

INTERSTATE COMMISSION ON THE POTOMAC RIVER BASIN

THIRD QUARTER 2013
BUSINESS MEETING
JUNE 11, 2013

ICPRB HEADQUARTERS, ROCKVILLE MD

DRAFT MINUTES

CALL TO ORDER: Chairman Karimi called the Third Quarter 2013 Business Meeting to order at 10:09AM on June 11, 2013. The following Commissioners, staff, and guests were in attendance for all or part of the meeting.

Commissioners

West Virginia

Patrick Campbell (Alt. Commissioner)

District of Columbia

Hamid Karimi (Alt. Commissioner)

John Wennersten (Alt. Commissioner)

United States

Jane Witheridge (Commissioner)

Robert Pace (Alt. Commissioner)

John Quigley (Alt. Commissioner)

Maryland

Herb Sachs (Chair & Alt. Commissioner)

Virginia

Scott Kudlas (Alt. Commissioner)

Robert van Laer Hartwell (Commissioner)

Pennsylvania

Andrew Zemba (Commissioner)

Ronald Stanley (Commissioner)

Staff and Guests

Staff

Carlton Haywood (Executive Director)

Robert Bolle (General Counsel)

Bo Park (Administrative Officer)

Cherie Schultz (Director, CO-OP Section)

Jim Cummins (Dir, Living Resources)

Curtis Dalpra (Communications Manager)

Claire Buchanan (Assoc Dir, Aquatic Habitat)

Ross Mandel (Assoc, Dir, Watershed Analysis)

Guest

Chris Kimple (for PA Del. Moul)

Alexandra Nigida (Intern, Rep. Dan Moul)

Bob Lewis (ED, St. Mary's River Watershed Assn)

Rhonda Manning (PA, DEP)

Chairman Karimi presented the ICPRB pin to the new federal alternate commissioner, John Quigley, alternate to Jane Witheridge.

ADOPTION OF AGENDA: Chairman Karimi asked for any modification of the agenda. Mr. Haywood asked that the presentation on Climate Change by Dr. Schultz be moved up to the beginning of Old Business. Commissioner Sachs asked for an update on the middle Potomac assessment. Mr. Haywood added that this update will be very brief. **Commissioner Kudlas made a motion to approve the agenda, which was seconded by Commissioner Hartwell. All were in favor.**

APPROVAL OF MINUTES: Commission Sachs made a motion to approve the Minutes, which was seconded by Commissioner Zemba. All were in favor.

APPROVAL OF EXECUTIVE COMMITTEE MINUTES: Commissioner Sachs made a motion to approve the minutes, which was seconded by Commissioner Kudlas. All were in favor.

GENERAL COUNSEL'S REPORT: Mr. Bolle reported that all legal affairs were related to routine matters. There were no other legal actions or matters to report.

OLD BUSINESS

Climate Change Impacts Throughout Basin: Dr. Schultz gave a presentation on the climate change study that was completed by the CO-OP Section. The study consisted of 18 scenarios from global forecast models. Staff member, Heidi Moltz and Dr. Cherie Schultz can be contacted for more information. Chairman Karimi asked that staff look for ways to communicate to a broader audience so information can be used for future needs for other stakeholders. Dr. Schultz indicated that the information will be put on the website. Chairman Karimi encouraged the commissioners to reach out to the staff with other suggestions.

Executive Director's Report: Mr. Haywood reported that staff member, Jacqueline Johnson's last day was June 14, as a result of a change in resource planning by the EPA for the Section 117 grant.

Commissioner Colleen Peterson has resigned as of yesterday due to personal reasons.

Financial Report: Mr. Haywood provided information on the current and projected financial status. He noted that Maryland has made a cut in their jurisdictional dues by 10%. Pennsylvania made a smaller cut of about \$5k, and there will be no dues received from Virginia. Per Commissioner Karimi, the District of Columbia dues will be forthcoming. From the grants, ICPRB has received about 40% from the EPA Section 106. This is beginning to impact our cash flow as about 75% of the 106 grant work has been expended thus far. Inquiry was made with John Capacasa at the EPA regarding additional funds into the 106 grant. There is still expectation that the full approved amount, less a sequestration cut, will be received.

