

WASHINGTON SUBURBAN SANITARY COMMISSION

MINUTES OF THE COMMISSION MEETING

Wednesday, January 16, 2008

Laurel, Maryland

Chair Adrienne A. Mandel called the meeting to order at 8:50 a.m. in the Commissioners' Conference Room at 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 Starks, Commissioners Prem Agarwal, Norman E. Pruitt and Gene W. Counihan were present at the meeting. Also, present were General Manager Andy Brunhart, General Counsel Jerry Blask and Corporate Secretary Charlett Bundy. Commissioner Juanita Miller appeared by telephone for various parts of the meeting.

Agenda Approval

Commissioner Counihan moved to approve the agenda as revised to have the closed session the first item. Commissioner Pruitt seconded the motion. The motion carried with five affirmative votes as Vice Chair Starks' telephone connection was lost.

MORNING CLOSED SESSION

Commissioner Agarwal moved to close the meeting pursuant to Subtitle 5 of Title 10 of the State Government Article, Maryland Code Section 10-508(a)(13) to discuss security requirements for WSSC operations and a transition plan; and closed pursuant to Subtitle 5 of Title 10 of the State Government Article, Maryland Code, Section 10-508(a)(7) to discuss settlement of contract claims and settlement of EEO lawsuit(s). Commissioner Pruitt seconded the motion. The motion carried with five affirmative votes. Vice Chair Starks' phone lost the telephone connection until after the vote was taken.

At 9:05 a.m. the meeting was closed. In attendance were Chair Mandel, Vice Chair Starks, Commissioners Agarwal, Pruitt, and Counihan. Commissioner Miller appeared by telephone. Also present were Mr. Brunhart, Ms. Daniell, Mr. Blask, Ms. Bundy, Mr. Tom Laboon, Mr. Roscoe Wade and Mr. Chris Brous.

Commissioner Counihan began a discussion about the security of the phone line in the conference room. Commissioner Pruitt then moved to recess the closed session. Commissioner Counihan seconded the motion. The motion carried with five affirmative votes. The meeting was opened at 9:22 a.m.

OPEN SESSION

COMMISSIONERS' CONFERENCE ROOM

After receiving an explanation of how the telephone system in the Conference Room operates, Commissioner Counihan then moved to resume the closed session and Commissioner Pruitt seconded the motion. The motion carried with five affirmative votes.

**CLOSED SESSION
COMMISSIONERS' CONFERENCE ROOM**

At 9:28 a.m., the closed session resumed with the following persons in attendance: Chair Mandel, Vice Chair Starks, Commissioners Agarwal, Pruitt and Counihan and Commissioner Miller by telephone; Mr. Brunhart; Ms. Daniell; Ms. Bundy; Mr. Blask; Mr. Wade; Mr. Laboon; and Mr. Brous.

The first discussion addressed security at WSSC. Commissioners then discussed settlement of certain lawsuits based on alleged violations of the Equal Employment Opportunity Act. A motion was made and seconded to accept legal counsel's advice on one of the matters and the motion carried with five affirmative votes and one nay vote.

Two motions were made regarding the appointment of an Interim General Manager but neither motion carried as the vote was tied for each motion.

Commissioner Agarwal moved to recess the closed session. Commissioner Pruitt seconded the motion. The vote on the motion was inaudible, however, the Chair declared that the meeting was open at 12:26 p.m.

OPEN SESSION COMMISSIONERS' CONFERENCE ROOM**Finance Office**

Bond Sale. Mr. Traber updated Commissioners about the timing and motivation for the proposed bond sale.

Amendment to Retirement Trust Agreement. Commissioner Pruitt asked Mr. Traber to clarify the basis for the proposed change to the Trust Agreement and the monitoring that would ensue to ensure satisfactory performance of the proposed composition on the board. Vice Chair Starks asked that one retirement representative be appointed from Montgomery County and Prince George's County. Vice Chair Starks requested that the WSSC Employees Retirement Plan Trust Agreement be approved with the option of the residency requirement for appointing a retiree such that one shall be a resident of Montgomery County and one a resident of Prince George's County.

Budget Review. Mr. Traber provided responses to Commissioners' questions that were raised at the December meeting.

Resolution for Check Signing Authority. Next, Mr. Traber discussed the check signing authority resolution. Lastly, he noted the transmittal of the November 2007 Status Report.

At 1:00 p.m. the open meeting moved to the auditorium.

OPEN SESSION -- AUDITORIUM

At 12:58 p.m. Chair Mandel called the public meeting to order. Vice Chair Starks, Commissioners Agarwal, Pruitt and Counihan were present. Chair Mandel asked Commissioner Counihan to lead the pledge of allegiance.

