

MINUTES
ST. MARY'S COUNTY METROPOLITAN COMMISSION
REGULAR MEETING
FEBRUARY 23, 2017

The regular meeting commenced at 3:00 p.m. In attendance were Chairman Barthelme, Vice Chairman Russell, Commissioners Carey, Mummaugh, Thompson, Willing, and Oliver (On behalf of Capt. Starkey, Commanding Officer, NAS Patuxent River). MetCom Staff in attendance were Erichsen, Sullivan, Shick, Cullins, Hollander, Fehn, Engleson, Potter, Harding, and Comeau-Stanley. Others present: R. Christopher Beaver (*MetCom General Counsel*) and Jason Babcock (*The Enterprise*).

Commissioner Barthelme welcomed everyone to the meeting and welcomed MetCom's new Executive Director, George Erichsen.

APPROVAL OF AGENDA

Chairman Barthelme performed a review of the agenda and noted the deferral of the Board's approval of Meeting minutes until Commission Members time. **Commissioner Thompson moved to approve the agenda, as amended. Commissioner Willing seconded the motion. Motion carried 5-0.**

MARLAY-TAYLOR CO-GENERATION UNITS PRESENTATION

Mr. DuWayne Potter, Wastewater Treatment Superintendent of the Marlay-Taylor Water Reclamation Facility, provided the Board members with a presentation on the Co-Generation Units at the Marlay-Taylor Water Reclamation Facility (MTWRF). Mr. Potter's presentation included an overview of operations, as well as expectations of and deficiencies in equipment. Mr. Potter cited ongoing problems with the Control System and the inability to identify a local contractor to perform service work on this methane fueled equipment.

APPROVAL OF CONSENT AGENDA

1. Fiscal Standard Report – January 2017
2. Engineering Standard Report – January 2017
3. Operations Standard Report – January 2017
4. Legal Services Invoices – December 2016 & January 2017
5. Fire Hydrant Painting Services
6. Generator Maintenance & Rental Contract
7. Check Registers 2/09 & 2/16

Commissioner Mummaugh moved to accept the Consent Agenda, as presented, and to hereby approve all matters contained upon the Consent Agenda. Commissioner Thompson seconded the motion. Motion carried 5-0.

DIRECTOR'S REPORT

Mr. Erichsen greeted the Board members and thanked a number of staff for being both responsive and helpful in his first days here. Mr. Erichsen went on to address a number of items he plans to address to improve communications, including but not limited to a new format for meeting memorandums, development of future agenda items list, and creation of graphical representations to

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provide visuals in support of budget and debt presentations. Mr. Erichsen discussed the ongoing work on the Capital Improvement Budget, in particular the movement in projects as a result of in-house analysis.

Mr. Erichsen advised the Board on a number of efforts planned, which includes a Facilities Condition Assessment to include other service areas, Energy Audit, and inclusion of 2.5% escalation of estimates beginning with the FY 2019 Capital Improvement Budget cycle. On the Operating Budget, Mr. Erichsen indicated that there has been much discussion regarding vacancies and touched briefly on the evaluation of staffing needs and value of positions. Brief discussion ensued amongst the group on the Salary Study currently underway and Mr. Erichsen noted his desire to have a staffing analysis performed, as he believes that it is essential in order for a salary study to be useful.

Mr. Erichsen announced that the first draft of the Operating Budget, which Ms. Shick will present later in the meeting, is proposing a 1.75% increase in service charges, but noted that there is additional analysis being performed, so a revised draft would be presented at the next meeting.

Mr. Erichsen made mention of his work and discussions with Mr. Beaver, General Counsel, regarding the proposed legislation and referenced two Bills, which if passed, would limit the ability for MetCom to turn off water to delinquent accounts and take property to tax sale to enforce liens for unpaid bills. Mr. Erichsen suggested that regardless of the outcome of this legislation, the Board consider the use of third-party counsel to collect unpaid bills, as the County treasurer has recently done. Mr. Erichsen noted that this would be a cost-neutral option, as attorney's fees are included in what would be collected. Mr. Erichsen indicated that this would be another tool in the toolbox for collections.

