

WASHINGTON SUBURBAN SANITARY COMMISSION

MINUTES OF THE COMMISSION MEETING

**Wednesday, January 19, 2011
Laurel, Maryland**

Chair Antonio Jones called the meeting to order at 8:44 a.m. in the Auditorium of the Richard G. Hovevar Building, 14501 Sweitzer Lane, Laurel, MD 20707, with due notice having been given to all members of the Commission and the public. Vice Chair Dr. Roscoe M. Moore, Jr., Commissioners Prem Agarwal, Joyce Starks, and Adrienne A. Mandel were present at the meeting. Also, present were General Manager Jerry Johnson, Corporate Secretary Charlett Bundy, and General Counsel Jerry Blask. Commissioners Starks and Counihan attended by telephone during the closed session.

PLEDGE OF ALLEGIANCE

Chair Jones asked Corporate Secretary Charlett Bundy to lead the pledge of allegiance.

AGENDA APPROVAL

Commissioner Agarwal moved to approve the agenda for Wednesday January 19, 2011. Vice Chair Moore seconded the motion. The vote was called by Chair Jones and the motion carried with four affirmative votes as Commissioner Starks arrived just after the vote was taken.

MINUTES

Commissioner Agarwal moved to approve the minutes of the December 15, 2010 Commission meeting. Vice Chair Moore seconded the motion. The motion carried with three affirmative votes from Commissioner Agarwal, Chair Jones and Vice Chair Moore. Commissioner Mandel abstained because she was absent from the meeting.

WSSC RETIREES

There were four retirees this month and the only one attending was Rudy Chow, Team Chief of Customer Care, who retired with 26 years and 6 months of service. Mr. Chow was presented with a printed copy of a Resolution of Appreciation of Service which was formally adopted by Commissioners: Commissioner Mandel moved to amend the agenda to include the adoption of Resolution 2011-1906, a Resolution of Appreciation for the Service of Rudolph S. Chow and to approve such resolution. Commissioner Starks seconded the motion. The motion carried with five affirmative votes.

Mr. Johnson congratulated Mr. Chow for his nearly 27-year tenure as part of the WSSC family. Mr. Johnson noted he has

learned a great deal from Mr. Chow and stated WSSC will experience a great loss upon Mr. Chow's departure. Mr. Johnson noted that Mr. Chow has been a great mentor to a number of employees and that it was difficult to find the words to thank Mr. Chow for such significant service at WSSC. Mr. Johnson congratulated Mr. Chow for his new position with the City of Baltimore that would be the same position Mr. Johnson holds at WSSC. Lastly, Mr. Johnson extended thanks to Mr. Chow's family for their support that allowed Mr. Chow to perform his service to WSSC with such dedication.

Mr. Chow thanked Mr. Johnson and the Commissioners for their remarks and noted he has accomplished quite a bit over the years and that he has done everything within his power to serve the Commission. Mr. Chow stated he appreciated the kind words from Mr. Johnson and that he admires his skills in managing WSSC. Mr. Chow closed by saying he would be happy to return to help out if needed.

Retirees not attending the meeting were: Howard E. Deibel, Plumbing Inspector at Lyttonsville who retired with 21 years and 11 months of service; Jack E. Massiah, Senior Wastewater Plant Operator in the Parkway Group who retired with 33 years and 7 months of service; and Caulbert L. Robinson, a Fleet Materials Planner I, also from Lyttonsville, who retired with 26 years and 2 months of service.

WSSC MEDIA UPDATE

Mr. Neustadt showed an instructional video on the proper maintenance and removal of grease from volume-based grease interceptors that prevent grease from large restaurants from going into the WSSC sewer system.

MEDIA / PUBLIC COMMENTS

There were no comments from the public or media.

COMMISSIONERS' COMMENTS/INTENTIONS

Chair Jones wished the staff a Happy New Year and then expressed personal thanks for Rudy Chow's service to WSSC.

Commissioner Starks remarked that she was glad to see publication of the new statutory authority, the Public Utilities Code that has governed WSSC since the demise of Article 29 on September 30, 2010. Commissioner Starks expressed thanks and appreciation to Mr. Chow for his years of service and closed by wishing the staff a Happy New Year.

Commissioner Agarwal remarked that he has known Mr. Chow for more than seven years and has come to know him to be very, very

knowledgeable about WSSC matters. Commissioner Agarwal noted Mr. Chow had done a great job as the Interim Deputy General Manager and the Customer Care Team Chief. He told Mr. Chow, "Thanks for all your service, we will really miss you."

GENERAL MANAGER'S OFFICE

Monthly Report. Mr. Johnson began with information about the call center performance which demonstrated a 24% improvement rate despite the fact 39,000 more calls were handled this year than in the previous year. WSSC is monitoring the Maryland Department of the Environment's Biosolids rule changes. The 2010 Disparity Study is complete.

