

Town of Milton
Water Committee Meeting Part One
Milton Town Hall, 115 Federal Street
Wednesday June 20, 2012 at 4:00 p.m.

Transcriptionist: Helene Rodgville
[Minutes are Not Verbatim]

1. Call to Order

Councilman West: Called the meeting to order at 4:00 p.m.

2. Roll call

Councilman West: First of all, we're going to have a roll call:

John Bushey	Present
Allen Atkins	Present
Dennis Hughes	Present
Mike McNamara	Present
Dustan Russum	Present
Win Abbott	Present
Councilman West	Present
Bill Wood	Absent

3. Approval of Agenda

Councilman West: We have a quorum. Can I get a motion to approve the agenda?

John Bushey: So moved.

Mark MacNamara: Second.

Councilman West: We have a motion and a second to approve the agenda. All in favor say aye.

4. Approval of Minutes

Councilman West: Can we read the minutes and approve them?

Win Abbott: That won't be necessary, Sir, because I did not have the tape recorder on the table at the beginning of the last meeting. I was a little flustered trying to put together all these notebooks for you guys and as a consequence, although I took note, I have no minutes for you. We have a recorder now, though.

Councilman West: Okay, we will skip the minutes, because you did take some notes.

Win Abbott: I took some notes.

John Bushey: But the press was here too and they covered it.

Win Abbott: Yes, Sir.

5. Old Business

a. Water Meter Upgrades

Councilman West: Allen, do you want to handle that? Or Dustan?

Allen Atkins: Well they've got a chart inside on the paperwork here.

Win Abbott: Dustan, do you have copy of this? You all have, within your packet, an Excel spreadsheet that was developed for the purposes of tracking all the steps towards getting a greater degree of compliance with regard to Radio Read Meters, which is the

standard. As you can see, we have prioritized certain installations. We sent out notices. We had follow up. Some people turned in their forms and others didn't. In the meantime, Dustan and Greg and company have been working real hard at it. Even what you have in front of you is not entirely updated. I think Dustan could provide you with a more up-to-date figure.

Dustan Russum: Yes, we're down to about 40 of them. If you want, I can go through the ones that we have left to do, if that makes it easier for you guys.

John Bushey: It's right here in printed form.

Dustan Russum: I've checked off the ones that we've done.

Councilman West: Some of these they have done, Jack.

John Bushey: Okay, okay, I'm sorry.

Dustan Russum: Okay, I could just make it easier, just the ones I've got left I can go over, if you want. You have 404 Chestnut, _____; 104 Bay Avenue.

John Bushey: 104 Bay Avenue. What's the name?

Dustan Russum: Altholz.

John Bushey: Is it on the front?

Councilman West: It's about half way down.

John Bushey: I got it. I got it. I got it. Thank you.

Dustan Russum: 606 Atlantic Avenue.

John Bushey: 606?

Councilman West: That's Chestnut Properties.

Dustan Russum: 330 Behringer. I have spoken with those people and I've got a date and a time next week. There's been some issues there with the family.

John Bushey: Chestnut Properties. Can we revert back. Chestnut Properties, is that the old White property?

Dustan Russum: Yes.

John Bushey: Dr. White's property?

Dustan Russum: Yes.

Dennis Hughes: Chestnut?

John Bushey: No, 606 Atlantic Avenue.

Dustan Russum: 606, I have written down here, we're going to dig the pit up on that one. It's filled in.

John Bushey: Is it the white house on the right hand side?

Dustan Russum: Not the two-story white house, the one that sits by Dr. White's driveway.

John Bushey: Yes.

Dennis Hughes: It's his daughter-in-law's house, George Short's house. Right?

John Bushey: No. It's not Chestnut, it's the house prior to that.

Dennis Hughes: That's a white house.

John Bushey: It's not Chestnut, it's the house prior to that.

Dennis Hughes: Oh, Charlie's old house.

John Bushey: Yes.

Dennis Hughes: The block house.

John Bushey: Yes.

Dustan Russum: 435 Rudder Lane.

John Bushey: 435 Rudder Lane?

Dustan Russum: Yes. That's the last house in Shipbuilder's to be done.

John Bushey: Melson's.

Dustan Russum: Yes.

John Bushey: Is he from Rehoboth?

Dustan Russum: I have no idea. I haven't seen a letter or anything yet from him.

John Bushey: What address did you send it to?

Dustan Russum: We've sent it to all of them.

