The meeting commenced at 3:06 p.m. In attendance were Commissioners Willing, DeMauro, Mueller, Mummaugh, Ridgell, Russell, and Gaskin; MetCom staff Ichniowski, Cullins, Shick, Elberti, Fehn, Meiser, Roys, Edwards, and Comeau-Stanley. Others present included Tim Murphy, CPA (Murphy & Murphy) and Guy Leonard (County Times Newspaper). Other MetCom Staff present for the presentation of Length of Service Awards.

Commissioner Willing welcomed everyone and performed a review of the meeting agenda, noting that the approval of the Minutes of the November 14, 2013 Meeting will be tabled, pending requested additions.

**MOTION TO APPROVE AGENDA**

Commissioner Russell moved to approve the Agenda, as presented. Commissioner DeMauro seconded the motion and approval was unanimous.

**LENGTH OF SERVICE AWARDS**

Following a brief description of their long-standing service to the Metropolitan Commission by Ms. Cullins, a 15-Year Length of Service Award was presented to Ms. Deborah Settle, Supervisor, Field Services Administrative Support and a 20-Year Length of Service Award was presented to Mr. Joseph Cullison, Senior Engineering Technician.

**APPROVAL OF CONSENT AGENDA**

Commissioner Mueller moved to accept the Consent Agenda as presented, and to hereby approve all matters contained upon the Consent Agenda. Commissioner Ridgell seconded the motion and approval was unanimous.

**DIRECTOR’S REPORT**

A. Public Meetings Update

Mr. Ichniowski advised the Board members of the two Public Information Meetings recently conducted by MetCom staff and he provided a brief overview of work associated with each project.

- **Charlotte Hall Water Storage Tank and Well Site** held on December 4, 2013. Twenty-one (21) attended, including Commissioner Ridgell and former Commissioners St. Clair, Barthelme and Pumphrey.

- **Hollywood/Broad Creek Water Storage Tank** held on December 11, 2013. In addition to Commissioners Willing and Russell, there were two (2) members of the public in attendance.
HUMAN RESOURCES DIRECTOR'S REPORT

A. December 31 Office Closure

Ms. Cullins advised that the Board of County Commissioners granted County employees two (2) additional holidays for 2013; December 24 and December 31. Ms. Cullins noted that traditionally, MetCom has followed the County with regard to holidays. However, in 2001, we gave up the Columbus Day holiday in exchange for Christmas Eve, which is a deviation from the County’s schedule. Ms. Cullins requested that the Board consider granting one additional holiday to MetCom employees on December 31. Commissioner Mummaugh indicated that he calculated that we are giving away roughly twenty-thousand to thirty-thousand dollars if another paid holiday is given. Brief discussion ensued amongst the Board and staff on what other organizations, as well as the base, are doing. Ms. Cullins clarified that Christmas Eve is already a MetCom holiday and the request for New Year’s Eve to align with the County’s holiday schedule, is just for the 2013 calendar year.

Commissioner Russell moved that the Commission grant MetCom Employees one additional paid holiday, on December 31, 2013, for the 2013 Calendar Year. Commissioner Gaskin seconded the motion and all Board members in favor, except Commissioner Mummaugh, who opposed.

Ms. Cullins and Mr. Ichniowski thanked the Commissioners on behalf of the employees.

CHIEF FINANCIAL OFFICER’S REPORT

A. Presentation of FY 2013 Financial Statements by Mr. Tim Murphy, CPA

Ms. Shick introduced Mr. Tim Murphy of Murphy and Murphy, CPA, LLC, who performs MetCom’s Annual Audits. Mr. Murphy greeted the Board and staff and performed a review of MetCom’s FY 2013 Financial Statements, ending June 30, 2013 and 2012. Mr. Murphy advised that MetCom is prudent in management of facilities, has adequate reserves and is compliant with all of our responsibilities. Mr. Murphy stated that following the testing of internal controls, in accordance with the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, MetCom’s books and records were found to be in order from a compliance and financial viewpoint, resulting in the issuance of a Clean Opinion (previously referred to as an Unqualified Opinion and as an Unmodified Opinion).

