

**WASHINGTON SUBURBAN SANITARY COMMISSION**

**MINUTES OF THE COMMISSION MEETING**

**Wednesday, June 18, 2014  
Laurel, Maryland**

Chair Gene W. Counihan called the meeting to order at 8:40 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, and Roscoe M. Moore, Jr., 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 (departed at 10:30 a.m.), 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.

Absent: Commissioner Mary Hopkins Navies.

**PLEDGE OF ALLEGIANCE**

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

**AGENDA APPROVAL**

Commissioner Boulware moved to adopt the Commission's Public Meeting Agenda of June 18, 2014, as drafted, to which Commissioner Mandel seconded the motion. The motion carried with five affirmative votes [Commissioner Navies absent from vote].

**APPROVAL OF MINUTES**

Commissioner Lawson then moved to approve the open session minutes of the May 21, 2014 Commission Meeting, as drafted. Commissioner Moore seconded the motion. The motion carried with five votes in the affirmative [Commissioner Navies absent from vote].

**WSSC RETIREES**

Richard Baker, Executive Director of the WSSC Employees' Retirement Plan, recognized the following WSSC Retirees for the month of June 2014: Gina D. Springmann, Specialist, Network Infrastructure & Data Center/Consolidated Office Building (COB), retired with 28 years and 7 months of service; Lori J. Boettinger,

Meter Reader II, Utility Services Enhancement Support Group/Anacostia, retired with 28 years and 6 months of service; Joan F. Allen, Information Support Specialist, Information Support Group/COB, retired with 26 years and 1 month of service; Rachel M. Nash, Information Support Analyst, Information Support Group/COB, retired with 25 years and 9 months of service; Arthur Parent, Paraprofessional, Development Services Program Group/COB, retired with 24 years and 2 months of service; Felicia Daniel, Clerk, Revenue Group/COB, retired with 16 years and 4 months of service; Thomas V. Harley (present at meeting), Technician, Utility Services West Group/Lyttonsville, retired with 32 years and 7 months of service; Jeffrey E. Andrews (present at meeting), Supervisor, Systems Inspection Group/COB, retired with 30 years of service; and Brenda A. Henry (present at meeting), Retirement Benefits Specialist, Retirement Group/COB, retired with 36 years of service.

Mr. Baker took a moment to pay special recognition to Ms. Henry for her outstanding service in supporting the Retirement Group over the years. Chair Counihan, on behalf of the Commission, also expressed his appreciation to all of the June retirees.

#### **COMMUNICATIONS VIDEO**

Communications and Community Relations Director Jim Neustadt presented a video highlighting some of WSSC's accomplishments, which resulted in WSSC being recognized and honored this month with the Leadership Montgomery "Public Sector Award" for visionary thinking, innovation, courage and integrity.

#### **ROBERT G. BERGER SCHOLARSHIP AWARDS**

Jennifer Hawes, Chair of the Robert G. Berger Memorial Scholarship Board and a Member of the Communications and Community Relations Office, presented the scholarship awards for the 2014-2015 academic year. Ms. Hawes provided a brief history of the scholarship, personally acknowledging and thanking the Berger family and WSSC employees and retirees for their generous support and contributions over the years, which make the scholarships possible since all funds collected are used solely for this purpose.

The following eight student recipients (and WSSC parents) were honored:

- **Andrea Crowe (Michael Crowe, Seneca/Damascus/Hyattstown Group) - Senior** - Lock Haven University - Early Childhood Education (absent; parent accepted on her behalf).
- **Daniel Crowe (Michael Crowe, Seneca/Damascus/Hyattstown Group) - Junior** - Lock Haven University - Pre-Physician's Assistant Program (present).
- **Sanchita Gupta (Ajay Gupta, Applications Development Division) - Sophomore** - University of Virginia - Human Biology (present).
- **Amber Kelly (Sean Michael Kelly, Utility Services North Group) - Junior** - Salisbury University - Social Work (present).
- **Thomas Lilly (Thomas Lilly, Jr., Western Branch Group) - Freshman** - Georgia Institute of Technology - Electrical Engineering (present).
- **Theresa Russell (Ann Russell, Development Services Group) - Senior** - University of Maryland College Park - Physiology & Neurobiology (present).
- **Natolie Tobery (William Tobery, Seneca/Damascus/Hyattstown Group) - Sophomore** - Shepherd University - Psychology (present).
- **Christina Venanzi (David Venanzi, Infrastructure Systems Group) - Senior** - Stevenson University - Medical Technology (absent; parent accepted on her behalf).

