

**Town of Milton
Water Committee Meeting
Milton Public Library
121 Union Street
Wednesday October 3, 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: At this time, I'm going to please ask everybody to state their name:

Bill Woods	Present
John Bushey	Present
Dustan Russum	Present
Win Abbott	Present
Councilman West	Present
Dennis Hughes	Present (Arrived late)

3. Presentation by Artesian Water- Mr. Ken Branner and Mr. George Phillips

Councilman West: At this time we're going to have a presentation by Artesian Water, Mr. Ken Branner and George Phillips

Ken Branner, Director of Business Development with Artesian Water: We were asked to come down. I have with us Laurie Major and Rodney Wyatt. Rodney stepped out for a minute and George Phillips and myself. What we want to do is just give you an idea and a review of inter-connections; where we have some now; and go over mapping where in talking to the Town Manager ideas around where it might go and then just open it for questions. We want to keep it as informal and informational as possible; nothing in here is a major complication, but just going to go over some stuff and then answer any questions that you might have around inter-connections and where we are, so that's it.

George Phillips: Before you get into this I wanted to talk about inter-connections in general and why they're important and as a water utility, Artesian's been in business for over 100 years; the largest water provider in the State of Delaware. One of the things that we try to avoid is the stand alone system. We believe very strongly that when you're developing a water system, you need to have multiple sources of supplies, redundancy, and you need to develop your system in a regional fashion whenever it's possible and the reason for that is it's important that if you have some type of a catastrophic event, which can be a mechanical failure or drought; some type of thing that limits your water supply, that there's an additional way for you to provide water service to your customers. We feel that, in particular, with Milton, we feel that an inter-connection between Artesian and Milton's system would provide you with that additional source of supply. It would provide you with redundancy and a critical backup and unburden several situations in the last year, where we faced water crises for one reason or another, whether it be a mechanical failure or a drought or high pumpage, Milton has been in this situation because it's a stand alone system, that they've had some challenges.

John Bushey: First off, that was neglect. Alright, they neglected to do things that they should have done. Alright? Let's not call it the State of State, as I see it and that's how I see it.

George Phillips: We do want to get into dialogue and I think that's very important.

John Bushey: Do you want me to save my questions until you finish your presentation?

George Phillips: No. I don't think I can address that, whether it's neglect or what the reason is, but we know that as a matter of fact there were situations over the last two years where it was a crises. We think that an inter-connection would provide you with a cost effective solution and could be a viable back-up or source of supply for you. Anyway, talking about a particular inter-connection, we feel it's an additional source of supply. An inter-connection typically they allow water to flow in two different directions and each inter-connection that we have there's a negotiated agreement between the two water providers and you determine what the intent of that inter-connection is, how it's going to be used, what triggers it's use, those types of things and Ken's going to get into some details within Rehoboth. Again, the big benefit is that it provides you with a more reliable water solution for your customers. Another benefit that we feel is very important is that it takes the town, or a utility, and instead of focusing on things individually, it allows you to work together cooperatively and you can look at things for... For example, you can get into cost sharing opportunities and by looking at long term regional planning, as a group, it has the potential to reduce some of your long term capital costs; while improving the reliability for everyone's customers. As I mentioned earlier, we have inter-connections throughout the state and this is just a list of some of the different inter-connections that we have. We have inter-connections with the City of Wilmington, New Castle, Newark; again, anywhere where we're developing a regional system, we think it's appropriate to reach out to our neighbors and work with them whenever possible to have an inter-connection because we think there's significant benefits for everyone that's involved. _____ that when you have an inter-connection agreement each of the rates are different, depending on what the individual needs are for those inter-connections and what it's set up to do. The rates provided for Artesian providing that water service are determined by the Delaware Public Service Commission. The rates in the town are still controlled by and determined by the town. So if you have an inter-connection agreement for example, the rates that we're providing water service to the town, would be regulated, the rates provided by the town to its customers; they're determined by the town. They don't fall under the jurisdiction of the Public Service Commission.

Bill Woods: Go back to that one when you're done, I'd like to ask a question.

George Phillips: That's fine. We're going to these boards over here and we're just going to leave them there for talking points and then we can kind of kick it around. I'm going to go through this, like I said, I only have one more thing we're going to say what we think and that's kind of where we think this could occur and then I would like to open it up for discussion and just go and talk and work through some things. This is Route 5. This is our Beaver Creek facility and on this map we basically laid out two potential locations for an inter-connection; one right at the end of the town's annexation area and one at the existing town limit, down by the High School. The distance is just around two miles and we think the total cost is going to be somewhere under \$1 million.

Bill Woods: That's going down Route 5?

George Phillips: Yes.

Bill Woods: Okay.

George Phillips: This is Route 5. This is...

John Bushey: Do you have the development? What's the name of the development on Route 5, prior to the traffic light on the left? If you're coming out 5, going south. That's the back end of the trails of Beaver Creek?

George Phillips: This is Beaver Creek. Yes.

John Bushey: Oh, it's... I didn't realize it's...

George Phillips: Yes, that's the back side of Beaver Creek.

John Bushey: Okay.

George Phillips: And we're looking at this is to basically look at the distance, it's just about two miles. That's the total distance.

Bill Woods: Total distance?

George Phillips: Total distance. Yes. And again, when you're talking about an inter-connection these were all negotiated agreements, so you defined first of all, is this something that we think can work for both parties? If we do think it could work, roughly what are the costs associated with it; what kind of benefits are involved? And then you work out the details and those details are things like the rates, who contributes what portion, that type of thing. The water system at Beaver Creek, we have both a capacity of around a million gallons a day and we feel comfortable that we could provide up to half million gallons a day to the town. That pretty much shows an overview of what we've done. I would like to entertain any questions...

Ken Branner: What we wanted to do is show the scenario to come into the growth area as one spot and then take it to the municipal limits and that would be a decision that the town would make; where the inter-connection would be and how far they're willing to go.

George Phillips: When you look at the permitting and the construction of this, you're talking months; we're not talking years.

Ken Branner: No, it's less than a year.

John Bushey: I have a question to ask you. You've come to make your presentation before the town's Water Committee. Chairman West, Tidewater went before the Town Council. Is Tidewater going to come before the Water Committee of the town and are we going to have the opportunity to go before the Town Council to make the presentation?

Councilman West: I would like to hope so, because that was one of my questions. Would you be willing to come before the Town Council or have a Public Hearing where the public could come and ask questions, give you their input, what their group of thought is?

Ken Branner: Yes.

George Phillips: Absolutely. Yes to both of them.

John Bushey: Well, here's the thing, that's all fairness and business-wise, because Tidewater had the opportunity and... wait a second. I'll say it, he won't say it. Alright. I got it. The drift, but I think the Tidewater needs to have to come before this Water Committee and that you need to go before the Town of Milton, in fairness to you. Do you understand? Tidewater's been there. You need to have the same treatment.

Ken Branner: We were asked to come before the Water Committee and if we're asked to come before Town Council we'll do that.

John Bushey: Well, Sir, wait a second. I know that. But I am saying... I am saying that this committee will recommend to the Town Manager here, that you, in all fairness to you individuals, have the same opportunity to go before the town and Tidewater needs to come before this Water Committee in all fairness. Do you understand?

Ken Branner: Absolutely.

John Bushey: I want everything above board. I want everything above board. And I'll say everything what I have to say in public, because you'll know where I stand on the issues.

Ken Branner: I'm with you all the way, trust me.

John Bushey: Okay. Alright. And I can see where you're coming from, the town as a... But we have a report where we spent \$5,000 to have done. It has recommendations in there and one of the recommendations in there is that we do not do an inter-connection. Now let me back on to say to you, is the Town Council's had that report since April the 27th and there are things, as I said, in reference to one of his responses - neglect. Things that they should be doing. If they were doing, there wouldn't be any need to have this discussion with either one of you. Alright? And now we're talking about a couple of hundred thousand dollars, based on my rough estimate.

My, and I'm no engineer. And now you're talking about us spending \$2 million that the Mayor is on a rampage to put up a water tower for \$3 million. Now if I was interested in saving taxpayer's money and being honest with him, we need to do our upgrades to our water system. Then let's consider whether we want to, as a back up vs. putting up another \$3 million water tower up and doing an investment of \$500,000 or \$1 million to tie in to have a back up system. Do you understand?

George Phillips: Yes, Sir.

John Bushey: Alright. Now I think there's a little responsibility by the Town Council members to say, wait a second, we've got this report, we need to act on it. We need to follow these recommendations. If we don't we've wasted the taxpayer's money. Are we going to turn around and waste more taxpayer's money? This is an argument... I'm saying these things for the same thing I was going to say if you weren't here to this group here tonight and you just happened to walk in the door.

George Phillips: I'm walking on both sides.

John Bushey: But here the thing is Sir, the thing is in all fairness to the Town Council and the fairness to Tidewater and you both and the Water Committee, so I thank you for coming.

George Phillips: We wait with anticipated breath to be able to come before Council and anybody else that you want us to come... We will be here, make a presentation without any commitments, without anything other than us presenting it and you have it for information.

John Bushey: Okay.

George Phillips: We'll entertain any question around anything at all to do with this, where we are and if we can't address it, Win knows that we'll get back to you with an answer. We're here to give you information and share with you what we know about inter-connection. We're very successful where we have them. I'm heading this ____ in New Castle County and we have three and if it weren't for the inter-connections, we're very sustainable with what we have, but we have situations where emergencies crop up and if it weren't for the inter-connections, we wouldn't be able to meet the demand.

John Bushey: Well you know, I can see that and let me just show you, based on what I saw take place this summer, first off ó oh, the first big emergency. Well, gosh, we turned on the third pump and it started bringing things up and turning things around, but the third pump wasn't running. They were only pumping out of one well. Now wait a second. Wait a second, Sir. Here's the thing. I live in this town. I've been involved in this community for years and I ask questions. Okay? I ask questions.

Dustan Russum: If you asked any of us, I would certainly guarantee...

George Phillips: I think the reason...

