

**MINUTES**  
**ST. MARY'S COUNTY METROPOLITAN COMMISSION**  
**REGULAR MEETING**  
**MARCH 9, 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, Shick, Cullins, Hollander, Sullivan, Fehn, Engleson, Jarboe, Settle, Harding, and Comeau-Stanley. Others present: R. Christopher Beaver (*MetCom General Counsel*), James A. Winters, Sr., and Jason Babcock (*The Enterprise*). Several MetCom staff members in attendance for the length of service award presentation to Steve Engleson.

\* *Commissioner Carey arrived to the meeting shortly after the start of the Public Forum Presentation.*

**APPROVAL OF AGENDA**

Chairman Barthelme welcomed everyone to the meeting and performed a review of the agenda. **Commissioner Russell moved to approve the agenda, as amended. Commissioner Thompson seconded the motion. Motion carried 4-0.**

**LENGTH OF SERVICE AWARD**

Following a review of his service to the Metropolitan Commission by Ms. Cullins, Director of Human Resources, Chairman Barthelme presented at 15-Year Length of Service Award to Steve Engleson, former Engineering Department Project Manager promoted to Grants Administrator in September, 2016.

**PUBLIC FORUM PRESENTATION**

Mr. James Winters, Sr. addressed the Board to request that MetCom evaluate and take over the Winters Wastewater Treatment Facility, which is a privately-owned lagoon wastewater treatment system, located on Winters Lane, in the Redgate area of Leonardtown. Mr. Winters distributed information to the Board members, containing the history of the Lightfoot Group, LLC, Engineer's corrective plan for the installation of equipment to bring the effluent into compliance with the Maryland Department of the Environment (MDE) Discharge Permit parameters, a list of 2013 MDE Guidelines, and various photographs of the facility. Mr. Winters provided additional background on the system, which currently serves nine (9) single-family homes and identified the MDE required upgrades completed to date, along with associated expenses. Board members posed several questions to Mr. Winters during the course of the presentation. Discussion ensued amongst the group on varying aspects of the request and the requirement to bring the system up to MetCom's current standards before consideration could be given for a future MetCom acquisition.

Mr. Sullivan provided the Board with information related to surface water discharge limitations imposed by MDE and Mr. Erichsen advised that the site is currently in a No Planned Service (NPS) area, which prior to any consideration for taking over the system, would require a zoning modification through MDE, Land Use & Growth Management and the County Commissioners. Additional discussion ensued between some Board members and Mr. Winters on options to explore further and Mr. Sullivan advised that he could provide information to Mr. Winters on acceptable upgrade requirements. Additional discussion ensued amongst the group on the sewer service lines

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located in the Great Mills and Callaway area, which are some distance from Mr. Winters' property. Mr. Erichsen indicated that staff could meet and discuss the overall process with Mr. Winters. In closing, Mr. Winters thanked the Board members and staff for their time and assistance.

### **APPROVAL OF MEETING MINUTES**

**Commissioner Willing moved to approve the minutes of the January 26, 2017 meeting. Commissioner Carey seconded the motion. Motion carried 4-0-1. Commissioner Russell abstained, as he was not present at the meeting.**

### **APPROVAL OF CONSENT AGENDA**

1. Preventative Maintenance on MTWRF Co-Gen Units
2. MTWRF Control Building Lighting Upgrade
3. Water Meter Purchase
4. Marlay-Taylor WRF Magnetite Purchase
5. Renewal of Service and Commodity Contracts
6. Check Registers 2/21, 2/23, 2/24 & 3/02

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

### **DIRECTOR'S REPORT**

1. Commissioner Communication Format

Mr. Erichsen introduced the new executive summary memorandums, intended to provide summary and background information, as well as historical data on Commissioner Meeting agenda items, in an effective and standardized format.

2. Reserve Policy

Mr. Erichsen advised that in response to a question posed at the last meeting regarding standard policies and procedures relating to reserves, a copy of the Reserve Policy and the September 11, 2014 meeting minutes (*Board approval date of the policy*) was provided for the Board's review. Mr. Erichsen performed a brief review of the target fund levels identified in the policy and advised that later in the meeting he intends to suggest that the Board informally establish a bare minimum in the unrestricted general reserves.

3. Prior Approved Project Updates

In response to an inquiry made at the last meeting regarding funds borrowed from the Department of Housing and Community Development (DHCD) for Capital Improvement projects that had not yet moved forward, Mr. Erichsen announced that the figure was roughly \$40 million and as of March 1, 2017, that figure has been reduced to \$30 Million. A project status report was provided for the Board's review and Mr. Erichsen advised that the funds borrowed are being spent and we are

keeping projects on a timeline. Mr. Erichsen further advised that staff would provide periodic updates on these projects using this report format.

