

WASHINGTON SUBURBAN SANITARY COMMISSION

MINUTES OF THE COMMISSION MEETING

**Wednesday, April 27, 2011
Laurel, Maryland**

Chair Antonio Jones called the meeting to order at 9:06 a.m. in the Auditorium of 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 Dr. Roscoe M. Moore, Jr., Commissioners Prem A. Agarwal, Joyce Starks, Adrienne A. Mandel, and Gene W. Counihan 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 Jones asked Mr. Kirk Wineland, to lead the pledge of allegiance.

AGENDA APPROVAL

Commissioner Mandel moved to approve the agenda for the Commission public meeting for Wednesday April 27, 2011. Commissioner Agarwal seconded the motion. The vote was called by Chair Jones and the motion carried with six affirmative votes.

MINUTES

Commissioner Agarwal moved to approve the open session minutes of the March 16, 2011 Commission meeting. Commissioner Starks seconded the motion. The motion carried with six affirmative votes.

WSSC RETIREES

Five employees retired this month. William E. Burton, Chief Wastewater Plant Operator in the Parkway Group retired with 32 years and 3 months of service; Howard W. Moore, Facilities Construction Inspector, II, Project Delivery Group retired with 32 years and 2 months of service; Bruce A. Leymeister, Wastewater Collections Field Unit Coordinator in the Temple Hills Wastewater Collections System Group retired with 31 years and 8 months of service; Mitchell B. Ray, Senior Wastewater Plant Operator, Western Branch retired with 29 years and 5 months of service; and Carl V. Filippini, Plans Reviewer II, Regulatory Group retired with 24 years and 11 months of service. Mr. Baker thanked them for their many years of service.

WSSC MEDIA UPDATE

A video highlighted events at the Third Annual Women's Business Owners Expo sponsored by the WSSC SLMBE Office.

MEDIA / PUBLIC COMMENTS

There were no comments from the media or the public.

COMMISSIONERS' COMMENTS/INTENTIONS

Commissioner Mandel congratulated WSSC leadership and staff for commemorating Earth Day, April 22nd. She then went on to provide a history of the development of the celebration now known as Earth Day. April 22, 1970 was the first demonstration for a healthy, sustainable environment. This celebration's participants became advocates of the bills which eventually were enacted as the Clean Air and Clean Water Acts. Earth Day is now a world-wide event. Since environmental stewardship is an integral part of WSSC's strategic mission, Commissioner Mandel noted it makes sense that WSSC would sponsor activities commemorating Earth Day. She applauded WSSC employees who implement the tenets of Earth Day everyday during their work. Commissioner Mandel closed noting, a healthy environment is an essential ingredient for quality of life, health, and a strong economic future for all.

Next, Commissioner Mandel noted the passing of the former governor of Maryland and former Mayor of the City of Baltimore, William Donald Schaeffer. Ms. Mandel stated Governor Schaeffer understood the needs of clean air and water and was empathetic to all Marylanders. She asked for a moment of silence for former Governor and Mayor, William Donald Schaefer. After the silence the meeting continued with the report from Mr. Johnson.

Commissioner Moore noted that Mr. Schaefer had appointed him to the Commission for African American History and Culture which oversees the Banneker-Douglas Museum in Annapolis, the only museum in the United States which exhibits African American artifacts and which is state-funded. The Commission also helped Mayor Smote obtain the land on which the Reginald F. Lewis African American Museum stands in Baltimore. Commissioner Moore stated Mr. Schaefer will be missed greatly.

Commissioner Starks recognized Administrative Assistant's Week by congratulating WSSC's administrative assistants for their work in helping to hold the organization together. She wished mothers, mothers-to-be, and fathers who act as mothers a Happy Mother's Day.

GENERAL MANAGER'S OFFICE

Monthly Report. Mr. Johnson started his monthly report noting that WSSC's budget is on target with expenses, revenue, and the Capital Improvement Program. The review of WSSC's Fiscal Year 2012 budget continues in the county committees.

The Center for Disease Control and the State of Maryland continue to monitor the waterways and rainwater in the aftermath of the atomic

incident that occurred in Japan following the tsunami. There was concern about transition of the nuclear radiation to the U.S. but tests have shown a "non-detect" level for Maryland's rainwater and the waterways that go into the watershed in WSSC's general area.

Mr. Johnson commented on the updated lab processes that integrate connectivity to specialized lab instruments and manage samples, the gathering of information and the distribution of results. This updated approach is a time saver in generating reports and will result in cost savings as well.

