

**MINUTES
REGULAR SESSION
ST. MARY'S COUNTY METROPOLITAN COMMISSION
JULY 24, 2014**

The meeting commenced at 3:00 p.m. In attendance were Commissioners Gaskin, Mueller, Mummaugh, and Pessagno; MetCom staff Ichniowski, Meiser, Cullins, Shick, Elberti, Sullivan, Fehn, Edwards, and Comeau-Stanley. Others present were Andrew Burnham (Burton & Associates), Lynne Putnam (Dewberry), Guy Leonard (County Times), Jason Babcock (The Enterprise), and Bob Schaller (County Commissioner Candidate).

Mr. Ichniowski advised the Board members that the Chair and Vice-Chair are not going to be attending the meeting today. Therefore, Board members present will need to elect a temporary Chairman for the meeting. Commissioner Mueller nominated Commissioner Gaskin as Chair and Commissioner Gaskin declined. Commissioner Pessagno suggested and nominated Commissioner Mummaugh as Chair and Commissioner Gaskin seconded the nomination. All Board members voted in favor of the nomination; nomination carried 3-0.

Mr. Ichniowski performed a review of the meeting agenda at the request of Chairman Mummaugh. Mr. Ichniowski noted that we do not have a quorum of the necessary Board members here today to approve the Regular Meeting Minutes of July 10 or the Executive Session Minutes of June 12, prompting a postponement of any action on the minutes until the next meeting.

MOTION TO APPROVE AGENDA

Commissioner Mueller moved to accept the Agenda, as presented. Commissioner Gaskin seconded the motion. Motion carried 3-0.

MOTION TO APPROVE CONSENT AGENDA

Commissioner Mueller moved to accept the Consent Agenda as presented, and to hereby approve all matters contained upon the Consent Agenda. Commissioner Pessagno seconded the motion. Motion carried 3-0.

DIRECTOR'S REPORT

A. DHCD Loan Presentation

Mr. Ichniowski advised that Ms. Shick and Ms. Meiser made a presentation to the Board of County Commissioners to gain approval for a Resolution to approve our bonds with a Department of Housing and Community Development (DHCD) Loan and pledged the full faith in the County for payment of principle and interest on those bonds. Mr. Ichniowski advised that following some discussion amongst the BOCC and MetCom staff, the Resolution was approved. Mr. Ichniowski noted that the loan closing is currently scheduled for the end of August.

B. St. Clements Shores WWTP Discharge Permit

Mr. Ichniowski announced that the Maryland Department of the Environment (MDE) is conducting a Public Hearing for the St. Clements Shores Wastewater Treatment Plant (WWTP) Discharge Permit

renewal, which is scheduled for Wednesday, June 30, 2014 at 6:00 p.m. and will take place in the meeting room of the Leonardtown Library. Mr. Ichniowski advised that staff plans to make a presentation in conjunction with this permit renewal and the consultant is attending to discuss the design, Biolac System and the Rapid Infiltration Basins.

CHIEF FINANCIAL OFFICER'S REPORT

A. Rate Study Presentation: Andrew Burnham, Burton & Associates

Ms. Shick reminded the Board members that this past February, a contract was awarded to Burton & Associates for a Rate Study, for the purpose of helping MetCom establish a rate structure that is fair and equitable to our customers and to encourage conservation. Ms. Shick advised that the study is complete and introduced Mr. Andrew Burnham, Senior Vice-President of Burton & Associates, who made a presentation of the Utility Rate and Fee Study for the Metropolitan Commission Board Members (*report copy attached hereto*), noting that their focus was on the monthly service charges and not the System Improvement and Capital Contribution charges. Mr. Burnham's detailed presentation included an introduction of Burton & Associates, overview of the study components, objective of the study, revenue sufficiency analysis, national industry trends, rate structure analysis, other study components, and summary of results. Mr. Burnham fielded a variety of questions from the Board members throughout his presentation.

Following the presentation, Ms. Shick explained that prior to the establishment of a new rate structure, Board members would need time to review and become comfortable with the concept of the rate structure. Ms. Shick noted that informational meetings would be held to disseminate the information to our customers and the public, as well as a public rate hearing as part of the implementation of the FY 2016 Budget. Mr. Ichniowski noted the importance of receiving input from Board members as we move forward and made mention of the specific items for consideration. Work sessions were recommended in support of that effort and Mr. Ichniowski advised that additional discussion could occur at the next meeting and work session dates could be proffered thereafter. Mr. Ichniowski advised that the hope is to have a decision and a working model by the end of November 2014. Requests by Commissioner Mueller that staff prepare a list of pros and cons for a new rate structure, followed by a request from Commissioner Mummaugh for data to reflect the effect on rates over the next five (5) years.