Allen Atkins: He's the guy, when you go up there to knock on the door, they're in the house and you can see them in the house, but they won't come to the door to let you in?

John Bushey: Is that a rental property? What I'm trying to find out, there's a Melson that I know lived out there at one time. He moved out of town.

Dustan Russum: There's a good possibility. I remember seeing a Realtor sign in front there.

John Bushey: Do me a favor. If this Melson right here, he's a Police Officer. Okay?

Dennis Hughes: Well the water's not shut off, is it?

Dustan Russum: No.

Dennis Hughes: So they must be getting their mail. So they got their water bill to pay.

John Bushey: But if it's a rental property, it might be going to the landlord; if it's gone to the landlord, then the tenant's don't know anything about it and you know tenants.

Dennis Hughes: Then it's up to the landlord.

John Bushey: I'm sorry, go ahead Dustan.

Dustan Russum: 411 Union Street, the Church. I've been in there and talked to them and said this is what we've got to do. 512 Union Street, the Church. I've talked to them, same thing.

John Bushey: They're only going to be there on Sunday's, they'll let you do it?

Dustan Russum: Yeah. I figured while they're doing their service, I could probably get in there and put in the meter.

John Bushey: Why is it that two churches haven't been done? Because you've got to get the equipment?

Dustan Russum: Well we had to wait on some parts and stuff. We got the parts.

Councilman West: Because Jack does go to that Grace Church.

Dustan Russum: He does, okay? And the cheapest and least expensive way, the first way I was going to tackle it is just to put a corner horn in there and mounting it all; but after looking at it, it will be easier for a lot of these churches, I'll just use a vertical meter and it's one vertical meter and two fittings vs. six fittings and a meter. So I'm waiting for those verticals to get in and then I can go ahead and do them.

John Bushey: Okay.

Dustan Russum: 113 Milton-Ellendale Highway. There's been letters mailed out to them and 115 Milton-Ellendale Highway and no response, return to sender.

John Bushey: Both of those churches?

Dustan Russum: Um-huh.

John Bushey: Is the Pastor there Freeman?

Dustan Russum: I think that's what's on the sign.

John Bushey: Okay, well Mr. Freeman lives in Lincoln.

Dustan Russum: I know I spoke with she lives across the street from the church, we just did her meter two weeks ago...

Dennis Hughes: Ms. Selby?

Dustan Russum: Yes and she says she knows somebody that lived in Lincoln that goes to

that church and that she would be in touch with them sometime. I asked her, do you have a number, she said no, it's more or less when I bump into them. I said, if you get a hold of them, I said, you tell them we're looking for them. 103 Mulberry, church; 307 Federal Street, church. I've been into all the churches except the two on Milton-Ellendale Highway.

Dennis Hughes: Okay.

Councilman West: Because if you've got to Wegocean???, get up with Dave Warrington.

Dustan Russum: I've spoken to him before. He's one of the _____ to driveway. 302 Union Street, King's Ice Cream, we're working on it. We had a little bit of a problem; we can't find the shut off valve.

John Bushey: 302 Union?

Councilman West: King's Ice Cream.

John Bushey: I've got you. I'm sorry.

Dustan Russum: 109 Betts; we got a letter back; spoke with him and it's pretty much when we get there, he'll let us crawl under his house and get it changed out. We're busy working on the one across the street, which is 112 Betts Street; we've been working on that. We've got to do the whole curb stop up; because when we installed the meter, there were no valves under the house; it's all hooked line and the valve box is cocked, so now we've got to call locate; dig it up and get on the valve. 117 Milton-Ellendale Highway. I haven't seen anything back on them yet. 418 Pine Street. I'm waiting on a meter to come in for that house. 410 Boxwood Street. No answer. No letter and there are three or four cars in the driveway and the only thing that comes to the door is a little white dog.

Dennis Hughes: That's P. D. Camenisch's, right?

John Bushey: Is that where Sharon lives, from the coffee shop?

Dennis Hughes: I don't know.

John Bushey: The girl that works in the coffee shop lives out on Boxwood Street.

Dustan Russum: I don't know. 312 Behringer Avenue. We got there; that's Sock, Dreinert, Ritter. We spoke with him and we're supposed to go there next week, Monday or Tuesday.

John Bushey: Okay, well she's been in the hospital.

