

**MINUTES
REGULAR SESSION
ST. MARY'S COUNTY METROPOLITAN COMMISSION
DECEMBER 11, 2014**

Following a one-hour work session on the Code Revisions to Section 113 for the 2016 Legislative Session, the regular session portion of the meeting commenced at 3:10 p.m. In attendance were Commissioners Willing, Gaskin, Mummaugh, Pessagno, Russell, and Oliver (On behalf of Captain Heidi Fleming, Commanding Officer, NAS Patuxent River). MetCom staff in attendance included Ichniowski, Cullins, Shick, Elberti, Sullivan, Fehn, Pelham, Meiser, Edwards, and Jarboe. Others present were Tim Murphy (Murphy and Murphy).

Chairman Willing welcomed everyone and noted that the Board has just completed a one-hour Code Revision Work Session to Section 113. Commissioner Willing 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.

LENGTH OF SERVICE AWARD

Following a review of his long-standing service to the Metropolitan Commission by Ms. Cullins, Chairman Willing presented Robert B. "Bobby" Moore, Sr., Water Systems Operator, with a 20-Year Length of Service Award.

TAX SALE DEFERRAL APPLICATION

Chairman Willing advised the Board that one application has been submitted for consideration in conjunction with the newly adopted Tax Sale Deferral Policy, which allows certain property owners to request a deferral of delinquent charges from the Board to avoid Tax Sale. Mr. Willing performed a review of the application and the circumstances surrounding this customer's request. A brief discussion ensued amongst the group regarding the 2014 Legislative changes to Section 113, which prompted the creation of the MetCom policy. Further discussion ensued regarding the account status and deferral of the existing delinquent charges until the sale of the property occurs. Ms. Meiser clarified that the intent of the legislation was to prevent a property from going to tax sale through the deferral of past due charges; however, the legislation does not address the deferral of fees moving forward.

Commissioner Russell moved that the Commission remove the subject account from the 2015 Tax Sale list and allow the currently existing past due charges to be deferred until the property is sold or until the death of the property owner, whichever occurs first. Commissioner Mummaugh seconded the motion. Motion carried 4-0.

APPROVAL OF CONSENT AGENDA

Commissioner Mummaugh questioned staff's ability to include the connection permit estimate in the monthly standard reports. Brief discussion ensued amongst the group on monthly reporting data, as well as planned service connections made by in Stanley Martin Homes in the Wildewood Subdivision.

Commissioner Russell moved to accept the Consent Agenda, as presented. Commissioner Mummaugh seconded the motion. Motion carried 4-0.

APPROVAL OF MINUTES

Commissioner Gaskin moved to approve the minutes of the October 23, 2014 meeting, as amended. Commissioner Russell seconded the motion. Motion carried 4-0.

EXECUTIVE DIRECTOR'S REPORT

A. Update: Commercial User Rate Structure Informational Meeting

Mr. Ichniowski announced that in conjunction with the proposed new rate schedule, MetCom staff conducted an informational meeting with our commercial customers on November 5, 2014 at the Bay District Volunteer Fire Department in Lexington Park. Mr. Ichniowski noted that 14 customers attended the meeting, despite the 1,004 notices mailed to commercial customers. Mr. Ichniowski provided an overview of the questions and comments posed at the meeting, as well as additional feedback received following the meeting. Mr. Ichniowski indicated that he and Ms. Meiser also met with the President of the St. Mary's County Chamber of Commerce and a member of the Governmental Affairs Committee and provided a similar presentation on the proposed new rate schedule. Brief discussion ensued amongst the group on the public information meeting, rate comparisons of neighboring counties, newspaper articles published following the meeting, as well as an explanation of the next steps in the process.

CHIEF FINANCIAL OFFICER'S REPORT

A. FY 2014 Annual Financial Statements

Ms. Shick introduced Mr. Tim Murphy, Auditor with Murphy & Murphy, CPA, LLC, who performed a review of MetCom's FY 2014 Annual Financial Statements. Mr. Murphy advised that the audit was performed in accordance with General Accounting Standards and evaluated internal control for checks and balances and found those to be adequate. The overall assessment of the accounting staff was found to be very good and when comparing results of MetCom's accounting department to similar type utilities, MetCom is doing well or above well. Mr. Murphy noted that they were able to express an unqualified/clean opinion and found everything to be in order.