The Robert G. Berger Memorial Scholarship Fund is a tribute to former Commissioner Robert G. Berger and supports the higher education goals of WSSC employees and retirees' children. Since its inception in 1996, the fund has awarded over \$135,000 in scholarships to more than 125 students. Formerly known as the WSSC Employee Scholarship Fund, it was renamed in 2003 to honor the memory of former Commissioner Berger, who was a tremendous advocate for higher education and played a pivotal role in creating the WSSC Scholarship Fund. Mr. Berger was appointed to the Commission from Montgomery County in 1993 and served until 2001.

At the conclusion of the presentation, Chair Coughlin congratulated the student recipients, wishing them well in their academic studies.

**RECOGNITION OF DEPARTING CHAIR COUNIHAN**

Vice Chair Lawson recognized the excellent leadership of departing Chair Gene Counihan by presenting him with a plaque of appreciation and an engraved glass replica water drop "in recognition of distinguished service to the Washington Suburban Sanitary Commission."

**Departing Chair Comments.** Chair Counihan thanked the Vice Chair and the rest of his fellow Commissioners and provided a summary of his accomplishments over the past year. The Past Chair's comments can be found in the corresponding segment of the archived meeting video, which is referred to for this purpose.

**ELECTION OF FISCAL YEAR 2015 CHAIR**

The departing Chair then called for nominations for Chair of the Commission for the upcoming fiscal year.

**Whereupon, a motion was duly made by Commissioner Mandel, and properly seconded by Commissioner Lawson, to nominate Commissioner Omar Boulware as the Chair of the Commission for Fiscal Year 2015. The motion carried with five affirmative votes [Commissioner Navies was absent from the vote].**

Commissioner Counihan congratulated the new Chair, officially passing the gavel to Chairman Boulware.

**[Chair Boulware is now presiding over the meeting].**

**New Chair Comments.** Chair Boulware then commented as follows:

*"Thank you, Commissioner Counihan. I want to thank you for your seven years of leadership on the Commission and for taking me under your wing during the past 8 months and hopefully, you've trained me well enough to fill your shoes. I want to thank all of my fellow Commissioners and especially our Prince George's County Executive Rushern Baker for demonstrating his continued confidence in me to serve.*

*It is indeed an honor to serve as Chairman of the Commission. I am proud and overjoyed at the opportunity to lead and to continue to serve WSSC which has a mission so essential to all of our lives. I consider it my duty to serve. I've always answered when called to*

serve. I am proud to have my wife Kimberly and my son Chase here with me today and want to thank them for allowing me to serve. I grew up in Shelby, North Carolina. My grandfather was the supervisor at a wastewater treatment plant in nearby Gastonia. I remember helping him on many occasions to pull water samples from the treated wastewater. Then we would take those samples to the lab for testing and I remember what he did then, and what I helped him do, always made a lasting impression on me.

So here I am, a few years later, helping guide one of the largest water/wastewater utilities in the country as we continue to serve millions of people. It is indeed a very special day.

I joined the Commission last November and it has been a very steep learning curve... And I still have way more to learn. But I have developed a tremendous amount of respect, not only for my colleagues sitting up here, but for our General Manager, his staff and all of the dedicated professionals at WSSC. This is a fine group of professionals I am honored to serve with.

We have made great progress, as Commissioner Counihan mentioned, as was demonstrated by the award we received last week.

