

**Town of Milton  
Water Committee Meeting  
Milton Public Library  
121 Union Street  
Wednesday January 16, 2013 at 4:00 p.m.**

**Transcriptionist: Helene Rodgville  
[Minutes are Not Verbatim]**

1. Call to Order

Councilman West: Called the meeting to order at 4:20 p.m.

2. Roll Call

Councilman West: We'll do a roll call:

Mike MacNamara	Present
John Bushey	Present
Win Abbott	Present
Councilman West	Present
Dustan Russum	Present

3. Approval of the Agenda

Councilman West: Can I get approval of the agenda?

John Bushey: I have a question about the agenda. The agenda doesn't have anything on here about Old Business. Does that mean I'm prohibited asking questions about Old Business?

Councilman West: You can ask anything you want, Jack.

Win Abbott: Would you like to amend the agenda?

Councilman West: Yes, we can amend it Jack.

John Bushey: I would like to see the agenda amended to include Old Business.

Councilman West: Okay, we'll do that. We'll do that after New Business. How's that, or do you want it before New Business.

John Bushey: Technically if you look at, Old Business comes before New Business, but however, since you're the chair of the committee, however you want to do it.

Councilman West: We'll do it after...

John Bushey: Maybe we'll just put it after New, because some of the questions might be addressed under New Business. They may be.

Councilman West: Okay.

John Bushey: Alright? And I don't want to get the horse pushing the cart. I want the horse on the cart.

5. Review of Minutes from prior meeting

Councilman West: Okay, that's good. Has everybody reviewed the minutes of the prior meeting?

John Bushey: Well it makes it rather difficult to review the minutes, when you just have them presented to you about a minute before the time was supposed to start for the meeting. So what I would do is, I would suggest that we approve them at the next meeting.

Councilman West: Okay, we can do that.

John Bushey: That will give you time to review them. Perhaps maybe the next time, the next meeting, we can get the minutes a week or so before and I'll have the opportunity to review them and then make questions and ask questions; that will reflect to Old Business.

Councilman West: Okay.

John Bushey: Alright.

Councilman West: Do you want to make that a motion?

John Bushey: I'll make that a motion, if you've got all of that.

Councilman West: Okay, it's down on the recorder. All those in favor... Can we get a second?

Mike MacNamara: Second.

Councilman West: All those in favor say aye. Opposed. Motion carried.

6. Presentation by Pennoni Associates

Regarding Water System Improvements for Office of Drinking Water State Revolving Fund (SRF) loan application

Steve McCabe: Good afternoon. I'm here to give an update on the State Revolving Fund loan application. State Revolving Fund Program that Milton has made the commitment to apply for, basically has three components. I gave you a hand-out of each component. The Town Manager is very familiar with them. He wrote them. The pre-application for Well No. 5, private inter-connection, Wagamon's loop in the control system, the pre-application for...

John Bushey: Excuse me. Back up.

Steve McCabe: Yes, Sir.

John Bushey: Which one has the information, the pre-application for pre-connect?

Steve McCabe: It's written on the upper right hand corner of the first hand-out that says Well 5, Private Inter-Connection, Wagamon's loop in the control system. This is the pre-application that was made by the town to State Revolving Fund to apply for the loan for the Project Priority List. The second hand-out would be the same; it would be the pre-application form for the 500,000 elevated storage facility and then the third is the actual full application from the Clean Water State Revolving Fund. Based upon my direction from the Town Manager, I was asked to come here and give an update on the status of these loan applications. In our previous presentation before the Town, Pennoni was requested to come in, look at the existing facilities plan and referendum that had been prepared by CABA Associates and we did so. We made a series of recommendations. We put a cost estimate those recommendations. Those costs were put together on these State Revolving Fund loan applications by the Town Manager and applied to Clean Water State Revolving Fund to be considered on the Project Priority List (öPPLö) for funding. We received favorable results from the Town Manager's applications. The first application was ranked tenth on the PPL in the State and the second application was ranked seventh on the PPL in the State, out of all the municipalities that applied. The next step would be to fill out the full application and apply for the actual funding and go through the program steps that were outlined in this morning's loan workshop that the Town Manager and I attended in Dover. As part of this process, the recommendations that Pennoni Associates had made in the facilities report, that was made to the Town, it's necessary that we substantiate further and go into more detail on the scope of work and the cost estimate numbers for the full application. Preliminary numbers and engineering estimates were provided on the pre-applications, which are the first two handouts and I'll go through those. On the first handout, this is the pre-application that's in the upper right hand corner that says Well No. 5, Private Inter-connection, Wagamon's loop in the control system. These were some of the recommendations that had been made by Pennoni Associates in our report. The Town Manager broke these out and put these on a separate application from the elevated storage tank. In this State Revolving Fund loan application you can go through it; I'm sure you've probably already seen it; but in the numbers, the Town Manager had requested \$1.38 million for construction and for a total loan amount of \$1.725 million, considering contingencies and total cost of the project. The

scope of work for this were the numbers that Pennoni Associates had put in our recommendation and they were: an increase in supply, which is a testing and permitting well pump upgrades; well drilling; well head pumps and piping; treatment building upgrades; updated controls system. This is for Well 5 replacement and the second alternative was...

John Bushey: Steve?

Steve McCabe: Yes?

John Bushey: Do you want us to wait until you finish, or can we ask questions as we're going along?

Steve McCabe: Let me get through and then let's gather them all, because we may have some guys that have the same questions. Basically, if you look at the handout, you'll see a yellow piece of paper in the handout. In back of the yellow piece of paper are the actual numbers. Those are the cost estimates that we provided. In front of the yellow piece of paper is the loan application itself, but basically the Town Manager had asked for the dollar amounts that we had put in our recommendation in the pre-application and behind the pre-application, behind the yellow piece of paper, is Pennoni's work further substantiating for the full loan application and you can see the first thing that comes up is Well No. 5 Replacement. We've looked at the data on Well 5 and the water quality is really not good, so we feel that based upon the numbers that are in the loan application, that we go ahead and re-drill Well 5 to the Federalsburg Aquifer and go deeper for clean water; the sulfur and the treatment costs are probably cost prohibitive and I think that's one of the reasons in the CABA Associates Report, they just went ahead and abandoned it. We've been working with Allen Atkins and looking at the Water Quality Data and the sulphates are high and it's really difficult to go ahead and put a lot of good money in something that may not work out; so we feel that it's just better to re drill the well deeper at the same location; hit a cleaner aquifer; and just use conventional treatment and probably some pH treatment and have your source of supply. So our cost number for that comes out to \$730,000. It's very comparable to what we had in the previous estimate; \$880,000 is what was applied for. With all of our contingencies and engineering fees, and everything included, we're estimating it in the \$875,000 range, so it's very comparable to what the Town Manager applied for in his pre-application; so those numbers look very good. The next diagram behind the cost document is a stick diagram from the previous facilities report of the town system. Part of that would include a Skada System or an improved control system and that was also in the pre-application and behind that is a cost estimate from the previous consultant, on that. The next alternative was a private inter-connection and we've looked at this as well. As I had mentioned before in our previous presentation, the devil's in the details on that. I know there's been a lot of negotiations between Artesian and Tidewater. I've been speaking to them, as well and what I've done here is I've provided a 100% cost estimate to the Town, just for the purpose of the Town's negotiations such that if you want to build the lines yourselves; you want to own the lines yourselves; you don't want to make any concessions or deals to the private utility and you just want to purchase raw water; so that's also in here for your consideration. I contacted Tidewater Utilities for this information. I believe they've already presented this to you and the number is about \$1.78 million.

John Bushey: Excuse me. Tidewater's came before us? Did we have a meeting that I missed?

Councilman West: No, they came before the Council.

John Bushey: Okay.

Steve McCabe: I'm sorry, when I refer to us, I refer to the Town of Milton.

John Bushey: Okay, that's fine.

