

**MINUTES
ST. MARY'S COUNTY METROPOLITAN COMMISSION
REGULAR MEETING
MAY 08, 2008**

The meeting commenced at 1:08 p.m. In attendance were Commissioners Taylor, Werner, Owen, Lancaster, Hanson and Oliver representing Captain Glen Ives; staff members King, Ichniowski, Frederick, Shick, Cullins, Sullivan and Bryan. Also in attendance was Jacki Meiser, General Counsel.

APPROVAL OF AGENDA

Commissioner Lancaster moved to approve the Agenda as presented by staff. Commissioner Owen seconded the motion and approval was unanimous.

APPROVAL OF MINUTES

Commissioner Werner moved to approve Minutes of Regular Meeting dated April 10, 2008. Commissioner Owen seconded the motion and approval was unanimous.

COMMENDATION FOR GARY REYNOLDS, BOB FEHN, HARRY POOL

Commissioner Taylor recognized Messrs. Reynolds, Fehn and Pool for their outstanding performance in identifying and correcting Supervisory Control And Data Acquisition System (SCADA) issues. A copy of Mr. Fehn's report entitled "Analysis on the SCADA System Failure and Corrective Actions" is attached to the Minutes.

EXECUTIVE SESSION

Commissioner Owen moved to adjourn into Executive Session at 1:20 p.m. to discuss contract negotiations and potential litigation. Commissioner Hanson seconded the motion and approval was unanimous.

The meeting readjoined into Regular Session at 2:09 p.m.

Commissioner Werner moved to approve Minutes of Executive Session dated April 10, 2009. Commissioner Hanson seconded the motion and approval was unanimous.

Commissioner Lancaster moved that the Commission authorize the Director to negotiate an increase in cost for services to be provided by CH2MHill, Contractor on the Study of the Marlay-Taylor Wastewater Treatment Plant project. Commissioner Werner seconded the motion and approval was unanimous.

Commissioner Lancaster moved that the Commission authorize the Chief Financial Officer to write off as uncollectible, the balance of \$6,180.89, as was discussed during Executive Session. Commissioner Werner seconded the motion and approval was unanimous.

DIRECTOR'S REPORT

A. MetCom Capital Improvement Budget (CIB) County Review Status

Mr. Ichniowski noted an issue relating to the 12-project difference in the draft originally submitted to MDE, versus the current document. As the entity processing the majority of loans

and guaranteed funds applicable to these projects, MDE require that all Capital Budget items must be incorporated within the Comprehensive Water & Sewer Plan (CWSP), prior to approval. A way to achieve this is to proceed through a CWSP category change, or plan amendment, which would modify the Capital Project Budget within the Plan.

Mr. King added that the meeting held by the Planning Commission to review MetCom's CIB was not advertised or conducted as a CWSP Hearing and may have to be re-advertised and re-approved as an amendment to the CWSP. The final step would be approval of the amendment by the BOCC, incorporating the Commission's current Plan. This would require Public Hearings to be held by both the Planning Commission and the BOCC.

In conclusion, Mr. King detailed highlighted items included within the document, which will ensure the continued reduction of infiltration inflow in order to keep flow rates down to a minimum; and requested a motion approving the amendment.

Commissioner Werner moved that the Commission amend the FY2009-2013 Capital Improvement Budget in accordance with the attached budget document dated May 8, 2008. Commissioner Owen seconded the motion and approval was unanimous.

C. DHCD 2007 Series B Bond Reprogramming

Mr. King reported that necessary adjustments must be made to the following projects that were intended to be constructed with the ±\$10.8M borrowed from the State, through DHCD:

- The proposal to spend \$1.4M on purchasing the adjacent building and converting it to a Maintenance facility did not materialize. Staff anticipate recommending ±\$100K of that total be retained for design of the new building, and reallocating the remainder to other projects.
- The Commission's share for the Chancellor's Run Road Waterline (and some sewer lines) Replacement, is less than anticipated. Staff recommends utilizing approximately \$533,000 of those savings to complete the final connection at the end of the State project to Great Mills Road.

