

WASHINGTON SUBURBAN SANITARY COMMISSION

MINUTES OF THE COMMISSION MEETING

Wednesday, June 20, 2007

Laurel, Maryland

Chairman Prem Agarwal called the meeting to order at 8:34 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 A. Allen and Juanita D. Miller were present. Also, present were General Manager Andy Brunhart, General Counsel Jerry Blask and Corporate Secretary Charlett Bundy.

Agenda Approval

Vice Chair Botts moved to approve the agenda with one amendment, the removal of the election of officers. Commissioner Allen seconded the motion. The motion carried unanimously.

COMMISSIONERS

Resolution 2007-1780. Commissioners then turned to approving a resolution, required by House Bill 691, that describes a motion passed at the May 16, 2007 Commission 2007-1780 regarding implementation of a MBE Program.

Commissioner Lieber made a motion that the Commission adopt the resolution provided in the meeting packet. Commissioner Botts seconded the motion. During the discussion, Commissioner Lieber was asked to read the resolution into the record. He read:

AUTHORIZATION TO CREATE
STANDARD PROCEDURES FOR IMPLEMENTING
AN INTERIM MINORITY BUSINESS ENTERPRISE PROGRAM

WHEREAS, the enactment of Maryland House Bills 691 authorizes the Commission to create policies and adopt regulations establishing a mandatory minority business utilization program to facilitate the participation of responsible, certified, minority business enterprises in contracts awarded by the Commission; and

WHEREAS, the Commission acknowledges a continuing need to increase participation by certified minority business enterprises (MBEs) in contracts awarded by the Commission and to closely monitor that participation; and

WHEREAS, the Commission seeks to adopt the regulations authorized by Maryland House Bill 691 at the earliest possible date consistent with law;

THE COMMISSION HEREBY:

- 1) Re-authorizes WSSC Standard Procedure (SP), MBE 96-01, effective June 1, 1996, as amended by WSSC Resolution 97-1521, adopted November 20, 1996, as the interim MBE Program governing certain contract awards at WSSC while the agency creates a long-term MBE Program;
- 2) Establishes as the effective date for implementing SP MBE 96-01, as amended, earliest possible date consistent with Maryland Annotated Code Article 29, Section 9-102(b) and sets the expiration date 90 days thereafter; and
- 3) Affirms that the Commission will issue a Resolution adopting long-term MBE Program

Regulations effective the day after the expiration date of SP MBE 96-01 as amended, which will comply with Maryland House Bill 691 and with Maryland Annotated Code, Article 29, Section 9-102(b);

BE IT RESOLVED, this 20th day of June, 2007 that the Washington Suburban Sanitary Commission hereby adopts Resolution 2007-1780; and

BE IT FURTHER RESOLVED that if any section, subsection, sentence, clause or phrase of this resolution or of Maryland Annotated Code, Article 29, Sections 3-102 and 3-109 signed into law on May 17, 2007 are, for any reason, held to be unconstitutional, such decision shall not affect the validity of the remaining portions of this resolution or of Maryland Annotated Code, Article 29, Sections 3-102 and 3-109; and

BE IT FURTHER RESOLVED that this Resolution and the interim and long-term MBE Programs shall take effect as noted herein and/or as determined by a vote of the Commission.

Commissioner Starks asked Commissioner Lieber to waive the 30 days notice requirement stated in Md. Ann. Code, Art. 29, Section 9-102(b). During the discussion it was noted the resolution needed to be corrected to change a reference to Md. Ann. Code, Art. 29, Section 9-102(b) to Md. Ann. Code, Art. 29 Section 9-101(b). Commissioner Starks noted that the statutory requirement for advertising notice of the adoption of SP 96-01 as amended had been complied with by the publication of the notice of such adoption in the advertisement placed by General Counsel Blask May 24, 2007. The vote was taken and Vice Chair Botts and Commissioner Lieber voted aye; all others voted nay. The motion failed.

Commissioner Miller then made a motion to dismiss the action taken at the May 16, 2007 Commission meeting adopting SP 96-01 as amended as an interim MBE program. Commissioner Starks seconded the motion. Chair Agarwal and Commissioners Starks and Miller voted aye while Vice Chair Botts and Commissioners Lieber and Allen voted nay. The motion failed for lack of a majority.

Commissioner Starks made a motion that the Commission adopt the resolution as presented except that paragraph 2 be modified to show that the effective date does not have to be delayed for an additional 30 days. This modification to the proposed resolution was then voted on: Chair Agarwal, Vice Chair Botts, Commissioner Starks voted aye; Commissioners Miller and Allen voted nay; Commissioner Lieber abstained because he was of the opinion the revised resolution was legally indeterminate. The motion carried with the three affirmative votes.