Mr. Haywood indicated that the current cash flow is acceptable. If the shortage of funding resources continues into FY2014, however, some funds from the general account and possibly the reserve account will be necessary to close the cash flow gap. If the overall financial situation does not improve by FY2015, there will need to be significant changes in the operation to reduce expenses.

Mr. Haywood informed that some investments in mortgage-backed securities have been purchased consistent with the investment plan discussed at the March meeting. These assets are purchased in small increments of \$10k to \$20k with spread out maturity dates. So far approximately 18% of the contingency reserve account and 7.5% of the general account funds have been invested.

Mr. Haywood informed that the new Water Resources Development Act (WRDA) bill stipulates that if the Corps of Engineers (USACE) does not provide the funds, an explanation for non-funding must be made to the Senate. This new WRDA version was passed by the Senate, and is now in the House. There is only a small chance of success but the potential is there for \$750k/year funding if the USACE follows WRDA direction. There is an attempt by the river basin commission (RBC) group to arrange a meeting with the OMB and CEQ to put the RBC funding directly into the Obama Administration's budget. As a second attempt for ICPRB alone, Mr. Haywood is pursuing a meeting with Steve Stockton at the Corps of Engineers to discuss work on water resources planning as a basis for the \$750k federal payment.

Project Status Report: Mr. Haywood reported that the West Virginia water resources plan was completed and the report was delivered. The second year project is currently underway. West Virginia also awarded another project but staff is currently waiting for the data necessary to continue. Time extension on the project may be needed.

Efforts in Sturgeon Restoration: The Sturgeon project continues with Commissioner Hartwell and staff member Jim Cummins providing text to Congressional staff members for what could

become a letter from members of Congress to NOAA's National Marine Fisheries Service (NMFS) and to the US Fish and Wildlife Service (USFWS) to request alternative ways to deal with Atlantic sturgeon in the Potomac and upper Chesapeake Bay. This text is being reviewed by staff members for Congressmen Wolf and Moran. In addition, the NMFS recently indicated that they are going to re-evaluate the sturgeon population estimates used for the endangered species listing and that process provides a little more time for us to work on the fate of these hatchery sturgeon. Commissioner Sachs added that the Maryland Department of Natural Resources has strong interest on this issue. Commissioner Sachs asked for a copy of the letter to distribute within the Maryland departments. Commissioner Kudlas will also distribute to Virginia Marine Resources Commission.

Lease Renewal or Relocation Update: Mr. Haywood informed that there has been a rapid development in the lease/relocation effort. The total cost of the current space is approximately \$285k including parking. The current space is more than needed. Our sub-tenant, who holds about 960 ft², has given their notice to move out on 8/31/13. ICPRB's options are to stay in the current location until the current lease runs out on 10/1/14 and then move, stay in current location but with reduced space, or move to another WRIT location prior to 10/1/14.

Currently, there is a vacant WRIT office space located at 30 W Gude Drive, about 1.5 miles north, with approximately 7200 ft² for \$23.50/ft², with a move-in date of 10/1/2013. Negotiations have started for this location. As due diligence, other possible office spaces were seen. However, the advantage of 30 W Gude Dr. is the ability to move prior to the end of the lease with cost savings reflecting in FY2014. The impact of this move would be \$285,000 (FY2014 payment at 51 Monroe) vs. \$169,200 (at 30 W Gude), yielding a difference of \$115,800. Lower cost locations exist, down to about \$22/ft², but they are further away from highway access and from mass transit. In addition, ICPRB would not be able to move until the current lease runs out, resulting in a sharply higher rent cost for FY14 and waiting a year means taking a chance on the direction of market changes.

The 30 W Gude location has free parking and has reasonable access to mass transit, about 15 minutes by bus. Although there will be no large conference room in the suite, there is one available within the building for a nominal fee. There will be a small conference room within the suite, however. The estimated moving cost is approximately \$25-30k. In its counteroffer, ICPRB requested concessions from WRIT that is equivalent to the moving cost. Mr. Haywood requested the authorization to sign the lease at 30 W Gude Drive with an impending move on 10/1/2013. **Commissioner Kudlas made a motion to grant the Executive Director to move forward with the lease contract for 30 W Gude Dr with all related expenses. Commissioner Witheridge seconded the motion.** Commissioner Wennersten asked whether it is possible to extend for another year. Commissioner Stanley commented that it would be risking \$115.8k to wait since the economy is improving. Chairman Karimi asked for other comments. **With no other comments, all were in favor.** Chairman Karimi asked the ED to inform him of any significant developments. Mr. Haywood will let the commissioners know once the agreement is reached.

