

**Town of Milton Public Hearing  
Water Referendum  
Milton Library  
121 Union Street  
Tuesday, February 26, 2013  
6:30 p.m.**

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

Mayor Newlands: Good evening everyone. This is the Public Hearing on our Water Service Improvements. We have Steve McCabe from Pennoni Associates. He's going to make a presentation and then we're going to open up the floor to questions and comments. Let's just take a roll call:

Councilman Booros	Present
Councilman West	Present
Councilman Lester	Present
Councilwoman Jones	Present
Mayor Newlands	Present
Councilwoman Patterson	Absent
Vice Mayor Betts	Absent

Mayor Newlands: With that, we'll ask Mr. McCabe to do his presentation.

Steve McCabe, Pennoni Associates: Good evening. I'm the Engineer working with the town on the water system project and what I've got for you this evening is a presentation and before we go into the presentation, I just want to give you an overview of it all. I'm going to give you some project history about the information that we looked at; what our report of findings were; what our recommendations were to the Town and to the Water Committee; to what the alternatives that the Water Committee selected and the Town has elected to move forward with; and, some information about the State Revolving Fund Loan Application for the selected improvements and then open it up for questions and answers. The first thing I want to talk about was a review of information. Following the previous Referendum, we came in and were asked by the Town to look at all the Town's documents and the information concerning the water system and this is basically what we did. We had meetings with Town Officials and the Town's Committee's and we reviewed all the information that the Town gave us, primarily the existing water facilities plan, preliminary engineering report and this was the report that was submitted to DNREC by the Town's consultant for the previous water Referendum and we also looked at past and pending correspondence with DNREC and the permitting agencies. This is the diagram we received from the Town. This is the actual Town's water system and what you'll see here is a series of colored lines and the colored lines represent individual pipe sizes; different colored lines represent individual pipe sizes, such as 4", 6", 8", 10", 12"; and what's important about looking at this is, if you see the red dot, that is the Town's main water tower and the wells that are the main supply wells for the Town. The other water tower is over here at Shipbuilder's Village, so if you look at this, all the sources of supply for the Town, right now, are on the north side of the Broadkill River and we'll come back to that later, but I just wanted to point that out. There's basically two lines that link the south side of Town and one is Union Street and the other one is Mulberry Street, so those are the two mains that link the rest of Town and the two schools down in this area. This is how your water system works.

You have three main production wells that are running and these are in the neighborhood of the main water tower. They go through a water treatment system that gives it fluoride and chlorine for the requirements; that goes into the Town's system; it pumps it to a pressure; the pressure pushes water up the tanks; and the tanks store water until they reach a certain pressure. When the pressure drops in the system, then the tanks empty to equalize the pressure. This other well down here, is off line. This is Well No. 5 and this is a significant well, because we're talking about rehabbing this as one of the alternatives. Well No. 5 is not currently operating. This is two depictions of the Town's population and the Town's water usage. You'll see two bars, one bar represents water usage and one bar represents population and you can see on this diagram here the water usage kind of goes up above the population trend and here is the pump records vs. the population; so you can see the population goes up and the pump records go up, accordingly. So we looked at all this information and we put together a report for the Town and these were our recommendations concerning the Town's issues with water supply and the Town's pumping records and all this has already been reported to the Town and we went through all these Public Hearings in August and during the past fall. Our recommendations from our report were to develop accurate maps and performance models of the system and try to increase the water allocation that the Town's producing; try to bring Well No. 5 back on line and look at inter-connectivity and possibly increasing elevated storage and doing a Capital Improvement Program to maintain the system. The alternatives were boiled down into three and these were the three main recommendations from our report last fall and this is basically to increase the water supply to the Town. Everyone's well aware that the Town experienced some issues last summer, with having shortages and this is all a result of the data and the physical limitations of the system. The system runs basically as hard as it can run to meet demand in the summer months and if there's any breakdown in equipment or anything that needs to be taken off line, as far as maintenance, to be maintained during that time, there's going to be a problem with water supply and we had that last summer with the water being short and the water tower having to be repaired. Those are the kind of things that we're trying to be proactive about and to prevent from happening again. But, in a nutshell, to generate more water is what these three alternatives considered. The first alternative was to increase pumping from existing wells; the second was increase the storage capacity; and the third was to connect with another utility provider. All this was packaged together in a report given to the Town for consideration. Following our report to the Town, the Town Manager was very proactive and he prepared two State Revolving Fund loan pre-applications and he packaged those three recommendations into two applications and submitted them to the Division of Public Health, State Revolving Fund, for their review and they were very favorably received. The first application combined the well pumping and the inter-connectivity options and it was ranked seventh in the State, out of all the applications and the water tower was put in one application and it was ranked tenth, out of all the municipalities applying for funding. So they were very favorably received. On January 16<sup>th</sup>, all this was presented to Town's Water Committee. The Water Committee was put together by the Town Council to boil this down into some firm choices and the Water Committee reviewed them and it had some very strong opinions as to what they wanted in their project. They elected not to pursue the second application with the water tower and they elected to move forward with the first application that ranked seventh. In that application, they elected to modify it to take out the inter-connectivity with a private utility and include these three options. So the selected alternatives were to move forward with Well No. 5 rehabilitation, to bring it back on line and to repair the foundation of water tower number 2, which is Shipbuilder's Village water tower. It wasn't originally in any of the other applications. It kind of popped up this summer as a side item on the Town agenda and the Town Manager had received direction to solicit some structural numbers from an outside consultant and those numbers were provided and they were given to me to put into this application and I did. And the third item was the water loop for Wagamon's and the Federal Street; and this gets back to the previous slide; where we

