

INTERSTATE COMMISSION ON THE POTOMAC RIVER BASIN

FOURTH QUARTER AND ANNUAL BUSINESS MEETING

DECEMBER 3, 2012

ICPRB HEADQUARTERS, ROCKVILLE, MD

DRAFT MINUTES

CALL TO ORDER: Chairman Karimi called the First Quarter Business Meeting to order at 10:24AM on December 3, 2012 at the ICPRB Headquarters in Rockville, Md, Va. **Roll call** of attendees was conducted with the following Commissioners, guests, and staff present for some or the entire meeting:

Virginia

Dann Sklarew (Alt. Commissioner)

West Virginia

Patrick Campbell (Alt. Commissioner)

District of Columbia

Hamid Karimi (Chairman & Commissioner)

John Wennersten (Alt. Commissioner)

Pennsylvania

Andrew Zemba (Commissioner)

Roger Steele (Alt. Commissioner)

Ronald Stanley (Commissioner)

United States

Robert Pace (Alt. Commissioner)

Maryland

Herb Sachs (Alt. Commissioner)

Colleen Peterson (Commissioner)

Staff

Carlton Haywood (Executive Director)

Robert Bolle (General Counsel)

Bo Park (Administrative Officer)

Curtis Dalpra (Communications Manager)

Jim Cummins (Director, Living Resources)

Claire Buchanan (Assoc. Aquatic Habitat)

Rebecca Wolf (Watershed Coordinator)

Guests

Chris Kimple (for Commissioner Moul)

Maria Franks (U.S. Corps of Engineers)

ADOPTION OF AGENDA: Chairman Karimi asked for any modification or a motion to approve the agenda. Mr. Haywood added under New Business, a discussion on the Investment Policy and a report on the Potomac Conservancy State of the Potomac report. **Commissioner Sachs made a motion to approve the modified agenda. Commissioner Stanley seconded the motion. All were in favor.**

APPROVAL OF MINUTES: Chairman Karimi asked for an approval of the September 11, 2012 Minutes. Commissioner Pace asked that the paragraph on page 3, Section C, Status of Filling Commissioner Vacancies, 5th paragraph be stricken from the record, as the letter was not given to Commissioner Pace. He has discussed this with Commissioner Reiger, who was in agreement that the paragraph was miss-phrased. Typically a letter is sent to the White House asking that the Division Engineer be named as a Commissioner. In this case, Commissioner Pace being an alternate serves this purpose. As pointed out at the last meeting by Ms. Franks, a permanent solution would require a change in the language of the Water Resources Development Act (WRDA) so that automatic designation occurs. Mr. Haywood added that he has had on-going discussions with congressional staff at the House of Transportation subcommittee. That staff person will be talking with the Division Commander to discuss WRDA and the river basin commissions.

Chairman Karimi summarized that the Minutes be modified as requested by Commissioner Pace to reflect an accurate account of the letter, which was not given to Commissioner Pace; for the Executive Director to pursue the appropriate language modification in WRDA for the North Atlantic Division Commander to be a federal commissioner as ex officio, in coordination with congressional

staff; and to contact the White House regarding appointment of a Federal Commissioner. Mr. Bolle added that typically, his alternate would be the District Engineer.

Commissioner Campbell asked that on page 5, delete the statement "Chairman Campbell will send goals to the jurisdictions" from the record.

Chairman Karimi asked for a motion to approve the modified Minutes. Commissioner Sklarew made a motion to approve the modified September 11, 2012 Meeting Minutes. Commissioner Sachs seconded the motion with all in favor.

GENERAL COUNSEL'S REPORT: Mr. Bolle gave a brief summary of the General Counsel's activities for the quarter. His time spent was routine and administrative in nature, dealing with contracts and personnel matters. In addition, he reviewed the Investment Policy, restructuring the statement.

OLD BUSINESS

A. Executive Director's Report and Financial Report: Mr. Haywood directed his discussion to Tab 6 of the meeting book. As it is early in the fiscal year, not much financial activity has occurred.

