Town of Milton
Town Council Meeting
Milton Library, 121 Union Street
Monday, February 27, 2012
6:30 p.m.

Transcriptionist: Helene Rodgville
[Minutes are Not Verbatim]

1. Call to Order – Mayor Newlands called the meeting to order at 6:30 p.m.
Mayor Newlands: Good evening everybody. We're going to start the meeting. This is a Public Meeting; it is informal; it's not going to follow any structure like the Town Council meeting. We do not have an agenda, other than talking about water services. We have the Council here and we'll just go through a roll call at least first.

2. Roll Call

Councilwoman Hudson	Present
Councilwoman Betts	Present
Councilman Lester	Present
Councilwoman Jones	Present
Mayor Newlands	Present
Councilman West	Absent
Councilwoman Duby	Absent

3. A Public Meeting will be held to discuss the need for a new water tower and processing facility. Discussions will be held regarding the borrowing of $3,450,000 to fund this project with the possibility that some of the funds could be converted into a grant.

   Member of the State Drinking Water Office and State Planners office will be present to address the public. Engineers from a number of firms will be on hand to address residents questions regarding the appropriate technology for the project.

   A quorum of the Town Council will be present at this meeting, no votes will be taken.

   Mayor Newlands: We have with us Scott Hoffman of CABE Associates and Heather Warren from the State of Delaware Division of Public Health and Brian Hall who is here from the State Planners Office. We're going to start off with the presentation first and then we'll have questions from Council, then we'll have questions from the audience.
   Scott Hoffman: What I'm going to do is to go back through the presentation that we did at the Public Hearing a little more quickly and then we prepared some additional information that was based on the questions and the comments that came up in the Public Hearing. So the first part of the presentation I'm just going to go back through project benefits; what's included in the project; discuss the project funding; and the schedule, which at this time is all preliminary and based on the planning work that's been done to date. Benefits of the Project: the project would provide some new wells and a new water treatment system to provide some additional water supply. It includes a new elevated storage tank, so that you have the proper amount of storage that you need. Those two elements will add some redundancy to the water system to ensure that

you have a continued adequate water supply and also there is a small element to the project that includes security and some, what's called a "SCADA System", to help Allen monitor and keep better records about the water system. So this is a graph of the town's historical water use; this is based on pumping records that are provided by the public works staff and you can see that in 1999 the average daily flow was about 150,000 gallons per day and last year it was approximately 350,000. It has been 350,000 to 360,000 gallons for the past two years. Based on last year's pumping records your peak day water usage is about 650,000 gallons. What we're looking at here is a tabulation of your existing elevated storage tanks; you have two. They total up to approximately 225,000 gallons. This is a table that presents the storage needed and I'm going to get into this a little bit more in the second part of the presentation. It comes down to a requirement to have a certain amount of water for fire flow, which is 184,000 gallons and in domestic water use, which is basically the water used at your house and stores, etc. That adds up to 544,000 gallons. I mentioned redundancy. Early on in the process there were some questions about what kind of things could happen to the water system? You have a potential issue with flooding, based on where your water treatment plant is. Right now you have a single water source location; your treatment plant and wells are all in one place. The Broadkill River divides the town into two pieces and that has an affect on redundancy and then there's redundancy related to equipment failures. Coincidentally, we met with the State, Heather, the Mayor mentioned a couple of weeks ago and somebody was there from Delaware Rural Water Association, which is a group that helps the different municipalities run their water systems and provides technical assistance and so forth; and that person was an operator for Selbyville and told us that that morning both of their wells had failed, because of an equipment failure. So these kinds of things do happen. This slide shows where the water treatment building is and it's right down by the marina; right out the back door here and you can see this blue hatching, which shows the Federal Emergency Management Agency 100 year flood plain. So, potentially, in a flood, the water treatment building would be flooded. Now the equipment in there is constructed such that you would minimize the risk from flooding but there's no way to totally eliminate that risk and one of the things that you can do is have redundant systems, a well or water treatment some other place in town, that would not be affected. Here we're looking at an overall view of the town. The orange outline is a town outline and you can see the pond, Wagamon's Pond, and then the Broadkill River divides the town now almost completely in half. There's been a lot of expansion on the southern side and all of your water systems, for the most part, are on the north side; the water treatment building, your wells and your storage. There are two water mains that cross the river. One is located out at the Union Street bridge. I've never seen it. I don't know if Allen's ever seen it. We know it's there, but we don't know much about it because it's so old. There's also a crossing on Mulberry Street that goes under the stream, just downstream of the dam and that was put in, I think, about eight years ago or so. So in terms of redundancy, one of the things that's been in the facility plan recommendations for awhile is to try to establish a water supply and a treatment system and some storage on the southern side of town; not only for redundancy, but to ensure that you have adequate pressure on the southern side of town also, because the farther you get away from your elevated storage, the less pressure you see at your point of us. This is a picture of your emergency generator. This is what you're relying on in the event of a power outage to provide water. I don't know how old it is, 20 years or so. It works. They maintain it and I understand there may be some difficulty getting parts recently, but it's like any other piece of equipment; it could fail at some time. Again, the best way to prevent that risk, is to have a back-up if you need it. So the project includes, and again, most of these recommendations come as a facilities plan; that was done in 2007. A half a

million gallon elevated storage tank. New wells and a water treatment building. A SCADA system, which stands for Supervisory Control and Data Acquisition. It is basically a computerized system to help Allen monitor what's happening in the water system and to help with data collection. Security upgrades, things like a fence at the water treatment building. A small water main connection to connect the new storage tank to the existing water system and another water main connection across the Broadkill River. Now there's been a lot of focus on the storage tank, but I would hopefully like that people don't forget about these other things that are included with the project. Looking at the location for this new infrastructure, we identified some potential sites in 2007 in the facilities plan and the Land Acquisition Committee last year started to review those and actually found a parcel that would work very well. These were a couple of potential locations; one was out at the Key Ventures property. That's a long way from town, therefore you need a long water main to connect it. One was at the very extensive Cannery Village; that phase of Cannery Village, when that was a phase of Cannery Village; with the idea that in order to help finance some of these things; because they're going to be building water mains out there, that would save the town some of the cost of having to build that infrastructure. These were the other two locations looked at. One was behind the school on Federal Street and probably the number one location that we were originally looking was behind Dogfish Head. Now this was almost five years ago now and at that time, that land was vacant. When the water main was installed and the sewer main was installed to serve Cannery Village and the school on Route 5, we actually put a T in to build something there, but unfortunately, that did not come to fruition. This was the site that the Land Acquisition Committee located. It's on Atlantic Street, right behind the Round Pole Branch Pumping Station, which was formerly owned by the town. It was one of the town's pumping stations when they owned the sewer system and the nicest thing about this location is it's proximity to... Steve, my partner up here, he's pointing to the elevated storage tank. Can you go where the water and sewer mains are? The lines. There you go. That's that same large diameter water main; part of the large diameter water main loop that goes all the way around town; because of it's proximity to that infrastructure, it reduces the cost of the project to connect to your existing water system. In the red circle there is the location where we were planning on someday hopefully putting in another connection between the southern and northern parts of town. This would connect to the back of Wagamon's West Shores. Wagamon's West Shores has some large diameter water mains going through it that connect into the town's large diameter water main loop and then it would connect back in on Chestnut Street to some mains that were put in there in the past couple of years. So this is the project budget that was submitted to the State as part of the SRF Application and all these numbers are based on what are called budgetary level estimates. So what we tried to do is establish a budget, which you're going to have sufficient money to do what you need, but not at the level of detail that you would after you get done designing the project. So, this is the number that's going in to the Referendum as the maximum amount of money that you would borrow for this project. Now, a year ago when we submitted the State Revolving Fund application, after it was accepted by the State and we met with Heather's office, we were discussing potential financial terms and that was a 30-year loan, 35% principle forgiveness, a 1% interest rate and those terms are very advantageous over traditional financing that you could just go get a loan from the bank. So in terms of what those amounts would ultimately result in cost for the users, based on the original terms, the annual loan payment would have been about $86,000. As part of this Public Hearing process, we were also asked to look at well what would happen if the principle forgiveness goes away? So we assume, 0% and what if the interest rate was 1.5% and we don't what these numbers are right now; and