And we all know we still have challenges ahead. The challenges of this utility and every utility in this era are great. I am particularly interested in strategic planning and ensuring that our goals are smart and that we attain them.

I want to continue on our course of improving relationships with our various external stakeholders including our federal, local and state officials. We need them all, and I believe I can contribute.

We are embarking on a plan to revise our rate structure, provide a Customer Affordability Program and find new ways to take costs out of business. This is a very promising package that will be key to providing WSSC and our customers with financial predictability, affordability and sustainability.

I thank you all for your support. I look forward to the coming year and with that, let's get down to work."

#### **ELECTION OF FISCAL YEAR 2015 VICE CHAIR**

Chair Boulware then called for nominations for Vice Chair.

Whereupon, Commissioner Lawson moved that the Commission nominate Commissioner Adrienne Mandel as Vice Chair of the Commission for Fiscal Year 2015. Commissioner Counihan seconded the motion. The motion carried with five affirmative votes [Commissioner Navies absent from the vote].

#### FISCAL YEAR 2015 COMMISSION MEETING DATES

A motion was made by Vice Chair Mandel, and properly seconded by Commissioner Counihan, to adopt Resolution 2014-2052 approving the Commission Meeting Dates for Fiscal Year 2015, as follows: July 16, 2014; August 20, 2014; September 17, 2014; October 15, 2014; November 19, 2014; December 17, 2014; January 21, 2015; February 18, 2015; March 18, 2015; April 15, 2015; May 20, 2015; and, June 17, 2015. The motion carried with five affirmative votes [Commissioner Navies absent from the vote].

#### COMMISSIONER/PUBLIC COMMENTS

There were no comments from Commissioners or the public.

#### GENERAL MANAGER'S REPORT

General Manager and Chief Executive Officer Jerry Johnson started his report by congratulating the new Chair on his election to the chairmanship of the Commission. The General Manager's full report can be found in the corresponding segment of the archived meeting video and the written report provided in the meeting materials and both are referred to for that purpose. However, highlights are as follows:

WSSC is holding its own with respect to the call center (answer rate at 84% for the month). The consultant is half way through its engagement and will provide management with a road map of where it needs to go to ensure future progress.

Delinquencies are down slightly; management continues to struggle with one major delinquent account involving Lynhill Condominiums.

Wastewater treatment plant numbers are up substantially over the last two months. Specific details relating to these numbers and the sanitary sewer overflows experienced during the month can be found in the GM's written report.

Water plants are in full compliance; zero drinking water quality permit violations for the month.

WSSC continues to work with local officials on the Piscataway Drive Slope failure and water main break event in Prince George's County and the National Capital Park and Planning Commission on the design services process.

Water main breaks and leaks are down. Water main construction is ahead of schedule. Sewer main repairs continue to lag due to the issue with the Park Service and lack of permits. Laterals continue to remain well-ahead.

WSSC is the recipient of the Leadership Montgomery Public Sector Award and the American Water Works Association (AWWA) National Safety Award.

D. Michael Stroud has been hired as the new Director of Intergovernmental Relations and is expected to begin his duties on June 30<sup>th</sup>. Mr. Stroud's experience in government and congressional legal practice includes both private and public work. He was Deputy Assistant Secretary for the Office of Legislative Affairs for the United States Department of Homeland Security, and had been the Acting Assistant Secretary for the Private Sector Office since 2013. Mr. Stroud served previously as Deputy Chief Counsel for the Committee on Homeland Security in the U.S. House of Representatives and as the Staff Director and Counsel for the Subcommittee on Transportation Security and Infrastructure Protection. Mr. Stroud is a graduate of Cornell University and the George Washington University Law School.