John Bushey: Listen, you came and that was one of my biggest concerns. First off, Tidewater went to the town before the Council several months ago, alright. Well, wait a second, why weren't they told to come back here to the Water Committee. I believe they established this Water Committee to do research for the Town Council, to make recommendations to the Town Council, and yet one of the biggest people they want to do business with and based on what I know from the community is, they don't want anything to do with Tidewater and there's a lot of... anybody connecting our water system because there's these concerns about what might really transpire and what the hidden agenda is by some people.

George Phillips: What I would like to do if we could, I appreciate all that...

John Bushey: Okay.

George Phillips: But what I would like to do if we could...

John Bushey: Okay, go ahead.

George Phillips: Let's talk about the inter-connection and what type of questions you have regarding the inter-connection because I think there's some information that if you're not in the

water business, we took this for granted because we deal with it every day; but I think there's information that if you have any questions regarding how an inter-connection works, what those things are; we'd like to entertain that.

Ken Branner: One big misnomer is around water rates and how that is effected. A utility and a municipality would negotiate a bulk _____ on your own. In other words, hypothetically _____ dollars or whatever per thousand that we agree to is a contract negotiation. We have inter-connections anywhere from \$2 per 1,000, up to \$8 per 1,000, based on how we do that. What the municipality charges, the Council determines that and it's not regulated by the Public Service Commission. That water rate is what they charge to their constituents and we're not a part of that and neither is the Public Service Commission. The municipality determines that. So a lot of people think that we're a company that wants to come in and impact what the charges are to the users, as in the bulk agreement with the municipality and that is a bulk agreement. It has nothing to do with user rates. So I mean municipalities are about a _____, other municipalities make \$4 or \$5 per 1,000; depending on what they want to do with the residents. So that is an issue that the Council has to deal with. That was one thing that was brought up earlier and we really wanted to be clear about that part of it; we agree to the bulk rate; the Public Service Commission approves that; that's set and then the user rates are set by the municipality.

George Phillips: I would like to clear that up a little more. So we have this inter-connection and one day the town needs water. We're going to mail a bill to the town for 1,000 gallons of water at your bulk rate. How the town distributes this bill is entirely up to them. Maybe they've reserved money all along in their user rates or whatnot. It doesn't matter to us. So how they absorb that bill is up to them. If they pass that on to their customers, then essentially the Public Service Commission is still sort of hovering over us there if they change rates, because we're still paying for it eventually.

Ken Branner: Remember now, the Public Service Commission does not regulate municipal rates.

George Phillips: I think he understands that. His point is that we regulate... They're going to be regulating the rates of water that we're going to be buying, so...

Ken Branner: But any change in that rate, the municipality and the water company have to go back before the Public Service Commission to change that rate, right? And we both have to agree on what that rate is to go back to the Public Service Commission and ask for an...

Dennis Hughes: That's what you charge us. You have to agree on that rate.

Ken Branner: Not both ways. Now remember, the connection goes both ways.

Dennis Hughes: If the town supplies it to you.

Ken Branner: Right, there's a rate associated with that, as well.

Dennis Hughes: Like with the trash service, they take what it costs and they add an administrative fee to it, so you know they would probably do so... I guess what you were saying is basically we're going to pay what you set, because they're not going to give us water cheaper than what they buy it from you, because they can't stay in business.

Ken Branner: No exactly and typically some municipalities charge \$25 more per 1,000, some other municipalities charge \$4 or \$5 more per 1,000 to the residents, than what they buy from us as an inter-connection bulk service. It just depends on what the government wants to do with the...

Dennis Hughes: Is the rate go up and go down as more as we use, or is there a stable rate for 1,000 to 2,000,000.

Ken Branner: Most of those are a set rate per 1,000 gallons and they're not based on... Normally it's a fixed rate.

Bill Woods: My guess is... This is coming clearer to me, let me just ask this, my guess is at the

inter-connection is there's going to be either two flow meters or one that goes either direction; because you could borrow water from us sometimes.

George Phillips: Absolutely. And I think it's important that most of the things that happen for example you have inter-connections and we have let's say for example a tank has to be painted, for example and that's your back-up supply. Right now you've got 225,000 gallons of supply there and that's critical when your usage is high and during the summer months, let's say something happens with the tank like it did this year and you need that water. The water flows through and it has to be taken out, then you'd be billed for that water. On the other hand, if we had some kind of a mechanical failure or some type of a fire event and it was stressing our system, then the water could flow that direction. So these are done, because there's mutual benefits.

Bill Woods: And that bulk rate would be the same, the one we would charge you and what you would charge us?

Ken Branner: That's a negotiated rate.

John Bushey: Regulated by the Commission.

Ken Branner: A lot of it goes the other way now.

Bill Woods: Now that's where could the Public Service Commission will they get involved in...

George Phillips: They okay the rate that the municipality and the public utility take them out.

Bill Woods: As in both rates?

John Bushey: Both. Both rates.

George Phillips: If there's inter-connection. Remember there's two different kinds of inter-connections, one would be if you just take from us and the other would be if we take from you and at the end of the month, whatever the net was, the true up, the check would be cut. Some municipalities that Win has been experienced with, they get 10¢ more per 1,000 then they pay us, because of the maintenance of their system to go through. We charge them \$2 per 1,000; they charge us \$2.10 per 1,000. The point is that because they had a system that was already in place, they have to maintain that because we're taking their water; we pay them more then they pay us. That's a negotiated rate. We took that to the Public Service Commission and they okayed that. That's just one municipality. All the other municipalities, the one I'm in, we negotiated a rate with them and we took that rate, which is completely different then another municipality. We would negotiate those rates with Milton Mayor and Council and then take that to the Public Service Commission.

Bill Woods: So the Public Service Commission _____ what you charge and that's what you charge.

George Phillips: No. Just what we charge, with you, the rates that go to the citizens, probably the Mayor and Council are regulated only by you.

John Bushey: We're not governed by the Public Service Commission.

George Phillips: So many municipalities are governed by the Public Service Commission.

Ken Branner: And inter-connection does not change that. You still retain your control. That's good, that's why we're here.

Bill Woods: So why would the Public Service Commission, since you're serving people too, not want to approve our rate to you?

George Phillips: We're a for profit company. The Public Service Commission governs the for-profit companies, water companies and public utilities in the State of Delaware. Delmarva Power, whether it be electric rates, whether it be gas rates, they're the ones that okay their rates. They're okaying the rates that we take from you because we're a part of that. What you charge to the residents; two different scenarios; what we charge back and forth between the two of us, are regulated by the Public Service Commission. What you charge the residents are not, that's your call.

Bill Woods: Okay, last question related to the Public Service Commission.

George Phillips: No, of course.

Bill Woods: I have a few more, but this is related to the Public Service Commission.

George Phillips: No.

Bill Woods: And obviously, the reason I bring this up...

John Bushey: Bill, you go and ask him, because I want to hear them.

Bill Woods: Because they totally baffled me with this last thing they did to us, so I'm trying to understand how they would do things.

George Phillips: Okay.

Bill Woods: But let me give you the analogy which I think is a good example, because of what they could do here. So we've agreed on rates, that's all done, the Public Service Commission has said fine. Then you go and you need to raise your rates to the people you serve, okay, in your blue, what you've got marked there; and you go to the Public Service Commission. They could tell you, oh wait a minute, you can't up their rates. You've used 10,000 gallons of Milton's water this month. I think they should charge you less. That's an analogy that I think sounds very typical to what's... it's not too far off what happened in the wastewater field, that type of thing. We got pulled in because another community was seeing a bill and so has that ever [happened?] I could imagine that would happen, so we're still going to be...

George Phillips: They key is you have to go back to what we talked about earlier. Any rate change that we proposed before the Public Service Commission has to be agreed by both of us and we'll have an agreement or we're going into an agreement for contract or the rates. That has to be agreed to prior. If we want to go back in and ask for a rate increase or a rate change, in the contract agreement we have with you, if you agree with that change, then they've got to go in with the contract, because we have a contract to provide you water.

John Bushey: Bill, if you're taking about reference to wastewater and Tidewater taking over the Milton wastewater treatment plant and where Tidewater went and used their rates, the low rates here in Milton compared to other municipalities around, and the Public Service Commission said you could raise your rate; you have to understand, the Town of Milton has nothing to do with that sewer system anymore. They are a public and privately held system and therefore they are regulated now by the Public Service Commission and they can do, do, do and con the Public Service Commission whatever way they want.

Ken Branner: There's a difference here. There is a scenario... Basically they have the CPCN, so they're serving your customers.

George Phillips: Right, because they own the facility. They own the plant.

Unintelligible. All participants were talking at the same time.

George Phillips: If you would have owned that plant, you would have controlled the rates charged to the residents.

Bill Woods: I sort of wish this type of thing... I don't see why we need to be involved in it, but if they insist on being... I understand the difference now, that clarified it for me.

George Phillips: In this situation with an inter-connection, this will involve the infrastructure of the the town, customers, your customers, all ____ is water.

John Bushey: Bill works for the City of Rehoboth in the wastewater treatment facility.

Bill Woods: George, under our existing contracts, don't we have contracts that are for 20 year periods that once the Public Service Commission has approved them, they haven't been changed.

Dennis Hughes: The only way they can change is to _____.

Unidentified Speaker: They disregard contracts. They told us in a public meeting that they're not allowed to meet the contracts. They told us in a public meeting that they didn't give a hoot or a holler about a contract between Milton and Tidewater.

Bill Woods: On the wastewater, when they were setting a unified rate and lumping their rate case altogether for everybody... They scared me...

Unidentified Speaker: Threw out our contract. They don't care one hoot, or a little tiny iota, about rate payers, they care about public utilities making what they deem to be a fair profit and they deem to be a fair profit lousy decision-making, poor management and whatever else you could lump in there and they gave them a right to money. And I'm sorry I'm talking out of turn.

Unintelligible. All participants were talking at the same time.

George Phillips: Because you sold your system and they had to...