Steve McCabe: In whole, not necessarily to this Committee. But that's included in here as well. Behind that is the next option, is the Wagamon's loop and the Wagamon's loop, the picture for that's all the way on the back page; there's a color diagram from Wagamon's West Shores running a 10ö water main across the railroad to Park Street and connecting and looping the dead end mains on the system. That was also in the pre-application and our numbers are comparable to that. They're a little higher. I think in the pre-application we were looking at \$250,000; we're coming up with about \$300,000 and it's just materials costs and the directional drill costs to get under the creek. But that's the first pre-application and that's the first packet of additional information to put in the State Revolving Fund loan application for the full application and we can go ahead and provide more or you can comment on this and let us know, but I feel like based upon looking at today's agenda, State Revolving Fund wants to know, basically, how much money the town is interested in; if the Town wants to participate in borrowing and I think, basically, we just need to make some firm decision on what to put in the full application and what to actually apply for, but as I said before the Town Manager's done a good job with the pre-applications and the pre-applications were scored highly. We got a seven rank and a ten rank; so we ranked in the top ten in the State and both projects are eligible to receive funding. There's no guarantee that funding will be received for it. It still has to be up to the full application and how the full application's come through the program, but they've been received favorably. The second application that was submitted by the Town is the second pre-application and that's the number two document that I had given you. This is the 500,000 gallon elevated storage tank. This was also one of the alternative recommendations that was recommended to provide additional supply. In Pennoni's water facilities report to the Town Council, we had basically indicated that increased supply was needed to cover the town's water shortages and there were three alternatives; one was a private inter-connection with a utility; one was increase your pumping; and the third was elevated storage. So the Town Manager went ahead and submitted a pre-application to State Revolving Fund for elevated storage, along with a pre-application for the other alternatives; so two applications went into the funding agency and this is the second pre-application. This one actually ranked higher then the other pre-application and if you go through it, I did the same thing; I put a yellow piece of paper in here to separate the application from the substantiated information. The previous consultant put a price tag on a 500,000 gallon storage tank of \$1.5 million; we feel like it's going to be closer to about \$1.3 million. We've put our cost estimate in the package. Also in the package are some pictures of Caldwell and I believe they have also been before the Town, or have contacted the Town about supplying elevated storage tanks. They're an elevated storage tank provider. They provide a lot of tanks in the region and these are some images of their products that they have done for other utilities in the area. Attached to that, I've also received a request from the Town Manager to look at including the repair of the existing storage tank that the Town owns, or has by Shipbuilder's Village; the one that has incurred some damage and included with this is the engineering number that has been obtained from one of your other consultants. So what we would end up doing is we would package up this information and if you so choose to make the recommendation, we could include it in the full application. The next handout is the full application and this is what's due to the funding agency in the middle of next month. As I said before, when I've done these in the past, the funding agency needs to feel comfortable that if we apply for the loan, we're going to go ahead and close it and have the ability to handle it, do it, and expend the money properly and close the project out. If you look through this pre-application, or this full application form, they require a lot of information, a lot of financial information from the Town, such as budget, rate schedules, bond rating, Charter restrictions, Service

Agreements, and the like, so there's a lot of work here for the Town, on the Town Manager especially, to provide work. We will be providing statuses and schedules of the engineering and status of any plans and the like. Typically what the funding agencies want to see, is they want to see shovel ready projects. They want to see projects that are ready to go, that already have either a resolution or endorsement from the town governments and when I attended the loan workshop this morning, that was one of the things that was mentioned, was that when the ranking comes out for the projects, the funding agency is looking for the projects that are ready to go. So I think the Town will need some kind of recommendation from this organization and some kind of Resolution approved by the town government endorsing the amount that we're going to borrow, if we borrow any, and what the actual scope of work is going to be. So I know I talked to Win and I feel like the decision has to be made to go forward with this, or to pick parts and go forward with it, with the full application, but in any event, the projects that have been applied for have been favorably received. With that being said, I'll field any questions that you guys have.

Councilman West: Jack.

John Bushey: I'll relinquish the floor to Dennis or you or Mike, before I start.

Councilman West: Go ahead.

John Bushey: Mike, go ahead.

Mike MacNamara: No, that's alright, go ahead.

John Bushey: I thought we had a previous discussion here before the Water Committee about not pursuing the inter-connection with another utility. We also requested to have Tidewater come before us. I would like to see... Who made these decisions to pursue the inter-connection? Did the Council make a decision to proceed to the inter-connection with another utility company?

Win Abbott: Would you like for me to answer that?

John Bushey: Well, who has the answer?

Win Abbott: I have the answer.

John Bushey: Okay.

Win Abbott: The Town Council made the decision on what to put on the State Revolving Fund pre-applications and they picked those items based upon the report that Pennoni Associates had created and with input from the Water Committee, but ultimately the Town Council made the decision and I filled out pre-applications, as directed by the Town Council.

John Bushey: Well I'll tell you my concern about doing a reconnect; and there's multiple things I have concern about; dealing with Tidewater. Whether or not Tidewater can do this, legally, in any kind of agreement with the Town. I have a lot of reservations about the Town even doing business with Tidewater. I don't like to see any inter-connection because what's going to happen? You're going to get a Council who's going to be complacent; they're not going to be willing to do what they should be doing; they're going to be complacent... Oh, we're not worried about that. We can buy the water from whoever, Artesian, or Tidewater, in this case they want Tidewater. So they've become complacent and then they don't even bother to maintain the system they do have. So I don't think it's a good idea. I think some of the situation the Town finds themselves in with the water system is, was created. In fact, this past summer, oh we're pumping water and we're only pumping out of one well. Oh the well's not keeping up. Oh, we have a major problem. Oh, we turn on the second well and then we turn on our third well; we bring it back up to where it should be, create it. We let Well 5 slip by; whether it's a previous administration or whatever, we didn't see that we had sufficient water to pump; we didn't see that our applications were kept up or were upgraded to pump adequate water, whether who it falls on and whether you follow the

recommendations. One thing I have a problem with this report right here is, is the inter-connection with an outside utility. As a matter of fact, somewhere in the report that it wasn't recommended. Yes the Council has ultimate responsibility, but I wonder if that's driven by a couple of people who are not taking consideration of other Council Member's opinions and what's going on. They ask questions. They don't get answers to questions. You hear it on the street. I don't have to attend that meeting, I hear so much stuff of what goes on at the Council, on the street. And then I find, oh, we have a Committee here; we appoint a committee and we bring in people who have been in the Town Council business here for years, have forgotten more than a lot of people ever hope to learn, but we brought them abroad and my feeling is, we brought these people aboard is because we want them to help us sell this bill of goods and yet we are not being kept informed as to what's going on; and I would not recommend us filing for any money, for any inter-connection; keep your system upgraded; come back to the people and say okay, we're doing this and this. Do we have our financial resources to go with? We have some money in savings. What's interesting is, when we start talking about taxpayer's dollars, we think it's an endless pit and no responsible person standing up to the base and saying wait a second. We need to do things more economically. My biggest concern is I like to know the motivation behind the Tidewater thing and what clandestine, if there were any clandestine meetings taking place and deals done and talked about or whatever and I'm not going to be convinced... I know that there was a meeting in Dover, in a restaurant, witnessed several years ago by a member of the previous Council and members of a certain utility company; so I can't be convinced that something in that case was amiss and that there's something amiss now. I am not trustworthy in certain instances, and therefore, I will not make a recommendation today that any of the inter-connection piping be done.

Mike MacNamara: Well I would sort of agree with that. I don't think we should go out of town to get our water, if we have different resources here to tap into, why extend it out to other towns? Can't we find it in our Town itself, with the wells, especially with Well No. 5. I mean, if we're going to go down deeper, we have another resource of water. So I would feel... I would say the same, that I think we should not vote on the inter-connection.

John Bushey: As a matter of fact, I make that a motion, that with the application's fine, with the other two alternatives, a and b, the elevated tank, but doing the inter-connection facility, I make a motion we not pursue that with any other utility.

Mike MacNamara: Second the motion.

Councilman West: We have a motion moved and seconded to proceed with the application with the stipulation there will be water inter-connection.

Mike MacNamara: Question?

John Bushey: That's our recommendation to...

Councilman Booros: You don't have a quorum.

John Bushey: Well you know what...

Councilman Booros: You can't make a motion to vote without a quorum and you don't have a quorum.

John Bushey: Well, let me... Well you know what, what are we sitting here for the meeting for? It's a waste of time.

Councilman Booros: I didn't...

John Bushey: I make a motion we adjourn, because of lack of a quorum.

Mike MacNamara: No, I have a question on this voting. Can this vote be overturned by Town Council?

John Bushey: Oh yeah it could be overturned if the Council, if the majority agrees with it. But we're making a recommendation not to go with the inter-connection. They don't have to

listen to us, whatsoever, but then we don't have a quorum here to vote because we're missing two members of the Committee, Bill Woods and Dennis Hughes. There are five of us here, it only takes three of us.

Councilman Booros: Those two aren't committee members.

Win Abbott: I'm not a committee member.

Councilman Booros: Dustan's not a committee member?

John Bushey: Dustan's not a committee member.

Win Abbott: You have a committee of five and three of the five are here.

Councilman West: And there's three of us here.

Councilman Booros: You have a committee of five? Dennis Hughes, Jr., Dennis Hughes, Sr.

Win Abbott: Dennis Hughes, Jr. has never participated.

John Bushey: No.

Win Abbott: Do you want to proceed or not, it's entirely up to you guys? This is advisory for the Council. Whether or not...

John Bushey: Well you know I didn't know he was even a member of the Committee.

Councilman West: Me neither. Marion?

Councilwoman Jones: Mr. Chairman would you allow a question?

Councilman West: Yes.

Councilwoman Jones: Mr. McCabe, your number one, your first... The question for Pennoni is under the items of the pre-application number one, which included the private inter-connection of water, I heard you mention Tidewater, with a \$1.7 million estimate. Is that the only private inter-connection proposal in pre-application number one?

