

WASHINGTON SUBURBAN SANITARY COMMISSION

MINUTES OF THE COMMISSION MEETING

**Wednesday, May 18, 2011
Laurel, Maryland**

Chair Antonio Jones called the meeting to order at 8:52 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 Adrienne A. Mandel, Chris Lawson, 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 Jones asked Chris Lawson, one of the newest Commissioners from Prince George's County, to lead the pledge of allegiance.

AGENDA APPROVAL

Commissioner Mandel moved to approve the agenda for the Commission public meeting for Wednesday May 18, 2011. Commissioner Hartwig-Davis seconded the motion. The vote was called by Chair Jones and the motion carried with five affirmative votes as Commissioner Counihan had not arrived when the vote was taken.

MINUTES

Commissioner Mandel moved to approve the open session minutes of the April 27, 2011 Commission meeting. Vice Chair Moore seconded the motion. The motion carried with four affirmative votes. Commissioners Hartwig-Davis and Lawson abstained because they did not attend the April 27, 2011 meeting as Commissioners.

WSSC RETIREES

Of the six employees that retired this month, only two were present to be recognized: Ernest W. Fielding, a Contract Specialist in the Infrastructure-Systems Group/COB retired with 30 years of service and Mary F. Stewart, Customer Care Agent 1, Customer Relations Group, who retired with 18 years and 10 months of service.

The four attendees who did not attend the Commission meeting were: Ernesto Dones, a Senior Water Plant Operator in Potomac who retired with 33 years and 3 months of service; Richard L. Bise a Dispatcher in Customer Relations who retired with 30 years and 5 months of service; Eric E. Makle, Systems Construction Inspector I, in Systems Construction Division Temple Hills retired with 25 years and 10 months of service; and Martha S. Nelson, an Administrative Assistant I in the Infrastructure Systems Group/COB retired with 25 years and 9 months of service.

WSSC MEDIA UPDATE

Mr. Neustadt presented a short video on the cross connection protections in the WSSC water/sewer system.

MEDIA / PUBLIC COMMENTS

There were no comments from the media or the public.

COMMISSIONERS' COMMENTS/INTENTIONS

Chair Jones recognized the newly-appointed Commissioners from Prince George's County: Chris Lawson who replaced Prem Agarwal and Melanie Hartwig-Davis, who replaced Joyce Starks. He also noted that as the summer season begins, it is important for employees to be mindful of fires from outdoor barbeques. He wished all a safe Memorial Day holiday. He advised that the Bi-County Committee had approved WSSC's Fiscal Year 2010 Operating Budget.

Commissioner Counihan welcomed the two newest Commissioners, Melanie Hartwig-Davis and Chris Lawson. He noted he looks forward to working with them.

GENERAL MANAGER'S OFFICE

Monthly Report. Mr. Johnson began his report with the results of the third quarter budget review. He noted that for the fiscal year's third quarter, water production was up about 4% from 170 million gallons to 174.3 million gallons which is ahead of the five-year average and 4.8% over last year's production. This allowed a budget adjustment to a projection of 172 million gallons per day from the projected 170 million gallons per day for the year. Water revenues were adjusted for the balance of the year as well: water operating revenues are projected to be \$7.9 million less than budgeted; sewer operating revenues are projected to be \$14 million less than budgeted; and general bond debt service revenues were \$2 million less than projected. The total operating revenues for all funds will be \$24.5 million less than budgeted.

On the expense side, year-end projections required adjusting the water operating expenses by about \$14 million less than budgeted; sewer operating expenses \$23.1 million less than budgeted; general bond debt service expense is \$2.4 million greater than expected; for a total operating expense for all funds at \$35.4 million less than budgeted. Together this information suggests the company is solid as it enters the last quarter of the fiscal year.

All of the plants were operating well within the permit parameters. Water flow in the Potomac River is well above normal causing turbidity nevertheless the plant operators managed it extremely

well. Call Center performance continued to be high; April's performance was the best in the last five years. Since October and the preliminary installation of the IVR System billing has processed about \$5.5 million in payments.

The plants completed the upgrade of the industrial discharge control system. First solicitations under the new Minority Business Program (MBE) were issued in April. Mr. Johnson referenced the transitional training and a series of other activities aligning the Small, Local, and Minority Business (SLMBE) Office's program with the new MBE Program that became effective May 1, 2011. The SLMBE office will be prepared to present revisions to its SLBE program at the June Commission Meeting. The proposed changes will make the SLBE Program consistent with the MBE Program.

Activities in implementing new contracts caused construction projects to meet annual mileage goals. Water main breaks are down after they peaked in December 2010 and January 2011. Work crews have been shifted to replacement and repairs of mains.