you will not know that until such time as you get farther into the process, but that would result in an annual payment of $143,000. So in terms of how that would be paid for, there would need to be some increases in your user rates and also in your impact fee. We are looking, as part of this project, at revising the impact fee; and that's based on 20 new homes per year; revising the impact fee and having it automatically increased 2% every year. There would be no increase in your usage fee or basically the $3 per thousand gallons that you pay for water; there would be an increase in your availability fee; that's your base charge every quarter. This is what those amounts are: based on the original loan terms, that would add $6 to an existing user's quarterly fee. Assuming 0% principle forgiveness and a higher interest rate, that would be $12 per quarter, that would add to your availability charge; which now is $35. So looking at some example rates, I you're using 5,000 gallons per quarter, your bill would go from approximately $50 per quarter, up to somewhere between $56 and $62. If you're on the high end, using 20,000 gallons per quarter, it would go from $95, up to anywhere from $100 and $107 per quarter. One of the things people asked us to look at was the breakdown of what existing users are going to pay for the system and what new users were going to pay for the project. If you're an existing customer, based on the impact fees and the rates that we're looking at today, none of these have been set in stone, because that information has to go to the Water Committee and to Council, so they can look at the impact of these things; but based on the current assumptions, if you're an existing customer you would pay in additional availability fees a total of a little over $1,400 over the next 30 years. Based on the assumptions, new customers, because they're going to be paying impact fees are going to put approximately $2 million into this over the next 20 years. That's also going into establishing a sinking fund for the town's water system, so that you have some capital money in reserve to help do repairs and that type of thing. Each new customer that was brought into the system, would also provide approximately $5,760 over the next 30 years, based on just their availability fee. That does not include any money that they would pay for water usage. Finally, there's more potential customers in town, right now, then can be served by this project. So finally, the next steps, if this project is to move forward, is to have a Referendum and the referendum is supposed to establish your borrowing limit. Your Charter says that you cannot borrow more than $500,000 without passing a referendum; would be to finalize whatever funding options are available and I'm going to get into that a little bit more in the next part of the presentation; to look further into the repayment options and I provide some numbers now, they're all based on assumptions and we need to sit down with the Water Committee and Council and decide, based on feedback, are these numbers going to be something that people can afford and finally, is to finalize the location for the new infrastructure. This is the original project schedule that we started looking at last year. Obviously an April, 2012 loan closing date now is not going to happen; the reason why I included this was to show that it's going to take about two years, if you start this process before you can initiate operations of the new wells, storage tank, etc. and that is when you will start to pay back any funds that you've borrowed; two years from now. That is a brief overview of what we talked about last time. Does anybody have any questions about the things that we presented there?

Lynn Ekelund, 406 Union Street: I just have a question based upon the previous slide, which was Schedule. You have under there, bidding, December, 2012. I understand that these dates are not correct; what is bidding? Are we going to be putting out the engineering services for bid?

Scott Hoffman: What this bidding is referring to is after the design is completed, after you develop plans and specifications, that bidding is referring to bidding the construction work; that's what we're referring to there.

Lynn Ekelund: Mayor Newlands, are we going to be putting the engineering services portion of this project out to bid?
Mayor Newlands: Is the contract we have with you to do the design, right?
Scott Hoffman: Right now, we have a contract to do this preliminary work and we gave the town a contract which includes the scope of the design; but we did not price it, because I did not want to price it not knowing exactly what was going to be in the project; that really wouldn't be fair. If we have to build a water main out to Key Ventures, that's going to be more expensive in terms of engineering, then where we're showing it now by Round Pole Branch Pumping Station. So, there is a contract that exists, but there's no financial component to it until you get through the SRF process and the scope of the actual what will be done can be nailed down. We can't price any engineering until that time; not in a fair way.
Lynn Ekelund: My question, then, since we don't have a contract for any engineering services, are we going to be putting the engineering services portion of the project, out to bid?
Mayor Newlands: Probably and I only say that because I don't know what the estimate is going to be. I don't know what the estimate is going to be.
Lynn Ekelund: Actually, I believe the Charter says that we're not required to put anything that's under the umbrella of professional services out to bid.
Mayor Newlands: That's correct.
Lynn Ekelund: But the Charter does not say thou shalt not put out professional services to bid and I believe that before I'll vote for a referendum for $3.5 million, that I'm going to want to know that $450,000 of that, are going to be put out to bid.
Mayor Newlands: Is that the price that's being set up for all the engineering?
Lynn Ekelund: That's the estimate.
Mayor Newlands: Then, yes, it will go out to bid, because that's not going to be given to anybody at $450,000. That will go to bid.
Lynn Ekelund: Then there is an assurance and can I ask if that can be put on the agenda for the March Town Council Meeting?
Mayor Newlands: The March Town Council agenda's is already posted.
Lynn Ekelund: Maybe a special meeting.
Mayor Newlands: Thanks.
Scott Hoffman: I just want to say that the $450,000 in engineering is a budget estimate, based on the total construction costs. As I said, that would not be the design number, because nobody can provide you with a fair number, until you know and have a better idea what it is you're going to be building.
Allison Howes, 413 Spruce Street: On one of those slides, you said that we have more customers now then can be served by this project and I don't know what that means.
Scott Hoffman: What I was trying to say was there are more potential customers; you have more vacant lots in town; potential homes that at some point, the storage tank that's built as part of this project, would not be enough for those homes. That's far away. That's out there. So nobody really knows when that's going to happen.
Allison Howes: The other question was, you said that what we would be voting on would be the maximum amount to be borrowed; would be the $3,450,000; that would be the maximum. Is that correct?
Scott Hoffman: As I understand it right now, the referendum language is going to set a borrowing limit of $3.45 million; essentially when that happens, that is the limit, the legal limit that the Town Council could authorize borrowing for. If you needed more money other than that, you would have to back through another referendum process.

Allison Howes: Thank you.
Scott Hoffman: Who else?
Jeff Dailey, 211 Gristmill: Can you indulge me and go back to the slide on the daily usage, the bar graph, in your presentation?
Scott Hoffman: Can you go back to that, Steve?
Jeff Dailey: Thanks. Okay, this is peak day as I'm looking at it. I guess what I'm asking is, a day is 24 hours; so we're sleeping for a good portion of that. There has to be ample recovery time and for how long were we at these peak usages? I mean five minutes, ten minutes, five hours, six hours; I mean this presents as though we just are maxing out.
Scott Hoffman: What the peak day is, is we look at... I think it occurred in August of last year. In August of last year, if you look at the water pumping records, there was a day when you pumped 650,000 gallons.
Jeff Dailey: Is that all day?
Scott Hoffman: That's over 24-hours.
Jeff Dailey: Is that out of the ground or out of the tank?
Scott Hoffman: That's out of the ground. Now, your peak water that goes into the system for an hour could be... Your average is 350,000 to 360,000 gallons per day; which I believe is about 250 gallons per minute. Your peak water for domestic use, which that's not metered; but for a system of your size, could be six times 250 gallons per minute; 1,500 gallons per minute that could be getting used at once. I have some slides in the next part that discuss that a little bit, so maybe that would help answer some of your questions about the peak use.
Mayor Newlands: Scott, when you go back and explain some of these things, could you explain how the actual tower works, in the sense that when you get to a certain threshold, certain pumps go on and everything?
Scott Hoffman: I'll do that, as well.
Jeff Dailey: And then the picture of the generator. That's a generator; that's there in case the system shuts down, as I understand it, the generator, correct?
Scott Hoffman: The generator basically provides emergency power if you have an electrical outage.
Jeff Dailey: Okay, right, so we have one pumping station, one set of pumping equipment and one generator?
Scott Hoffman: Correct.
Jeff Dailey: Okay. Alright. I was reading in the brochure and it led me to believe that there were limited options and yet I've not heard your company present on how to maximize or make what we have basically, with a few improvements, working at it's optimum or safeguarded with back-ups or efficient to the nth degree, because in our February 6th meeting we learned of perhaps a water loss of ten or eleven million gallons quarterly and I was surprised that you didn't mention that.
Scott Hoffman: I have those things in the next part of the presentation. I wanted to go back through what we talked about before, in case there are people here who weren't here for the last one, so they're up to speed with where we started.
Jeff Dailey: And just one more question, for now. Is the $450,000 fee, is that 10%; because in a former presentation it was quoted as 10%, but you're quoting $3.45 million and then the forgiveness of 2.9%; $450,000 is more than 10% of $3.45 million?
Scott Hoffman: Well it's not 10%. I'm not sure what the percentage is.
Jeff Dailey: Well you stated that it was 10% of the $3.45 million; 15%.
Scott Hoffman: What we look at is that there's basically two large components to engineering