Steve McCabe: Actually, to answer your question, I cited them as an example because the number that was actually used in the pre-application was \$250,000 and that was alternative c, the inter-connectivity with a neighboring private utility and that was for a meter pit, control valve and connection piping; so the pre-application that the Town made to State Revolving Fund did not include the name of any utility; it could have been either Artesian or Tidewater or any other private utility. The reason why I cited the name, Tidewater Utilities, was because I knew that they were our neighboring utility and they were forthcoming with information, as far as cost estimates for connecting to the Town and I also made an attempt to Artesian, to figure out what their costs would be, to bring water to the Town and they weren't forthcoming with the information; so I included the information that I had from Tidewater Utilities to give the Town an idea of what a private inter-connection would cost if the Town was financing 100% of it themselves. The dollar amount that was actually applied for on the State Revolving Fund loan pre-application was \$250,000 and that was an estimate based upon there being some kind of arrangement with a private utility and some kind of a User Agreement being established and the \$250,000 represents the metering, the control valving and just the connection of a utility coming to the town.

Councilwoman Jones: Not the cost of the construction of the pipes.

Steve McCabe: Right, not the cost of the Town going to a utility.

Councilwoman Jones: My other comment, Mr. Chairman, is pleading with you, once again, if you would consider holding meetings outside of regular work hours. I had to take off from work early today to be able to make a 4:00 meeting. I just wish you'd consider that. Thank you.

Councilman West: Also, to comment on what you said, Jack, you know from talking to people, no matter what we do, we want to get this referendum passed, but if Tidewater's in the equation, no matter how many referendums you have, it will never get passed. So, we need, somehow, to get Tidewater out of this equation for the townspeople.

John Bushey: Steve of Pennoni Associates, a question. Did I miss something somewhere in

my reading of your report? You didn't make a recommendation that we do an inter-connection? Did you?

Steve McCabe: In our report, inter-connectivity was an alternative. If memory serves, there were three alternatives made and if you give me about a minute, I brought the report with me...

John Bushey: No, no that would be fine. I just need to have my memory refreshed sometimes. It's like a computer, you put information into it and then you forget how you put it in to refind it again sometimes, though...

Steve McCabe: We made three recommendations, because based upon our work we discovered that the Town needed more supply and the shortage of water was the issue. Based upon the circumstances that the Town is in, we felt like the best ways were to purchase water from someone else, to increase your pumping, or to increase your storage and those were the three recommendations we made.

John Bushey: Okay, three recommendations ó outside source by somebody else, storage it and use less pumping capacity, or come up with a capacity by pumping.

Steve McCabe: Yes, that's correct.

John Bushey: Okay, so in other words what you're saying to me is, we could meet our water needs by putting additional wells in.

Steve McCabe: Yes.

John Bushey: The pump doing capacity time. The water tower helps you during those periods of time, but if it drops below a certain level, you have the water capacity to boost it back up, as the Town of Harrington does.

Steve McCabe: Plus the water tower also helps you get more favorable insurance rates and it also uses less electric and is a more reliable system then pumping. It requires less maintenance.

John Bushey: I've got a question, how does it save you on electric rates?

Steve McCabe: Because the pumps aren't running all the time. In the summertime when you guys run a shortage, your pumps are going to run 24 hours, or 22 hours; Dustan can tell you how many hours they run...

John Bushey: I've talked to him about that.

Steve McCabe: And what the electric costs are. On a storage tank, it pumps up and it stops and then it runs off the tank.

John Bushey: Well how much is it going to save you, can you give me a cost factor, how much it's going to save me, by putting this water tower up; we're going to spend \$3 million on this water tower...

Steve McCabe: It's about \$1.3 million.

John Bushey: Oh, excuse me, \$1.3 million; I'm going to borrow it at what... Am I going to get it at 0.25% interest, or am I going to pay 3%?

Steve McCabe: That's up to the funding agency and your bonding.

John Bushey: Okay, well listen, in all probability we're going to have to pay 3% on the \$1.3 million. Now will putting in a well, an additional well in, will pumping water be more economical and save me money, dollars and sense-wise, over putting in an additional water tower?

Steve McCabe: The well replacement is going to be a lower up front cost, then the water tank.

John Bushey: Okay.

Steve McCabe: And that's what the cost estimate reflects. I just want to be on the record, too, that I'm not promoting any of the alternatives. I'm just presenting them before you, for your decision.

John Bushey: Well I appreciate that. I appreciate that, you know. I appreciate that.

Steve McCabe: I'm just trying to give you as much information as I can give you and all these choices are difficult choices and some of them are quite expensive, so it's...

Councilman West: Steve, if we were to revitalize Well 5, how much of savings would that be vs. waiting the time to get all the permits in place to do a new well in another location?

Steve McCabe: If Well 5 can be rehabilitated... and that's one of the questions that it's the water quality is to the point where a treatment cost is almost awash, compared to sinking a new well. So it's better, we feel, and in the Town's best interest, to not put good money on something that's bad and to just to build a brand new one that you know is good and be done with it.

Councilman West: Even if you drove Well 5 deeper?

Steve McCabe: What we're recommending is that you hit the next aquifer down, is the Federalsburg and if...

John Bushey: How far done is Federalsburg?

Steve McCabe: I think the one you're in now is 420', so it would be another 80'.

John Bushey: Okay.

Steve McCabe: So we're looking at about 500'. The water with less sulfide is there.

John Bushey: So is your recommendation to move number five from where it is to another location?

Steve McCabe: I think you should use the same location you're at. You already have the well there; it's on the correct side of the river for future development and it gives you another source on the south side.

John Bushey: So in other words, bore deeper?

Steve McCabe: Yes, that's one of the alternatives, yes.

John Bushey: Would it be cheaper than this cost estimate here of \$800,000?

Steve McCabe: We're think it's right about that. It could work out to be less, because you're not going to know... Typically what you do is you drive a test, about a 4ö test hole, and you go ahead and drill it down and see what you get and you keep working it down until you find it and it may work out to be less. What we're giving you is the full price, because we don't want to borrow money and then it not be enough and have to come back so when we do these pre-applications and these loans, we borrow more than what we feel like it's probably going to be, so you make sure at least you have enough money. When you close the loan, you only close the loan on what you actually expend, but we have to make sure that we apply for enough. It's like when you build a house, you go out and you take out a construction loan and you don't know what your mortgage is going to be until you finish construction and then you pay for what you build when you close on it.

John Bushey: Well we have a motion on the floor to go forward with the...

Councilman Booros: Can I ask a question?

Councilman West: John.

Councilman Booros: This is of Pennoni, so that I'm clear, because I heard your question, but I didn't know if I heard the right answer. Are we talking about a brand new well next to Well 5, or are we just talking about boring Well 5 80' more feet?

Steve McCabe: The dollar amount in the estimate is for a new well at the same location.

Councilman Booros: Not just going down 80 more feet on the existing well?

Steve McCabe: That's correct.

Councilman Booros: Is that possible?

Steve McCabe: It is possible, provided the condition of the well is suitable. The well has some age on it. The screen in the casing condition is unknown to me and like I said before, we put the full amount in the loan. We're basically going under the assumption that the well

screening and casing is aged and we're replacing it completely.

Councilman Booros: Okay, that was my first question. My second question is, on the pre-application for like the improvements to our system and the looping at Wagamon's, and all the other stuff, and was that included in that pre-application with the connectivity thing of the... Okay, it was.

Steve McCabe: Yes.

Councilman Booros: But we didn't include the fact that it's going to be \$1 million bucks to run the pipe?

Steve McCabe: You don't know what it's going to cost to run the pipe until there's a deal.

Councilman Booros: Well we did have two businessmen come before us and give us an estimate, so we have estimates from two different companies on what it's going to cost to run the pipe.

Steve McCabe: That's unknown to me.

Councilman Booros: Well, they came before Council and both of them have given us estimates on what it's going to cost to run that pipe, so there's an additional million something that we haven't counted for in that one pre-application, that's going to take care of all the improvements to the system we need, plus the connectivity whatever it is; it's just not going to be the pipe that gets us to the other people, right?

John Bushey: The recommendation on the floor here, or the motion, was made not to put the inter-connective pipe between the two utilities.

Councilman Booros: I understand that, but we have two pre-applications in. One pre-application is for a water tower, the other pre-application is for all the improvements to our current system, plus the thing that hooks up to an outside utility. We've already submitted the pre-application for that. My question is, that pre-application, why would we want to put up a hook-up if it doesn't include the \$2 million, or the million and a half bucks to run the pipe three miles down the road? That pre-application didn't include that, right?

Steve McCabe: That is correct.

Councilman Booros: So, other than the improvements to the existing system, that first pre-application does nothing else but improvements to our existing system and maybe drill out the new well.

Steve McCabe: That's correct.

Councilman Booros: Okay. So the connectivity is not even an issue, because we didn't apply for the extra million and half, or two million dollars, it's going to cost us for that pipe.

Tidewater was not going to pay for the pipe. We were going to pay for the pipe.

John Bushey: Yes, because that way you have control.