Several community activities included the water conservation program and water ecology learning event. Five hundred fourth graders attended the Children's H2O Fest at Brighton Dam. Mr. Johnson thanked Angela Ballard-Landers and others in the Communications Department who assisted with the event. Sixty volunteers helped make the event a success.

WSSC's internal security task force engaged in a full functional exercise testing emergency response. Mr. Johnson thanked with the Prince George's Fire, Police and Hazardous Materials Departments for participating. A critique resulted in recommendations for changes in processes for managing emergency/security response.

Mr. Johnson closed by announcing two upcoming events: June 4th Employee Appreciation Day at Brighton Dam and the May 26th celebration of the completion of a \$90 million upgrade at the Potomac Plant. Mr. Johnson was awarded the Most Innovative Executive of the Year for Minority Business from the Maryland/DC Minority Contractors Association. He noted the award represents a team effort on the part of a number of employees in the organization, especially those involved in the 2010 Disparity Study and the resulting MBE Program. He thanked the Commissioners for the letter sent from Chair Jones on behalf of the Commission congratulating Mr. Johnson for receiving the award. It was read during the award presentation. Chair Jones then read the letter into the record and is attached as Appendix A to these minutes.

Internal Audit Office

Monthly Activity Report. Ms. Bardwell started her report noting that the system development charge savings which are \$2500 to date. She

briefly described four open audit projects and noted that the department continues to provide advisory services to the Purchase Order Review Committee.

Board of Ethics. The Board of Ethics held its regularly-scheduled meeting and addressed both closed and open session items.

DEPARTMENT BRIEFINGS

Finance

Resolution 2011-1916. Mr. Rick Baker, Retirement Group Leader presented a resolution for the re-appointment of the Chief Finance Officer, Director of Human Resources, and Budget Group Leader to a four-year term as Trustees to the WSSC Retiree Other Post Employment Benefits Trust. Commissioner Hartwig-Davis moved to approve Resolution 2011-1916. Commissioner Counihan seconded the motion which carried with six affirmative votes.

Logistics

Contract 5028A Ultra Low Sulfur Diesel Fuel. Mr. Wade provided information on this contract which is a \$600,000.00 change order to meet rising fuel costs.

Engineering & Construction

Architect/Engineer Contracts

Mr. Gary Gumm briefed one basic ordering agreement (i.e., PM00013A10 for Environmental Clearinghouse Permitting Services) for work that must be completed pursuant to the Consent Decree. He then briefed one contract, number CD4259A05 that was presented for an amendment for engineering services during construction at the Parkway Waste Water Treatment Plant as part of the enhanced nutrient removal upgrade and five construction contracts: BR5007A09, Water Main Replacement, Whitehouse Heights; BR5118A10, Water Main Replacement, Silver Spring; CD4259A05, Parkway WWTP ENR Upgrade; and BP2938D00, Laytonsville Water Transmission, Recirculation, Distribution & Pressure Regulating Valve Vault.

Goods and Services

Contract 5986 for street repair services in Prince George's and Montgomery Counties was also briefed by Mr. Gumm.

Resolution 2011-1914. Commissioners were briefed on the Interconnection Memorandum of Agreement. Commissioner Hartwig-Davis moved that the Commission approve Resolution 2011-1914 that authorizes the General Manager/CEO to execute the Interconnection Memorandum of Agreement with DC Water and Sewer Authority, doing business as DC WATER. Commissioner Counihan seconded the motion. The motion carried with six affirmative votes.

CONSENT CALENDAR

Commissioner Mandel moved to approve Resolution 2011-1915 that adopts the Consent Calendar for the May 18, 2011 Commission meeting that includes the following:

A. Logistics

Contract 5028A, Ultra Low Sulfur Diesel Fuel for \$600,000 to the Washington Area Council of Governments;

B. Engineering and Construction**1. Architect/Engineer Contracts**

a. BOA, PM00013A10 Environmental Clearinghouse Permitting Services for \$10,000,000 to Straughan Environmental, Inc.

b. Contract CD4259A05, Amendment for Engineering Services during Construction, Parkway WWTP ENR Upgrade, for \$2,212,164.00 to Hazen and Sawyer, P.C.

2. Construction Contracts

a. Contract BR5007A09, Water Main Replacement, Whitehouse Heights for \$2,646,560.00 to Metra Industries, Inc.;

b. Contract BR5118A10, Water Main Replacement, Silver Spring for \$936,300.00 to Sagres Construction Corporation;

c. Contract BP2938D00, Laytonsville Water Transmission, Recirculation, Distribution & Pressure Regulating Valve Vault for \$2,747,435.50 to W.F. Wilson & Sons, Inc.

3. Goods and Services

Contract 5986, Street Repair Services in Prince George's and Montgomery Counties (Sections A, B, C, D, E and F) for \$31,489,771.72 to M.T. Laney.

Commissioner Coughlin seconded the motion. The motion to adopt the Consent Calendar for the May 18, 2011 passed with six affirmative votes.