Implementing Strategic Plan: Mr. Haywood continued his previous discussion on the strategic plan. The mission, vision, goals were written last year. As a result, there are now 33 action items with 73 measurements. This list needs to be polished and pared down. However, the list represents the framework outlining the outcomes and measurements by department. Chairman Karimi requested that the strategic plan discussions be an on-going item on the agenda for future meetings.

NEW BUSINESS

Watershed Model: Past, Present, and Future: Dr. Mandel gave a presentation of the watershed models developed at ICPRB. Since the 1980's, the Chesapeake Bay Watershed Model has gone through several phases of development, and ICPRB has actively participated in the development of each phase. Currently, at the request of MDE, ICPRB staff are working to improve the performance of

Watershed Model at small scales to facilitate acceptance of Bay TMDL allocations by stakeholders. In addition to contributing to the objectives of the Chesapeake Bay Program, ICPRB's participation has enabled staff to apply the Watershed Model in other projects, including the CO-OP Climate Change Study, Sustainable Flows Project, the Potomac River PCB TMLs, and non-tidal nutrient TMDLs for six Maryland watersheds. The Watershed Model will form the basis for CO-OP's development of a low-flow forecasting model to better predict travel time of releases from William Jennings Randolph and Savage Reservoirs. It is anticipated that revised version of the Watershed Model also will be used in the future to help develop TMDLs and to simulate streamflow for local water resource planning.

Audit Committee Report: Commissioner Kudlas of the Audit Committee, reported that the Audit Committee has read the final audit report and was pleased with a clean audit. There were no deficiencies or material weaknesses. The committee met with the auditors. The auditors indicated that they made some suggestions, but they were resolved after discussions with the staff. So there were no subsequent issues. The committee made some suggestions in the draft report, which was included in the final report. **Commissioner Kudlas made a motion to accept the audit by Clifton Larson. Commissioner Stanley seconded the motion with all in favor.**

FY2013 Budget Revision: Mr. Haywood presented the FY2013 revision to reflect more accurate information with contract updates and expenditures. Included is a staff reduction for J. Johnson, prorated. The total revenue is based on the full receipt of jurisdictional dues, but the expectation is that expenses will exceed revenues by \$171k due to jurisdiction non-payment. The jurisdiction payment shortfalls will be carried as accounts receivable. **Commissioner Stanley made a motion to approve the FY2013 budget revision, which was seconded by Commissioner Kudlas. All were in favor.**

FY2014 Budget Revision: Mr. Haywood submitted the FY2014 budget revision, which is a conservative budget, with more up-to-date information. In the expense category, one staff reduction is reflected. The bottom line is approximately \$200k in the red, which is the norm at this early time. Any new revenue sources will be added as future revisions in FY2014. **Commissioner Sachs made a motion to approve the FY2014 budget revision, which was seconded by Commissioner Stanley. All were in favor.**

Reports from the Arakawa Basin, Japan: Commissioner Sklarew is serving as a Potomac ambassador to our sister Ara River (Arakawa) in Japan. He sent an audio/visual presentation about his activities that was played at the meeting and subsequently emailed to the commissioners. The presentation highlighted events that he has attended sponsored by the Society of Arakawa (our partner organization), including a science contest and a river tour event. He also made presentations about the Potomac at both events. He further asked the commissioners to suggest new avenues of participation that could help spread greater exchange between the two groups.

COMMISSIONER'S TIME

Commissioner Stanley informed that the former ICPRB commissioner Bill Plank's widow, Marrietta Plank recently passed away. Her memorial service will be held on 6/23/13, 1PM, in Everett, PA. Commissioner Zemba informed that Commissioner Mohr will be going on maternity leave starting August.

ADJOURNMENT

The meeting adjourned at 1:36PM.

Minutes Draft By: Bo Park, Administrative Officer

Minutes Reviewed, Approved, Submitted by: H. Carlton Haywood, Recording Secretary