

WASHINGTON SUBURBAN SANITARY COMMISSION

MINUTES OF THE COMMISSION MEETING

**Wednesday, August 17, 2011
Laurel, Maryland**

Chair Roscoe M. Moore, Jr. called the meeting to order at 8:37 a.m. in the Auditorium of the Richard G. Hoyer Building, 14501 Sweetzer Lane, Laurel, MD 20707, with due notice having been given to all members of the Commission and the public. Vice Chair Chris Lawson, Commissioners Adrienne A. Mandel, Antonio L. Jones, Gene W. Counihan and Melanie Hartwig-Davis were present at the meeting. Also, present were General Manager Jerry Johnson, Corporate Secretary Charlett Bundy, and General Counsel Jerry Blask.

PLEDGE OF ALLEGIANCE

Chair Moore asked Commissioner Antonio Jones, to lead the pledge of allegiance.

AGENDA APPROVAL

Commissioner Mandel moved to approve the agenda for the WSSC Commission public meeting for Wednesday July 20, 2011. Commissioner Hartwig-Davis seconded the motion. The vote was called by Chair Moore and the motion carried with six affirmative votes.

MINUTES

Commissioner Jones moved to approve the open session minutes of the July 20, 2011 Commission meetings. Commissioner Hartwig-Davis seconded the motion. The motion carried with six affirmative votes.

WSSC RETIREES

Mr. Baker announced that three employees retired in August. In attendance was Claudia Collins, Claims Emergency Agent in Customer Care Group who retired with 17 years and 5 months of service. Not in attendance were: Wendy V. Whittington, an Acquisition Consultant II, in the Acquisition Office who retired with 30 years and 4 months of service; and James Nealis, Contract Manager in the Wastewater Collection Group who retired with 30 years and 1 month of service.

JOYCE STARKS ENGINEERING SCHOLARSHIP AWARD

Commissioners recognized Catherine Shelton of Montgomery Village, MD who was the runner-up in the 2011 Joyce Starks Engineering Scholarship. She was not at the June meeting and received \$800 as the runner-up in this scholarship competition.

COMMUNICATIONS

A video demonstrated the ease of use of the new WSSC application for the smart phone. It allows customers to use a cellular phone to pay their WSSC bill, check on service alerts, to report problems or email WSSC with questions.

MEDIA / PUBLIC COMMENTS

There were no comments from the media or the public.

COMMISSIONERS COMMENTS

Commissioner Jones detailed the All-Hazards Homeland Security Initiative which was hosted by the Emergency Response Team-Canton and Prince George's County Citizen Corps Council. The program addressed how to create a family disaster plan; what to include in a family disaster kit and preparation for crisis response including chemical, biological, nuclear readiness. He recommended the program to anyone who wants to know more about disaster preparation and recovery.

Commissioner Mandel noted that some of the Commissioners will attend the Maryland Association of Counties Conference. She thanked all the employees who prepared a great display to share information about WSSC with the elected officials who will attend the conference.

GENERAL MANAGER'S OFFICE

Monthly Report. Mr. Johnson first advised Commissioners that the format of the General Manager's Report from now forward would provide information in a dashboard format rather than the text-heavy format provided in previous months. He first discussed the Systems Enhancement Unit (SEU) which is competing with the contractors for performing water main replacement work. At the end of June the SEU had six miles of projected projects to do and completed 6.9 miles which is up 13.56% over the previous year. With the sewer projects, SEU completed 25.57 miles of the

25 miles projected, up 52.74% from the previous year. For laterals the group worked just shy of the target at 9.57 miles against the 10 miles projected but this represented an increase of 29.67% over the previous year.

A significant sewer back-up occurred although it was not significant in impacting waterways as no sewage went into any waterway. The sewer back-up impacted four families in Greenbelt who remain in temporary housing. Repairs are projected to be completed by August 23rd. Claim arrangements are being negotiated. The spill was about 46,000 gallons. The problem is corrected at the pumping station and the system is back on line.

Mr. Johnson met with equestrians July 28th regarding use of the water shed trails. A third party has been retained to assess the water shed and to determine the most effective measures for addressing the concerns of a number of constituent groups that use WSSC facilities which included 86,000 acres of which WSSC only controls about 5,000 acres. Mr. Johnson noted that WSSC will work also with the surrounding jurisdictions to protect the water shed.