Staff is also considering using some of these funds for the Buck Hewitt Road/Rue Purchase Road Gravity Sewer Extension, Laurel Ridge Replacement Well, MetCom's share of increasing size of the Wildewood Water Tank; and part of the cost of the Charlotte Hall elevated water storage tank.

He concluded that the final list will be presented to the Board in June.

D. Board Retreat

Mr. King reported that staff recently met with Commissioner Werner to review possible items for discussion at the Board's initial annual retreat at Greenwell State Park. He noted the advantages of scheduling the Retreat prior to the next fiscal year, and will select dates for the Board's consideration during the latter part of May and early June.

At this point Commissioner Taylor introduced, and welcomed Mr. Dan Ichniowski as the Commission's new Assistant Director.

CHIEF FINANCIAL OFFICER'S REPORT

Commissioner Lancaster moved to waive oral presentation by the Chief Financial Officer and to accept the routine monthly financial reports as submitted and reviewed

by this Commission. Commissioner Hanson seconded the motion and approval was unanimous.

A. Preliminary Approval, FY09 Operating Budget

Ms. Shick presented the FY09 Operating Budget; a complete copy of which is attached to the Minutes. The following issues were reviewed and discussed in detail:

- *Rate Increases for Sewer*
- *Rate Increases for Water*
- *Rate Increases for Septage Hauler Fees per 1,000 Gallons.*
- *Rate Increases & Additional Engineering Fees*
- *Salaries*
- *Power*
- *Engineering*
- *General Administration*

Following further discussion, the Board authorized staff to present the proposed rate increases at Public Hearings for System Improvement and Capital Contribution Charges on May 27, 2008 at 7:00 p.m. at the College of Southern Maryland; and Septage Hauler Rates on May 28th, 2008 at 10:00 a.m. at the Petty Building, Hollywood. The date of a Public Hearing for Engineering Rates is yet to be determined.

B. FY08 Budget Amendment

Following staff's justification, **Commissioner Werner moved to amend the FY2008 Operating Budget, as recommended by the Commission's Chief Financial Officer, to re-allocate \$50,000 from the "Cartograph Software-Work Order Tracking" budget line item, to offset unanticipated expense line items for "SCADA Test Equipment and Spares." This budget amendment has no effect on The Net Income from Service Charges. Commissioner Lancaster seconded the motion and approval was unanimous.**

C. Third Quarter Financial Statement

Ms Shick reported an anticipated result based on the year to date and income. A copy of the document is attached to the Minutes.

D. System Improvement/Capital Contribution Charges Rates

Ms. Shick presented the System Improvement and Capital Contribution Charges Rates. A copy is attached to the Minutes.

She noted difficulties in the past with using the levelizing system, and suggested replacing the sole levelized rate of \$9.04 shown on Page 2, (*Projected EDU's - incl.unserved-Calculated Amounts*), with the amount of \$7.27. However, Commissioners Taylor and Lancaster agreed that the proposed rates should be left as is, in order to avoid customers having to pay a significant increase next year.

In conclusion, Mr. King reported that the System Improvement/Capital Improvement Charges will return to the fiscal year cycle of July 1st, in order to coincide with the Commission's Operating Budget cycle.

ENGINEER'S REPORT

A. Standard Report

Commissioner Owen moved to waive oral presentation by the Chief Engineer and to accept the routine monthly engineering reports as submitted and reviewed by this Commission. Commissioner Hanson seconded the motion and approval was unanimous.

B. Sewer Relining Video Presentation

At this point, Mr. Frederick presented a sewer relining video for the Board's information.

C. Andover Road/Andover Estates Sewer Projects

Mr. Frederick reported that Andover Road property owners have been given a Ready-to-Serve Notice date of May 1st. Staff anticipates that the Ready-to-Serve date for Andover Estates will be July 1st.