A new staff member, Rebecca Wolf, was hired as the Watershed Coordinator. She will be mainly continuing the projects with Montgomery County and the Rainbarrel, and also get more involved in watershed activities. Commissioner Karimi added that DC has a pet waste program that may be of interest. He will forward a contact in DC to Ms. Wolf. Commissioner Sachs added that the North Branch Task Force is another group that may need to be resurrected. Commissioner Sklarew is interested in working with Ms. Wolf to expand school programs to bring watershed experiences consistent with the Chesapeake Bay 2000 agreement as requirement for all students before graduating from high school. He hopes to expand this program throughout the basin working with Ms. Wolf. Chairman Karimi added that a coordinating body may be needed to ensure consistency across the watershed.

Mr. Haywood continued with the financial status. The contingency reserve remains intact. The FY2011 Virginia dues of \$37,000 still remain outstanding and will remain on the books as accounts receivables (AR). The District of Columbia, Drinking Water Source Partnership dues for FY2011 was recently received. Of the FY2012 AR of \$328,000, \$103,625 is for the Virginia signatory dues. The rest of the AR is operational.

A contract was signed with Clifton Larson audit firm to replace Polan and Hollis, LLC. The contract is for FY2012 and FY2013 with optional FY2014. Clifton Larson's cost of audit is lower than the previous cost with Polan and Hollis. Chairman Karimi added that the selection of this audit firm was discussed at the previous Executive Committee meeting. Mr. Haywood added that since then the Audit Committee was re-established with commissioners Kudlas (chair), Sachs, and Zemba. The committee's contact information will be provided to the auditor, and the auditor will contact them directly. Chairman Karimi requested that as the audit is being conducted, the chair of the committee make a report to the Commission as appropriate.

In November, the Commission was notified by Merrill Lynch, an investment firm for ICPRB, that they no longer will be providing services to small governmental entities, and that we would need to transfer our funds to another investment firm. The Administrative Officer contacted several local banks and investment firms, of which Janney Montgomery Scott was selected. Mr. Haywood distributed a packet of information for Janney, along with a copy of the letter from Merrill Lynch.

During the discussions with these banks and investment firms, ICPRB was consistently advised that ICPRB's investment statement did not meet the current standards, and therefore, needed to be expanded and revised. As a result, a new investment policy statement has been drafted. Further discussion on this topic will take place under New Business.

The Middle Potomac River Watershed Assessment project final report is currently in review at the Corps of Engineers. Staff is working with the Maryland Department of the Environment (MDE) and the Virginia Department of Environmental Quality (VA DEQ) to amend several existing grants to cover new local TMDL and Chesapeake Bay TMDL related projects. A new project for WV DEP, Water Quality Trend Analysis, started in the first quarter. Another project, Assistance with the WV Water Resources Management Plan, which started last summer, will be completed in the spring.

Mr. Haywood has been working with Dr. Schultz and the water utilities on issues related to the new Loudoun Water permit. The continuing issues include implementing the participation of Loudoun Water in CO-OP operations and planning, whether that requires changing the Water Supply Coordination Agreement, and if so, how.

The ICPRB office in Rockville, MD was physically closed for two days during the super storm Sandy. The computer network continued operating, however, staff used telework so the office remained officially "open," and only minimal administrative leave was granted.

Mr. Haywood has had several discussions with the staff of the House Transportation Subcommittee regarding restoring federal funding. He also will be working with the other river basin commissions toward this goal.

On the office lease update, the tenant across the hall of ICPRB moved out, vacating a large space. There may be a possible new tenant interested in that space plus additional space, potentially within the ICPRB's suite. Due to this, WRIT may be looking to shuffle the office space to accommodate this new tenant. This new configuration will most likely result in losing the current conference room and reconfiguring the ICPRB office suite. In return, WRIT would probably offer a long term lease preferably at a favorable cost. Chairman Karimi suggested in the coming meetings, ED provide updates on the leasing/space situation and also during Executive Committee conference calls as well. Commissioner Steele asked whether space reduction may have an impact on the ability to add staff in the future. Mr. Haywood replied that he has considered that factor and is planning appropriately. Commissioner Sklarew asked if subletting is a possibility. ICPRB already has a tenant that subleases and Mr. Haywood stated that he has had conversations with the Association of Clean Water Administrators (ACWA) for subleasing. ACWA ultimately decided, however, to stay in DC for business reasons.

On Friday, a live video conference with the Society of Arakawa River in Japan took place through Skype. This event was held to renew the Arakawa Potomac Sister Agreement, originally signed in 1996. Chairman Karimi signed the new Agreement during the video conference. Chairman Karimi added that Commissioner Sklarew will be in Japan starting in January, who can act as our ambassador to the group. At the next meeting possibly, he suggested having a Skype event with them again to go beyond the ceremonial event. Commissioner Sklarew further added that he hopes to take students from U.S. on an Arakawa tour. He suggested reciprocating the tour in the Potomac.