Unidentified Speaker: I'm just talking about the Public Service Commission. The Public Service Commission doesn't see...

George Phillips: We have as much frustration sometimes as you do with the Public Service Commission.

Bill Woods: I'm done with the Public Service Commission question, I think. I follow that. So I wanted to go on to my next two. If you expand in the future, any of those areas there, would you want to include that as part of this area we're servicing with or are there future plans in the area?

George Phillips: We've done all kinds of different agreements... When you talk about Beaver Creek area, we have a fairly significant water service territory in the Milton area. We do have plans for other facilities and we're selling it, because this is the closest facility and actually it works nicely with the town's existing infrastructure because it ties directly into an existing 12ö main. It feeds you on the south side of the town, which is where your deficiency is. So, there are some benefits to that area.

Bill Woods: Is this including a water tower somewhere?

Ken Branner: It could.

George Phillips: It could.

Bill Woods: At this point, you're not saying...

Ken Branner: Those are things that we talk about.

George Phillips: All we were asked to do was provide information on an inter-connection at this time. We're open to talking about anything down the road which we've shared with the Mayor and Win.

Ken Branner: As an example, we do have a shared water tower in Clayton...

George Phillips: and in Middletown.

Ken Branner: And in Middletown.

George Phillips: So those are things we talked about, the cost sharing, when you start doing work as a team and start thinking about regional planning, those are the things you do.

John Bushey: Alright, let's... You supply water to the development on Walker Road?

George Phillips: Walker Road. Yes.

John Bushey: I don't know what the name of the development is.

George Phillips: Anthem at Holland Mills.

Ken Branner: Holland Mills is a big development now.

John Bushey: Tidewater has the sewer and you have the water?

George Phillips: Yes, the blue is existing water mains and this red is...

John Bushey: Projected?

George Phillips: This is going to go in probably within the next year.

John Bushey: So you actually have wells at Holland Mills.

George Phillips: Yes.

Bill Woods: How's your water capacity for your blue water mains.

George Phillips: We'll have about a million gallons a day here and we feel comfortable making a commitment to the town for up to 500,000...

Bill Woods: Without either party's expansion at this point?

George Phillips: What's that?

Bill Woods: Without an expansion at this point.

George Phillips: Without us having to do anything here. Put the pipe in the ground, we can provide up to 500,000 gallons a day and if you look at your flows this summer, you're maxing out at just over 500,000 gallons per day; so it pulls in almost 100% redundancy right off the bat.

Bill Woods: What if you had a mechanical failure?

George Phillips: They both don't happen at the same time.

Bill Woods: At the same time... Hopefully we would be perfect.

George Phillips: Just to let you know, our facilities that we have, any time that we have a water treatment facility, we have built in redundancy; we have multiple wells; we have back up generators; so we're not dependent upon anybody.

Ken Branner: And that's why we showed you the other line coming the other way, with the possibility of coming into the...

George Phillips: You could back flap, so.

John Bushey: I have a question. Are you publicly owned or privately owned?

Ken Branner: Privately.

John Bushey: Privately owned. So they're going to run that business to make the maximum benefit. Alright? They don't have to worry about stockholders.

Ken Branner: Hold on, we do have stockholders.

John Bushey: Then you're publicly owned.

Ken Branner: We're publicly traded, privately owned.

George Phillips: It's a publicly traded company.

John Bushey: Okay. Okay. Alright.

George Phillips: So yes, we have stockholders.

John Bushey: So therefore, you could operate yours more efficiently than some other places that I... With that being said, with that being said, with that being said...

Unidentified Speaker: But that's not why we're here.

John Bushey: Alright.

Dennis Hughes: The line going from wherever it goes, is that your line, our line, or is it duly maintained?

George Phillips: Those are things that have to be discussed at the time. And that's all part of the negotiation.

Dennis Hughes: And then you said there would be a 12ö...

George Phillips: Yes, a 12ö main. When we met with Public Works they have a 12ö out there.

Unidentified Speaker: We've got a 12ö here, so this could be a minimum of 12ö, it could be up to a 16ö; depending on what ____.

George Phillips: When we met with Win and Public Works the thought was 12ö and 12ö.

Dennis Hughes: We have 12ö there now for Cannery Village.

John Bushey: No that's at Heritage Creek.

Dennis Hughes: Oh, Heritage Creek, okay.

Unidentified Speaker: We had the ability to do more than 12ö, but we did 12ö to 12ö.

George Phillips: But those are the things that you would discuss and you would have to decide...

John Bushey: You see where they have the two joining factors, right there, the points where they join? Well one is in our potential growth area, so if we might want to pay for the cost of that in our growth area and let them come to our growth area; that's an option. Instead of them coming all the way in, because then if we do it within our growth area, then we can come off of it and won't have any of this problem if they own it.

Ken Branner: You would control that.

John Bushey: Right. Control.

Bill Woods: Is there some limit about how far away a water tower can be before you probably need another pump station, or as long as it's gravity feed you're okay?

Ken Branner: Usually it's five miles.

George Phillips: This is where all the... Two miles is not a big deal.

Ken Branner: Usually five miles, but if you have booster stations then you can...

Bill Woods: There would be no thought of booster stations here, because we're in that range.

George Phillips: Because it's well within the five miles.

Ken Branner: And just as another aside, you already said something about a tower. We have a conditional use permit with the County on Cool Springs Road just north of Route 9, so we're in the process of doing our Master Plan and long term planning and that's why we think it's the appropriate time to get together with you.

Unidentified Speaker: If your facility's actually south of Route 9, that serves Heron Bay and some areas down there, we have a Master Plan to come up and tie in...

Ken Branner: This is Cool Springs Road and we have a fairly significant regional system down here.

George Phillips: Our thought is that by the time anything was decided, we would be ready to go and already be there, like an inter-connection someplace else. Is there a question?

Bill Woods: I'm not sure I can ask you. If this goes to... Let's say people like this idea, Tidewater's floating out there too and it goes out for Request for Proposal or bid or whatever you call these things; can we expect to see every party that wants to be involved in this, as it wants to bid on this, give us an actual price they would charge for an inter-connection. You say negotiated rate all the time.

George Phillips: No. There's two different scenarios and maybe Win wants to address this, but...

Win Abbott: No, please go.

George Phillips: Okay. RFP's are Request for Proposals and that means you're going to bid, so they submit the bids and it is a detailed bit around what everything is going to be and the final cost. The negotiated rates are the rates for the bulk service of water; not for the RFP. The municipality determines what the RFP is; what they want to be included; whether they want a 12ö line to the municipal limits, or whether they want it to there, whether they want a 16ö line, do they want a tower included. They can do an Request for Proposal in three parts. Give me a bid on part one, part two, the whole package. The municipality does that. When you get the Request for Proposal it is absolutely detailed and to the point of everything that the municipality asks for and if not, it's kicked out. Especially if you're going for funding from Rural Water or Delaware Clean Water Advisory.

Ken Branner: Absolutely. You can't do the wrong...

Bill Woods: How do you ask what would your bulk prices if the Public Service Commission has to agree to it.

George Phillips: If the Request for Proposal is to do the construction of everything, the rates that you submit to the Public Service Commission are what you negotiate; what you guys come up with and the other terms.

Bill Woods: So we can't do what I just asked?

Win Abbott: Perhaps I could help you out, Bill?

Bill Woods: Okay.

Win Abbott: Let's just take the view that this is a long term project; that is improvements to our water system in general and that we have homework to do. Now the next thing and I was going to relate it later in the meeting, is this check-up for small systems; CUPSS; put out by the Environmental Protection Agency, a computer program that helps us to build our business model. The business model that will include cost recovery for expenses, as well as the life cycle costs of keeping the system going. We're going to get some help from the Delaware Rural Water

Association to build this, but putting in the value of every single fire hydrant and every single pipe, and so on. When it comes to us determining the rate that we're going to charge to our customers, as a consequence of having an inter-connection, the costs of building this inter-connection are going to be a part of determining what rate we're going to ask for and then we'll take that business model to the Public Service Commission and they'll vet that, to make sure that it is accurate from a cost recovery point-of-view. So all this here, right now, is for informational purposes and this update to the quality of information that we have in our existing CUPSS System so that we can create a real business model, is going to be a very necessary component in order for us to develop the model that will allow us to recover the costs of making this investment and to set the rates that will allow us to do that. Does that make sense to you? So right now, we're gathering information. We're gathering information here, we're going to get more information loaded into our system, the CUPSS System and all this together is going to put us into a better position to make decisions and if we choose to make a decision, exactly how we're going to recover those costs. Nothing's happening right away. It's just all building up to the point where we're going to run the business better.

Bill Woods: I think I understand that. Essentially it's not like people will be coming in and bidding on the wholesale price of water? It would be more of this is how much it will cost us to do what you're asking us to do and then once we pick the company we'd like, we would negotiate. Would everybody tell us what your 5,000 gallons a day cost us? Because everybody's going to maybe going to give us something a little different.

Win Abbott: Exactly. It's different.

Bill Woods: Because of the cost of the infrastructure.

Win Abbott: Yes, the cost of the infrastructure is different for everyone.

Bill Woods: Okay. Alright. That's good.

Councilman West: Are there any other questions?

Councilman Booros: Yes, I have two. Is there any monthly minimum? Like this month we pay nothing?

George Phillips: No. That's part of the what the need of the municipality thinks it is. If they think they might want some and have a minimum, that's their call; if not it's never used unless there's a dire...

Councilman Booros: I have three. This is the second one. This was a one-way deal, instead of a two-way deal. [unclear.] If we were to buy the water from you and not...

George Phillips: Suctioning would be part of the Request for Proposal. The contract agreement for charges of water would be between the two of us and then approved by the Public Service Commission.

Councilman Booros: If we paid whatever costs to get the pipe here and then we start all over with what...

George Phillips: The negotiated rate is based on... Win hit on it exactly. You have to go to the Public Service Commission to justify that rate per 1,000, based on what it cost to get the water to you. Do you have a third one?

Councilman Booros: No, that's all I have.

