

WASHINGTON SUBURBAN SANITARY COMMISSION

MINUTES OF THE COMMISSION MEETING

Wednesday, February 21, 2007

Laurel, Maryland

Chairman Prem Agarwal called the meeting to order at 8:35 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 Botts, Commissioners Joyce Starks, Marc P. Lieber, Sandra Allen and Juanita Miller were present. Also, present were General Manager Andy Brunhart, General Counsel Jerry Blask and Corporate Secretary Charlett Bundy.

Agenda Approval

Commissioner Lieber moved to approve the agenda. Vice Chair Botts seconded the motion. The motion carried with six affirmative votes.

Commissioners Items

Change in Organizational Structure/Sale of Site II. Commissioner Allen said, "I move that the Director of the SLMBE Office shall, effective immediately, be a "dual report" in the WSSC Organizational Chart, reporting both to the members of the Commission and to the General Manager, and that the WSSC Delegation of Authority shall be amended to reflect this change. The clarification of the "dual report" status will be stated in the Contract of Employment with the Director, SLMBE. I further move that the General Manager be directed to amend the employment contract of the current SLMBE Director so that it reflects the dual report status of that position." Vice Chair Botts seconded the motion. Commissioner Miller requested an amendment to add the words, "in collaboration with Commissioners" but Commissioner Allen refused to amend her motion. The vote was taken on the motion as stated. It passed with a unanimous, affirmative vote.

Commissioner Lieber moved that the Commission Delegate to the General Manager authority to negotiate and execute an agreement to sell WSSC's Site II property to Montgomery County at a price not less than \$10 million, payable over 15 years with interest accruing at the AAA 20-year bond rate in effect at closing, with the County submitting the property to the Maryland Department of Environment Voluntary Cleanup Program, and WSSC paying any costs necessary to remove currently existing hazardous materials from the property (including costs to process the property through the Voluntary Cleanup Program). Commissioner Allen seconded the motion. Commissioner Miller abstained from the vote because in her opinion, the sales price was not one that

was in the best interests of the WSSC ratepayers. The motion carried with five affirmative votes.

Finance Office

FEMA Resolution. Commissioners were briefed on the need to appoint a primary and alternate agent to represent WSSC before FEMA. The primary agent is Al Richardson who retired. The resolution appoints David Wimbush as primary and Sheila Cohen as the alternate.

December Status Report. Chief Finance Office Tom Traber notified Commissioners that the December Status Report had been transmitted to the county governments.

Engineering and Construction

Commissioners were briefed on ContractBR/Cr4373A06, the Glenmont Water and Sewer Main Replacement Contract and JOC 4334, the Bethesda Water Main Replacement contract. They were also given a briefing on the Utility Master Plan and Capital Tracking system as well as an update on a comment received to the second publication of the proposed 2007 Plumbing Code. That comment addressed the issue of whether WSSC discharges mercury into the water. It was noted that WSSC has been proactive in evaluating mercury discharge and this monitoring has been lauded in newsletters published by a local dental association. Further, WSSC testing has demonstrated there have been no problems with mercury discharge as WSSC regularly tests its discharge water for this chemical.

Information Technology

The Chief of IT, Goutam Kundu briefed Commissioners on the continuing improvements in the IT department and how the changes are impacting the work of the Commission. Commissioners were advised that the electronic payment system is nearly ready for public use.

Intergovernmental Relations Office

Monica Johnson briefed Commissioners on the progress of bills proposed by WSSC as well as those proposed by others that impact WSSC that are moving through the legislative process. Commissioner Starks noted that the WSSC staff was unprepared to answer questions of lawmakers at the hearings and stated that staff should have provided more information that was devoted to defending the position Commissioners took rather than just stating the Commissioners' positions.

MORNING CLOSED SESSION

Commissioner Allen moved that the Commission meeting be closed pursuant to Maryland State Government Article 5, Section 120-508(a)(7) to obtain legal advice on a MBE Program. Vice Chair Botts seconded the

motion. The vote was unanimous in favor of the motion. The motion carried and the meeting was closed.

At 11:51 a.m. the closed session convened with the following present: Chairman Agarwal, Vice Chair Botts, Commissioners Joyce Starks, Marc P. Lieber, Sandra Allen and Juanita Miller; General Manager Andy Brunhart, General Counsel Jerry Blask, Attorney Franklin Lee, Towanda McNeill, SLMBE Director, Maxene Bardwell, Internal Audit Manager and Corporate Secretary Charlett Bundy. A discussion was held regarding plans Commissioners should pursue if the MBE Program is re-established by legislation. Commissioner Lieber moved to end the closed session. Commissioner Allen seconded the motion. Commissioner Miller was temporarily out of the room so with five "yea" votes, the motion carried and the closed session ended.

OPEN SESSION -- AUDITORIUM

At 1:20 p.m. Chairman Agarwal called the public meeting to order. Vice Chair Botts and Commissioners Starks, Lieber, Allen, and Miller were present. Chair Agarwal asked Commissioner Starks to lead the pledge of allegiance.

