

MINUTES
ST. MARY'S COUNTY METROPOLITAN COMMISSION
REGULAR MEETING
MARCH 8, 2018

The regular meeting commenced at 3:00 p.m. In attendance were Chairman Carey, Vice-Chairman Barthelme, Commissioners Fairfax, Gaskin, Mummaugh, Russell, Thompson and Oliver (On behalf of Capt. Jason G. Hammond, USN, Commanding Officer, Patuxent River, NAS). Staff in attendance included Erichsen, Cullins, Shick, Hollander, Sullivan, Fehn, Potter, Harding, and Comeau-Stanley. Others Present: Chris Beaver (*MetCom Legal Counsel*) and several staff members present for the Retirement/Service award presentation to Tom Spalding.

APPROVAL OF AGENDA

Chairman Carey welcomed everyone and performed a review of the agenda. **Commissioner Russell moved to approve the agenda, as presented. Commissioner Barthelme seconded the motion. Motion carried 7-0.**

RETIREMENT/SERVICE AWARD PRESENTATION

Mr. Sullivan, Chief of Facilities and Operations, provided a few words regarding Tom Spalding's 30-years of service to MetCom, which included stories of his personality, work ethic, mechanical abilities, and relationships with his co-workers and MetCom customers. Mr. Sullivan wished Mr. Spalding well in his future endeavors and noted that he would be missed. On behalf of the Board members, Chairman Carey presented Mr. Spalding with a plaque to commemorate his years of service to MetCom.

APPROVAL OF CONSENT AGENDA

1. Public Hearing Flyer for March 2018 Customer Bills
2. Operating Budget Amendment
3. Purchase of Utility Truck Replacement
4. Pipe Painting at Water Stations
5. Renewal of Services and Commodity Contracts
6. Check Registers – 02/23 & 03/01

Commissioner Russell moved to accept the Consent Agenda as presented, and to hereby approve all matters contained upon the Consent Agenda. Commissioners Fairfax seconded the motion. Motion carried 7-0.

Mr. Erichsen referenced the public hearing flyer, which was mailed to all customers with the March 2018 bills, to inform and encourage attendance at the upcoming rate public hearing.

NEW BUSINESS

1. FY 2018 Second Quarter Financial Statements

Ms. Shick performed a review of the FY 2018 Second Quarter Financial Statements, representing the period October 1, 2017 through December 31, 2017. Ms. Shick detailed the income and expenses for the Sewer, Water, and Engineering Divisions, as well as the General and Administrative Expenses, Other Income and Expenses, and the Debt Service Funds. Ms. Shick fielded a variety of questions from Board members during the course of her presentation, which included inquiries related to reserves, the retirement system and funds owed at this time, as well as the tuition reimbursement program for employees.

2. Mapping/EST Joint GIS Venture

Mr. Erichsen performed a review of the joint efforts by MetCom and the County on the Geographical Information System (GIS). Using the overhead monitors, Mr. Erichsen detailed the results of the mapping to date, explaining that the layers include customers with water and sewer service; water service only; sewer service only; and sewer allocation, but no sewer service. Mr. Erichsen noted that the purpose of the exercise is to determine the number of existing residential and commercial properties that abut water and sewer mains or are within approximately 200 feet of same, which could help identify potential new customers, should a mandatory connection policy be legislatively approved. Mr. Erichsen cited that under the County's Comprehensive Water and Sewerage Plan, the majority of the County is currently in the No Planned Service (NPS) area. Discussion ensued amongst the group on the GIS mapping, the potential for new customer connections to MetCom's existing service lines, and community taxing districts proposed under the Chapter 113 Amendments.

3. St. Clements Shores Wastewater Treatment Plant Disposal Upgrade, Phase A2 / Rapid Infiltration Basin (RIB) Trench Construction Contract Award

Ms. Hollander provided an explanation of the scope of work associated with the St. Clements Shores Wastewater Treatment Plant (SCS WWTP) Disposal Upgrade, Phase A2, for the RIB Trench Construction, citing the evaluation and testing of the 4 existing RIBs to determine the disposal capacity of each, along with an evaluation of the site for a potential new RIB. Ms. Hollander also performed a review of the work associated with Phase A1 of the project, which represents the treatment portion of the SCS WWTP Disposal Upgrade project. Ms. Hollander noted that 45% of the treated sewer goes to the spray field, while 50% goes to RIBs 1 & 2, and RIBs 3 & 4 are only treating 5% of the effluent. Ms. Hollander performed a review of the quotes received from contractors for the work associated with Phase A2 and fielded questions from Board members during the course of her presentation regarding project design and funding, sand trench work, plant capacity, and recertification process for increased flow.

Commissioner Barthelme moved to accept and approve the quote, dated February 22, 2018, from Great Mills Trading Post Co., Inc. of Great Mills, Maryland, for the St. Clements Shores WWTP Expansion Phase 1, Rapid Infiltration Basis Trench Construction, project #2171SF, in the amount of \$103,900, as recommended by staff. Further, move to authorize and direct the Executive Director to execute all documents, as may be necessary to execute this Construction Services contract. Commissioner Gaskin seconded the motion. Motion carried 7-0.