Councilman Booros: Right. And the other one was going to share the cost of the pipe, but it was still over a million dollars to run that pipe three miles down Route 5, so if we didn't apply for that in the pre-application for the first one, connectivity is out of the question anyway, because we didn't apply for it in our pre-application. We can't go back to them now and up that pre-application by two million dollars.

Steve McCabe: That's correct.

John Bushey: Okay, but let me read you a little sentence here. Now you tell me...

• Alternative c, Inter-connectivity with neighboring private utility. •

Councilman Booros: But he's saying we didn't talk about the pipe; all we talked about was putting in the thing somewhere on the outskirts, in the Town, that we could eventually run the pipe to...

John Bushey: Well wait a second. What we're saying is no on that.

Councilman Booros: I understand that, but...

John Bushey: Alright, so why would you... if you didn't appropriate the money and you're

not planning on doing that, why would you even mention it in your application?

Councilman Booros: I guess they assumed that the utility would pay to bring the pipe here, but both of those utilities...

John Bushey: Oh, we assumed.

Councilman Booros: I didn't do it, Sir. Okay, but both of those utilities have come before Council and both of those utilities, one of them said we'd pay for it and the other one said we'll share the cost of it with you, but it was still well over a million bucks from both of them and we didn't apply for that under that first pre-application, so that's out of the question anyway.

John Bushey: Excuse me. Excuse me. Excuse me. We wouldn't apply for the million dollars if they are bringing the pipe to us.

Councilman Booros: Right, but neither one of them are bringing the pipe to us. That's what I'm telling you now, so that first pre-application does not include bringing a pipe to us; we would have to take it to them...

John Bushey: Here's the thing. What we're saying is, we do not want to do the inter-connecting; we don't even want to put that to a test.

Councilman Booros: I'm saying we didn't apply for the money to do the inter-connecting, so it's kind of out of the question anyway, whether you vote on it or not.

John Bushey: No, it's not, John. No it's not. You are appropriating \$250,000 to put valves out there...

Councilman Booros: To put a valve. I understand the valve.

John Bushey: Why are you even going to do that, if that's not... Do you understand?

Councilman Booros: If we didn't apply for the two million bucks to run the pipe, then there's no sense in putting in the valve.

John Bushey: That's right.

Councilman Booros: I agree.

John Bushey: So this shouldn't even be here.

Councilman Booros: I agree, but that's... I was just trying to get this man to clarify. We're missing a couple of million bucks out of that first pre-application, if we ever intended to hook-up to an outside source. We didn't ask for it.

John Bushey: Right and I further justify why we should not do it. Okay?

Councilman Booros: Well we can't do it, because we didn't ask for that two million dollars that it's going to cost to run the pipes, so that's kind of out of the question anyway.

John Bushey: And then so you don't want the \$250,000. Okay?

Councilman Booros: I agree.

John Bushey: We're on the same page.

Councilman Booros: Yup.

John Bushey: And my further justification is to do no connecting with any outside utility, maintain your system so you have independence.

Councilman Booros: Oh I agree. I agree. But I also don't want to have a water tower shoved down my throat again, because we don't have the two million dollars applied for for the inter-connectivity and those were our only two choices, because I don't think they are our only two choices.

John Bushey: No. No. No. You just heard the man tell us that we can resolve a lot of our water needs, but you're going to have spend more on electricity...

Councilman Booros: And we have to get the State to allow us to pump more water out of the ground.

John Bushey: Yes. Yes.

Councilman Booros: They've already turned us down once.

John Bushey: Because they want to know where the 11 million gallon shortage is.

Councilman Booros: It's still an issue, isn't it?

John Bushey: Okay? Alright?

Councilman Booros: Still an issue. I just don't want to show up at a special meeting on the 24<sup>th</sup> and have a water tower shoved down my throat, when...

John Bushey: Well, John, you know what you do then? What you do then? You're a member of the Council, \_\_\_\_\_ inconsistencies and you disapprove of the idea and there's multiple people on the Council that do that; there's multiple people on the Water Committee that disagree with what the process is there; then you go out and work against the Referendum and have the people vote again and maybe, eventually, those people who are not listening, will listen. I know that's rather difficult, sometimes, but maybe. You understand? When the voters don't give you the money, where are you going to get the money to do it with? Alright?

Councilman Booros: All I stood up here was to clarify that we never asked...

John Bushey: I'm sorry, John.

Councilman Booros: Don't yell at me, Jack.

John Bushey: It's the issue, John, it's not against you, it's the issue.

Councilman Booros: All I wanted to know was did we apply for the million and a half, two million bucks it's going to cost to run the pipe, whether it goes up Route 5, or down Cave Neck Road. No we didn't, so inter-connectivity this year, under this Water Referendum, whatever the heck it is, is kind of out of the question, because without that extra couple of million bucks, we aren't connecting to anything.

John Bushey: No and there's no sense in us appropriating \$250,000.

Councilman Booros: You answered that question a long time ago. I don't know what the hell he's doing.

John Bushey: Marion, I think you wanted to ask...

Councilwoman Jones: I did. I wanted to ask a follow-up question, if I may.

Councilman West: Okay.

Councilwoman Jones: And it had to do with the allocation. As we go forward with perhaps pre-application number one, for the water improvements, which would provide us with more water in Well 5, greater capacity through better pumping in some of our other wells, this question actually may be for Mr. Abbott. How are we running parallel with those who will look at our requested water allocation to be raised, because that's really what we will need in order to supply what we've been told we need, whether it's storage or just pumping as we use it? We're not able to pump anymore then, I believe it's 500,000 gallons a day? So where is that application to request more water?

Win Abbott: The Department of Natural Resources Division of Water Resources is the agency that regulates the mining of water from this aquifer and they're response to our request in 2011, I believe it was, was that we do certain things; provide certain reports to them, which we did; and then to develop a water conservation plan, which we finally did and we've demonstrated a number of steps that we're in a water conservation plan, in order to satisfy all of the expectations that they had; looked for leaks; increase your metering capabilities at the point of use, which we've done, I think. We are at 90% metering when we first had the problem; now we're at 98% and we should be at 100% in a matter of a couple of months. However, another thing that they recommended that the Town do as a step towards having a water conservation plan, was to implement a progressive rate structure; something that I've put in the reports, I think four times in the past six months, in various forms as a matter of public information. So that is something that the Council would have to consider when they adopt the Fee Schedule at the next budget session, or whatever the case

may be. But nonetheless, all those steps, were everything that they asked of us and we haven't gone back and reapplied for an increase in our water allocation, because we'd like to be able to demonstrate some results. We've done a lot of work, but the results that we've gotten from the work to date, have not been that significant; the last step is to put in those check valves and have better metering at the wells. That should be done by the end of this month. The results, though, will be difficult to detect in a day, or a week. It's something that will require a few months, so the one good thing is that there is no sanctioning authority given to this exceeding our allocation permit; we've done it on many occasions; there have been no sanction. The only sanction has been that they want to be sure that we're doing everything we can to promote water conservation in our town, so the things that we have done, documented to have done, are all of the things that they have expected. Our next step after we get these check valves in, and begin this metering on a monthly basis, where we're not generating a bill; we still just bill quarterly. The next step would be to implement the CUP system, that is the accounting software that helps us to better ascertain what our actual costs of running the system are. There are a number of things that we haven't done, in order to make us good managers of the system, including, for example, depreciating the capital expense value of the equipment that we have in the field, so that that's built into our rate structure and we have money set aside for replacement on a periodic basis and we don't have to go through large loans. All of these things are what they've asked us to do. We have not gone back to them and asked for another increase in our allocation permit, because we still have a few things to wrap up.

Councilwoman Jones: Thank you.

Councilman West: Also, speaking about the accounting for the lost water, Dustan has got two of the three check valves in and that will help us understand where some of this water's going, because I think some of it is being read twice; so that will help on this. I've got to give them credit. They have been trying to keep an eye on where this water's going. How much have you accounted for, Win and Dustan?

Win Abbott: I think we picked up an extra two million.

Dustan Russum: Yes, since we first started, another two million.

John Bushey: A reduction off of the 11,000,000 gallon loss, so you're down to 9,000,000 trying to find? One of my questions was to ask about the check valves. Were they installed or had they been installed and have they reduced the amount of water loss, through double counting, or whatever?

Dustan Russum: We just got two of the check valves in today, installed in Well 7 and Well 4. Well 2 I'm hoping to get it done by the end of the week. I had to get another piece of spool made up. There have been some problems with the old bolts that were in there and in inspecting the check valves, the rubber seat that's around them, it was worn pretty much, so I'm hoping that this is going to stop all the water that was going back down, because now we've got a good seal and one of the things I did was I took the check valve, set it upside down, poured water in it and you can watch water just seep right through the check valve; so we were losing water there. As far as getting the new meters in, they have been ordered. They're supposed to have been shipped this week for the wells, so as soon as they get in, either the end of this week or next week, when they come in we'll get them in also. The transducer is now completed in the water tower and it's up and running.

