

**MINUTES
REGULAR SESSION
ST. MARY'S COUNTY METROPOLITAN COMMISSION
FEBRUARY 11, 2016**

Following a one-hour budget work session, the regular session of the meeting commenced at 3:09 p.m. In attendance were Commissioners Willing, Russell, Barthelme, Gaskin, Mummaugh, and Oliver (On Behalf of Captain Heidi Fleming, Commanding Officer, NAS Patuxent River). MetCom staff in attendance included Bundy, Cullins, Shick, Elberti, Fehn, Sullivan, Reynolds, Edwards, and Comeau-Stanley. Others present included Andrew Burnham (*Senior Vice President, Burton & Associates*), Kyle Stevens (*Consultant, Burton & Associates*), and Jason Babcock (*Reporter, The Enterprise*).

Chairman Willing welcomed everyone and performed a review of the meeting agenda.

MOTION TO APPROVE AGENDA

Commissioner Russell moved to approve the Agenda as presented. Commissioner Gaskin seconded the motion. Motion carried 4-0.

APPROVAL OF CONSENT AGENDA

Commissioner Russell moved to accept the Consent Agenda as presented, and to hereby approve all matters contained upon the Consent Agenda. Commissioner Barthelme seconded the motion. Motion carried 4-0.

APPROVAL OF MEETING MINUTES

Commissioner Gaskin moved to approve the meeting minutes of January 14, 2016. Commissioner Barthelme seconded the motion. Motion carried 4-0.

EXECUTIVE DIRECTOR'S REPORT

Mr. Bundy made a brief announcement regarding the property under consideration for purchase in Piney Point near the existing Pump Station, noting that it was previously under contract; however, the contract has been cancelled and Staff is now negotiating with the realtor to obtain a price for the property.

DIRECTOR OF HUMAN RESOURCES REPORT

A. Assistant Director Position Advertisement Update

Ms. Cullins provided an update on the employment search for an Assistant Director, noting that 47 applications have been received; 7 appear to be qualified, while 11 are marginally qualified. Ms. Shick performed a review of the advertisement status, to include run and end dates for the selected venues. Brief discussion ensued on the panel selection, screening, and interview process. Commissioner Mummaugh noted his reliance on Mr. Bundy to make the decision

regarding the hiring, as this position reports directly to him, and suggested that Mr. Bundy and Ms. Cullins perform the initial screening and provide a recommendation of the top three candidates to the Board. Several Board members noted their agreement with Commissioner Mummaugh's suggestion and Commissioner Russell suggested that the top three candidates appear individually before the Panel.

Brief discussion ensued on the existing interview process policy, as it relates to the hiring of senior management positions and Mr. Bundy noted that a decision does not have to be made today, although it would be helpful to narrow down the applicants and move forward in the process. Commissioner Gaskin noted the importance of establishing a cutoff date for applications. Staff and Board members suggested an application closing date of Friday, March 4, 2016 and all agreed that additional discussion on the process could occur at the next meeting.

Commissioner Gaskin moved to set March 4, 2016 as the closing date for the submittal of applications for the Assistant Director position. Commissioner Barthelme seconded the motion. Motion carried 4-0.

B. Retirement Systems Information

In response to discussions regarding the State Retirement System at the last meeting, specifically MetCom's liability, should the State run out of money, Ms. Cullins provided data received from Dean Kenderdine, Executive Director of the Maryland State Retirement System. Ms. Cullins noted that the State has a constitutional obligation to the State Employees and all of the Municipal Members, such as MetCom employees, to pay their promised retirement. Ms. Cullins cited several options identified by Mr. Kenderdine in the unlikely event the State is unable able to meet the obligation.