General Counsel asked for a clarification of the motion that would be published in local newspapers. After discussion, Commissioner Lieber read the modified paragraph into the record as: "Paragraph 2: Establishes as the effective date for implementing SP MBE 96-01, as amended, June 23, 2007 and sets the expiration date 90 days thereafter; and." No objections were raised to this modification and Commissioners acquiesced that the statement as read represented their understanding

of what they had voted on in the last motion made by Commissioner Starks.

FINANCE OFFICE

Mr. Traber briefed Commissioners about resolutions related to the budgets, rates, and capital improvements. The resolutions were: Resolution No. 2007-1777: WSSC FY2008 Operating and Capital Budgets; Resolution No. 2007-1778: Adopting the WSSC FY2008-2013 Capital Improvements Program; Resolution No. 2007-1776: Adopting the WSSC FY2008 System Development Charge. He also briefed on the 2007 Levy of Front Foot Benefit Charges and Deferred House Connection Charges and amendments to the Retirement Plan Document Amendment which included Resolution 2007-1781: To Appoint Trustees to the Retiree Other Post Employment Benefits Trust. Lastly, he presented the April 2007 Status Report and advised Commissioners that the Report had been transmitted to the county governments.

PRODUCTION

Steve Gerwin briefed Commissioners for Team Chief Tom Heikkinen on three contracts and a change order. They were:

1. Pebble Lime Contract 05-01
2. Liquid Chlorine Contract No. 05-01
3. Parkway WWTP Bio-solids Management and Utilization
Contract No. 4550, Change Order No. 2
4. Parkway WWTP Bio-solids Management and Utilization
Contract No. 4550, Term III

CUSTOMER CARE

Rudy Chow briefed Commissioners on JOC contract 4336 for pipe bursting in Montgomery County.

At 11:07 a.m. Commissioner Miller moved to close the meeting pursuant to: 1. Subtitle 5 of Title 10 of the State Government Article, Maryland Code: Section 10-508(a) (13) to approve a) Closed Session Minutes from the May 16, 2007 and to conduct the Corporate Secretary's Performance Evaluation. Commissioner Starks seconded the motion. The motion carried unanimously.

CLOSED SESSION

COMMISSIONERS' CONFERENCE ROOM

At 11:10 a.m. the meeting was closed. In attendance were Chair Agarwal, Vice Chair Botts, Commissioners Starks, Lieber, Allen, and Miller.

CLOSED SESSION MINUTES

Commissioner Lieber moved to approve the closed session minutes for the closed session of the May 16, 2007 Commission meetings. Vice Chair Botts seconded the motion. The motion passed unanimously.

Commissioners then conducted the performance evaluation of the Corporate Secretary.

Commissioner Lieber then moved to end the closed session and resume the public meeting. Commissioner Starks seconded the motion. The motion carried unanimously. At 11:42 a.m. the closed session ended and the open session resumed.

**OPEN SESSION RESUMED
COMMISSIONERS' CONFERENCE ROOM**

Commissioner Starks then requested that the agenda be modified to allow the Internal Audit Office to present before the lunch break as the agenda was 45 minutes ahead of schedule.

INTERNAL AUDIT OFFICE

Internal Audit Manager Maxene Bardwell presented the Commissioners with her monthly report. There were questions about the process for hiring the external audit firm of Thompson, Cobb & Bazilio.

At the conclusion of the report from the Internal Audit Office, Commissioner Miller left the meeting.

OPEN SESSION -- AUDITORIUM

At 1:07 p.m. Chairman Agarwal called the public meeting to order. Vice Chair Botts and Commissioners Starks, Lieber, and Allen were present. Chair Agarwal asked Corporate Secretary Charlett Bundy to lead the pledge of allegiance.

APPROVAL OF MINUTES

Commissioner Lieber moved that the Commission approve the open session minutes from the May 16, 2007 Commission Meetings. Commissioner Starks seconded the motion. The motion carried with five affirmative votes.

AREA PRESS QUESTIONS

There were no press questions.

PRESENTATION OF WSSC RETIREES

Only one retiree was present to be recognized: Dan F. Higgins, Sr. Information Support systems Analyst who retired with 18 years and 11 months of service. Other retirees acknowledged were: Richard A. Adams, Meter Reader II who retired with 26 years and 9 months of service; Betty C. Bader, Web Tech projects Unit Coordinator, who retired with 22 years of service; Rickey L. Barton, Materials Planner I, who retired with 29 years and 7 months of service; Victoria A. Bransfield, Customer Care Agent I, who retired with 16 years and 1 month of service; Susan E. Calero, Principal Human Resources Analyst who retired with 27 years and 8 months of service; Eric R. McFarland, Senior Database Analyst who retired with 22 years of service; and Bonnie Mulieri, Acquisition Group Leader who retired with 6 years and 9 months of service.

EMPLOYEE EXCELLENCE

Commissioners and the audience were shown a two-minute video of WSSC employees at work in the Customer Care Department at the Robert C. Hocevar Building.