The Atlantic sturgeon letter was provided to the Executive Committee for review. At the last meeting a consensus was reached to sign the letter by each jurisdiction. The letter was signed by Commissioners Karimi as chair and for DC, Hartwell for Virginia, Sachs for Maryland, and Reiger

for federal. Staff is seeking publication of this article. Commissioner Sachs added that he spoke with A.C. Carpenter, the Executive Director of Potomac River Fisheries Commission regarding any concerns. He was very supportive of pushing this activity among others, with the exception of the Federal Marine Fisheries.

B. Project Status Review: Mr. Haywood directed the discussion to Tab 7 of the meeting book. A summary of the project activities will be provided in advance of the meeting from now on instead of the long version in Tab 7. This summary provides the funds and the outcome of the project in a very short format. For this quarter reporting, as it is still early in the fiscal year, not much progress has been made to report.

Chairman Karimi asked that as the commissioners glance through the project summary, also look for staff expertise so if opportunities arise at their agencies, inform the Executive Director (ED) to apply for those grants or work. Commissioner Zemba is interested in working with ICPRB on Pennsylvania project with the Chesapeake Bay TMDL work. He will discuss further with the ED.

C. Strategic Plan: Matching the FY13 Workplan to the Strategic Plan: Mr. Haywood discussed the strategic plan that was drafted at the September meeting. The mission, vision, value, goal statements were approved with the exception of some word editing. The next step would be to evaluate the existing activities and compare to the goals. The FY13 workplan was already done prior to the strategic plan draft. Nonetheless, the workplan was compared to the strategic plan. All four goals were reached with the current activities at hand.

For FY14, there is an opportunity to look at the goals and evaluate the progress. The focus would be to serve the states, to determine the needs of the states, and to ensure that staff capabilities are fully communicated to the states.

Chairman Karimi added that the Commission may be more effective and productive if the projects are more immediate needs versus long range environmental planning. Mr. Haywood added that the Commission is already doing this through DWSP, engaging the utilities on water supply issues. Commissioner Pace suggested looking at sub areas that are important activities such as the CO-OP management operations, climate change, etc., which contribute to the strategic focus. These areas need to be articulated so that the area of emphasis can be realized.

Commissioner Sachs added that rather than focusing on individual projects, the focus should be on the entire basin. He does not see a higher coordination of activities from the entire basin perspective, such as a comprehensive plan. The Susquehanna River Basin Commission (SRBC) has a comprehensive plan and an annual report providing the status outcome.

Chairman Karimi added that the SRBC has broader resources with regulatory functions. SRBC has a need for a river basin plan. Although there is a need for a comprehensive plan, a river plan is not necessarily a strategic plan. He recommended, based on the resources, to evaluate what type of plan we should develop. At the next meeting, discuss the next process and what that comprehensive plan should look like. He will have a discussion with John Capacasa at the EPA to determine whether within the 106 grant a basin plan could be developed. The funding is there with an option to suggest projects to the EPA. Commissioner Pace added that the plan does not have to be a highly detailed but rather identify the priorities for the basin over time. And the annual workplan would provide the organization the activities under those priorities so there is a strategy for getting funding.

Chairman Karimi asked that, for the next meeting, ED look at the plans out there, take Commissioner Pace's recommendation and provide an outline of a plan and expand as needed. He also asked that at the next meeting, there be a report on the practicality of this plan and the possibility of using the Section 106 grant so that the plan can potentially be in the Section 106 grant workplan. Commissioner Pace added that there are a few models out there to look at with the SRBC and DRBC's plans.

Commissioner Peterson added that the focus should be on the mission and vision without considering the money factor. By chasing the money, the sight of reinventing ICPRB to be current is lost. She suggested focusing on how to achieve the mission and vision. It should be a simple framework.

Commissioner Zemba added that being recognized as a leader for regional efforts requires effective communications of that leadership role. Commissioner Steele added that "Advisor" describes ICPRB well. He also recommended reading the book "Global Thirst" by Commissioner Wennersten, which he found to be very good. He suggested offering a course, an even consider a degree for the course work. Chairman Karimi encouraged the commissioners to look for ideas and suggestions and talk to the staff for logistics.