Mr. Murphy performed an overview of audit, to include the financial highlights of MetCom's net position, revenues from operation, operating expenses, economic factors and next year's budget, a review of assets and liabilities, and statement of cash flows. Mr. Murphy also advised that following a review of policies and compliance with laws, regulations, contracts, and grant agreements and found no instances of noncompliance or other matters under Government Auditing Standards. Mr. Murphy touched on other post-employment benefits (OPEB) and advised that MetCom is meeting every year's obligation and is nominally ahead by \$300,000.00 and in very good condition, unlike some of our peers, who are in arrears. Mr. Murphy explained the benefits to being ahead with OPEB funding, as well as maintaining this policy, which is the way to attract and retain good personnel. In summary, Mr. Murphy advised that the audit reveals that the Commissioners and staff are adhering to the budgets, managing money properly, minimizing overhead and expenses and doing a good job, giving us an "A" if this were graded like a report card.

B. OPEB Pooled Trust Agreement

Ms. Shick advised that the proposed pooled trust is being developed by the Maryland Association of Counties (MACO) and it makes no changes to our post-employment benefit plan; it is strictly an investment vehicle. Ms. Shick noted that MetCom currently has a trust with the Maryland Local Government Investment Pool (MLGIP), which is a different state pool and is not a good investment vehicle for long-term investments, as the interest rate is very low and the return is very low. Ms. Shick provided details regarding the MACO investment pool and the trust agreement and brief discussion ensued amongst the Board members and Ms. Shick regarding the varied benefits of this OPEB Pooled Trust.

Commission Russell moved to approve the Maryland Association of Counties Pooled OPEB Trust Fund Adoption Agreement and to authorize the Chairperson to execute the Agreement; and

Further move to appoint Rebecca Shick to serve as the designated Trustee on behalf of the Metropolitan Commission; and

Further move to appoint Rebecca Shick as the Authorized Member Representative to take actions under the terms of the Agreement, on behalf of the Metropolitan Commission.

Commissioner Mummaugh seconded the motion. Motion carried 3-1 with Commissioner Pessagno opposed.

C. OPEB Actuarial Report

Ms. Shick reported that the OPEB Actuarial Report for Fiscal Year 2016 and 2017 expenses was completed last month and is generated every two years. Ms. Shick performed a review of the plan expense, as detailed in the report on page 7, and provided an explanation of the annual required contribution and the accrued actuarial liability for a 30-year period. Ms. Shick performed an overview of the summary of the plan, as shown on pages 11 and 12 and provided an explanation of the valuation methods and assumptions. Brief discussion ensued amongst the Board and staff regarding the post-retirement medical valuations and assumptions, specifically medial cost increases, as noted in the report cover letter from Bolton Partners, Inc.

D. Health Insurance Refund

Ms. Shick advised that in November, MetCom received a health insurance refund for plan year 2014 totaling \$156,128.49, for health insurance premiums paid that exceeded health care costs incurred. Ms. Shick noted that MetCom pays 85% of the monthly health care premium for its employees and 15% of the premium is paid by the employees, therefore the premium refund breakdown is \$132,709.22 for MetCom and \$23,419.27 for employees. Following the issuance of three (3) health insurance holidays for the employees totaling \$21,843 (or 14%), the remaining share of the refund is approximately \$134,285. Ms. Shick detailed the proposed options for use of MetCom's remaining share of the refund and recommends that we transfer these funds to the OPEB Trust Fund. Discussion ensued amongst the group on the refund and options presented.

Commissioner Russell moved to authorize the allocation of the MetCom portion of the FY 2014 Health Insurance Refund, in the amount of approximately \$134,285.00, to the OPEB trust fund. Motion not seconded. Motion failed.

Additional discussion ensued between Board members and staff on the remaining options and benefits of each.

Commissioner Gaskin moved to authorize the allocation of the MetCom portion of the FY 2014 Health Insurance Refund, in the amount of approximately \$134,285.00, to reduce FY 2015 Health Insurance expense. Commissioner Mummaugh seconded the motion. Motion passed 3-1 with Commissioner Russell opposed.

DIRECTOR OF HUMAN RESOURCES

A. Executive Director Interview Panel Selection

Ms. Cullins announced that twenty-eight (28) applications for the Executive Director position have been received and approximately twelve (12) of those meet minimum qualification criteria. Ms. Cullins noted that the closing date for the receipt of applications is December 16, 2014 and the next step in the process is to select an interview panel and determine when to conduct interviews. Ms. Cullins advised that both she and Mr. Ichniowski will serve on the panel and Chairman Willing and Vice-Chairman Russell have already expressed an interest in serving on the panel. Commissioners Mummaugh and Pessagno collectively announced their desire to serve on the panel.