CHIEF ENGINEER'S REPORT

A. King-Kennedy Well & Ground Storage Tank Improvements Engineering Design Change Order No. 1

Mr. Elberti initiated his report with the introduction of Ms. Lynne Putnam, Senior Water & Wastewater Manager for Dewberry in Baltimore, Maryland, and explained that Ms. Putnam is here to answer any questions the Board may have. Mr. Elberti performed a review of the scope of work associated with the Engineering Services Change Order No. 1 for the King-Kennedy Well and Ground Storage Tank Improvements, which includes design engineering services to complete the design of a new water pumping station with hydropneumatic tank and ground storage tank to serve the King-Kennedy community, comprised of 67 homes. Mr. Elberti explained that this is a scope change to the

original contract and falls under the parent open-end design services contract and further detailed the new design for a less expensive ground storage tank system, versus an elevated storage tank. Mr. Elberti, Mr. Ichniowski and Ms. Putnam fielded questions from Board members regarding the design change, water pressure, anticipated construction cost savings, fire flow, and design life. Ms. Putnam explained that the redesign would downsize the building, the pumps, and the hydropneumatic tank and would reduce all of the elements to provide the flows for the houses. Additionally, the redesign would provide fire flow right at the well pump station for the fire trucks and get the costs down for members of the community.

Commissioner Mueller moved to approve and accept Engineering Design Change Order No. 1, to Project #3-1-W, dated July 15, 2014, from Dewberry Consultants LLC, of Baltimore, Maryland, in the amount of \$39,500.00, for additional design engineering services on the King Kennedy Well & Ground Storage Tank Improvement, as recommended by the Chief Engineer. Commissioner Gaskin seconded the Motion. Motion failed 2-1. Commissioner Pessagno voted nay.

B. Marlay-Taylor ENR Upgrade: Engineering Design Change Order No. 7

Mr. Elberti detailed the services associated with the Marlay-Taylor ENR Upgrade Engineering Design Change Order No. 7, which includes construction phase services for the completion of this project, more specifically review and approval of shop drawings, address of Requests for Information (RFIs), value engineering review, progress meeting attendance, preparation of minutes, and a full-time inspector to include all of the required MDE reporting performed by the subcontractor to Dewberry. For the benefit of the new Board members, Mr. Elberti provided a brief history and timeline of the project, including details regarding prior approved change orders. Mr. Elberti, Mr. Ichniowski and Ms. Putnam fielded questions from Commissioners Pessagno and Mummaugh regarding the costs associated with this change order, as well as the prior design changes, which occurred at the time the design was modified from an IFAS System to the Biomag Technology process. Additional review and discussion ensued regarding the cost estimates, change order spreadsheet, and the potential for additional inspector costs due to the two start-ups to occur with this project prior to project completion.

Commissioner Mueller moved to accept and approve Engineering Design Change Order No. 7, dated July 3, 2014, from Dewberry Consultants LLC, of Baltimore, Maryland, in the amount of \$473,491.00, for Construction Phase Engineering Services required to complete the MTWRF ENR Upgrade under Project #8-38-S, as recommended by the Chief Engineer. Commissioner Gaskin seconded the motion. Motion carried 3-0.

C. Marlay-Taylor ENR Upgrade: Engineering Design Change Order No. 8

Mr. Elberti provided an explanation of the work associated with the Marlay-Taylor ENR Upgrade Engineering Design Change Order No. 8, citing that it is for the design of a Gravity Belt Thickener (GBT), which thickens the sludge to help the process. Mr. Elberti noted that this equipment would serve as serve as a second GBT, as this is the only major system at the Marlay-Taylor plant that does not have a back up. Mr. Sullivan performed a brief explanation of the GBT's function at the plant and Mr. Elberti noted the importance of the having a redundant GBT. Discussion ensued amongst the group on the design and equipment purchase costs, the effect on the project's contingency funds, as

well as the desire to perform this now, as the contractor is already on site, which would save the Commission mobilization and bonding costs.

Commissioner Mueller moved to accept and approve Engineering Design Change Order No. 8, dated July 7, 2014, from Dewberry Consultants LLC, of Baltimore, Maryland, in the amount of \$52,418.76, for design of an additional Gravity Belt Thickener (GBT) to process the additional sludge to be produced by the MTWRF ENR Upgrade under Project #8-38-S, as recommended by the Chief Engineer. Commissioner Gaskin seconded the motion. Motion carried 3-0.

D. Marlay-Taylor ENR Upgrade: Construction Change Order No. 3

Mr. Elberti performed a review of the scope of work associated with the Marlay-Taylor ENR Upgrade Construction Change Order No. 3, which includes an the addition of 950 cubic yards (CY) of excavation below subgrade, due to findings of unsuitable material below the designed excavation for slabs and footings, specifically in the planned location of the sludge storage building. Extensive discussion ensued amongst the group regarding the soil borings performed at the site and Mr. Elberti and Ms. Putnam fielded a variety of questions regarding the boring locations and overall soil conditions of the site.