show only the two mains crossing Town, so this water loop would be a third and it would link the large main that runs through Wagamon's to the smaller main that serves Federal Street and Chestnut; there's a link right there from Federal to Chestnut and that link there would bring it in line with the schools, with Milton Elementary School and down here to Mariner Middle School. So those are the items that were elected to be put into the project and to be packaged into one application to the State Revolving Fund for funding and these are the costs of the individual items. Well No. 5 rehabilitation, these are all the items that are required for it to be done, with the test drilling; installation of the well and the like; comes to about \$808,000. The water main loop, which would require extending a water main from Wagamon's to Federal and either attaching to the railroad bridge or drilling underneath the stream and linking to the south side of Town, comes to about \$350,000. The control system integration, this is something that is going to be necessary when you bring Well No. 5, linking it to the Town's existing 3G Cellular System and making a comprehensive review of the system and giving the Town, basically, remote control access from Town Hall. So this would notify people when things weren't running right, when pumps were shutting off and on, and giving them the elevation of the water in the water tower and the like, so they could be monitoring information during the holiday weekends and during times of high use, which is generally on weekends and holidays. The other item, which is the new item, is the water tower repair at Shipbuilder's Village and you can see here there's some concrete quality issues. It looks like there's been some free stall issues and some water cement ratio issues in the foundation, that need to be repaired for the second water tower and those repairs were put into a Request for Proposal from the Town to, I believe it was Baker Ingram & Associates who provided some information on what they think the repairs might be. So that's the items of the project. Item A would be the Well No. 5 rehabilitation and Item B would be the water main loop, Item C would be the control system integration, Item D would be the foundation repair. We've come up with a total construction cost of about \$1.3 million; we put a 15% contingency on it to deal with the economy, because prices are pretty volatile in today's economy. It depends on what bond rates are, what interest rates are and how hungry contractors are and what the bids are looking like; then for testing and inspection and the total estimated amount for \$1.725 million. So that is the project in a nutshell from the Town. The State Revolving Fund loan program, they're looking for shovel ready projects. They have updated the project priority list. We're still number seven on the project priority list. The other one was also still at number ten, so that one would drop out and someone else would move up and that's basically where we are. There is also, in this program, it's been reported that there are several million dollars available for debt forgiveness. It's not a lot when you spread it out among all the municipalities that are applying and I emailed State Revolving Fund and they're not telling who's getting the money, or how much each municipality's going to be allocated. It's going to be based upon the applications. So we have to make the full application, submit it and then they'll report back to us later, based upon their review of the applications. As I said before, they will favor projects that are the most ready, so the next step here is going to be the Town is going to be required to pass a Referendum and demonstrate to the State that they're ready to spend the funds. The State basically gets the funds from various sources; through the Environmental Protection Agency and the Federal Government and their job is to make sure that whatever funds they request, that they spend. So these funds are made available and the Town is interested in applying for them. Tentative schedule is I've been told the applications can be received after March 20<sup>th</sup>; so that's the beginning of the flurry for all the municipalities applying for the money. With that being said, I'll entertain any questions or comments that the audience has.

Councilman Booros: I'm just curious, maybe you can tell me this. When we did this last year for a water tower referendum, it was going to be \$3.5 million or \$3.4 million, over how ever many years; how come a 500,000 gallon water tank is only going to be \$1.675 million this year compared to \$3.5 of what we were going for last year? What aren't we getting if we had done that?

Steve McCabe: The CABA Associates project had a lot more work in it, other than just the water tower.

Councilman Booros: Okay.

Steve McCabe: It had water main extensions; it had the Wagamon's project included...

Councilman Booros: The loop?

Steve McCabe: Yes, it had the loop included and it also had other mains throughout Town.

Councilman Booros: Okay.

Councilman West: Steve, it also had another well.

Steve McCabe: And another well, right.

Jeff Dailey, 211 Gristmill Drive: So as I understand it, the proposal that is in position number ten is going to go away; that's what the Council is recommending. Is that correct?

Steve McCabe: That's correct.

Jeff Dailey: Okay, so position number seven is what we're looking at, the \$1.75 million. Wagamon's West Shores, well before I go to that... We have trouble in the summer months and your first graph, the graph on the left, it looked like there was quite a disparity between the 2010 numbers. If you could pull that up, it would be very helpful. It almost seemed like the population was going up steadily and then there was quite a jump in the water usage. And I'm wondering if it is the lost water. I mean, 2010, where did all that water go? Are we just being spendthrifts with our water? Are we not conserving? Should we be going to a summer program where wash your car on an odd day if your street address is an odd number and vice versa; I mean, should we mellow yellow like the Californians in not flushing urine? That's quite a jump and what does it look like in 2011? We don't have those figures.