Dustan Russum: Okay. 102 Federal Street. Spoke with him yesterday. He's going to be out of town for 1-2 weeks. When he gets back to town he'll let me get in there and change the meter. 601 Federal Street's left. I had to order some parts that came in at Petty John's Shop down there. It's in the basement. 105 Federal Street. I haven't heard or seen any letters come back from them yet. 106 Prettyman Street. Right now they're working on that house and we spoke to them and they're actually going to take the meter out of the house and they're going to install a pit outside, so when they get their pit installed outside, then we'll put the meter in. On the last page, you've got 130 Broadkill, which is the coin laundry. That was a 2ö meter. They just came in yesterday. Milton Kwik-Stop, possibly an 1-1/2ö or a 1ö meter. It's just a matter of now, I just got my 1-1/2ö in now, we've just got to coordinate it when it works with his schedule, so we can shut the water off, change that one out. 204 Broadkill is a 2ö meter. It came in yesterday.

John Bushey: It would seem to me that 130 Broadkill Road and 204 Broadkill Road and 140 Broadkill; they should be relatively new within the last ten years.

Dustan Russum: Yes, but we were switching to radio read.

John Bushey: Okay.

Dustan Russum: Plus, also, with these 2ö meters, they're more accurate than the style of

meters that we have in here; because they each use 1/16th of gallon of water an hour vs. a quarter. That County Bank meter came in yesterday. Food Lion, 110 Broadkill, that meter came in yesterday.

Councilman West: Very good. I know you guys have been working a little overtime to get these things done.

Dustan Russum: We've been getting about 8 to 10 of them done on Saturdays.

Councilman West: Yes. Which, I don't know about the rest of the committee, but from the town council's point, we're happy that you're doing that.

6. Continuing Business

a. Study about Shipbuilder's Tower foundation

Win Abbott: Yes, Sir. I just wanted to report to the committee that about one week ago, I received a proposal from Baker, Ingram & Associates and it was just today that I heard back from our Town Solicitor, with regard to his review of the contract. The contract has estimated fees, not fixed fees; the estimated fee for the field review of the existing foundation system and report preparation is \$3,000. Testing services, which are through John D. Hines & Associates, a third party, are \$5,000 estimated fee. Now there are some things within the contract that indicates that it will be the responsibility of the town; like excavation for example. So my thought is that we can't put a firm number on what this is going to cost the town, but it's going to cost us no less than \$10,000 to do the study of the foundation there. Like I said, I just heard back from our solicitor today; the mayor would like to be the one to sign the contract. I expect that he should be feeling better by the end of the week and we can move forward with this. On the Planning with John D. Hines & Associates, the third party that will be doing the examination of that; they did the core testing for what would be the pilings that are currently holding up the new police station in Fenwick Island. They do a very thorough and timely job to provide complete reports. I think that we will be quite satisfied with the outcome. So I just wanted to let you know, we're moving forward with this. There's a little bit of a delay in getting the contract; and then another delay. Our Town Solicitor is the blogger for the majority caucus in the Delaware Legislature, and the last three weeks of June are his busiest weeks of the year. So it kind of delays getting some things through the Seth Thompson pipeline, but we have it now.

7. New Business

a. Consumer Confidence Report

Win Abbott: Allen, why don't you talk about this.

Allen Atkins: Okay. The Consumer Confidence Report is also on line for our town, which shows that we've been in compliance for all of our minutes.

John Bushey: That's good. I saw that there wasn't any violations.

Allen Atkins: No, there's no violations.

Win Abbott: And it was published in the Cape Gazette.

John Bushey: Do you still mail these out with the water bills.

Win Abbott: Yes we will with the next one.

John Bushey: Alright.

Win Abbott: That's like the second week of July.

Allen Atkins: That's also posted downstairs in the Library and outside of the post office.

Councilman West: You know, it makes me feel good that the Water Department is staying on top of this, making sure that the public, the safety of the water is the main concern for them. So I'm

happy with that and it shows in this report; because as some of you know back in the 70's, Milton had a bad report.

Unidentified Speaker: We had a lot of lead.

Councilman West: Yes. Is that all you've got on that, Allen?

Allen Atkins: We took out all the lead goosenecks on Union and Federal.

Councilman West: Right.

Allen Atkins: Actually we took one out a couple on Atlantic, that was lead based.

Councilman West: That was state of the art when they were put in.

Allen Atkins: Absolutely. That's right.

Councilman West: Do you have anything else on that report that you would like to discuss?

Allen Atkins: [Unintelligible].

Councilman West: Win, do you want to go over a review of the point system?