In addition, Ms. Cullins noted that the Maryland State Retirement System is now funding 100%; it is presently solvent in perpetuity; there is constant monitoring and planning; and they would know, long in advance, if they were unable to payout their obligations, at which time they would implement one of several options, with sufficient reserves to payout the obligations. In closing, Ms. Cullins advised that Mr. Kenderdine indicated that he would be happy to make a presentation to the Board, if that would help alleviate their concerns. Brief discussion ensued amongst the group on the data presented.

CHIEF FINANCIAL OFFICER'S REPORT

A. Burton & Associates Presentation

Ms. Shick introduced Mr. Andrew Burnham, Senior Vice President with Burton & Associates, and advised that the rates in his presentation include the Board's feedback received two weeks ago. Mr. Burnham addressed the Board members and noted the significant work performed by Kyle Stevens, Consultant with Burton & Associates. Using the overhead monitors, Mr. Burnham initiated his presentation with a brief recap of the work already performed for MetCom on the Rate Study, which included the objectives and scope, revenue sufficiency analysis, rate structure modifications, as well as a single-family residential customer impact analysis. Mr.

Burnham performed a review of the Rate Study Update Summary, highlighting the objectives and scope, revenue sufficiency analysis, Option B rate structure modifications, single-family residential customer impact analysis – both options, and customer impact analysis – with system improvement charges.

Mr. Burnham detailed Option B, which establishes a residential sewer cap, noting that it is a common industry accepted practice in areas without irrigation meters, citing the industry range between 6,000 gallons and 15,000 gallons per month, based upon EPA indoor water use requirements. Mr. Burnham advised that Option B is expected to result in \$500-\$600K of revenue loss and has been factored into the financial plan, but should help address concerns of many residential customers that irrigate, who contend that their water is going into the yard and not returning to the sewer.

Mr. Burnham advised that there are no rate structure changes to the water side, which prompted discussion amongst the group on MetCom's water only customers and the potential for creating a separate tier system for those customers. Mr. Burnham noted that it is important to have the same structure for service to prevent arbitrary and discriminatory ratemaking. At the request of Commissioner Russell, Mr. Sullivan cited a list of those subdivisions outside of Lexington Park served only by water.

Using the overhead monitors, Mr. Bundy displayed and detailed a data log report of a Pembroke resident, noting that this 24-hour data capture is a function of the new meters. Mr. Bundy advised that the data log reflects that the customer is using 2,000 gallons per day with the peak water use is between 3:00 am and 4:30 am, which is indicative of lawn watering using an irrigation system.

Mr. Burnham fielded a variety of questions from Board members and discussions ensued amongst the group throughout the presentation. Chairman Willing asked that an electronic copy of the report be provided electronically to all Board members and a copy posted to the website for public viewing. At the conclusion of the presentation, Mr. Bundy requested that the Board select Option B, noting that this keeps a steady path over many years and he believes that the sewer cap makes sense. Mr. Bundy and Mr. Burnham collectively reiterated that with the sewer cap, those with irrigations systems would no longer be charged on the sewer side for water use in excess of 10,000 gallons, as it is not going into the sewer system.

Ms. Shick provided a brief mention of the Operating Budget timeline, to include the Public Hearing date, for the benefit of the Board members.

B. 2016 Tax Sale

Ms. Shick initiated her presentation with a review of the historical Tax Sale data since 2005 and provided a summary of the Tax Sale list for this year, which originally included 97 accounts; 85 were advertised and 5 have been paid since the pre-commission package was sent to the Board members. Ms. Shick noted that as of yesterday, there are 75 accounts on the list and she expects to see more payments between now and the Tax Sale, scheduled to occur March 4, 2016 at 1:00

p.m. Ms. Shick made mention of the 3 deferrals approved by the Board this year and advised that she will provide an update to the Board following the Tax Sale.