Steve McCabe: I've got some from 2011.

Jeff Dailey: I beg your pardon.

Steve McCabe: These are the numbers that were given to us that we acquired in August and a lot of these numbers may or may not be totally accurate. One of the things that we found, since we've been working with the Town on this, was that there were a lot of issues with the meters and the Town has done a lot of re-metering and the Town has done quite a bit of work improving the system. One of our first recommendations to the Town was to work on the existing system and since the summer, the Town has taken the defective hydrants out of play; they have re-metered most of the meters and we've continued to find other things. There have been very few leaks; the leaks that the Town has found have been fixed; but I'm more under the impression that the numbers need to be looked at, more than the actual water is missing. I think it's the way the totalizers on the wells are reading; I think it's the way the meters have been reading; and I think once that gets cleaned up, I think the numbers are going to shake out to be comparable to all the other towns around. So I really don't feel like there's a spring of missing water somewhere, because we would have recognized it and in the Town's work, we've been noticing that we feel like the meters weren't reading accurately, especially the things at the wells. We have found and the Town has done a lot of work replacing check valves at the wells, so the main three wells, two of the check valves; I think all three check valves have been replaced now and we've found check valves that were leaking backwards, so a lot of the water was being pumped twice; so I don't think the records that the Town has were entirely accurate, so that has been done and the Town has done a lot of work and has worked hard to fix that and we haven't had enough meter readings, or enough quarters, since the repairs have been made, to really have what we would consider to be trustworthy numbers.

Mayor Newlands: And, Win, correct me if I'm wrong, the meters on the wells have not been changed yet, correct? Just the check valves have been changed?

Win Abbott: Mr. Daily, Mr. Mayor and members of the public, I want to convey to you information that has been shared with you consistently over the course of the past year. We've made significant advances in our efforts and yet incremental advances in the outcome of our efforts in all areas of accountability

for water use. On the consumed side, we have increased the efficiency of our metering from 90% to 98% and expect for it to be 100% in the next month. Furthermore, for those accounts which had meters, which we identified for replacement, they were metering on the consumption side, at a rate that was approximately 11% less than what they're actually being charged for; so updated meters increase the accuracy of that which we were billing. On the production side, the other side of that, we have added the check valves, which are more effective, however, the meters that are on the production side are meters that were more often than not used in wastewater, which is more viscous; you know what goes into wastewater. The meters that are more accurate to go into our production side have not yet been installed and they will be in the next month. The reports that you will receive at the next Council Meeting, will give you an accurate assessment of where we are, with what we have, with regard to metering and production and those reports are going to get better as we have a more accurate system. There are, additionally, factors that were not considered in the past and that is water loss. In the past, we did not record our water loss events; whether it was hydrant flushing, or a break on a lateral, that is the supply lines that come from the mains that go down to the street into your home; we were not recording these and these have been done consistently over the past year and help you to ascertain what the net amount of water loss actually is, between production and metering. So, there are many parts to this puzzle. We've been working diligently to make it more accurate all the time. The past records that we have, will be indicative of the fact that we were not very good at accounting for our water loss and the information that we've been sharing with you, every month for the past twelve months, and will continue, indicate our dedication to creating a more accountable water system, not just for you, but also for the State of Delaware, where we must be responsible for the water that we mine out of an aquifer that we share, with other municipalities and private wells that are unincorporated Sussex County. So, I can't say that there is one thing that will resolve this whole issue, except for this; that you have a responsible and transparent department now, who's regularly reporting to you our investments and the outcomes, you'll see another report in the next couple of days.

Mayor Newlands: I would like to just add, other towns have changed their well meters from the kind that we have to a newer type and they've gotten a significantly better recording of their usage.

Steve McCabe: That is correct. I would also like to add too, that the Town has made an overall effort to really improve how they handle their operations and having the favorable audit from the previous Town Meeting, I was able to hear, is also very good for Town's standing, as far as handling the State Revolving Fund loan.

Mayor Newlands: That's good.

Councilwoman Jones: Mr. McCabe, providing this Referendum is passed, the loan is approved, what is a build out time, that's one part of the question; but before we would see a significant difference in improvement?

Steve McCabe: It's my estimate that it's about a twenty-month process. I think the design would be about a six month process and construction and all would probably be about a year, give or take a month or two.

Mayor Newlands: What improvement are you looking for out of this?

Councilwoman Jones: Well, he's talking about redigging Well No. 5, the loop...

Mayor Newlands: I know, but what improvement are you looking for, per se?

Councilwoman Jones: I would imagine that you'll have the capacity to pump more water if Well No. 5 is up and running.

Mayor Newlands: Okay.

Steve McCabe: It's my understanding she was referring to the project as a whole.

Jeff Dailey: Thank you. If I have this correctly, we are not allowed to pump but so much water, especially in the summer months and what is the status of that, because if we make these changes,

we're still just going to have two water towers, so we're only going to have so much capacity. I'm sure, in the future, we'll add another above ground storage, but are we spending our money to get us five years down the road, ten years down the road, given projected growth? So where does this take us, this \$1.75 million?