C. Design Contract Approval:

1. Commissioner Werner moved to accept the cost plus fixed fee proposal dated April 21, 2008, submitted by Dewberry & Davis, LLC, in the amount of \$51,831.00, for the development and submission of the Groundwater Appropriation Permit application; Geo-technical and inspection support; the well design, for bid documents, bid review and to develop the As-builts for the construction and installation of the Fenwick Manor well. Commissioner Owen seconded the motion and approval was unanimous.

2. Commissioner Lancaster moved to accept the cost plus fixed fee proposal dated May 7, 2008, submitted by Dewberry & Davis, LLC, in the amount of \$47,639.00 for the development and submission of the Groundwater Appropriation Permit application; Geo-technical and inspection support; the well design; for bid documents; bid review and to develop the As-builts for the construction and installation of the Holland Forrest well. Commissioner Werner seconded the motion and approval was unanimous.

3. Commissioner Owen moved to accept the cost plus fixed fee proposal dated May 7, 2008, submitted by Dewberry & Davis, LLC, in the amount of \$23,313.00, for the development of construction drawings; for bid documents, bid review and to develop the As-builts for the construction and installation of the Hollywood water line to replace the existing Hollywood well. Commissioner Hanson seconded the motion. and approval was unanimous.

Mr. Frederick pointed out that is Phase 1 of the project. Phase 2 will be formalized on completion of the Facilities Plan.

CONTINUING BUSINESS

A. Marlay-Taylor WRF Upgrade & Expansion

Mr. King referred to the complete set of documents provided to the Focus Group, and detailed at length the group's recommendations:

- Based on the average daily flow experienced over the previous five years up until 2007, it would appear that it would not be necessary to expand the facility until approximately 2020 if the flow patterns continue.
- However, it would be vital for the Commission to more aggressively eliminate all possible sources of infiltration inflow over the next 5 years to ensure that these flow rates remain at the current level. This would be the better option to building more

wastewater treatment plants, and will allow the Commission to take advantage of future technology.

- A further consideration in delaying expansion, or not making that decision for the next several years, would be the uncertainty regarding the number of customers MetCom will have coming on line considering the current economy and the housing crunch in both the county and country. This is important as interest and principal payments will be received six months from the time funds are borrowed to expand the treatment plant.
- The secondary issue unanimously agreed upon was that, from a long term standpoint the use of spray irrigation technology would appear to be the best opportunity to provide 100% nutrient removal in St. Mary's County.

In response to Commissioner Taylor's question regarding the accuracy of facts, based on current information that the present capacity at Marlay-Taylor will be adequate for another 20 years, Mr. King replied that the focus group believes that this is the case. However, flow rates will need to be closely monitored between now and then; the process of acquiring easements for spray irrigation must commence immediately following completion of the Facilities Plan; and preparation of the groundwork must be completed in order to enable expansion when it becomes necessary to do so.

Mr. King then referred to two tables illustrating the most recent updates of the anticipated cost of upgrading the facility to ENR using a design flow of 6.0mgd. He added that the value engineering process is anticipated to commence within approximately the next two months.

Work on the Facilities Plan will proceed in the meantime.

Mr. King concluded that the focus group also agrees that a necessary action, in order to delay expansion, would require a change in the County development review process. Currently, capacity is allocated at the time of preliminary approval, which is sometimes more advanced than actual use of the service. Allocations should be issued at record plat approval; with the flexibility that it is not absolutely guaranteed until a building permit is applied for.

Following Mr. King's assurance that the deadline for ENR will be met, the Board approved the Focus Group's recommendations as presented by staff.

ADJOURNMENT

There being no further business, **Commissioner Werner moved to adjourn at 4:25 p.m. Commissioner Lancaster seconded the motion and approval was unanimous.**

Lilian J. Bryan, Secretary