NEW BUSINESS

1. 2017 Tax Sale

Ms. Shick performed a review of the Annual Tax Sale list, noting that sixty-nine (69) properties were advertised and presently there are fifty-three (53) accounts still unpaid, for a total \$66,000. Ms. Shick noted that she expects the number of properties to decrease between now and the County's Tax Sale, scheduled for March 10, 2017. Brief discussion ensued amongst the Board on the process and in-house collection efforts.

2. FY 2017 Operating Budget Amendment

Ms. Shick performed a review of the needs associated with the proposed budget amendment, citing a backlog of developer project plan reviews, which require outsourcing to a local engineer, due to Engineering Department vacancies. Ms. Shick also advised that included in the proposed amendment is a new line item for the replacement of Manual Read Meters with Radio Read Meters for those interior meters that our contractor was not able to access.

Commissioner Russell moved to amend the FY 2017 Operating Budget to adjust expenditure line items, as recommended by the Commission's Chief Financial Officer. Such amendment will result in no net change to Net Income from Service Charges.

Further, move to amend the FY 2017 Operating Budget, Capital Equipment and Expenditures Section, as follows:

Increase the following line item:

Add project to Replace Manual Read Meters in the amount of \$21,000; and

Decrease the following line items:

- 1. Skype for Business Server Licenses by \$3,500; and**
- 2. Panel Van $\frac{3}{4}$ Ton by \$17,500.**

Such amendments will result in no net change to Capital Equipment and Expenditures. Commissioner Willing seconded the motion. Discussion ensued amongst the group and following discussion, Chairman Barthelme called for a vote. Motion carried 5-0.

3. FY 2018-2023 Capital Improvement Budget & Plan: Planning Commission Submittal Approval

Ms. Hollander performed a detailed review of changes to the FY 2018-2023 Capital Improvement Budget (CIB) since the last draft was presented to the Board. Mr. Erichsen identified the movement in the sewer projects and discussion ensued amongst Board members and staff. Mr. Erichsen and Ms. Shick performed a review of the rates associated with the changes to the CIB and detailed three (3) options for the Board's consideration. Extensive discussion ensued on the effects of each option on the residential and commercial water and sewer rates, restricted and unrestricted reserves, as well as the debt policy.

Following discussion, Ms. Shick and Mr. Erichsen collectively advised the Board that the approval sought today would allow staff to present this CIB and Plan to the Planning Commission for its review to insure that it is consistent with the Comprehensive Land Use Plan; however, the Planning Commission is not approving the funding associated with the projects or budgetary impacts.

Commissioner Russell moved to direct staff to submit the proposed FY 2018 Capital Improvement Budget and the FY 2019-2023 Capital Improvement Plan to the Planning Commission for its review and approval. Commissioner Mummaugh seconded the motion. Motion carried 5-0.

4. FY 2018 Operating Budget (Third Draft)

Ms. Shick and Mr. Erichsen advised the Board of the changes and modifications made to the current draft of the FY 2018 Operating Budget since its last presentation to the Board, noting that projected revenues and rates should be available by the February 23, 2017 meeting. Ms. Shick provided a comparison of annual Cost of Living Allowance (COLA) and Step increases issued by MetCom and St. Mary's County Government since 2007.

Ms. Shick performed a review of the projected income and expenses associated with the draft FY 2018 Operating Budget for the Sewer and Water Divisions, and the Engineering department. Ms. Shick also reviewed the projected General and Administrative expenses and other income and expenses.

Ms. Shick performed an overview of the Capital Equipment and Expenditures section of the proposed FY 2018 Operating Budget. Ms. Shick advised that a second option of the FY 2018 Operating Budget was created at the request of some Board members, which would eliminate dental insurance for employees. Ms. Shick performed a brief overview of the effects of this benefit removal on the budget and customer rates before completing her presentation. Discussion ensued amongst the Board, Ms. Shick and Mr. Erichsen throughout the presentation.

Mr. Erichsen noted that a multi-year budget is being considered by the County and suggested that MetCom look to do the same; however, more review, analysis and discussion would be required on that topic in the future.