CONTINUING BUSINESS

1. FY 2019 Operating Budget Approval (Third Draft)

Mr. Erichsen initiated the presentation of the FY 2019 Operating Budget with a recap of all actions to date on the generation of the budget and various options presented for consideration. Mr. Erichsen performed a review of revenue and rate projections, noting that in accordance with the rate study, the recommended rate increases for FY 2019 are held to 3.0% for water and 3.75% for sewer. Mr. Erichsen advised that staff wants to revisit the study before any recommendation is given to lowering rates in the future. Mr. Erichsen cited the list of items identified for discussion, which includes hospitalization, salary reserve recommendation, credit card processing options, rates, and approval of the budget for public hearing.

Mr. Erichsen performed a review of the various salary adjustment options for the Board's consideration and extensive discussion ensued amongst the Board, Mr. Erichsen and Ms. Shick on each option, which included a comparison of insurance premiums paid by MetCom on behalf of its employees, as compared to the County's insurance premiums paid for their employees.

Ms. Shick performed a review of historical information relating to Cost of Living Allowance (COLA) and Step increases issued by both MetCom and the County over the past several years. Extensive discussion ensued amongst the group on the proposed salary adjustment reserve, which would allow the Board to give further consideration to salary increases, without delaying their approval to take the Operating Budget to public hearing. Following discussion, Chairman Carey noted the hard work by staff to achieve the numbers provided in the proposed budget to afford the Board an opportunity to consider salary adjustments.

Commissioner Fairfax moved to authorize staff to present the proposed FY 2019 Operating Budget, as amended with a salary adjustment reserve in the amount of \$241,116.00, and the related Service Charges and other rates as amended, at a duly advertised public hearing, to be held April 9, 2018, as required by Section 113-27(D) of the Code of St. Mary's County, Maryland, being part of Article 19 of the Code of Public Local Laws of Maryland. Commissioner Russell seconded the motion. Motion carried 5-2. Chairman Carey and Commissioner Mummaugh opposed the motion.

2. House Bill 275 (Chapter 113 Amendments) Update

Mr. Erichsen provided a brief update on House Bill 275 regarding the Chapter 113 Amendments, advising the Board that the crossover from a House Bill to a Senate Bill, if successful, would occur on March 19.

3. Financial Software (ERP) Implementation Update

Ms. Shick provided a brief update on the Implementation of the new Financial Software project, advising that meetings occurred with Edmunds staff in February, which included a review of the converted data, the status of the financial and requisition models, and a presentation of the system's operation. Ms. Shick further advised that there would be a one-month delay in the implementation to allow Edmunds to add tracking numbers to the payroll module to mirror the functionality in the requisitions module to provide easier project reporting. Ms. Shick made note of the additional meetings and upcoming training scheduled for next week and throughout April to facilitate a go live date of May 1 for the Finance module.

FUTURE AGENDA ITEMS

Chairman Carey announced that the next Commission Meeting is scheduled for March 22, 2018.

COMMISSION MEMBERS TIME

Commissioner Fairfax complimented Mike Sullivan and Gary Reynolds for their work and assistance in obtaining information sought by David See, Insurance Service Office (ISO) Evaluator, who is currently rating the Bay District Volunteer Fire Department. Commissioner Fairfax also thanked Mr. Walker for providing information from the Emergency Control Center and noted that Bay District will be completing their package for submittal in the next two weeks. Commissioner Fairfax also thanked

Mike Oliver for his coordination of all of the Navy entities, as well as Mike Carroll, Fire Chief at Patuxent River NAS, for their assistance with the 19 hydrants that they will flow into the Glenn Forest subdivision, which will provide water coverage and helps with insurance rates in the entire Eighth district.

Commissioner Mummaugh inquired about the status of the Co-Gen project study and Ms. Hollander advised that the contractor is wrapping up their report and indicated that they expect to finish by the end of the week.

Commissioner Mummaugh also inquired about a grinder pump policy and Ms. Hollander advised that the Design Manual indicates that you must meet current grinder pump standards or the grinder pump must be replaced. Brief discussion ensued on the matter, as well as the recent waiver granted by the Board to the Springers. Mr. Erichsen made mention of the Resolution adopted by Calvert County, which eliminates all of the operation and maintenance of grinder pumps and places the responsibility on the homeowner, effective July 1, 2018. Discussion continued amongst the group regarding System Improvement charges and the bi-annual Grinder Pump Replacement capital project. Mr. Sullivan provided additional details regarding the Capital project, citing that in most cases, if a failing grinder pump is in a future years Capital project, as was the case for the Springers, a new pump is offered and/or provided to the customer (*at no cost*) for installation using their own contractor. Brief discussion ensued amongst the group on the matter.

Commissioner Thompson addressed an email he sent regarding water rates, specifically the 10,000-gallon limit established on sewerage, noting that he believes this was an arbitrary number and he believes that we should use meters to identify the actual sewerage use figure by which to bill. Mr. Erichsen advised that the issue would be reviewed with the updated Rate Study planned. Discussion ensued amongst the group and Ms. Shick reminded the Board that customers have the option of installing a deduct irrigation meter, which identifies how much is used inside versus outside and can be billed appropriately.

ADJOURNMENT

There being no further business, **Commissioner Russell moved to adjourn at 4:56 p.m. Commissioner Barthelme seconded the motion. Motion carried 7-0.**



Laura Comeau-Stanley, Corporate Secretary