John Bushey: And the damage we had at the water tower this past summer, was repaired temporarily. Is it creating any problem for you?

Dustan Russum: It currently has a leak in there now, a slow one. I guess there's been something with the paperwork, the contract, between us and the water tower people, that's the last I heard of where we're at with that.

Win Abbott: The contract has been executed and we can proceed with the work now, but there was some delay in everybody getting the paperwork signed and back to each other.

Dustan Russum: The water tower people did come last week and they measured up the pipe to get the parts that they need to, to fix it.

John Bushey: I just want to go back to this one alternative, Steve, if you wouldn't mind answering a question for me and make sure that I've got a correct understanding here. Upon this one grant, under alternative a, you are going to put new pumps on some of the wells for increased capacity pumping? Because you use the terminology here, well pump upgrades.

Steve McCabe: Yes, that is correct.

John Bushey: So all this cost that we have for \$880,000 or \$730,000 is not really just for fixing Well 5. It is upgrading all the other wells, as well.

Steve McCabe: Not all the wells, but it's basically replacing Well 5; it's basically sinking a new well right at Well 5 and for the purpose of the loan application and making sure we apply for enough money, we're assuming that the well heads and the well pumps have to be replaced...

John Bushey: On the other wells?

Steve McCabe: No, on Well 5.

John Bushey: Okay, but are you going to put different well pumps on the other wells 7, 4 and 2?

Steve McCabe: No.

John Bushey: No. And I did understand correctly, Mr. Abbott, that we have applied for a modification in the amount of water we're able to pump?

Win Abbott: No. No, we applied a year and a half ago...

John Bushey: And we got turned down.

Win Abbott: We got turned down. We have not reapplied for it.

John Bushey: Okay.

Steve McCabe: If memory serves, I don't think the Town was denied. I think a letter was sent back saying that your application was incomplete.

Win Abbott: You're right. You qualify it much better. This is true. They said we're not going to proceed with this until you do these other things; turn in this paperwork; show us a water conservation plan; and so on.

Steve McCabe: Right.

John Bushey: And you have since filed that haven't you, the water conservation plan?

Win Abbott: Yes and it's on our website, too; the copy of the actual letter that I sent to the Division of Natural Resources is on the website too.

John Bushey: And part of that conservation, is that the alternative water pumping on odd/even days?

Win Abbott: No.

John Bushey: So in other words, this summer whatever household wants to pump water their lawn, may do so.

Win Abbott: What you're referring to was an emergency conservation measure, implemented by the Mayor for a limited period of time. That's all. It was an emergency measure. It has nothing to do with the water conservation plan.

John Bushey: Okay. I didn't know if that was inclusive and I just thought it was a good idea. Have we made a decision whether we can vote or not? And make a recommendation?

Councilman West: I say yes.

John Bushey: Then you have a motion on the floor.

Councilman West: We have a motion and a second. All in favor say aye. Opposed. Motion carried. Jack, do you have any more Old Business?

John Bushey: Well you know I got some of my questions asked during this process and I kind of scratched them off, so at this point, I do not.

Councilman West: Because we're trying to work so the public knows, we're trying to work to get a referendum out of it, but we're not going to do it through a referendum, unless we've got our act together; then it will pass. That's why I said since that referendum last spring, the Water Department has been working their tails off and they're confident, the town office has been working with them and the Water Committee has been trying to work with them report back to the people. It may be another year in the work before we go to a referendum.

John Bushey: Well I hope we do something with Well 5 before another year.

Councilman West: Yes, but, what I'm saying is it may be next fall before we go to a referendum, depending on what Mr. Abbott can come up with.

John Bushey: Is there something in the wind about doing a referendum before then?

Win Abbott: The pre-application process is done. The full application is due on February 15<sup>th</sup>. Now I've received a memo from the Office of Drinking Water, which was shared with the Council to the effect that they want to be certain that applicants are ready to proceed and ready to proceed means that you have, or will soon pass, a Resolution to hold a referendum for the borrowing for the purposes of this loan. The people that put in a full application, or municipalities that put in a full application should not do it to be a place holder on that list. They have to do it with the intent that they're moving forward with this project. That is the question that will be put before the Council on the 24<sup>th</sup>, because the call to find out is this town ready to proceed, is going to be made on January 31<sup>st</sup> for the loan full application, which is due on February 15<sup>th</sup>. So the Council will have a decision to make. Do they want to move forward with a Resolution to hold a referendum, which will be followed by a Public Hearing, which will be followed by another Resolution to hold a referendum on a particular date and all the steps that go with that and if the town is not prepared to move forward with that, they should not submit the full application. Now, Mr. McCabe preceded his presentation by saying that the Town has put forward applications for the State Revolving Fund loan because of their obligation to the Office of Drinking Water. Our contract for that planning grant that we received from them, said that we would put in the application and we did. We put in pre-applications for these. Whether or not if the town does not move forward with a full application on either one of these alternatives and that that would violate our contract, I'm not sure. I'll have to talk to Ms. Warren about that. But nonetheless, the Council really does have to make a decision are they ready to move forward or not. If they're not ready to proceed, then we should not represent the fact that the Town of Milton is ready to proceed, just to have us be a place holder on the list.

John Bushey: Gotcha. I have a question. Referendum ó can the referendum or can the Council, I think the Council can, do it as a two-part question. One you want to borrow \$800,000 and \$1.3 million; can it be that you vote on two separate issues on that referendum? Well, improvements to the water system for a million dollars and \$1.3 million, the second question, for a water tower. So when we walk in the polling booth I have two springs to pull. One for the upgrade of the water system and two, I can pull a string to vote for or against the water tower. Two issues. Can it be done? And I think it can be done. I offer that as a suggestion. I throw that out there. Because maybe you don't have enough support, convinced enough people, that you really need the water tower, that you really need to upgrade your wells and you need to do other things that you're finding your 11 million gallons. You found two million gallons of it. So I just throw that out there, Mr. Chairman.

Councilman Booros: Mr. Chairman, can I ask one more question?

Councilman West: Yes.

Councilman Booros: Does Council have to proceed on both pre-applications for the full

application, or can Council just proceed on one or the other and skip the other one based on the fact that last year's referendum, with the missing water, was truly a 2 to 1 who wants to do this? We don't have to submit a full application on both of the pre-applications, do we?

John Bushey: That's why I... Can I say something first? That's why I said maybe you want to consider two issues.

Councilman Booros: And that's why I'm saying maybe we only want to consider one issue, okay, and it has nothing to do with above ground storage.

John Bushey: That's not my call. That's not my call. I threw it out. Okay.

Councilman Booros: I know it's not. I'm asking a question, because I don't know about the pre-application and the application and all that stuff. Do we have to move forward with both pre-applications, the full application for both of the choices, or can we move forward with both, one, either, or? That's my question and \_\_\_\_\_ ready to go.

Win Abbott: I do not have a definitive answer for you, however, I think this is a likely scenario for the Council. What I need to hear from the Council is what are you really for, so that I can have this conversation with Ms. Warren. What particular projects, however you want to characterize it, is all the Council on board for and then, when I have an assurance from the Council, that I can have this conversation with the Office of Drinking Water, that yes, we truly are ready to proceed on this project, not that one, or this one as modified, or whatever, and there's a sincere belief that yes, you really are all on board, I think we can have a good conversation about it. To offer multiple different scenarios, I don't know that the conversation will go far. I think, truly, I think that is an option for you, that you can choose one project over another; that you can modify it. As Mr. McCabe has said for the pre-application, all these things are estimates and I had asked him to provide more detail for each component, within the estimates. The purposes of having an estimate is to be able to have a credit line, if you will, that will allow us to take draws until we complete the construction on our project, as described, and the actual amount may turn out to be maybe less. But nonetheless, when the Council has this meeting on the 24<sup>th</sup>, it is hoped that we will come up with something that you are really for and on board for, all on the same page and then when you come to that consensus, I can have this discussion with Ms. Warren. We'll have a couple of weeks before that application is due on the 15<sup>th</sup> and I think it will come up to be well received when they know what the town is really for.

John Bushey: I've got another one. Steve, once Well 5 is in service, what was projected water pumping capacity of that well? Do you have a ballpark figure off the top of your head? I won't hold you to it. It's an estimate. Do you understand? Plus or minus.

Steve McCabe: Never ask an engineer a question and they can't answer it until he finds the page. Oh, Well 5... I can't. It's escaping me right now. I'll come up with it in the next few minutes.

John Bushey: Okay. Because I think one of the questions that we talked about fire safety, is being able to supply water at a certain... I think it's 1,500 gallons per minute for two hours and be able to maintain domestic use and there's a formula there. So my question was with Well 5 coming back on line, within the year, within the year, Steve? Coming back on line within the year, would it move us closer, is it going to be 500, 600, or 1,000 gallons per minute? Is it that large a capacity?

Steve McCabe: 260 gallons a minute.

John Bushey: Is that all, after it's refurbished?

Steve McCabe: After it's refurbished, possibly 500 gallons per minute.