CHIEF ENGINEER'S REPORT

A. Radio Read Water Meter Project, Phase 1 & 2: Contract Change Order No. 10

Mr. Elberti advised that Gary Reynolds, Water Superintendent, is present today to answer any questions the Board members may have. Mr. Elberti provided a brief status update for the Radio Read Water Meter Project, noting that there are 49 meters remaining, 9 are excavations and 20 are commercial non-metered, leaving only 20 remaining of the 15,000 installations. Mr. Elberti performed a review of the items associated with Change Order No. 10, which includes the replacement of 3,000 existing Sensus retrofit meters with Neptune AMR meters, obtain GPS coordinates for up to 2,750 curb stops, and extend the completion time by 92 calendar days.

Mr. Reynolds reported that the old registers on the Sensus retrofit meters are failing, as are the connections between the new unit and the old register. Mr. Reynolds and Mr. Elberti further detailed the failures and inoperability associated with the old retrofits. Mr. Elberti indicated that there are funds remaining in the budget, so there is a desire to replace up to 3,000 of these meters using the remaining funds and the contractor has agreed to perform the work and hold the price originally provided back in 2012. Mr. Bundy indicated his desire to get the meters changed in order to establish a replacement program.

Brief discussion ensued amongst the group on the age of the Sensus meters and the pits where they are housed. Mr. Bundy noted that the new meters would be placed in the same pits, but are factory sealed, which should prevent the current issues with the retrofits. Mr. Elbert advised that approval of this change order is the first step in the process and a separate motion would be presented at a future meeting to purchase the meters.

Commissioner Russell moved to approve Change Order No. 10, dated February 11, 2016, to Contract #WO1112, (Radio Read Water Meters Project Phases 1 & 2), with National Metering Services, Inc., of Kearny, New Jersey, to:

- (1) Replace 3,000 existing 5/8" x 3/4" Sensus meter with Neptune AMR meters for an increased cost of \$138,000.00;**
- (2) Obtain GPS coordinates for a quantity not to exceed 2,750 existing curb stops for an increased cost of \$13,750.00; and**
- (3) Increase the contract completion date by 92 calendar days to July 31, 2016**

as recommended by the Chief Engineer.

Further move that staff be authorized and directed to sign all documentation relating to this Contract award, including but not limited to the contract, an renewals and all approved change orders. Commissioner Barthelme seconded the motion. Motion carried 4-0.

GENERAL LEGAL COUNSEL'S REPORT

A. FDR Blvd., Phase 1B: Memorandum of Agreement with Commissioners of St. Mary's County

In Ms. Meiser's absence, Mr. Bundy and Mr. Elberti explained the Memorandum of Agreement with St. Mary's County for a Joint Solicitation associated with the construction of FDR Blvd. infrastructure between First Colony Blvd. and Old Rolling Road, which includes MetCom's waterline work. Mr. Elberti noted the need to execute this agreement in a timely fashion and provided additional details related to the benefits of this Joint Solicitation. Brief discussion ensued amongst the group on the bid process and pricing, as well as the FDR Blvd. Capital Improvement Project.

Commissioner Barthelme moved that the Commission accept, approve and authorize the Board Chairperson to execute the Memorandum of Agreement for Phase 1B of the FDR Boulevard Project (#8151WM), between this Commissioner and the Commissioners of St. Mary's County, to provide for the joint solicitation and contract management of the said project. Commissioner Gaskin seconded the motion. Motion carried 4-0.

COMMISSION MEMBERS' TIME

Commissioner Mummaugh inquired about the Department of Housing and Community Development (DHCD) Loans, specifically if DHCD issues the balance of unused project funds to MetCom when projects come in under budget. Mr. Bundy advised that remaining funds could be reassigned to another project. Commission Mummaugh advised that he would like to see a reporting of that information when the projects are closed out. Ms. Shick further explained the reallocation process for the benefit of the Board members.

ADJOURNMENT

There being no further business, **Commissioner Barthelme moved to adjourn the meeting at 4:39 p.m. Commissioner Russell seconded the motion. Motion carried 4-0.**



Laura Comeau-Stanley, Corporate Secretary