

WASHINGTON SUBURBAN SANITARY COMMISSION

MINUTES OF THE COMMISSION MEETING

**Wednesday, July 17, 2019
Laurel, Maryland**

Chair Chris Lawson called the meeting to order at 10:11 a.m., in the Auditorium of the Washington Suburban Sanitary Commission (hereinafter "WSSC") Richard G. Hocevar ("RGH") Building, 14501 Sweitzer Lane, Laurel, Maryland, 20707, with due notice having been given to all members of the Commission and the public. In addition to Chair Lawson, Commissioners Fausto R. Bayonet, Howard A. Denis and T. Eloise Foster, were present at the meeting, reflecting a quorum. Also, in attendance were WSSC General Manager and Chief Executive Officer ("GM") Carla A. Reid, Deputy General Counsel Russel Beers and Corporate Secretary Sheila R. Finlayson, Esq., who recorded the minutes of the meeting. Other members of WSSC management were called upon, during certain portions of the meeting, to provide information to the Commission.

PLEDGE OF ALLEGIANCE

Chair Lawson opened the meeting by welcoming everyone and asking Commissioner Denis to lead the pledge of allegiance.

Following the pledge, the Chair asked GM Carla Reid to lead the Commission in the recitation of its mission and vision statements.

AGENDA APPROVAL

Commissioner Foster moved to adopt the Commission's Public Meeting Agenda of July 17, 2019, as drafted, to which Commissioner Denis seconded the motion. The motion carried unanimously with four affirmative votes.

APPROVAL OF MINUTES

Commissioner Bayonet moved to approve the open session minutes of the May 15, 2019 Regular Commission Meeting, as drafted.

Commissioner Foster seconded the motion. The motion carried unanimously with four affirmative votes.

WSSC RETIREES

Retirement Plan Executive Director Richard Baker recognized the Retirees for the month of July 2019, as follows:

Thomas Kelly (present), Strategic Coordinator, Meter Services Division, retires with 36 years and 6 months of service.

Peggy Manyette (present), Administrative Assistant IV, Police and Homeland Security Office, retires with 32 years and 9 months of service.

Shannon Summers (present), Utility Technician III, Utility Services Central Division, retires with 37 years and 9 months of service.

Douglas Ableiter (present), Associate Project Manager, Pipeline Design Division, retires with 31 years and 10 months of service.

ENGINEERING SCHOLARSHIP AWARDS

Chair Lawson and Corporate Secretary Sheila Finlayson presented this year's Commissioners' Engineering Scholarship Awards.

The Commissioners Scholarship Program awards two new scholarships annually to engineering students/residents of the WSSC sanitary district of Prince George's and Montgomery County. Candidate rankings are based on scholastic achievement, essay content and overall application package to include new video introduction requirement added this year.

The essay topic for this year was as follows: "As the largest water utility in Maryland, and one of the largest in the country, WSSC is proud to produce and deliver safe, clean and reliable tap water to our 1.8 million customers daily. We are passionate about our water and even prouder of our superior track record in delivering this excellent product to our bi-County residents for

the past 100 years. In 1500 words or less, tell us why tap water is better than bottled water. Please be sure to address all relevant factors and scenarios in making your case.”

Each new winner is awarded a scholarship in the amount of \$1000 and may receive additional awards of \$1000 each year for up to four consecutive years. Winners also receive priority placement in WSSC’s paid summer internship program.

This year’s winners were as follows:

- Jada-Mercy Ayebae, a Prince George’s County resident and rising Sophomore at the A. James Clark School of Engineering, University of Maryland, College Park (Civil Environmental Engineering); and
- Lauren Evoy, a Montgomery County resident and rising Junior also at the A. James Clark School of Engineering, University of Maryland, College Park (Civil Engineering).

Ms. Finlayson also recognized 2018 past winner Cameron Taylor, who is currently participating in WSSC’s summer internship program. He, along with other past winners, received cash renewal awards under the program.

Chair Lawson thanked Corporate Secretary Finlayson for her fine work in overseeing the awards program on behalf of Commissioners and ensuring its continued success.

