

WASHINGTON SUBURBAN SANITARY COMMISSION

MINUTES OF THE COMMISSION MEETING

**Wednesday, September 15, 2010
Laurel, Maryland**

Chair Antonio Jones called the meeting to order at 8:37 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, Adrienne A. Mandel, and Joyce Starks, were present at the meeting. Also, present were General Manager Jerry Johnson, Deputy General Manager Teresa Daniell, Corporate Secretary Charlett Bundy, and General Counsel Jerry Blask. Commissioner Gene W. Counihan was unable to be present.

AGENDA APPROVAL

Vice Chair Moore moved to approve the agenda for Wednesday September 15, 2010 with the change of moving the Acquisition Audit Summary to the afternoon. Commissioner Agarwal seconded the motion. The vote was called by Chair Jones and the motion carried with four affirmative votes because Commissioner Starks did not arrive until noon.

Chair Jones asked Debra Masengale, a Customer Care Group Leader who retired from WSSC this month, to lead the pledge of allegiance.

MINUTES

Commissioner Agarwal moved to approve the minutes of the Commission meeting held Wednesday, August 18, 2010. Commissioner Mandel seconded the motion. The motion carried with four affirmative votes.

WSSC RETIREES

Four employees retired this month with only one attending the meeting: Debra L. Masengale who retired from the Customer Care Central as a Group Leader with 31 years and 5 months of service. Not attending to be recognized were: Lois H. Allen, Sr. Collection system Analyst in the Wastewater Collections Systems Group/COP who retired with 30 years and 10 months of service; Mark H. Cannady, Field Meter Mechanic in Customer Care South, Temple Hills who retired with 31 years and 6 months of service and Marietta C. Bush, Human Resources Generalist who retired with 25 years and 1 month of service.

WSSC EMPLOYEES AT WORK

A video of Gary Gumm, WSSC Chief Engineer, inside the 66" pipe that burst in December 2008 flooding River Road highlighted the various steps WSSC has taken in repairing this pipe.

MEDIA / PUBLIC COMMENTS

There were no comments from the media and one comment from a ratepayer. Ms. Tammy Lane of Takoma Park presented Commissioners with information regarding a claim she is pursuing against WSSC.

COMMISSIONERS' COMMENTS/INTENTIONS

Commissioner Mandel thanked the General Manager Jerry Johnson, Tom Traber, Chief Finance Officer, and the entire Change Leadership Team for their efforts that led to WSSC receiving a triple-A bond rating from the Fitch Bond Rating Agency. She noted that this rating speaks well for the bondholders and she thanked all for this distinguished recognition.

Commissioner Mandel also advised that thoughts and prayers have helped move Commissioner Counihan's recovery forward. She commented that all are looking forward to welcoming Commissioner Counihan back and she thanked other Commissioners and employees for their continued support and consideration during Mr. Counihan's illness.

Chairman Jones noted that he had attended a meeting of Board of Directors of D.C. Water where he met William M. Walker (Board Chair) and the general manager, George Hawkins. He noted that WSSC and DC Water share common concerns. Chair Jones offered to initiate dialogue with DC Water that would eliminate duplicative efforts. Next he applauded the Jerry Johnson for allowing 200 low-flow water devices to be distributed to low- and modest-income homes. Lastly, Chairman Jones requested that the daily prayers at noon for Commissioner Counihan continue noting that Mr. Counihan is sorely missed.

GENERAL MANAGER'S OFFICE

Monthly Report. Starting with congratulations for the Customer Care Team for their inspection and repair work to the 13-mile-long, 66" water main that runs from the Potomac Plant to the Mormon Temple in Kensington, Mr. Johnson noted that the repairs to 44 sections of the pipe and replacement of 4 sections at a cost of \$3.5 million will ensure that the pipe will service the Water District well into the future. The work done by the WSSC team saved \$500,000, avoiding the necessity to contract that work.

Mr. Johnson also mentioned WSSC's successful bond sale noting that Citigroup offered 1.72% for \$240 million tax-exempt sewer bonds through 2020 and J.P. Morgan, L.L.C. offered 2.84% for the \$120 million Build America Bonds, averaging 2.52% interest. All three bond rating agencies gave WSSC a triple-A rating.

Other departments and issues brought to Commissioners' attending in this report include: The Government Finance Officers Association issued the WSSC Budget Group its Distinguished Award for 2010; all of WSSC plants were in full compliance with permit requirements; the consent decree work was on schedule; the proposed CIP was set for public hearings; and the Procurement Practices Review for the 2010 Disparity Study had begun.

Mr. Johnson was named a member of the Board of the Capital Area United Way. His tenure began in September 2010.

