

WASHINGTON SUBURBAN SANITARY COMMISSION

MINUTES OF THE COMMISSION MEETING

Wednesday, July 16, 2008

Laurel, Maryland

Chair Adrienne A. Mandel called the meeting to order at 8:53 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 Starks, Commissioners Prem Agarwal, Juanita Miller, and Roscoe M. Moore, Jr. were present at the meeting. Also, present were Interim General Manager Teresa Daniell, Interim Deputy General Manager Rudy Chow, Corporate Secretary Charlett Bundy and General Counsel, Jerry Blask. Commissioner Gene W. Counihan joined by telephone during the auditorium session. Commissioner Miller left the meeting at 11 a.m.

AGENDA APPROVAL

Commissioner Miller moved to approve the agenda with one change, moving the 11 a.m. items, the SLMBE Office items to 10:00 a.m. Commissioner Agarwal seconded the motion. The motion carried with five affirmative votes. Later in the meeting Commissioner Miller moved to amend the agenda to include a closed session discussion of an alleged policy change to contracts that impacted WSSC Minority Business Enterprise (MBE) vendors' capability to bid. Vice Chair Starks seconded the motion. The motion carried with five affirmative votes.

Finance Office

1. May 2008 Status Report. Commissioners were advised of the transmission of the May Status Report to Prince George's and Montgomery County.

2. Howard County Water Agreement Amendment for Sustainable Consumption Test. Commissioners were briefed on the prospect of a wholesale water purchase pilot project with Howard County. The pilot is to test an increase in the amount of water Howard County obtains from WSSC at a reduced, wholesale cost of the water.

3. Resolution 2009-1803, Authorization to Execute and File Grant and Loan Applications with the U.S. EPA and MDE. Commissioners were briefed on this resolution to change the authorized signatures to the WSSC chief engineer and general manager on grant and loan applications filed with the U.S. Environmental Protection Agency and the Maryland Department of the Environment.

4. Proposed Capital Improvement Program Briefing for FY 2010-2015

Resolution 2008-1802. Commissioners were briefed on Resolution 2008-1802 that seeks approval of the WSSC CIP Budget for fiscal years 2010-2015, a \$1.9 billion budget.

SLMBE

1. Status of MBE Proposals. Commissioners were briefed on the status of the Interim MBE Program after a public hearing was held on the program to receive public comments. It was noted that General Counsel's Office has reviewed the comments.

2. Extension of the Interim MBE Policy. Vice Chair Starks moved to extend the Interim MBE Policy for a maximum 120-day period, which ends November 13, 2008. Commissioner Agarwal seconded the motion. The motion carried with four affirmative votes. Commissioner Miller abstained because she objects to continually extending the Interim MBE Policy.

3. Contract Policy Change that Impacts Vendors. Commissioner Miller noted that she had been advised of a change in WSSC contracts that now require bidders providing goods to WSSC to provide performance and insurance bonds, a cost-prohibitive expense for small and minority businesses. The SLMBE Director, Ms. Livingston and the Acting Acquisition Director, Mr. Bednarczyk, assured Commissioners that a staff person had erroneously inserted this requirement but noted that the error had been corrected.

Engineering & Construction

At the Chair's request the order of presentation was reversed such that agenda item number two was presented first.

Contract CM4321B05, Change Order Authority. Commissioners were briefed on the need for a change order to rent back-up generators for use at Broad Creek Wastewater Pump Station until the new generators currently under construction are ready to be placed in operation.

Contract CM4626A07, Architect/Engineer Contract Amendment No. 2 for Utility Master Plan - Phase II, Tracks 1 and 2. Commissioners were briefed on this contract for the development and implementation of an asset management plan.

Intergovernmental Relations Office

Commissioners were briefed on the bills that went into effect on July 1, 2008. It was noted that WSSC had not yet proposed any bills for the upcoming legislative session.

CUSTOMER CARE

1. **Purchase Order P70651, Change Order No. 1.** Commissioners were briefed on the necessity of this change order for additional services to complete repair to a 36" pressure sewer line.

2. **Purchase Order P69706, Change Order No. 4.** Commissioners were briefed on the need to purchase additional services for emergency repair to a collapsed 66" pre-stressed concrete cylinder pipe, in Hyattsville, Prince George's County.

COMMUNICATIONS

Water Main Break Plan for Communication. Commissioners were briefed on the method of contacting the public and various government agencies as well as the offices of elected officials to advise them of WSSC emergencies or other WSSC matters that require public attention and/or response.

HUMAN RESOURCES

Update on Total Rewards Philosophy. Commissioners were advised of the recent developments in the action item to develop a rewards philosophy that would guide the decision making about pay scale, raises, benefits, and other matters related to employee compensation.

AUDITORIUM SESSION

Chair Mandel called the meeting to order in the auditorium at 1:00 p.m. She asked Vice Chair Starks to lead the pledge of allegiance.

APPROVAL OF MINUTES

June 21, 2008 Minutes. Vice Chair Starks moved that the Commission approve the open session minutes from the June 21, 2008 Commission Meeting. Commissioner Agarwal seconded the motion. The motion carried with four affirmative votes. Commissioner Moore abstained because he was not a commissioner for that meeting.