ROBERT G. BERGER SCHOLARSHIP AWARDS

Pamela Cartledge and Aaron Hughes, of the Robert G. Berger Memorial Scholarship Board, presented the scholarship awards for the 2019-2020 academic year. The Berger Awards, named after former Commissioner Robert G. Berger, were created to provide tuition assistance to children of WSSC employees and retirees. Funds are raised by WSSC employees and retirees and are used entirely for the scholarship awards.

The following 26 student recipients were honored:

- o Allison Aragon - Howard Community College
- o Jordan Barnhill - Anne Arundel Community College
- o Rachel Barnhill - Elizabethtown College
- o Sudeep Behera - University of Maryland, College Park
- o Kyle Berman - University of Maryland, College Park
- o Paige Berman - University of Maryland, College Park
- o Tyler Bond - Florida State University
- o Alexander Flores - University of Maryland, Baltimore County
- o Shania Foster - Towson University
- o Jalen Graham - Stevenson University
- o Destiny Hunter - Washington College
- o Meghan Junis - Gettysburg College
- o Jessica Kelly - Frederick Community College
- o Luke Kim - University of Maryland, College Park
- o Ariel LaBossiere-Little - Frostburg State University
- o Faith Malone - University of Maryland, Baltimore County
- o Dymond McCormick - Xavier University
- o Steven Menefee III - University of Maryland, Baltimore County
- o Caleb Mitchell - Liberty University
- o Stephen Mitchell - Lipscomb University
- o Michael Ngo - University of Maryland, Baltimore
- o Lauren Westendorf - University of Mary Washington
- o Alexandria Whatley - University of Maryland, College Park
- o Jacob Wildasin - Messiah College
- o Kayla Williams - Widener University
- o Justin Wright - University of Maryland, Baltimore County

Since its inception in 1996, the fund has awarded over \$100,000 in scholarships to more than 125 students. Formerly known as the WSSC Employee Scholarship Fund, it was renamed in 2003 to honor the memory of former Commissioner Berger who was a true advocate for higher education and played a pivotal role in creating the WSSC Scholarship Fund. Mr. Berger was appointed to the Commission from Montgomery County in 1993 and served until 2001. He passed away on April 14, 2003.

Following the awards presentation, Chair Lawson, on behalf of the Commission, congratulated the recipients, wishing them well in their academic studies.

COMMISSIONER/PUBLIC COMMENTS

Commissioner Comments. There were no comments from Commissioners.

Public Comments. Two members from the public, Mary Rooker, Montgomery County resident, speaking on behalf of the Montgomery County Green Party, and Theodora Scarato, Prince George's County resident (soon to be Montgomery County resident), were on hand to express their strong opposition to the use of smart meters in residences and WSSC's related plans to implement Advanced Metering Infrastructure ("AMI") technology in the near future. Specific details can be found in the corresponding segment of the archived meeting video.

The Commission also received written comments from Mmes. Rooker and Scarato and other WSSC customers (Lisa Cline, Cyndie Baughman), opposing AMI, by electronic mail.

GENERAL MANAGER'S REPORT

Monthly Report. GM Carla Reid provided her monthly report, reporting from a power point presentation displayed at the meeting and incorporated herein by reference. The GM's full report can be found in the presentation handout and corresponding segment of the archived meeting video and both are referred to for this purpose.

The GM's Report was received as information.

Branding/Visual Identity - Management Recommendation. GM Reid presented management's recommendation relating to a new visual identity for WSSC which involves rebranding WSSC's name to "WSSC Water," changing current "waterdrop" logo to a "W" and changing tagline from "Where Water Matters" to "Delivering the Essential." Specific details can be found in the meeting materials and corresponding segment of the archived meeting video.

Following discussion, a motion was made by Commissioner Bayonet and seconded by Commissioner Foster, to approve the new WSSC name, logo and tagline, as recommended by management and presented to the Commission on this date.

The motion carried unanimously with four affirmative votes.

INSPECTOR GENERAL REPORT

Monthly Activity Report. Inspector General ("IG") Arthur Elkins reported on the monthly activities of the Office of the Inspector General (OIG), for the month of June 2019. Mr. Elkins presented from a power point presentation displayed at the meeting and incorporated herein by reference. The full report can be found in the presentation handout and corresponding segment of the archived meeting video and both are referred to for this purpose.

Following Commissioner questions, the Commission received the OIG Report, as information.