Unidentified Speaker: The _____ street specification [**everyone was speaking over each other and I couldn't determine who was saying what.**] I mean do you have a TES requirement. If you do...

George Phillips: Both companies are regulated by the Department of Public Health and we're required to meet primary drinking water standards.

Unidentified Speaker: But if that's it, I mean, I can visualize the difference in TES and/or...

George Phillips: We can provide all that stuff.

Unidentified Speaker: We all are in compliance with the State's minimum requirements.

George Phillips: It's the secondary ones that you've got to worry about.

Unidentified Speaker: Which we have.

George Phillips: They're the ones that cause the headaches. We have all those, but when we got to the ____ we've got all that to be able to share from where the well fields are and sample those as required. _____. It's got good water down there.

John Bushey: That's got great water down there.

George Phillips: But that's a good question. We'll be happy to provide water quality data. We have all of that.

Councilman West: Okay. I've got one question. If this was to be a two-way stream would the cost be shared equally?

Ken Branner: That would be part of the Request for Proposal that they would ask for.

George Phillips: It depends on what you want.

Ken Branner: We could do it both ways or however the Request for Proposal goes out; when you put the Request for Proposal out, it depends on how the people, whether they want to respond and bid on the Request for Proposal.

John Bushey: But it's fair to say if it's a two-way stream, it's going to cost the town much less, than if it's a one way stream.

George Phillips: So those are the things to think about when you're talking about inter-connection, and literally, you can set them up almost any way you can imagine. There are a lot of different variables with different inter-connections.

Ken Branner: Each one is different and it's based on the need of the ones that ask for the inter-connection.

Councilman West: Are there any other questions?

Ken Branner: If there are no questions, I just want to thank everybody for having us. We appreciate it.

George Phillips: If there's any other opportunity for us to come down here, we'd appreciate it.

Councilman West: Thank you. Also, I just talked to the Town Manager here and our next Council Meeting he's going to have it on the agenda for you to speak November the 5th. That's a Monday night.

George Phillips: November the 5th. Okay.

John Bushey: The first Monday night of the month.

George Phillips: That will be the second Council Meeting I'll have missed in Middletown. Okay. Prior to us meeting with the Council, is there any comments that the Water Committee would like us to address, consider or incorporate into our presentation to the council, because we really came here today to get direction from you, because this is just what we think; it's not necessarily what you guys, as a Water Committee, feel is the best.

Ken Branner: What would you like us to add for a presentation to Council and you can tell Win. He has our emails. If there's something that you would like to add for our presentation beyond this. Something that would be beneficial for Council to see in addition to this, or just this, whatever.

Councilman West: Jack, do you have anything?

John Bushey: Go ahead, Win.

Win Abbott: Okay. Here's something I think will be beneficial for all and because you guys have been doing this for awhile; you've had various experiences I think would be quite helpful. When it comes to the Drinking Water State Revolving Fund, these loans have a component for engineering design, as well as construction. What I think would be most beneficial for the Council and the public is if you are able to create, basically, a flow chart to illustrate the design component within that world and how it would progress from that point to an Request for Proposal for that aspect.

Ken Branner: So if you wanted us to design the system...

Win Abbott: No, no, no, if our engineer were to do it.

Ken Branner: Okay.

George Phillips: He wants what the document would be.

Win Abbott: We have an engineer, so here's a thought. We put in two preliminary loan applications, one of them includes several different improvements to the system and inter-connection is one of those several items.

Ken Branner: Okay.

Win Abbott: So if you just take a scenario where the estimated cost for that and I could provide you with what the engineer's estimated costs for these different things were, you could say okay, the design is going to be something that would set up the parameters by which the Request for Proposal would be written; and that would take X number of dollars; a fraction of the total cost of design, which was a part of the larger costs and then on a time line, following that there would be a Request for Proposal, you would have outside contractors bid to come up with the best price to build just exactly that and then after that, there would be the contractual agreement between the municipality and Artesian Water. If that were illustrated as sort of a flow diagram, it might help people to wrap their heads around this multiple step process towards completion.

Ken Branner: You want to show, basically, the flow chart for the project schedule.

George Phillips: From the time you start design until you get to the end.

Win Abbott: And it won't all be for illustration purposes, but I think it would help people to understand.

George Phillips: Do you want actual estimates?

Win Abbott: No, no, no.

George Phillips: If we put dollars on it, people are going to assume that's real.

Win Abbott: I understand.

George Phillips: Plus we would have to know what inter-connection location...

Ken Branner: He wants to start the process... What is the process from having the preliminaries done...

George Phillips: Including the submittals to the... **[All participants were speaking over each other.]**

Win Abbott: Whatever you find. If you let that be too complicated, then we defeat the purpose.

Ken Branner: Right. I understand.

George Phillips: What would the timeframe be if we did it that way and showed a flow chart how we'd get to completion and roughly what the time it would take to get that done?

Win Abbott: Something like that.

George Phillips: That's fine. We could do that and have that by November 5th.

Win Abbott: The point of it is to just help people to understand how these steps would go.

Ken Branner: And if anything else... Look, if you guys thing of something or you talk to somebody on Council what they would like to see, let Win know and Win will send it up and we'll include that for November 5th.

George Phillips: You know, things like do you want us to show the multiple locations of inter-connection or do you have a preference? Things like that would certainly help us.

Ken Branner: The only reason we showed that long, was because we had discussions with Win and with the public utilities here in town and with the Mayor and we thought 12 to 12 is a perfect location and then we thought outside of the growth area and at the end of municipal limits. If there's some others, then we'd like to include those.

John Bushey: You said you had a discussion with Win and the Mayor and the Public Service Commission in town?

Ken Branner: No.

Win Abbott: Allen.

John Bushey: Public Works.

Ken Branner: Yes, public utility works.

John Bushey: I just want to make sure that I heard what he said correctly.

Ken Branner: The three of us just sat down and talked about how to do this and the game plan to get here, that's all.

Bill Woods: I forgot a simple question. During the water sharing event, when either we're eating your water or vice versa, obviously, the water's all mixed and those periodic samples that people take around the drinking system. If one of those was bad, how do you figure out whose fault it was?

Ken Branner: Whoever the customer it is is where you start.

Bill Woods: You sample on both sides of the inter-connection. As soon as you see the bad number, you sample both sides.

Ken Branner: We've been there.

Bill Woods: You have been there and there's procedures for that?

George Phillips: That is an absolute nightmare because you had to tell every single resident in our municipality that we had a hiccup and we had a problem; we've tested it and now it's okay.

Bill Woods: But you test on each side of the inter-connection and hopefully the problem still exists?

George Phillips: Hopefully it doesn't.

Bill Woods: But if it still does, if it doesn't, then it just happens and you go on.

George Phillips: Absolutely. But you have to notify, that's part of the public health.

John Bushey: I have a question. You said this will be the first meeting you've missed in Middletown in 24 years. Were you on the Board of Commissioners?

George Phillips: No, I'm the Mayor of Middletown.

John Bushey: Oh you are, okay. I won't hold that against you.

George Phillips: I'm not holding that against you. You were the Mayor here too. But seriously, if there's any questions at all and we can bring it down to help address anything, please do not hesitate. I value Win from when he was at Clayton and we had a relationship before, so don't hesitate to ask. Okay?

Councilman West: I thank you all for your time and we look forward to seeing you at the Council Meeting. Okay I have one last thought on this proposal from Artesian. If anybody has any questions for them, to get to Win, please do so by the 26th of October, so it would give Win plenty of time to do what he has to do and it will give them plenty of time to do what they have to do. Because I know the public will have a lot of questions for them.

4. Approval of the Agenda

Councilman West: Okay, can I get approval of the agenda?

John Bushey: So moved.

Bill Woods: Second.

Councilman West: We have a motion and a second to approve the agenda. All in favor say aye. Let the record show that Dennis Hughes arrived after the roll call.

Dennis Hughes: Let it also show that the meeting says 4:00; it was one minute to 4 when I walked in the door.

Councilman West: Your clock was off.

Dennis Hughes: No it was not.

5. Review of Minutes from prior meeting

Councilman West: They did not get finished. If you would like to Win, you could give a little bit of an

update.

Win Abbott: No I have nothing to add from any prior meetings. Just what we have before us here.

Councilman West: Okay, so we'll move on to New Business. **[It should be Old Business, per the agenda.]**

6. Old Business

▲ Update regarding Drinking Water State Revolving Fund Loan Pre-Applications

Councilman West: Win?

Win Abbott: Alright, gentlemen, the engineer's report was presented to the members of Council. At a regular Council Meeting the Council went through and identified particular items that they wanted to be on the loan pre-application. Please keep in mind that an explicit expectation of our planning grant was that we would file a loan pre-application as a consequence of having that. Making good on our contracted agreement with the Office of Drinking Water, the Town Council approved the loan pre-applications and they are broken into two different applications. One is for storage only and the other is for improvements. I completed these at the direction of Council and they were sent into the Office of Drinking Water before the September 30th deadline. You'll note in these applications that the information is pretty much the same as it was in 2010, but there were updates to the population with reference to the 2010 census and also projections, based upon information I received from the Delaware Population Consortium. Other than that, pretty much things were as directed by Council and picked up directly from the planning study that was completed by Pennoni Associates. So you have a copy of these loan applications for your own reference.

Councilman West: Okay, Win, I've got a question.

Win Abbott: Yes, Sir.

Councilman West: After meeting with Artesian, and if we were to go 50/50 with these people, or Tidewater, would it be possible that they could get involved in this loan deal and they would pay part of this loan, if it was a two-way street?

Win Abbott: What would happen and this is my best understanding, is that our loan will be based upon our commitment to the project and if our commitment was 50% of the value, the loan would be to the town and the town would pay it's total amount of the loan. Artesian Water would put their money into the project. So the complete project will get done, but we would only be paying a loan on 50% of that capital investment.

Councilman West: Okay, because I'm sure that question will arise sooner or later.