Contract CD4259A05, Parkway WWTP ENR Upgrade for \$13,441,000.00 to Adams Robinson Enterprises, Inc. was removed from the consent calendar and addressed later in the meeting.

STRATEGIC INITIATIVES

Production: Solar Photovoltaic System. Mr. Robert Taylor presented Commissioners information about the planning for solar panel placement at two plants - Seneca and Western Branch -- to reduce WSSC's reliance on carbon fuels.

Engineering & Construction

Contract CD4259A05. Mr. Gumm presented additional bid process information for this contract. After some discussion, Commissioner Coughlin moved to approve Contract CD4259A05 for the Parkway Waste Water Treatment Plant ENR Upgrade for \$13,441,000.00 to Adams Robinson Enterprises, Inc. Commissioner Mandel seconded the motion. The motion carried with six affirmative votes.

COMMISSIONER REPORTS**Working Group Reports**

WSSC Employees' Retirement Board of Trustees. Commissioner Mandel noted that the April 27, 2011 Trustees meeting reviewed the March 2011 market results. The plan assets were \$665 million and realized an investment gain of \$3.7 million, an increase of 0.6% since the February report. The domestic and international equities represented 66.6% of the plan's invested assets while the domestic fixed income represented 33.3% and real estate investments represented 3% of the plan's total investment portfolio. US Stocks were above range maximum and real estate was below range maximum for the respective allocation ranges. The current market is described as resilient.

Personnel and Governance

Procedure for Paying Commissioners' Legal Fees. Commissioner Counihan moved to adopt the standard procedure governing the payment of legal fees. Commissioner Mandel seconded the motion but asked to accept an amendment to include the full title of the procedure, i.e., procedure for obtaining payment of or reimbursement for outside legal expenses of an incumbent or former commissioner. Commissioner Counihan accepted the amendment. Mr. Blask indicated he was not ready to discuss the matter. Commissioner Counihan asked to have the motion special ordered to the June 15, 2011 Commission meeting for approval. Commissioner Mandel seconded the motion. The motion to special order the motion to approve the procedure for paying legal fees carried with six affirmative votes.

Retreat Agenda. Commissioners Moore and Chair Jones reviewed the agenda with Mr. Johnson and there was some discussion about the overall agenda which is based on updates of the strategic plan adopted in October 2010. Commissioner Counihan asked that the agenda include a discussion on WSSC's collective bargaining process.

Bi-County Infrastructure Funding

Mr. Johnson noted in his monthly report that a telephone conference would be scheduled to discuss the committee's next steps in reviewing funding alternatives for infrastructure projects.

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 11:55 p.m. Commissioner Mandel moved to close the meeting pursuant to Maryland State Government Article 10, Subtitle 5, Section 10-508(a)(13) to approve the April 27, 2011 Executive Session minutes; and Section 10-508(a)(1) to discuss performance evaluation of a direct report. Vice Chair Moore seconded the motion. The motion carried with affirmative votes.

The meeting recessed for lunch and was reconvened as a closed session at 12:59 p.m.

CLOSED SESSION

COMMISSIONERS' CONFERENCE ROOM

ATTENDEES: Chair Antonio Jones, Vice Chair Dr. Roscoe Moore; Commissioners Chris Lawson, Adrienne A. Mandel, Gene W. Counihan, and Melanie Hartwig-Davis. General Manager Jerry Johnson, General Counsel Jerry Blask, and Corporate Secretary Charlett Bundy.

April 27, 2011 Closed Minutes. Commissioner Mandel moved that the Commission approve the Closed Session minutes for the April 27, 2011. Vice Chair Moore seconded the motion. The motion carried with four affirmative votes: Commissioners Counihan and Mandel, Chair Jones, and Vice Chair Moore. Commissioners Lawson and Hartwig-Davis abstained because they were absent from the meeting.

At 1:17 p.m. Commissioners asked Mr. Johnson, Ms. Bundy and Mr. Blask to leave the meeting to discuss the personnel matter, evaluation of a direct report. Thereafter Commissioners discussed the performance evaluation of a direct report.

Commissioner Moore moved to end the closed session. Commissioner Lawson seconded the motion. The motion carried with six affirmative votes. At 1:50 p.m. the meeting was declared open.

OPEN SESSION RESUMED

Committee Assignments

Chair Jones appointed Commissioner Chris Lawson to the WSSC Employees Retirement Board of Trustees and Commissioner Hartwig-Davis to the Personnel & Governance Committee.

Adjournment

Commissioner Mandel moved to adjourn the meeting. Commissioner Lawson seconded the motion. The motion carried with six affirmative votes. At 1:52 p.m. Chair Jones declared the meeting was adjourned.

Respectfully submitted,

//signed//
Charlett Bundy
Corporate Secretary