Commissioner Mueller moved to accept and approve Construction Change Order No. 3, dated July 10, 2014, from MEB General Contractors of Chesapeake, Virginia, in the amount of \$66,500.00, to increase the cubic yards for excavation below subgrade from 250 CY, Bid Item #26 to 1,200 CY (unit costs is as bit at \$70/CY) for Marlay-Taylor WRF ENR Upgrade Project #8-38-S, as recommended by the Chief Engineer. Commissioner Gaskin seconded the motion. Motion carried 3-0.

CHIEF OF FACILITIES AND OPERATIONS REPORT

A. Fastenal Vending Solutions

Mr. Sullivan provided a general overview of a recent demonstration by Fastenal of their automated supply technology, which is an inventory control program that utilizes a vending machine to disburse supplies to employees. Mr. Sullivan noted that staff has concluded that this system would be beneficial for MetCom for inventory control, as well as a timesaver for reordering and restocking supplies. Mr. Sullivan detailed the process and advised that all products in the machine are purchased through The Competitive Pricing Network (TPCN) and Fastenal waives the machine rental. Commissioner Mueller asked that staff provide the results of the comparison study of product costs for the Board's review and consideration. Brief discussion ensued amongst members of the Board and Mr. Sullivan on the current inventory practice and the benefits of the Fastenal system.

CONTINUING BUSINESS

A. Assistant Director Position

Commissioner Mummaugh inquired about conducting discussion on the Assistant Director position and Commissioner Mueller indicated that he did not attend the last Commission meeting and is not

prepared to discuss this matter today. Commissioner Mummaugh requested a copy of the Assistant Director Position Description used at the time that Mr. Ichniowski was hired as the Assistant Director and Commissioner Pessagno requested to see a salary range. Mr. Ichniowski advised that we can provide a copy of the FY 2015 Salary schedule for Grade 19 and can pull a copy of the old job description and will get that information out to the Board members.

EXECUTIVE SESSION

Commissioner Pessagno announced that he wanted the Board to go into Executive Session and Ms. Meiser advised that a purpose must be stated and provided a list of specified matters that qualify as Executive Session material. Commissioner Pessagno indicated that his desire is to discuss potential litigation. **Commissioner Pessagno moved to go into Executive Session to discuss potential litigation at 4:48 p.m. Commissioner Gaskin seconded the motion. Motion carried 3-0.**

The meeting reconvened into regular session at 4:59 p.m.

COMMISSION MEMBERS' TIME

Commissioner Mummaugh initiated discussion amongst the group on the funding of the State Pension Plan, in which MetCom participates. Discussion included annual payments into the fund, as required by the State of Maryland, as well as the proactive stance the State has taken through the passage of laws since 2011 and measures taken to increase the amount of employee contribution and reduction of individual employee benefits. Discussion turned briefly to long-term liability, defined pensions, and 401K plans. Ms. Meiser noted that the Resolution, which adopted MetCom's election to the State Pension Plan, indicates that the election is irrevocable.

Commissioner Mummaugh inquired about the postponement of the changes to Section 113 of the County Code. Ms. Meiser indicated that the County Attorney advised her last Tuesday that the County does not intend to move forward with a comprehensive revision to the Code this Legislative Session. Ms. Meiser provided additional background information to the Board on the County's Code revision process and discussion ensued amongst the group on the process and plans to conduct work sessions to review and consider the first draft of changes already prepared, so that progress could be made on the revisions without a pressing October deadline.

Commissioner Mummaugh mentioned comments made by Ms. Meiser to the BOCC during the recent presentation of the DHCD Loan regarding estimating of jobs in out years. Collectively, Mr. Ichniowski and Ms. Meiser responded and advised that the message conveyed to the BOCC was that this year's capital planning effort included review, analysis and re-estimating of projects in out years, which had not occurred to that extent previously. Discussion ensued with Commissioner Mummaugh citing a project cost identified in 2009, which now, five-years later, is much higher than originally estimated. Additional discussion on estimating of projects in out years ensued amongst Mr. Ichniowski, Ms. Meiser and Commissioner Mummaugh.

Commissioner Mueller made brief mention of his prior request to move the Metropolitan Commission regular meetings from Thursday to Wednesday, as he now has a present engagement that makes it

difficult for him to be here on Thursdays. Mr. Ichniowski advised that we could discuss the matter further at the next Commission meeting, when more of the Board members are present.

ADJOURNMENT

There being no further business, **Commissioner Gaskin moved to adjourn the meeting at 5:13 p.m. Commissioner Mueller seconded the motion. Motion carried 3-0.**

Laura Comeau-Stanley, Corporate Secretary