COMMISSIONERS' ITEMS

Commissioner Starks moved that the Commission approve the following dates as Commission Meeting dates for Fiscal Year 2008: July 18, 2007; August 15, 2007; September 19, 2007; October 17, 2007; November 14, 2007; December 19, 2007; January 16, 2008; February 20, 2008; March 19, 2008; April 16, 2008; May 21, 2008; and June 18, 2008.

Vice chair Botts seconded the motion. The motion carried unanimously.

Vice Chair Botts then announced that the election of officers had been removed from the agenda because he had accepted a position with the State of Maryland Department of Labor, Licensing and Regulation as the Commissioner of Occupations and Professional Licensing and would soon resign as a WSSC Commissioner. He recognized several employees for a job well done during his tenure as a Commissioner.

Commissioner Starks thanked Dawn Forsythe and Theresa Bond for organizing the company picnic which she said went very well. She also thanked Chief Finance Officer Tom Traber and his staff for supporting the passage of a budget with realistic increases that will help with the maintenance costs of WSSC's infrastructure.

Commissioner Allen wished Commissioner Botts all the best and thanked the Prince George's Commissioners for agreeing to delay the election and expressed appreciation to them for their patience while the Montgomery County Executive finds a replacement for Vice chair Botts.

Chair Agarwal noted that it has been a pleasure working with Vice Chair Botts and that he appreciated the Vice Chair's skill in being a conciliator and tie-breaker on difficult issues. He also quoted from an article in U.S. News & World Reports that water costs \$2.80 per gallon in the U.S. versus \$8.00 per gallon in other countries. He noted the importance of maintaining WSSC's infrastructure and the importance of working towards replacing and repairing it before emergencies arise.

Commissioner Lieber noted that the passing of a budget increase of 6.5% was a very significant day for WSSC. He recalled that there had been no increases for several years and then a 3% increase which represented a number pulled out of the air. He praised the General Manager and Chief Engineer, Joe Zorica and others for getting the word out to the communities about the need for the increase and expressed his expectation that future increases will need to keep pace with plans for maintaining the infrastructure.

GENERAL MANAGER'S ITEMS

Mr. Brunhart extended his congratulations to Vice Chair Botts for his new state appointment.

Mr. Sterling Klischer, a WSSC employee, was in a fatal motorcycle accident the weekend before the Commission meeting. Mr. Brunhart asked for a moment of silence in memory of Mr. Klischer.

Lastly, Mr. Brunhart proudly announced that WSSC had been chosen for the third year, to receive the Maryland Workforce Alliance Workplace Excellence Award.

CONTRACT AWARDS/RESOLUTIONS**Internal Audit**

Commissioner Lieber moved that the Commission adopt Resolution 2007-1779 to amend certain sections of the Code of Ethics. Vice Chair Botts seconded the motion. The motion carried with five affirmative votes.

AWARD OF ROBERT G. BERGER SCHOLARSHIPS

Nine students were awarded scholarships from the WSSC Robert G. Berger Scholarship Fund. They were: Jonathan Batselos (Montgomery College of Rockville); Geoff Chandler (Towson State University); Kelly Dress (James Madison University); Irfan M. Elahi (University of Maryland College Park); Clarence Landers (University of Maryland Baltimore County); Jonathan Madagu (Bowie State University); Joseph Russell (University of Maryland College Park); and Nick Selock (University of Maryland Baltimore County). Shelley Gupta (University of Maryland) was absent and her father received her scholarship award on her behalf.

Engineering And Construction

1. Contract No. BR/CR4371A06. Commissioner Lieber moved that the Commission award Contract No. BR/CR4371A06 for Water and Sewer Main Replacement/Relocation at Woodbrook Lane and various locations in Chevy Chase, Montgomery County, MD to S & J Enterprises, Inc. in the amount of \$921,200. Commissioner Allen seconded the motion. The motion carried with five affirmative votes.

2. Contract No. BR4372A06. Commissioner Allen moved that the Commission award Contract No. BR4372A06 for Water and Sewer Main Replacement/Relocation at Leland Street and various locations in Chevy Chase, Montgomery County, MD, to Sagres Construction Corporation in the amount of \$1,474,490. Vice Chair Botts seconded the motion. The motion carried with five affirmative votes.

Finance Office

1. Resolution No. 2007-1777. Commissioner Starks moved that the Commission approve Resolution No. 2007-1777: Adopting the WSSC FY2008

Operating and Capital Budgets. This resolution acknowledges the joint action of the two County Councils to approve a revised FY 2008 Operating and Capital Budget with a 6.5% average water and sewer rate increase, in accordance with the Annotated Code of Maryland, Article 29, Section 1-204. Vice Chair Botts seconded the motion. The motion carried with five affirmative votes.