Staff preparation to implement the MBE Program on May 1st continues. A number of outreach activities from the SLMBE Office have been undertaken. Mr. Johnson referenced a matchmaking and partnering event that was held to match minority contractors and small businesses with some of the larger businesses with which WSSC contracts.

Plant operations are all functioning well within their MDES permit levels. WSSC entered a partnering agreement with the Woodland Job Corps in concert with the trade shop that allows for training of Job Corps participants thereby developing a readily accessible, technically-trained hiring pool.

Over 1,000 persons attended the WSSC Water Fest at the Seneca Wastewater Treatment Plant. Over three dozen vendors displayed at the event. Mr. Johnson saluted WSSC employees Sandy August and Sam Ahmed for their efforts in community outreach and tours for this event.

Next, Mr. Johnson commented on WSSC's Earth Day activities that included nine environmental stewardship events and five classroom events. Students made oyster reef balls that will be deposited in the bay later in the year. He noted that these events received a fair amount of media coverage. There was a warm reception to the repainting of the Earthoid water tank in Germantown.

WSSC was awarded the Municipal Utility Achievement Award as a result of the No Dig Conference sponsored by the North American Society for Trenchless Technology. Mark Behe of the Infrastructure Assistance Group presented on the WSSC activities that led to WSSC receiving that award.

As a follow-up to a query from Commissioner Starks an audit of the landline telephone lines resulted in a savings of about \$120,000 for a year, which represents about 15-1/2% of the total annual cost of the landline service. The money will be refunded by the phone carrier to WSSC. Also WSSC will receive a reduction in the telecommunications expenses because of the in-house microwave system that carries most of WSSC's communication lines and services thereby reducing the number of external lines needed.

WSSC is communicating with an energy provider to purchase blocks of energy for 2013 and 2014 in order to take advantage of the low pricing for gas available now.

The tunnel boring machine Ms. Colleen has been shipped to Ohio for repair and it is expected to return by May. Boring will begin again in earnest sometime in the month of June. The repair will cause a delay in the schedule but the full impact cannot be determined now. Despite the repair stoppage, the project's ancillary work continues so all work is not stopped, just significantly slowed.

In furtherance of one of the strategic goals, WSSC has been working with the National Research Council and Water Science and Technology Board. Mr. Johnson was invited to be a guest speaker at the Board of Directors Meeting for that board and he spoke on the water and wastewater industry. WSSC is exploring opportunities for partnering with this organization on research projects which will yield significant benefits to both the organization and WSSC.

Mr. Johnson acknowledged that he is the outgoing president of the National Forum of Black Public Administrators and advised Commissioners that he appreciated the rescheduling of the April Commission meeting to allow his attendance at that group's annual meeting in Atlanta last week. He was named President Emeritus to the Board of Directors. Lastly, the District of Columbia chapter of the NFBPA will be issuing a scholarship in his name.

Commissioner Mandel asked to receive information on the water contamination drill that was conducted during the month. On April 26th there was an exercise to prepare for emergency/unforeseen events. A planned exercise focused on the introduction of an unknown chemical into a water supply in one of WSSC's facilities. WSSC employees worked with Prince George's county Hazardous Materials Group and then examined the response plan to identify strengths and weaknesses of the response plan. Although some aspects of the exercise indicating there are areas in which WSSC can improve nevertheless, the employees could identify the chemical, they isolated the system so the alleged substance would not contaminate the overall water supply making the exercise successful overall. These exercises are conducted from time to time to keep the employees vigilant about their important roles should a real threat ever materialize.

Legislative Report. Mr. Wineland reported on the final status of various pieces of legislation submitted by WSSC and those submitted by others that would regulate WSSC. Although none of the bills WSSC sought to be introduced were enacted, Mr. Wineland characterized the legislative season as a success as several bills WSSC opposed also were not enacted.

Internal Audit Office

Monthly Activity Report. Ms. Bardwell reported on matters from March 7, 2011 through April 1, 2011. System Development Charge savings year-to-date is a little over \$2,000. She noted that the FY 2011 Audit Plan continues as stated in the plan. The Human Resource Phase II Regulatory Compliance Audit Entrance Conference was held on March 31st. On April 6th the office conducted an entrance conference for the Information Technology Department's General Computer Controls Audit. An exit conference for the Federal Stimulus Funds Oversight Review was held April 4th. The draft of the Phase I Human Resources Regulatory Compliance Audit was completed and is being prepared for distribution within the next week. Auditors are working with the Communications team on the Fraud, Waste and Abuse Hotline Awareness Program and working on the training for the investigators and management prior to roll out of the Fraud, Waste and Abuse Hotline Awareness Program. It will be completed during the month of May. The solicitation for external audit services was distributed April 22nd.