Extensive discussion ensued on the number of proposed panel members, the logistics of gathering a large number of panel members for interviews and the need for consistency for each interview, and conducting a two-phase interview process with fewer panel members in the first phase and all Board members in the second phase. Chairman Willing expressed a desire to do whatever possible, within reason, to avoid the issues the Board encountered when the attempt to fill the Assistant Director position failed earlier in the year, as the Board did not vote to approve the Panel's recommendation.

Discussion turned to the opinion of some Board members who believe that service by one particular Board member on the panel could be a potential conflict, as they are a builder/developer regulated by MetCom, which led to discussion regarding an Ethics Opinion, which could be sought to clear up the matter. Additional discussion ensued on the methods moving forward for a panel selection, review of resumes and methods for the selection of interview candidates. Ms. Cullins cautioned the group that any delays in this process could result in qualified candidates no longer being interested or available, as we have been accepting applications for several months.

Ms. Meiser performed a review and initiated discussion of MetCom's policy regarding the interview panel selection, as well as the interview process for the hiring of the Executive Director position. Ms. Meiser and Board members revisited the failed process for the selection of an Assistant Director and Commissioner Willing suggested that the Board select a panel.

Commissioner Gaskin moved that the Commission approve the interview panel for the hiring of the Executive Director, to include Chairman Steve Willing, Vice-Chairman Bob Russell,

Commissioner Sonny Pessagno, Commissioner Mike Mummaugh, Daniel Ichniowski, Anne Mary Cullins, and Steve King. Commissioner Russell seconded the motion. Motion carried 4-0.

CHIEF ENGINEER'S REPORT

A. Lynn Drive WWPS Replacement: Engineering Services – Wet Well Design Contract Award

Mr. Elberti advised the Board members that the proposal presented from Whitman, Requardt & Associates (WRA) is to modify the design of the wet well for the Lynn Drive Wastewater Pump Station to incorporate a pre-cast concrete structure in lieu of the design cast-in-place concrete wet well. Mr. Elberti explained that this change would result in a potential cost savings of approximately \$200,000.00 through the reductions in construction duration, on-site labor, temporary excavation support systems, and the dewatering and bypass pumping. Brief discussion ensued amongst the Board and Mr. Elberti on the budget status of the project, remaining project contingencies, as well as the benefits of utilizing the pre-cast design.

Commissioner Pessagno advised that given his prior business relationship with JLW Associates, the contractor on this project, he would have to abstain from voting and any further discussion on this matter. Chairman Willing noted that in light of Commissioner Pessagno's comments, he would like the Board to disregard any of Commissioner Pessagno's comments that may have swayed their decision in this case.

Commissioner Russell moved to accept and approve the proposal dated November 7, 2014, in the amount of \$9,718.25 from Whitman, Requardt & Associates, LLP of Baltimore, Maryland, for Professional Engineering Services required to modify the design of the pump station wet well for the Lynn Drive "Waste Water Pump Station Replacement, Project #8122SS, as recommended by the Chief Engineer. Commissioner Mueller seconded the motion. Motion carried 3-0-1 with Commissioner Pessagno abstaining.

B. First Colony #2 WWPS: Engineering & Surveying Services Contract Award

Mr. Elberti advised that the proposal presented for the First Colony Wastewater Pump Station, originally was built fifteen (15) years ago, is to perform the necessary analysis to increase the storage capacity of the station, increasing the pump cycle from four (4) minutes run time to fifteen (15) minutes run time. Mr. Elberti noted that this work would bring the station up to current MetCom standards, reduce the maintenance, and increase the life of the pump. Mr. Elberti also advised the Board of other station conditions causing a loss of half of the wet well storage. Brief discussion ensued regarding the conditions and scope of work, which will be performed by one of our local engineers under the existing engineering contract.

Commissioner Gaskin moved to accept and approve the proposal dated November 24, 2014, in the amount of \$18,904.16, from Mudd Engineering, LLC of Tall Timbers, Maryland, for Professional Surveying and Engineering Services required to prepare contract documents and assist in obtaining permits for the proposed wet well construction and downstream force main re-alignment for the First Colony #2 WWPS Upgrade, Project #8141SS, as recommended by the Chief Engineer. Commissioner Russell seconded the motion. Motion carried 4-0.

C. Little Flower School: Lateral Replacement Engineering Design Services Contract Award

Mr. Elberti detailed the scope of work associated with this design, survey and easement work, which includes increasing the sanitary sewer gravity line located directly in front of and under Route 5 at Little Flower School in Great Mills, as well as the addition of manholes and an increase in pipe size. Using the overhead monitors, Mr. Elberti identified the location of the line on the project site map.