Win Abbott: Yes, Sir. It will only take a minute or two. I think that and I probably stated this before, when we had our meetings and I was sharing this information; for me, it's important that everybody at this table is well-versed in all aspects of our water system; so that together, we can advise the Council in a particular direction that might be best to go and the more we know about it, the better. When I received notice about the Drinking Water State Revolving Fund grades attributed to each one of the different projects that were submitted from Milton, from Smyrna, from Wilmington, from Greenwood, whatnot, there were numbers attributed to that, but I didn't know what the grading system was for each particular thing. So what you have in front of you here, is the 2011 Drinking Water State Revolving Fund grading system. Now this is what the people who are on that review committee at the Office of Drinking Water sit down and fill out. Now a lot of this is driven by Federal EPA Standards and what they find to be most important at the time. I spoke with Heather Warren this past week and she said, nothing has changed this year. Sometimes, especially you get into whether it be technical or political things, some things have more of an emphasis one year and less of an emphasis another year, but the grading system is basically the same and what they do is they go through the application and included in your packet is also the application; this is the June 2012 one; it's blank, but this is what our Town Engineer will complete prior to us making an application for a loan through the State Revolving Fund. When he fills out the application, it will indicate particular things. For example, Georgetown was bumped up on the list, because they found volatile organic compounds (VOC's), things that are often related to fuels, within their water system at a threshold that exceeded what the national limits were. I can remember when I was on the Town Council of Clayton, and I was the Secretary there and I'm the one who's name was on the bottom line for the big loan that they took, they had a particular well; they blended the water just like the Town of Milton does and they had a well and they had an acceptable level of arsenic in it; a billionth of a part per million; whatever the case might be. But then the Federal Government changed the threshold and made it ten times less by just an act of legislature or regulatory authority. So all of a sudden what was totally in compliance for years before that, was now not in compliance and the town had to buy very expensive filtration system to knock down the level of arsenic to what is the new acceptable standard. So these things all tie together. This is what our engineer will prepare, prior to going to the Office of Drinking Water for a loan; and this is what the Committee will use in order to review our loan application and rate it against other applications, as well. Once again, it is provided for your information so that you all understand how the process works. It's not arbitrary and capricious by any means. We're not involved in it personally. We can't go up there and make a sales pitch for it. It's very technical in it's basis and it is supplied quite fairly.

John Bushey: Question. On the Drinking Water State Revolving Fund application, when is this due? This is the application for grant money out of 2013 budget?

Win Abbott: Yes. Yes. And this is predicated upon the federal fiscal year, which begins October 1st, our pre-applications are due some time around mid-August. And then they'll review them during the fall after the new federal fiscal year begins and we'll find out whether or not we actually qualify for these loans sometime in the January to early February period. Am I correct Allen?

Allen Atkins: It's sort of a pipeline.

Win Abbott: It's sort of a pipeline.

Dennis Hughes: That's what he told us at the beginning.

John Bushey: But wait a second, Denny, we're going to do a pre-application and what are we going to put in the pre-application for money to get to do what?

Win Abbott: This is all for informational purposes, so we can understand the process. Now, what we put in the pre-application for money to do what, is what Pennoni & Associates is working on right now. They're taking the 2008-2009 Master Facilities Plan, they're reviewing all the stuff in it, they're updating the information with regard to how many customers we have, what our projections are? You'll recall that we were adding homes at a far faster pace in 2008, then we are here in 2012; they'll be changing that and taking a look at some other things; and then that will form the basis by which a new application would be filed.

John Bushey: Okay, so they're going to have their report back into us by what date?

Win Abbott: Mid-July.

John Bushey: Mid-July?

Win Abbott: Yes.

John Bushey: And this is due in August.

Win Abbott: Yes.

John Bushey: So, in other words, we're going to meet the end of July, make a recommendation to Council for August, they vote and then they're going to submit it.

Win Abbott: More or less. I mean, nothing is guaranteed, but yes, that's the idea.

Allen Atkins: That basically gets your name on a list.

Win Abbott: That's right. You get your name on the list and then they review it and we won't hear back from them before January.

John Bushey: Okay.

Councilman West: Because to shed a little light on that subject, we're not sure... We're going to have a meeting in July, but we're not sure when, because Win is working with Pennoni & Associates to get all this done and you'll have plenty of notice when the next meeting is, but he's wanting to review the next water billing cycle to come back and give us a report so that he'll have a better explanation on the profits and losses of the water department; how much that these water meters have helped account for some of that missing water.