Steve McCabe: It will get you quite a bit more production, because it gives you more future expandability, then just a water tower would do. A water tower is going to help you with maintaining pressure, but it's not really going to generate new water into the system. The well is going to generate new water into the system and it also gives you a source of water on the south side of the Broadkill River, like I said before and when I showed the previous map. Currently, everything is on the north side of the river, all three wells and both towers. So there's the three wells and the main tower and then the second tower is here. Well No. 5 is actually right here and it's not being used, so it would be a production site on the south side of Town and then, as I said, it's the same side of Town as the two schools. So it would give you a nice redundancy, plus... You are right. You are limited, currently, by your permit to 500,000 gallons per day. Based upon the records that we have, that we're not quite sure are totally accurate, it's around 350,000 gallons per day and it goes up, sometimes, to over 600,000 gallons per day in the summertime. So the way the State permits you, you have a daily capacity, you have a monthly capacity and you have an annual capacity. Your daily capacity is supposed to be below 500,000 gallons; your monthly is supposed to be below 10 million gallons; and your annual is supposed to be below 100 million gallons. So that's basically what you're allowed to pump. But what the well gives you is you can use all four wells to pump your capacity and it gives you the ability to take one off, in case it needs to be fixed, or if it goes down and it gives you redundancy and it gives you another source on the south side of the Broadkill River and that's why I think the advantage of that is, over the tower, because the tower's just going to feed off the pressure in the existing system. So here's the diagram of how it works. The pumps actually pump the water into the system and the pressure in the system pushes the water up the towers and they fill and they have a pressure sensor in them and when they feel a pressure loss in the system, it's like everybody turns their faucets on, then they kick on and they let the water out and they maintain the water in the system, but they don't generate any new water. What they would allow you to do though, is they would allow you to pump them full, say at night when there's not a lot of demand.

Mayor Newlands: I think last summer, and Mr. Abbott, correct me if I'm wrong; we were pumping water for 23 hours at a time, during the middle of the summer? Having the extra well, will give relief to the other wells, the other pumps.

Win Abbott: Mayor Newlands, I think it was 21 hours at a time and your point about giving rest to the pumps is valid, because if we pump them for too long, continuously, that will greatly diminish the lifespan of the pumps; these are Capital Improvement costs for which we have not budgeted, and then it could cascade, a domino effect, one crisis follows another. I think, though, to address Mr. Dailey's concern more directly, what we have to do is to understand the position that we're in with regard to our allocation permit. Now I don't want to presume things upon our State, but I want for you all to understand, that this is on a State level how you might consider managing a household where you might have a teenager and adult children, still living at home; you have a budget, so the State of Delaware is trying to manage a limited resource. These aquifers are not unlimited and many people share the same aquifers, so the allocation permits create a degree of responsibility on the part of the those persons or entities that have this permit and the shared resource and there is certain leverage that they have to make sure that all entities are using this resource responsibly. Now when it comes to exceeding our allocation permit on a given day, or in a given month, the State can't come in and simply turn off the valves. We do have the pumps and we can continue to serve the public, although we will be accountable for our lack of conservative use of this limited resource; thus the reason for our education

efforts when it comes to use of rain barrels, for example; or updating our Ordinances when it comes to what is the standard equipment put into new residential homes for low flush toilets and other things. In the end, the State is going to be looking to us for regular updates for the things that we are doing and they'll continue to drill down to the point where they'll say the Town of Milton, you've done all these other things, we expect for you to take the next step and the next step will be to have a graduated use fee and that is, that there may be a rate for an average level consumption and then a higher rate for that which is above average and an even higher rate for that which is far above average, in order to create consumer discipline for modifying their habits. So there are a number of different options that the State gives us, they're not heavy handed, but they are diligent in making sure that we manage this limited resource that we share with others, in a responsible way.

Mayor Newlands: Mr. Dailey, can I just ask if anybody else wants to speak first, just to give them a chance, and then we'll go back to you?

Mike Cote, Gristmill Drive: On this measuring the 500,000 gallons a day, so much a month, so much a year, I'm going to assume that there's no penalty for 600,000 gallons a day for 20 days, if on average, you average out to your monthly; or if your annual averages out below your... I don't assume that they come after you for one day?

Win Abbott: There is no penalty. It's a leverage situation.

Mike Cote: Second question, was for Mr. McCabe. Basically you've said that some of those numbers don't seem reliable at this point, because of the meters and the check valves that aren't working. How many quarters, or months, or years do you anticipate before we have numbers that are more reliable, once all these things are straightened out?

Steve McCabe: I would say in my opinion, I would want to see two or three.

Mike Cote: Two or three quarters?

Steve McCabe: Or months of data. I know the Town produces daily data on what's being pumped, but the meters, I believe, are only read quarterly. The Town Manager can report on that better than I can, but you would need to see the pump records vs. the metered records and you would need to see a couple of those before you would really have a good idea.

Mike Cote: Okay, thank you.

Mayor Newlands: The check valves have been installed already. The meters are here.

Win Abbott: They're here and they'll be installed next week. For the benefit of public record, and this will be shared at the Town Council meeting, check valves for our existing three wells were installed on or about January 15<sup>th</sup>; here we have a lovely picture of our old check valves.