services on this project, no matter who does it. You're going to have the design phase, which is going to be maybe half of the $450,000; let's just say that for hypothetical purposes, that's the number. That maybe half of what the total engineering fee is. Then you're going to go to construction and typically on a public works project like this, your consultant will provide construction oversight; and that is for construction administration and inspection; to make sure you get what you're paying for. That is the other percentage and typically on large projects, that would add up to about 15%; I'm not sure where the 10% came from; they might have been an incorrect statement if I said that before.
Heather Warren, State of Delaware Division of Public Health, SRF Program: Typically our projects range from 10 to 15% engineering; that's a typical price; in all fairness; usually right around 10, but give or take a little bit.
Sam Garde, 115 Sassafras Lane: I live about 400 yards from the selected tank location. Your last slide said that you still have to complete the finalization of the tank. When I was here last time and listened, I thought I heard that there was still some possibility that one of the other locations might be selected, or was still possible; but now I find that there's a contract that's in negotiations with Dogfish LLC, correction Dogfish CVI, LLC; so something is... I'm confused as to what the status of the site selection is.
Scott Hoffman: What I presented tonight was the four original locations from the facility plan in 2007 that we identified.
Sam Garde: And one of those was not the one on Cave Neck Road or was?
Scott Hoffman: That was not... The final selection was not one of those potential locations.
Sam Garde: Correct. Okay. And it only became after, well let's see, if we have an R-2 or an R-3 location, you're allowed to build public utilities, but you need a special use. Is that correct?
Scott Hoffman: I'm not sure of the zoning of that...
Sam Garde: Oh, I am. Everybody in the room is. It's LI-1, it just got passed in January of this year. That piece of property is owned by Dogfish, not Dogfish Head Brewery, but Dogfish CVI, LLC and since it is Light Industrial, there is no special use permit required. If it had been in an R-2 or an R-3, it would have required special use, I believe. Can someone comment on that? Okay.
Scott Hoffman: I can't answer the question only because I'm not up to speed on what all the specific zoning regulations are, so I don't want to answer incorrectly.
Sam Garde: Okay. I also have in my hand, a copy of the slide you presented last time on the storage needed and the answer was 509,000; tonight you said it was 544,000; so I'm a little confused as to why either the new one is correct and the old one incorrect; or why the old one was incorrect a few weeks ago and has now been changed.
Scott Hoffman: The old one for, I believe it's the first line, the domestic...
Sam Garde: The domestic demand was 325,000.
Scott Hoffman: We had 325,000 gallons and that slide was actually taken from the presentation that we gave last January. We did not have the 2011 water data at that time, so I updated to the current figures.
Sam Garde: My next question is, since we only need 544,000, why are we building a 500,000 gallon tank, which will be two and a half times bigger than the one down in the marina area, to make up a requirement for about 300,000 gallons?
Scott Hoffman: That's a great question. Why would you build something bigger than you need?
Sam Garde: It will cost more and it will be ugly as sin.
Scott Hoffman: Well, I can't comment on the way that it looks. It's an elevated storage tank. If it's going to be near your house, then you certainly are...

Sam Garde: It has to be near someone's house. I understand that, but we were not involved in any of it; it all kind of came to fruition during the earlier meeting this month as to a location, that had not been under consideration previously.
Scott Hoffman: Right. Regarding the size of the tank, you do have the ability, when you get to the design stage, to say, we can't afford a half a million gallon a day storage tank. Because of the capital costs of the project, we're more worried about the short term cost of this thing; we cannot afford to build that large of a tank. In situations like this, in large public works contracts and large public works projects, the engineer needs to look at two things. Your initial cost, you know your short term capital costs and your ultimate long term costs; what that's going to cost you over 30 years. This tank is paid for over 30 years; so if you now look at we're only going to build a 250,000 gallon tank now. Each storage tank that you build has a maintenance component and a maintenance cost associated with it. So now you're going to be building two tanks, instead of one; that's going to increase your operations and maintenance costs. The best thing to address your issue, is that Council will direct the engineering firm to look at a couple of tank options and examine what's called the Equivalent Annual Cost or life cycle cost analysis, which is a more common term that a lot of people here; on different tank options and then decide how do we move forward. Do we just want to be worried about what's our cost right now? What's our short term cost and long term cost is another issue, or do we want to look at long term costs now?
Sam Garde: Thank you. I have another question. That site that you have picked appears to have a higher elevation then the site by the marina. So my question is how will the existing tanks work in conjunction with one that has a higher elevation and therefore will put a higher head and therefore more pressure on the system; and how will the other tanks work in conjunction with the tank, if it is to be higher, or is the height of the new tank fixed by the height of the existing tanks in order to maintain the constant pressure?
Scott Hoffman: The simplest way to do it, would be to look at the grade elevation of the new tank; wherever it ends up; if it's there or some other place; and construct it high enough so that it matches, so that basically the water elevations are as close as possible to the existing tanks; that's the simplest way to handle that situation.
Sam Garde: Bingo! Thank you.
Bob Howard, 217 Chandler Street: I've got a couple of questions. A comment first. I agree with the need for all this. I think the town needs a modern up-to-date water system that's going to serve it for the foreseeable future and I think these improvements to the redundancy are great. My question has to do with the tank and how much you considered... You mentioned earlier that we need more capacity. You could do that with a pump; but the problem with pumps is the power goes out or they fail. So you need redundancy. Now we're going to have redundancy with a new water treatment plant and additional pumps and additional wells and you mentioned the diesel generator that we already have. Have you evaluated or is it something that would be to Code, to have redundant pumps and redundant back up diesel generators? The towers are only going to last us for one day without power. If we have a hurricane come through and we lose power for a week, we're out of water after a day or two days, if you build twice as many towers. If you put back up emergency power in place, you can continue to have water for as long as those generators will run; whether or not Delmarva's back on line. So that was my first question. Did you do a cost trade-off of generators and pumps, as opposed to a water tower, or is that just something that doesn't meet the Codes?
Scott Hoffman: One of the issues with the storage is that you need the storage to provide your fire protection and domestic demand. You need additional storage, no matter what. Now you are

correct that peak demands, you can meet those using additional wells, basically; and I was going to talk about that a little bit more in the second part of the presentation.
Bob Howard: Can you explain a little bit further? You said you need it for the fire {protection], but if you've got a generator and the pump is running, why do you need the tank for the fire [protection]?
Scott Hoffman: The rule... I'm going to get into that in the second part of the presentation. Can we hold that question until the second part of the presentation? Hopefully, the second part of the presentation will answer your question a little better.
Bob Howard: Okay, thank you. My other question has to do with the debt service and the payment and I seem to remember from the budget discussions that we had here a few months ago, that there was a surplus in the water account. Now I know part of that surplus in the water account, went to pay for the Town Manager's salary and we balanced some costs and used up some of that surplus, but I'm not sure that we used the whole surplus and I was wondering whether the surplus in the water account was factored into these calculations of what the increased costs to the citizens will be to pay back the debt service.
Scott Hoffman: At this point, no, because basically what we've done is developed figures that do not include those numbers; because I don't really have a handle on what those numbers are until we meet with the town and discuss the user rate and the impact fee in additional detail. That's just something that hasn't happened to this point yet.
Vincent Tala, Cannery Village: Quick question. You say new customers are going to pick up the majority of the cost of this? What's the definition of a new customer? Is that somebody who buys an existing property and has to get serviced; or is that somebody who's building a new house?
Scott Hoffman: What my definition of new customer is, is somebody who's going to pay an impact fee.
Vincent Tala: Is that somebody who's going to... If I buy an existing house, do I have to pay an impact fee?
Scott Hoffman: No.
Vincent Tala: If I build a new house, do I have to pay an impact fee?
Scott Hoffman: Yes.
Vincent Tala: Are there that many new houses going up in town to justify your estimate?
Scott Hoffman: We use 20 homes per year, based on some advice that we got from the Town Hall.
Unidentified Speaker: Each year for 30 years.
Scott Hoffman: Right.
Vincent Tala: Mr. Mayor, how many new homes have gone up in the Town of Milton in the last year or two?
Mayor Newlands: We had over 15 last year, we have 12 under construction right now.
Unidentified Speaker: So we never met the 20 that he's estimating to base his calculations on?
Mayor Newlands: We're using 20 as an estimate for our budgeting purposes, for our town budget, and we're at 12 right now; 12 homes under construction and we're not even half way through the budget year; and we have developers telling us that they're expanding developments in the next couple of months. They're coming in with plans to do that and they're going to do aggressive marketing.
Win Abbott: Sir, just to help you out further. The State of Delaware has a demographic analysis, it's done on a regular basis to project these things. It's called the Delaware Population Consortium. Delaware Population Consortium has broken down the estimated growth rate for

the next rate for the next 15 years, by county, non just state-wide; and for Sussex County at an average occupancy rate of 2.5 persons, per home, this particular factor is validated for the Town of Milton.
Unidentified Speaker: So a legitimate number to use here would be 10 or 15.
Win Abbott: Twenty is almost dead on. And, once again, that's supported by the Delaware Population Consortium. Anybody can Google that particular term and bring up the Excel spreadsheets that have been prepared for that particular purpose; just divide it by 2.5.
Scott Hoffman: Okay, the Mayor has asked that we move on to the next part of the presentation, so can I ask...
Unidentified Speaker: We still have questions.
Mayor Newlands: Your questions may be answered by the end.
Unidentified Speaker: Then people should wait.
Unidentified Speaker: This gentleman right here's been waiting.
Scott Hoffman: It's up to you, what you want to do, Mr. Mayor.
Mayor Newlands: If you feel that the questions might be answered in the next half of the presentation...
Scott Hoffman: That's what I've been trying to do.
Councilwoman Jones: I do have a question about this portion. What is the height of a half a million gallon water tank?
Scott Hoffman: I don't know what the height of the existing tanks are, off the top of my head. It's over 100', isn't it Allen?
Councilwoman Jones: Okay. Is there a new water main loop required for each new storage tank; since those are the two that cross the river, correct?
Scott Hoffman: No, what's been done in the town over the past ten years or so, is to replace some of the older mains along some of the main thoroughfares and to build some new water mains to create an existing large diameter water main loop that's 10 and 12" piping that goes all the way around town. What you want to do is connect your new storage tank to that loop, because that allows the water, basically, to get anywhere in town easier. That's the simplest way of saying it.
Councilwoman Jones: And vice versa – the north side is moving to the south side by these same loops?
Scott Hoffman: Well the idea is that loop goes all the way through town. Every connection that you make across the river strengthens the loop and strengthens the connection. It makes it easier for the water to get from one side to the other, basically.
Councilwoman Jones: Another storage tank question. I do see here that under-ground alternatives are allowed. Could you comment as to why the Fire Marshall would enter in an opinion that states that they're too expensive?
Scott Hoffman: Well that's in the next part. I'm going to talk more about that.
Councilwoman Jones: My last question for you then is what does the schedule look like now if, by your statement, we've missed the April funding as the loan deadline? Can you tell me what that schedule looks like now, if it's shifted?
Scott Hoffman: Well, I can't tell you when the start date of the schedule would be, because that is going to be depending on if the Referendum goes forward and how you do your funding. What I can tell you is that it will take approximately two years from that time until you have something constructed and ready to use.
Councilwoman Jones: But from the time if you have a positive Referendum, to the time you went looking for your money and loan closure, what is that approximate time?