John Bushey: Well you see what I guess I'm focusing on, time lines.

Councilman West: Right.

John Bushey: We're going to have a meeting... We're going to get this report back the last week of June; we're going to have this report; we're going to make a recommendation to Council, hopefully for the July meeting; and hopefully get this stuff out. So now we're working within a thirty-nine day time frame to get all this stuff put together to make an application to see whether or not we qualify for this stuff.

Win Abbott: You have to understand, this is a pre-application; they'll review that and then there will be another phase application that happens in the December-January period; it isn't until late

January...

John Bushey: After the pre-application are we going to be able to modify our pre-application and upgrade that we want more inclusive stuff?

Win Abbott: Yes.

John Bushey: Okay.

Win Abbott: You'll notice that things are on here are a lot of quality issues. Do you have Volatile Organic Compounds in there; do you have metals; or whatever the case might be. There are a number of quality issues that they rate highest. But yes, there is another round after the pre-application process.

Councilman West: As the oldest Council Meeting is on the 6th, Jack, and we can meet as late as the 31st of July; because I would like to see what this report is going to be from Pennoni, because him and Win and Allen are working together to get all these facts and figures right so that when we do present this at the Council Meeting we'll have our act together and not look like a bunch of dummies, you know, because we haven't got all the facts and figures right.

John Bushey: So for the August meeting?

Councilman West: Was it August or September that we're going to do this?

Win Abbott: August is the target for the pre-application.

Councilman West: August. Okay as I'm saying, Jack, for the July meeting, when Pennoni gets their facts and figures together, we can meet as late as the 31st of July, which is a Tuesday and the Council meets the 6th of August and that still gives us a week to get everything prepared for the Council Meeting. Does that sound right to you, what I'm saying?

John Bushey: I understand.

Councilman West: Okay.

John Bushey: I'm following you.

Councilman West: Okay.

John Bushey: But I just think that here we are, now rush, rush, rush to get all this done and are we really spending quality time reviewing the information we have to determine what's going to be best for us?

Councilman West: Yeah. Well my thing is I think this report from Pennoni will shed a lot of positive light on this water system deal and the public will not be as misinformed as they were in the past when we had that referendum, because the people had a lot of good questions and CABA Associates couldn't answer them and we're hoping that when all this comes to light and we have a 7:00 meeting for the public to hear all this, that he will be able to have his act together and answer the questions for the people; not like it was the last time, the people asked questions and they couldn't answer them.

Win Abbott: I'd like to add to that. Allen, you please correct me if I'm wrong or add other things as they are appropriate. This particular program is the most cost-effective way to address these huge capital costs of upgrading infrastructure. It's been around for thirteen years now. It's driven by funds made available through the EPA and then channeled through the Office of Drinking Water of the State of Delaware. There are many towns that have been through this process multiple times and over the cost of it, have received multiple loans. This town has before, we're paying on a loan; we had a water system upgrade before; so we needn't think that everything has to be done in one shot. We certainly could set priorities and say over the course of the next twenty years, our Master Plan is to address this first and then that and then that and in some cases, it could be addressed through applications for the State Revolving Fund through the Office of Drinking Water, where it's a very low cost interest or then through establishing a sinking fund; our own savings account to do infrastructure improvements; for example, replace

water mains on certain streets within the town, once every four or five years, because we're building up our own savings account to pay for it with cash. So we needn't have the feeling that there's such a sense of urgency that everything has to be done in the next funding cycle. This is an ongoing process. We're all learning and getting a better plan together, prioritizing things and then those things that are the priority, we'll take care of first; and the things that are important, but not the priority, we can take care of in the following year, or the following year, or the following year.

Councilman West: Just do it in phases; instead of having one big chunk.

John Bushey: I think Pennoni said that he would make his report, that the priority things would be first.

Councilman West: Right.

John Bushey: It always seems that when you get to applications for grants or whatever, you're always down to the last minute trying to get everything together.

Councilman West: That's why we're trying to eliminate that now.

Win Abbott: Once again, the pre-application is just the first cut. After you make the first cut, then you put greater amount of detail into it for the genuine application that occurs around December.

Allen Atkins: First you want to get your foot in the door to get your name on the list to get the pony.

Councilman West: Right.

Allen Atkins: That's the thing.

Councilman West: Is there any other discussion on this, because I think we all learned a lot from that last referendum; that the people thought it was being rushed through, without the answers that they wanted and that's what we're trying to eliminate this time.

b. Maintenance Contract

Councilman West: Win do you want to speak on the maintenance contract?

