

INTERSTATE COMMISSION ON THE POTOMAC RIVER BASIN

SECOND QUARTER BUSINESS MEETING MARCH 13, 2012 ICPRB HEADQUARTERS, ROCKVILLE, MD

DRAFT MINUTES

CALL TO ORDER: Chairman Campbell called the Second Quarter Business Meeting to order at 9:50AM on March 13, 2012 at the ICPRB Headquarters in Rockville, Md. **Roll call** of attendees was conducted with the following Commissioners, guests, and staff present for some or the entire meeting:

Virginia

Robert van Laer Hartwell (Commissioner)
Dann Sklarew (Alt. Commissioner)
Scott Kudlas (Alt. Commissioner)

West Virginia

Patrick Campbell (Alt. Commissioner)

District of Columbia

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

Pennsylvania

Andrew Zemba (Commissioner)
Lori Mohr (Alt. Commissioner)
Roger Steele (Alt. Commissioner)

United States

George Reiger (Commissioner)
Jane Witheridge (Commissioner)

Maryland

Colleen Peterson (Commissioner)
Herb Sachs (Alt. Commissioner)

Staff

Joseph Hoffman (Executive Director)
Carlton Haywood (Director, Program Operations)
Robert Bolle (General Counsel)
Bo Park (Administrative Officer)
Curtis Dalpra (Communications Manager)
Jim Cummins (Director, Living Resources)
Sarah Ahmed (Water Resources Asst. Engineer)

Guests

Maria Franks (Corps of Engineers, Baltimore)
Julie Fritz (Corps of Engineers, Baltimore)
Chris Kimple (for Commissioner Moul)
COL David Anderson (Corps of Engineers, Baltimore)

ADOPTION OF AGENDA: Chairman Campbell asked for an approval of the agenda. **Commissioner Karimi made a motion to approve the agenda. Commissioner Reiger seconded the motion. All were in favor.**

APPROVAL OF MINUTES: Chairman Campbell asked for an approval of the November 29, 2011 Minutes. **Commissioner Sachs made a motion to approve. Commissioner Karimi seconded the motion with all 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.

OLD BUSINESS

A. Financial Report: Mr. Hoffman reported that the contingency reserve account has not been used recently and very infrequently since he came on board at ICPRB. The current balance is approximately \$547,000. This account is used in case of cash flow emergency. The Executive Director (ED) has the

authority to withdraw \$50,000 without approval from the Commission. The general fund account is used for operational purposes. Each account is FDIC insured. ICPRB also has an account at Capital One Bank for accounts payable, day to day financial transactions. The Bank of America account is primarily used for payroll direct deposit.

Accounts receivables are mostly doubtful as previous invoices for jurisdiction contribution payments are not anticipated to be received.

An employee was terminated as of January 13, 2012 due to lack of project work. A second staff person resigned for personal reasons as of February 8, 2012. Her projects were either completed or transferred to other staff prior to her termination.

The EPA funding was received as a partial grant. The rest of the grant funding is anticipated to be received by year end. Commissioner Hartwell asked whether the EPA Section 106 work can be quantified by jurisdiction. Mr. Hoffman replied that much of the Section 106 project work is basin-wide related on water quality and coordination activities. They are not specific monitoring activities, therefore cannot be quantified that way. Only a minor portion can be linked to specific jurisdictions, but in relation to the whole it is not significant amount.

Commissioner Karimi asked whether there is an impact on the revenue due to the resignation of the second staff. Mr. Hoffman replied that project related revenues are not the real issue on the budget. The issue is not receiving the full jurisdictional dues from Virginia since July 2011 and from the District of Columbia for both 2011 and 2012. Maryland has paid in full, as have Pennsylvania and West Virginia. The federal appropriation has not been paid since a one-time payment in 2009. The money earned from projects are obligations for payments. The resigned staff has completed the projects prior to leaving. Other open projects have been transferred to other staff. One of the current staff has increased work time from 80% to 100% to take on the transferred project work.

There is a need to carefully monitor expenses, but the financial situation is not as dire as previously seen. The overall expectation is that while the expense may be less, it is still expected to be higher than the income.

