed about the report prior to the meeting.

Internal Audit Office

Monthly Activity Report. Ms. Maxene Bardwell, Internal Auditor presented the report. She provided an update on the activities in the Internal Audit Office. The report covered March 4, 2013 through April 5, 2013. System Development Charge audits netted a total financial savings of \$1,000,000. Next, Ms. Bardwell discussed the status of the Fiscal Year 2013 audit projects as well as the 2012 carry-over items and then summarized the follow-up activities.

Board of Ethics. The Ethics Officer provided Code of Ethics training on March 15, 2013 to six new hires. The Board held its regularly scheduled meeting and advised that the open session minutes are posted on the WSSC website. Ms. Bardwell noted that the Ethics Officer writes an article for inclusion in each issue of Fishtales, the WSSC employee newsletter.

The contract for external auditing services has been awarded to Basillio, Cobb, and Associates.

The administrative assistant to the Ethics Officer will begin on April 29, 2013.

Ms. Bardwell also reviewed comparative data on hotlines from other industries.

Resolution 2013-2008. Commissioner Hartwig-Davis moved that the Commission approve Resolution 2013-2008 that approves the transmittal of the 2012 Annual Ethics Report to Prince George's and Montgomery Counties. Commissioner Mandel seconded the motion. The motion carried with six affirmative votes.

DEPARTMENT BRIEFINGS

Finance

CIP Public Hearing Dates. Mr. Chris Cullinan presented Commissioners with dates for holding hearings on the Proposed Fiscal Years 2015-2020 Capital Improvements Program, to wit: Tuesday, September 10th in Montgomery County (Rockville) and Thursday September 12 in Prince George's County (Largo).

Engineering and Construction

Construction Contracts

CD4643B07. Mr. Gumm presented this contract for improvements to the Parkway Waste Water Treatment Plant Biosolids Handling Facility.

CI5335A12. Next Mr. Gumm discussed this IDIQ contract for the Lower Anacostia/Beaverdam/Mattawoman Basins for Consent Decree work in environmentally sensitive areas. It includes four individual awards.

PM5332A12. This contract is for IDIQ Consent Decree work in environmentally sensitive areas in Little Falls and Rock Run Basins. Mr. Gumm advised four awards will be made under this contract.

AC5538A13. This area construction contract to install new water and sewer house connections in both Montgomery and Prince George's Counties was Mr. Gumm's next item.

LC5541A13 and LC5542A13. Mr. Gumm briefed these two contracts to renew existing water and sewer house connections in Prince George's County.

LC5539A13 and LC5540A13. He then briefed these two contracts to renew existing Water and Sewer House Connections in Montgomery County.

Engineering Contracts

BE1775D96. Mr. Gumm described Amendment Two, for design services during construction for additional pumping capacity at the Central Avenue Wastewater Pumping Station.

Customer Care

Mr. Hak Kwon, Group Leader, Customer Care North presented the two contracts on behalf of Acting Customer Care Team Chief, Derrick Phillips who was absent.

6323. This contract is for flow monitoring services for one year with four optional years. It is related to work required for the Consent Decree.

5791. Approval is sought for Change Order One to amend the upset limit for on-call emergency repairs to PCCP.

Information Technology

1066. This contract is for work to establish the E-Permitting System.

CONSENT CALENDAR

Commissioner Mandel moved that the Commission approve Resolution 2013-2009 that adopts the Consent Calendar for the April 17, 2013 Commission meeting containing the following items:

A. Finance

Public Hearing Dates for the Proposed Fiscal Years 2015-2020 Capital Improvements Program, to wit: Tuesday, September 10th in Montgomery County (Rockville) and Thursday September 12 in Prince George's County (Largo).

B. Engineering and Construction

Construction Contracts

1. CD4643B07, Parkway WWTP Biosolids Handling Facility Improvements to CPP Construction Company, Inc. in the amount of \$24,450,000.00.

2. CI5335A12, Lower Anacostia/Beaverdam/Mattawoman Basins ESA IDIQ, four Awards to Layne Inliner, LLC, HGS, LLC DBA Angler Environmental, Pleasants Construction, Inc and M-Liner East, Inc. for a total upset limit of \$45,000,000.00.
3. PM5332A12, Little Falls/Rock Run Basins ESA IDIQ, four Awards to Layne Inliner, LLC, HGS, LLC DBA Angler Environmental, Pleasants Construction, Inc and AM-Liner East, Inc. for a total upset limit of \$30,000,000.00.
4. AC5538A13, Area Water and Sewer House Connections to Fort Myer Construction Corp. in the amount of \$1,669,220.00.
5. LC5541A13, Area Water and Sewer House Connection Renewals to Fort Myer Construction in the amount of \$2,096,515.00.
6. LC5542A13, Area Water and Sewer House Connection Renewals to Fort Myer Construction Corp. in the amount of \$2,095,165.00.
7. LC5539A13, Area Water and Sewer House Connection Renewals to Fort Myer Construction Corp. in the amount of \$2,124,165.00.
8. LC5540A13, Area Water and Sewer House Connection Renewals to Fort Myer Construction Corp. in the amount of \$2,095,165.00.

Engineering Contracts

BE1775D96, Amendment 2 Central Avenue WPS Additional Pumping Capacity, Design Services during construction to Whitman, Requardt & Associates, LLP for a total value of \$244,850.62.

C. Customer Care

1. 6323, Flow Monitoring Services to RJN Group for the amount of \$2,323,958.00.
2. 5791, PCCP - Change Order One to Change Upset Limit to Spiniello Companies, W.F. Wilson & Sons, Inc. and Orbit Construction Corp. in the amount of \$8,000,000.00.