Win Abbott: Yes and as Artesian had indicated by general reference, they've done these partnerships before where they have shared capital expenses.

Councilman West: Okay. Sounds good to me.

▲ Tower Maintenance Contract (bid opening September 20th)

Councilman West: Do you want to go into the Tower Maintenance Contract.

Win Abbott: Yes, Mr. Chairman, at Monday night's Town Council Meeting, the Town Council voted to approve the bid by Corrosion Control Corporation. You'll see that there's a base bid of \$326,000 for ten years of maintenance. I spoke with their engineer today just to be clear on a few of these subjects. First of all, the tenting of the different water towers is something that the town does not have to commit to at this time. They can commit to it during the year in which they're going to be painted. I think the years are three and five and I didn't get a correspondence to which one of the towers is going to get painted in year three and year five, but I think the one closest to us here is the one

that's going to be done in year three, so during the year that it's going to be painted, then the town can choose to make a commitment to this extra \$85,500 for the tenting of the larger tower, \$81,500 for the smaller tower. It's not something you have to commit to right now. Also in prior years, the amount of the annual increment on the ten year contract was front loaded. That is we paid a significant amount more in the first three or four years and then less in the following six years. The way that the Request for Proposal was written so that it's even increments of 10% of the total base bid; so our annual obligation under this contract would be \$32,600 and the Town Council had budgeted approximately \$49,000 per year for this service. So the town is in a good position with regard to that. The actual contract is going to be sent to the town later this week or the first part of next week. After our conversation, we're just making sure that we have an agreement as per the Request for Proposal.

John Bushey: So this is paid in ten installments.

Win Abbott: Ten installments of equal value.

John Bushey: And then the \$85,000 is paid the year of the painting.

Win Abbott: Correct.

John Bushey: Okay.

Councilman West: The \$81,000 and the \$85,000.

John Bushey: Right, yes. So years three and five you'll have \$120,000 some thousand dollar payment or better. Okay.

Win Abbott: Yes. And that does a good segue into what I was going to say next. A subject that came up during the Council Meeting is whether or not there's lead paint on these towers. And our engineer does not recall that there was any total strip down of the towers since we received them, so therefore, the reason why we have paint chipping coming off is because we're putting layer upon layer of paint; so they're going to have samples done to determine whether or not there's lead paint in both of those towers and that's going to be done right away and from that we'll be able to make a decision as to whether or not both towers need to be tented. Certainly for the convenience of our neighbors here that live right underneath this tower, I think that that would be tented anyway. It's a Council decision. However, tank number 2, which is not totally surrounded by homes might be an option that Council considers to not tent it; however, if it has lead paint, it certainly would be, because it's by the school. So they're going to do an analysis of the paint and provide the information to Council; the Council can make a decision during the year in which the towers are going to get painted.

Councilman West: Because it would decide that this one would get tented, because of the complaints that we had from our neighbors there, and which they had a valid complaint. So that will make it better for everybody involved.

Councilman Booros: Yes, if you determine that there is lead paint on this tower, so I think this committee or somebody needs... That may be something this committee wants to put on their agenda.

Win Abbott: Sure.

Councilman West: Definitely. Do you know when it was painted last?

Dustan Russum: Three, four years ago I know they power washed it and that's when the issue came up with the paint going over.

Bill Woods: Power washed it. To the point where now you want to strip all the paint off?

John Bushey: I don't know that... I question whether lead paint was even used, because that tower was put up in 1984. If it had been the old tower, no doubt in my mind; but this tower, I question whether there was ever lead paint used on it.

Councilman West: It could be a 50/50 deal on that, because they never started doing

away with lead in the paint until in the late 1990's.

Bill Woods: Well, they'll test the paint and we'll deal with it when they get the numbers.

John Bushey: Right.

Councilman Booros: No, we'll deal with it when you get the numbers.

^ Update regarding Shipbuilder's Tower Foundation

Win Abbott: We do not have a written report yet. It was verbally reported that the cracks in the foundation were cosmetic, there was no structural problems with it. When we get the written report and we can find out how much it's going to cost to take care of that outer portion where we had the cracking and peeling, but I just wanted to be sure that we covered it as a topic.

John Bushey: Gosh, it's a far cry from the Mayor called all excited the water tower was falling.

Councilman West: Falling... Yes. Is that all you have on that?

Win Abbott: Yes, Sir.

^ Update regarding meter upgrades and leak detection

Councilman West: Dustan.

Dustan Russum: We have finished all the leak detections that were indicated on your paper.

John Bushey: That were reported earlier back in May?

Dustan Russum: Yes, all the streets that are listed here were all done; leaks detected. I think we are down to 28 meters left that we've got to get changed out from the list that we started in March, I believe it was. Now we're just into the slow process. These are the larger meters and some of these also have be dug by hand, the got put in, so now we're into the slow process. We've done the easier ones, now we're into the harder ones, the ones that take a little bit more time. So I'm hoping by the end of this year that we can have the rest of them done if all goes smoothly.

Councilman West: And also on this leak detection deal, we've also found that part of this missing water is coming from the check valves not holding; they're reading one way and not backing up the other way and deducting them. So we're looking into the possibility of replacing those check valves so there will really be a minimum loss.

Bill Woods: Are these check valves on submersible pumps or no?

Dustan Russum: No, we've got check valves above ground.

Bill Woods: Above ground check valves.

Dustan Russum: Yes. And getting back to what Emory was saying, what happened was, we have a brand of meter that I talked with other towns that have had this problem with these meters. These meters are not collecting every gallon of water that's going through it. Are you familiar with the Siemen's meter? They've got Totalizer One, Totalizer Two. Totalizer One gives you your forward motion. Totalizer Two gives you your backwards motion. But anything under... One town was telling me that anything under 100 gallons a minute is not being detected.

Bill Woods: It's not recording every second.

Dustan Russum: Exactly. So I think we need to get a more accurate meter in there and then the check valves; my oldest check valve I think was 1978, then 1983 and 1984. So those check valves have some wear on them.

Bill Woods: I had my tour on your buildings and I was getting the check valves are above ground?

Dustan Russum: Yes.

Bill Woods: The pumps... You have some submersible pumps?

Dustan Russum: Yes, they're all...

Bill Woods: All the pumps are submersible, so we just can't go and see the pump running backwards and know for sure. The flow meter's got to be right then.

Dustan Russum: Yes, it's showing me on the Totalizer Two, it's showing me a backwards motion; but like you say, it's taking it days for it to register every 1,000 gallons and then talking with the other town that had these problems and they switched to another brand of meter, which is the current brand that we're using now, the Octave meters. For instance, they took from a million gallon loss unaccountable, down to 11,000 gallons unaccountable.

Bill Woods: Even if you fix your check valve, it sounds like you're going to have to address the meters; because that's the only thing that's going to tell you.

Councilman West: You're right.

Dustan Russum: And now we're getting down to the nitty gritty and we're still at that loss.

Councilman West: Win, your or Dustan can correct me if I'm wrong. Allen is looking into the prices for these check valves and the meters?

Win Abbott: It's in your packet, Sir.

Councilman West: Okay, that's what I thought. And then we'll bring it before Council to okay to take it out of the water fund to get this repair done?

Win Abbott: Yes, Sir. If I may, Dustan you can get to jump in any time at all, if I need clarification. The whole missing water issue is something that we've been really hard at doing and I want for us to be accountable for the steps that we've taken and totally transparent, as well. So I'm going to talk about the meters first and then move back to the counting water twice issue that Dustan touched upon. Now with regard to the meters, I put together this spreadsheet here and it's incomplete because I had to do everything manually; I was doing it up to around 30 minutes before I arrived here this afternoon. What this does is it details, in the same order in which I made the monthly reports to the Council and public that we're doing meter upgrades for individual accounts, that needed it. What this does here, is show in the very same order that we did the installations each account, what they used or we metered for them, and the third quarter of 2011 and the third quarter of 2012; something we just finished reading last week. Okay? And the change that we added. The very last column where it says estimated, comes from what I had put on those reports that said A Better Accounting of Water Use and what we did and what I estimated the value of an upgrade would be. So what you have here is raw data and it's still yet to be completed. There may be some anomalies in here that I've asked Dustan to check out, like when we have a large account and the usage has gone down significantly, rather than gone up with us having more accurate meters, but nonetheless, you can see that there have been improvements made on individual accounts as we go all the way through here. Now, you should keep in mind that there are so many variables. There are people that from one year to the next decided that they're not going to water the grass anymore and last year they were watering the grass and they changed it. Then the kids that take long showers moved out of the house; some other family situation changed. A lot of things that are not in our control. But this is an account by account reconciliation of those places that got new meters, what they used last year at the same time as this year. At the very end of this agenda, I had noted that I was going to propose that we actually go out and do meter reads, but not billing, on a monthly basis so that we can more closely monitor our usage and how that relates to the pumping, so that we can be able to report to the Office of Drinking Water and the Division of Water

Resources, in particular, the strides that we have made in tightening up our water system. It's something that we could probably do in the winter, because the guys aren't out cutting grass every other day and certainly the data would be helpful. So this is my attempt at demonstrating to you just exactly the impact of what we've done. Another item that I've prepared for you, there are multiple pages here; this is a copy of our Edmund's printout from our accounting system and what this shows you is every single dollar that has been put into the category that shows Revenue and Expenditure Report under water system improvements. Now you'll find within this that there was a 3G; it's a site or system where we're able to more accurately determine; right down to about every 15 minutes, the pump activity that's occurring. That falls within here, but just about everything else is all meters and the flanges and the things like that that we need to do it. So you can see the actual dollar values that were used for this. Now, in the end, and the 3G System, I'm thinking it was when you include the antenna and whatnot, it was, I don't know, like \$3,000, \$2,000. You deduct that from the \$81,000 and basically, that's the amount that we've invested into our water meter upgrades year-to-date. Now at the very back of this, you'll find a couple of pages and this is in response to Mr. Bushey's request for more specific information, rather than just having the spreadsheet be put together on what all the bank balances were. You have a couple of different reports here. One is for the cash accounts and one is for the water impact fee account; and it shows just exactly what our bank reconciliation is for those accounts. All the investments made in these water meter upgrades, came from our operating account, or our cash account. None of them came from our water impact fee savings account. So Mr. Bushey, here's all the information, just as you asked for it.