Scott Hoffman: From the time of the Referendum until you have funding – we don't know at this point, because the original funding package that was in place; and we'll talk a little bit more about this, the town was bypassed because another town had a water quality need and were ready to go to construction, whereas you were not. That's why I provided the schedule of two years, to show how long it would take. But we don't know at this point, when you can start yet.
Councilwoman Jones: Thank you.
Councilwoman Hudson: I have a question about this section, if I may? Could you please turn to the slide that says Annual Loan Payment and then I'll ask my question. My question is to Heather Warren. At the last meeting I read into the record part of your letter. I have a letter here addressed to you from Wilmer E. Abbott, IV and it says "It is anticipated that on January 9, 2012, the Milton Town Council will pass a Resolution that affirms support for and defines the scope of the project." And then on January 11, 2012, you wrote back to him. "Dear Mr. Abbott. On January 9, 2012 I attended the Town Council Meeting and it did not appear as though this happened." And further down in your letter, you wrote "I encourage the town to reapply for funding once the final location for the wells, storage tank and treatment plant have been finalized and design work will begin." My question is, this appears to me, from these two letters, that it wasn't as Mr. Hoffman said, a town... Simply... There may have been a town that was shovel ready, but from this documentation, it just appears that because an agenda item was not on the agenda, you came all the way down here and sat here in the Council meeting anticipating that January 9th there would be a Resolution to be voted on; and because of the town not having that motion ready to go, we're looking at a 65% yearly increase. Did you actually take our names off the town list because Mr. Abbott did not put the agenda item on January 9th?
Heather Warren: I took the Town of Milton off the list because there was another town that had already passed the Referendum and was ready to proceed with construction.
Councilwoman Hudson: Passed the Referendum.
Heather Warren: Yes. They voted. Everything's ready. They're going to start in the spring. Construction. Not just planning and design.
Councilwoman Hudson: Okay, but you didn't mention that in your letter, you mentioned about the "January 9th I attended the town meeting and it did not appear as though this happened." And what you were referring to, was a Resolution; to pass a Resolution.
Heather Warren: That's correct.
Councilwoman Hudson: Not a Referendum. A Resolution. And we did not have the Resolution on the January 9th agenda.
Heather Warren: My recollection is that you didn't talk about the water project, at all, on January 9th.
Councilwoman Hudson: Exactly. Because there was nothing on the agenda. Had there been something on the agenda January 9th, would you have delisted the Town of Milton?
Heather Warren: I can't say that, because the other town is ready to go. They've already voted.
Councilwoman Hudson: Yeah.
Heather Warren: They have a public health issue and they're ready to start construction. I have to get money out on the street and put people to work.
Councilwoman Hudson: What if while you were sitting here and the Resolution had been on the agenda, would we still be looking at our first application?
Heather Warren: I would say we would be in the same spot we're in right now.
Councilwoman Hudson: Okay, thank you.
Heather Warren: You realize that this action doesn't put you to the higher price on this slide. You

pointed at the slide, I just want to make that clear.
Councilwoman Hudson: Okay. One other question. When we put our application in again, will we be prioritized to the top of the list?
Heather Warren: All the applications will be ranked, according to our criteria, which I've shared with Scott and the town and you'll be scored accordingly.
Councilwoman Hudson: Okay, so there's no guarantee we'll be prioritized? Okay. Is that what you're saying? We're just in there with everyone else?
Heather Warren: There's...
Councilwoman Hudson: Okay and will it be based on the 2010 Federal Census, rather than the 2000 Census? I mean, so basically the terms will be changed, the timing will be changed?
Heather Warren: If the Census is complete for all of the other communities, yeah.
Councilwoman Hudson: So we really missed the boat here.
Heather Warren: I will say this. Town's drop funding all the time, so I might have a list of 15 projects and four of them, and this is the truth; three of them have dropped off in the past two weeks. So it's not as though Milton has been thrown in the trash, never to be thought about again and I told Scott and the Town Manager that if there is more money that becomes available, certainly I'm going to put Milton back on the list.
Scott Hoffman: Right. That's part of the next part of the presentation, which we didn't get to yet.
Councilwoman Hudson: Thank you.
Heather Warren: You're welcome.
Scott Hoffman: I'm not in charge of picking, so.
Unidentified Speaker: I just have one question. We talked about, briefly, in the last meeting and on the bar chart you have, I think, 650,000 gallons; I forget quite... Now is that based on billed gallons or pumped gallons?
Scott Hoffman: This is, as it says on the slide, that's based on the town's pumping records.
Unidentified Speaker: Okay. And didn't we say at the last meeting that there was a gigantic glitch that nobody seemed to know about?
Scott Hoffman: There is a large discrepancy that I have in the next part of the slides; some additional information on that; that's what people asked for last time.
Unidentified Speaker: So in other words, this 650,000 is a number that we're not 100% sure of or not, because we're pumping considerably more than that?
Scott Hoffman: That's based on the pumping records. No, we're not pumping more than 650,000; that is the actual amount that's pumped.
Unidentified Speaker: Okay, but there's a discrepancy and you're going to explain that somehow.
Scott Hoffman: I'm going to present the facts of the discrepancy and what the town is trying to do about that.
Unidentified Speaker: Okay.
Ginny Weeks: I have a couple of questions. First, how many days a year did we reach 650,000 gallons?
Scott Hoffman: That's the peak day.
Ginny Weeks: That's only one day.
Scott Hoffman: That's the maximum, what they call the maximum day. Now, I don't have all the spreadsheets with me. There are other days that you were 600,000. There are other days that you're at 500,000. It goes up and down.
Ginny Weeks: Well since that was only day, would it be possible off those spreadsheets that for Wednesday night you could give us the median amount of gallons per day, rather than the

average? Because that 650,000, if it's one or two days a year, is going to throw it off; and a median would be better.
Scott Hoffman: Not in terms of size in your storage, because you have to provide fire protection for all times.
Ginny Weeks: Have you addressed the fact that we can get water out of both of the ponds and that there are dry hydrants in town?
Scott Hoffman: I can't address that issue, without having the Fire Department here. The fire prevention regulations require you to have your water available through your water system.
Gene Dvornick, 511 Chestnut Street: I'm Deputy Fire Chief here in Milton. Most of the dry hydrants you see do not work.
Ginny Weeks: Okay, thank you.
Gene Dvornick: They're filled in with silt over time and there's really no way... We do not rely on the dry hydrants, because of the silt that has filled in over the years and there's no way to backwash it from the street, back into the ponds. We have used the Wagamon's Pond, at least once, for a fire when King Cole was being torn down and we had to have pumps all the way along from Mulberry Street up across Chestnut Street and that was us throwing our own pumps into the water.
Ginny Weeks: Thank you very much. The other thing I wanted to ask you was that in 2007, CABE Associates did an extensive study and a report on the water facilities. In 2007, the town added 77 homes and in 2008 about 50 and since then there's been a steady decline. The 2007 water study contained a table with average daily use projections until the year 2028. CABE Associates projected that if the town added 150 homes, per year, the average daily use for 2011 would be 388,000 gallons. We have not come close to adding 600 homes, between 2007 and 2011; yet we are told that our 2011 GPG was 350,000 gallons. How come the estimates are so far off or what happened, or is it the 11,000,000 missing gallons that's making that up? Because how do we know we really need to know this, until we know what we're actually using. Is the 11,000,000 gallons going to farmland or to beer bottles or to a sewer treatment plant? That's 122,000 gallons a day. That would be a sinkhole the size of the town if it were leaking from our pipes.
Scott Hoffman: You would expect to see that much water coming out someplace. You're exactly right. That's why, and I'm going to talk a little bit about what Allen's doing to try to determine what that number is.
Ginny Weeks: Well until we know what the number is, how can we vote on whether or not what kind of a facility we have and what we need, until we have accurate usage numbers?
Scott Hoffman: The numbers that I have to make recommendations right now are the town's pumping records.
Ginny Weeks: Yes, that's 122,000 gallons a day too much, considering the 11,000,000. So how do we know what our right numbers are? That's what I would like to know.
Scott Hoffman: What I'm going to explain is how Allen is working to resolve that situation.
Gwendolyn Jones, 204 Atlantic Avenue: Thank you. I'm sort of new to this and I would like some information and you'll pardon if I don't feel a little rushed into something like this. The peak gallons and the usage... Is there an idea as to how much of this 650,000 gallons is due to people using things like watering the lawns, washing the cars and is the peak quarter say during the summertime; isn't it probably going to be the majority of it?
Scott Hoffman: I have a couple of slides in the next section about seasonal water use and the irrigation numbers.
Gwendolyn Jones: Okay, thank you, and I'd love to see that. My problem was and I already