Steve McCabe: Those are the old ones.

Win Abbott: Okay and the point of a check valve, and some people may be familiar with those persons with a heart condition who don't have valves that work correctly, and you get back flow and that does not allow the heart to perform well; well similarly we have check valves to stop the water from being pushed back into the well from system pressure and then being pumped again, and recorded again and in addition to the check valves which were installed on or about January 15<sup>th</sup>, we have more accurate meters to be installed in the next week. I can say that the data from new check valve replacements in the past month, is not conclusive. I've done daily checks and the fact is that it doesn't show a lot of difference. Once again, it is a demonstration of our diligent effort to make sure that every component of the water system is the best that it could possibly be. We'll have new meters put in. When it comes to monitoring how effective this is, as Mr. McCabe said, we do our meter readings once a quarter. These are radio read meter readings. They're done once a quarter, because that's efficient for our billing process. They could be done more frequently. We're looking at ways to do them on a monthly basis, without generating a bill. That is a dedication of man hours, in order to do the readings monthly and compare them on that particular day, on a given month, to the daily production readings that Mr.

McCabe was saying that we do, in order to ascertain the effectiveness of the new check valves and more accurate meters. This can be done on a month by month basis, after our new meters have been installed. You'll probably see some improvement. It won't be dramatic, but once again, it's another step that we're taking to make sure that we're more accountable for every gallon that we use. There are many things that go into this. This is the production side that we're talking about. There's the consumption side and then there's the system. We leak tested six miles of mains, but there are many secondary lines and laterals that go into homes. There could be leaks there, as well, and this is a long term program. There's no one thing that's going to fix it all.

Mayor Newlands: As far as this project goes, the lost water would only pertain mostly to the water tower. These are other repairs that we're doing that have nothing to do with the main loss of water.

Ginny Weeks, Clifton Street: I have a couple of things. One, I would like to know how the payment for this is going to be distributed. Is the cost going to be per residence, or by water usage?

Mayor Newlands: That hasn't been determined. Have you come up with anything yet?

Ginny Weeks: I also would like to comment the Town on their diligence in trying to find the missing water, so thank you Mr. Abbott. It hasn't been determined yet, how you're going to...

Mayor Newlands: No, it hasn't.

Ginny Weeks: Will this work necessitate a new water tower in the future?

Steve McCabe: To serve existing need, no.

Ginny Weeks: You said before that this could serve some expanded growth. Can you give us a guesstimate of how much expanded growth?

Steve McCabe: That would dependent upon the testing of the well, but yes, it will give you the ability to pump more water; but the amount of water you pump is going to be regulated by your water allocation permit with the State and by the actual performance of the groundwater aquifer. Those things can be adjusted. There's things that can be done with the State, as far as asking for more allocation, should the town experience a boom in growth or we increase production on the wells we already have. So there is the ability of the Town to produce more water, but as I said...

Ginny Weeks: Would this handle another 100, 200, 300 houses?

Steve McCabe: Can't say at this time.

Ginny Weeks: Can't say. Thank you. The figures you used when you say 350,000 gallons to 600,000 gallons; does that include the so called "missing water"?

Steve McCabe: Yes, it includes all water. The physical limitation of the water is independent from the numbers. When people use the term "missing water", that's unmetered and unaccounted for water. The actual, physical limitation of water was experienced this summer. Regardless of what the meters read, and what the accounting says, the bottom line is the pumps are running wide open and there wasn't enough water.

Ginny Weeks: Exactly, but our allocation from the State is measured on certain things.

Steve McCabe: That's correct.

Ginny Weeks: And if you tell us we're using 350,000 gallons to 600,000 gallons, are we perhaps, in reality using only 250,000 gallons to 500,000 gallons?

Steve McCabe: That could be the case.

Ginny Weeks: Okay.

Steve McCabe: The records were provided by the Town's pump records and they are what they are. It's the best available information we have.

Ginny Weeks: I just wanted to know if that was taken into account for me? Okay, thank you. And how close is Well No. 5 to the sewer plant?

Steve McCabe: Very close.

Ginny Weeks: A matter of yards?

Steve McCabe: It's actually on the wastewater treatment plant site, however, the aquifer is about 450 feet deep, so it's not affected at all by the wastewater treatment plant.

Ginny Weeks: No, I just wanted a closer idea.

Steve McCabe: It's far beneath it.

Ginny Weeks: Does Mariner Middle School, are they on our water system?

Mayor Newlands: Yes.

Ginny Weeks: Do they pay for their water?

Mayor Newlands: Yes. All the schools pay.

Ginny Weeks: Okay. Now I have an iffy question that you're not going to like. On the south side, we've had some very large, industrial building going on. I understand that Dogfish Head uses some water that is metered for it's sinks and it's lavatories and so on.

Mayor Newlands: Yes, on the domestic side.

Ginny Weeks: The domestic side. We have allowed an enormous amount of growth that's going to be fueled by the water they take out of the well you have allowed them. I have no problem with that. My problem comes in the fact that this Town is responsible for the protection of that factory and that factory, by not paying a water bill is not contributing to the water funds that we use to build this, so I want to know, is Dogfish getting a free ride, or what?