The SLMBE Office had a number of activities. It is currently compiling statistics for the end of the year report which should be available at the September Commission meeting.

WSSC is engaged in a study of automated meter reading and has established a budget line item to investigate using this tool at WSSC. This undertaking is a major one for WSSC and will modify in many ways how WSSC conducts its business. Employee volunteers are being sought to help WSSC determine resident time of water in the system using a tracer study. Fluoride is removed from the system and then water is checked to monitor the movement of fluoride through the system. This activity will be undertaken during early September through October 2011. Results will provide better information on how to keep the water safe and fresh for WSSC customers.

Next Mr. Johnson highlighted some media items about WSSC. A high-profile article, "When Crisis Strikes" appeared in Utility Executive. It included primarily interviews with WSSC Chief Engineer Gary Gumm and Communications Director Jim Neustadt who discussed the protocols for managing major water main breaks.

The progress on the consent decree was reported in a very positive article in the Washington Post. It was reported that WSSC's sanitary sewer overflows (SSO) reduced from 985,000 gallons in 2006 to 68,000 gallons from 2006 to 2010. It also touched on the efforts to abate fats oil and grease (FOG) in the WSSC system. Kimberley M. Knox was recently added to the national wildlife honor roll of the Patuxent Reservoir Watershed Protection Group Chapter of the Izaak Walton League. Ms. Knox received this national recognition for her work and leadership with several WSSC community outreach activities designed to improve and preserve the environment within the WSSC Water District.

Employees from several departments will staff a WSSC exhibit booth at the Maryland Association of Counties conference in Ocean City in August.

Mr. Johnson requested an audit of the Dispute Resolving Board (DRB). The Internal Audit Office report concluded that the DRB has not been following WSSC policies and ordered substantial reductions in customer bills that were inconsistent with WSSC policies. Mr. Johnson suspended the members of the DRB and will look to train new members of the DRB to hear customer disputes so that those customers who are in the cue can have their disputes heard under the provision of the DRB that were established at the time they filed their complaint. By October of this year, the entire dispute and refund process will be reviewed and a report will be brought back to the Commission. The new panels will be subject to oversight by the Customer Care and General Counsel's offices. He referenced a letter Commissioners had received describing these changes.

NACWA AWARDS

National Association of Clean Water Agencies (NACWA) awards water and sewer plants for meeting certain performance standards. All seven of WSSC's plants were honored this year. The platinum award is given to plants who have achieved five consecutive years of 100% compliance with the plant permit. Damascus Wastewater Treatment Plant; Seneca Wastewater Treatment Plant; and Parkway Wastewater Treatment Plant all earned the Platinum Award. In 2011, Damascus's award marked the 11th year Damascus achieved this

NACWA Platinum Award as the plant has never had a citation for being in non-compliance. NACWA Gold Awards were presented for zero permit violations for the 2010 calendar year to Piscataway and Marlboro Meadows Wastewater Treatment Plants. Western Branch and Hyattstown Wastewater Treatment Plants earned the NACWA Silver Award for functioning for five years with no permit violations through 2010. Mr. Johnson congratulated the persons receiving the award as well as the "hard-working persons who make it happen on a daily basis," noting they all serve the public very proudly.

Internal Audit Office

Monthly Activity Report. Ms. Bardwell presented her report of activities from July 4 to August 5, 2011. Two audits in progress continue from the 2011 Risk-based Audit Plan: HR Regulatory Compliance, Phase II and Blue Plains Treatment Plant. Two of the audits completed are the 2011 fiscal observations and the IT general computer controls audit. Management will comment and then undergo review by Mr. Johnson. Several SDC audits are in progress but as they were incomplete, no final report was available. Training of the hotline response team within Internal Audit was completed.

Board of Ethics. The Board met on July 10th and addressed both open and closed items.

The WSSC Code of Conduct has been completed and is ready for printing and distribution.

All financial disclosure statements have been filed for WSSC employees and three conflict of interest statements remain outstanding.

Employees who have not had ethics training will receive it as new hires are trained. An Internal Audit II was hired and with the addition of this auditor the Internal Audit Office is fully staffed.