John Bushey: If we've drilled a new well, put it in service, it would be 500 gallons a minute.

Steve McCabe: It's all dependent upon the geology underground.

John Bushey: Okay, so therefore it's approximate?

Steve McCabe: Yes.

John Bushey: Okay. Plus or minus.

Steve McCabe: We don't know what the yield of the aquifer's going to be until we actually drill on it.

John Bushey: Drill. Okay, gotcha.

Steve McCabe: It hasn't failed us before.

John Bushey: I've got a question, are there any wells around here in that aquifer?

Steve McCabe: Yes.

John Bushey: There are.

Steve McCabe: I don't know the actual location, but I know that aquifer is utilized by other entities. They are all virtually being mined and the \_\_\_\_ throughout the State, throughout the County, there's different towns, there's different companies that are in that aquifer.

John Bushey: In other words, some of our farmer's out here could be pulling out of the same aquifer.

Steve McCabe: I don't know if they're in there, but I mean it wouldn't be out of the realm of possibility to see somebody like a Dogfish, or a J. T. Townsend, or somebody that has a factory or an industrial use be in an aquifer that deep and that's what DNREC does; that's why when you apply for this allocation, they check all that and they make sure that we're not over-mining that aquifer or endangering a natural resource like that for the State of Delaware.

Councilman West: Are there any other questions?

Lynn Ekelund, 406 Union Street: Can I ask a question? It's my understanding that you guys voted that you're going to recommend to Council that they go ahead with the full application for pre-application Number 1, with the exception of the \$250,000 that has to do with the inter-connection. Is that correct?

John Bushey: [Garbled and unintelligible.]

Lynn Ekelund: Are you making any kind of a recommendation to Council, whether they should go ahead with the full application for the 500,000 gallon tank?

John Bushey: Well, that's why I threw out there to give someone to start thinking about whether or not they wanted to put it as a two-question vote referendum.

Lynn Ekelund: No, my question is...

John Bushey: I threw this question out there...

Lynn Ekelund: Let me just.

John Bushey: Okay. Sorry.

Lynn Ekelund: Are you going to make a motion that the Water Committee recommend that the Town Council go forward with the full application for the 500,000 gallon water tank?

John Bushey: Well...

Lynn Ekelund: Not can we pull this string or that string.

John Bushey: My recommendation right there was to exclude that one part, to exclude it.

Lynn Ekelund: The water...

John Bushey: The water connection valve. That's mine.

Lynn Ekelund: No, no, no. I'm talking about number two.

John Bushey: Now you're throwing out the question two, whether we want to consider making a recommendation to the Council whether we want to go with a full application or with the well? That's why I responded back in saying maybe the Council would like to consider making it a two-question referendum, if they get it on the ballot.

Lynn Ekelund: But Council then would be doing that on their own without a recommendation from you folks, whether to proceed with the water tank or not to proceed with the water tank. Is that what I'm hearing you're not going to make a recommendation

one way or another about pre-application number two?

John Bushey: It's up to the rest of the Council. I... Mike, what do you think?

Mike MacNamara: Well, do we really need to have a tank if we put a new well on number five and it comes to like Mr. McCabe said about 500,000 gallons a day? Do we need to put an elevated tank up. Shouldn't we maybe wait and see what happens to number five?

John Bushey: I think in reference to that point right there, adding a well with 500 gallons and your current capacity on your three wells is approximately 670 gallons a minute, if all three of them are running, if I have my figures correct and if I remember correctly; about 670 gallons per minute on 7, 4 and 2 wells; add in a well pumping 500 gallons, is only going to put you at about 1,170 gallons per minute and therefore, is that going to meet your needs? You should increase your water pumping capacity larger than that, so you would need... to be able to accomplish that is, you would have to have your application to pump a quantity of water increase the pump size on some of your wells, if they can do it. If they can't do that, then you will have to sink another well in order to bring your water pumping capacity up. So therefore if the Council won't act on that part, saying wait a second, we also need to put an additional well in and avoid putting up a water tower, if they don't want to spend the money to put in a water tower. But you have a fire commission of the State of Delaware has established under the Fire Regulations what is a rating and how much water should be available, per minute, for two hours of it. If you, for example, our current water capacity is standing, and our current capacity to pump water, you would drain your water tower and in all probability within two hours, so therefore, if you don't build a water tower to store the water to meet that need, then you need to put wells and pumps in that will supply you the water to be able to pump to keep that continuous. So, my thoughts all along was, wait a second; if the Town doesn't want to spend the money for a new water tower, then the very minimum they should be doing is one) giving Well 5 back in service. Well, we're making a recommendation to bore a new well. And then, they should put another additional well in somewhere's else that's going to put you in a capacity to be able to pump plus 1,500 gallons per minute. In other words, pump somewhere's around 2,000 gallons of water per minute. So if you come to that, somebody goes out here and opens a fire hydrant and it's flushing 1,500 gallons of water out here a minute, then you're going to have a pumping capacity... Am I wrong, Steve? Am I off base? I know that the easiest way around is to put up an elevated water tower, then you would solve the problem.

Steve McCabe: To answer your question, that's not necessarily the case. I mean, the circumstances for the Town are what we made in the previous presentation before the Town Council. The Town has wells, but the numbers that you just quoted were all based upon flow data with wells that had faulty check valves, so it may work out that the flow data looks a lot better after Dustan's improvements and we may want to reevaluate...

John Bushey: In other words, what you just got done saying with me, with improvements we made and we just upgrade this well, we may be able to supply those needs, without putting up a water tower. I hate to back you into a corner, but...

Steve McCabe: I can't make those assumptions, because I don't have enough information, but I do think that the numbers will improve. I think some of the water was being forced back into the well from the pressure within the system. It's my suspicion that the wells are reading the water twice. That some of the numbers are inflated. It's difficult to say how much, until we actually can see them run with the new check valves, but I think some of the missing water will be accounted for that way and it may turn out to be the majority of the missing water. Are you going to come up with all the missing water? I don't think so. It's normal to have a percentage. It's just that the percentage that the Town is running now is a lot higher than what is commonly accepted as normal, but to answer your question, I put the

recommendations out in front of you; put the options out in front of you and what you guys choose to do is your freedom and personally, I think, it's nice to improve the system that you have, before you go ahead and build a new system components. That's my personal opinion. I know I'm not hired to provide a personal opinion, but I'm putting the options out as best I can.

John Bushey: To try to stay mutual.

Steve McCabe: Yes.

John Bushey: I appreciate that.

Steve McCabe: There's differing opinions in every town and I'm trying to be as objective as possible.

Mike MacNamara: Well if we fixed the Well No. 5 and get the other wells working the best we can, why don't we do that first and then see what the numbers are and then after that we can talk about a water tower. I mean, if it's not needed, it would be an expense that you know we could avoid for a couple of years, ten years maybe. That's how I feel.

John Bushey: Do some proper planning. Well I see three members of the Council here. They've heard us talking; talking and asking questions and got some answers. It's up to you to whether you think we should make a recommendation to the Council whether they should make the improvement in the system, vs. going forward with an application for a water tower at this time. But I think you definitely... the Council needs, when they get a recommendation, they need to make the decision and one thing is, they need to move forward with the well and getting that done. And then they need to make sure that it's closely monitored; the Water Committee needs to closely monitor and see if those improvements have improved our water overall outlook and then whether or not we need to then proceed with another well and a water tower.

Councilman West: The consensus I'm getting and tell me if I'm wrong, is we should go with a recommendation of Well 5; we're going to take out the private inter-connection; work on the Wagamon's loop and the control system.

John Bushey: Leave those in, you mean?

Councilman West: Yes.

John Bushey: Leave the well...

Councilman West: Listen to me.

John Bushey: Okay.

Councilman West: Well No. 5.

John Bushey: Gotcha.

Councilman West: The Wagamon's loop and the control system on this second application, where it's got Well 5, private inter-connection, Wagamon's loop and control system. We recommend that we take out the private inter-connection part.

John Bushey: Okay. Which we did already.

Councilman West: Right and bring that before the Council and if you want, we can recommend to put the 500,000 gallon elevated storage on hold, like Mike said until we get our facts and figures straight and then go back to them and have another referendum.

John Bushey: I think that's reasonable, but I think that's reasonable but I think they need to move immediately in getting that well in place as soon as possible, as a priority.

Councilman West: Yes, then I think the townspeople will go along with this, where before, that's why Steve has done his homework; Dustan has done his homework; Win has done his homework to account for all that we've accounted for, so far, that I think that the people of Milton will go along with a referendum to upgrade this well, the loop and the control system and then we'll do like Mike said, then we'll make a recommendation at a future time, after we see how this goes; if we do need the water tower...

John Bushey: Do you want to make that a motion, Mike?

Mike MacNamara: Well let me ask Mr. Abbott a question here. By doing this, would it hurt the chances of getting another paperwork for a tower, just in case we need it. Would it be better to go for both things first, or would that... I mean, how would that work there? I don't understand about how you would go about doing that.