Mayor Newlands: They're paying for their use, like every other industry is.

Ginny Weeks: No, they're paying for their use on the domestic side; their beer is being made for a well that you permitted them to have.

Mayor Newlands: I don't know when that got permitted. It was...

Ginny Weeks: You just did it a couple of months ago. You gave them a...

Mayor Newlands: No, that was another... They're swapping wells; they're not doing anything new.

Ginny Weeks: Exactly, but you allowed them a new well. I didn't say additional, a different well, a new well and at that time it would have been appropriate to say that well is going to support your expansion in business and we have to protect that expansion in business, but you're not contributing to the funds we need for the infrastructure to protect you, in a proportional way, and I want to know how you're going to handle that, before you charge the rest of us with putting all this up. Thank you.

Mayor Newlands: I think that would have to be in our Ordinances. We have to ask the lawyers about that.

James Welu, property-owner in Milton: I've discussed this with Win Abbott before. I'd like to bring it to the Council. There is a concern with saving our water resource and of course, we have that 500,000 gallon limit per day. I think something that would be much more cost effective, which wouldn't be a huge amount of money, would be to get a grant, hopefully from the State or Federal Government, to outfit all of the homes in Milton, with low flow toilets. I know the new houses have to have them by Code, but all of the older homes, you can get a decent toilet for \$100, or less. I don't know how many toilets it would be, in the older homes that don't have current low flow toilets, but I think it would be less than \$100,000 grant, to be able to provide the Town with low flow toilets; which would reduce the total amount of water that is currently being used in Town. I think it's something really to think about and I think it's something that if the State and DNREC is really concerned with preserving the aquifers, as much as possible, it would be money well spent. Secondly, if we go to a graduated payment on the amount of water used by each household, I would recommend that the Town do something other jurisdictions do, which is to provide, at least a courtesy copy of the bill, to any household. Right now the bill goes to the landlord, the owner of the property, but if the tenant also got a copy of that bill, with the usage, they would have some idea of how much water they're using and if we have a conservation effort going on in this Town, which I think we're going to have to have, that the tenants of these rental properties would also be aware of how much water they're using and if they're looking for 100 gallon,

per person, per day maximum, or 80 gallons per day maximum, they would get that bill and they could review it and say, we've got to take some efforts to reduce our use of water. They're going to see it in the bill. Now whether the landlord passes the cost of water onto a tenant, is up to the landlord, but for the landlord just to give them a bill saying your water this quarter was \$150; if they don't see that if they use less water, that bill would be substantially less; I think would be important and I don't think it would be a big administrative problem to send the double bill; one to the landlord and one to the property.

Councilman Booros: Can I respond to this? Half the time Mr. Welu, we don't know who the renter's are.

James Welu: Well if the water bill is going...

Councilman Booros: Water bills go to DC and because the owner of the property lives in DC and comes down on the weekends, there's so many of those things going on. They don't necessarily go to the property.

James Welu: I think it's very easy to find out whether it is an absentee, part-time resident; or if the property is actually being rented. We know those landlords that have rental licenses.

Councilman Booros: Yes, that's not all of them.

James Welu: But those that you do know, I don't think it would be a very expensive part of the town to send out a bill to the property, as well as to the landlord, or the address that the owner give you for billing.

Mayor Newlands: I think Mr. Abbott wants to address this.

Win Abbott: Mr. Welu, I just want to say that your comments are very thoughtful, they're worthwhile to pursue; in our long term effort to promote a conservation ethic and you have my full cooperation. There may be some complications, as Councilman Booros has indicated, however, there's no reason that we should not pursue these things. In the end, however, they're not necessarily related to general water system improvements that Mr. McCabe has outlined for us, excepting the fact that we're all together in this to conserve our water resource and you have my pledge of full cooperation in this effect.

Ginny Weeks: I just wanted to add to Mr. Welu's conservation things and then I'll stop. I would request that the Council review whatever Ordinance or Charter it is that forbids wells for irrigation of lawns and that you allow us to do that. We're not using any water that's going through the sewer plant that way; we're not being charged for it. We're taking untreated water out of the earth and putting it right back into it and I don't understand why you don't address that and change that. Thank you.

Jeff Dailey, 211 Gristmill: This is a question I haven't asked before, only because it's an ongoing education where water is concerned, but for Mr. McCabe, it was explained to me that Heritage Creek, on the south side of town, they have adequate water pressure and they will have adequate water pressure despite their build-out, so that when all of that is built out, people will have adequate water pressure; largely because large enough mains were put in. If you think of that as being one of the end of the line points, there's enough water in the larger mains that were required of them when they put their infrastructure in to allow pressure, if you will. It's the equivalent of having an above-ground storage; there's just enough water in the existing lines to push it out. Is the same true at Wagamon's and I've learned recently that if, in fact, mains are not large enough to ensure water pressure, bladders can be placed at the end of the line so that it's the same thing as having put in larger lines to begin with. I know that Wagamon's is still building, so there's going to be more of a demand on what could be relatively small mains that could be augmented and it could be done far more cheaply than doing the loop. I know it would be nice to have the loop at \$350,000 and that would probably support expansion on that end of town, however, as new developments come into, if they should be annexed into Milton, the possibility for infrastructure water service for an above-ground storage, etc., being taken on by the developer, so that the taxpayers that exist in Milton don't have to pay for that infrastructure. If you're following this kind of convoluted explanation. So I'd like to hear from you on this, if I may.

