

WASHINGTON SUBURBAN SANITARY COMMISSION

MINUTES OF THE COMMISSION MEETING

**Wednesday, July 17, 2013
Laurel, Maryland**

Chair Gene W. Counihan called the meeting to order at 8:54 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), Antonio L. Jones, Adrienne A. Mandel, Roscoe M. Moore, Jr. and Mary Hopkins Navies, were present at the meeting. 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. Members of WSSC management were also called upon, during certain portions of the meeting, to provide information to the Commission.

WELCOME NEW COMMISSIONER

The meeting opened with the Chair and Vice Chair welcoming the Commission's newest member Mary Hopkins Navies, who was appointed by Prince George's County Executive Rushern L. Baker and confirmed yesterday [Tuesday, July 16, 2013] by the Prince George's County Council, to replace former WSSC Commissioner Melanie Hartwig-Davis.

Chair Counihan also announced that the meeting would be intercepted at 10:00 a.m. due to an important conference call that the General Manager/CEO must participate on with State and Prince George's County officials regarding the unfolding water emergency situation/crisis in Prince George's County. The meeting will recess at 9:55 a.m. and reconvene as soon as practicable [following conclusion of the call].

PLEDGE OF ALLEGIANCE

Chair Counihan then asked Commissioner Mandel to lead the pledge of allegiance.

AGENDA APPROVAL

Commissioner Jones moved to adopt the Commission's July 17, 2013 Meeting Agenda, to which Commissioner Mandel seconded the motion. The motion carried unanimously with six affirmative votes.

APPROVAL OF MINUTES

Commissioner Mandel moved to approve the open session minutes of the June 19, 2013 and June 26, 2013 Commission Meetings, as drafted, to which Commissioner Lawson seconded the motion. The motion carried unanimously with six affirmative votes.

WSSC RETIREES

Richard Baker, Executive Director of the WSSC Employees' Retirement Plan, recognized the following WSSC Retirees for the month of July 2013: Carol A. Hartman, Accounting Clerk III, Disbursements Group, retired with 24 years and 5 months of service; Kenneth W. Chambers, Carpenter, Industrial Assets Management Group/Anacostia, retired with 15 years and 2 months of service; and Diane G. Corry (present at meeting), Claims/Emergency Services Unit Coordinator, Customer Relations Group, retired with 32 years and 11 months of service.

VIDEO STREAMING OF MEETINGS

The Chair announced that the monthly Commission meetings are now being streamed live. Starting with today's meeting, WSSC is officially broadcasting its regular meetings on the Internet through streaming video. This is a big step to increase transparency in the way the Bi-County government agency operates. Commission meetings will also be archived and available on the WSSC website for viewing by the public at any time.

COMMUNICATIONS VIDEO

Communications and Community Relations Director Jim Neustadt presented a video on the "WSSC Employee Service Awards" that will take place next Thursday, July 25, 2013, and honors WSSC employees for their service to the agency. Following the video,

the Chair thanked all the employees who will be recognized for their many contributions and years of dedicated service.

PUBLIC COMMENTS

One member from the public was recognized to speak before the Commission. Ms. Barbara Sollner-Webb commented on the Howard County zoning issue and WSSC's process for use of the equestrian trails. She thanked the Commission for its interest in the Howard County matter and for reopening the trails but indicated that the current process for notifying the public on when the trails may be used has fallen apart in recent weeks.

COMMISSIONER COMMENTS

Commissioner Mandel shared her recent experience in touring the WSSC Consolidated Lab with former Commissioner Hartwig-Davis. She expressed her appreciation to the staff who led the tour and the employees of the lab, noting "how proud we all should be" of the work they do in meeting all of the Maryland and EPA testing deadlines, which ensures that our customers and ratepayers are provided with safe, clean affordable water.

The Chair expressed his appreciation to the staff responsible for planning this year's "Employee Appreciation Day" that was held in June for the first time at the Bladensburg Waterfront Park, which he shared was an outstanding, very well-planned and attended event with great recreation and food.

The Chair also shared his thoughts on the Howard County zoning matter, stating that: "[A]s our region continues to grow, our watersheds for both rivers that we depend on will be under some attack for development, and we know that. We work closely with the Park and Planning Commissions [in both Montgomery and Prince George's Counties] but we don't have quite the same history with Howard County, yet most of the Patuxent watershed is in that County. While we can't dictate to them [Howard County] how to develop their land, we do want them to know that we're interested in protecting the watershed; protecting the reservoirs and the

source water; and, possibly suggesting some mitigation measures if there is going to be development."

MEDIA COMMENTS

There were no comments from the media.

