

WASHINGTON SUBURBAN SANITARY COMMISSION

MINUTES OF THE COMMISSION MEETING

**Wednesday, July 21, 2010
Laurel, Maryland**

Chair Antonio Jones called the meeting to order at 8:41 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 P. Agarwal, Gene W. Counihan, Adrienne A. Mandel, and Joyce Starks, were present at the meeting. Also, present were General Manager Jerry Johnson, Corporate Secretary Charlett Bundy and General Counsel Jerry Blask.

AGENDA APPROVAL

Commissioner Agarwal moved to approve the agenda for Wednesday July 21, 2010 with the following amendments: Add adoption of Resolution 2010-1888 and delete VI(A)(2)(ii) approval of the Commissioner Travel Reimbursement policy. Commissioner Mandel seconded the motion. The motion carried with five affirmative votes as Commissioner Counihan had not yet arrived.

Chair Jones asked Customer Care Team Chief Rudy Chow and WSSC retiree Mary Poindexter to lead the pledge of allegiance.

MINUTES

Vice Chair Moore moved to approve the minutes of the meeting held June 16, 2010. Commissioner Agarwal seconded the motion. Chair Jones asked for the following corrections: Page 3, change Eastern Short to Shore; Page 2, third paragraph make the word "creating" and on page 11 at the bottom add the word senior to class president. The motion with these amendments carried with five affirmative votes as Commissioner Counihan had not yet arrived.

WSSC RETIREES

This month only one retiree was present to be recognized: Mary Poindexter who retired as a Claims/Emergency Services Agent III with 25 years and one month of service. Others who retired but were not at the meeting to be recognized included: Charles T. Ahlquist, a Sr. Construction Estimator retired with 15 years and 9 months of service; Edward M. Pumphrey, a Systems Construction Inspector retired with 36 years and 11 months of service; Michael R. Porter, a Group Leader for Customer Care North, retired with 29 years and 7 months of service; Douglas N. Isokait, a Contract Services Unit Coordinator retired with 32 years and 9 months of service; Rosaline C. Esposito a Laboratory Analyst II retired with

22 years and 1 month of service; and John R. MacCoy, a Computer Operations Technician retired with 21 years and 10 months of service.

WSSC EMPLOYEES AT WORK

This month the Communications Department showed clips of news coverage of the community's response to WSSC's water use restriction that was issued over the July 4th Independence Holiday weekend. The acoustic fiber monitoring equipment installed in a 96" water main picked up the sounds of snapping wires within the water main, a signal that a pipe break was eminent. A shutdown of the water main was ordered to initiate repairs before an actual break took place.

PRESS AND PUBLIC COMMENTS

Ms. Michelle Bell, President and CEO of First Choice Government Solutions, and Chairperson of the Minority Business Enterprise Input Committee of the Maryland/DC Minority Supplier Development Council. She represents "the thousands of minority and women businesses in the area" and spoke to address the 2010 WSSC Disparity Study. She warned that there was a perception WSSC may not be interested in receiving "real" feedback. She said she learned that only 50 firms of the thousands of businesses classified as small, minority, and women-owned business would be interviewed as part of the Disparity Study. She said there was no criteria to determine what firms would be picked leaving WSSC to "cherry-pick" firms for inclusion in the study. She noted the geographic area of the study has not been communicated to the businesses. She also complained that there was a lack of communication about the study to the minority businesses. Ms. Belle said there are barriers that seem to discourage participation such as challenges with completing study forms because of the format in which it appears in the web site. Ms. Bell stated her constituents do not want the MBE program at WSSC dismantled. She also requested participation from women and minorities in the study. Chair Jones said Ms. Bell's remarks would be taken under advisement.

There were no press comments.

COMMISSIONERS' COMMENTS/INTENTIONS

Chair Jones recognized the WSSC employees who gave up their Independence Holiday weekend to repair the water main and keep water and information flowing during the water restriction order. He commended the workers for their world-class response to the emergency and asked those present at the meeting to come to the front of the auditorium to be formally recognized. He also

recognized the workers who could not attend the meeting because their work in the field had not been completed.