During the month, Mr. Johnson hosted Congressional representatives and their staff and others from national organizations who toured some of WSSC water treatment plants.

On January 26, 2011 over 100 WSSC employees will be honored at the semi-annual service awards ceremony where employees with 10 or more years of service (in five-year increments) will be recognized.

December 2010 was a record breaking month for water main breaks as there were 674. One significant break on Route 1 in College Park took several days to repair. Despite the record number of water main breaks Mr. Johnson noted that the WSSC employees performed the work to repair all but one of the breaks which was repaired by a contractor. Mr. Johnson expressed great appreciation for the employees who endured pretty severe weather conditions while working to repair the breaks, ensuring that WSSC customers maintained service.

Mr. Johnson advised Commissioners that WSSC hosted a meeting with the Woodland Job Corps (Laurel) students. There was discussion around these students becoming a source for hiring for available jobs at WSSC in the trades area. A formal agreement to create this relationship is being developed.

WSSC employees did several things to make the holiday season more comfortable for many: donating socks, mittens and scarves to needy families, 2500 cans of food were donated to the Salvation Army, and books and stuffed animals were distributed to needy residents of Montgomery and Prince George's Counties. Mr. Johnson noted such generosity is another "fine example of the good corporate citizenship exuded by the WSSC employees."

Legislative Report. Mr. Wineland noted that the legislative session had begun and Commissioners would be receiving the weekly reports from the Intergovernmental Relations Office (IRO). He

advised that there had been some changes to bills impacting WSSC but that the bills were still in subcommittee awaiting finalization before being presented for approval and it would be premature to discuss them at the meeting.

Internal Audit Office

1. Monthly Activity Report. Ms. Bardwell's report focused on the period December 6, 2010 to January 7, 2011. She first advised that the system development charge savings to date total a little over \$2,000. She reviewed the status of projects in the year's audit plan and noted initiation of projects in the 2011 audit plan. Ms. Bardwell is developing a contract for new external auditors.

The WSSC Board of Ethics held its regularly-scheduled meeting. The agenda included both open and closed items.

Ms. Bardwell recognized a new employee in her department, Mr. James Wall who was hired to serve as an Auditor III.

2. Change to WSSC Code of Ethics. Commissioner Agarwal moved to approve Resolution 2011-1901 that amends the WSSC Code of Ethics to require all employees to take one hour of ethics training annually. Commissioner Mandel seconded the motion. The motion carried with five affirmative votes.

DEPARTMENT BRIEFINGS

Engineering & Construction

Contract PM5178A11-IDIQ. Mr. Gumm provided an overview of this construction contract for sewer house connection and manhole repair, replacement, and renewals in various areas of the water district.

Finance

Mid-Cycle 2012-2017 CIP Update. Information in WSSC's Proposed CIP Budget necessitated adjustments as a result of DC Water and Sewer Authority making adjustments to its budgeted projects for Blue Plains and issuing a final Proposed CIP. Mr. Traber advised Commissioners this occurs every year because DC WASA publishes its Proposed CIP after WSSC has published its CIP. The change for WSSC's FY 2012 Proposed CIP represents a \$10 million increase in WSSC's portion of the construction costs at Blue Plains spread over six years and a \$30 million reduction in WSSC's FY 2012 for WSSC's portion of the construction costs.

Production

Contract 5971. Mr. Gary Gray presented this contract on behalf of Jay Price who was absent. The contract is for the purchase of methanol.

Customer Care

Contract 5891. Mr. Chow presented a briefing on the need for purchasing cleaning and closed circuit television inspection services.

Logistics

Contract 5819. Mr. Wade advised Commissioners of the purchase of fire meters authorized under this contract.

Information Technology

Purchase Order P74891. Mr. Lodhi advised Commissioners of the need to purchase items needed to implement Phase 2 of the Call Center remodeling project.

CONSENT CALENDAR

Commissioner Mandel moved to approve Resolution 2011-1903 that approves items briefed December 15, 2010:

A. Production

Contract 5711- Water and Wastewater Treatment Chemicals for a total of \$11,096,039 to various vendors.
and the following Items Briefed January 19, 2011

B. Engineering and Construction

Contract PM5178A11- IDIQ Construction Contract for a total of \$20,000,000.00 to Reynolds Inliner LLC.

C. Production

Contract 5971 - Methanol Chemical Contract for a total of \$1,500,000.00 to C & E Services.

D. Customer Care

Contract 5891 - Cleaning and Closed Circuit Television Inspection Services for a total of \$1,876,760 to various vendors.

E. Logistics

Contract 5819, Fire Meters for a total of \$1,086,497 to Tricon Chemical Corporation.

G. Information Technology

Purchase Order P74891, Call Center Phase 2 in the amount of \$538,873.95 to Altura Communication Solutions.