D. Information Technology

1066, E-Permitting System to EnerGov Solutions for the amount of \$1,634,535.00.

Commissioner Jones seconded the motion. The motion carried with six affirmative votes.

DEPARTMENT BRIEFINGS**ENGINEERING**

Resolution 2013-2010: Waiver Request. Mr. Gumm described the request for a waiver pursuant to WSSC Standard Procedure, ENG 11-01 for constructing a Strayer University facility in Prince George's County. The waiver was submitted by Campus Properties, LLC. The GM/CEO recommended that the Commission grant the waiver request. Commissioner Jones moved that the Commission adopt Resolution 2013-2010 that approves Campus Properties, LLC's request to waive WSSC Standard Procedure ENG 11-01 for a Strayer

University facility. Commissioner Moore seconded the request.

The motion carried with six affirmative votes.

Resolution 2013-2007: Condemnation. Mr. Gumm described the need for a condemnation as part of the work to complete the Consent Decree for a parcel in Prince George's County. Attorney Claudia Koenig of the General Counsel's Office explained additional details of the condemnation process. The matter was tabled until later in the afternoon so that the Commissioners could hear in closed session additional details of the legal negotiations and receive the legal advice of General Counsel.

LUNCH RECESS

At 12:29 p.m. Chair Lawson called for the lunch recess. The meeting resumed at 1:38 p.m.

Finance

Amendments to Trust Document. Mr. Traber presented proposed amendments to the WSSC Employees' Retirement Plan Board of Trustees Plan Document which address the term limits of certain members, appoints the Executive Director as Chair, and allows for retirees as members.

Intergovernmental Relations Office

Legislative Update. Mr. Wineland gave Commissioners his summary of the actions taken during the 2013 legislative session. MC/PG 103-13, the SDC Development Charge Bill was signed by the Governor. MC/PG107-13 the request to change the due date of the SLMBE Office Annual Report from September 15th to October 30 was passed. The Sewage Leak Notice Requirements Bill proposed by Delegate Hucker was amended and then passed. Delegate Hucker's drinking water testing bill that requires quarterly testing (now required on an annual basis) and reporting the results to Montgomery County also passed. The Prevailing Wage Bill passed as well.

COMMISSIONERS ITEMS

Corporate Secretary Report. Ms. Bundy gave a synopsis of her activities for the month.

Infrastructure Working Group. Commissioner Jones summarized the meeting held April 10, 2013. Financing alternatives for under- and un-served populations was the focus of the meeting. There was a brief discussion about tracking filing dates to ensure that proposals for legislation are timely filed.

WSSC Employees' Pension Board of Trustees. There was no report this month.

Personnel & Governance. Commissioner Hartwig-Davis advised that the committee completed the task of finalizing the employment contract of a direct report and that the matter would be addressed in closed session. Chair Lawson advised that nine candidates had been contacted for an interview for the Corporate Secretary position. The first round was to occur on April 29 and 30 with a final round to interview no more than three candidates to be held in early May.

CLOSED SESSION

At 3:06 p.m. Commissioner Jones 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 March, 20, 2013 Closed Session Minutes; and Sections 10-508(a)(7) to obtain legal advice concerning litigation and the condemnation for Parcels D & E at 11001 Indian Head Highway in Prince George's County. Commissioner Jones seconded the motion. The motion carried with six affirmative votes.

At 3:07 p.m. Chair Lawson declared the meeting was closed.

ATTENDEES: Chair Chris Lawson; Vice Chair Gene Counihan, Commissioners Roscoe M. Moore, Jr., Adrienne A. Mandel, Antonio Jones and Melanie Hartwig-Davis; General Manager Jerry Johnson, General Counsel Jerry Blask, Corporate Secretary Charlett Bundy. Attorney Claudia Koenig, Legal Counsel in the WSSC General Counsel's Office, Mr. Gary Gumm and Mr. Austin Freeman, Project Manager of the Engineering & Construction Team Project Delivery Group joined the conversation on the condemnation.

Condemnation. Mr. Blask gave Commissioners legal advice on the process of quick take and the unique factual issues surrounding the legal quick take of Parcels D & E, Silesia Center, 11001 Indian Head Highway, Fort Washington, MD. A motion was made

and seconded that authorized a certain purchase price for the permanent easement for Parcels D & E, Silesia Center, 11001 Indian Head Highway, Fort Washington, MD. The motion carried with six affirmative votes.

At 3:53 p.m. Mr. Gum, Mr. Freeman and Ms. Koenig left the Closed Session.

Closed Session Minutes. Commissioner Moore moved to approve the Closed Session Minutes for March 20, 2013 with the two corrections (delete repeated word "and" and the incomplete paragraph). Commissioner Jones seconded the motion. The motion carried with six affirmative votes.

Litigation. Mr. Blask gave Commissioners his opinion on a matter in litigation and asked for settlement authority. Commissioners approved a specific settlement authority upon a motion that was properly seconded and affirmed with six aye votes.

Personnel Matter -Direct Report Employment Contract. Commissioner Hartwig-Davis on behalf of the Personnel and Governance Committee summarized the Amendment One to the employment contract of a direct report to Commissioners. A motion was properly made and seconded that the Commission adopt Amendment One. Said motion carried with six affirmative votes.

With no further business to conduct in Closed Session, Commissioner Hartwig-Davis moved to end the closed session at 5:12 p.m. Commissioner Counihan seconded the motion. The motion carried with six affirmative votes.

OPEN SESSION RESUMED

Adjournment

Commissioner Moore moved to adjourn the meeting. Commissioner Jones seconded the motion. The motion carried with six affirmative votes. At 5:19 p.m. the meeting was adjourned.

Respectfully submitted,

____//signed//____
Charlett Bundy
Corporate Secretary