Commissioner Starks noted that Prince George's County asked WSSC to compare the cost of the work to repair the 96" before it broke to the cost to repair the break on the 46" pipe on River Road noting the cost savings resulting from the installation of the fiber optic listening devices in the 96" pipe. She also noted that the water bills are not requesting customers to round up and she thanked staff for taking this program from idea to implementation.

GENERAL MANAGER'S OFFICE

Monthly Report. Mr. Johnson highlighted budget matters noting that WSSC's fiscal year closed with a positive balance; the external audit for Fiscal Year 2010 is underway; year-end budget data is being used to adjust the FY 2011 budget; and WSSC Capital Improvements Plan is ready for transmittal to County officials in Montgomery and Prince George's County. Aggressive collection of delinquencies continues. Scrutiny of WSSC's Call Center performance led to implementation of improvements including adding additional personnel which have resulted in reduced call wait times.

Monitoring continues of the changes in activities of the Virginia State Water Control Board and Biosolids Management instituted under the new Governor. Better than 90% of the WSSC Biosolids are disposed of in Virginia through WSSC or Blue Plains.

In May, Commissioners reviewed a proposed internal policy regarding employees' display of political paraphernalia. WSSC sent the policy to the State of Maryland for approval and it was returned without comment. The policy will be implemented as last presented to Commissioners.

Mr. Johnson gave an overview of the notifications surrounding the water restriction that had been ordered over the Independence Holiday weekend. The order came when repairs to the 96" water main in Potomac necessitated a shut down of that water main. The Maryland State Highway Department posted signs of the water restrictions along the highway helping to advise customers to reduce water consumption while the water main was under repair. Mr. Johnson advised Commissioners that the resulting 17% water reduction although not ideal, helped overall.

Progress with the 2010 Disparity Study was described with Mr. Johnson noting that some contract award data required manual counting due to its format. WSSC hosted two community meetings about the Disparity Study. One was held on July 16th and another

on July 17th in each of the counties. Attendees numbered 110. A special meeting on the Disparity Study was held for Maryland Delegates, members of Governor O'Malley's Office of Minority Affairs and staffers from both Congresswoman Edwards' and Congressman Van Holland's offices. Mr. Johnson referenced changes to WSSC's website that allow for easier public perusal of the Disparity Study progress and advised that the first meeting of the internal Disparity Oversight Committee will take place before the August 2010 Commission meeting.

Mr. James Price, Acting Director of Plant Operations then presented a plaque commemorating the Second Place finish in the American Water Works Association (AWWA) "Top Ops" competition. Winning Second Place is the highest WSSC has ever finished in this national competition that tests water plant operators' knowledge in several areas of operations/regulations. WSSC's team was comprised of: Richard Tripp, Dinesh Bahadursingh, and Ronnell High. Mr. Tripp could not make the trip to Chicago for the finals but Mr. Bahadursingh and Mr. High competed in Chicago, in this Jeopardy game show styled event. Mr. Bahadursingh was present at the Commission meeting to accept the award on behalf of the WSSC team. Mr. Johnson commented that winning the award is a very substantial achievement and the winners should be extremely proud.

The Water Environment Federation for Management and Innovation will award its President's Award to Mr. Johnson at the 2010 Fall WEFTEC conference. Chair Jones congratulated Mr. Johnson for being awarded this prestigious award.

COMMISSIONERS COMMENTS

Commissioner Mandel noted when community members express concerns about the contractor conducting WSSC's disparity study it is a benefit to hear such concerns early on rather than waiting until after the study is finished and then receive complaints. Commissioner Mandel expressed confidence in the staff under the leadership of the general manager and the SLMBE director to address concerns that were raised earlier in the meeting by Ms. Bell.

Commissioner Counihan noted reconstruction of water had met and exceeded the projected goals but that WSSC trails projections in the area of sewer reconstruction. He asked that deliberate progress continue with the sewer reconstruction despite the fact

the goal would not be met. He also praised the success of the fiber optic monitoring that avoided a pipe break in the 96" water main over the July 4, 2010 holiday weekend. He asked that a lessons learned exercise be conducted with elected officials to ensure thorough communication with the necessary constituencies in emergencies such as an order to restrict water use. Lastly he recalled attending an event sponsored by the National Forum of Black Public Administrators as the guest of Mr. Johnson, NFBPA president. He saluted Mr. Johnson for that achievement and for being the recipient of the President's Award which Mr. Johnson will receive in the Fall at the WEFTEC conference. Commissioner Counihan ended his remarks requesting that the Disparity Study Oversight Committee meetings be open to all.

