

**MINUTES
REGULAR SESSION
ST. MARY'S COUNTY METROPOLITAN COMMISSION
APRIL 9, 2015**

The meeting commenced at 3:00 p.m. In attendance were Commissioners Willing, Russell, Barthelme, Gaskin, Mummaugh, Pessagno, and Thompson. MetCom staff in attendance included Ichniowski, Cullins, Shick, Elberti, Sullivan, Fehn, Meiser, Pelham, Edwards, and Comeau-Stanley. Others present included Dick Myers (*The BayNet*) and several MetCom staff for the presentation of the Length of Service Award to Mabelle Terry-Courtney.

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 Barthelme seconded the motion. Motion carried 5-0.

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 6-0.

Mr. Ichniowski noted the sad and unexpected passing of Mr. Bobby Moore, a Water Operator with over 20-years of employment with the Commission. Mr. Ichniowski provided information on the funeral services for Mr. Moore and requested a moment of silence.

LENGTH OF SERVICE AWARD

Following a review of her long-standing service to the Metropolitan Commission by Ms. Cullins, Chairman Willing presented a 15-Year Length of Service Award to Mabelle Terry-Courtney, Customer Service Clerk.

EXECUTIVE DIRECTOR'S REPORT

- A. Presentation of FY 2016 Capital Improvement Budget and FY 2017-2021 Capital Improvement Plan to the Commissioners of St. Mary's County (CSMC)

Mr. Ichniowski announced that the presentation of MetCom's FY 2016 Capital Improvement Budget, and FY 2017-2021 Capital Improvement Plan to the CSMC is scheduled for Tuesday, April 14, 2015 at 10:45. Mr. Ichniowski noted that we are the final item on the CSMC Agenda. Mr. Ichniowski indicated that a decision on the approval of the budget by the CSMC would occur at a separate meeting in May.

HUMAN RESOURCE'S DIRECTOR'S REPORT

- A. Executive Director Position Advertisement

Ms. Cullins performed a review of the advertising venues and pricing for the Executive Director position. Following a review of the advertisement, position description and venues, Commissioner Pessagno suggested a few changes to the advertisement, to include a minor text change and deletion

of the education requirement for a Master's Degree in favor of a Bachelor's Degree. Brief discussion ensued amongst the Board members, Ms. Cullins, and Mr. Ichniowski regarding the removal of the Master's Degree requirement. Additional discussion ensued amongst the group regarding the professional background of potential candidates.

Commissioner Russell moved to delete the hard requirement for a Master's Degree and have verbiage in the announcement to the effect that a Master's Degree is desired. Commissioner Gaskin seconded the motion. Commissioner Thompson inquired about maintaining seven or more years of relevant experience in the advertisement; indication from Chairman Willing that it will remain. Chairman Willing called for the vote. Motion carried 6-0.

Commissioner Russell moved to approve the position advertisement, as amended, modifying the Master's Degree requirement, and the advertising venues for the Executive Director's position, as recommended by the Human Resources Director. Commissioner Barthelme seconded the motion. Motion carried 6-0.

CHIEF FINANCIAL OFFICER'S REPORT

A. Public Hearing Update: FY 2016 Capital Improvement Budget and FY 2016 Operating Budget

Ms. Shick performed a brief overview of the April 1, 2015 Public Hearing on the FY 2016 Capital Improvement Budget and FY 2016 Operating Budget, including a review of the customer notification process, public advertising, and a summary of the comments and questions posed by the audience. Ms. Shick noted that nine customers attended, along with two members of the press and several MetCom Commissioners and staff. Following an inquiry by Commissioner Thompson, a brief discussion ensued amongst the group on the approximate number of MetCom customers who are paying service charges, but have not yet made the required connection to the system. Ms. Shick estimated that number to be a few dozen and cited Tin Top Hill as an area where some connections have not been made.

Ms. Shick advised that there is one change to make on the Capital Expenditure portion of the operating budget to upgrade our telephone system, as costs for the work planned appear to be higher than expected, but will not affect customer rates. Ms. Shick indicated that the budget would be presented to the CSMC for their review next Tuesday and would be brought before the MetCom Board for approval at the April 26, 2015 meeting. Thereafter, final approval will be sought from the CSMC at their May 26, 2015 meeting.

Commissioner Mummaugh commented on the Board passing the Capital Improvement Budget before having seen the Operating Budget, to which Ms. Meiser advised that the vote by the Board was to move the budget forward in the process and not voting on its final approval. Clarification made by Mr. Ichniowski that the Operating Budget does not affect the Capital Budget and affects different rates, which are not mutually dependent. Ms. Meiser provided procedural clarification of the budget process for the benefit of Commissioner Mummaugh and the others.