NEW BUSINESS

A. Developing a Systematic Approach for Managing and Serving Information by Dr.

Buchanan: Dr. Claire Buchanan gave a short presentation about ongoing efforts to improve ICPRB's approach to managing and serving information. Ever increasing amounts of new data and data types require more and better data management, to enable more synthesis and interpretation of the data. A case in point is ICPRB's recently completed Middle Potomac River Watershed Assessment report, which relied on two models and dozens of different data sets, ranging from streamflow to census projections. ICPRB seeks to ensure the use of high quality data in its project analyses, meet the requirements of the agency's EPA-mandated Quality Management Plan, increase cost-effectiveness and staff efficiency, and provide quality assured information from multiple sources across the Potomac watershed.

B. Proposed FY13 Budget Amendment: Mr. Haywood asked for an approval of the amended FY13 budget which reflects updated information on projects. One large change is the project #802 with additional one-time funding of \$57,000. The total net revenue increased by \$172,389. On the expenses, there is a minor decrease in salary. But in salary \$20,000-\$25,000 was set aside to use as small performance incentive and for job modifications for a couple of staff. On the rent, ICPRB's tenant's lease expires on March 2013. But the tenant is interested in staying until the end of the ICPRB's master lease, so the budget reflects this adjustment. In the Contracts category, the cost is mainly for web management and water quality analysis for a project. With all the changes, the budget amendment has a year-end net of \$162,452. However, this net includes Virginia's full dues of \$151,500. Rather, without Virginia's signatory dues the realistic net would be an increase in the fund equity of approximately \$10,000.

Commissioner Sklarew asked on the status of pursuing Virginia's signatory dues. Mr. Haywood replied that Commissioner Kudlas offered to provide contacts in the Virginia legislature, staff level. After some initial inquiries, the indication was, given recent directives from the Governor's office to cut funding an additional 4%, that this was not a good time to pursue these contacts. Commissioner Kudlas made another suggestion to reach out to the friends of ICPRB who may have some influence on Virginia. He is pursuing this route. Commissioner Sklarew will discuss with Commissioner Hartwell to make another effort. Chairman Karimi would like to look at educating or

correcting the impressions that other jurisdictions are not paying. He suggested looking at the short legislative session period, using Commissioner Paylor's recommendation (from previous meeting). He would like for the ED to make further discussions with the Virginia commissioners to take appropriate action for this situation. Commissioner Sachs added that it may be placing Commissioner Kudlas in an unfair position, working for the Commission and also his position at the state. Mr. Haywood explained that Commissioner Kudlas has done no more than provide information to him about the Virginia budget process. Chairman Karimi asked Commissioner Sklarew to touch base with Commissioner Kudlas for his advice.

Chairman Karimi asked for a motion to approve the amended budget. Commissioner Stanley made a motion to approve the amended budget, followed by Commissioner Sklarew. All were in favor.

C. Investment Policy: Mr. Haywood introduced a new Investment Policy for ICPRB that continues the investment practices in the existing investment guidance in the Manual of Operations, but adds detail and language that meets current investment industry guidelines. This policy would be added to the Manual of Operations as an attachment. The Manual of Operations gives the authority to the ED, to invest appropriately for the Commission. It is a very conservative policy that allows only investments in U.S. government insured funds and is appropriate for the Commission. Mr. Bolle recommended adoption of this agreement. Mr. Haywood asked that due to the short notice, the commissioners take the policy home to review and get back to him within the week.

Commissioner Peterson added a minor edit to read, under Purpose and Scope, change "his" to "his/her." Commissioner Stanley added that a copy of the policy be sent to those commissioners who are not present at this meeting for their vote as well. Chairman Karimi asked that the document be sent to all the commissioners and alternates. The deadline for voting would be within the week. And no vote will mean abstaining from the vote. Mr. Bolle advised that the only votes that count are the commissioners, not the alternates. However, the commissioners that are not participating like the governor, their alternates will count for voting. Mr. Bolle further advised that the commission can vote on it now at this meeting to pass the motion, if the commission chooses. Chairman Karimi asked for a motion to vote on this policy at this meeting. Commissioner Sklarew and Commissioner Sachs recommended to vote now. Chairman Karimi asked for a vote from those present at the meeting and also send a copy to those Commissioners not present at this meeting to give them an opportunity to vote. **Commissioner Sachs made a motion to allow a week to review the document. Commissioner Pace seconded the motion. All were in favor. Chairman Karimi asked if those present would like to vote now. The following are those voting now with a "yes," Karimi, Stanley, Sachs, Peterson, Steele, Wennersten, Pace, Sklarew, Zemba. Commissioner Campbell voted yes with another modification to read, "All deposits must be fully insured." Chairman Karimi reiterated the motion at hand, which is the modified document with all given up to a week to vote. All were in favor of passing the motion. A second vote was made to adopt the document as modified. With consensus, all present at the meeting were in favor of adopting the Investment Policy. The motion passed.**

