

INTERSTATE COMMISSION ON THE POTOMAC RIVER BASIN

THIRD QUARTER

JUNE 15, 2010

THE MUSEUM OF THE SHENANDOAH VALLEY, WINCHESTER, VA

DRAFT MINUTES

CALL TO ORDER: Chairman Reiger called the Third Quarter Business Meeting to order at 8:32am at the Museum of the Shenandoah Valley in Winchester, Va. **Roll call** of attendees was conducted with the following Commissioners, guests, and staff present for some or the entire meeting:

Commissioners

Virginia

Scott Kudlas (Alt. Commissioner)
Del. Jackson Miller (Alt. Commissioner)
Dann Sklarew (Alt. Commissioner)

Maryland

Robert Summers (Alt. Commissioner)

West Virginia

Michael Stratton (Alt. Commissioner)

District of Columbia

Hamid Karimi (Commissioner)
John Wennersten (Alt. Commissioner)

Pennsylvania

Ron Stanley (Commissioner)
Roger Steele (Alt. Commissioner)
Lori Mohr (Alt. Commissioner)

United States

George Reiger (Commissioner and
Chairman)

Staff

Robert Bolle (General Counsel)
Curtis Dalpra (Communications Manager)
Joseph Hoffman (Executive Director)
Bo Park (Administrative Officer)
Jim Cummins (Director, Living Resources)
Carlton Haywood (Director, Program Operations)
Cherie Schultz (Director, CO-OP Section)
Sherry Zandieh (Administrative Assistant)

Guests

Maria Franks (COE, Baltimore)
Chris Kimple (for Commissioner Moul)
John Booser (PA, DEP)
David Nelms (USGS-VA Water Science Center)

Chairman Reiger presented an ICPRB pin to Commissioner Jackson Miller.

Commissioner Snodgrass has resigned as a commissioner for the District of Columbia. A resolution was drafted to recognize her 25 years of service in the Commission. Formal actions will be taken when an official resignation comes in from the District. **Commissioner Karimi made a motion to approve the resolution. Commissioner Kulas seconded the motion with all in favor.**

ADOPTION OF AGENDA: Chairman Reiger asked for a motion to approve the agenda as presented. **Commissioner Kudlas made a motion to approve the agenda. Commissioner Sklarew seconded the motion, with all in favor.**

APPROVAL OF MINUTES: It was noted that COL David Anderson attended the March 9, 2010 meeting, but was not listed on the meeting minutes. Correction on page 2, Section B, second paragraph, to read “no longer.” Chairman Reiger asked for a motion to adopt the March 9, 2010 Meeting Minutes. **Commissioner Karimi made a motion to adopt the Minutes as amended. Commissioner Steele seconded the motion. All were in favor.**

GENERAL COUNSEL’S REPORT: Mr. Bolle, General Counsel, reported that the legal activities involved routine legal matters, primarily contract reviews. There were no significant matters to report.

FINANCIAL REPORT: Mr. Hoffman reported that the reserve account balance is approximately \$528,000. All FY09 project receivables were collected as of today. The District of Columbia still has an outstanding balance for FY2010 member contribution, which the District indicated will be paid soon. The FY09 audit has been completed with no negative findings. The copies of the audit reports were distributed to the Commissioners during the meeting.

OLD BUSINESS

A. Budget Formula Discussion: Mr. Hoffman made an introduction of the budgets presented in the meeting materials and the funding formula for the signatory contributions. The jurisdiction contributions are used as matching funds for projects including state and federal projects. Over the years, the jurisdiction contributions have declined, when considered as a part of the budget, due to increases in other grants and project and state budget cuts. Although state project funds have provided for additional work by ICPRB in support of member needs, the funds are restricted by the scope of work. The unrestricted dollars allow ICPRB to use as required matching funds for many projects. ICPRB also receives significant federal funds through EPA Sections 106 and 117 grants, which are restricted and also require minimum matching contributions. As for unrestricted federal funding, federal funding was received in FY09 but none in FY10. For FY11, there is a pending request for funding in Congress at this time.

Mr. Haywood discussed the ICPRB funding formula, a continuation of the review from past meetings. The alternate proposed formulas omit the pollution factor since this factor is difficult to quantify and is not a large factor in the original formula. However, the pollution factor is indirectly accounted for through population and land area calculations. A different combination of factors with updated data were used to provide different options for adoption. Commissioner Karimi commented that the formula is logical and so recommended phasing the new numbers over a period of time, similar to an annual increase.

Mr. Hoffman noted that the numbers presented will not affect current or the next fiscal year budget, but for jurisdiction budget after July 1, 2011, thus affecting ICPRB’s budget for FY2012. Mr. Hoffman further added that the total jurisdiction contributions have not increased in these formula options, that the data have been updated to present more accurate numbers for each jurisdiction. Commissioner Kudlas commented that the options are logical, but Virginia supports Option E over Option A. Commissioner Summers further commented that Maryland already has appropriated the full amount of \$157,750 for FY10 and FY11. So both options are acceptable. However, he supports putting the pollution factor back in the formula. Mr. Hoffman reiterated that the Commission will work with the jurisdictions and their budgetary issue that may result in payment shortfalls. This current proposal is to adopt one formula to establish the jurisdiction amounts without considering current or future budgetary cuts. Both West Virginia and Pennsylvania stated that they support Option A.