5. Procurement of Marlay-Taylor Plunger Pumps

Mr. Sullivan performed a review of the scope of purchase associated with the Marlay-Taylor Plunger Pumps procurement item, which includes the installation of three (3) plunger pumps in the Main Control Building and the Chlorination Building at the Marlay-Taylor facility. Ms. Sullivan indicated that this is a sole-source request, as there are only two (2) known manufacturers of these pumps. Mr. Sullivan noted that we have experienced repeated failures of the existing Wastecorp Manufactured pumps and advised that replacement with an in-kind pump is not advisable given the historical problems since installation. Therefore, staff is recommending procurement of Carter Manufactured plunger type pumps.

Commissioner Russell moved that the Commission approve the contract for the procurement of three (3) Carter 801H plunger pumps for the Marlay-Taylor Water Reclamation Facility to Carter Pump of Englewood, New Jersey, for the total price of \$69, 750.00, as submitted in their proposal dated January 26, 2017. Further, move that the Executive Director be authorized and directed to sign all documents relating to this Contract award, including but not limited to the contract, contract renewals and all approved change orders. Commissioner Thompson seconded the motion. Motion carried 5-0.

Chairman called for a brief five-minute recess.

GENERAL COUNSEL

1. Proposed By-Laws Amendment

Mr. Beaver advised the Board that at the last meeting, Commissioner Thompson requested that consideration be given to amend the By-Laws to allow the Chairperson to vote on all matters, not only to break a tie. Discussion ensued between Mr. Beaver and Board members regarding Robert's Rules of Order and provisions related the matter, as well as some discussion of instances in the past where the Chairman's ability to vote likely would have modified the outcome of particular items.

Following discussion, Mr. Beaver performed a review of the two (2) proposed amendments to Article II – Commission Meetings, specifically Section 2.3 Regular Meetings; Subsection 2.3.7 Motions; Conduct of Meetings and Subsection 2.3.8 Voting. Mr. Beaver advised that 20 days must elapse from the meeting when the amendment language is presented to the Commission until a vote

can be had on the amendments to the By-Laws; therefore, there is no action required at this meeting, but could be considered at the meeting on March 23, 2017 meeting.

2. Draft Legislative Letters

Mr. Beaver provided the Board members with an update on the various House and Senate Bills under consideration during this Legislative Session, performing a review of each bill and the potential impact to MetCom and its operations.

Mr. Beaver advised that at the request of the Executive Director and the Board, he has begun to draft letters to Delegation, on behalf of the Board, providing the Board's position on each of the proposed legislative items. Mr. Beaver advised that he would finalize those letter and prepare them for board members' signatures.

3. Property Acquisition Update

Mr. Beaver provided an update on two (2) property acquisitions, noting that there is a contract in place for the Hickory Hills water tower and we are in process to go to settlement. Additionally, the settlement for the Great Mills Pumping Station land is scheduled for today and the project can get on track and moving.

COMMISSION MEMBERS' TIME

Commissioner Mummaugh requested an update on engineering projects and Mr. Erichsen advised that he would be providing a status on those at the next meeting.

Commissioner Thompson inquired about Smith Fields Park, specifically if each individual unit receives a bill or if there is one bill to the owner. Mr. Hollander advised that there is just one bill to the owner, as the units are not individually metered.

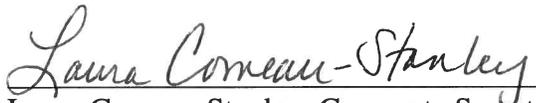
APPROVAL OF MEETING MINUTES

Commissioner Russell moved to approve the minutes of the January 12, 2017 Regular Meeting. Commissioner Mummaugh seconded the motion. Motion carried 5-0.

Commissioner Willing moved to approve the Executive Session Meeting minutes dated January 12, 2017. Commissioner Russell seconded the motion. Motion carried 5-0.

ADJOURNMENT

There being no further business, Commissioner Russell moved to adjourn at 5:27 p.m. Commissioner Mummaugh seconded the motion. Motion carried 5-0



Laura Comeau-Stanley, Corporate Secretary