Board of Ethics. The March 10, 2011 meeting discussed several items. The Ethics Officer, Stephanie Royal provided ethics training to 26 new hires.

2010 Annual Ethics Report. This an annual report is mandated in the Maryland Annotated Code State Government Article Title 15, Subtitle 8, Part 15 which requires WSSC to send a report to the counties informing them of the conflict of interest cases and lobbyists filed with WSSC during the calendar year of 2010.

DEPARTMENT BRIEFINGS**Finance**

Public Hearing Dates. Ms. Cohen briefed the need to set proposed public hearing dates to receive comments/questions on WSSC Fiscal Years 2013-2018 Capital Improvements Program. Recommended dates are September 14th at 7:30 p.m. in Rockville and Thursday September 15th, in Largo.

FY'11 Budget Supplement Request Transmittal. Mr. Traber explained how calling outstanding General Refunding bonds due on June 1, 2010 could result in a 5% interest gain to WSSC. The savings would be used to fund the WSSC reconstruction effort (i.e. debt service offset). Additional spending authority from the counties was required in order to refund the bonds.

Customer Care

Contract 6020, Professional Cleaning, Restoration and Structural Repair Services. Commissioners received information from Mr. Derrick Phillips on the need to continue a contract for these services which are contracted on an as-needed basis.

Contract 5355, Professional Cleaning, Restoration and Structural Repair Services. Mr. Phillips requested approval of a change in the upset limit of this contract in order to complete the services currently under contract.

Mixed-Use Billing Standard Procedure CUS 11-01. Ms. Jacquelyn Barry described the highlights of Resolution 2011-1897 that apply to the fees charged for mixed-use properties, i.e., properties with commercial and residential units in one structure. The proposed effective date is December 31, 2011.

Engineering & Construction

1. Contract CS4441A06 - Mr. Gumm briefed Commissioners on this Consent Decree project that provides wastewater storage for the Anacostia pump station. Commissioner Mandel requested additional information on the company to which the contract will be awarded, i.e., Pizzagalli Construction as there was some contracting history with WSSC even though the paperwork indicated there was no history. It was agreed that the matter would be discussed in closed session as the contracting history involved litigation with WSSC.

2. Basic Ordering Agreements for Sanitary Sewer Rehabilitation Program Support. Commissioners were briefed by Mr. Gumm on BOAs carrying the following numbers: PM0007A10; PM0008A10; PM0009A10; PM00010A10; PM00011A10; and PM00012A10. These contracts represent the last part of the design to complete Consent Decree requirements.

3. Contracts CP4232D050 and CP4232C05. Commissioners were briefed on Amendment 1 to this contract for engineering services during construction at Marlboro Meadows WWPS and the Marlboro Meadows Force Main, respectively.

4. Construction Contracts

Contract BR5106A10 and BR5009B09. These contracts for water main replacement in Bladensburg and Contract BR5009B09 for water main replacement in District Heights were briefed together.

Contract CD4261A05 for Damascus ENR was briefed and it was noted that this contract is funded 94% by the Maryland Department of the Environment from the Save the Bay Program.

5. Resolution 2011-1910: Mr. Gumm requested approval for Amendment 1 to the 2011 Plumbing and Fuel Gas Code which provides for replacing third party inspection site utility work with WSSC-managed inspections. Commissioner Coughlin moved to adopt Resolution 2011-1910, Amendment 1 to the 2011 Plumbing and Fuel Gas Code. Commissioner Mandel seconded the motion. The motion carried with five affirmative votes. Commissioner Agarwal was off the dais.