Win Abbott: All applications are graded on a very objective basis. The objective basis has to do with certain water quality standards that we might not be meeting; the income level and number of people in the Town, our demographics; and that's how the projects are graded. However, with regard to the more subjective measure that the Council, that is above this Council, the one that decides on how the money is going to be allocated, would decide, is that they want to know that we're ready to proceed. So it is my impression, that it is better that we have a project that we're truly ready to proceed on, no matter what it's composed of, and that if we choose to go back to the Office of Drinking Water at a later date and time, year, whatever the case may be, and we've done our homework and we're truly ready to proceed; that means everyone's on board, same page, passed the Resolution to hold a referendum, then that would be viewed favorably. The most important thing is that we're all on the same team here. We don't present a divided front to this agency that is in a position to loan us a few million dollars, or not, and choose to loan it to another municipality or even private system that is all on the same page. I think the important thing is that we are truly ready to proceed.

Mike MacNamara: Thank you.

John Bushey: I have a question to ask before you proceed with your motion. We had some old water loans that occurred back in the early 1990's. Have they been all paid off?

Win Abbott: No, we still have an amortization schedule on a water loan.

John Bushey: Okay, that was for a million dollars or something, several years ago ó so it's not been paid off?

Win Abbott: No, Sir, we're still making payments.

John Bushey: Okay. Alright. Okay. I didn't know whether they'd been paid off early or whatever. I just didn't know if it was out there. Do you want to make the motion?

Mike MacNamara: I make a motion that the Town of Milton goes forward with putting monies to fix Well No. 5, either fix it or replace it; and upgrade the other wells; and we put aside the monies for the water tower, until we get a definite result from the pumps. Is that good enough?

Councilman West: And the Wagamon's loop and the control system.

Mike MacNamara: And the Wagamon's loop and the control system.

Councilman West: Jack?

John Bushey: That's alternative a, increasing supply. That is correct on that. That is what we're talking about. I second the motion.

Councilman West: Are there any questions on the motion? All in favor say aye. Opposed. Motion is carried. So that's what Mr. Abbott we should recommend to the Council on the 24<sup>th</sup>.

Win Abbott: Yes, Sir.

Councilman West: Is there any other discussion? We have a motion and a second. All in favor say aye. Opposed. Motion carried.

7. New Business Discussion and possible vote regarding:

Consideration of endorsement of Improvements Plan by committee, for Council

Councilman West: Jack, do you have any more Old Business?

John Bushey: Well you know I got some of my questions asked during this process and I

kind of scratched them off, so at this point, I do not.

Councilman West: Because we're trying to work so the public knows, we're trying to work to get a referendum out of it, but we're not going to do it through a referendum, unless we've got our act together; then it will pass. That's why I said since that referendum last spring, the Water Department has been working their tails off and they're confident, the town office has been working with them and the Water Committee has been trying to work with them report back to the people. It may be another year in the work before we go to a referendum.

John Bushey: Well I hope we do something with Well 5 before another year.

Councilman West: Yes, but, what I'm saying is it may be next fall before we go to a referendum, depending on what Mr. Abbott can come up with.

John Bushey: Is there something in the wind about doing a referendum before then?

Win Abbott: The pre-application process is done. The full application is due on February 15<sup>th</sup>. Now I've received a memo from the Office of Drinking Water, which was shared with the Council to the effect that they want to be certain that applicants are ready to proceed and ready to proceed means that you have, or will soon pass, a Resolution to hold a referendum for the borrowing for the purposes of this loan. The people that put in a full application, or municipalities that put in a full application should not do it to be a place holder on that list. They have to do it with the intent that they're moving forward with this project. That is the question that will be put before the Council on the 24<sup>th</sup>, because the call to find out is this town ready to proceed, is going to be made on January 31<sup>st</sup> for the loan full application, which is due on February 15<sup>th</sup>. So the Council will have a decision to make. Do they want to move forward with a Resolution to hold a referendum, which will be followed by a Public Hearing, which will be followed by another Resolution to hold a referendum on a particular date and all the steps that go with that and if the town is not prepared to move forward with that, they should not submit the full application. Now, Mr. McCabe preceded his presentation by saying that the Town has put forward applications for the State Revolving Fund loan because of their obligation to the Office of Drinking Water. Our contract for that planning grant that we received from them, said that we would put in the application and we did. We put in pre-applications for these. Whether or not if the town does not move forward with a full application on either one of these alternatives and that that would violate our contract, I'm not sure. I'll have to talk to Ms. Warren about that. But nonetheless, the Council really does have to make a decision are they ready to move forward or not. If they're not ready to proceed, then we should not represent the fact that the Town of Milton is ready to proceed, just to have us be a place holder on the list.

John Bushey: Gotcha. I have a question. Referendum ó can the referendum or can the Council, I think the Council can, do it as a two-part question. One you want to borrow \$800,000 and \$1.3 million; can it be that you vote on two separate issues on that referendum? Well, improvements to the water system for a million dollars and \$1.3 million, the second question, for a water tower. So when we walk in the polling booth I have two springs to pull. One for the upgrade of the water system and two, I can pull a string to vote for or against the water tower. Two issues. Can it be done? And I think it can be done. I offer that as a suggestion. I throw that out there. Because maybe you don't have enough support, convinced enough people, that you really need the water tower, that you really need to upgrade your wells and you need to do other things that you're finding your 11 million gallons. You found two million gallons of it. So I just throw that out there, Mr. Chairman.

Councilman Booros: Mr. Chairman, can I ask one more question?

Councilman West: Yes.

Councilman Booros: Does Council have to proceed on both pre-applications for the full application, or can Council just proceed on one or the other and skip the other one based on

the fact that last year's referendum, with the missing water, was truly a 2 to 1 who wants to do this? We don't have to submit a full application on both of the pre-applications, do we?  
John Bushey: That's why I... Can I say something first? That's why I said maybe you want to consider two issues.

Councilman Booros: And that's why I'm saying maybe we only want to consider one issue, okay, and it has nothing to do with above ground storage.

John Bushey: That's not my call. That's not my call. I threw it out. Okay.

Councilman Booros: I know it's not. I'm asking a question, because I don't know about the pre-application and the application and all that stuff. Do we have to move forward with both pre-applications, the full application for both of the choices, or can we move forward with both, one, either, or? That's my question and \_\_\_\_\_ ready to go.

Win Abbott: I do not have a definitive answer for you, however, I think this is a likely scenario for the Council. What I need to hear from the Council is what are you really for, so that I can have this conversation with Ms. Warren. What particular projects, however you want to characterize it, is all the Council on board for and then, when I have an assurance from the Council, that I can have this conversation with the Office of Drinking Water, that yes, we truly are ready to proceed on this project, not that one, or this one as modified, or whatever, and there's a sincere belief that yes, you really are all on board, I think we can have a good conversation about it. To offer multiple different scenarios, I don't know that the conversation will go far. I think, truly, I think that is an option for you, that you can choose one project over another; that you can modify it. As Mr. McCabe has said for the pre-application, all these things are estimates and I had asked him to provide more detail for each component, within the estimates. The purposes of having an estimate is to be able to have a credit line, if you will, that will allow us to take draws until we complete the construction on our project, as described, and the actual amount may turn out to be maybe less. But nonetheless, when the Council has this meeting on the 24<sup>th</sup>, it is hoped that we will come up with something that you are really for and on board for, all on the same page and then when you come to that consensus, I can have this discussion with Ms. Warren. We'll have a couple of weeks before that application is due on the 15<sup>th</sup> and I think it will come up to be well received when they know what the town is really for.

John Bushey: I've got another one. Steve, once Well 5 is in service, what was projected water pumping capacity of that well? Do you have a ballpark figure off the top of your head? I won't hold you to it. It's an estimate. Do you understand? Plus or minus.

Steve McCabe: Never ask an engineer a question and they can't answer it until he finds the page. Oh, Well 5... I can't. It's escaping me right now. I'll come up with it in the next few minutes.

John Bushey: Okay. Because I think one of the questions that we talked about fire safety, is being able to supply water at a certain... I think it's 1,500 gallons per minute for two hours and be able to maintain domestic use and there's a formula there. So my question was with Well 5 coming back on line, within the year, within the year, Steve? Coming back on line within the year, would it move us closer, is it going to be 500, 600, or 1,000 gallons per minute? Is it that large a capacity?

Steve McCabe: 260 gallons a minute.

John Bushey: Is that all, after it's refurbished?

Steve McCabe: After it's refurbished, possibly 500 gallons per minute.

John Bushey: If we've drilled a new well, put it in service, it would be 500 gallons a minute.

Steve McCabe: It's all dependent upon the geology underground.

John Bushey: Okay, so therefore it's approximate?

Steve McCabe: Yes.

John Bushey: Okay. Plus or minus.

Steve McCabe: We don't know what the yield of the aquifer's going to be until we actually drill on it.

John Bushey: Drill. Okay, gotcha.

Steve McCabe: It hasn't failed us before.