Chairman Campbell asked about the status of DC's payment. Commissioner Karimi replied that he has allocated 2012 dues in the budget, but 2011 books are basically closed and so will not be paid.

Commissioner Wennersten also asked whether the Commission is getting maximum production from the staff for the salary paid. Mr. Hoffman replied that staff is very professional in every way. They provide the highest level of work with professionalism. They may even put in extra hours of their own time, which goes uncompensated. Commissioner Witheridge asked whether there is a way to measure task assessment for better management of staff at the ED level. Mr. Hoffman replied that the Strategic Plan is the guide, noting an attempt to do so was incorporated in the presentation made at the December meeting.

B. Executive Director's Report: The Commission was notified that Commissioner Howard Graeffe recently passed away. Mr. Hoffman on behalf of the Commission extended condolences to the Graeffe family.

There has been a transfer at the Corps of Engineers North Atlantic Division level. General DeLuca is no longer the North Atlantic Division Commander. He is now the Commandant of Army Engineer School at Fort Leonard Wood, Mo. COL Anderson still represents the North Atlantic Division at many ICPRB meetings until his term ends in July.

There has been a change in the employee's healthcare program. The premiums have increased for the new plan year by 10-11%. Due to a significant increase in cost, the Commission is now offering three healthplans through Carefirst which include the concepts of Health Savings Account. The employees would assume the increased cost with a higher deductible. To alleviate the higher employee cost, Commission has provided the first year's employee healthplan deductible of \$1200 for each staff. The dental plan renews on May 1, with a small premium increase. The Commission will resume the 70% ICPRB 30% staff cost share on the dental plan. Commissioner Witheridge commended the Commission for moving forward with the new HSA plan, which is a better plan overall that can provide better cost savings to some individuals. Mr. Hoffman added that the staff lost benefits through absorbing much of the higher premiums. As future opportunity comes, he asked that the Commission give back to the staff what is lost to them. As a result of this benefit cutting, the Commission has reduced the ICPRB cost by about 50%.

The accounts receivables as of February 17 is \$111,000 from FY11 and \$263,717 from FY12. Commission continues to receive payments from the projects for which payment is due.

On the office space update, the co-tenants across the hallway asked for more space. WRIT (Washington Real Estate Investment Trust) has approached ICPRB for possible extra office space. Subsequently, ICPRB has obtained confirmation from the subtenant (Chesapeake Towers) to possibly relocate also. Money discussions were not made, but during the process the co-tenant has decided to move out of the building at the end of August. As a result, the office space downsizing is currently not an option for ICPRB. Unrelated to this, WRIT requested access into the suite for construction on level above the ICPRB's suite. The lease was reviewed by the General Counsel and found that the landlord has no rights to the suite except during business hours. The meeting with WRIT is scheduled for this Friday.

In the last six months, much effort was made to address Virginia's decision to zero out ICPRB's funding and ultimately to withdraw from the Compact. Active work has been in progress to retain VA in the Commission. This part of the work seems to have been fruitful. However, no progress has been made on the ICPRB's cut out from the VA's budget. Much work has been done by the staff especially Curtis Dalpra, with strong support by Commissioner Hartwell and also by Fairfax Water and some members of the VA General Assembly, both on the Senate and the House side. The significant issue is the Compact more than the money aspect.

Commissioner Hartwell added that the VA Senate budget included 100% of the dues. The Speaker of the House thinks 50% has a chance, but the Department of Natural Resources' Secretary Domeneck is opposing the dues. In the end, the governor can veto the bill and zero out the bill. Commissioner Karimi added that the VA was a challenge and potential issue for the rest of the jurisdictions. It is a major accomplishment for the Commission that VA is remaining in the Compact.

C. Project Status Review: Mr. Haywood focused the project status review on project #400, Middle Potomac Watershed Assessment. This project faced a setback in January with some issues at the Corps of Engineers. The main issue was regarding information being released and concerns over the Commissioners wanting the report prior to the release. There are four major tasks in the project, the large rive flow needs, basin-wide comprehension plan process, the future flows, and small stream environmental flows its cases and impacts.