DEPARTMENT BRIEFINGS

Engineering and Construction

Architect/Engineer Contracts. Mr. Gumm presented a work summary and bid information for the following projects:
CD4260A/B05, Amendment, Design Services During

Construction, Seneca Waste Water Treatment Plant Enhanced Nutrient Removal and Expansion; AM4991A09, Amendment, Design Services, Richard G. Hocesvar Building HVAC/Electrical Systems Upgrade Construction Contracts; CD4257A05CD4173A05 - Western Branch Enhanced Nutrient Removal and Facility Upgrade; BR/BT/CR5136A10, Water/Sewer Main Replacement, Coakley Terrace; BR5169A11 - Water Main Replacement, College Park Estates; BR4878C08 - Water Main Replacement, Hillcrest VI; and AM4991A09 - Replacement of Main Transformers in the Richard G. Hocesvar Building.

Customer Care

Mr. Derrick Phillips presented Contract 1127 for riding the City of Baltimore contract to purchase small valve exercising and inspection services.

CONSENT CALENDAR

Commissioner Hartwig-Davis moved that the Commission approve Resolution 2012-1936 that adopts the Consent Calendar for the August 16, 2011 Commission meeting. The Calendar approves the following items:

Engineering & Construction / Design

- a. CD4260A/B05, Amendment, Design Services During Construction, Seneca Waste Water Treatment Plant Enhanced Nutrient Removal and Expansion to Atkins North America for a total of \$4,482,023.
- b. AM4991A09, Amendment, Design Services, Richard G. Hocesvar Building HVAC/Electrical Systems Upgrade to Shah & Associates for a total \$1,630,705.32.

Engineering & Construction / Construction --

- a. CD4257A05/CD4173A05. -, Western Branch ENR and Facility Upgrade to FRU-CON Construction, LLC for \$61,490,000.00.
- b. BR/BT/CR5136A10 - Water/Sewer Main Replacement, Coakley Terrace to Sagres Construction Corporation for \$1,117,245.00.
- c. BR5169A11 - Water Main Replacement, College Park Estates to Schummer, Inc. for \$2,244,587.00.

d. BR4878C08 - Water Main Replacement, Hillcrest VI to Sagres Construction Corp. for \$2,233,760.00.

e. AM4991A09 - Replacement of Main Transformers at the Richard G. Hocevar Building to Eaton Corporation
\$1,513,141.00.

Customer Care Contract 1127 - Option for Small Valve Exercising and Inspection Program to Wach Utility Services for
\$1,500,000.00.

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

Internal Audit

Ms. Bardwell provided additional information regarding the solicitation for an external auditor which was extended to December 31, 2011. She noted that the acquisition process necessitated the extension.

BRIEFING AND ACTION ITEMS

A. Finance

Mr. Traber provided potential dates to hold hearings for public comment on the WSSC Fiscal Year 2013 Operating Budget. Commissioner Jones moved that the Commission hold hearings on the operating budget for Fiscal Year 2013 Operating Budget on Wednesday February 1 in Prince George's County and Thursday February 2 in Montgomery County with a meeting held on Wednesday February 8, 2012 at the Richard G. Hocevar Building in the event of inclement weather that would preclude a hearing on February 1st and/or 2nd. Commissioner Counihan seconded the motion. The motion carried with six affirmative votes.

Customer Care / Citizens Advisory Board

Mr. Johnson noted he discussed this item during his monthly report.

Commission Office

1. Sub-Committee Reports

- a. Governance/Personnel - Resolution 2012-1935 Establishing a Compensation Committee. Commissioner Counihan moved that the Commission adopt Resolution 2012, 1935 that establishes a compensation committee for the Commission but added as

paragraph two, "WHEREAS, Commissioner compensation was last adjusted to the present level on July 1, 1990."

Commissioner Mandel seconded the motion. The motion was amended to substitute language from "an appointee assigned by" to read "nominee recommended by" and to delete the January 12, 2012 date. Upon the call of the vote by Chair Moore, the motion carried with six affirmative votes.

b. 2012 Legislative Proposals/Outreach Strategy - Mr. Wineland reviewed the pending legislative proposals for the upcoming legislative session that would:

- Institute a five-year reauthorization of the authority of the commission to conduct a minority business enterprise program;
- Amend the human resources section of the code to bring it in line with current practice by deleting certain sections but adding a provision for preference points for hiring veterans;
- Add a provision to utilize design/build processes for pipeline construction;
- Institute a new section allowing the appointment of a receiver for multi-family units to manage payment of water bills in situations where the owner has not paid the bill but the tenants have;
- Provide WSSC lien authority for unpaid charges after 180 days;
- Alter the terms of Commissioners;
- Modify the salary of Commissioners or eliminate the codification of Commissioners' salary and replace it with a provision that delegates to the governing counties the authority to establish Commissioners' salary.