Commissioner Mandel called attention to the data in the General Manager's report on the actual versus planned cumulative lateral lines completed in sewer reconstruction. She asked that Mr. Johnson in future reports state why the goals will not be met as soon as it is known rather than wait until the budget process is in full planning mode. She urged that WSSC move forward with some of the suggestions made by the ratepayers during the water restriction order on how to improve communications with them during emergencies.

Commissioner Agarwal advised the public speaker, Ms. Bell that there was no plan to cherry pick firms to participate in the WSSC Disparity Study.

Commissioner Starks asked for a report on the progress on billing residential customers on a monthly basis and using electronic meter reading equipment.

Chair Jones noted that Jim Neustadt gave an excellent presentation at the AWWA conference on the WSSC Customer Notification System.

Internal Audit Office

1. Monthly Activity Report. Ms. Bardwell provided a report for the period June 7th through July 2nd. System Development Charge Audits continued to show a \$1.6 million savings. Internal auditors participated in the physical inventory. Workforce On-line Code of Ethics training was completed with a 95% participation rate. Other ongoing audits were: Federal Stimulus Funds Oversight Review; Development Services Group Operation's System Control, Group Specific Operations; Blue Plains Indirect Labor Audit and Human Resources Regulatory Compliance Audit. One discussion draft on the Sick Leave Bank Audit was issued and one audit report was issued regarding an audit in the Finance Office.

Negotiations with a vendor for a contract for a hotline to be used in conjunction with the Fraud, Waste, and Abuse Policy continued. Advisory services for the Purchase Order Review Committee, the Internal Security Taskforce, and the Enterprise Content Management Committee continued. Internal auditors participated in the disaster recovery test. New employees received the internal audit services overview.

The Board of Ethics met and discussed the status of a lobbyist awareness campaign and ethics training for Commissioners. WSSC Code of Ethics Training was administered to 23 new hires.

External auditors contracted to conduct the annual audit of WSSC Financial Statements began their work at the close of the 2010 Fiscal Year (June 30, 2010).

2. Status of Billed Work Operation Audit Actions. Tom Traber, Chief Finance Officer, and Rong Zhao discussed this item that was placed on the agenda by Chair Jones. Mr. Traber advised that the Finance Office requested the Billed Work Operation Audit to provide a thorough review of processes and called attention to the fact every item needing attention has an action plan. Chair Jones asked that Ms. Rong review sections 5, 6, 11, and the action plans. Commissioner Mandel commended Ms. Bardwell and Ms. Zhao for the comprehensiveness of their report and asked that Commissioners be notified when recommendations from the audit were accomplished. Commissioner Counihan asked for a quarterly follow-up with a full report in January on any progress.

3. Delegation of Authority to the Internal Auditor. In reviewing the document, Commissioner Agarwal objected to auditors having carte blanche access to closed session minutes. Commissioner Counihan agreed and asked that the access to closed session minutes be restricted to those instances only where Commissioners vote to waive their right to maintain the confidentiality of Closed Session minutes. Chair Jones clarified that the proposed Delegation of Authority to the Internal Auditor would need to be reviewed at the next meeting.

JULY BRIEFING ITEMS

Engineering and Construction

Cross Connection Program Manual. Chief Engineer Gary Gumm provided an overview of the need to adopt a cross connection program manual which is to advise how to prevent non-potable water from mingling with potable water.

Customer Care Team

Customer Care Team Chief Rudy Chow briefed Commissioners on six items: 1. Change Order 1 to Contract 1023 for On-Call

Emergency Services; 2. Change Order 1 to Contract 76702095A - Comprehensive Study Of The Piscataway Sewer Basin; 3. Contract CI4824C08 - Sewer Main And Sewer Manhole Rehabilitation; Rock Creek Basin Montgomery County; 4. Contract CI4841C08, Sewer Main And Sewer Manhole Rehabilitation - Broad Creek Basin; Prince George's County; 5. Contract P74033; Program Management - Long Term Control Plan; and 6. Requisition 79438 - 36-inch-Force Main Sewer By-pass, Piscataway WWTP, Prince George's County.