OTHER REPORTS

General Counsel's Office (GCO)

Ethics Program Update. Ethics Program Activity Report for June 2019 was provided in advance materials. No questions were raised.

The Commission received the Ethics Program Update, as information.

FINANCE

Work Session/Briefing - Proposed Capital Improvements Program

(CIP) for Fiscal Years 2021-2026. Mark Brackett, Section Manager, Capital Budget/Budget Division, provided an overview of the proposed WSSC CIP for Fiscal Years 2021-2026. Specific details can be found in the corresponding segment of the archived meeting video, written power point presentation handout, and staff draft work session booklet (contained in the board materials and incorporated herein by reference), and all are referred to for this purpose.

FY' 21 Capital Budget CIP Six Year Program totals \$3,712,427,000. CIP proposes planning, design and construction expenditures for major water and sewer projects to include the following:

- Water Main System Reconstruction Programs - \$1.1 billion
- Sewer Main System Reconstruction Programs - \$650 million
- [Piscataway Bioenergy Project - \\$212 million](#)
- Potomac Water Filtration Plant Upgrades - \$198 million
- Piscataway Water Resource Recovery Facility Upgrades - \$96 million
- Water Storage Facility Rehabilitation - \$18 million.

Public hearings on the CIP will be held in each County in September, as follows:

Wednesday, September 4, 2019 (7:30 p.m.) - Montgomery County
Stella B. Werner Office Building, 3rd Floor Hearing Room,
100 Maryland Avenue, Rockville, Maryland; and

Thursday, September 5, 2019 (7:30 p.m.) - Prince George's County
Department of the Environment Building, Conference Room A,
1801 McCormick Drive, Largo, Maryland.

The Commission received the Proposed CIP Briefing for Fiscal Years 2021-2026, as information. Public Utilities Code requires WSSC to prepare and submit the proposed CIP to the Counties by October 1 of each year. Final CIP to be presented to Commission in September for approval of its transmittal to the Counties.

Approval of Debt Refunding Plan. Management presented a bond/debt refunding plan, prepared by WSSC's independent financial advisors WYE River Capital, Inc., for Commission approval to transmit to both County governments for subsequent approval. The Plan assists WSSC in identifying opportunities to refinance outstanding debt. Potential savings under this year's plan is estimated at \$7.5 million. WSSC must wait until March 2020 however to issue the refunding bonds.

Whereupon, a motion was made by Commissioner Foster and seconded by Commissioner Denis, to adopt the Debt Refunding Plan as proposed and presented to the Commission at this meeting, for transmittal to the County Governments of Prince George's and Montgomery for approval, in accordance with the Washington Suburban Sanitary District Code.

The motion carried unanimously with four affirmative votes.

Resolutions to Authorize Issuance of Bonds.

Management is seeking approval to issue debt in Fiscal Year 2020 to fund capital improvement projects for the construction of water supply facilities and large transmission mains, sewage disposal facilities and large collection mains and WSSC-built water/sewer pipes in subdivisions. A portion of the debt may be realized through the State of Maryland Revolving Loan Program and through WSSC's Multi-Modal Note Program with the balance to be obtained through a competitive bid process as authorized by State law.

WSSC also issues refunding bonds to refinance outstanding debt which funds the capital improvement projects to achieve debt service savings. The Bond Refunding Plan that the Commissioners approved at this meeting has identified one issue that may be a refunding candidate if market conditions remain favorable in March 2020.

Management is presenting two resolutions to the Commission for approval to issue consolidated public improvement bonds in an amount not to exceed \$404,910,000 and consolidated public improvement refunding bonds in an amount not to exceed \$123,000,000. The bond sale is expected to take place this fall with the refunding sale to take place in the spring of 2020. Sales to be facilitated by an electronic bidding method utilizing the PARITY Competitive Bidding System.

Resolution 2019-2233 - Authorization Providing for Issuance, Sale, Delivery and Publication of Notice of Sale, of Water Supply Bonds, Sewage Disposal Bonds and General Construction Bonds and Providing for Consolidation of Such Bonds for Issuance, Sale and Delivery as a Single Issue of Bonds.