Highlights of the report were conveyed by Mr. Murphy, which includes that MetCom currently has one-hundred-twenty-five-million dollars ($125,000,000.00) worth of assets and MetCom’s net position increased by $4.2 million dollars and $4.7 million dollars, as a result of operations in FY 2013 and 2012 respectively. Mr. Murphy also noted that MetCom has prepaid over $300,000.00 worth of contingent liabilities in Other Post-Employment Benefits (OPEB) for retirees, which is remarkable and we are above our peers in that category, as most have an accrued liability and have not prepaid. Mr. Murphy also noted his pleasure with our Capital Assets this year, which included the Chancellors Run Road Water & Sewer Project, the Methane
Co-Generation Project at Marlay-Taylor, and the Great Mills to Pegg Road Water Main Connector. He applauded how MetCom is managing its debt and stated that we are in full compliance with bond debt payments. Mr. Murphy advised that in the tough economic times and the Federal Government crises, he encouraged us to continue our conservative and prudent ways of managing the customer’s money.

After fielding a variety of questions from Board members Mr. Murphy noted that this is a good presentation to make, as MetCom has good fund balances, is financially strong, and has adequate reserves. Mr. Murphy extended Kudos to the MetCom Board, Ms. Shick and Staff on a job well done. He indicated that if there are any subsequent questions, they could be addressed when a presentation of the Single-Audit is made.

B. Identity Theft Prevention Program Report

Ms. Shick presented a report on the Identity Theft Prevention Program for 2013, noting that the purpose of the program is to detect, prevent and mitigate identity theft, as required under the Fair and Accurate Credit Act. Ms. Shick advised that there have been no instances in the last year where there was any indication that an account was set-up using false information. Additionally, there is no indication that there have been any breaches of security that would put MetCom customer or employee information at risk. In conclusion, Ms. Shick noted that MetCom’s staff is committed to the security of our customer and employee information. MetCom continually monitors security measures and makes changes in security when needed. In closing, Ms. Shick stated that the Identity Theft Prevention Program addresses potential threats to this information both physically and electronically and it is deemed to be working. Following a question by Commissioner Russell, Mr. Fehn, Information Technology Director, advised that we test internally and externally to see if we can break into the system on an almost daily basis.

C. 2014 First Quarter Financial Statements

Ms. Shick advised the Board that the Quarterly financials to be reviewed today are done as a comparison to the budget and are on what is typically called a rate basis. However, the financial statements just reviewed by Mr. Murphy are on a Generally Accepted Accounting Principles (GAAP) basis and there are a few differences. Those differences are outlined in Note 8 of the Financial Statements.

Ms. Shick performed a review of the FY 2014 First Quarter Financial Statements for the period July 1 through September 30, 2013, summarizing 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 reported that overall, we are looking good and on target at this point.

CHIEF ENGINEER’S REPORT

A. Greenview Knolls Water Main Connector Contract Purchase

Mr. Elberti indicated that the scope of work associated with this project includes the installation of approximately 200 linear feet of 8” water main, which will provide a new section of water
main necessary to loop the Meadowlake Subdivision and Greenview Knolls Subdivision water systems. Mr. Elberti advised that this work would improve system reliability, while maximizing efficiency to the two wells adjacent to those subdivisions. With the use of plans and diagrams displayed on the overhead monitors, Mr. Elberti illustrated where the work will be performed.

Mr. Elberti explained that in 2009 the original amount budgeted was $120,000.00, which was derived from the Facilities Plan. Using modest price indexes, that figure was increased to $126,000.00. The original amount budgeted includes a consulting engineer’s cost for design; however, Mr. Elberti noted that we were able to save a considerable amount of money by performing the engineering in-house and by putting this out to bid between our two on-call contractors under the Emergency Services and Scheduled Construction Contract. In closing, Mr. Elberti noted that we have worked with the low-bidder many times previously and are very satisfied with their work. Some discussion ensued between Commissioners Mummaugh and DeMauro and Mr. Elberti on the tracking of engineering staff labor hours on this project using the new computers software. Mr. Elberti clarified that although the hours will be tracked, it will be through project labor reports, time sheets, and not the new Asset Management Software, as it is not yet in use in Engineering. Mr. Elberti noted that to date the software has only been implemented in the Water Department and Construction Department, but has not yet been implemented in the Engineering Department. Mr. Ichniowski took a moment to further clarify that in addition to the Citiworks Asset Management software, which has the capability of tracking operations and maintenance costs as well as engineering costs on all of our projects once it is implemented in all departments, the ExecuTime Timekeeping Software just approved by the Board today as part of the Consent Agenda, is additional software that will integrate and automate that process.