Win Abbott: Allen is probably better than I, but I'm just going to put this out there. You have two pieces, two things. A single piece of paper that has a little grid on it, like this; this was prepared for the town by CABA Associates, Allen, maybe two years ago?

Allen Atkins: Probably a year ago.

Win Abbott: Okay. What this does, is breakdown for you the advantages and disadvantages of going with a long term maintenance contract for towers, as opposed to paying as you go. So I asked for them to provide this, so that we could take a look at it. We're in the last year of our existing maintenance agreement. It was a ten-year agreement, and last year, in anticipation of this, this is the next packet that you have, CABA Associates put out a Request For Proposal for tower maintenance services and we received responses from that. Now, it is, again, a ten-year agreement and what you have is an amortized cost; they provide services; we have two towers; probably just once in the ten-year period, per tower, Allen; inside/outside maintenance?

Allen Atkins: A couple of times. They've done these two about two times inside and two times outside.

Win Abbott: Each?

Allen Atkins: They've pressure washed them and painted.

Win Abbott: Okay, so we've got two services, per tower, for the ten-year period.

John Bushey: Once every five years, clean and pressure wash 150,000 gallon tank, exterior at least once within any five year period to remove surface contaminants.

Win Abbott: So there are times, over a period of years, where we're paying, we're not getting

any service, but what we have is insurance. Because if something goes wrong, Allen...

Allen Atkins: What just happened, we had a leak in the garage of this one here and we called and they came and _____ it back _____.

Win Abbott: So the question that's on the table, really, is which would be the most advisable course of action; to sign onto another ten-year contract, not knowing whether we're going to replace a tower; because of it's foundation or replace a tower simply because we want to keep the same locations, but add storage capacity and these things may occur in the next two to three years, while we sign onto a ten-year contract. We're paying on an annual basis, what it's going to cost us to do that, or do we want to be more conservative and say, well we're going to pay as we go for these things and we might run into a situation where we're having to pay for more than we budgeted for, because we don't have this ten-year contract with the insurance of being able to pick up the phone and say we need you now. And that's a question that Allen, or our engineers could advise us to, but I wanted you all to be cognizant of the choices that we have to make and this is the year that we're doing it.

Allen Atkins: It's easier to lay out money over a ten-year period then it is to have a big chunk of money budgeted.

Dennis Hughes: Is that flexed over the ten-years?

Win Abbott: Yes.

Dennis Hughes: Each year? Does it have any inflation costs or material or anything?

Win Abbott: You have the contract in front of you and I haven't studied it to that detail, but that was my concern. What are our options to be able to make adjustments to it, during the term? If, for example, we take a look at Shipbuilder's and we say, what we really need to do is replace that tower with something a little bit larger with a new foundation; we don't have to go look for another piece of land and then it changes the whole basis upon which the contract was written. What are our options to make these changes three years into a ten year contract?

Councilman West: Would that be something that we need to talk to Seth about?

Win Abbott: Yes and our engineers. But once again, providing this so we all have the information and I know you didn't get it ahead of the meeting, but I'm doing it so that you can read it and ask questions and I'll be sure to channel them.

John Bushey: I have a question. The contract that we currently have expires when? And if my memory serves me correctly, wasn't it about \$150,000 for the ten years for both tanks, or was it more?

Allen Atkins: It was about \$30,000 a year.

John Bushey: That would make it \$150,000 per. But anyway, Win, I'm sorry. When does our current contract expire?

Allen Atkins: December 31st.

John Bushey: December 31st of this year.

Win Abbott: So my thought is that after reading this information, you all have relevant questions, I would be very interested in how the Water Department goes. Please email me and I'll work with Allen and our engineers, CABA Associates; they're still our engineers; Pennoni has been hired to do an update to the Master Plan for planning purposes and I'll keep them in the loop; but what we're going to do is get all the questions together and advise the Council on the best path to go forward.

John Bushey: It's my understanding that really the big questions is, is the Shipbuilder's water tower vs. the water tower over here on Behringer and Chandler; we're really probably going to be keeping that location, but the biggest concern will be whether the water tower we keep at Shipbuilder's or not.

Win Abbott: I didn't mean to set that expectation. I just used it as an example.

John Bushey: I know, but really the expectation brought up a serious thought about that, because really 1) we are having some questions about the structure of it and 2) whether or not we do keep that location, as you said; that's a possibility. That's all things. Do we just do a contract for the big contract here and since we do have issues with this, eliminate that from the current contract, because that all could be taken down in three years or less and another water tower put up. That's a valid thing. I guess we need to read this contract and then bring that question back to the table.