D. Selection Committee Update: Chairman Campbell gave an overview of the executive director selection process. There were nine selected candidates from the initial pool of applicants. Of the nine selected, seven were interviewed. The Selection Committee has made their recommendation to the

Executive Committee and the selected candidate was confirmed. The first official day for the new Executive Director will be March 31, 2012. The Selection Committee has chosen Mr. Carlton Haywood as the new Executive Director.

NEW BUSINESS

Chairman Campbell asked for suggestions on how to proceed and enhance the Commission functions with the new Executive Director. Commissioner Hartwell suggested that subcommittees be formed and be tasked with specific issues at the Commission such as a public and government affairs group focus on educating the politicians and law makers. Another committee would be a budget and finance committee to seek out other sources of revenues or private foundations. Commissioner Peterson added that she welcomes the idea of getting more involved in the affairs of the Commission to expand self knowledge and go beyond just the quarterly meetings.

Commissioner Karimi added that the nature of the subcommittees would need to be identified including higher goals and purpose so as not to get engrossed in the details of the operation, which should be left at the Executive Director's level. Chairman Campbell asked that the new Executive Director Haywood visit with each jurisdiction in the next month and report back to the commissioners. Commissioner Witheridge reiterated the need for identifying "who we are," "where are we going" in term of strategic planning. Then apply qualitative measures by assigning costs associated with meaningful data applicable to each jurisdiction.

Commissioner Hartwell added that he has contacts of several individuals with strategic plan experience who can assist with the development of a strategic plan. Chairman Campbell concurred that a third party mediator would be beneficial. Commissioner Witheridge also added that over the next two months, the Commission should give directions to Mr. Haywood to help him establish a baseline for new strategic planning. Commissioner Peterson suggested that it may be helpful to forward concepts to the Chair as initial thoughts for those commissioners who are unable to participate in the initial plan development session. Commissioner Kudlas supports Commissioner Witheridge's approach with defining the baseline with money spent. However, meeting with each jurisdiction may take more time than one month. June timeframe may be too tight. Commissioner Mohr suggested that the subcommittees be more specific in their focus, such as a technical committee looking into the strategic plan. But a policy and implementation committee may focus on the general aspects. But both groups would work simultaneously as separate groups. Also an outside facilitator for strategic planning is strongly encouraged. Commissioner Kudlas added that he has several good outside facilitators that he can recommend also.

Chairman Campbell asked for suggestions on the location for the next June 11-June 12, 2012 meeting. It would depend on the cost but two days may be needed.

For the record according to ICPRB "By-Laws and Rules of Procedure" Mr. Hoffman noted that the Selection and the Executive Committees used an electronic email ballot, to select the new Executive Director. With the direction from Chairman Campbell, email ballots were taken by the Chairman in response electronic ballots and email notices to the Executive Committee acting for the full group of commissioners and alternate commissioners as previously authorized. The members in the poll were, West Virginia-yes, Pennsylvania-yes, Maryland-yes, the District of Columbia-yes, U.S. Federal-yes, Virginia-yes, an unanimous vote was made. The ballot, therefore, is valid and herein recorded.

COMMISSIONER'S TIME

Commissioner Hartwell further expressed his support for the commission and the efforts that went on as joint effort by staff and commissioners to provide information to retain Virginia in the Commission. The

effort will continue but much progress has been made as the danger of Virginia pulling out of the Compact is no longer a threat.

Commissioner Steele expressed his concern for the funding issues at the Commission. There may be other creative ways to explore the possibilities for the Commission to receive funding. There may be opportunities within the current partners to explore various possibilities.

ADJOURNMENT

Chairman Campbell asked for a motion to adjourn the meeting. **Commissioner Peterson made a motion to adjourn the meeting, which was seconded by Commissioner Sachs. The meeting adjourned at 12:32PM.**

Special Session: The U.S. Army Corps of Engineers gave a special presentation on the operation of the Jennings Randolph reservoir. The guest speaker, Julie Fritz, Chief of Water Resources Section, gave an overview of consumptive use and reservoir operation at Jennings Randolph. Dr. Cherie Schultz also gave a presentation on consumptive use in the basin.

Reviewed by Joseph K. Hoffman
and Respectfully Submitted,
Carlton Haywood
Commission Secretary