Commissioner Russell moved to approve and accept the bid dated November 12, 2013, from Great Mills Trading Post Co., Inc. of Great Mills, Maryland, in the amount of $19,300.00 for the construction of the Greenview Knolls Water Main Connector, Contract #8092WM, as recommended by the Chief Engineer. Commissioner Mueller seconded the motion and approval was unanimous.

Mr. Ichniowski thanked Mr. Elberti for the Engineering Department’s efforts in performing the work in-house and saving the Commission a significant amount. Commission Willing echoed those sentiments.

Mr. Elberti took an opportunity to personally invite each Board member to the Christmas Party on Thursday, December 19 at 11:30 a.m. Mr. Elberti noted that the Engineering Department is hosting the event this year.

Commissioner Willing called for a short recess at 4:13 p.m.

Meeting reconvened at 4:20 p.m.
GENERAL LEGAL COUNSEL’S REPORT

A. Change Order Procedures

Ms. Meiser advised that over the last few meetings there have been two procedures presented for consideration and comment in draft form. Ms. Meiser noted that the first was generated by staff to memorialize the change order approval and execution process, which sets forth thresholds, as requested by the Board. Ms. Meiser indicated that based on the sentiment by several that there are certain change orders that are not necessary to present to the Board, this draft procedure was created in an effort to establish what might be a threshold to establish when staff has the authority to approve a proposed change order (PCO) and when changes orders must be approved by the Board.

Ms. Meiser performed a review of the draft procedure and noted that while this is intended to memorialize the process, it represents the way in which change orders have been addressed by MetCom staff for quite some time, although in the past all change orders have been presented to the Board for approval. Ms. Meiser solicited comments and modifications to the draft policy from Board members and advised that depending upon the extent of the modifications, we may or may not approve this item today. Ms. Meiser reiterated that this draft procedure is intended to say how change orders are approved and by whom. Extensive discussion ensued amongst the group on the establishment of a dollar amount cap and/or percentage cap for approval of change orders for Capital and Operating Contracts by the Director. Several Board members in agreement that they prefer to have authority to approve any and all Capital Contract PCOs, but that any Operating Contract PCOs approve by the Director shall be included in the Consent Agenda materials at the Board meeting immediately following the Director’s approval. Ms. Meiser advised that she would make the necessary modifications to Section 8 of the draft procedure to reflect the Board’s wishes and would present it for Board approval at the next Commission meeting. Additional request by Commissioner’s Mummaugh and DeMauro that the Change Order information being reported in the Consent Agenda be contained in a summary sheet.

B. Outside Legal Counsel Procurement Policy

Ms. Meiser advised that the proposed draft Outside Legal Counsel Procurement Policy has been prepared in response to a request made by the Board at the last Commission meeting and is intended to be a starting point. Ms. Meiser noted that make any corrections or revisions requested by the Board can be made. Commission Willing requested one small addition to Section 3 so that it reads “No Board member may act on behalf of the Board to independently consult with outside legal counsel…”

Brief discussion ensued on Bond Counsel needs and associated costs, specifically for all Maryland Department of the Environment (MDE) loans, as they require that all communications be conducted with a third party outside Bond Counsel. Ms. Meiser noted that the Department of Housing and Community Development (DHCD) allows in-house Counsel to act as Bond Counsel for loan matters. Ms. Meiser pointed out that a large portion of the Bond Counsel line item is the costs paid to the County for their Bond Counsel, as they have to review and approve
all documents due to the Code provision that we borrow with the full faith in credit of the County.

Ms. Meiser indicated that she would add the specific language requested and we can approve it today, as amended, or she can make the corrections and present it for Board member approval at the next Commission meeting. Board members in agreement that it be presented for approval at the next meeting.

In response to an inquiry made by Commission Mummaugh, Mr. Ichniowski advised that the Worker’s Compensation bid was advertised for a period of two (2) weeks. Additionally, there were five (5) companies that requested bid documents and only one (1) bid was received. Mr. Ichniowski noted that our bid documents contained very specific information regarding the nature of our work, number of employees and a varied number of information particular to our needs. Commissioner Mummaugh noted that he believes that there should be a longer period of time provided for advertising this type of contract and suggested that two (2) months is a more appropriate timeline and in order for us to get more than one bid, we need to allow more time for advertising.