#### 4. Intergovernmental Agreement/MD Environmental Service

Mr. Erichsen provided a snapshot of the Maryland Environmental Services (MES) and cited an array of their services that MetCom could utilize. A draft agreement was presented for review and a brief discussion ensued amongst the group regarding Mr. Erichsen's knowledge of and experience with MES through the Department of Public Works and Transportation. Following discussion, Mr. Erichsen sought and received concurrence from the Board to send the draft agreement to MES for review. Mr. Erichsen advised that once the Intergovernmental Agreement (IGA) is in final form, it would be presented to the Board for execution.

#### 5. Grade Distribution Graph

Mr. Erichsen performed a review of a grade distribution graph depicting MetCom's workforce from lowest pay grade to highest, which reveals that MetCom staff is not top heavy and the bulk of staff are Grade 14 and lower. Mr. Erichsen noted that he spoke Management Advisory Group and asked that they perform a small staffing analysis, at no additional cost, as part of the Salary Study currently underway.

#### 6. Compensatory Time for Exempt Employees & Flexible Time

Mr. Erichsen announced that following his review of payroll for the first time since becoming the Executive Director, he would like to propose a policy change for incorporation in the Personnel Handbook, to formally recognize the current compensatory time practice and set guidelines that will create a more accurate time keeping system. Mr. Erichsen noted that this policy would only apply to exempt employees and suggested a cap of eighty (80) hours and referenced the draft policy contained in the meeting binders. Mr. Erichsen also proposed an amendment to the Flextime provision in the Personnel Handbook, which would remove the Flextime Agreement.

Discussion ensued amongst the Board, Mr. Erichsen and Ms. Cullins on the matter. Following discussion, Mr. Erichsen indicated that staff would bring these items back to the Board for approval at the next meeting.

### **NEW BUSINESS**

#### 1. Sanitary Sewer Overflow (SSO) Public Notice Protocol

Mr. Sullivan advised that there has been a long-standing inter-agency agreement, formalized in 2011, between the St. Mary's County Environmental Health Department, the Department of Information Technology and Emergency Services, and MetCom. This agreement follows the Maryland Department of the Environment guidelines regarding public notification response protocols for Sanitary Sewer Overflows (SSOs). Mr. Sullivan noted that this practice has worked flawlessly over the last several years and the Health Department has requested that we resign the

agreement as part of their accreditation review. Brief explanation of the cooperative effort by Mr. Erichsen and mention that in the future, this matter would be included as a consent agenda item.

## 2. FY 2017 Operating Budget Amendment

Ms. Shick performed a review of the needs associated with the proposed budget amendment, citing the \$1,716 in additional funds to complete the LED lighting upgrade at the Petty Building, as part of SMECO's Small Business Solutions Program / Energy Analysis. Ms. Shick advised that the contractor discovered that there was more lighting fixtures needed than was originally estimated. Mr. Erichsen noted the use of a new Request for Budget Amendment Form used for this agenda item and advised that this will allow for more justification than has been presented in the past, using just one form.

**Commissioner Russell moved to amend the Capital Equipment and Expenditures in the FY 2017 Operating Budget as follows:**

**Increase the line item for LED Lighting at the Petty Building in the amount of \$1,716; and**

**Decrease the line item to Upgrade Sprinklers at the Camden Way Building in the amount of \$1,716.**

**The amendment will result in no net change to Capital Equipment and Expenditures. Commissioner Thompson seconded the motion. Discussion initiated by Commissioner Carey on the 20% increase to this effort; Mr. Sullivan and Mr. Erichsen addressed the matter and additional discussion ensued regarding the sprinklers. Following discussion, Chairman Barthelme called for a vote. Motion carried 5-0.**

## 3. FY 2018-2023 Capital Improvement Budget & Plan

Ms. Shick announced that staff would present the FY 2018-FY 2023 Capital Improvement Budget and Plan to the Planning Commission on March 27, 2017. Ms. Shick noted that the memorandum submitted to the Planning Commission was included in the meeting binders and Mr. Erichsen advised that staff sent a copy to the Commissioners of St. Mary's County and the County Administrator.

## 4. FY 2018-2023 Capital Improvement Rates

Mr. Erichsen initiated the presentation of the proposed FY 2018-2023 Capital Improvement Rates, noting that significant changes since the initial draft was presented to the Board, noting that several projects have been moved to the right. Mr. Erichsen noted that MetCom is retiring its debt at a rate of approximately 5.5 – 6.1 million dollars per year; however, the onset of new debt was concerning and with this draft, he and staff have worked to establish an informal cap of 120 million, spread across to 2023. Mr. Ericson advised that the options presented allow the Board to lower, flatten or cap future rate increases for system improvement charges and staff recommends using sewer debt service reserves as a rate stabilization fund.

A detailed review of the four (4) associated options of the Capital Improvement Budget was performed by Mr. Erichsen and Ms. Shick using spreadsheet data and graphs. Extensive discussion ensued amongst the group throughout the presentation, which included but was not limited to impact analysis of all options on rates, reserves, debt, and project movement. Mr. Erichsen noted that he and staff are trying to stabilize and level out rates over the next few years and the options proposed seek to achieve that.