Steve McCabe: Yes, it's difficult to put a lot of what if's together and to talk about what might happen with development here and development there. What I was charged with and what the Water Committee and what we were all looking at was serving existing need and we're looking at what the town needs now and what's the best options to select. We put all those recommendations in front of the Town and the Committee and decisions were made and alternatives were selected and endorsed by the Town and that's what we put in this proposed loan application. As far as pressure is concerned, when and if we build Well No. 5, and get it back on line, the entire pressure dynamic of the whole system is going to be different. So it's going to be difficult to say, until we test the system and get an accurate hydrant test data on the system, so the Wagamon's loop was an alternative that the Water Committee wanted and that's what the Town selected and if falls in line with the recommendations previously made on the first go round, with the Referendum.

Mayor Newlands: Steve, can you bring up the picture of the Wagamon's loop.

Steve McCabe: Yes.

Mayor Newlands: The Wagamon's loop is not to benefit Wagamon's; it's to benefit the schools and...

Councilman West: It's to benefit that whole side of Town; because you all don't realize that when the water pressure goes down, from Chestnut Street all the way around to Cannery Village, has no water.

Mayor Newlands: So the loop is not to benefit Wagamon's, it's to get the pressure and water to go through Wagamon's to the other side of town.

Councilman West: Yes. Because Mr. Dailey if there's a problem with this system, you and I lose water before a lot of other people will and a lot of people don't understand that.

Jeff Dailey: Okay, well I do understand that. First I would like to go back to Mr. McCabe for just a moment. With all due respect, there was something that was added into the proposal, our Number 7 proposal, if you will; rather late, and that was the inclusion of the cost of reconstructing the base of the Shipbuilder's water tower. So I got the impression that everything is hard and fast now and we can't make adjustments and maybe it is too late; I don't know, but you yourself just said and this is in answer to Mr. West's comment; once we have Well No. 5 online, you're suggesting it's going to be a whole other dynamic and I'm suggesting that perhaps we could save \$350,000 by not doing the loop that includes Wagamon's and would impact the schools, only because, and I guess I'm saying this more forcefully now; because you just said that when Well No. 5 comes online, it's going to change the dynamic, the water pressure, etc.

Steve McCabe: Yes.

Jeff Dailey: Now that leaves me to one last question and then I'm going to shut up for the night and I know everyone will be glad. If, in fact, we borrow the money, assuming that we're going to make that loop connection to Wagamon's, do we have to? I mean, we could pay it back if we didn't and we'd be that much further ahead, or having spent that much less. So that's kind of a financial question. I'm just not savvy on any of this, so I rely on your help and thank you very much. But I do want you to answer about the new dynamic of Well No. 5.

Steve McCabe: I was waiting for the question. That was an alternative that the Town and the Water Committee selected and as I said before, when we put the list of recommendations together, that's what it was narrowed down to and those were the items that it was narrowed down to.

Mayor Newlands: I think a simple way to ask the question, does Well No. 5 eliminate the need for the Wagamon's loop?

Councilman West: No.

Steve McCabe: It's kind of difficult to say, because the way the system runs now, there's no guarantee that if you install Well No. 5, Well No. 5 is going to give you redundancy for Well No. 2, Well No. 4, Well No. 7; Well No. 5 is going to be another source of supply on the south side of town, but you still have Wagamon's being at that big dead end and you still have the long run from the center of town all

the way down toward the other school.

Councilman West: Plus, it will take some pressure off these old pipes, by running that loop around, instead of dead heading it.

Mayor Newlands: Additionally, the pumps are pumping...

Steve McCabe: This is a really long dead end run, right here.

Mayor Newlands: And the pumps aren't on all the time to create pressure. They're there to just supply the system.

Steve McCabe: That's correct. And as I said, there's only two lines that cross the river; this line here on Mulberry and this line here on Union and that links all the supply; so this is a big dead end here and this is a big dead end here; and what this would do, is this would loop the two dead ends and it would create a loop and it takes pressure off all the pumps; they're going to run more efficiently and it also provides a redundancy so if one of these pumps does go down, or say if this pump needs to be taken offline, it's more pressure for all. As I said before, that also falls in line with the previous recommendation made by CABA Associates. It was one of the items in their Referendum, as well. All these presentations were made and all these options were given before to the Water Committee, to review at public meetings; and decisions were... everything was looked at and alternatives were selected and these were the alternatives that were selected.

Mike Cote, Gristmill Drive: If and when we get this loan, and it's \$1.7 million and change, I assume we don't get it as a lump sum; we get it in drawers as part of the projects go on and if we don't use it all, we don't take it all. Is that correct, or is that a two-part question?

Steve McCabe: That's how it works. It works very similar to a Home Mortgage. You have a construction loan for your home mortgage; you take out a mortgage; then you go get a construction loan; you build your house; and whatever it costs to build the job is what you go to closing for.