Additional discussion ensued amongst the staff and Commissioners on this matter and Ms. Shick noted that of the five who received bid packages, no one requested additional time to submit a bid or indicated that was a problem. Ms. Shick noted that in the past we have been able to make an amendment to extend a bid deadline when a request of that nature is received. However, there was no indication of a problem from any of the prospective bidders, nor was there an extension request. Ms. Cullins made mention of the rates and discounts provided by the current carrier and noted that she has received comments from other providers that they cannot compete with those low rates. Additional discussion ensued amongst the group and a suggestion was made by Mr. Ichniowski to perhaps modify the Procurement Manual to allow a provision to extend the advertising for Workers’ Compensation Insurance to two (2) months.

**COMMISSION MEMBERS’ TIME**

Interceptor Rehabilitation Naval Air Station

Commissioner Mummaugh stated that he does not believe that Mr. Elberti represented this item very well at the last meeting and cited what he believes to be inconsistencies in the Capital Improvement Budget versus the figures presented at the meeting. Commissioner Mummaugh asked Mr. Elberti if the project was in the CIB as Phase 1 and Phase 2. Mr. Elberti advised that it is not, but indicated that he believes he explained to the Board the details of the work and associated costs, specifically the need and decision to break up the work into two separate phases in order to accomplish the work at or under budget. Commissioner Mummaugh alleged that staff is changing the budget without telling the Board and Mr. Elberti attempted to make sense of Commissioner Mummaugh’s comments. As it became clear that any attempts to clarify the issue in a rational and reasonable manner without the benefit of the necessary documentation for staff and Board members to review, Mr. Ichniowski asked that we revisit this at the next meeting, so as to afford him and Mr. Elberti an opportunity to take a look at it and report back. To better
understand where his confusion lies, Mr. Elberti asked Commissioner Mummaugh to send him an email containing his thoughts and comments on this matter.

Automatic Read (AMR) Water Meter Project

Commissioner Mummaugh revisited the issue of the documents he requested on this project, which he claims he was told on several occasions contained four or five pages. He then shifted to comments on the budget for meter vaults and problems with backflow preventers and stated that he called someone and found out how long the meters last and given the cost of replacing the vaults, we need to replace them now and not later. AMR Project Manager Dan Roys addressed Commissioner Mummaugh and Board members regarding the vault replacements and estimates from our contractors for that work. He explained that he expects that we will be able to perform that work, along with the installation of backflow prevention devices where needed, all within budget. Mr. Roys explained the process of the vault inspections performed by the subcontractor to determine when a replacement is necessary. Mr. Roys detailed the condition of the vaults that have been inspected and noted that the worst area to date is located near gate three of the Naval Base, where the vaults have collapsed and will have to be replaced.

As additional discussion ensued on the budget and survey data for this project, Ms. Meiser took the opportunity to detail the contents contained in the Water Meter Project Engineering and Construction Services Procurement Documents package, which she prepared and distributed to all Board members at their request. Commissioner Mummaugh questioned how we can still be on budget, given the high number of backflow prevention devices installed and vault replacements. Ms. Meiser noted that the bid was based on assumptions and not facts and all of the uncertainty was built into the bid documents, which Board members will see as they review the materials. Mr. Ichniowski cited highway and road construction as an example of those line item contracts that use estimates and have contingent items included to arrive at a bid price, but the original bid price and final price are often different. Brief mention by Mr. Roys of the cost savings measures identified by the Contractor and Mr. Elberti indicated that this particular contractor works all over the Country and has the experience needed for this effort.

Commissioner DeMauro noted that he has received a few complaint calls from those who have large holes in their yards following the installation of meters. Mr. Ichniowski advised Commissioner DeMauro to ask them to contact our office so that we can address their issues right away. Mr. Roys noted that due to the recent rainfall, there are areas where the soil has settled and requires follow-up visits to homes to fill the areas where holes exist. Mr. Roys stated that the contractor is maintaining and excavating where it is necessary.

Assistant Director Position Advertising

Commissioner Willing advised Mr. Ichniowski that he wants to begin the process of advertising for the Assistant Director position soon and sought feedback on how long the process might take, based on the last time the position was filled. Ms. Cullins indicated that depending upon how many applications we receive will likely dictate how long we advertise. She noted that the last time we sought to fill the position; it was advertised in November 2007 and filled in April 2008. Ms. Cullins advised that she will review the new advertising policy, adopted by the Board this
year and will come prepared to discuss this with the Board at the next meeting. Mr. Ichniowski advised that the Board might also want to consider a review of the job description, as several of the duties and descriptions were eliminated with the creation of the new in-house General Counsel position. Brief discussion ensued and Commissioner DeMauro indicated that the By-Laws mandate that we have an Assistant Director and detailed a list of the other positions mandated by our By-Laws. Ms. Cullins reiterated that she would come prepared to the next meeting with an advertisement, position description and a listing of proposed advertising venues.