looked the last time I spoke before some of the people here, was that wouldn't fast tracking some of the agricultural wells take some of that peak load off of the town and alleviate at least perhaps, alleviate the need to sort of rush into things like this, without more information known?
Scott Hoffman: I'm not sure what you mean by agricultural wells?
Gwendolyn Jones: Something drawn out of the ground to feed your in ground irrigation system or things that are used that are not requiring it to be treated and not requiring to run it back through the sewer system.
Scott Hoffman: The town code right now does not allow you to... Irrigation wells are installed on a case by case basis.
Gwendolyn Jones: Well that's what I'm talking about, son. When I first moved here I had under-ground irrigation on my property and I was told that I was not going to be able to put agricultural wells in and this is probably not for you, so much, as it is for the Mayor and Council and things like that. The Town Code is something that can be changed if people want to do that. So far, I'm not feeling too happy about taking water that I could drink and then sprinkle all over my lawn and paying a whole lot of extra for it, even if I'm not being charged the sewerage costs; I'm paying for the treatment and supply of it and I think that probably is a big influx and aside from the 11,000,000 gallons of water that we don't know where it's going; also people wanting to mow their lawns, wash their cars, fill swimming pools, etc., etc. This is probably during the summertime when it's nice and hot and we're trying to keep our grass from dying.
Scott Hoffman: Right, well I'm going to show you how much water that is according to the well pumping records.
Gwendolyn Jones: There are too many valuables in this [garbled]. Thank you.
Scott Hoffman: You have to remember if everybody decides that they're going to put in irrigation well, they're all drawing from the same water supply that the town's using for your domestic water supply; so all those wells affect everybody in town.
Gwendolyn Jones: Except it's not running through a system that we're having to pay how much for? Because of the peak gallon usage that we've got too many unknowns about. Thank you.
Scott Hoffman: That gentleman has been waiting a long time and I apologize.
Michael Cote, 304 Gristmill: This goes back to the $3.45 million budget. You had a little slide up there which showed three or four line items which make up the budget and which one of them, I guess it's in the elevated storage tank; the $1.350 million; does that include the cost of the land?
Scott Hoffman: That does not include the cost of the land.
Michael Cote: Okay. Well, I guess the next question is going to come up somewhere. If this is under negotiation, do we have a clue what the land is going to cost. I mean they bought 40 acres for about $3.5 million. If you have to buy an acre or two, that adds another good chunk on that.
Mayor Newlands: We've put an offer in on a Fair Market Value for the land and it's about an acre of land and it's nowhere near what you're thinking of as far as $120,000 for the piece of property; it's not, so there's an offer in there that we made to Dogfish and it's really a nominal amount of money. It will come out of the loan and it's contingent on whether or not... Actually, there's no contract yet; there's only an offer in. That's right. There will be contingents in the contract based on the studies and the drilling of wells and the test wells that we drill.
Scott Hoffman: Yes, the question was is it in the $1.35 million and the answer is no, because that's the quote that I got from the tank company. It will have to be in the $3.45 million.
John Booros, 115 Broad Street: Let me ask you a question. Did you not say at one of these

meetings I attended, or was I on drugs that day or something, that we were going to shut down the water tower behind Shipbuilder's and sell it to maybe another municipality and use a portion of those proceeds to offset the $3.45 million.
Scott Hoffman: That is in the facilities plan as a...
John Booros: Did I hear that in one of your presentations?
Scott Hoffman: Yes, you did hear that.
John Booros: Okay, because I've heard people tell me that no, that was never said and I remember hearing it in this room.
Scott Hoffman: Well, let me restate what it says in the facilities plan; is that at some point you're going to need an additional storage tank; beyond what we're talking about here. I think I said that earlier. At that time, when you build that, you could sell the Shipbuilder's Village tank because it's so small. And you don't want to end up with four storage tanks, if you can avoid it, because that's additional maintenance costs. So you size your future tank to be large enough to take over that volume and you sell that tank to try and recover some of that money.
Unidentified Speaker: [Unintelligible.]
Scott Hoffman: If the water system continues to grow, you have to add additional storage; we're talking about something that's in the future that we can't project when it would happen.
John Booros: Then you wouldn't be selling that tank now?
Scott Hoffman: Not now.
John Booros: Okay.
Ginny Weeks: One last question, when you made your presentation, does this include a water main going up to Key Ventures?
Scott Hoffman: No.
Ginny Weeks: Because that's something the developer should pay for, the town shouldn't be paying for that.
Mayor Newlands: That is correct. The developer should pay for that.
Scott Hoffman: One of the slides had a tower out at Key Ventures and we picked that location because then the town could take advantage of the fact that somebody was going to be building a water main out there and they wouldn't have to pay for the whole thing. So that was the idea behind that. Alright, I think I'm moving onto Part 2. Okay, so these were the major items that I heard at the last meeting. Tell us more about the seasonal water use and the irrigation and how does that effect these charts that you're showing that shows how much water use we have. Explain more about the need for the storage and explain more about alternatives for storage. Talk about this issue of the fact that you don't have the same meter readings every quarter, as you do the pumping records and then the other issue, which we've talked a little bit about was the funding process and where we are at there. This graph shows just average water use per month from last year and you can see a seasonal increase that starts in May and goes to, we'll say, into August and September. Now last year, I checked the precipitation amounts, to give you a frame of reference. Last summer was a dry summer, except for the month of August and in fact, if you look at May through September, the amount of rainfall was below normal. Now what this amounts to, if you look at your average demand in January through April and then say October through December versus just in the summer months, in the summer months you're using 81,000 gallons per day more. Now that includes a lot of the things that somebody mentioned, irrigation, car washing. You have some seasonal residents, so just them coming in the summertime and living here in the summertime increases your water use in the summertime; so that average water use during the summertime is higher, it's around 400,000 gallons; I forget the exact figure. I apologize for that. The other bit of information that we have is some people

have dedicated water meters for irrigation. Based on the second and third quarters of last year, that amount was about 40,000 gallons per day in metered irrigation. That's people with dedicated irrigation meters. Now to give you an idea, if you hook a hose up to a sprinkler and you use about five gallons per minute, if you run that for two hours, if 60 or 70 people do that, you're going to get that amount. So depending on how much people are irrigating, the actual irrigation number may be closer to the 81,000 gallons than the 40,000; just want to be able to say that not all irrigation comes from the metered water use. So the need for the storage – what I wanted to do was to kind of go back and take a quick look at the regulations and the standards that are used to determine how much storage you need and it starts with the State of Delaware Drinking Water Regulations and under that there's two standards and regulations that fall. One is the Ten State Standards. That's a standard that's used in many places. There's America Water Works Standards. This is a national organization that creates standards for public water systems and public water supply and then you have the State of Delaware Fire Protection Regulations. So the Drinking Water Regulations, in the bottom paragraph, these are excerpts out of the regulations; this is where we get our information. You can see I've highlighted Ten State Standards and AWWA Standards. Ten State Standards says about storage facilities, they should have sufficient capacity as determined from engineering studies to meet domestic demands and where fire protection is provided, fire flow demands. For small water systems like Milton, a good figure to use for your domestic demands, is to have your average daily flow available as storage. We're going to see why that is. In terms of fire protection, this is out of the Fire Protection Regulations, you need to provide some required foil; that's based on your uses in town. For Milton, that's 1,500 gallons per minute. Times of Duration – that's two hours. Times this fudge factor of 102%. All that water has to be available above your domestic demand capabilities, so that's...

Unidentified Speaker: [Unintelligible.]