Commissioner Russell moved to accept and approve the proposal dated December 1, 2014, in the amount of \$34,879.92 from CH2M Hill of Silver Spring, Maryland, for Surveying and Engineering Services required to prepare contract documents and assist in obtaining permits for the Little Flower School Lateral Replacement, Project #8151SR, as recommended by the Chief Engineer. Commissioner Gaskin seconded the motion. Motion carried 4-0.

D. AMR Water Meter Project: Meter Purchase Approval

Mr. Elberti announced that the last item today is for the purchase of the remaining quantity of radio read water meters and meter interface units to complete the second half of the AMR Radio Read Water Meter Implementation project. Mr. Elberti noted that there is a price break if a bulk order is placed before the end of 2014. Mr. Elberti advised that we have an existing contract with HD Supply Waterworks for the purchase of Neptune water meters and equipment, which has been in place since July 2010.

Commissioner Gaskin moved that the Commission authorize the purchase of approximately 2,235 additional Neptune Radio Water Meters and Meter Interface Units, for the AMR Water Meter Project, No. #WO1112, from HD Supply Waterworks of Martinsburg, West Virginia, pursuant to Contract No. 10-04-F, which was awarded by this Commission on June 24, 2010, for a total estimated cost of \$390,747.50, as recommended by the Chief Engineer. Commissioner Russell seconded the motion. Motion Carried 4-0.

Chairman Willing called for a five-minute recess at 5:20 p.m.

The meeting reconvened at 5:25 p.m.

CHIEF OF FACILITIES AND OPERATIONS REPORT

A. Three Water Tanks - Painting & Maintenance Contract Award

Mr. Sullivan cited the scope of work associated with this painting and maintenance contract as labor, equipment and material to perform repairs and paint the Fenwick Manor, Heart's Desire and St. Clements's Shores ground storage tanks. Mr. Sullivan noted that this project was part of the FY 2015 Capital Improvement Budget and is projected to be completed in the Spring of 2015. Brief discussion ensued amongst the group on the number of responsive bidders, as well as the number of bidders who did not submit a bid after requesting the specifications.

Commissioner Russell moved that the Commission accept and award the Water Tank Painting Contract for the Fenwick Manor, Hearts Desire and St. Clements Shores Ground Storage Water Tanks to Manolis Painting, Inc. of Baltimore, Maryland, for a total cost of \$109,815.00, as

submitted in their proposal dated November 25, 2014. Commissioner Mummaugh seconded the motion. Motion carried 4-0.

B. Petty Building Upgrades: Engineering/Surveying Services Contract Award

Mr. Sullivan detailed the upgrades planned for the Petty Building, which houses the Metropolitan Commission's Operations and Maintenance department in Hollywood. Mr. Sullivan indicated that this new building, which was budgeted in the Capital Improvement Budget, will house our Construction division and a 3-bay steel building to house our sewer maintenance trucks and grinder pump repairs, as well as stormwater management and parking. Mr. Sullivan noted the great need for the approval of these upgrades, as our Construction division building is currently located at the Marlay-Taylor facility and is slated for demolition in the next 18-months to accommodate the facility upgrades. In addition, to prevent damage from freezing, we currently rent garage space for the two sewer maintenance trucks.

Commissioner Gaskin moved that the Commission accept and award the Contract for Engineering and Surveying Services for the Exterior Petty Building Upgrades to Mudd Engineering, LLC, of Tall Timbers, Maryland, for a total cost of \$48,404.48, as submitted in their proposal dated November 21, 2014. Commissioner Russell seconded the motion. Motion carried 4-0.

Brief discussion ensued amongst the Board and Mr. Ichniowski on the timing and scope of the work performed in conjunction with the County's Department of Public Works in Patuxent Park.

EXECUTIVE SESSION

Commissioner Mummaugh moved to go into Executive Session at 5:35 p.m. to discuss potential litigation. Commissioner Russell seconded the motion. Motion carried 4-0.

The meeting reconvened into Regular Session at 5:45 p.m.

COMMISSION MEMBERS' TIME

No items to address at this time. Chairman Willing wished everyone a very happy and safe holiday.

ADJOURNMENT

There being no further business, **Commissioner Russell moved to adjourn the meeting at 5:46 p.m. Commissioner Gaskin seconded the motion. Motion carried 4-0.**



Laura Comeau-Stanley, Corporate Secretary