**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 May 5, 2014 through June 6, 2014. Fiscal year-to-date savings for the System Development Charge (SDC) Audits total approximately \$852,408. No SDC Audits have been completed during the reporting period. Out of the nine audit requests in process; six are active and three are inactive. For

Fiscal Year 2014 Risk-Based Audits, IAO is conducting field work on the Customer Relations Group Operational Audit and the Blue Plains Audit. The Construction Contracts Change Orders Special Audit has been postponed until completion of the Blue Plains audit. With respect to Fiscal Year 2013 Carryover Audit projects, an exit conference has been scheduled for the Information Technology Inventory Audit and a final report has been issued for the Industrial Asset Management Group Inventory Audit. Under internal audit follow-up activities, one management action item has been closed since the last status report and a review is underway for the eleven implemented-pending Internal Audit verification action items.

**Hotline.** As of June 6, 2014, the top five case types for the latest 12 months are conflicts of interest; safety and sanitation issues; fraud; theft of goods/services and employee relations. Status of hotline cases classified as follows: four - new; three - in progress; and one - closed.

**Board of Ethics.** The Board held its regularly-scheduled meeting on May 8, 2014; several open and closed items were reviewed.

**Code of Ethics Training.** The Ethics Officer provided training to 11 new hires on May 27, 2014.

**External Auditors.** The external auditors BCA Watson Rice, LLC, currently on-site conducting audit work through the end of the month.

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

#### DEPARTMENT BRIEFINGS

##### FINANCE

**Resolution 2014-2053 - Adoption of WSSC FY 2015 System Development Charge.** This Resolution increases the maximum allowable charge while keeping the actual rates to be charged unchanged for Fiscal Year 2015. This item was approved by the Montgomery and Prince George's County Councils on May 8, 2014 and upon approval by the Commission will become effective on July 1, 2014.

**Commissioner Lawson moved that the Commission adopt Resolution 2014-2053 approving the Washington Suburban Sanitary Commission's**



System Development Charge for Fiscal Year 2015, as recommended by management. Commissioner Moore seconded the motion. The motion carried with five affirmative votes [Commissioner Navies absent from vote].

**Resolution 2014-2054 - Adoption of WSSC FY 2015 Operating and Capital Budgets.** This item acknowledges the joint action of the two County Councils to approve the proposed \$1.3 billion operating and capital budget, with a 5.5% average water and sewer rate increase, at the Bi-County meeting of the Montgomery and Prince George's County Councils on May 8, 2014.

Commissioner Lawson moved that the Commission adopt Resolution 2014-2054, approving the Washington Suburban Sanitary Commission's Operating and Capital Budgets for Fiscal Year 2015. Commissioner Moore seconded the motion. The motion carried with five affirmative votes [Commissioner Navies absent from vote].

**Resolution 2014-2055 - Adoption of WSSC Six-Year Capital Improvements Program for Fiscal Years 2015-2020.** This item, totaling \$3.7 billion, was jointly approved by the Prince George's and Montgomery County Councils on May 8, 2014 and reflects the modifications approved by both Counties in their respective resolutions.

Commissioner Mandel moved that the Commission adopt Resolution 2014-2055, approving the Washington Suburban Sanitary Commission's Six Year Capital Improvements Program [as amended], for Fiscal Years 2015-2020, to which Commissioner Lawson seconded. The motion carried with five affirmative votes [Commissioner Navies absent from vote].

**Front Foot Benefit Charges and Deferred House Connection Charges for the 2014 Assessment Levy.** Proposed assessment notices were mailed out to 272 customers in Montgomery and Prince George's County. No appeals were made. Management is recommending approval.

Whereupon, a motion was made by Commissioner Lawson and seconded by Commissioner Moore, to approve the Front Foot Benefit Charges and Deferred House Connection Charges for the 2014 Levy. The motion carried with five affirmative votes [Commissioner Navies absent from vote].

*Contracts for Approval*

Chief Engineer Gary Gumm, along with Infrastructure Systems Group Leader Marcia Tucker, presented one construction contract; Utility Services Team Chief Hak Kwon, along with Utility Management Group Leader Calvin Farr, presented one utility services contract; and Acting Chief of Plant Operations J. C. Langley, presented one production contract, for Commission approval. [Such contracts were approved as part of the June Meeting Consent Calendar].