APPROVAL OF MINUTES

December 19, 2007 Minutes. Commissioner Agarwal moved that the Commission approve the open session minutes from the December 19, 2007 Commission Meeting. Commissioner Pruitt seconded the motion. The motion carried with five affirmative votes.

PRESENTATION OF WSSC RETIREES

There were no retirees this month.

GENERAL MANAGER'S ITEMS/COMMENTS

Mr. Brunhart noted the year's total of 2,129 water main breaks. The months of February and November were record months for water main breaks. The threshold of the new 2009 budget is now a little over 1 billion dollars. He thanked Mr. Neustadt and Mr. Traber for their great work with organizing and attending the media briefings on the budget.

COMMISSIONERS' ITEMS/COMMENTS

Vice Chair Starks thanked Mr. Neustadt and Mr. Traber for their work in communicating to the public the need to have the budget increased to assist with the "catch up" of improving the infrastructure to provide better service to the rate payers. She thanked Mr. Brunhart and his staff for being proactive with establishing a budget to help WSSC move forward with the infrastructure improvements.

AREA PRESS QUESTIONS

There were no press questions.

PUBLIC COMMENTS

There were no public comments.

EMPLOYEE EXCELLENCE

Video of Regulatory Services Staff. A video from the employee spotlight program recognized the staff of the Regulatory Services staff.

FINANCE OFFICE

Resolution 2008-1790 Authorizing the Issuance of Water Supply Bonds of 2008. Commissioner Pruitt moved that the Commission adopt Resolution 2008-1790 authorizing the issuance of Water Supply Bonds. Commissioner Agarwal seconded the motion. The motion carried with five affirmative votes.

Resolution 2008-1791 Authorizing the Issuance of Sewage Disposal Bonds of 2008. Commissioner Counihan moved that the Commission adopt Resolution 2008-1791 authorizing the issuance of Sewage Disposal Bonds of 2008. Commissioner Agarwal seconded the motion. The motion carried with five affirmative votes.

Resolution 2008-1792 Authorizing the Issuance of General Construction Bonds of 2008. Commissioner Agarwal moved that the Commission adopt Resolution 2008-1792 authorizing the issuance of General Construction Bonds. Commissioner Pruitt seconded the motion. The motion carried with five affirmative votes.

Resolution 2008-1793 Authorizing Public Sale of Bonds. Commissioner Pruitt moved that the Commission adopt Resolution 2008-1793 that provides for the public sale, and publication of the notice of sale, of the Water Supply Bonds of 2008, the Sewage Disposal Bonds of 2008 and the General Construction Bonds of 2008, and provides for the consolidation of such bonds for issuance, sale and delivery as a single series of bonds. Commissioner Agarwal seconded the motion. The motion carried with five affirmative votes.

WSSC Employees' Retirement Plan - Board of Trustee Research. Commissioner Counihan moved that Commissioners approve the amendment to the WSSC Employees' Retirement Plan Trust Agreement that adds two retiree representatives and the Executive Director of the Plan to the Board of Trustees, effectively replacing two public members and a WSSC staff member. The amendment also establishes a new procedure for determining the Chair of the Board of Trustees and including residency requirement such that one retiree representative is from Prince George's County and one from Montgomery County. Vice Chair Starks requested that the process for identifying the retirement members be presented to compare with the process as written in the Trust Agreement. Commissioner Pruitt offered a friendly amendment to determine that a process would be available at the time the agreement is put in place. Commissioner Counihan then restated the amendment to say, that action is subject to the Commission's approval of a subsequently developed implementation plan. Mr. Traber stated that he

would provide a procedure at the next month's Commission meeting. The motion was withdrawn by Commissioner Counihan and the second was withdrawn by Commissioner Pruitt.

**AFTERNOON SESSION -
COMMISSIONERS' CONFERENCE ROOM**

At 1:40 p.m. the meeting resumed in the Commissioners' Conference Room.

Customer Care

Amendment to Claims Standard Procedure. Mr. Rudy Chow briefed Commissioners on proposed revisions to the WSSC procedure for settling customers' claims for property damage/loss.

General Counsel

Mr. Blask introduced the new senior counsel Michael Berman.

FOG Program. Commissioners were briefed on a proposal to request the counties to amend their respective county codes to block renewal of county-issued Food Service Establishment (FSE) operating licenses or permits if the FSE has failed to satisfy an outstanding judgment that is the result of a Fats, Oil and Grease (FOG)-related civil citation issued by WSSC.

Logistics

Contract 5242. Commissioners were given additional information regarding the need for awarding this contract for security services at WSSC and the process used to identify the winning bidder.

Engineering and Construction

Contract BE4473A06. Mr. Gary Gumm, Chief Engineer briefed Commissioners about this water contract for architect/engineer design services for replacement of the Olney Standpipe.

Internal Audit

Monthly Report. Maxene Bardwell presented the department's monthly audit report to Commissioners. There were some questions.