PRESENTATION OF WSSC RETIREES

Seven employees retired this month and three were present at the meeting to be recognized: Dennis L. Dillinger, Customer Care Unit Coordinator in Customer Care South/Temple Hills, 35 years and 2 months of service; Ronald L. Midkieff, Field Service Representative, Customer Care Central, Anacostia, 31 years and 3 months of service; and Thomas Heikkinen, Chief of Plant Operations, 15 years and 2 months of service.

The four retirees not present at the meeting were: Bonnie J. Henderson, Administrative Assistant II, Industrial Assets Management at Anacostia, 34 years and 8 months of service; Terry Lee Myers, Electrical/Mechanical Specialist II, Industrial Assets Management Seneca, 33 years and 3 months of service; Michael D. Sokol, Engineer

Assistant III, Systems Inspection Group, 35 years and 2 months of service; and Diane M. Murray, Contract Administrator Management, Industrial Assets Anacostia, 23 years and 2 months of service.

EMPLOYEE EXCELLENCE VIDEO

A video of the Customer Care West team was shown as part of the ongoing series of video clips about WSSC employees.

COMMISSIONERS' ITEMS/COMMENTS

Out-going Chair's Remarks. Chair Mandel provided remarks on her nine months of service as Chair of WSSC. Her remarks were accompanied by slides of her travels and some of the highlights of the activities during her tenure as Chair. She talked about how the delivery of water is taken for granted and how others in the world were not so fortunate to have running water as well as the environmental benefits and challenges associated with water delivery systems. Chair Mandel thanked the officials who appointed her to WSSC, especially County Executive Isaiah Leggett and the WSSC staff who assisted her with her duties as Chair, especially Andy Brunhart and Charlett Bundy. Lastly, Chair Mandel remarked about the burden placed on WSSC by a statute that leads to tied votes: She pledged to work to find a solution.

Election of Chair. Commissioner Agarwal nominated Vice Chair Starks as Chair of WSSC for the Fiscal Year 2009-2010. Chair Mandel seconded the motion. The motion carried with five affirmative votes. Commissioner Mandel then passed the gavel to Chair Starks.

Newly-elected Chair Starks thanked her colleagues for the vote of support and noted she looks forward to a productive and collegial year. She talked about the challenges of moving forward with the Acquisition and Minority Business Enterprise offices to reach a final MBE policy. In looking forward, Chair Starks noted her intent to support a celebration of WSSC's 90th Anniversary with a fundraiser to endow the WSSC Water Fund as well as an auction for Commissioner parking spaces on non-commission meeting days that would also provide small donations to the water fund. She thanked County Executive Jack Johnson for his faith in her ability to serve WSSC as a Commissioner and the staff for their continued support.

Election of Vice Chair. Commissioner Mandel nominated Gene Counihan as Vice Chair of WSSC. Commissioner Agarwal seconded the motion. The motion carried with five affirmative votes. Vice Chair Counihan thanked his colleagues for their vote of confidence.

COMMISSIONERS' COMMENTS

Commissioner Agarwal thanked outgoing Chair Mandel for working together and acknowledged her wisdom and experience as a legislator

which he believed has helped the Commission tremendously. He congratulated Chair Starks for her second tenure as Chair and noted it has been great working with her for the past five years. Commissioner Agarwal also noted he expects that Chair Starks will lead WSSC to a new level. Commissioner Agarwal, the longest sitting Commissioner, pledged to give his full support to the new Chair. He also welcomed the newest Commissioner, Dr. Roscoe M. Moore, Jr.

Meeting Schedule. Commissioner Mandel moved to approve the 2009 meeting schedule proposed by Chair Starks which has the following meeting dates: August 20, 2008; September 10, 2008; September 24, 2008; October 15, 2008; November 9, 10, and 11; November 19, 2008; December 17, 2008; January 7, 2009; January 21, 2009; February 18, 2009; March 18, 2009; April 15, 2009; May 13, 2009; May 27, 2009; and June 17, 2009. Commissioner Agarwal seconded the motion. Vice Chair Counihan abstained because he could not see the schedule.

INTERIM GENERAL MANAGER'S ITEMS/COMMENTS

On behalf of the men and women of WSSC, Ms. Daniell thanked outgoing Chair Mandel for her leadership and offered congratulations to in-coming Chair Joyce Starks and Vice Chair Gene Counihan. She noted that she looks forward to working with them both. Ms. Daniell then extended a welcome to Commissioner Moore.

Towanda Livingston, Director of the Small, Local and Minority Business Enterprise Team was congratulated for achieving \$53 million in contracts or 27% of SLMBE contracting against an aspirational goal of 25%.

2009 marked the fourth year in a row that WSSC received the Workplace Excellence Award from the Alliance for Workplace Organization. Ms. Daniell congratulated all who helped prepare the documentation for the award selection process.

Ms. Daniell extended special thanks to Teresa Bond for her work that led to an excellent company picnic. Ms. Bond led many volunteers that contributed to the success of the annual event.