WSSC employees volunteered to serve at the Prince George's County Fair and promoted various activities at WSSC. Mr. Johnson thanked the Sandy Spring Fire Department for their display at the WSSC Fishing Derby at Triadelphia Lake that attracted 35 participants.

Mr. Johnson gave highlights of his trip to Sweden to participate in the World Water Week Conference where he was a keynote speaker and a panelist. The conference, always hosted by the king and queen of Sweden, promotes water conservation. It led to the drafting of the Clean Water Act in the U.S. and other initiatives supported by the World Health Organization. Attendees were from around the globe.

WSSC employee Roland Steiner, Ph.D., P.E., defined the draught conditions that led to the draught watch declared over the July 4, 2010 Independence Holiday weekend. He commented how WSSC had moved from normal operations to the draught watch based on environmental factors such as soil moisture and rainfall but not river flow/levels. WSSC's reservoirs were unusually high so WSSC met water demands for the remainder of the summer season despite the draught conditions.

A delegation of 23 Chinese from the Jiangsu Provincial Price Bureau Training Program attended a brief segment of the Commission meeting. Jiangsu, China is on the Yangtze River along China's eastern coastline with Zhejiang and Shanghai as border neighbors.

Mr. Johnson presented the awards from the National Association of Clean Water Agencies for plant performance during the past year. The Damascus Plant received the platinum award because it has maintained 100% compliance with its National Pollutant Discharge Elimination System (NPDES) permit for the last 10 years. Sam Amad and Paul Brennan accepted the award on behalf of the Damascus plant.

WSSC's six other wastewater plants were recognized with a Gold Award for achieving 100% compliance with their NPDES permit for the entire 2009 calendar year. Gary Slaughter accepted the award on behalf of Piscataway; Brian Mosby, Carlin Penny, and Chris Barnhill accepted the award on behalf of Western Branch, Sam Amad and Edward Ibanez accepted the award on behalf of Hyattstown and Seneca; and Jack Massiah accepted the award on behalf of Marlboro Meadows/Parkway.

Internal Audit Office

1. Monthly Activity Report. Ms. Bardwell gave an overview of her monthly audit activities since the previous month's report.

2. Resolution 2011-1894 Approval of FY 2011 Risk-Based Audit Plan. After reviewing the document, Commissioner Mandel moved that the Commission approve Resolution 2011-1894 that sets forth the risk-based audit plan for WSSC's Fiscal Year 2011 with the addition of an SSO audit should there be resources available to conduct this additional audit. Commissioner Agarwal seconded the motion. The motion carried with four affirmative votes as Commissioner Starks had not yet arrived when the vote was taken.

3. Acquisition Audit Summary. Commissioners moved the discussion on this item to the afternoon session.

SEPTEMBER BRIEFING ITEMS

Engineering and Construction

Contract AC5034A09. Mr. Dave Burke provided Commissioners with an overview of the need to exercise an option year in this contract for area lateral construction. The contract was moved to the Consent Calendar for a vote.

Finance

1. Resolution 2011-1890. Mr. Baker presented the resolution to appoint Sally Barkley as an employee representative to the WSSC Employee's Retirement Board of Trustees. Commissioner Mandel moved to adopt Resolution 2011-1890. Commissioner Agarwal seconded the motion. The motion carried with four affirmative

votes as Commissioner Starks had not yet arrived when the vote was taken.

2. Schedule for Approving 2011 Front Foot Benefit Charges and House Connection Rates. Mr. Traber provided the schedule of meetings needed to approve the 2011 front foot benefit charges and house connection rates. The item was moved to the consent calendar.

Engineering and Construction

1. Contract BM4620A07. Commissioners received an overview of this contract for power reliability and an arc flash study.

2. Contract RC4957A09. This item presented the opportunity to exercise an option year for area lateral renewal construction.

Customer Care Team

Contract 1079. Commissioners were briefed on the need to approve an option year in this valve and fire hydrant exercising program.

SLMBE Office

Legislative Report. Ms. Livingston apprised Commissioners of some of the highlights in this annual report that summarizes the year's administration and implementation activities in the SLMBE office.

HUMAN RESOURCES

Domestic Partner Benefits. Ms. McKinney described the benefits plan for domestic partners of WSSC employees. Commissioner Mandel moved to remove this item from the Consent Calendar to allow time for Ms. McKinney to obtain answers to questions raised by Commissioners during the briefing. Commissioner Agarwal seconded the motion. The motion to remove the item from the consent calendar carried with four affirmative votes as Commissioner Starks had not yet arrived when the vote was taken.

CONSENT CALENDAR

Commissioner Agarwal moved that the Commission approve Resolution 2010-1893 that adopts the amended Consent Calendar for the September 15, 2010 meeting. Commissioner Mandel seconded the motion. The motion carried with four affirmative votes.