Mike Cote: Okay, so there's a potential that there's a little bit of... If you don't use all the... If we get lucky and we don't use the contingency, it's not \$1.7 million, it's \$1.5 million?

Steve McCabe: That's correct.

Mike Cote: Okay, thank you.

Mayor Newlands: And we don't know how much of this is going to be grant money, yet. So last year it was 35% for grant money; we don't know what that number is this year.

Steve McCabe: All right, thank you. Oh, any other questions?

John Collier: I have one real simple question. It just kind of popped in my mind. When you have a main that dead ends and does not have the ability to recirculate, does that cause that main any significant deterioration; quicker deterioration, over one that would circulate?

Steve McCabe: Yes. Yes.

John Collier: So, in other words, it would be advantageous to loop it, because it would preserve the integrity of that line for considerably longer?

Steve McCabe: Right. Right. And it really helps you for maintenance. If you have a water main break, you're cut off; on a dead end main, you're cut off.

John Collier: What brought this to my mind is the City of Dover experiences it from time-to-time with what they call brown water and a lot of the areas that experience brown water are where their mains go out and dead end and it does not recirculate. Over a period of time, it accumulates whatever it accumulates and then people have lovely brown water.

Steve McCabe: Right. That's correct.

John Collier: So there is an advantage for everyone then.

Mayor Newlands: Actually the maintenance guys do more hydrant flushing at the dead ends, then other places in town; for that reason.

John Collier: And that's just water that we're basically throwing away?

Mayor Newlands: Correct.

John Collier: Okay, thank you.

James Welu: I have one final question, for myself, at least. In the past Referendum and in the presentation night, there was a comment in there that there was the potential for principle forgiveness for the Town. My question is, when does that happen; what's the likelihood of it happening; and how does that work?

Steve McCabe: I think the likelihood is high, although the State does not want to quote numbers yet, the applications, the final applications haven't even been allowed to be submitted yet, from all the municipalities; however, as I said before, there's over 20-30 applications and Milton has two in the top ten, so it's likely that we're going to get debt forgiveness, although the funding agency is very careful not to give a number; just out of the power of the statement. They want to be cautious with what they tell people and they don't want people to be over anxious to borrow; thinking they're going to get debt forgiveness; but it is my understanding there is \$1 million or a few million dollars available for debt forgiveness and it's going to be distributed amongst the applicants. The distribution is going to be dependent upon the funding agency.

Mayor Newlands: Being ranked number seven, did we get moved up any, after DelDOT...

Steve McCabe: No, we held our ground. We held our ground.

Mayor Newlands: After DelDOT's projects got canceled?

Steve McCabe: But similar to us, there may be other projects ahead of us that drop out; that's always a possibility and we have number ten that's going to drop out, so now number eleven's going to move up; or somebody else is going to move up and that's the nature of the business, plus some of the other municipalities may not be ready and we may demonstrate that we're more ready to receive the funding and we may be bumped up on the list.

Mayor Newlands: Good, thank you.

Councilwoman Jones: Mr. McCabe, what does it mean to be more ready... They talk about shovel ready. What would be the first step, would it be the planning step you explained? Design?

Steve McCabe: No. No. Shovel ready would mean you have all your permits in hand and you're ready to start construction. That's what they're really... That's the ideal situation for them, so as close as we can get to that, as possible, would make us the most ready we could be.

Mayor Newlands: Passing a Referendum would make us ready.

Win Abbott: I concur with the Mayor. The steps that the Town has taken to this point, with the passing of a Resolution to have this Public Hearing and the subsequent Public Hearing, was indeed, a big sign that we're ready. The next big step would be to pass a Referendum. I believe and I didn't prepare this exactly according to our Charter, we have 30 to 60 days from the date of the Public Hearing. So we chose to have two Public Hearings, to be more inclusive; first one tonight, next one on the 28<sup>th</sup>, which is Thursday night; the optimal date, optimal, for a Referendum would be Saturday, April 6<sup>th</sup>. It does not necessarily have to be on a weekend. The Town of Milton has done that to be more inclusive. Other towns have done it on a Wednesday night or a Thursday night and of course, we have a thirty-day window between 30 and 60 days to work with, but nonetheless, what the Mayor said about passing a Referendum is the biggest sign that we are indeed, ready.

Mike Cote: I can't see on your map up there, is the Wagamon's to Federal the only dead ends; is that all looped in that goes out past the middle school and by Heritage Creek? Is that on some form of a loop already or are there more dead ends down there?

Steve McCabe: Yes, it's basically a long dead end that loops itself. There is a link right here.

Mike Cote: How about the fire hydrant?

Steve McCabe: There's a link right there and I think there's also a link right here, but I...

Mike Cote: Okay, thank you.

Mayor Newlands: Maybe that's why they moved the fire hydrant.

Steve McCabe: Any other questions? Alright, thank you.

Mayor Newlands: Anything else from Council? Okay, that concludes our Public Hearing. Thank you very much. The meeting on Thursday night is in the Fire Hall, so if you know anybody that's going to the meeting, it's at 6:30 in the fire hall, not here.

Ginny Weeks: The same presentation? Right?

Mayor Newlands: Same presentation, yes. Thank you.