WSSC's bottled water supply is running low and Ms. Daniell announced that once it is depleted no more will be purchased for distribution at community events. This decision supports WSSC's core value of environmental stewardship however there will be gallon water jugs available for distribution to customers who need them during times of water emergencies.

Lastly, Ms. Daniell awarded the General Manager's Award to Rong Zhao who in the conduct of her work as an Auditor III, recovered \$4 million from the audit of the D.C. Water and Sewer Authority account. Ms. Zhao received a glass water drop and a check. Ms. Angela Makle-Fortune was also recognized for her assistance with the project as were Janice Hicks and Lucretia Morris for their support in the audit office.

PRESS COMMENTS

There were no press comments.

PUBLIC COMMENTS

Sean O'Day made comments during the morning session in the Commissioner's Conference room about the need for renting back-up generators for the Broad Creek Wastewater Pumping Station.

During the afternoon session in the Commissioners' Conference room, Norma Byrd commented about a contract requirement for performance and insurance bonds. She noted that she had obtained legal counsel to file a formal grievance. Ms. Byrd was told that the problem had been addressed within the WSSC Acquisition Department.

CONSENT CALENDAR

Commissioner Agarwal moved that the Commission approve the contracts on the Consent Calendar as published in the meeting agenda for July 16, 2008. Commissioner Mandel seconded the motion. The consent agenda consists of the following:

Engineering & Construction

1. Contract BR/CR4721A07, Kemp Mill Estate, Montgomery County to J. Fletcher Creamer & Son, Inc. for \$760,280.75.
2. Contract AC4818A08, Montgomery County to City Contractors, Inc, for \$779,405.00.
3. Contract RC4852A08, Prince George's County to City Contractors, Inc, for \$794,125.

Customer Care

1. Purchase Order P70651, Change Order No. 1 to Cherry Hill Construction for \$531,095.51, Piscataway, Prince George's County.
2. Purchase Order P69706, Change Order No. 4 to W.F. Wilson for \$623,395.00, Hyattsville, Prince George's County.

Logistics

1. Contract M5323 for Dry Barrel Fire Hydrants to Business Promotion Consultants, Inc. for \$766,294.05.

2. Contract M5295 Mechanical Joint Gate Valves and Accessories to Business Promotion Consultants, Inc. for \$1,980,038.20. The motion carried with five affirmative votes.

Commissioners then resumed the meeting in the Commissioners' Conference Room at 2:11 p.m.

OPEN SESSION - COMMISSIONERS' CONFERENCE ROOM

Interim General Manager's Report

Ms. Daniell noted she had added a new chart to provide Commissioners with clearer statistics about production at WSSC. There were no questions.

Internal Audit Office

Audit Plan. Ms. Bardwell discussed the highlights of her proposed audit plan for Fiscal Year 2009. She had an addendum which necessitated that the vote on the plan be delayed to the August 2008 meeting.

Monthly Report. Commissioners reviewed highlights of the audit manager's monthly report. There were no questions.

Corporate Secretary's Office

Monthly Report. Ms. Bundy provided Commissioners an overview of her work for the month and the highlights of information obtained at the annual meeting of the Society of Corporate Secretaries and Governance Professionals.

CLOSED SESSION

Commissioner Agarwal moved that the meeting be closed pursuant to Subtitle 5 of Title 10 of the State Government Article, Maryland Code: Section 10-508(a)(1) to discuss the following personnel matters: a) Acting appointments for three Team Chiefs/Directors and b) Change Leadership Team employment contract renewals; and Section 10-508(a)13) to: a) Approve closed session minutes for April 16, 2008; b) Finalize performance evaluations of direct reports; c) Approve upset limit for legal services; and d) Discuss status of the Transition Plan. An amendment was suggested by Commissioner Mandel to delete the approval of the April 16, 2008 closed session minutes and add discussion on the matter raised about an alleged change in contracting policy for minority business enterprises. Commissioner Agarwal accepted the amendment. Commissioner Mandel then seconded the amended motion. The motion carried with four affirmative votes.

At 4:04 p.m. the meeting was closed. In attendance were Chair Starks, Commissioners Agarwal, Mandel, and Moore. Interim General Manager Daniell, Interim Deputy General Manager Chow and General Counsel Blask and Corporate Secretary Bundy were also present. The

SLMBE Director, Ms. Livingston and the Acting Acquisition Director, Mr. John Bednarczyk, were present for the discussion on the alleged SLMBE contract policy change.

Minutes for the June closed session meeting were not voted on. A motion to increase the upset limit of a contract with Venable, LLP for legal services was approved with four affirmative votes. Two employment contracts were discussed but no vote was taken.

At 5:40, Commissioner Agarwal moved that the open meeting be resumed. Commissioner Mandel seconded the motion. At 5:42 p.m. the closed session ended and the meeting was opened.

ADJOURNMENT

Commissioner Mandel moved to adjourn the meeting and Commissioner Agarwal seconded the motion. The motion carried with four affirmative votes. At 5:44 p.m., Chair Starks declared the meeting was adjourned.

Respectfully submitted,

 //signed//
Charlett Bundy
Corporate Secretary