Chairman Jones then recessed the meeting for the lunch break. The meeting resumed at 12:47 p.m.

COMMISSIONERS' CONFERENCE ROOM**Intergovernmental Relations Office (IRO)**

Legislative Update. Mr. Wineland offered summaries of the bills that would be relevant to WSSC.

Commissioner Mandel moved to support the IRO legislative proposal to amend Article 29, Section 8-101 by adding language as printed in the meeting packet for September 15, 2010.

Commissioner Agarwal seconded the motion. The motion carried with four affirmative votes as Commissioner Starks was temporarily out of the room.

Commissioner Mandel moved to support the IRO legislative proposal to amend Article 29, Sections 11-101, 11-102, 11-103, 11-104, 11-105, 11-106, and 11-107 by changing language as printed in the meeting packet for September 15, 2010.

Commissioner Starks seconded the motion. The motion carried with five affirmative votes.

Commissioner Agarwal moved to support the IRO legislative proposal to amend Article 29, Section 3-102 by changing language as printed in the meeting packet for September 15, 2010.

Commissioner Mandel seconded the motion. The motion carried with four affirmative votes as Vice Chair Moore was temporarily out of the room.

Commissioner Mandel moved to support the IRO legislative proposal to add to Article 29, Section 6-104 that would allow the appointment of a receiver to collect monies owed WSSC.

Commissioner Agarwal seconded the motion. The motion carried with five affirmative votes.

Commissioner Mandel moved that the Commission create a legislative proposal to make amendments to Article 29, Sections 1-102(c)(2); 1-102(d); 1-105; and 11-101(b)(2). Vice Chair Moore seconded the motion. The motion carried with three votes: Chair Jones, Vice Chair Moore and Commissioner Mandel. Nay votes were cast by Commissioners Agarwal and Starks.

Internal Audit Office

Ms. Bardwell and Ms. Martin provided Commissioners with an overview of the results of the audit of the Acquisition Office. Chair Jones requested that any unresolved audit issues be brought to the Institutional Processes Committee.

Customer Care

Mr. Chow gave a presentation on the status of the projects and changes in WSSC procedures that have been created/modified to comply with the consent decree between WSSC and the U.S. Department of Justice. Commissioners requested another update in three months.

Commissioner Agarwal left after this presentation (5:00 p.m.).

COMMISSIONER REPORTS

Working Group Reports

1. Governance/Personnel. Vice Chair Moore asked Corporate Secretary Bundy to explain how a change to the wording in Standard Procedure GOV 11-02 on Access to Closed Minutes Policy that was adopted during last month's meeting impacted the policy. Commissioner Starks moved to limit standard procedure GOV 11-01 to apply only to the WSSC General Counsel and Internal Auditor. Commissioner Jones seconded the motion. The motion carried with four affirmative votes.

Standard Procedure for Archiving Agendas/Minutes. The committee asked Ms. Bundy to describe the procedure for storing agendas and minutes on wsscwater.com. By consensus Commissioners agreed that three years of minutes and agendas was sufficient to display on the web site.

Institutional Processes Oversight

Report of the WSSC Employees' Retirement Board of Trustees Meeting. Commissioner Mandel advised that there was no August meeting of the WSSC Employees Retirement Board of Trustees.

Infrastructure Funding & Fiscal Budget

A meeting of this committee would be scheduled in October 2010 and Commissioners will receive notification.

Corporate Secretary

Monthly Report. In addition to highlighting her monthly activities, Ms. Bundy advised Commissioners of the status of the research for developing a governance policy.

Continued Business

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

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 August 18, 2010 Closed Session Minutes.

Vice Chair Moore seconded the motion. The motion carried with four affirmative votes. At 5:55 p.m. Chair Jones declared the meeting was closed.

COMMISSIONERS' CONFERENCE ROOM

ATTENDEES: Chair Antonio Jones, Vice Chair Dr. Roscoe Moore; Commissioners Adrienne A. Mandel, and Joyce Starks; General Manager Jerry Johnson, General Counsel Jerry Blask, and Corporate Secretary Charlett Bundy.

Closed Session Minutes. Commissioner Mandel moved to approve the minutes of the Closed Session for August 18, 2010. Vice Chair Moore seconded the motion. The motion carried with four affirmative votes.

Commissioner Mandel moved to end the closed session. Commissioner Starks seconded the motion. The motion carried with four affirmative votes. At 5:56 p.m. the meeting was declared open.

OPEN SESSION RESUMED

Adjournment

Commissioner Mandel moved to adjourn the meeting. Commissioner Starks seconded the motion. The motion carried with four affirmative votes. At 5:57 p.m. Chair Jones declared the meeting was adjourned.

Respectfully submitted,

//signed//
Charlett Bundy
Corporate Secretary