On motion made by Commissioner Denis and seconded by Commissioner Bayonet, the Commission voted unanimously four-to-zero to adopt Resolution 2019-2233, authorizing and providing for the issuance, sale, delivery and publication of notice of sale of Water Supply Bonds, Sewage Disposal Bonds and General Construction Bonds, and providing for the consolidation of such bonds for issuance, sale and delivery as a single issue of bonds, as stipulated in the aforementioned Resolution.

Resolution 2019-2234 - Authorization Providing for Issuance, Sale, Delivery and Publication of Notice of Sale of Sewage Disposal Refunding Bonds, Water Supply Refunding Bonds and General Construction Refunding Bonds, to Refund Certain Outstanding Bonds of the Washington Suburban Sanitary District and Providing for the Payment of Such Outstanding Bonds from an Escrow Account and for the Payment of Such Refunding Bonds, and Providing for the Consolidation of Such Refunding Bonds for Issuance, Sale and Delivery as a Single Issue of Refunding Bonds.

On motion made by Commissioner Foster and seconded by Commissioner Bayonet, the Commission unanimously voted four-to-zero to adopt Resolution 2019-2234, authorizing and providing for the issuance, sale, delivery and publication of notice of sale of Sewage Disposal Refunding Bonds, Water Supply Refunding Bonds and General Construction Refunding Bonds to refund certain outstanding bonds of the WSSD and providing for the payment of such outstanding bonds from an escrow account and for the payment of such refunding bonds, and providing for the consolidation of such refunding bonds for issuance, sale and delivery as a single issue of bonds, as stipulated in the aforementioned Resolution.

INFORMATION TECHNOLOGY (IT)

Monthly Project Cornerstone Update. IT Senior Project Manager Anthony Ferrara provided the monthly update on Project Cornerstone, reporting from a power point contained in the advance materials and incorporated herein by reference. Specific details can be found in the written presentation and corresponding segment of the archived meeting video. Highlights are as follows: Customer to Meter (C2M) and Mobile Workforce Management (MWM) training completed on June 28, 2019; Release One Go-Live complete on July 2, 2019; Highly successful cutover. Release Two being re-evaluated.

The Commission received the monthly update, as information.

Quarterly IT Update. Acting Chief Information Officer (CIO) Dervel Reed provided the Quarterly IT Update. Specific details can be found in the presentation handout and archived meeting video.

The Commission received the IT Quarterly Update as information.

UTILITY SERVICES

Advanced Metering Infrastructure (AMI) Implementation. Utility Services Director Damion Lampley walked the Commission through management's plans to implement AMI, reporting from a power point presentation contained in the advance materials and incorporated herein by reference. Specific details can be found in the written materials and corresponding segment of the archived meeting video, and both are referred to for this purpose.

The Commission received the AMI Briefing as information.

ENGINEERING & CONSTRUCTION

Consent Decree Update. Chief Engineer Michael Harmer provided an update on the consent decree. Specific details can be found in the written presentation materials and corresponding segment of the archived meeting video. Cumulative budgeted costs of \$1.4

billion with total spending through April 30, 2019 at \$1.2 billion.

The Commission received the update as information.

PRODUCTION

Biosolids Update. Members from the Production Team provided a short update on the Biosolids matter and emergency declaration that is currently in place, taken to address storage and disposal of biosolids which became an issue due to the excess rain that transpired in 2018. Management reported the region is still experiencing abnormal weather conditions which will require the declaration to remain in place. Further detail can be found in the written materials contained in the board package and incorporated herein by reference.

The Commission received the update as information.

CUSTOMER SERVICE

Resolution 2019-2235 - Revisions to Code of Regulations Chapters 3.45, 3.25 and 3.20 - Customer Assistance Program (CAP).

Director of Customer Service Crystal Knight-Lee had briefed the Commission last month on proposed changes to WSSC regulations for administration of the WSSC CAP and is now before the Commission this month for approval.

Whereby, a motion was made by Commissioner Foster and seconded by Commissioner Bayonet, to approve Resolution 2019-2235, adopting proposed revisions to the WSSC Code of Regulations for administration of the WSSC CAP under Chapters 3.45, 3.25 and 3.20, as recommended by management.

The motion carried unanimously with four affirmative votes.

CONSENT CALENDAR

Contract for Approval

A motion was made by Commissioner Bayonet and seconded by Commissioner Foster, to adopt Resolution 2019-2236, approving the sole contract on the Consent Calendar for this meeting:

BT6201A16, D'Arcy Road Water Main Replacement, awarded to Sagres Construction Corporation, in the amount of \$1,967,088.00 and a completion time of 243 days.