Engineering & Construction

Resolution 2011-1889. Commissioner Counihan moved for the Commission to adopt Resolution 2011-1889 that approves the Cross Connection Program Manual. Vice Chair Moore seconded the motion. The motion carried unanimously.

Finance

Mr. Traber presented several items for Commissioners' approval.

1. Resolution 2011-1884. Commissioner Counihan moved that the Commission adopt Resolution 2011-1884 that authorizes the issuance of Water Supply Bonds of 2010. Commissioner Mandel seconded the motion. The motion carried with five affirmative votes as Commissioner Agarwal was temporarily off the dais.

2. Resolution 2011-1885. Commissioner Counihan moved that the Commission adopt Resolution 2011-1885 that authorizes the issuance of Sewage Disposal Bonds of 2010. Vice Chair Starks seconded the motion. The motion carried with five affirmative votes. Commissioner Agarwal abstained from the vote because he was out of the room when the motion was made.

3. Resolution 2011-1886. Commissioner Counihan moved that the Commission adopt Resolution 2011-1886 that Authorizes the Issuance of General Construction Bonds of 2010. Commissioner Mandel seconded the motion. The motion carried with six affirmative votes.

4. Resolution 2011-1887. Commissioner Counihan moved that the Commission adopt Resolution 2011-1887 Providing for the Public Sale and Publication of the Notice of Sale of the Water Supply Bonds of 2010, the Sewage Disposal Bonds of 2010, and the General Construction Bonds Of 2010, and Providing for the Consolidation of Such Bonds for Issuance, Sale, and Delivery as a Single Series of Bonds. Commissioner Agarwal seconded the motion. The motion carried with six affirmative votes.

GENERAL MANAGER'S OFFICE

Resolution 2011-1888. Mr. Johnson advised that the 24" water main in the City of Rockville experienced multiple failures

and was shut down necessitating the City of Rockville purchase water from WSSC. Commissioner Counihan moved that the Commission adopt Resolution 2011-1888 that consents to increase the quantity of water that WSSC sells to the City of Rockville as stated in a 1976 Agreement from 6 million gallons per day to 8 million gallons per day. Commissioner Mandel seconded the motion. Questions necessitated that the vote be special ordered until later in the meeting after Commissioners had an opportunity to review the complete 1976 Agreement.

CONSENT CALENDAR

Commissioner Mandel moved that the Commission approve Resolution 2011-1883 that adopts the consent calendar for the July 21, 2010 meeting. Commissioner Agarwal seconded the motion. The consent calendar was adopted with six affirmative votes.

At 12:11 p.m. Chair Jones recessed the meeting for lunch.

COMMISSIONERS' CONFERENCE ROOM

COMMISSIONERS' ITEMS

The meeting resumed at 1:04.

DEPARTMENT BRIEFINGS

Engineering and Construction

Contract BL3192A01, Change Order 2. Commissioners received an overview of the basis for the Oak Grove/Leeland Road Water Main project and why a second change order was necessary.

Contract BE1775D96, Amendment. Commissioners received information on the Collington Elevated Water Storage contract and Contract PM0013A07, Change Order 1.

Finance Office

WSSC's Proposed Six-Year Capital Improvements Program, Fiscal Years 2012-2017. Mr. Traber and his staff briefed Commissioners on the latest iteration of this plan highlighting changes since the last presentation.

General Manager's Office

Resolution 2011-1888. With the Commissioners having read the three-page 1976 Agreement between the City of Rockville and WSSC, the motion made earlier in the meeting by Commissioner Counihan and seconded by Commissioner Mandel, to increase the amount of water WSSC sells to the City of Rockville from 6 million gallons per day to 8 million gallons per day was put back on the table for a vote. The motion carried with five affirmative votes as Vice Chair Moore was temporarily out of the room.

COMMISSIONER REPORTS

Chair's Items

In response to the Chair's request that the WSSC Commission meeting schedule be changed to accommodate events related to the American Water Works Association's Annual Conference which will be held in Washington, D.C. in 2011, Commissioner Coughlin moved that the Commission move the June 15, 2011 meeting date to June 22, 2011. Commissioner Agarwal seconded the motion. The motion carried with five affirmative votes as Vice Chair Moore had left the meeting.