Commissioner Sklarew made a motion to consider a mid-point for both Option A and E as additional option. Mr. Bolle added that the original formula has not been revisited for some 20 years. It leaves the Commission vulnerable at least from the federal government and IRS standpoint as more non-profit agencies are scrutinized. Although the new formula does not result in amounts being significantly changed, the act of going through this process demonstrates to the jurisdictions and to the federal government a rationale for the existence of a funding formula and a current base basis for jurisdiction review of the process.

Commissioner Karimi made a motion to adopt Option A, as presented. Commissioner Wennersten seconded the motion. The motion was then further discussed. Commissioner Miller commented that if Virginia is going to be a large contributor, Virginia may contribute even more to have the agency relocate to Virginia. Commission locality may be a topic for future discussions. Commissioner Mohr asked for getting some credit toward contributions by providing additional projects to the Commission since Pennsylvania is facing tough budget cuts. Mr. Hoffman responded that the annual signatory contributions are separate from the project funding process and have been considered separate in the audit process.

Commissioner Miller proposed a substitute motion to remain with the current formula with updated data. Commissioner Stratton seconded the motion. Commissioner Summers asked for discussions on this new motion. He indicated that if the old formula with updated population data are used, with the pollution aspect being different, the numbers will be significantly different than presented herein. Using the old formula with updated data, the jurisdiction contributions would be the following: WV-\$59,700; DC-\$59,000; MD-\$156,000; PA-\$51,300; VA \$159,500. These are calculated based on watershed model results as of mid February. The new formula is a result of previous meetings to bring updated numbers to reflect more accurate data in each jurisdiction. Mr. Haywood added that the Bay Program model used in the original formula is fluid and that even today's numbers will be off by couple hundred dollars. **Given the discussions, Commissioner Miller withdrew the motion. The motion under consideration remains in Option A.**

A roll call vote was made to take votes on the current motion Option A on the floor. The votes were the following: District of Columbia, two yes; Virginia, one yes, two nays; West Virginia, one yes; Maryland, one abstain; Pennsylvania, one yes, one abstain; US, one abstain. Based on the roll call, the summed jurisdiction votes were 3:1 for adopting Option A with two jurisdictions abstaining.

B. Program/Projects Review: Mr. Haywood highlighted a few projects. More detailed information is found in Tab 7 of the meeting book.

C. Executive Director Report: Mr. Hoffman reported that Governor O'Malley appointed a new commissioner for Maryland, Colleen Taylor Peterson. The Commission is currently recruiting for a Watershed Coordinator position.

Commissioners Mohr, Karimi, and Reiger were named by Chairman Reiger to the Nominating Committee for next year's chair and vice chair.

NEW BUSINESS

A. Budget Amendment FY2010: Mr. Hoffman discussed the need for changes to FY10 budget that

was provided in the advance meeting materials. The salary cost is decreased due to not hiring two positions. The expenses for equipment increased due to a new project. The travel costs increased due to the WV training workshop project. **Commissioner Steele made a motion to approve the budget amendment. Commissioner Kudlas seconded the motion with all in favor.**

B. Budget Adoption FY2011: Mr. Hoffman presented the FY11 budget. The state contributions remain the same with the exception of Maryland, which reflects the newly increased appropriation. The proposed budget includes funding that will allow for a 3.5% yearly increase for staff salary and funds for a total of 5% of salary cost for the performance incentive program for next year. It was recommended that the decision on actual award of the performance incentives for FY2010 (included in FY2010 funding) and the salary increase for FY2011 be held in abeyance until the September meeting. **Commissioner Sklarew made a motion to approve the FY2011 budget. Commissioner Stanley seconded the motion with all in favor.**

C Framework Budget for FY2012: Mr. Hoffman also presented the framework budget for FY2012 that is to be approved so that the jurisdictions have information to submit to their budget offices for the period beginning on or after July 1, 2011. The jurisdiction numbers remain the same as FY10 and FY11. This budget shows zero growth, as it is too early to estimate specific funding for grants and projects. **Commissioner Wennersten made a motion to approve the Framework FY2012 Budget. Commissioner Sklarew seconded the motion with all in favor.**

D. Pension Plan Trustee Assignment: Mr. Hoffman referred to the ICPRB Retirement (pension) Plan in which the Commission has fiduciary responsibilities. The current trustees on the plan are the Executive Director and the Executive Committee. Trustee signatures are required for multiple financial transactions throughout the year, which must be timely to meet ICPRB obligations. He proposed to add General Counsel, Robert Bolle, in name, as additional trustee with the Executive Director. A draft resolution was provided in the advance meeting materials. **Commissioner Kudlas made a motion to approve the Trustee Assignment Resolution. Commissioner Stanley seconded the motion with all in favor.**

VIRGINIA PRESENTATION: Commissioner Kudlas introduced David Nelms from the US Geological Survey, Virginia Water Science Center. Mr. Nelms presented a talk on hydrogeologic characteristics of the Northern Shenandoah Valley. Mr. Nelms works closely with the Virginia DEQ on groundwater monitoring.

COMMISSIONER'S TIME: Mr. Hoffman will be meeting through ICPRB membership in the Interstate Council on Water Policy, with USGS and the Department of Interior on issues on streamgaging across the country to encourage funding in the FY2012 budget. Commissioner Sklarew added that he is working on bringing watershed stewardship experiences to grade school students. He can provide more information to those interested.

ADJOURNMENT

Chairman Reiger adjourned the meeting at 12:24pm.

Respectfully Submitted,
Joseph K. Hoffman
Commission Secretary