5. FY 2018 Operating Budget (Fourth Draft)

Ms. Shick initiated her presentation with a mention that the budget has been greatly impacted by the rate structure change, which occurred in 2015, as there has been a significant effect on revenues. Ms. Shick performed a detailed review of the changes made to the Water, Sewer, Engineering, General and Administrative Divisions, and other income and expenses, since the last draft of the Operating Budget was presented to the Board.

Ms. Shick advised that included in the is a cost of living allowance (COLA) and a step increase for eligible employees, which may provide some flexibility while the results of the salary study are not yet known and before a vote is required by the Board. Ms. Shick also performed a review of the Capital Equipment and Expenditures section of the budget and noted that staff has worked hard to come up with a balanced budget. Extensive discussion ensued amongst the group throughout the presentation.

6. Bond Resolution 2017-01: MWQFA Loans

Mr. Beaver performed a review of the projects included in the Bond Resolution 2017-01 / Maryland Water Quality Finance Administration (MWQFA) Loans, citing the Piney Point Water System Project and the St. Clements Shores System Replacement Project. Mr. Beaver and Ms. Shick provided background information to the Board on the loan process and terms associated with the MWQFA and Mr. Engleson, Grants Administrator, provided further details on the timing of contract awards and eventual construction of both capital improvement projects identified in the Resolution. Mr. Erichsen provided further explanation on the issuance of loan funds from MDE for the benefit of the Board members and brief discussion ensued amongst the group.

**Commissioner Willing moved to approve and adopt Resolution 2017-01, authorizing the issuance and sale of the following two (2) general obligations installment bonds, pursuant to the MDE Maryland Water Quality Financing Administration Act:**

- (1) Drinking Water Bond, Series 2017A; and**
- (2) Drinking Water Bond, Series 2017B.**

**Further, move to authorize the Board Chairperson to sign all documents related to the closing and administration of each such Bond and/or related loan transaction. This indebtedness is a furtherance of the duly approved FY2017 Capital Improvement Budget and the rates related thereto. Commissioner Russell seconded the motion. Commission Carey initiated discussion and following discussion, Chairman Barthelme called for a vote. Motion carried 5-0.**

## **CONTINUING BUSINESS**

### 1. Legislative Updates

Mr. Beaver provided a brief overview of each of the five (5) proposed Bills currently under consideration during this Legislative Session and advised that letters to the Delegation, which cite the direct impacts to MetCom, its operations and customers served, have been finalized and are ready for Board member signatures. Mr. Beaver noted that with regard to House Bill 679 & Senate Bill 395, relating to personnel and contracts, the letter prepared requests an amendment to include that the Director and Assistant Director positions be eligible for employment contract, as the bill does not currently provide for those roles.

### 2. Employee Satisfaction Survey

Ms. Cullins advised the Board that following a request by Commissioner Carey, staff has researched and composed an in-house Employee Satisfaction Survey, which will be completed by all MetCom employees, likely using an on-line poll. Ms. Cullins noted that she is currently working with the IT Department to identify if Survey Monkey is the best means to allow for anonymous completion by employees and eventual data tabulation. Ms. Cullins indicated that once results are compiled, a written report would be provided to the Board.

## **FUTURE AGENDA ITEMS**

Mr. Erichsen performed a brief review of each of the seven (7) future agenda items, which staff plans to present at upcoming meetings, which included the following:

1. Tour of Marlay-Taylor Water Reclamation Facility;
2. Maryland Association of Counties (MACO) Other Post-Employment Benefits (OPEB) Trust;
3. Board Retreat;
4. State Retirement Audit Update;
5. Personnel Manual Updates;
6. Equivalent Dwelling Unit (EDU) Evaluation and GIS Database; and
7. By-Law Amendment

Brief discussion ensued amongst the group on the items identified by Mr. Erichsen.

## **EXECUTIVE SESSION**

**Commissioner Russell moved to go into Executive Session at 5:14 p.m. to discuss potential litigation. Commissioner Mummaugh seconded the motion. Motion carried 5-0.**

Meeting reconvened at 5:36 p.m.

## **COMMISSION MEMBERS' TIME**

Commissioner Thompson announced that he would like to send two short memos to the County Commissioners and the Delegation noting the difference between bonds that the County issues and

Bonds that MetCom issues. Mr. Beaver advised that having a personal view on a matter and opting to address it in a memo is within Commissioner Thompson's right; however, if speaking as a member of the MetCom Board, then it should be done as a whole and not unilaterally.

Chairman Barthelme thanked Mr. Erichsen for initiating birthday card distribution to staff, as he believes that it is good for employee morale and inquired about the existence of an Employee of the Month program. Mr. Erichsen advised that he is looking into various recognition awards, where peer nominations would be considered, but indicated that we do not currently have such a program.

#### **ADJOURNMENT**

There being no further business, **Commissioner Russell moved to adjourn at 5:40 p.m. Commissioner Thompson seconded the motion. Motion carried 5-0**

  
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Laura Comeau-Stanley, Corporate Secretary