**CONSENT CALENDAR**

Chair Boulware then called for a vote of the three items listed on the Consent Calendar for the June Commission Meeting.

Whereupon, Commissioner Mandel moved that the Commission adopt Resolution 2014-2056, approving the three contracts included on the Consent Calendar for the June 18, 2014 Commission Meeting, as follows:

**A. Engineering and Construction (Construction Contract)**

1. BT5529A13, Seat Pleasant Transmission Water Main Replacement, to Taylor Utilities, Inc., in the amount of \$1,895,678.00.

**B. Utility Services**

1. Contract 6530, Condition Assessment of Buried Water Assets, to Echologics, LLC, in an amount not to exceed \$2,000,000.00, with a base term of one (1) one year and two (2) one year option terms, in an amount not to exceed \$2,000,000.00 each.

**C. Production**

1. Contract 6544, Blue Plains Biosolids Management and Utilization, to Recyc Systems, Inc., in the amount of \$6,801,249.00.

Commissioner Counihan seconded the motion. The motion carried with five affirmative votes [Commissioner Navies absent from vote].

**ADDITIONAL BRIEFINGS****Resolution 2014-2057 - Approval of Revised Standard**

**Procedure/Regulation for Cross Connection Program.** Chief Engineer Gary Gumm, along with Code Planning and Cross Connection Coordinator Thomas Buckley of the Regulatory Services Group, presented the proposed Standard Procedure/Regulation for Commission consideration. In summary, management is proposing a revision and update to the Cross Connection Control Program (CCP) Standard Procedure (SP) ENG-09-05, adopted in 2009, to reflect the approved changes in the fiscal year 2015 budget. Specific details pertaining to the briefing can be found in the corresponding segment of the archived meeting video and is referred to for this purpose. In summary, the CCP focuses on monitoring of WSSC's commercial water customers due to the hazardous nature of their water uses and the unknown manner in which they connect to and/or protect the drinking water from backflow contamination. A two-tier fee structure, as approved in the fiscal year 2015 budget, will be levied on commercial customers based on their water usage degree of hazard. The approved fee structure consists of: 1) increasing the current test report fee from \$10 to \$25; and 2) a new monthly cross connection base fee of \$12 for High Hazard Facilities and \$6 for Low Hazard Facilities. The fee is applicable to property owners.

**Following discussion, Commissioners, by unanimous consent, determined to special order this item until later in the meeting.**

**Preliminary Legislative Update.** Acting Director of the Intergovernmental Relations Office (IRO) Gene Williams provided a preliminary update of the proposed bills that staff is working on with regard to the 2015 Legislative Session and other activities of the IRO office.

**The Commission received the preliminary legislative update as information.**

**COMMISSION OFFICE**

**Corporate Secretary Report.** Corporate Secretary Sheila Finlayson provided an overview of her activities for the month, sharing, among other things, that the engineering scholarship application period closed on May 30, 2014 and that she was pleased to report that the Commission received 12 submissions. The Corporate

Secretary is in the process of preparing the applications for transmittal to the Selection Committee; winners to be selected by June 30, 2014 with recommendations to Commission to follow. Recipients will be recognized and awarded scholarships at the July 16, 2014 Commission Meeting.

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

**WSSC Employees' Retirement Plan Board of Trustees.** Commissioner Moore reported that, as of April 30, 2014, the Plan's assets were \$740.7 million, which reflects a year-to-date investment gain of \$12.2 million or an increase of 1.8% from December to April. The next meeting of the Board is scheduled for Wednesday, June 25, 2014.

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

**Personnel, Governance & Legislation.** Commissioner Mandel provided an update of the Committee's activities for the month, which included continued review and oversight of the Commission Office direct reports and monitoring of the proposals/bills for the next legislative session.

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

**Bi-County Infrastructure Funding Working Group.** Commissioner Counihan reported that the work is done for this group, acknowledging and thanking the working group for their hard work and tremendous efforts over the past year.