John Bushey: I've got a question, are there any wells around here in that aquifer?

Steve McCabe: Yes.

John Bushey: There are.

Steve McCabe: I don't know the actual location, but I know that aquifer is utilized by other entities. They are all virtually being mined and the \_\_\_\_ throughout the State, throughout the County, there's different towns, there's different companies that are in that aquifer.

John Bushey: In other words, some of our farmer's out here could be pulling out of the same aquifer.

Steve McCabe: I don't know if they're in there, but I mean it wouldn't be out of the realm of possibility to see somebody like a Dogfish, or a J. T. Townsend, or somebody that has a factory or an industrial use be in an aquifer that deep and that's what DNREC does; that's why when you apply for this allocation, they check all that and they make sure that we're not over-mining that aquifer or endangering a natural resource like that for the State of Delaware.

Councilman West: Are there any other questions?

Lynn Ekelund, 406 Union Street: Can I ask a question? It's my understanding that you guys voted that you're going to recommend to Council that they go ahead with the full application for pre-application Number 1, with the exception of the \$250,000 that has to do with the inter-connection. Is that correct?

John Bushey: [Garbled and unintelligible.]

Lynn Ekelund: Are you making any kind of a recommendation to Council, whether they should go ahead with the full application for the 500,000 gallon tank?

John Bushey: Well, that's why I threw out there to give someone to start thinking about whether or not they wanted to put it as a two-question vote referendum.

Lynn Ekelund: No, my question is...

John Bushey: I threw this question out there...

Lynn Ekelund: Let me just.

John Bushey: Okay. Sorry.

Lynn Ekelund: Are you going to make a motion that the Water Committee recommend that the Town Council go forward with the full application for the 500,000 gallon water tank?

John Bushey: Well...

Lynn Ekelund: Not can we pull this string or that string.

John Bushey: My recommendation right there was to exclude that one part, to exclude it.

Lynn Ekelund: The water...

John Bushey: The water connection valve. That's mine.

Lynn Ekelund: No, no, no. I'm talking about number two.

John Bushey: Now you're throwing out the question two, whether we want to consider making a recommendation to the Council whether we want to go with a full application or with the well? That's why I responded back in saying maybe the Council would like to consider making it a two-question referendum, if they get it on the ballot.

Lynn Ekelund: But Council then would be doing that on their own without a recommendation from you folks, whether to proceed with the water tank or not to proceed with the water tank. Is that what I'm hearing you're not going to make a recommendation one way or another about pre-application number two?

John Bushey: It's up to the rest of the Council. I... Mike, what do you think?

Mike MacNamara: Well, do we really need to have a tank if we put a new well on number five and it comes to like Mr. McCabe said about 500,000 gallons a day? Do we need to put an elevated tank up. Shouldn't we maybe wait and see what happens to number five?

John Bushey: I think in reference to that point right there, adding a well with 500 gallons and your current capacity on your three wells is approximately 670 gallons a minute, if all three of them are running, if I have my figures correct and if I remember correctly; about 670 gallons per minute on 7, 4 and 2 wells; add in a well pumping 500 gallons, is only going to put you at about 1,170 gallons per minute and therefore, is that going to meet your needs? You should increase your water pumping capacity larger than that, so you would need... to be able to accomplish that is, you would have to have your application to pump a quantity of water increase the pump size on some of your wells, if they can do it. If they can't do that, then you will have to sink another well in order to bring your water pumping capacity up. So therefore if the Council won't act on that part, saying wait a second, we also need to put an additional well in and avoid putting up a water tower, if they don't want to spend the money to put in a water tower. But you have a fire commission of the State of Delaware has established under the Fire Regulations what is a rating and how much water should be available, per minute, for two hours of it. If you, for example, our current water capacity is standing, and our current capacity to pump water, you would drain your water tower and in all probability within two hours, so therefore, if you don't build a water tower to store the water to meet that need, then you need to put wells and pumps in that will supply you the water to be able to pump to keep that continuous. So, my thoughts all along was, wait a second; if the Town doesn't want to spend the money for a new water tower, then the very minimum they should be doing is one) giving Well 5 back in service. Well, we're making a recommendation to bore a new well. And then, they should put another additional well in somewhere's else that's going to put you in a capacity to be able to pump plus 1,500 gallons per minute. In other words, pump somewhere's around 2,000 gallons of water per minute. So if you come to that, somebody goes out here and opens a fire hydrant and it's flushing 1,500 gallons of water out here a minute, then you're going to have a pumping capacity... Am I wrong, Steve? Am I off base? I know that the easiest way around is to put up an elevated water tower, then you would solve the problem.

Steve McCabe: To answer your question, that's not necessarily the case. I mean, the circumstances for the Town are what we made in the previous presentation before the Town Council. The Town has wells, but the numbers that you just quoted were all based upon flow data with wells that had faulty check valves, so it may work out that the flow data looks a lot better after Dustan's improvements and we may want to reevaluate...

John Bushey: In other words, what you just got done saying with me, with improvements we made and we just upgrade this well, we may be able to supply those needs, without putting up a water tower. I hate to back you into a corner, but...

Steve McCabe: I can't make those assumptions, because I don't have enough information, but I do think that the numbers will improve. I think some of the water was being forced back into the well from the pressure within the system. It's my suspicion that the wells are reading the water twice. That some of the numbers are inflated. It's difficult to say how much, until we actually can see them run with the new check valves, but I think some of the missing water will be accounted for that way and it may turn out to be the majority of the missing water. Are you going to come up with all the missing water? I don't think so. It's normal to have a percentage. It's just that the percentage that the Town is running now is a lot higher than what is commonly accepted as normal, but to answer your question, I put the recommendations out in front of you; put the options out in front of you and what you guys

choose to do is your freedom and personally, I think, it's nice to improve the system that you have, before you go ahead and build a new system components. That's my personal opinion. I know I'm not hired to provide a personal opinion, but I'm putting the options out as best I can.

John Bushey: To try to stay mutual.

Steve McCabe: Yes.

John Bushey: I appreciate that.

Steve McCabe: There's differing opinions in every town and I'm trying to be as objective as possible.

Mike MacNamara: Well if we fixed the Well No. 5 and get the other wells working the best we can, why don't we do that first and then see what the numbers are and then after that we can talk about a water tower. I mean, if it's not needed, it would be an expense that you know we could avoid for a couple of years, ten years maybe. That's how I feel.

John Bushey: Do some proper planning. Well I see three members of the Council here. They've heard us talking; talking and asking questions and got some answers. It's up to you to whether you think we should make a recommendation to the Council whether they should make the improvement in the system, vs. going forward with an application for a water tower at this time. But I think you definitely... the Council needs, when they get a recommendation, they need to make the decision and one thing is, they need to move forward with the well and getting that done. And then they need to make sure that it's closely monitored; the Water Committee needs to closely monitor and see if those improvements have improved our water overall outlook and then whether or not we need to then proceed with another well and a water tower.

Councilman West: The consensus I'm getting and tell me if I'm wrong, is we should go with a recommendation of Well 5; we're going to take out the private inter-connection; work on the Wagamon's loop and the control system.

John Bushey: Leave those in, you mean?

Councilman West: Yes.

John Bushey: Leave the well...

Councilman West: Listen to me.

John Bushey: Okay.

Councilman West: Well No. 5.

John Bushey: Gotcha.

Councilman West: The Wagamon's loop and the control system on this second application, where it's got Well 5, private inter-connection, Wagamon's loop and control system. We recommend that we take out the private inter-connection part.

John Bushey: Okay. Which we did already.

Councilman West: Right and bring that before the Council and if you want, we can recommend to put the 500,000 gallon elevated storage on hold, like Mike said until we get our facts and figures straight and then go back to them and have another referendum.

John Bushey: I think that's reasonable, but I think that's reasonable but I think they need to move immediately in getting that well in place as soon as possible, as a priority.

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Councilman West: Jack?

John Bushey: That's alternative a, increasing supply. That is correct on that. That is what we're talking about. I second the motion.

Councilman West: Are there any questions on the motion? All in favor say aye. Opposed. Motion is carried. So that's what Mr. Abbott we should recommend to the Council on the 24<sup>th</sup>.

Win Abbott: Yes, Sir.

Councilman West: Is there any other discussion?

8. Schedule next Water Committee Meeting

9. Adjournment

John Bushey: I make a motion we adjourn.

Mike MacNamara: Second.

John Bushey: Oh wait a second. Did we get everything else accomplished on our agenda?

Councilman West: Yes.

John Bushey: You sure? Mr. Abbott?

Win Abbott: There's only one last item and that is to schedule the next committee meeting. I don't know whether you really need to at this point, because you need to find out what happens with the Council Meeting, but I did put it on there as a place holder on the agenda.

Councilman West: Okay. Adjourn pending Council recommendation for next meeting.

John Bushey: Oh no, we can go and adjourn. We can set that date later.

Councilman West: We have a motion made and seconded. All those in favor say aye. Opposed. Motion carried. Meeting adjourned at 5:45 p.m.