John Bushey: Okay, thank you.

Win Abbott: You're welcome, Sir. Now, moving along. Yes, Sir.

Councilman West: I've got one thing for the public. What's nice now are these electronic meter readings. If you've got a question about your bill, which I did, because I had a problem; they can tell you minute by minute exactly how much water you use, minute by minute. So if you've got a question about your bill, they can go back and pull it up. How far back can you go? Just quarterly?

Dustan Russum: No, I can go back I believe it's 118 days.

Councilman West: I had a question on my bill, I like to had a heart attack and Dustan and Allen came up and they showed me day by day when the problem started; and it was neat to see all that, so you can tell minute by minute how much water you're using and if you're asleep from say 10:00 at night until 8:00 the next morning and you've got water running through your house, you've got a problem; and it will show that. Where before, under the old system, if you had a problem nobody knew it until the bill came in. So this helps... It does help everybody as we go along. Okay, sorry to interrupt you.

Win Abbott: Not at all.

John Bushey: Can I just jump back here in reference to the bank balances? Did you say impact fees go into one account, they're in a savings account?

Win Abbott: Yes.

John Bushey: Do we ever transfer any of the balances left over at the end of the year into the savings account? If there's money left over in the water account, do we transfer any of that into our savings account or do you just let that accumulate?

Win Abbott: It is my understanding that our cash or operating account, we do not take out the net difference and put it in the savings account. Impact fees are kept separately and then we have an operating account and if there's a net gain over the year, that continues to carry over to the next year.

John Bushey: Okay, gotcha.

Win Abbott: Alright, so the September 10, 2012, A Better Accounting of Water Use back page describes in detail for the benefit of the public, just what Dustan had said about us possibly counting water twice. Now we've made some adjustments to the accuracy of the meters that are there, but we're still counting water twice. So, this explains, step by step, how it works. I think you guys are sharp enough to understand just exactly what he meant when he explained it to you, but this is so the people in the public could read it, take it home and share it with others and this was distributed on September 10th. In order to address the problem, you have here this thing that says BRS on the next page and the first page of that is the cost for the upgrades to the check valves with the Mag meters. The very first item here I wrote on your thing, "HOLD" and that is because that particular check valve and meter is for Well No. 5 and we've not made a decision to reactivate it. We're gathering all our information necessary and that will be a separate project unto itself, but that aside, all the other things here are what would be proposed as improvements to our existing water system, so we're not counting water twice. Am I correct, Dustan?

Dustan Russum: Yes, that and a check valve, you can take a check valve off also.

Win Abbott: And which one would that be?

Dustan Russum: That would be one of the 4" swing checks, so you're looking at \$2,924 that could be reduced off of that, so \$3,000.

Win Abbott: Okay so that's in the first group here; it's the last item, which is three 4" flange swing check valves, correct?

Dustan Russum: Yes.

Win Abbott: And we're going to deduct \$889 from \$2,667, so the net cost for improvements to the wells that we're currently using would be \$2,667, minus \$889. \$2,667 is the sub-total that we had here. \$889 is the per item cost, right?

Councilman West: \$1,778.

Win Abbott: Thank you.

Councilman West: Okay, so you're talking \$3,800 off of this \$19,000 that is going to come off of that, because you said you were going to hold on that Mag meter, so then that will bring that total down by \$3,800?

John Bushey: \$2,800?

Dustan Russum: No, it's not \$3,800. I got \$2,924 was the total between the Octave meter and the swing check...

Councilman West: Okay. Okay. So you're talking a little under \$3,000 to come off of that \$19,000?

Dustan Russum: Yes.

Councilman West: I was adding the two wrong numbers together.

Win Abbott: Now to be sure, the Council had appropriated \$6,000 for six miles of leak detection on all of our water mains and it ended up costing us zero, because of Dustan's good relations with the people in Milford, they helped us do the clean-out of all the boxes and together with the Delaware Rural Water Association we were able to use a device that cost us nothing, in order to determine if there was a leak in a particular main; the leak correlator, which was going to cost us money, would help us to determine exactly where the leak was, after we knew that there was a leak in a particular segment. We didn't have a reason to use that and in the end, that \$6,000 project cost us nothing, except for the time it took to do it. And a few lunches, we bought lunch for the guys from Milford.

John Bushey: That's good.

Win Abbott: We're taking this step by step by step. We're really trying to be smart about each thing that we're doing.

Bill Woods: I've noticed that in the future you keep wanting to get a SKADA system. I don't know if you asked your supplier here, whether or not, these new meters you want to get if they'll help us, but you might.

Dustan Russum: Well with this three detect actually, the terminology they use, may be a four man SKADA system; instead of spending \$100,000 on this system here, you're talking what, \$3,300. Actually I can right now go on the computer and watch the meters; see what they're pumping on; when they're on; when they're shutting off.

Bill Woods: So if you go to a full scale SKADA system...

Dustan Russum: This can actually... The more money you dump into this 3G system, the foundation is already there. If we want to go further with this, we can spend a little bit more money and get another package and you can stair step right up.

Bill Woods: Okay. That's good.

Win Abbott: Okay, so gentlemen, we'd be really pleased if you would make a recommendation to Council that we move forward with these improvements to the check valves and meters that we have on our wells, in order to greatly diminish the likelihood that we're counting water twice.

John Bushey: I've got a question to ask you. If these things right here; these inexpensive trial thing; if this doesn't work, is there another avenue, different meters, or something we can... Because I heard you say something about the base on the meter we're using today, or something. Is there a different meter we can put on there to get a better, more accurate reading; after we put this in; if we still think it might be the meters?

Win Abbott: Let me help you out, Dustan. Right now the particular brand and style of meter that we're using is a Siemen's. Siemen's is best used in wastewater facilities because the higher viscosity of the fluid that's going through there. On the pure drinking water, this Octave one that is specified here, is the next step up. It's a different brand and it's also their Cadillac model, so that was the reason.

John Bushey: And it would give a better reading? Okay.

Dustan Russum: Just go give you about a sixteenth of gallon of water, is what it will detect, a nose drip basically.

John Bushey: Okay.

Bill Woods: I make a motion you move ahead with doing this.

John Bushey: Second.

Councilman West: We have a motion moved and seconded to present this to Council to move on to replace these meters. All those in favor say aye. Opposed. Motion carried.

Win Abbott: Thank you, gentlemen. We've been jumping around here. The meter upgrades and leak detection, alright. We're going to take this one step at a time. The other quote that you have here is something that we're not going to do right away, but we want to provide you with the information so that you understand it's part of our ongoing efforts to do better with this, so we're happy with what we've got now, just like we did the leak detection project and finished it and want to do this next one. Following that would be this transducer. Dustan could you relate to them the benefits of this transducer system and...

Dustan Russum: I don't think I have that one.

John Bushey: It's attached to this.

Win Abbott: Page 2.

Dennis Hughes: Oh, page 2.

Win Abbott: At this point it's for informational purposes, but just to show you that we're

thinking ahead. Dustan.

Dustan Russum: What a transducer does, is it goes onto the water tower. It would have to be placed on the water tower here at Chandler Street; only this tower, because the other tower doesn't have electric out to it; but what a transducer does is it determines the level and pressure of water that you have in the tower. If you remember back in the summer, how we would determine how much water was in the tank, was by following the sweat line around the bowl and that's the way we've been doing it, or climbing up the tower and looking down in, but you really can't determine exactly if you're 50%, 25%...

John Bushey: I thought there was a pressure gauge in the tower telling us the pressure.

Dustan Russum: There is.

John Bushey: Okay, go ahead.

Dustan Russum: But it doesn't determine on your level of the tower. It cuts out at 58 lbs. I know that's full and it kicks on at 53 lbs. and I know I'm about out. But there's really no determination of where I'm at, in there. It's more of a guessing game right now, the way we do it and how this would work is this transducer on this tower, with that tower, they would scale it, this tower with that tower, so if this one's at 50%, that tower out there might be at 60%; they can scale it on a graph for us to determine where we're at with our water in the tower for storage.

John Bushey: Would this also then effect your pumps coming on center?

Dustan Russum: No, because the pumps are only going to come on by the pressure that's in the well house. This is just going to tell us how much water we have on hand, in storage.

Bill Woods: Like an alarm system to tell you you've got a problem, before the tower is empty.

Dustan Russum: Yes.

Bill Woods: Or that it's going down quicker than you think.

Win Abbott: That's where I was going to go with this. You'll see the top couple of items here, I sort of grouped together and put a ðHOLDö on and that is because of this. The people that make this particular product, would like for you to buy the little computer and the web based service, in order to read that as a total package, but it's not necessary to do that. Our 3G Cellular system that gives us this almost instant feedback on the pumping activity that we have, has a computer, a brain, and a web based system so that Allen can see, or Dustan can see, where our activity is at any given time. That same thing will allow a plug from this; so we don't have to duplicate the brain that goes into that or the web service. It will go right into our existing system, so all the data is there. Now, the whole point of having this tower level indicator as well as the pumping, is so that you can compare the activity between the two. So like you said, would that help with your pumping needs or whatever? Well, when the pumps come on that is pressure directed, however, the pumps go out to the whole system and if you see a difference between the level in your tower and the activity of your pumps, you know you've got something happening in your system that doesn't exactly match up. So Dustan called our 3G Cellular company that gives us pumping information a tattletale, because they get their text message; hey, something's going on and if something's going on at 2 or 3:00 in the morning, when hardly anybody's using any water, well that means it's probably outside of the ordinary use kind of thing; we sprung a leak; something's going wrong here and it alerts them to that. Likewise, they can take all this data on the tower levels and the pumping activity and together be able to better determine if something's going on in the system.

Bill Woods: Does your... what do you call it again, the service you're using?