Scott Hoffman: Yes. You have to provide fire protection throughout town and maintain a residual pressure of 20 psi while that fire is happening; everywhere in town. So the domestic demand is 360,000 gallons, is the same slide we looked at before; that's based on your pumping records and your fire flow is 184,000 gallons; the two added up result in 544,000 gallons. Some people asked about alternatives for storage. We talked a lot about the elevated storage tank; there's also ground level storage tanks; and there's also under-ground storage. I think one of the Council Members asked and she's not there now. So I asked the Fire Marshall about under-ground storage, specifically because I didn't know if they would allow that or not. As far as I know, there's nobody in Sussex County that's using that at this time. And, yes, it's allowable. However, this is what the Fire Marshall told me. Any kind of storage tank, elevated or ground level storage tank; you have a way to measure the amount of water that you have in that vessel. What they would require, if you were going to have an under-ground storage situation, is a hydro-geologic investigation every year to verify the capacity of water and that's your flow rate and the storage capacity. Now obviously there's a lot of water under-ground, but that's an expense that you would have to have every year in that scenario. And they told me they discourage towns from building that, because of what that expense is. Now, all I'm doing is reporting what they told me. So I want to get in now to looking at how the water system works. I think somebody had a question about that and elevated versus ground level storage. So what you're looking at here is a schematic of the water system in town; at the bottom of your slide there, you have your three wells; Wells 2, 3 and 4. The way that they work is two of the wells run at a time; they provide a blended water supply that allows you to meet your Drinking Water Quality Regulations. Those two wells running combined, can provide about 510 gallons per

minute; that's what they're designed to run at. All that water goes through the water treatment building; that's on the left and enters into the distribution system. Now the distribution system is where you see your demand; that can be anywhere from zero; although that probably doesn't really happen; up to your fire flow of 1,500 gallons per minutes, plus your peak water demand; your peak hour of another 1,500 gallons per minute; so that means sometimes, if there was a fire and this is what the regulations require you to provide your fire protection flow during your peak demands, you could need up to 3,000 gallons per minute. Your wells don't provide 3,000 gallons per minute; they provide 510 gallons per minute. So where does all that water come from? It comes out of the storage tank. The purpose of the storage tank is to provide those peak water demands and to provide the storage for fire protection. The most efficient way to run the water system long term, the least expensive way, is to size your wells where for average flow and to provide storage to provide your peak flows. So this is the same slide, but now we said, okay, we're not going to build anymore elevated storage; we're going to build ground level storage tanks, because it's cheaper. And that's true. A ground level storage tank is going to be cheaper than an elevated storage tank of the same size, if you look at the capital costs of the project. So we have our 510 gallons per minute; we have our up to 3,000 gallons per minute; but the problem with the ground level storage tank is it doesn't provide any water pressure. You need to have that residual 20 psi and from your ground level storage tank, the water's not going to flow to your house without some additional help. That's where that pump comes in. You would have to have an additional pump to pump the water out of the ground level storage tank and that pump needs to be up to 3,000 gallons per minute, because it needs to provide that peak water flow. So the scenario of looking at the ground level tank versus the elevated storage tank, means that you're going to need additional pumps. You're going to spend additional money on running those pumps and they need to be sized for your peak flow...

Unidentified Speaker: Are you going to put in additional pumps, anyway?

Scott Hoffman: Only additional wells. This would need additional pumps and wells. Wherever those... We have to hold questions to the end in order so Robin can do the actual transcription of all this. The other thing is, let's say, okay, we're not going to have any storage tank or ground level storage tanks; we're going to pump all of our water out of the ground. Well then you need enough wells to provide 3,000 gallons per minutes. They all have to be sized to do that and then your entire water treatment facility has to be upgraded to be able to treat that 3,000 gallons per minute flow; that's your chemical addition; the generator and everything would need to be larger. So this is the exact kind of system that we're talking about with the ground level storage tank. This one happens to be for a sub-division with a couple of hundred homes and you can see your ground level storage tank; there's your small building, which is probably about the same size as your water treatment building now; your emergency generator; and then you can see the pumps and the piping. All these pumps, if they're for fire protection, have to be rated for fire protection; UL listing, that they would not have to be, that they were not dedicated fire protection pumps and you need to have back ups for everything if it's for fire protection. The system becomes more complicated than it does with the elevated storage tank. With your elevated storage tank, you pump the water into your distribution system; it goes into the storage tank and when you want to get the water out for a fire or whatever, you just open a valve. It comes out by gravity; there's no electricity; it's very simple and reliable because it relies on gravity. These kinds of systems are used, they get used a lot in Sussex County for sub-divisions and places that are connected to central water systems where they have their own little water system; but they are more complex. This is what AWWA has to say about elevated storage, "Provides the best, most reliable and most useful form of storage, particularly for fire

protection." This is what they say about ground storage, "Expensive. Uses additional electric power and requires extensive operation and maintenance." Those things are, again, your long term costs. Electricity you pay for forever. Gravity you do not pay for at all. The additional capital costs for pumps, generators, etc. increase the cost of a ground storage system. So you could look at a ground level storage system, determine your operation and maintenance costs and do another one of those life cycle cost analysis, but if you look at the communities around you, you will see that they rely on elevated storage because in Sussex County that is the thing that works very well. Ground level tanks are limited because, as I said, you need to have that built in pumping capacity for peak demands and you have to maintain standby equipment at all times. So you may be asking why even have a ground level storage tank, at all? They work very well in hilly areas, because you can build a half a million gallon ground level storage tank; if you can put it on a hill, you have the same thing as your elevated storage tank. You pump the water up there and it comes back out; you don't need any pumps. The other places where they get used a lot around here, is for single facilities or for sub-divisions which have their own water supply. There's also the potential of looking at increased design costs. For both of your tanks, you would need to do some kind of geotechnical investigation in the foundation design, but in elevated storage tank the design specification is pretty simple. It's a brief specification and usually a single plan sheet that shows them what to build. For a ground level storage tank and building, you're going to have a much thicker bidding package, which means you're going to have a more complex electrical engineering, structural engineering, mechanical design. It's going to be more expensive to design, than just an elevated storage tank. Another thing that was brought up was the cycle stop valve and the statements that were made were that it is new technology and I stated at the meeting that I didn't know what it was. And I didn't know what it was. I had never heard of a cycle stop valve. So I took the literature back and took a look at it and as it turns out, it is a kind of valve that is a constant pressure valve; it maintains system pressure. So what I did was, we actually have a catalogue in our office; multiple ones of people that make the same exact thing. It's not a new technology. I called a sales rep that I know; he works for a company called Clay Value and as it turns out, they actually sell the valve bodies through Cycle Stop; so these things are not anything new. What they are used for is to reduce pump cycling; that's your pump turning on and off a lot, which if you know anything about pumps, that can damage a motor, turning it on and off a lot. It's not really a replacement for storage in every water system. The sales rep told me that they use them a lot in Texas, where this company is from, for irrigation systems and for small water systems and it would increase your pumping costs. So this is right from Cycle Stop's website. This is a chart recorder and if you see where before Cycle Stop is pointing, that red line, that's the pump turning on and off right there. If you see after Cycle Stop, that red line now looks like a single line that goes all the way around. What they're doing with the Cycle Stop Valve is throttling the output of the pump and letting it run all the time, instead of letting it shut off, on and off. Here it ran 300 pump starts per day, which is a lot and that can damage your equipment, shorten the life. This is a chart recorder that we installed at the town's water treatment plant a couple of weeks ago and I have highlighted Wednesday and you again see that red line; those little blips; that's the pump starting. Three times per day. It starts three to four times per day during this entire week. So you do not have a pump cycling problem with your facility. Your pumps actually run, on average, based on last year's data, average 11 hours per day. Now during those peak days, they run a lot more, 18 to 20 hours they ran, I think, the longest time that I saw. So the way the Cycle Stop works, I was trying to think of an analogy and the best thing I could think of is, if you go out and you say I'm going to water my flowers today, you hook up your hose through your sprinkler

and you set it by your flower bed and you turn your hose bib on and you get a lot of water coming out of that sprinkler and it goes over a big area. In my house, it goes out in the street, on my driveway and everywhere and I'm on a private utility, so I'm paying a lot more for water than you guys; so what I do is I close that hose bib and it causes less water to flow to the sprinkler. That's what the Cycle Stop Valve does automatically, but it basically means that you're pumping water all day. So instead of you pumping your average flow, have it go into the storage tank and then come out when you need it, you're running those pumps all the time. You've basically just increased your electrical costs, by having to run the pumps all the time. You would need additional pumps, because they're going to have to pump that 3,000 gallons per minute and it just does not work well in situations where you have an elevated storage tank to provide that peak pumping capacity. It does have a use, but it's not here. Somebody mentioned connection to Ellendale. Ellendale does not have a public water system. Several years ago they were... Not even several years ago, a couple of years ago, they were looking at a water system. They were actually looking at trying to connect to Milton at one point, so that really is not an option; it's far away and it would be very expensive to build a water main over to Ellendale, even if they did have a water system. So, I'm not even going to go any further into that. It's basically not an option for the town. I promised we would talk about the information about how much water is pumped and metered. This is from information I was provided by the town. In the fourth quarter of last year you pumped 29.4 million gallons. You actually metered in all the water meters 18.1 million gallons. That's the difference of the 11 million gallons. Typically a water system and I asked when we met with Heather last week; somebody was there from Delaware Water, I think I mentioned that earlier; I asked what do you usually see in water systems, unaccounted for water; 10-15% is what he told me. The DRDC stands for Delaware River Basin Commission; that is the agency that regulates what's called your water allocation permit; or how much water you can pull out of the ground. They would like to see that number under 15%. Well, obviously we're above 15% here and that is a problem. What the town is doing now, the first problem is we have some issues with water meters; there's 14 meters that they know don't work; there's facilities without meters; some churches, the Volunteer Fire Department, the Police Department. There are homes which have meters that don't work. This is information that I got from the town guys and 94 of the old manual read meters; these are some old water meters that probably are not reading the correct amounts. So in order to narrow down this discrepancy, these issues have to be addressed to help get us back in line with what the correct number should be. So there's some potential here in not only making that discrepancy lower, but capturing some revenue which is not being captured right now. Some additional money coming into the water system account. I mentioned Delaware Rural Water a couple of times and Allen is going to be talking to them. They have equipment and the town's part of Delaware Rural Water Association; they have equipment that they can bring out to help do leak testing, to find out if we do have some leaks that aren't visible on the ground and Allen is also working with some water audit software that's available from AWWA; to try to help pin down what some of the problems could be. So this slide, we went over this a little bit; we did meet with Heather about two weeks ago. She indicated at that time that the town had been bypassed for this other community. She also indicated what she said tonight, that some money may become available out of the current funding cycle. One of the other things that we brought up at that meeting is people requested that there be more specific loan terms in the Referendum. The State is telling us that that may not be a good idea. If you have specific terms in there and you happen to get better terms from the State, when you get to closing your loan, you wouldn't be able to accept those. So that's where this idea of establishing a maximum amount and trying to