Commissioner Agarwal seconded the motion. The motion to adopt the Consent Calendar for the January 19, 2011 meeting passed with five affirmative votes.

STRATEGIC INITIATIVES

Acquisition Office: Ms. Cathy Martin, Acquisition Director offered a continuation of her overview of the supply chain management processes used in the Acquisition Department.

COMMISSIONER REPORTS

Working Group Reports

Governance/Personnel. This month the committee presented Commissioners with the revisions to the Bylaws that were simply the removal of citations to Article 29 and insertion of updated citations from the Public Utility Code. Commissioner Mandel moved to approve Resolution 2011-1904 that adopts the updated citations in the WSSC Bylaws. Vice Chair Moore seconded the motion. The motion carried with five affirmative votes.

Institutional Processes Oversight

Report of the WSSC Employees' Retirement Board of Trustees Meeting. Commissioner Mandel reported that as of November 30, 2010, the WSSC Retirees Board of Trustees Plan reported assets of \$628.9 million that represents a monthly investment loss of \$.4 million or a decrease of .1%. Plan assets represent a year to date return of 7.9% and one year return of 10.3%.

Infrastructure Funding & Fiscal Budget. Mr. Johnson noted that a consultant had been chosen to assist with the committee's work and had begun the work as contracted. There will not be a meeting until February.

Corporate Secretary

Monthly Report. Ms. Bundy then briefed Commissioners on the status of her monthly activities.

Governance Policy. Next Ms. Bundy presented Commissioners a draft of a Governance Policy for Commissioners to consider as a working document at an upcoming retreat.

Continued Business

Matters under continued business were carried over to the next meeting.

Chair Jones recessed for lunch at 12:08 p.m. and resumed the meeting at 1:10 p.m.

At 1:10 p.m. Commissioner Agarwal moved to close the meeting pursuant to Maryland State Government Article 10, Subtitle 5, Section 10-508(a)(13) to approve the December 15, 2010 Closed Session Minutes and to discuss an administrative matter regarding the Ethics Code and pursuant to Section 10-508(a)(7) to receive

legal advice on the minority contracting data. Commissioner Mandel seconded the motion. The motion carried with five affirmative votes. At 1:12 p.m. Chair Jones declared the meeting was closed.

CLOSED SESSION

COMMISSIONERS' CONFERENCE ROOM

ATTENDEES: Chair Antonio Jones, Vice Chair Dr. Roscoe Moore; Commissioners Prem Agarwal, Joyce Starks, Gene W. Counihan; General Manager Jerry Johnson, General Counsel Jerry Blask, and Corporate Secretary Charlett Bundy.

Closed Session Minutes. Commissioner Agarwal moved to approve the minutes of the Closed Session for December 15, 2010. Vice Chair Moore seconded the motion. The motion carried with four affirmative votes. Commissioner Mandel abstained because she was absent from that meeting.

Administrative Matter: Ethics Board. At 1:10 p.m. additional persons entered the closed session. They were: Steven Hausman, Chairman of the WSSC Ethics Board and Maxene Bardwell, Internal Auditor. A discussion was held regarding administration of the Code of Ethics and the delegation of authority to the Ethics Board. At 1:14 p.m. Mr. Hausman and Ms. Bardwell left the room.

Minority Contracting Data Analysis. At 1:14 p.m. Chair Jones, Vice Chair Moore and Commissioners Mandel and Agarwal were joined by: WSSC Employees: Jerry Johnson, Jerry Blask, and Charlett Bundy, Johnnie Hemphill, Gary Gumm, Rudy Chow, Cathy Martin, Jim Neustadt, Kirk Wineland, Towanda Livingston, and Linda Dorman; and from the contracting firm that conducted the 2010 Disparity Study, Attorney Ed Norton and Dr. Eleanor Ramsey. Also in attendance by telephone were Commissioner Starks (from 1:14 - 1:50) and Commissioner Counihan (from 1:14 - 2:10).

Commissioners received legal advice and discussed administrative matters related to the minority contracting data collected by Mason Tillman Associates.

Commissioner Agarwal moved to end the closed session. Vice Chair Moore seconded the motion. The motion carried with four affirmative votes. At 3:35 p.m. the meeting was declared open.

OPEN SESSION RESUMED

After reviewing a report from the Intergovernmental Relations Office (IRO) on proposed changes to the sections of Public Utilities Code that address Commissioner membership and salaries, it was decided Chair Jones will review the materials and

provide information to Commissioners in time for IRO to submit a legislative proposal before February 11, 2011.

Adjournment

Commissioner Agarwal moved to adjourn the meeting. Vice Chair Moore seconded the motion. The motion carried with four affirmative votes. At 3:40 p.m. Chair Jones declared the meeting was adjourned.

Respectfully submitted,

//signed//
Charlett Bundy
Corporate Secretary