Mr. Wineland then explained the process for moving the bills through the legislative process. Commissioners agreed that the compensation proposal be forwarded to the committee when it is formed and that the salary amount be deleted as there was no agreement among Commissioners as to what would be the proposed salary change. Commissioners also requested that the next packet

include information on providing for alternate Commissioners.

Mr. Blask advised that a constitutional principle applies such that Commissioners in office could not benefit from legislation that would change sitting Commissioners' compensation.

c. Bi-County Infrastructure Funding. Mr. Johnson noted that a memorandum had been shared that identified the meeting schedule for the committee for the months of September and October. He indicated a wrap-up report of the committee's work would be issued in November.

d. Pension. Mr. Lawson provided the July and August reports of the WSSC Employees' Retirement Plan Board of Trustees. On May 31, 2011 plan assets were at \$668.7 million. Since the previous month (April 2011) the plan's assets experienced a loss of 1.2% or \$8.1. As of May 31, 2011 no asset class required any rebalancing.

Corporate Secretary

Monthly Report. Ms. Bundy provided Commissioners with the final version of Amendment One to the Delegation of Authority. She then provided a synopsis of her monthly activities. There was some discussion about details of the program for the Commissioner Appreciation Day to be held during the September 21, 2011 Commission meeting. Chair Moore explained that Commissioner Appreciation Day would occur every five years and that the event would be used to give former Commissioners information about the status of various activities at WSSC.

e. Personnel & Governance Committee. There were no reports but Chair Moore acknowledged evaluations of direct reports were due.

MEETING CLOSING

At 11:38 a.m. Commissioner Hartwig-Davis moved to close the meeting pursuant to Maryland State Government Article 10, Subtitle 5, Section 10-508(a)(13) to approve the July 20, 2011 Closed Session minutes and Section 10-508(a)(7) to receive legal advice in a contested legal matter and legal advice on the DRB reorganization. Commissioner Jones seconded the motion. The motion carried with six affirmative votes.

CLOSED SESSION

COMMISSIONERS' CONFERENCE ROOM

ATTENDEES: Chair Dr. Roscoe Moore; Vice Chair Lawson; Commissioners Adrienne A. Mandel, Antonio Jones, and Melanie Hartwig-Davis. General Manager Jerry Johnson, General Counsel Jerry Blask, and Corporate Secretary Charlett Bundy. Mr. Matthew Gallagher and Ms. Heather Ashbury, attorneys in General Counsel's Office joined the meeting for the discussion on a contested legal matter.

Commissioners convened the closed session in the Conference Room at 11:45 a.m.

July 20, 2011 Closed Minutes. Commissioner Jones moved that the Commission approve the Closed Session Minutes for July 20, 2011. Commissioner Mandel seconded the motion. The motion carried with six affirmative votes.

Review of the Contested Legal Matter. Commissioners then received a briefing on a contested legal matter. Commissioner Counihan moved to withdraw a settlement offer in the matter. Commissioner Jones seconded the motion which carried with a unanimous vote.

At 1:55 p.m. Mr. Gallagher and Ms. Ashbury left the meeting and Maxene Bardwell, Internal Audit Manager and Janice Hicks, of the Internal Audit office joined the meeting as did Derrick Phillips, Acting Customer Care Team Chief and Lynn Barry of that same department.

Commissioners received a legal opinion of the general counsel's office regarding actions taken by the General Manager/CEO, Mr. Johnson with regard to terminating members of the Dispute Resolving Board. Commissioner Mandel moved to ratify the action of the General Manager in removing current members of the Dispute Resolving Board and temporarily suspending the activities of the Dispute Resolving Board. Commissioner Hartwig-Davis seconded the motion. The motion carried with six affirmative votes.

At 1:10 p.m. Commissioner Jones moved to end the closed session. Vice Chair Lawson seconded the motion. The motion carried with six affirmative votes.

OPEN SESSION RESUMED
Adjournment

Vice Chair Lawson moved to adjourn the August 17, 2011 Commission meeting. Commissioner Jones seconded the motion. The motion carried with six affirmative votes. At 1:11 p.m. Chair Moore declared the meeting was adjourned.

Respectfully submitted,

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Charlett Bundy, Esq.
Corporate Secretary