Win Abbott: 3G Cellular. It's just like your telephone is a 3G. It's a cellular telephone system, basically.

Bill Woods: But you can look at it remotely through a laptop or something?

Dustan Russum: No, you can't. If I had the wireless connection or whatever, I can punch it right up in the truck or right now, I just use the computer up in Town Hall and retrieve the data off of it. You can set this up; it can call you every hour with the information, but right now we're setting it up with set points and you can check points at any time; like right now in the winter months, it's coming on, but the pumping is going down; so I might want to set my set point to 300,000 of what I'm pumping and it's going to send me an alarm. In the summer months, I can change it.

John Bushey: I want to go back to the... the tank is full at 58 lbs. per and at 53, you said it's empty?

Dustan Russum: Getting close to empty.

Bill Woods: The pressure transducer information, they don't give you a wide range of stuff, you know? It's great for using pressure tanks; it uses to fill up things and turn the pumps on and off, but if you want someone physically to be looking at data, in feet and inches and stuff, you look at pressure, it's tough; because there's not enough variation in what's going on.

John Bushey: But the thing is, I'm saying 58 we're full and 53 the tanks are almost empty, that's a 5 point drop. Well, wait a second, I would of thought that there would be a greater span there and maybe we want the pump to kick on vs. at 53, to come on at...

Bill Woods: There isn't feet and inches, but...

Dustan Russum: I see where you're going with this and if my set point cut off is 58, instead of .53 to come on; if I move my set point to come on at 55; now she's going to throw that water in there and then what happened, like we had back in the summer months, when I was playing with the set points; when we had problems with the wells; it was throwing wells in the hammer. On off. On off. If I moved my set point 58 to 60, she overflows it.

John Bushey: Okay.

Dustan Russum: So we keep her at 58, because sometimes you've got to allow for that thrush of the water filling. If not, she overflows.

John Bushey: You brought something up about this summer and you're playing with the pressure points and the Mayor got in a panic, we didn't have any water and we called this thing; so we were pumping with one pump, or two pumps?

Dustan Russum: Two, I believe it was.

John Bushey: And then when we turned a third pump on...

Dustan Russum: We had a big problem with the hammers; with the set points, getting it worked out and the reason getting by to why we only had two pumps running at a time; we've always run two points, because of the fact that those pumps nothing's been done with them and we basically baby them. You over exceed your pump, if you drop a well, then where are we at? We'd be dead in the water.

John Bushey: That's right. Okay, so it should have been addressed with this application that we just made; those issues to increase the pumping capacity on those wells. Has this been... The one application is for storage and the other application for improvements and I think these were some of the things that Pennoni Associates recommended?

Win Abbott: It came right from his report.

John Bushey: Okay, so I need to go home and read this, so I make sure the next time I sit down here at this table I'm well informed and versed.

Win Abbott: Sure. Stop in my office any time and we'll go over it.

John Bushey: So here's the thing, I don't want us to go back to another summer that we just went through. When technically, it appears to me somebody... We need to make a decision and say we need to do these things and spend the money. When not enough time... You know, I think sometimes... I'm not finding fault with what you're doing at all. Don't misunderstand that. Don't take it personal. Where are we as a Water Committee, where are we as a governing body, neglecting to see that these things get taken and put in place and that thing is running at tip top shape so that we don't encounter these problems.

Dustan Russum: This problem's been going on for years. I know I got a well in 1984 and nothing's ever been done to it, so it's been that way for a long time.

Councilman West: But Jack, they're crawling right now, so that they can start walking to get all this done.

John Bushey: Okay.

Councilman West: And I gotta give Allen and Dustan credit, because they have been busting their humps for at least...

John Bushey: I'm not finding fault with them. Maybe we aren't giving them the resources... the town is not giving them the resources they need to do their job effectively and...

Councilman West: And that's what we're slowly working towards now Jack.

Dennis Hughes: ...update your wells at certain times just like you do your water towers.

John Bushey: Right. Okay.

Councilman West: And that's what we're slowly working toward now.

John Bushey: Well, listen, you need a motion to do these things; this right here, I make a motion we accept the Water Department's recommendation to go with the 3G Cellular phones and alarm system monitoring.

Win Abbott: Mr. Bushey's made a recommendation that the committee act upon the quote for a transducer and associated items quoted by Cory Industrial Electronics. The total value of the quote is \$2,699; however, we may be substituting some components so that we could have greater value in having our systems consolidated, instead of having two systems.

John Bushey: I modify my recommendation.

Win Abbott: I really didn't expect you to move forward with this, but it's all good.

John Bushey: No. Here's the thing is, we got it, we need it, why are we going to drag our feet two or three months when we need to move ahead and get it done. I would like to see that next summer, by next summer, that I don't get a panicked phone call from the Mayor... when I find out and I do my research, that there's things that Dustan and Allen should have the automatic authority to do without asking any questions. They're given the authority to run that plant; run it and they have the resources to do it. I don't want to see that. I want to see that they have the resources they need to do their job.

Win Abbott: I understand entirely.

Bill Woods: I do have a question related to this, sort of. This is coming out of the regular water budget, right?

Win Abbott: Yes.

Bill Woods: Why can't you just... I don't understand our procedures here. Why can't... He could have just gone to you and we just...

Councilman West: Because it has to go before Council first, before they let you spend the money.

Bill Woods: I think we need to... This is something that I've noticed through different meetings I go to and things I hear in town. It seems we haven't progressed past the fact

that we have a Town Manager now and this \$2,600 bucks, if it's in the general operating, general maintenance for the Water Department, should have been handled without having all these meetings and the Town Council should not even have... They should worry about them and if they go over budget and approving the budget; but this \$2,600 bucks... I know where I work, we have a bigger budget...

John Bushey: You're right, Bill. You're right.

Bill Woods: But this is... I consider this a trivial amount of money and if you think it will work go ahead and try it. I don't... So maybe we need to start thinking about that a little bit. Now like the service agreement, that's a big hunk of money; that's definitely something to go to the Council; but this...

John Bushey: I've got a question... Bringing that point up. In defense of you, are you given the latitude? If something like this had been appropriated... money been appropriated for maintenance of the water system? Is there money... I know they have line items for maintenance. They appropriated \$25,000 for maintenance. Is that \$25,000 already spoken for for the year, or is that a pot of money that is appropriated for unforeseen things that you or things that you feel need to be taken care of for proper maintenance.

Win Abbott: I'll say, Mr. Bushey, that my focus on the current budget was on a general fund operating budget. I did develop a budget for a proprietary fund, as well.

John Bushey: For what?

Win Abbott: A proprietary fund.

John Bushey: Okay. I understand. I understand. I understand what that is.

Win Abbott: But nonetheless, the outcome of the budget process didn't necessarily involve all the things that I prepared for it, so even if it had, I might wish to come before the committee or Council, until we all reach a comfort level with some of the decisions that are made here.

John Bushey: Okay, I understand.

Win Abbott: Even if there was no concern whatsoever with the budget and it was just there, the fact is that it wasn't detailed as a plan going forward and that we're still working out a comfort level with these things, I would feel much more secure in sharing some of this decision-making with this committee and the Council so that we're all in this together.

John Bushey: I understand where you're coming from.

Win Abbott: So there's two different things and...

John Bushey: Right.

Win Abbott: And perhaps there will be a totally different complexion to these kind of decisions a year from now; but we're just working through this thing together and I hope you understand.

John Bushey: I understand. But I also understand that wait a second, as I told Hal Godwin when he came aboard as the Town Manager, here's your job; this is your description. If I could have come in here and tell you how to do your job, I've got a problem, alright? In other words, I'm saying at the same time...

Dennis Hughes: Well he was a Town Manager, he should have had in there that every three years these wells get upgraded or maintenance done; because the man just said they haven't had anything done since...

John Bushey: 1984 one of the wells...

Dennis Hughes: Who was Mayor then?

John Bushey: Look right here. Hey. Hey. Hey. They're all the same since I got here. But wait a second, here's the thing is, you got...

Dennis Hughes: That's what I said. That's what I said.

John Bushey: Taking this...

Dennis Hughes: And Win is in the process of that.

Dustan Russum: Communication. There's never been communication between...

Councilman West: I think he just stepped on his tongue. Thank you, Dennis. Alright, we've got a motion on the table. Can I get a second on it?

Bill Woods: I'll second it.

Councilman West: A motion's been made and seconded...

Councilman Booros: There's no vote on the agenda.

John Bushey: Whoa, we're not voting, we're recommending.

Councilman Booros: You took a vote 10 minutes ago on something else.

Dennis Hughes: Yes, to recommend. Even though we recommend it, it will never happen unless you guys vote on it, right?

John Bushey: That's right.

Councilman West: We're voting to recommend.

Dennis Hughes: If we, as a committee, don't want to recommend something to you...

Councilman Booros: The Economic Development Committee met and made a recommendation, but because we didn't give the recommendation to Council...

Dennis Hughes: Well, you know, if they don't want to accept recommendations... If the Council doesn't want to accept recommendations from the committee, then do away with the committees.

Councilman West: That's right. A motion's been moved and seconded to recommend to the Council to appropriate the funds for this upgrade. All those in favor say aye.

Opposed. Motion carried.

7. Continuing Business

▲ Response to letter re: Allocation Permit

Win Abbott: This is me just communicating with you about the progress regarding that. The name of the fellow who is in charge of the Division of Water Resources at the Department of Natural Resources and wrote that letter dated December, 2011 about us not receiving a higher allocation for water until we took care of some other items, his name is Bill Cockey. I spoke to him yesterday. Allen has been regularly providing his secretary with quite a number of pieces of information that were requested in there. I asked that he get back to me with an accounting for just exactly what has been provided and what has yet to be provided so that I can wrap this whole thing up. By the end of the week, he should have his report back to me. The only thing that I see that we're missing at this point, is a letter describing our conservation measures. These were all the things that we've been doing from the rain barrels, to the meter upgrades; I'll be putting that in letter form and sending it to him so that we can get a word from him that says, okay, nothing in the reasons for us to deny you an increase in your allocation exists anymore. You've fulfilled all those things. So, I spoke to him just yesterday about it. Just wanted to let you know that we're moving forward with this.