APPROVAL OF MINUTES

Commissioner Lieber moved that the Commission approve the open session minutes from the January 18, 2006 and January 24, and 29, 2007 meetings. Vice Chair Botts seconded the motion. Commissioner Starks abstained from voting for the January 29, 2007 minutes because she was absent from that meeting. Commissioner Allen abstained from voting for the January 24, 2007 minutes because she was absent from that meeting. The vote for the January 18, 2006 meeting was unanimous to approve the minutes; the vote for the January 24, 2007 minutes was five affirmative votes to approve the minutes; and the vote for the January 29, 2007 minutes was five to zero in favor of the motion, so the motion carried.

AREA PRESS QUESTIONS

There were no press questions.

PRESENTATION OF WSSC RETIREES

One employee was recognized for retirement: James Schallmo, Field Service Representative who retired with 24 years and 1 month of service.

EMPLOYEE RECOGNITION

The General Manager's Award was presented to Robert Taylor for his efforts to secure a long-term supply of green energy - the wind power purchase. His achievements for cost-awareness and environmental stewardship was noted by Mr. Brunhart who presented the award.

Other employees were recognized for achieving the Certificate of Professionalism in Human Resources. They included Loann Bui, Joyce

Gibson, Linda Satterfield, and Camellia Walker. Ms. Walker was also recognized for receiving the Senior Professional in Human Resources Certificate.

COMMISSIONERS' ITEMS/COMMENTS

Commissioner Lieber noted the excellent accomplishments of Customer Care for handling the numerous water main breaks and for successfully handling the many customer calls about those breaks. He thanked them for working in such freezing conditions.

Commissioner Starks noted that the Customer Care team is key to customer satisfaction and offered an "overwhelming thank you" because in the midst of all of the breaks and problems they continued to delight the customers. She also asked everyone to remember that February 27th is World Bank's celebration of World Water Day.

GENERAL MANAGER'S ITEMS/COMMENTS

Mr. Brunhart advised that WSSC's infrastructure had experienced over 400 breaks so far during the month of February 2007. He said the staff is doing a marvelous job keeping up with repairs and sent his congratulations to the staff and emergency contractors for maintaining customers' service. Next, he commended two employees for their quick thinking and compassion. Vick Ellis and Andy Farkas were working on a street where a man collapsed in traffic. They called 911, tended the man until an ambulance could arrive, and used their trucks to block traffic from hitting the man.

Mr. Brunhart noted that WSSC was recognized as a 20-year member of the American Water Works Association's Research Foundation.

Lastly, Mr. Brunhart asked all employees to stop by the lobby of the Robert G. H building to see the display of wax figures on loan from the National Great Blacks in Wax Museum of Baltimore that are part of WSSC's recognition of Black History Month. He extended his thanks to those who accomplished this unique display as this was the first time these figures had been displayed in either Prince George's or Montgomery County.

Customer Care

Contract CI3789A04. Commissioner Allen moved that the Commission award contract CI3789A04 for sewer lining, sewer house connection renewals, and other sewer rehabilitation in various locations in Montgomery County to Miller Pipeline Corp. in the amount of \$1,169,905.00. Vice Chair Botts seconded the motion. The motion carried as there were six affirmative votes.

Engineering & Construction

Contract JOC 4624. Commissioner Miller moved that the Commission award JOC 4624, Job Order M02320001, for water and sewer replacement at

Burketon Road and various streets in Chillum, MD to Segres Construction Corp., in the amount of \$1,099,883.07. Commissioner Allen seconded the motion. The vote carried with six affirmative votes.

Contract BR1147A94. Vice Chair Botts moved that the Commission award contract BR1147A94 for water main replacement at Sheriff Road, Prince George's County to Fort Myer Construction Corp. in the amount of \$1,692,425. Commissioner Allen seconded the motion. The motion carried with six affirmative votes.

WSSC Plumbing Code. Commissioner Lieber moved that the Commission pass Resolution 2007-1769 that repeals the current WSSC Plumbing and Gasfitting Regulations and authorizes the adoption of a new WSSC Plumbing and Fuel Gas Code which incorporates by reference the International Plumbing, Residential and Fuel Gas Codes. Commissioner Allen seconded the motion. The motion carried with six affirmative votes.

Finance Office

FY 2008 Proposed Budget. Commissioner Miller moved that the Commissioners authorize the Finance Office to transmit WSSC's Proposed Fiscal Year 2008 Operating and Capital Budget to the Executives of Montgomery and Prince George's Counties. Commissioner Allen seconded the motion. The vote was unanimous in favor of the motion so the motion carried.

Proposed Mid-Cycle Changes to Proposed FY 2008 CIP. Commissioner Miller moved that the Commissioners authorize the Finance Office to transmit to the Executives of Montgomery and Prince George's Counties, WSSC's mid-cycle updates to the Capital Improvements Plan and a request to amend certain projects in the Proposed Fiscal Years 2008-2013 Capital Improvements Program. Commissioner Starks seconded the motion. The vote was unanimous in favor of the motion so the motion carried.