Win Abbott: Sure. Or email me and I'll send it directly to Seth and our engineers and copy Allen so everyone's in the loop and we'll get some feedback. They're all great questions.

Dennis Hughes: If the water tower is replaced, what kind of contract would we have with a new water tower?

Allen Atkins: You would have to write a separate contract.

Dennis Hughes: It doesn't come with...

John Bushey: With a guarantee?

Allen Atkins: It probably does for paint and the tower itself, but as far as maintenance on it, no.

Dennis Hughes: There's not like a year's maintenance? It could be in the contract too, so if we have a contract, based on the size of the tower they came up with that price, and it was replaced by another tower, the bigger rate could be adjusted to come to that so you wouldn't lose that part of the contract.

Win Abbott: Sure. This all comes back to the broader purpose of this committee and that is so that we all have an understanding of the complete business; starting with our efforts documented by Dustan. Before we had what was it 60+ places that really needed to have a water meter upgrade and now we're down to the two dozen that are left that haven't had it yet in just a couple of month's time. That's one aspect of the water business. Another aspect is this ongoing maintenance and another thing is modifying the Master Plan so there are all different things; it's not just one thing.

Dennis Hughes: It's probably not the next quarter, but the following quarter, we really should have everything in and that should give us a real good picture.

Allen Atkins: This one's not going to tell you that much. It should be a lot closer.

Councilman West: So now you all have food for thought on this contract and either Win, Allen or myself and we'll come up with something and work with the engineer and the lawyer, so we can come up with something good for a contract. Is there any other discussion on this contract.

c. Budget Preparation

Win Abbott: Gentlemen, I was hoping to have a little bit more for you regarding this. I've been working on this budget non-stop for the past five days, anyway. I think I've been into Town Hall before 7 am and I even beat Mr. Bushey to the coffee shop on a couple of days. But, I just want to let you know something. We're working with this model that I shared with you last time, Delaware Rural Water Association and this CUP system is a more comprehensive thing. There's a smaller model that the same person, Gene Holloway, is going to help me with and that is a rate study. It requires that we have some information about what we have in there and an important consideration to have about this whole budget thing is this. One thing that we don't have in our Water Department is a sinking fund; a savings account specifically for this and these things are established for similar infrastructure projects at municipalities all around the country, whether it's water, sewer, electric or whatever the case might be and the Council has the ability to change rates during the course of them adopting a budget and they could, indeed, choose to

adopt a budget which involved an extra \$2 a quarter in the availability fee, simply to establish a sinking fund; so we would have our own savings account for water and we're not entirely dependent upon make it or break it if we get this loan. Whether it be for a tower, or an upgrade of water mains one street at a time, or whatever the case might be. I haven't done anything with the Water Department budget, per se yet, and there's going to be several meetings to come, but I just wanted to let you know that with regard to this whole thing of running the Water Department business, going to a referendum or an State Revolving Fund loan, for major things; is not the only thing that there is to do. There is another thing where we save a little bit at a time and have a plan to make small replacements at a time over a long period of time; replacing water mains that date back to 1905...

Allen Atkins: 1915 over at the Fire House.

Win Abbott: 1915 is one path to consider and that may be put before the Council as we work through these budget workshops in the next six weeks or so. That's all I have to say about that.

John Bushey: How many water bills do we send out a quarter?

Win Abbott: One.

Councilman West: How many people?

John Bushey: Excuse me, how many total water bills do we send out; how many consumers do we have?

Win Abbott: I think it's 1,155.

John Bushey: I think you got me on that one. Excuse me, what is it?

Win Abbott: I think it's 1,155.

John Bushey: 1,155 and you're going to start a sinking fund...

Allen Atkins: 1,350.

Win Abbott: It might be 1,350. I apologize. 1,155 is in my head; I was working on the budget and trash was the last thing I did, but we have commercial water customers who are not trash customers. We also have trash customers that have, like up there on that street on North Union where they have a community trash area, where one bill goes to the association. He knows the number better than I do. I had trash customers on my mind. Trash and water bills go out together.

John Bushey: That's okay. That's no problem. I understand. I understand. I understand.

Allen Atkins: It's close to 1,400.

Dustan Russum: There are 1,353 radio read meters.

Allen Atkins: Because the others are hand read meters.