Councilman West: Very good.

John Bushey: I've got a question and maybe this is somewhat redundant. If we took the 11 million gallons that we had missed quarterly, out of the equation; then we're pretty well almost maxed out on some of our pumping things and doing some of those things, are we not? Or are we below that? We have some breathing room, is what I'm trying to say.

Win Abbott: If we find the 11 million gallons, we've got breathing room.

John Bushey: Okay. Alright. I got another question. We are going to eventually get Well No. 5 back on line?

Win Abbott: That's the last item on the agenda.

John Bushey: Am I ahead of the game?

Councilman West: Yes, you're ahead of the game.

John Bushey: Okay, I'm sorry. Wait a second. I want to justify something. I got accused of something here, I want to defend myself. I did, as Mayor, spend \$1 million or more on the water system to try to...

Dennis Hughes: Nobody said you didn't, Jack.

John Bushey: Okay. Alright. Then... Okay, I'm sorry.

Councilman West: Okay, no we'll go to Well No. 5.

^ Well # 5 Rehabilitation

Win Abbott: Gentlemen, here's the thing. The planning study had a recommendation that we rehabilitate Well No. 5. Now that rehabilitation can be done as part of a another loan process, or it could be done with capital funds that the Town Council allocates from what we have in existing savings. Allen and I are trying to gather information, but at some point in time; and some of that information is right here, it's the last packet of stuff that you have. This was provided to us by the former Town Manager, City Manager of Milford, who has been working part time representing a company that helps to rehabilitate wells. Basically what they do is they pump liquid CO₂ into wells in order to create more gaps through the gravel that is in the aquifer in order for them to recover the performance that the well originally had. Over a period of time, the gravel that surrounds the screens that are the well itself, ends up being compacted around that screen and you're able to pull less water out of it. This process leaves no residues. It's completely safe and he just came by to share this information with us. He's going to try to put together some numbers, but eventually we're going to have to consider whether or not we want to pay Pennoni Associates or CABA Associates to do some additional study for us on what it would take to rehabilitate it, if we're going to do this independent of a loan, and that's quite possible. You know, there's a charcoal filter that might be recommended and some other steps, but Mr. Atkins and I are continuing to gather information; we'll be sharing it with you at some time in the future; maybe in the next few months. We maybe asking if we can have Pennoni Associates or somebody put together a plan for exactly what it would take to bring this on line with all the stuff, so that we know that we're not making up as we go along; we have the backing of a Professional Engineer's direction on how to do this. So, this is just for informational purposes. It's just to let you know that the whole rehabilitation of Well No. 5 idea, is something that we're gathering information on and we can decide to make that move at some point in the near future.

John Bushey: Listen, in reference to the application, back to the reference to the applications that you filed for a water tower and also for improvements in the system, I'm just sorry that I didn't have them before the meeting so I could really look at them and so I'm going to depend on you. With the Pennoni Associates Report, did the Council... and maybe I should get the minutes from the Council Meeting, the Pennoni Associates Report, a lot of those things he recommended were included in that application?

Win Abbott: Yes, Sir.

John Bushey: Okay.

Win Abbott: And by the way, this is a pre-application, so if they should come back to us

and say we're moving you up the list, we want a full application...

John Bushey: Can you modify it?

Win Abbott: Absolutely. You can modify it any number of different ways, even changing the engineer of record. But for now, the Council recommended that we choose Pennoni Associates and we picked the items right off the list and that's how it went. When it comes time for a full application it could be modified.

Councilman West: Because it's like I said, I feel better about this now, then we did when we went to that Referendum; because we've gotten a lot more answers that CABA Associates didn't give to the public and the thing that's good about Pennoni Associates, if we wanted to have a Public Hearing, Mr. McCabe will come and he will answer the questions for the people and if he doesn't have the answer, he will take their name down and call them back individually, where we didn't have that before. And this is a good thing, because it makes the public more aware of what's going on and it sets them more at ease that they can ask the questions without having to worry about not getting an answer, one way or the other. Because Mr. McCabe assured me that if the public asks him questions that he cannot answer, he will write their name down, write their question down. He said he's got four sources of information that he can go to; that all four of them will come back to him with the answers. It's like anything else. No one person knows it all and he's willing to admit he doesn't know it all, but he will try his best to get an answer, one way or the other; which I am mighty glad for for the public's sake.

Bill Woods: Hopefully the process gets to an end here and we figure all this out; everything will be a good learning experience on how we start, how the guys in the field actually can go out and fix things and have the proper amount of money to do it and do things on their own without so much oversight and approval by everybody; up to the point we know how to approve big projects through the Council and set Referendums correctly. The whole process... This might make the whole system work better in the long run, so hopefully we'll get to that point.

John Bushey: I don't say that we should say here's a bucket of money and go spend it; I think you know there's some control on it and while we listened to Artesian tonight, I'm not... This issue about inter-connecting with different water systems the last couple of years, I don't know that I...

Councilman West: Well, not because we're the Water Committee, but I found that Dustan and Allen always do try to get the most for our money any time they do anything. That is a good thing, because they're public servants, but they are trying to look out for the public. Don't let your head swell up.

John Bushey: Emory, as I was saying, I don't know that I'm so favor with inter-connecting with another system.

Councilman West: No. And see this will be a thing that the public will be able to express their opinions, because actually we're serving the public and then that way if we go to a Referendum, then the public will say yea or nay. Then it will go from there. But at least this time, the public will be more informed then they were in the past and that's what we're striving for. Or at least I think so.

John Bushey: I agree with you. I know there were a lot of questions and I think the referendum, the public made a lot of communications that they said, stop and listen, do your research.

Councilman West: Right. When they had that Public Hearing that night, the public came out with a lot of good information. I learned a lot from it. I don't know how many others did, but I learned a lot of different things that I never knew about. So if I learned about it, how many more people did? And that's the way I'm looking at all the public input,

because we are spending taxpayer's money; that way they'll be comfortable with the decision.

8. New Business

^ Monthly Meter Readings proposed (billing still quarterly)

Win Abbott: I mentioned earlier gentlemen that with the grass cutting season getting behind us, that I asked Allen if he could get the guys to do meter readings on a monthly basis; just so that we can get more timely comparative information in order to gauge the effectiveness of our meter upgrades. This would not, however, mean that we're trying to bill monthly, it's just for data collection information purposes. Allen will have to make the call on that. He's the one that has to really juggle all the different responsibilities within the Public Works department, but if I can get monthly readings, I'm going to be making reports available to you on a more regular basis and I think we can gauge our progress.

Councilman West: That will help let you know if we're gaining on that 11 million gallons.

Win Abbott: Yes.

Councilman West: Then the public will be more at ease on that, too.

Win Abbott: Yes.

Councilman West: Is that it on that?

Win Abbott: Yes, Sir.

^ Hydrant Flushing/System Pressure Checks

Councilman West: Do you want to give us an update on this hydrant flushing and pressure checks?

Dustan Russum: There was a hydrant flushing and system pressure checks; we flush our hydrants once a year. Along with flushing the hydrants this year, we were due to have all of our hydrants checked for pressure. The State Fire Marshall says you've got to do it every three years and it's time for us to pressure check all of our hydrants.

John Bushey: So you're going to be doing this?

Dustan Russum: Yes. We're looking to doing it in the month of November. That's when the demand's down. It's probably going to take us a week, maybe, because there's a lot of data that you've got to pull from each hydrant. Not only are you flushing one, you've got to flush two at a time.

John Bushey: Can you leave two of them opened at the same, for pressure?

Dustan Russum: Yes. One of them will have a cap on it and it shows the pressure; then you've got one downstream and that's how you determine on your flow.

John Bushey: Okay.

Win Abbott: There are two reasons why I made a point of putting this on the agenda; this is so that the committee, and the public by way of the committee has a better understanding of what we're doing. One thing is that we're trying to account for all the water that is pumped, but not metered. So in the past, we've just done this, because it's a matter of practice, but we're going to have the best accounting that we can. Usually it's 1,500 gallons per minute and you run these things for 15 minutes at a time?

Dustan Russum: Yes.

Win Abbott: So you're going to have a report on how water's been pumped, but not metered, and was actually lost through this exercise and that's going to be a component of our missing water; so we're going to account for that. The second reason why I bring this up is also because within the Pennoni Associates planning study report, he said what

you really need to do is develop a better model of your water system and by doing this pressure information, we're not only going to satisfy the Fire Marshall's needs, but we're also going to be able to have a better handle on exactly how our water system works, because we have areas where we have lower pressure than others and that's an indicator that we might need some upgrades; whether it's a greater diameter pipe or whatever the case might be. So this data is going to be saved so that we can develop a better model of how our system works.

John Bushey: Okay. Well listen, right before we make the motion to adjourn, I would like to come back and ask a question about something that was brought up. Are we out of order by voting on recommendations to the Council?

Win Abbott: I don't think so.

Councilman West: Marion?

Councilwoman Jones: Mr. Russum, when you have... **[The recording ceased suddenly.]**

Dustan Russum: í going down, this has to come back up when the wells come back on.

Councilwoman Jones: Okay, thank you.

Councilman West: There's going to be a savings right there. I don't know what it costs. What does it cost to treat that water?

Dustan Russum: I don't even know, per gallon.

Bill Woods: It could be a chemical savings in there. Who knows how much?

Unidentified Speaker: May I please...

Councilman West: I don't think you were out line, because you were speaking the truth for a lot of people.

Unidentified Speaker: Thank you for letting me have the time to at least apologize.

Councilman West: John, do you have anything else?

Councilman Booros: Not a word.

10. Adjournment

John Bushey: I make a motion we adjourn.

Bill Woods: Second.

Councilman West: We have a motion made and seconded. All those in favor say aye. Opposed. Motion carried. Meeting adjourned at 5:50 p.m.