Mr. Haywood added that the intent of this document is a guideline for the new investment firm. In the future, he may ask the Commission the document may be modified to seek out secured higher yielding investment products. At this time, there will be no change in the investment practice.

D. Report on the Potomac Conservancy: Mr. Dalpra gave a short overview of the report from the Potomac Conservancy. This report focuses on the 40th anniversary of the Federal Clean Water Act (CWA). The Conservancy noted that the CWA is based on achieving fishable/swimmable waters

throughout the U.S. The states are required to report waterways that do not meet the state's designated uses, which then may require a Total Daily Maximum Load Plan that maps measures that should return the waterway to health.

The conservancy report highlighted the number of streams that are not in compliance, along with a list of contaminants that included nutrients, sediments, pathogens and bacteria, industrial chemicals, and emerging contaminants such as endocrine disruptor chemicals, that interfere with hormonal processes. The conservancy report connects the discovery of amounts of emerging contaminants with the intersex fish problems in the Potomac watershed. Dalpra noted the conservancy report was not yet strongly supported by data. Dalpra noted that the most recent assessment is the first in which the Potomac Conservancy did not use a letter grade, but used the word "fail" instead. Another interesting fact on this report is that most of problems lie in the Virginia portion of the Potomac. This may be because of a recent report about Virginia's waterway quality. As the ICPRB Commissioners are aware, a comprehensive report for the entire watershed is a costly, time-consuming, and likely controversial report to produce. For previous reports, the conservancy requested and received ICPRB support in collecting data, but has not asked for help with the last couple of reports. The report addressed three approaches for improvement : strengthening the regulatory framework at the state and local levels to reduce nonpoint source pollution, to increasing funding for clean water programs, and providing assistance and incentives to individual property owners.

In line with its suggestions, the Conservancy announced its agenda for the next three years, including working more closely with private land owners, increasing government funding for programs to help land owners, and provide incentives and technical assistance to them. In a companion document, the conservancy highlighted a number of recommendations aimed at local and state government funding to promote smart growth and development practices that would guide development that supports clean waterways.

The report is a good way to generate publicity for an advocacy organization such as the Conservancy. An ICPRB report to generate similar publicity would need to be much more data-centric, and would need to agree with existing state policies. A possible offshoot for ICPRB use could include a broad assessment of the watershed and conceptually highlight jurisdiction efforts to meet the goals of the Clean Water Act or the goals of the Commission. The report is available on www.potomac.org.

COMMISSIONER'S TIME

Commissioner Wennersten invited the Commission to visit the Smithsonian Anacostia Museum, open until September 2013 to see a new exhibit: *Reclaiming the Edge: Urban Waterways and Civic Engagement*. Dr. Wennersten was a consultant on this exhibit.

Commissioner Zemba added that Pennsylvania has made a major initiative to revamp the permitting process to improve timeliness and efficiency of issuing permits.

Mr. Haywood had some conversations with the Pennsylvania commissioners about having the next meeting in Pennsylvania. Chairman Karimi suggested that Pennsylvania commissioners and the staff further discuss the meeting location for March. Commissioner Zemba suggested the meeting be a one-day meeting.

Commissioner Sachs added that Maryland will be appointing a new commissioner possibly from southern Maryland, St. Mary's county area. If the appointment happens, he suggested that in June,

the meeting location be in the southern Maryland area.

ADJOURNMENT

Chairman Karimi asked for a motion to adjourn the meeting. Commissioner Peterson made a motion to adjourn. Commissioner Sachs seconded the motion. All were in favor. The meeting adjourned at approximately 2:30pm.

Minutes Prepared By,
Bo Park
Administrative Officer

Minutes Approved By,
Carlton Haywood
Commission Secretary