John Bushey: You said radio reads, right?

Dustan Russum: That's what I got in my truck, a laptop and I see that number all the time.

John Bushey: Okay and how many do you have others?

Dustan Russum: Manual reads ó probably about another 100.

John Bushey: That would give you 1,453.

Allen Atkins: 1,453 is right. We'll know tomorrow when we see all the accounts.

John Bushey: And what was that terminology you used for the ride by and read.

Dustan Russum: Radio read.

John Bushey: Radio read. And you didn't install a new meter on mine. I'm still getting the extra water?

Councilman West: Your rates just went up, Jack, is all.

Dennis Hughes: He did fill his swimming pool. 35,000 gallons.

Dustan Russum: I got that.

John Bushey: I've got another question. Two questions. What are the restrictions with

agricultural wells in town? Does the town have a restriction on agricultural wells?

Win Abbott: Allen would be better suited to answer that question.

Allen Atkins: All I know is there's an ordinance that you cannot have a well without coming to the Town Council, that's the only thing I know.

Dennis Hughes: And it has been taken to court on previous time.

John Bushey: I guess so, but agricultural well ó so my question was whether an agricultural well could be put in; but then separate customers do have separate meters for just irrigating their lawns and they pay a basic charge in the wintertime when they're not using, which is \$35.

Win Abbott: I'm not sure. I don't do bills.

Allen Atkins: I think it's one \$35 charge per connection, not for those meters. It used to be \$35 per meter and now they charge only for one connection.

Dennis Hughes: There is a meter on that water?

Councilman West: Yes.

Allen Atkins: They don't get a charge when they're not supposed to.

John Bushey: When they're not using?

Allen Atkins: Right.

John Bushey: So in other words, in the summertime if those meters irrigating lawns and they come on and they get so many thousands of gallons for the basic \$35 charge?

Dustan Russum: \$35 is a flat fee, no matter what; whether you use it or not.

John Bushey: So then, whether I use a gallon or no gallons. But in the wintertime I don't get paid that fee.

Allen Atkins: You're not charged that \$35 fee.

John Bushey: So in other words, what you're telling me is, it might be more economical for a customer who wants to water their lawn; water their garden; fill their pool; to put a separate connection in, because it would be more economical because they wouldn't have to run it back through the sewer too. They're charged for the sewer.

Dennis Hughes: And those meter charges aren't turned into Tidewater.

Allen Atkins: No.

Dennis Hughes: So if you water your garden right now, or your yard, you're paying sewer on it.

John Bushey: I know.

Dennis Hughes: If you do this, you don't have to pay sewer.

Allen Atkins: That's correct.

Win Abbott: I don't have the reasons that were cited in that case law before me, but my understanding is this, that the State has given the town an exclusive franchise for this, because they find it to be in the public's best interest. Now the town has an allocation permit and the allocation has to do with the water that we pull out of the ground and in order to be able to have a better handle on that, the town's exercising their right to this exclusive franchise and say you need to come to the town in order to have a well and that's been written into our ordinance. Now the proviso here is that you can have this second meter and the second meter will allow you to use it for your lawn watering purposes and not have to pay sewer charges for it.

Dennis Hughes: The other thing is geothermal. They can get a well, right?

Win Abbott: They can, because they're replacing the water back into the aquifer. They're just running it through the system and back into the aquifer.

John Bushey: In all cases he made reference to was back in the early 1980's when a gentleman wanted to put a well in and the town took him to court and stopped him; I was on the Council at the time it happened.

Dennis Hughes: Does Atlantic Chrysler still have their well?

Win Abbott: For cooling?

Allen Atkins: As far as I know they do.

Dennis Hughes: Because they could use it... Could the town use that water?

Win Abbott: No, the water goes right back into the aquifer.

Dennis Hughes: Oh, it does? Yes. Okay, so it just took the...

Allen Atkins: It goes right by...

John Bushey: At one time they were dumping it in the pond.

Allen Atkins: Years ago they were.

John Bushey: Yes.

Councilman West: Are there any other questions for Allen or Dustan or Win?

John Bushey: I don't. I'll read this and I may have some tomorrow morning. I may have some this evening.

Win Abbott: Don't bother me, I'm doing budget.

8. Adjournment

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

John Bushey: I make a motion that we adjourn.

Dennis Hughes: Second.

Councilman West: We have a motion and a second to adjourn this meeting at 4:48 p.m. All in favor say aye. Opposed. Motion carried.