The motion carried unanimously with four affirmative votes.

ADDITIONAL BRIEFINGS

COMMISSION OFFICE

Corporate Secretary Report. Corporate Secretary Sheila Finlayson provided an overview of her activities for the month, presenting from her report distributed to Commissioners in the advance materials. No questions were raised.

The Commission received the Corporate Secretary's report as information.

WSSC Employees' Retirement Plan Board of Trustees. Commissioner Foster reported on the May 2019 Investment Results, noting that, as of May 31, 2019, the Plan's assets were \$777.2 million, which represents a year-to-date investment gain of \$59.7 million or an increase of 8.1% from December 31, 2018 to May 31, 2019. The next meeting of the Retirement Plan Board of Trustees scheduled for Wednesday, July 31, 2019. No meeting in August.

The Commission received the report of the WSSC Employees' Retirement Plan Board, as delivered by Commissioner/Trustee Foster, as information.

Governance & Strategic Visioning Committee. No report.

Legislative & Compliance Committee. No report.

Audit Committee. On motion made by Commissioner Denis and seconded by Commissioner Bayonet, the Commission unanimously

approved by a vote of four-to-zero, its Audit Committee Minutes of May 15, 2019.

Customer and Other Stakeholder Relations Committee. No report.

Innovation & Infrastructure Committee. No report.

Committee Appointments for FY 2020. Chair Lawson announced the Committee appointments for 2020.

The Chair then announced that the Morning Open Session business has concluded and called for a motion to go into Closed. After noting his approval of the written closing statement, Chair Lawson called for a vote.

CLOSED SESSION

Whereby, at 2:20 p.m., Commissioner Foster moved and Commissioner Denis seconded, that the Commission go into Closed Session, pursuant to Maryland Code Annotated, General Provisions Article: Section 3-305(b) (13) to approve the May 15, 2019 Closed Session Minutes; Sections 3-305(b) (7) and 3-305(b) (8) to consult with counsel to obtain legal advice and discuss pending or potential litigation for attorney/client privileged legal matters; and Section 3-305(b) (1) to discuss personnel matters relating to Commission Office direct reports.

The motion carried unanimously with four affirmative votes.

The Chair declared the meeting was closed at 2:21 p.m. The Commission then recessed for lunch with the Commission reconvening in Closed at 3:32 p.m. in the Commission Office Large Conference Room.

ATTENDEES: Chair Chris Lawson, Vice Chair Eloise Foster; Commissioners Fausto Bayonet and Howard Denis. Staff present: General Manager Carla Reid, Corporate Secretary Sheila Finlayson, Deputy General Counsel Russel Beers, DGM Monica Johnson, DGM Jay Price and DGM Joe Beach.

Closed Session Minutes - On motion made by Commissioner Foster and seconded by Commissioner Denis, the Commission unanimously voted 4-0, to adopt the closed session minutes of the May 15, 2019 regular meeting, as drafted.

Pending Litigation/Legal Advice - Commissioners met in executive session with counsel Russel Beers from 3:35 p.m. to 4:00 p.m. No other members of management were present. Mr. Beers was excused at 4:00 p.m. while Commissioners continued to meet in executive session.

Personnel Matters. Commissioners met in executive session without any members of management from 4:00 p.m. to 4:30 p.m. General Manager Carla Reid joined the executive session with Commissioners at 4:30 p.m. Ms. Reid was excused at 5:00 p.m. Ms. Finlayson joined the executive session at 5:15 p.m. Ms. Finlayson was excused at 5:35 p.m.

At 5:36 p.m., Commissioner Foster moved to end the Closed Session. Commissioner Denis seconded the motion. The motion carried unanimously with four affirmative votes.

OPEN SESSION RESUMED

ADJOURNMENT

There being no additional business, the Chair called for a motion to adjourn, to which Commissioner Foster moved to adjourn the meeting. Commissioner Denis seconded the motion. The motion carried unanimously with four affirmative votes.

At 5:36 p.m., the meeting was declared, adjourned.

Respectfully submitted,

//signed//

Sheila R. Finlayson, Esq.
Corporate Secretary