CONSENT CALENDAR

Before voting on the consent calendar, two contracts were removed from the consent calendar, to wit Contracts CS4441A06 and PM0008A10. Commissioner Starks moved to approve Resolution 2011-1911 that adopts the Consent Calendar for April 16, 2011 and includes the following:

- A. Finance
 - 1. Public Hearing Dates - Proposed Fiscal Years 2013 - 2018 Capital Improvement Program: September 14th at 7:30 p.m. in Rockville and Thursday September 15th, in Largo
 - 2. FY'11 Budget Supplement Request Transmittal to the Counties;
- B. Customer Care
 - 1. Contract 6020, Professional Cleaning, Restoration and Structural Repair Services to multiple vendors for a total of \$1,500,000.
 - 2. Contract 5355, Professional Cleaning, Restoration and Structural Repair Services (Upset Change) to multiple vendors for a total of \$1,500,000.
 - 3. Resolution 2011-1913 Repealing Commission Resolutions 2010-1857 and 2011-1897 and adopting Methods for Billing Certain Multi-Unit Properties.
- C. Engineering & Construction
 - 1. Contract CS4441A06 - Consent Decree Anacostia Storage Facility, Prince George's County to Pizzagalli Construction for a total of \$12,288,000.00.
 - 2. Basic Ordering Agreements for Sanitary Sewer Rehabilitation Program Support
 - a. PM0007A10, Sanitary Sewer Rehabilitation Program Support BOA to Black & Veatch for a total of \$15,000,000.
 - b. PM0008A10, Sanitary Sewer Rehabilitation Program Support BOA to Brown and Caldwell for a total of \$15,000,000.
 - c. PM0009A10, Sewer Rehabilitation Program Support BOA to Hazen & Sawyer, PC for a total of \$ 15,000,000.
 - d. PM00010A10, Sewer Rehabilitation Program Support BOA to Malcolm for a total of \$15,000,000.
 - e. PM00011A10, Sewer Rehabilitation Program Support BOA to Obrien & Gere Engineers, Inc. for a total of \$15,000,000.
 - f. PM00012A10, Sewer Rehabilitation Program Support BOA to URS Corporation for a total of \$15,000,000.
 - 3. Contract CP432D050 Amendment for Engineering Services During Construction, Marlboro Meadows WWPS and Force Main to McKissack & McKissack, Inc. for a total of \$283,266.93.
 - 4. Construction Contracts
 - a. Contract BR5106A10, Water Main Replacement, Bladensburg III, to A&M Concrete Corporation for a total of 1,624,904.00.
 - b. Contract BR5009B09, Water Main Replacement, District Heights II, to A & M Concrete Corporation for a total of \$2,741,080.00.
 - c. Contract CD4261A05, Damascus ENR to American Contracting & Environmental Service for a total of \$4,290,000.

Commissioner Mandel seconded the motion. The motion to adopt the Consent Calendar for the March 16, 2011 minus Contracts CS4441A06 and PM0008A10 passed with six affirmative votes.

Human Resources

Domestic Partner Benefit Policy. Commissioner Mandel moved to special order the vote on the motion to adopt the Domestic Partner Benefit Policy to the June 2011 Commission meeting. Vice Chair Moore seconded the motion. The motion was approved with six aye votes.

STRATEGIC INITIATIVES

Corporate Asset Management Office: Mr. Gregg Boykins provided an update on Phase II of the Asset Management Plan (formally called the UMP - Utility Master Plan). He noted that WSSC has completed its first five

asset management plans before giving details of the progress to date in the implementation of the Corporate Asset Management Plan.

At 12:39 p.m. Chair Jones recessed the meeting for lunch.

COMMISSIONERS' CONFERENCE ROOM

Chair Jones resumed the meeting in the Commissioners' Conference Room. Commissioner Starks left after the lunch break at 1:21 p.m.

General Counsel

Mr. Blask reviewed the changes made to the standard procedure guiding the hiring of legal services for Commissioners who are in contested matters and who cannot be represented by WSSC General Counsel. Commissioners agreed to review it and vote at the May 18, 2011 Commission meeting.

Engineering & Construction

Contract PM0008A10. Chair Jones indicated the concerns about this contract had been alleviated. Commissioner Agarwal moved to approve Contract PM0008A10. Commissioner Counihan seconded the motion. The motion carried with five affirmative votes.

COMMISSIONER REPORTS

Working Group Reports

WSSC Employees' Retirement Board of Trustees. Commissioner Mandel gave an overview of the month's report from the annual report from the Trustees' meeting of March 30, 2011. An investment policy was approved. Total assets she reported to be at \$665 million. Since February 28, 2011 this represents an investment gain of .6%. Stocks were above range maximum and real estate was below range maximum. Assets over benefits ratio is 80% as of June 2009.

There were no other Committee reports.