GENERAL MANAGER'S REPORT

General Manager and Chief Executive Officer Jerry Johnson requested that the Commission receive his report by exception, given the circumstances surrounding the pending water crisis in Prince George's County and all the matters that management needs to address [this morning] in that regard, to which there were no objections.

The General Manager also informed Commissioners about a matter involving the Glenmont Water Tank Facility in Montgomery County, Maryland, whereby the Montgomery County Council is about to consider a proposal to designate this facility as a historical structure. WSSC is in strong opposition to this proposed action being recommended by the Montgomery County Historic Preservation Commission and Park and Planning Commission due to the many legal requirements that would attach to this designation. Despite WSSC objections, the Park and Planning Commission decided to move forward [in seeking Council approval]. The General Manager is requesting the Commission's concurrence with management's position and continuing attempts to block the proposal from receiving approval.

The General Manager then called upon the WSSC Chief Engineer, along with the Acting Chief of Plant Operations and the Systems Control Group Leader, to provide a situational update on the Prince George's County water emergency. The team provided a detailed overview and analysis of the events that led up to the pending water outage in Prince George's County and the repair efforts currently underway to replace the distressed pipeline, including the resources available to those affected by this crisis and the coordinated efforts being undertaken to manage the

situation and mitigate inconveniences. Commissioners insisted that WSSC communicate to customers on an ongoing basis with respect to any developments and the anticipated timeline for repair/restoration of water service.

Following the briefing and several questions from Commissioners, the Chair called for a recess at 9:57 a.m.

The meeting reconvened in Open Session at 10:53 a.m. with all Commissioners present in addition to the General Manager/CEO, General Counsel and Corporate Secretary.

The General Manager entertained questions from Commissioners relating to his monthly report and the General Counsel discussed the legal implications of the proposed designation of the Glenmont water facility as a historic landmark. There was general consensus to support management's position [i.e., opposition to proposed designation] and next steps.

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 for the period of June 10, 2013 through July 5, 2013. Fiscal year-to-date savings for the System Development Charge Audits for Fiscal Year 2013 total approximately \$730,000. One System Development Charge audit was issued during this reporting period. Currently there are ten audit requests for processing; seven are actively being audited and three are inactive. With regard to internal audit follow-up activities, there were 33 pending management action items, 11 implemented-pending internal audit verifications and 132 closed management actions for a total of 176 management action items related to 13 audits. The Internal Auditor pointed out where the 33 pending or started action items reside and which have been identified as delinquent.

Board of Ethics. The Board held its regularly-scheduled June meeting and discussed several open and closed items.

Code of Ethics Training. The Ethics Officer provided training to 3 new hires. Commission-wide annual ethics training is also being conducted and is scheduled to conclude at the end of September.

External Auditors. The external auditors have completed the interim financial statements audit field work and are expected to be back on site on July 22, 2013.

The Internal Audit Manager's Report was received as information.

DEPARTMENT BRIEFINGS

FINANCE

Due to time constraints, the Chair requested that the Finance briefing on the Proposed Capital Improvements Program ("CIP") for Fiscal Years 2015-2020 be moved to the afternoon following the lunch recess, to which there were no objections.

ACTION ITEMS

Contracts for Commission Approval

Chief Engineer Gary Gumm of Engineering & Construction presented one architect/engineer contract and four construction contracts; Senior Civil Engineer Tracy Holmes in the Systems Control Group presented one production contract; Logistics Office Director Roscoe Wade presented one logistics contract; and Chief Information Officer (CIO) Mujib Lodhi presented one IT contract, for Commission approval. CIO Lodhi and Chief Procurement Officer Cathy Martin also briefed Commissioners on a contract for informational purposes only - Solicitation No. 1067, an Information Technology Basic Ordering Agreement for IT Technical Staff and Services. **The Commissioners received this report as information.**

CONSENT CALENDAR

Chair Counihan called for a vote of the contracts listed on the Consent Calendar for the July 17, 2013 Commission Meeting.

Whereupon, Commissioner Lawson moved that the Commission adopt Resolution 2014-2019, approving the items on the Consent Calendar for the July 17, 2013 Commission Meeting, as follows:

A. Engineering and Construction

Architect/Engineer Contract

1. Amendment 1, BE4507A06, Clinton Zone Water Storage and Transmission Improvements, to Gannett Flemings, Inc., in the amount of \$2,828,677.05.