INTERGOVERNMENTAL RELATIONS OFFICE

PG/MC 115-08 Prince George's County Energy Tax - WSSC. Ms. Mirmiran introduced Jim Williams, the new IRO coordinator for Prince George's County. She then updated Commissioners on this bi-county bill. At the conclusion of the briefing, Vice Chair Starks moved that

the commission support bill PG/MC 115-08 titled Prince George's County Energy Tax as written. Commissioner Agarwal seconded the motion. The motion carried with four affirmative votes (Vice Chair Starks, Commissioners Agarwal, Pruitt and Coughlin). Chair Mandel voted nay.

HUMAN RESOURCES OFFICE

Quarterly Update on Strategic Projects. Ms. McKinney briefed Commissioners on the progress for developing the performance management system, the restructuring, and the total rewards philosophy, projects managed by her office that impact staffing and employee development, company-wide.

COMMISSION OFFICE DIRECT REPORTS

General Manager's Office

Monthly Report. Mr. Brunhart reported on the company's business statistics for December. He advised Commissioners of the water main break that closed the Takoma Middle School. He noted that temperature gradients for the 2007/2008 winter season were substantially warmer but this did not prevent the aging pipes from breaking.

Mr. Brunhart noted that the Patuxent Riverkeepers, a non-profit water resource group mentioned WSSC's good environmental stewardship. He apprised Commissioners of the on-going negotiations with the union and advised that in closed session of the April meeting, he would be ready to advise Commissioners of a new union agreement.

Dashboards. Revenue was up. He expected to be in the black on operating expenses by the end of the year due to the moderate weather. Mr. Brunhart noted that the Patuxent Plant had been shut down for repairs and should be on-line within a week.

Water production was down, which is typical for winter months. The ground water table was low during the month. This caused water treatment numbers to be low compared to 2006. He recalled that the water main breaks were record breaking nevertheless, the sanitary sewer overflows were below average in December. Basement backups were also low. He attributed these low averages to less flow in the system.

Budget goals will not be made in 2008 but he expects that the SLMBE goals will be met by the end of the fiscal year.

Annual Action Items. Mr. Brunhart gave an overview of the status of projects in the FY 2008 annual strategic plan that Commissioners identified as areas of primary focus. He highlighted the leadership and development courses on fundamentals of supervision that will be

used to train all managers in the agency. Mr. Brunhart also gave a brief description of the proposed ethics training for all WSSC staff.

SLMBE. Ms. Livingston discussed the outreach campaign to register new businesses in the WSSC Centralized Bidder Registration (CBR) system.

Corporate Secretary's Report

Ms. Bundy provided a report of her activities for the month. There was considerable discussion with input from the Finance Officer, Mr. Traber, about the standard procedure that governs Commissioners' travel reimbursements.

AFTERNOON CLOSED SESSION

At 5:24 p.m. Commissioner Pruitt moved that the meeting be closed pursuant to Subtitle 5 of Title 10 of the State Government Article, Maryland Code, Section 10-508(a)(13) to approve Closed Session Minutes for the November 14, 2007 and December 19, 2007 commission meetings and to discuss other administrative matters; and be closed pursuant to Section 10-508(a)(1) to discuss personnel matters involving: a) Performance reviews for the General Manager, Internal Audit Manager, and SLMBE Director; and (b) to discuss a Transition Plan. Vice Chair Starks seconded the motion. The motion carried with six affirmative votes.

At 5:25 p.m. the closed meeting began. In attendance were Chair Mandel, Vice Chair Starks, Commissioners Agarwal, Miller (by telephone), Pruitt and Counihan; General Manager Andy Brunhart; General Counsel Jerry Blask; and Corporate Secretary Charlett Bundy. Deputy General Manager Teresa Daniels was in attendance for the vote on the closed session minutes.

Settlement of a contract matter was discussed. Commissioner Agarwal then moved to authorize the General Manager to settle the matter for a specific amount. Commissioner Pruitt seconded the motion. The motion carried with four affirmative votes.

Commissioner Agarwal moved to approve the closed session minutes for the November 14, 2007 and December 19, 2007 Commission meetings. Commissioner Pruitt seconded the motion. The motion carried with four affirmative votes.

Transition Planning. Commissioners discussed the plans to ensure leadership of WSSC following the departure of Mr. Brunhart on February 28, 2008.

Commissioner Pruitt made a motion to close the closed session. Commissioner Agarwal seconded the motion. The motion carried with five affirmative votes. At 7:05 p.m. the meeting was opened.

ADJOURNMENT

Immediately thereafter, Commissioner Agarwal made a motion to end the meeting. It was seconded by Commissioner Pruitt. The vote was unanimous. At 7:10 p.m. Chair Mandel declared the meeting was adjourned.

//Signed//

Charlett Bundy, Esq.
Corporate Secretary