Corporate Secretary

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

Continued Business

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

MEETING CLOSING

At 2:25 p.m. Commissioner Mandel moved to close the meeting pursuant to Maryland State Government Article 10, Subtitle 5, Section 10-508(a)(7) to discuss a legal matter pertaining to previous legal issues with Pizzagalli Construction. Commissioner Counihan seconded the motion. The motion carried with five affirmative votes. At 2:26 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 A. Agarwal, Adrienne A. Mandel, Gene W. Counihan; General Manager Jerry Johnson, General Counsel Jerry Blask, and Corporate Secretary Charlett Bundy. Also in attendance were: Chief Engineer Gary Gumm and Acquisition Director Cathy Martin.

General Counsel Jerry Blask summarized litigation involving WSSC and Pizzagalli Construction that began in 2004 and resulted in a settlement in 2007. Then Commissioner Counihan moved to end the closed session and resume the open meeting. Commissioner Mandel seconded the motion. The motion carried with five affirmative votes.

The meeting was opened at 2:52 p.m.

OPEN MEETING RESUMED

Commissioner Agarwal moved that the Commission approve Contract CS4441A06, a consent decree project in Anacostia. Commissioner Counihan seconded the motion. The motion carried with five affirmative votes.

SECOND CLOSED SESSION**MEETING CLOSING**

At 2:58 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 March 16, 2011 Closed Session minutes and Section 10-508(a)(7) to receive legal advice on litigation involving an EEO complaint. Commissioner Counihan seconded the motion. The motion carried with five affirmative votes. At 2:59 p.m. Chair Jones declared the meeting was closed.

ATTENDEES: Chair Antonio Jones, Vice Chair Roscoe D. Moore, Jr., Commissioners Agarwal, Counihan and Mandel; GM/CEO Jerry N. Johnson, General Counsel, Jerry Blask, Associate Counsel Phil Lohrey and Corporate Secretary Charlett Bundy.

March 16, 2011 Closed Minutes. Commissioner Agarwal moved that the Commission approve the Closed Session minutes for the March 16, 2011. Commissioner Counihan seconded the motion. The motion carried with five affirmative votes.

Legal Matter. Mr. Lohrey advised Commissioners on a matter involving a multi-count civil action alleging discrimination in employment.

Mr. Blask advised Commissioners on another employment discrimination matter. A motion to change the upset limit on the contract for outside legal services was passed with aye votes from four Commissioners: Agarwal, Counihan, Chair Jones, and vice Chair Moore. Commissioner Mandel left the meeting to attend the WSSC Employees Pension Fund Board of Trustee meeting and Commissioner Starks had left the meeting.

OPEN SESSION RESUMED

Commissioner Agarwal moved to end the closed session at 3:40 p.m. Vice Chair Moore seconded the motion. The motion carried with four affirmative votes.

Adjournment

Commissioner Agarwal moved to adjourn the meeting. Vice Chair Moore seconded the motion. The motion carried with four affirmative votes. At 3:42 p.m. Chair Jones declared the meeting was adjourned.

Respectfully submitted,

 //signed//
Charlett Bundy
Corporate Secretary

Appendix A



Washington Suburban Sanitary Commission

14501 Sweitzer Lane • Laurel, Maryland 20707-5901

COMMISSIONERS
Antonio L. Jones, Chair
Dr. Roscoe M. Moore, Jr., Vice Chair
Prem P. Agarwal
Gene W. Courihan
Hon. Adrienne A. Mandel
Joyce Starks
GENERAL MANAGER
Jerry N. Johnson

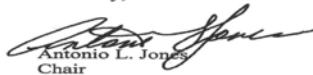
May 12, 2011

Wayne R. Frazier, Sr.
President
Md. Washington Minority Contractors' Association
1107 North Point Blvd., Suite 227
Baltimore, MD 21224

Dear Mr. Frazier:

On behalf of the Commissioners of the Washington Suburban Sanitary Commission, we want to publicly congratulate our General Manager/CEO, Jerry N. Johnson for receiving the Maryland D.C. Minority Contractors Association **2011 Most Innovative Executive of the Year for Minority Businesses**. It is an achievement that confirms our belief that he is one of the most accomplished leaders in the water utility industry. He has repeatedly shown through the careful management of our 2010 Diversity Study that he knows how to manage projects that ensure thoroughness and result in a quality product that provides both fair and factual information. We join you in saluting one of the area's most talented CEO's, one who understands diversity and lives it in his decision making.

Sincerely,


Antonio L. Jones
Chair