Construction Contracts

1. PM5337A11, Piscataway Basin ESA IDIQ (Consent Decree Work), 4 Awards, to Layne Inliner, LLC; Cherry Hill Construction Inc., Inland Waters Pollution Control, Inc. and AM-Liner East, Inc., for a total upset limit of \$70,000,000.00.
2. PM5295A11, Western Branch Basin ESA IDIQ (Consent Decree Work), 4 Awards, to Cherry Hill Construction, Inc.; Inland Waters Pollution Control, Inc.; Layne Inliner, LLC; and SAK Construction, LLC, for a total upset limit of \$80,000,000.00.
3. PM5304A11, Horsepen/Patuxent Center Basins ESA IDIQ (Consent Decree Work), 4 Awards, to Cherry Hill Construction, Inc.; Inland Waters Pollution Control, Inc.; Pleasants Construction, Inc.; and SAK Construction, LLC, for a total upset limit of \$30,000,000.00.
4. BR5396A12, Water Main Reconstruction, Oakview Water Main Replacement, to Mainlining Service, Inc., in the amount of \$4,749,189.00.

B. Production

1. Contract No. 6338 for Repairing and Repainting Interior and Exterior of Air Park Elevated Tank to Manolis Painting, Inc., in the amount of \$1,662,675.00.

C. Logistics

1. Contract No. 5827, Underground Brass Service Fitting - Option Term 2, to Construction Management & Technology, Inc. and Abby Enterprises, LLC, for a total of \$2,260,000.00.

D. Information Technology

1. Contract No. 6337, Dell Hardware, Equipment and Devices, to Applied Technology Services; IBDigital, Inc.; and Zones, Inc., for a total award of \$1,800,000.00.

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

ADDITIONAL BRIEFINGS

ANNOUNCEMENT - WATER CRISIS AVERTED

The General Manager/CEO announced that the pending water outage/crisis in Prince George's County has been averted. While water restrictions will still remain in place until the distressed pipeline has been repaired, the issues that WSSC was encountering with the system have substantially improved due to a dedicated crew of WSSC technicians that worked through the night to unfreeze and close a valve near the failing pipe which will now allow WSSC to repair the pipe without having to disrupt water service to those affected areas in Prince George's County. The General Manager and Commissioners thanked the staff members for their tremendous work and diligent efforts in helping WSSC to avoid a major crisis. The General Manager also expressed his appreciation to WSSC customers for their support in conserving water and extreme patience while WSSC worked through this emergency situation, along with the State and County officials, peer utilities and other various support groups, who all banded together to assist WSSC through this major event.

CLOSED SESSION

The Chair indicated that the Commission would conduct a working lunch during Closed Session at the request of the General Counsel

who must depart the meeting early. The meeting will reconvene in Open Session in the Auditorium at 2:00 p.m.

Whereby at 12:24 p.m., Commissioner Mandel moved that the Commission go into Closed Session pursuant to Maryland Code Annotated, State Government Article 10, Subtitle 5: Section 10-508(a)(13) to approve the June 19, 2013 and June 26, 2013 Closed Session Minutes; Section 10-508(a)(1) to discuss a personnel matter pertaining to recruitment of top leadership positions; Section 10-508(a)(7) to consult with counsel to obtain legal advice on pending litigation; and Section 10-508(a)(8) to consult with staff, consultants or other individuals about pending or potential litigation. Commissioner Lawson seconded the motion. The motion carried unanimously with six affirmative votes.

At 12:24 p.m., Chair Counihan declared the meeting was Closed.

ATTENDEES: Chair Gene Counihan; Vice Chair Chris Lawson; Commissioners Antonio Jones, Adrienne Mandel, Roscoe M. Moore, Jr. and Mary Hopkins Navies. Staff: General Manager Jerry Johnson, General Counsel Jerry Blask, and Corporate Secretary Sheila Finlayson. Outside Counsel George Johnston was also present at the start of the Closed Session. Mr. Johnston departed at 1:48 p.m.

The General Manager/CEO was excused at 2:00 p.m. to conduct another press briefing on the water situation, followed by the General Counsel, who was excused at 2:04 p.m.

Closed Session Minutes. Commissioner Moore moved to adopt the Closed Session Minutes of June 19, 2013 and June 26, 2013, as drafted. Commissioner Jones seconded the motion. The motion carried unanimously with six affirmative votes.

Pending Litigation - Commissioners met with legal counsel to discuss certain privileged information relating to pending litigation matters. Commissioners unanimously voted to approve

legal fees related to legal representation of pending legal claims.

Personnel Matter - Recruitment of Top Leadership Positions. Due to time constraints, Commissioners did not have an opportunity to discuss the personnel matter pertaining to recruitment of top leadership positions at WSSC.

At 2:09 p.m., Commissioner Jones moved to end the closed session. Commissioner Moore seconded the motion. The motion carried unanimously with six affirmative votes.

At 2:09 p.m., Commissioner Moore was excused from the meeting due to another pending engagement.

OPEN SESSION RESUMED

The Chair called for a recess until 2:25 p.m. at which time open session resumed in the Auditorium of the RGH Building: Chair Counihan and Commissioners Jones, Lawson, Mandel and Navies were present. Commissioner Moore was absent for remainder of meeting. General Manager/CEO Johnson rejoined the meeting at 2:39 p.m. Senior Counsel Vicki Webb (acting as General Counsel) attended the remainder of the meeting in the General Counsel's absence.