Discussion ensued on application deadlines for borrowing funds through the Maryland Department of the Environment (MDE) and the Department of Housing and Community Development (DHCD) for Capital Improvement Projects. Further discussion ensued on projects moved out of the proposed

FY 2016 budget and Ms. Shick advised that several projects were moved out at the request of the Board, as they believed rates were too high. Ms. Shick further advised that staff was tasked with keeping the rates lower and more level in the outyears; prompting a hard look at what is needed and could be done, so as to not borrow money for projects we are unable to complete. Ms. Shick further indicated that we have been working on this budget with the Board since November 2014.

Commissioner Mummaugh requested that the Board see the Operating Budget before the Capital Improvement Budget and Mr. Ichniowski cited reasons for the formulation and presentation of the Capital Improvement Budget prior to the Operating Budget. Ms. Shick further explained the budget timeline to the Board members and noted that if the February 26, 2015 meeting not been cancelled due to a weather event, there would have been an opportunity to discuss the Operating Budget then. However, a draft was provided by email for the Board's review a week in advance of that meeting.

B. Debt Affordability/Policy Study

Ms. Shick announced that a copy of the Debt Policy Study was provided to the Board at the last meeting and noted that the Executive Study reveals that MetCom's financial and debt profile are strong compared to national averages, has good fee ratios and debt burdens, and does not exceed peer utilities. Additionally, the cost of utilities to our customers is slightly below national medians. Ms. Shick fielded questions from Commissioner Pessagno on the study, specifically on the amount of debt that MetCom can afford. Ms. Shick noted we could legally issue up to 25% of the assessed value within the utility districts where we have facilities, however MetCom is currently at less than 2%. Ms. Shick indicated that this study addresses the various ways to look at the debt that we can afford. Brief discussion ensued amongst the group on reserves, borrowing with the County, as well as going out into the bond market without the full faith and credit of the County.

In closing, Ms. Shick announced that the Consultant, Davenport & Company, would be making a presentation of the Study at the April 21, 2015 meeting of the Commissioners of St. Mary's County. Ms. Shick encouraged the Board members to attend and advised that the consultant will be fielding questions during their presentation.

CHIEF ENGINEER'S REPORT

A. Interceptor Rehabilitation NAS, Project No. 8122SR: Final Quantities Change Order

Mr. Elberti performed a review of the items associated with the first and final quantities change order for the Interceptor Rehabilitation Project, more specifically outlined in Exhibit A of the binder materials for this report item. Mr. Elberti advised that the change order results in a net decrease in the contract amount totaling \$59,919.74.

Commissioner Barthelme moved to approve and accept Change Order No. 1, dated April 9, 2015, from Gradient Construction, LLC of Chesapeake Beach, Maryland, decreasing the contract amount by \$59,919.74, from \$2,110,663.00 to \$2,050,743.26, as more specifically outlined on Exhibit A, incorporated herein, for the Interceptor Rehabilitation NAS, Contract #8122SR, as recommended by the Chief Engineer. Motion seconded by Commissioner Gaskin. Motion carried 6-0.

B. Public Meeting: Piney Point Road Sewer Line Replacement Project No. 5151SR

Mr. Elberti announced that a public meeting would be held here on Tuesday, April 14, 2015 at 6:30 p.m. to inform the public of the upcoming Piney Point Road Sewer Line Replacement Project No. 5151SR. Mr. Elberti advised that there are no new connections associated with this project and staff is not anticipating a large public turnout. Additionally, Mr. Elberti advised this packet was advertised on March 30, 2015 and the pre-bid meeting is scheduled for Wednesday, April 15, 2015 at 2:00 p.m. Four (4) contractors have purchased plans to date and bids are due April 30, 2015. Commissioner Thompson inquired about the plans and if in addition to the paper copies, they are available electronically. Mr. Elberti advised that this particular set of plans are not available electronically.

EXECUTIVE SESSION

Commissioner Barthelme moved to go into Executive Session at 4:03 p.m. to Discuss Litigation Strategy. Commissioner Russell seconded the motion. Motion carried 6-0.

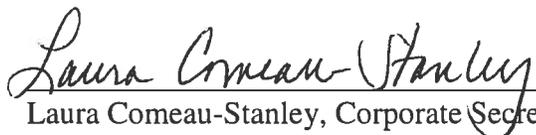
Meeting reconvened at 4:30 p.m.

COMMISSION MEMBERS' TIME

No items to address at this time.

ADJOURNMENT

There being no further business, **Commissioner Russell moved to adjourn the meeting at 4:31 p.m. Commissioner Gaskin seconded the motion. Motion carried 6-0.**



Laura Comeau-Stanley, Corporate Secretary