provide you all with what that means in terms of user rates, based on that maximum amount, that's where that idea comes from. I'm going to stop talking, because I ran out of water here. I ran out of bottled water.
John Booros: My question to you is are the two existing water towers not enough above-ground water pressure to suffice for the Fire Department; and an on ground storage tank for our domestic usage wouldn't... I mean, we have two towers, so you can say we need so much allowable for the Fire Department up above the ground. We already have it up above the ground. Doesn't that take care of the Fire Department?
Scott Hoffman: The problem is that if you put in additional storage, that's going to have to get everywhere in the distribution system; that means you're going to have to install pumps to be able to do that.
John Booros: That's not the question. The question was does the existing above-ground water towers take care of the requirement by the Fire Department?
Scott Hoffman: Not really. The answer is it does not, because if you put additional storage in, that water has to meet the fire protection regulations. Let's say one of your storage tanks was down for maintenance. That means that water is not available for fire protection, so you relying on the above-ground tank to do that and you need to pump it out.
Louis Sgro, Cannery Village: I would just like to know and maybe I just misunderstood. From the Assistant Fire Marshall, did I understand that none of the fire hydrants in Milton work?
Gene Dvornick: What I said was the dry hydrants; if you go like at the causeway at Wagamon's Pond, you'll see a white PVC pipe about 6" sticking up; we won't hook up to it.
Louis Sgro: Alright.
Scott Hoffman: I will say that there are places that have ground level storage tanks, but you need to look at the specific instances in which they use them.
Mayor Newlands: Scott, on the ground level water tanks, what percentage reduction would that be on the total cost of the project? It would only reduce the $1.350...
Scott Hoffman: The actual tank would be cheaper, but you have to remember that now you need to install that building that I showed you; you need to install those pumps; you need to install that piping; so that's going to make the cost of the ground level storage tank option go up. Now, that's something that can be looked at, but our recommendation is based on what is traditionally used in this area and which works well and that's elevated storage.
Mayor Newlands: Right. Rehoboth put up an elevated storage a couple of years, a year or so ago.
Scott Hoffman: Right. Now remember, with the above-ground tank, you're going to be paying to pump out of that; you're going to be paying for that electricity forever.
Keith Major, 525 Union Street: I'm not arguing with the fact that the system that you're promoting here, the raised tank and so on and so forth; isn't the best. I'm not convinced that we need the whole thing at all. I'm just not convinced that we need to put this in at all yet. I'm not saying that the system that you want to put in isn't the best way to do it, but you haven't convinced me that we need to do it.
Scott Hoffman: By regulation you need the storage. I don't know how else to convince you. I tried to provide the regulations tonight to show some additional information as to why.
Sam Garde: The amount of elevated storage you need for fire protection, assuming we're going to do that, you have a number, it's 185,000. If we have 225,000 in the air, you have that covered. I believe that was the point made over here. In order to service the rest of the system, not in accordance with the regulation, but in accordance with the recommendation; you need to do something else. Let's be clear on that. The fire protection is regulatory. You need to protect that,

that's 185,000; we've got that in the air; we're covered, provided we can meet whatever we want to meet in terms of AWWA Standards some other way. Okay? So at least that's the way I analyze it and I don't believe you can get the arithmetic much different; 225,000 in the air; 185,000 required for fire; you can cover fire with what's in the air.
Mayor Newlands: Scott, isn't 185,000 additional, over and above what we have and use?
Scott Hoffman: In terms of storage volume there's two numbers. Your average daily flow and then the 184,000. Okay, that's a volume number. The other thing, which I didn't discuss tonight, because it's complicated, is providing adequate water pressure. Your ground level storage tank does not provide enough water pressure to get water... If it's on the south side of town, it's not going to go very far; you have to get that water into the system. That means pumping it out at the water system pressure.
Sam Garde: My only comment on that is it depends on the elevation of the tank. As you said before, in order to get these three tanks to work in unison, you need the upper level of the water to be approximately the same. Now don't discount the possibility of a ground level storage tank at the site you have selected, because the elevation of that site is significantly higher then the elevation of the marina site and therefore a ground level storage tank, if the top level of the water in the ground level storage tank, is approximately the same as the water level in the marina storage tank; that ground level storage tank would not require all this additional pipes and pumps and valves and falderall that you're talking about – about a ground level storage tank at the same level as the existing tanks.
Scott Hoffman: Well, you're correct, if you could get it at that level, you would be correct.
Sam Garde: No one has taken an elevation to decide at the site you have selected, what that elevation is; and I just do it by eyeball and that elevation is significantly higher then the elevation of the marina and that's done by Sam Gard'es eyeballing his subject to verification by instrumentation; but I'm rooting for a ground level storage tank of sufficient capacity at an elevation that will work with the existing tanks; without pumping and valves and generators and falderall.
Scott Hoffman: Well, what we can do Mr. Mayor, is provide the elevations at the two sites; the height of the elevated storage tank above grade over here at the marina and compare that to what the elevated would have to be at the present site that's being looked at.
Mayor Newlands: That would be fine. Thank you.
Allison Howes: I guess I'm a little confused about what this lady in green was saying earlier. Let's just say the Referendum goes through and so what happens with the loan process, if she's saying that we've been dropped off the list and all these other things?
Scott Hoffman: Well, the Referendum and the loan process are two different things. Okay, the Referendum is a requirement of the town Charter. So in order to do a project of this size, you have to have a Referendum; in order to be able to borrow the money. The next step is to get the money and what she's telling you is that your current funding, which you were allocated, has been bypassed because another community had a more pressing need and they were ready to go to construction. Now the other thing that she said was that, that was last year's fiscal year. That was FY2011. I believe they are in FY2012. So other communities the next year after you, that went through the same process you did. Remember, we did all that last January. So other communities have since gone through the process and are now on this year's list; but those communities are starting to fall of the list. So you may be able to move up and get money that somebody else wasn't going to get.
Allison Howes: My question then is, are we waiting until this money is available in order to start the construction?

Scott Hoffman: If that money would not be available, you have to reapply through the SRF process or seek some other kind of funding mechanism.
Allison Howes: Okay, that's my question.
Mayor Newlands: We're not going to do the project without loan money. We're not going to fund it from the town funds and then hope to get a loan.
Allison Howes: No, but then are you going to go the bank then and get a 10% loan or something?
Mayor Newlands: No. No. We're going to look at state funds.
Scott Hoffman: A lot of this project, many of these projects, are done through the SRF process, because they give you very good financial terms.
Allison Howes: So the thing is then we wait for the money to be available?
Mayor Newlands: We have to finish the Referendum first, because we will not be put on the list for money, unless we have the Referendum.
Allison Howes: I'm just saying, assuming that the Referendum goes through... I mean, because my vote... I'm not going to vote for a 10% bank loan. You know what I mean? But if we're waiting for funding from state funds that may have fund forgiveness, loan forgiveness, those kinds of things, that's going to affect my vote. Do you see what I'm trying to say?
Mayor Newlands: And that's the place we're going to for the money, the places that can do that; and that's the State Revolving Fund.
Scott Hoffman: One of the problems has been that the town did submit their application; they were on the priority list for $3 million whatever it was; and were not able to get through the Referendum process until now, so they're not deemed ready to go. Having the Referendum and a commitment from the town, is one of the things that the state is looking for to say, okay, we're going to provide this money.
Allison Howes: My question was, if the Referendum went through, were we going to wait for this money to be available or are we just going to just go out and get money from somewhere?
Mayor Newlands: We're waiting for the State Revolving Fund because of the benefits that we get from them, the State.
Allison Howes: Thank you.
Vice Mayor Betts: What she's asking is will the project go forward if the Referendum passes and the money is not received. I understand. Is that right? You want to know if we're going to go with the project regardless of whether we get the money from the state.
Mayor Newlands: There's a closing process to this loan and unless we do a closing on the loan, we're not going to do the project.
Vice Mayor Betts: Well that's what I think she wanted to know.
Mayor Newlands: Right.
Ginny Weeks: Does that mean that the Referendum that you're writing will state that this loan will come from the state?
Mayor Newlands: Yes.
Ginny Weeks: That will be in the Referendum that we vote on?
Mayor Newlands: Yes.
Ginny Weeks: Okay. The other thing I have, in your own statistics back in 2007 for the 150 houses per year added, you allowed 240 gallons per day, per house.
Scott Hoffman: Right. Per EDU, actually.
Ginny Weeks: Per EDU.
Scott Hoffman: Right.
Ginny Weeks: Okay. If you go back to the piece that you put up about churches and this and