2. Resolution No. 2007-1778. Vice Chair Botts moved that the Commission approve Resolution No. 2007-1778: Adopting the WSSC FY2008-2013 Capital Improvements Program with modifications approved by Prince George's County and Montgomery County in their respective resolutions. Commissioner Allen seconded the motion. The motion carried with five affirmative votes.

3. Resolution No. 2007-1776. Commissioner Lieber moved that the Commission approve Resolution No. 2007-1776: Adopting the WSSC FY2008 System Development Charge which represents an increase of 2.8% maximum allowable charge from the Fiscal Year 2007 limits. Vice Chair Botts seconded the motion. The motion carried with five affirmative votes.

4. 2007 Levy of Front Foot Benefit Charges and Deferred House Connection Charges. Commissioner Allen moved that the Commission approve the proposed 2007 Levy of Front Foot Benefit Charges and Deferred House Connection Charges which is comprised of 425 new and/or reclassified assessments, none of which have been appealed. Vice Chair Botts seconded the motion. The motion carried with five affirmative votes.

5. WSSC Retirement Plan Document Amendment. Commissioner Allen moved that the Commission approve the WSSC Retirement Plan Document Amendment which incorporates amended actuarial valuations for Plan Year 2006 and thereafter and that such amendment become effective July 1, 2007. Commissioner Lieber seconded the motion. The motion carried with five affirmative votes.

6. Resolution 2007-1781. Commissioner Lieber moved that the Commission approve Resolution 2007-1781: Appointing the WSSC Chief Finance Officer; Human Resources Director; and Budget Group Leader as Trustees to the Retiree Other Post Employment Benefits Trust. Vice Chair Botts seconded the motion. The motion carried with five affirmative votes.

Logistics

Contract No. 4953. Commissioner Allen moved that the Commission exercise the first and final option year of Contract No. 4953 for Mechanical Joint and Push-On Joint Ductile Iron Pipe and Accessories to Configuration, Inc., a local certified minority firm in the amount of \$2,092,109. Vice Chair Botts seconded the motion. The motion carried with five affirmative votes.

**AFTERNOON SESSION -
COMMISSIONERS' CONFERENCE ROOM**

The meeting resumed at 2:15 p.m. in the Commissioners' Conference Room.

Engineering and Construction

Contract Briefings: Commissioners were briefed on the following contracts and engineering projects:

1. 96" Water Transmission Main Update
2. Master Plan Phase 1A Update
3. Water/Sewer Main Replacement at Elm Drive and Various Streets - Takoma Park; Contract BR/CR4395B06
4. Water/Sewer Main Replacement at Buchanan Drive and Various Streets - Fort Washington; Contract BR/CR4386C06
5. Water Main Replacement at Hamilton Street and Various Streets - Hyattsville; Contract BR4065A05
6. Parkway Water/Wastewater Treatment Plant ENR Architectural and Engineering Contract CD4259A05

Human Resources

Yvonne McKinney, Director, Human Resources presented an overview of the compensation philosophy that will govern future decision making about compensation, i.e., pay and benefits, for WSSC employees.

General Manager's Report

Mr. Brunhart focused on highlights of his report. He first advised Commissioners that regarding the Marlboro Meadows conversion, some individual projects within the conversion were ahead of schedule and some slightly behind schedule but the overall effect was that the project was on schedule. All MBE statistics were summarized. He noted that for FY 2007, architecture and engineering contracts awarded to MBEs represented 39% of the total awarded; 20% for Construction; 32% for goods and services and 25% for professional services. Of those awarded, the contracts paid MBEs through Fiscal Year 2007 included 20% for construction contracts; 20% for professional services, 25% for architecture and engineering and 25% for good and services. He concluded this part of his report by noting that the company is ahead of the goals for dollars paid MBEs but lagging in awards for goods and services which may preclude the company from meeting the annual goal.

Mr. Brunhart advised Commissioners that the strategic planning for Fiscal Year 2008 is moving as planned and that he is preparing to provide Commissioners the new pink sheet in an upcoming meeting.

Lastly, he discussed the training that would take place company-wide in July for Unit Coordinators and Group Leaders in how to set

goals and coach subordinates. The self-appraisal will come first and is set to be complete in July 2007.

Commissioners

Corporate Secretary's Monthly Report. Ms. Bundy provided Commissioners a report of her monthly activities. The Commissioners instructed Ms. Bundy to postpone the retreat until staffing changes among Montgomery County had been complete.

ADJOURNMENT

Immediately thereafter, Commissioner Lieber made a motion to end the meeting. It was seconded by Commissioner Allen. Commissioner Starks voted nay; all others voted yea. The motion carried with four affirmative votes.

At 5:45 p.m. Chair Agarwal declared the meeting was adjourned.

//signed//
Charlett Bundy, Esq.
Corporate Secretary