At 2:13 p.m., the auditorium session adjourned to the Commissioners' Conference Room for the completion of the meeting's agenda.

AFTERNOON SESSION - COMMISSIONERS' CONFERENCE ROOM

At 2:20 p.m. the meeting resumed in the Commissioners' Conference Room.

General Manager's Report

Mr. Brunhart noted that WSSC is ahead of schedule on the Marlboro Meadows project. He noted WSSC is watching the Virginia legislature's action with regard to three bills that deal with the handling of Biosolids. He noted the bills may result in a modest increase for WSSC.

Mr. Brunhart went on to provide the dashboard reports of the previous months' operations. He noted water production was down but

there was no need for concern as operating revenues were in line for the month. He noted operating expenses had increased a little due to the amount of overtime crews worked to repair the record-breaking number of water breaks. Sanitary sewer overflows were down for the month and the voluntary MBE contracting in the area of goods and services was at 35% above the voluntary goal of \$28%.

Lastly, Mr. Brunhart noted it is time for the six-mile inspection of the PCCP as it had not been done for five to six years. He gave the Commissioners a draft of a pamphlet that will be distributed to customers to help them understand how to handle a sewer back-up.

Internal Audit

Internal Audit Manager Maxene Bardwell presented her monthly audit report to Commissioners. There were no questions. Commissioners reached consensus that the Internal Audit Manager would have her department coordinate with Human Resources to provide training for new hires on the WSSC Code of Ethics. Lastly, Ms. Bardwell noted the solicitation for the external auditor was continuing.

AFTERNOON CLOSED SESSION

Commissioner Allen moved to close the meeting pursuant to Maryland State Government Article 5, Section 10-508(a)(13) to approved Closed Session Minutes from January 24, 2007; Section 10-508(a)(7) to discuss legal advice on the EEO litigation; Section 10-508(a)(7) and (13) to delegate authority to the General Manager to settle a claim; Section 10-508(a)(1) and (2) to discuss a personnel matter related to the HR staff reassignment; Section 10-508(a)(13) to discuss a governance matter related to an email complaint and to discuss the General Manager's Performance Evaluation. Vice Chair Botts seconded the motion. The motion passed with six affirmative votes.

At 3:18 p.m. the closed meeting began. In attendance were Chair Agarwal, Vice Chair Botts, Commissioners Lieber, Allen and Miller; General Manager Andy Brunhart; General Counsel Jerry Blask; and Corporate Secretary Charlett Bundy. Towanda McNeil, Director SLMBE joined the discussion on the MBE Program and left at 3:55 p.m.; Roscoe Wade, Director Logistics and Acquisitions joined the meeting at 4:05 pm for the discussion on a potential legal claim and left at 4:29 p.m.; HR Director Yvonne McKinney joined the meeting at 4:32 p.m. for the item on HR reorganization. Commissioner Starks joined the closed session at 3:30 p.m.

All of the matters listed in the motion to close the meeting were discussed. Commissioner Allen made a motion that was based on the language from General Counsel on the matter. That language stated, "I move that the Commission authorize an increase in the upset limits

associated with the Professional Services Agreements between the Commission and the law firm of Shawe Rosenthal LLP and between the Commission and Leftwich & Ludaway, LLC in the amount of \$175,000 for each Agreement (from \$500,000 to \$675,000)." Commissioner Lieber seconded the motion. Commissioner Miller voted nay; all others voted yea so the motion carried with five affirmative votes.

Commissioner Miller moved that the Commission authorize the General Manager to negotiate a settlement with Anchor Construction barring claims made by Anchor in connection with certain WSSC contracts. Commissioner Allen seconded the motion. Vice Chair Botts abstained because he said the representative from the Gordian Group at last month's Commission meeting said there was no basis to settle the claim. All others voted yea so the motion carried with five affirmative votes.

Commissioners first approved the closed session minutes.

Commissioner Lieber moved that the Commission approve the Closed Session minutes for January 24, 2007. Commissioner Miller seconded the motion. The motion carried with five affirmative votes (Commissioner Starks was temporarily out of the room.)

Commissioner Starks moved to direct Mr. Brunhart to remove all blocks from Commissioners' email accounts and further moved that the Chair and Vice Chair only will send email messages to the full body of employees when Commissioners need to communicate a message to all commission employees. Commissioner Miller seconded the motion. Commissioner Lieber voted nay; Vice Chair Botts abstained because he noted he had an interest in the motion as the Vice Chair; and all others voted yea. The motion carried with four affirmative votes.

At 5:00 p.m., Mr. Blask and Mr. Brunhart left the meeting.

At 5:20 p.m. Commissioner Allen made a motion to close the closed session. Commissioner Starks seconded the motion. The motion carried with six affirmative votes.

OPEN SESSION

Simultaneously Commissioner Allen moved to adjourn the meeting. Commissioner Starks seconded the motion. The motion carried with six affirmative votes.

ADJOURNMENT

At 5:23 p.m. the Chair declared that the meeting was adjourned.

//signed//

Charlett Bundy, Esq.
Corporate Secretary