Next, Chair Jones described the restructuring of the Commission's Committees. The Personnel and Governance Committee will include representation on the WSSC Employees' Retirement Board of Trustees. Infrastructure Funding and Fiscal Budget will assume the duties of the former Bi-County Committee and an Institutional Processes Oversight Committee will manage oversight of procurement/acquisition, document and data control and the 2010 Disparity Study. All committees will still be required to bring matters assigned to the full board of Commissioners to accomplish any action.

Personnel and Governance

Commissioner Mandel updated Commissioners on the status of investments held by the WSSC Employees' Retirement Board of Trustees Fund.

Strategic Planning Workshop. Commissioner Mandel discussed the follow-up assignment regarding the vision statement. A half-day session to continue some of the work not completed at the May 21st meeting is scheduled for July 28th.

Infrastructure Funding and Fiscal Budget (Formerly Bi-County Committee)

The draft charter and minutes of the last meeting of this committee will be available to Commissioners soon.

Continued Business

The items listed in the agenda as continued business were continued until the August Commission meeting.

Corporate Secretary

Monthly Report. Ms. Bundy provided her monthly report. She presented a report on a training conference she attended in New York City the last week of June.

Sub-Delegation of Authority. The Commissioners were advised of a sub-delegation from the Corporate Secretary to the Director

of Logistics to manage the requests for using RGH for events sponsored by non-profit entities.

CLOSED SESSION

Commissioner Mandel moved to close the meeting pursuant to Maryland State Government Article 10, Subtitle 5, Section 10-508(a)(13) to approve the June 21, 2010 Closed Session minutes and discuss a matter related to security at WSSC and Section 10-508(a)(7) to receive legal advice on recent developments in certain litigation and the purchase of litigation services in the *Bowen v. WSSC* matter. Commissioner Agarwal seconded the motion. The motion carried with six affirmative votes. At 3:55 p.m. Chair Jones declared the meeting was closed.

COMMISSIONERS' CONFERENCE ROOM

ATTENDEES: Chair Antonio Jones, Vice Chair Dr. Roscoe Moore; Commissioners Prem Agarwal, Gene Counihan, Adrienne A. Mandel, and Joyce Starks; General Manager Jerry Johnson, General Counsel Jerry Blask, Corporate Secretary Charlett Bundy, Roscoe Wade, Director of Logistics and Chris Brous, Security & Safety Group Leader/Chief of Police; James Price, Acting Chief of Plant Operations, Gary Gumm, Chief Engineer and Rudy Chow, Chief of Customer Care, were present.

The meeting convened in the Conference Room at 3:55 p.m. No recording was made of the meeting.

Security. There was a briefing to answer questions about how the Cross Connection Manual had been reviewed in conjunction with security requirements.

At 4:19 Mr. Chow, Mr. Wade, Mr. Price, Mr. Gumm, and Mr. Brous left the meeting. Attorney Russel Beers joined the meeting.

Bowen v. WSSC. Mr. Beers updated Commissioners on the status of the litigation and the necessity for purchasing additional legal services. A motion was moved and seconded to purchase legal services. The motion carried with four votes from the Commissioners that were present when the vote was counted.

Next, Mr. Beers advised of the status of the *Phillips v. WSSC* matter and the legal strategy that will be used for addressing a certain aspect of the case.

At the conclusion of this discussion, Mr. Beers, Mr. Blask, and Ms. Starks left the meeting.

Closed Session Minutes. Commissioner Agarwal moved to approve the minutes of the Closed Session for June 21, 2010. Commissioner Mandel seconded the motion. The motion carried with four affirmative votes as Commissioner Starks and Vice Chair Moore had left the meeting.

Commissioner Counihan moved to end the closed session. Commissioner Agarwal seconded the motion. The motion carried with four affirmative votes. At 4:50 p.m. the meeting was declared open.

OPEN SESSION RESUMED

Adjournment

Commissioner Agarwal moved to adjourn the meeting. Commissioner Counihan seconded the motion. The motion carried with four affirmative votes as Commissioner Starks and Vice Chair Moore had left the meeting. At 4:51 p.m. Chair Jones declared the meeting was adjourned.

Respectfully submitted,

 //signed//
Charlett Bundy
Corporate Secretary