Commissioner Willing wished everyone a Merry Christmas and a safe holiday and a happy new year. Mr. Ichniowski noted that our next meeting is scheduled for January 9, 2014.

Mr. Ichniowski asked if we were going to talk about the budget and the process. Commissioner Mummaugh initiated comments on the Capital Improvement Budget process, specifically as it is identified in the Commissioner Orientation Binder. He indicated that he feels that we are not preparing a capital budget every year we need to do a better job. He went on to indicate that he compared the budget prepared back in 2009 and looked at what is it now, we are way off. Mr. Ichniowski advised that the budget planning process throughout the state is the same; budgets change, priorities change and it is difficult to predict what the prices will be. Mr. Ichniowski stated that MetCom does prepare a Capital Budget every year and what Commissioner Mummaugh is referring to in the orientation binder is a guideline and it is intended to give incoming Board members an idea of what each department does and it is not necessarily meant to be a hard and fast rule. Commissioner Mummaugh said that it is water and sewer in the ground and it is not that complicated. Extensive dialogue continued between Commissioner Mummaugh and Mr. Ichniowski, who advised the Board that the County’s budget exhibits the same problems and it is indicative of the industry. It is something that we work on every day and try to improve each year.

Further discussion ensued between Mr. Ichniowski, Mr. Elberti and Commissioner Mummaugh on the data requested of Mr. Elberti by Commissioner Mummaugh on the replacement of the water lines in Esperanza and Town Creek system. Mr. Elberti advised that Commissioner Mummaugh asked for the costs to replace all of the lines in Esperanza and Town Creek and when that information was provided, he chose to share it with the County Commissioners. However, Mr. Ichniowski pointed out that it appears as though the instructions given to Mr. Elberti by Commissioner Mummaugh were unclear and what came back was an estimate for all of the water lines for Town Creek and Esperanza, although not all of the lines were in need of replacement, thereby producing an estimate that was much higher than what we expect to replace. Mr. Elberti indicated that we need time to evaluate the engineering estimate and a 35% design plan, which will be due in January and by February; we will know and adjust the numbers accordingly for the Budget. Mr. Elberti explained that this is a dynamic process.

Mr. Ichniowski suggested that perhaps we conduct budget work sessions for the newest of the Board members to help them understand the budget process and any other board members who wish to participate are welcome to do so. Thereafter, we could conduct an all-day retreat to go through the process item by item. Mr. Ichniowski advised that it might be helpful for the Commissioners to see a comparison of the total cost of something over several years to illustrate how it has changed over the years. It was further suggested by Mr. Ichniowski that we take a
look at the County’s budget, which is readily available on line. Mr. Ichniowski advised that our budget process is very similar to what the County does and if the Board members were to look at what is approved and moved into a budget year versus ours, you will see that we accomplish more of what we thought we would.

In closing, Mr. Ichniowski indicated that we can always do a better job. The process that we are striving for is to perform the engineering in one fiscal year and that by the end of that year, we have good engineering estimates so that the following year we can better budget numbers for construction. We try to do our best to come up with estimates for the out years. Mr. Ichniowski made brief mention of Ms. Meiser’s idea that projects to be completed in the out years should be identified with an “X” and not an associated cost; then, as we get closer to the Capital budget year, we can have better estimates for construction. Commissioner Mummaugh expressed that we need to tell developers what the connection fees are going to be in three-years. Mr. Ichniowski shared his thoughts on that issue with the Board and took a moment to reiterate the need for budget meetings and an all-day retreat to help all of the Board members understand the budget process. He noted that staff will work on that in the weeks ahead to get a schedule set.

A brief discussion ensued on the problems of financing new projects and aging infrastructure and how this is an issue that other cities in the Country and many other jurisdictions in Maryland are dealing with. Mr. Elberti made a brief mention of the benefits of the Citiworks Asset Management software and noted that although it will take some time to get all of the data into the system, we will be able to set our own parameters for repair and replacement of our system based upon age and we can set our capital projects accordingly.

**ADJOURNMENT**

There being no further business, **Commissioner Russell moved to adjourn at 5:37 p.m.** Commissioner Mummaugh seconded the motion and approval was unanimous.