FINANCE

Briefing for Fiscal Years 2015-2020 Proposed Capital Improvements Program. Acting Chief Financial Officer Chris Cullinan and Budget Group Leader Mark Brackett provided an overview of the proposed Capital Improvements Program (CIP) for the Fiscal Years 2015-2020. Specific details of the presentation can be found in the Proposed FY 2015-2020 CIP Staff Draft Work Session Booklet contained in the Commission materials and incorporated herein by reference.

Point of Information: The Six-Year Proposed CIP proposes planning, design and construction expenditures for major water and sewer projects. Two public hearings will be held in each County, as follows:

Tuesday, September 10, 2013 (7:30 p.m.) - Montgomery County -

Stella B. Werner Building, 7th Floor Hearing Room, 100 Maryland Avenue, Rockville, Maryland; and,

Thursday, September 12, 2013 (7:30 p.m.) - Prince George's County

- RMS Building, Room 308, 1400 McCormick Drive, Largo, Maryland.

Following the Work Session, the Commission received the Proposed CIP Briefing for Fiscal Years 2015-2020, as information.

ENGINEERING & CONSTRUCTION

Forensic Analysis Report on Chevy Chase 60-Inch PCCP. Chief Engineer Gary Gumm and David Burke of the Technical Services Group, presented the Forensic Results of the 60-Inch PCCP Water Main Failure in Chevy Chase, Maryland that transpired on March 18, 2013. In summary, the report provided a detailed timeline of the events that led up to the pipe failure and steps taken to repair pipe, analysis of pipe design and what caused failure, description of the acoustical fiber optic (AFO) monitoring system that was installed in pipe and what prevented it from detecting and warning of pipe failure, lessons learned and action plans going forward. Specific details can be found in the Forensic Analysis Report contained in the board materials and incorporated herein by reference.

Following discussion, the Commission received the Forensic Analysis Report, as information.

GENERAL COUNSEL'S OFFICE

Reimbursement of Mileage Expenses for Volunteer Board Members.

Following a request from the Customer Advisory Board for reimbursement of expenses for travel to board meetings, the Commission had requested the General Manager/General Counsel's Office to research practices relating to reimbursement of mileage expenses for volunteer members that serve on Commission boards.

Following a discussion of the proposed policy developed by the General Counsel's office, Commissioners requested that further research be conducted to determine what other Boards are doing at the State and County level. The Commissioners also requested that the proposed policy identify the boards that would be eligible; include mileage from home to RGH to home; and include dependent care reimbursement as an option for the Commission to consider. **Revised draft policy and study findings to be presented to Commissioners at the August Commission Meeting.**

[General Manager/CEO Johnson departed the meeting at this juncture (4:07 p.m.)]

COMMISSION OFFICE

Corporate Secretary Report. Corporate Secretary Sheila Finlayson provided an overview of her activities for the month. The Chair commented that he was happy to see an increase in applicants for the Starks/Counihan Engineering Scholarship. Award to be presented at the August Commission Meeting.

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

WSSC Employees' Retirement Plan Board of Trustees. The Corporate Secretary announced, in Commissioner Moore's absence, that the next meeting of the Employees' Retirement Plan Board of Trustees is scheduled for July 31, 2013.

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

Personnel, Governance & Legislation. Commissioner Lawson provided an update of the activities of the Committee, with Commissioner Mandel noting that the Committee will be meeting soon to discuss the timing for the mid-year and annual evaluations of the Commission's direct reports. Commissioner Mandel also provided an overview of the new requirement mandated by the Maryland Open Meetings Act. Essentially, effective

October 1, 2013, public bodies subject to the Act (such as WSSC) must now designate a member, officer or employee to receive training on the requirements of the Act.

Whereupon, a motion was duly made by Commissioner Mandel and properly seconded by Commissioner Jones, to appoint Corporate Secretary Sheila Finlayson as the Open Meetings Act Requirements Training Designee for WSSC. The motion carried with five votes in the affirmative. Commissioner Moore was absent from the vote.

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

Infrastructure Funding Working Group. Commissioner Jones reported that members of this subgroup from the two counties have been responsible for the work of the Committee over the summer months and that staff is working to finalize the data requested by the counties for use in updating their Water/Sewer Category maps and revising the Septic Systems usage maps. A meeting is scheduled in July to review the status and progress of the work completed to date.

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

ADJOURNMENT

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

At 4:17 p.m., the meeting was declared adjourned.

Respectfully submitted,

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Sheila R. Finlayson, Esq.
Corporate Secretary