**The Commission received the report of the Bi-County Infrastructure Funding Working Group, as information.**

#### **FISCAL YEAR 2015 COMMITTEE APPOINTMENTS**

Chair Boulware indicated that he had not yet finalized the Committee assignments and would report on his appointments at a later time.

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 11:15 a.m., Commissioner Counihan moved that the Commission go into Closed Session pursuant to Maryland Code Annotated, State Government Article: Section 10-508(a)(13) to approve the May 21, 2014 Closed Session Minutes; Sections 10-508(a)(7) to consult with counsel to obtain legal advice on pending litigation; Section 10-508(a)(12) to discuss an investigative proceeding; and, Section 10-508(a)(1) to discuss recruitment and personnel matters with the General Manager. Commissioner Mandel seconded the motion. The motion carried with five affirmative votes [Commissioner Navies absent from vote].

At 11:15 a.m., Chair Boulware declared the meeting was Closed. The Chair then called for a recess. The meeting reconvened into Closed at 1:02 p.m.

**ATTENDEES:** Chair Omar Boulware; Vice Chair Adrienne Mandel; Commissioners Gene Counihan, Chris Lawson, and Roscoe Moore, Jr. Absent: Commissioner Mary Hopkins Navies and General Manager Jerry Johnson. Staff present: General Counsel Jerry Blask, Corporate Secretary Sheila Finlayson, and Chief of Staff Johnnie Hemphill. Outside Counsel Todd Horn of Venable LLP was also present for the legal report,

Closed Session Minutes - On motion made by Commissioner Mandel and properly seconded by Commissioner Lawson, the Commission voted by a vote of five-to-zero, to adopt the closed session minutes of its May 21, 2014 Commission Meeting, as drafted [Commissioner Navies absent from vote].

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

The Commission voted five-to-zero to increase the upset limit for legal counsel representation with regard to WSSC's pending legal

claims. (Mover - Commissioner Mandel; Seconder - Commissioner Lawson; motion carried with five affirmative votes; Commissioner Navies absent from vote).

**Personnel Matters** - Due to the General Manager's early departure from meeting, the Commission did not discuss this item.

At 2:20 p.m., Commissioner Moore moved to end the Closed Session. Commissioner Counihan seconded the motion. The motion carried with five affirmative votes [Commissioner Navies absent from vote].

OPEN SESSION RESUMED

**Adoption of Resolution 2014-2057 Approving Revised Regulation REG-REGS-EC-2014-004 (formerly SP ENG-09-05) - Cross Connection Control Program (CCP).**

On motion made by Commissioner Mandel and properly seconded by Commissioner Lawson, the Commission voted to adopt Resolution 2014-2057 approving the revised Regulation REGS-REGS-EC-2014-004 for the Cross Connection Control Program (CCP), as recommended by management. The motion carried by a vote of five-to-zero with one absent [Commissioner Navies absent from vote].

The Chief of Staff briefed Commissioners on the Windsor Green Homeowners' Association (HOA) issue pertaining to low water pressure being experienced by many of the residents of that community, sharing some options the General Manager is considering to resolve the matter. The General Manager to report back to the Commission on the status after meeting with the HOA/Windsor Green community representatives.

**Committee Appointments.** Chair Boulware appointed the following Commissioners to the Commission's respective Standing Committees for Fiscal Year 2015:

**WSSC Employees' Retirement Plan Board of Trustees: Commissioner Moore and Commissioner Lawson;**

**Personnel and Governance: Commissioner Mandel and Commissioner Navies;**

**Legislation:** Chair Boulware and Commissioner Counihan; and,

**Audit:** All Six Commissioners.

**ADJOURNMENT**

There being no additional business, the Chair called for a motion to adjourn, to which Commissioner Mandel moved to adjourn the meeting. Commissioner Lawson seconded the motion. The motion carried with five affirmative votes [Commissioner Navies absent from vote].

At 3:08 p.m., the meeting was declared adjourned.

Respectfully submitted,

//signed//

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Sheila R. Finlayson, Esq.  
Corporate Secretary