that, if you take 122,000 gallons a day, that's missing and divide it by 240, that means 509 meters are non-functioning.
Scott Hoffman: Well, I can tell you that I looked at the discrepancy; I looked at the current average water use of 350,000 to 360,000 gallons per day and divided it by the total number of EDU's and it was 250; right around 253; a little bit higher than it was in 2007.
Ginny Weeks: Well then where's the 11 million gallons going?
Scott Hoffman: We need to get the meters fixed first, to figure that out; that's part of the equation.
Mayor Newlands: We do have some meters in some situations that won't even register a toilet flush.
Ginny Weeks: Yeah, but there aren't enough of them to make up the amount of water missing on a daily basis and so what I'm asking is why are we having this rush to judgment for a Referendum; why not do it July when we know how much water we're using and where it's going and where it's gone to? Do it before you apply. So why now?
Mayor Newlands: This project started in 2007. We're not rushing to judgment. Was it 2005 or 2007?
Ginny Weeks: But you can't give us adequate figures. Thank you.
Mayor Newlands: 2005.
Win Abbott: Yes, Sir, Mr. Mayor, as was indicated in the chronology I provided to the Council and a number of citizens, 2005 was the first year that it appeared in a capital budget request put forth by the former Town Manager for consideration and I believe, adopted by Council, although the capital budget did not go all the way through on that. Of course, the current studies and recommendations were consistent with that, they began in 2007.
Scott Hoffman: Could you turn back the projector. Councilwoman Hudson has asked, because she has a question regarding a slide.
Councilwoman Hudson, 406 Union Street: Well you didn't ask. You should ask. Thank you. I have a question about your metered irrigation.
Scott Hoffman: She wants to go to the slide... Can you go back to that slide, Steve? It's one of the very first ones in this part.
Councilwoman Hudson: Metered irrigation.
Scott Hoffman: It should be the graph that had the 2011 water usage.
Councilwoman Hudson: There you go. Okay. Currently the town allows for the approval of wells for geothermal heat in people's homes, so homeowner's can apply for a well and the untreated water is pumped in through the house and heats the house. What if the town passed an ordinance to allow for wells for pumping untreated water out of the ground to put on their lawns. How would that change the amount that's used, because this chart shows June, July and August; that looks to me like it has a lot to do with irrigation; so what if people were allowed to have a well for irrigation, like they're allowed to have wells for geothermal?
Scott Hoffman: One important difference is that, I believe a geothermal well pumps the water back into the ground, as well. So you may be pulling it out, but you're putting it back in; it's kind of a loop.
Mayor Newlands: That's true.
Councilwoman Hudson: It's a loop?
Scott Hoffman: What would happen if you... Let's just say we said everybody with irrigation meters, go ahead and put your own well in. Don't get it from the town. Your water revenues would go down, is what would happen. You would lose revenue.
Mayor Newlands: Plus, you've got to look at the fact that on days that we're not using irrigation

wells, we're still not in compliance, so we still have an issue, regardless of the irrigation wells. We still have issues.
Scott Hoffman: The reason I provided this information is somebody asked at the Public Hearing how much water is for irrigation and it's really irrigation and other seasonal uses, as well.
Councilwoman Hudson: Well the water revenues might go down, but on the other hand, if we could make up with wells for the June, July and August differences here and also if we could find where we're losing 39% of our water, then again, the question, do you need a new tank?
Scott Hoffman: That is why I looked at the gallons per EDU, which was 250 versus 240, so I believe that some of that difference may be due to some leaks in the system, most likely; but I think you're going to find... I mean, we won't know until we can at least get the water meters installed what the difference is going to be. At this time, I would just be postulating and making up figures and all I can really do is present actual information. I can't make things up.
Councilwoman Hudson: Alright, so two things we really need right now is to find out where all that 44 million gallons is going; apparently either a computer glitch or leaks in the system and also do an elevation for these sites to see if, as it was pointed out, because of the height, whether you need the elevate it even more or just put ground storage right on there, because it's already elevated. We need that information.
Scott Hoffman: Well, I'm confident that they're close enough to the same elevation that an above-ground tank there is not going to equal an elevated tank, but I'm going to provide the information...
Councilwoman Hudson: Thank you. We need that.
Scott Hoffman: Because somebody asked for it and yes, we need to figure out why the difference in the pump versus metered water. That's an absolute.
Councilwoman Hudson: Thank you.
Mayor Newlands: Could you go to your slide that has the costs on it for the system. It's like your twelfth or thirteenth slide, the project budget.
Scott Hoffman: The costs?
Mayor Newlands: The project budget slide. It's all the way in the beginning, it's like your thirteenth, fifteenth, eighteenth slide.
Scott Hoffman: Is that the slide you're looking for?
Mayor Newlands: Yes. Which numbers change if we go with ground-level storage?
Scott Hoffman: If you had a ground-level storage tank to replace your elevated storage tank, your storage tank would be cheaper.
Mayor Newlands: And that's it, everything else would pretty much stay the same?
Scott Hoffman: These numbers don't have in there, anything about pumping out of the ground-level storage tank.
Councilwoman Hudson: But you're assuming that you have to pump. Suppose the elevation is sufficient that you don't have to pump?
Scott Hoffman: What I'm tell you is that I'm fairly certain that it will not work. Okay? I'll provide the information to verify that.
Councilwoman Hudson: Thank you.
Vice Mayor Betts: What is the difference in the price?
Scott Hoffman: Mrs. Betts I wouldn't know unless we actually went through and priced it out and we have not done that as part of this exercise.
Vice Mayor Betts: Okay. Thank you.
Scott Hoffman: This goes back to this life cycle costing, that could be something that you look at when you get to the design stage; you say to the engineer, I want you to look at ground-level

storage tanks with pumps, instead of an elevated storage tank. Tell me what the difference is. Because you really want to look at... You don't want to focus just on the capital costs. As I said, you want to look at the cost of building and operating those two options, over the 30 year period.
Mayor Newlands: And we have yet to test this site to see if it is still a viable site.
Scott Hoffman: You need to drill a test well in order to make sure that you're going to have an acceptable water quality there.
Mayor Newlands: That's correct.
Councilwoman Jones: Mr. Hoffman, could we visit the under-ground storage alternative again? You've given us information on ground-level storage, above-ground; but I don't understand... My question is two-fold. What opinion does the Fire Marshall have about the cost, the cost of an under-ground storage alternative and I believe you dismissed it by saying you put it on the paper, he said it, but you don't know why. I would like to know why.
Scott Hoffman: What they told me was... We've never looked at that before, so I had to ask somebody. First of all, I had to find out if it was allowable and they said it would be allowable.
Councilwoman Jones: And the Fire Marshall determines that?
Scott Hoffman: Yes.
Councilwoman Jones: Okay. Can you tell me why?
Scott Hoffman: Because you have to have X amount of gallons for storage, for fire protection; so if you want to make that storage part of your water system, the Fire Marshall gets to review your design and tell you if it's allowable or not; that's something they get to do.
Councilwoman Jones: Okay.
Scott Hoffman: So I didn't know if it was allowable or not, because we've never done it to my knowledge. So we asked them and what I provided was the information that they provided to me; that you would have to perform a hydro-geological investigation every year. Now, if you would like, we can find out how much that would cost.
Councilwoman Jones: My point being that you took and put on this paper that the Fire Marshall discouraged this type and I want to know why and you didn't get the answer from the Fire Marshall; it's still the Fire Marshall giving an opinion on the cost of a project and I'm not sure where that opinion enters in.
Scott Hoffman: Well I can ask them why. Maybe they have additional information in terms of the cost that they did not provide me, so I'll have to go back to them and ask them.
Councilwoman Jones: Have you ever consulted the Fire Marshall on the cost of any other structure?
Scott Hoffman: We consult the Fire Marshall on every public water system project that we do.
Councilwoman Jones: Cost. Cost. Because that's your statement here, that the Fire Marshall discouraged it because of the expense and I'm asking you as an professional engineer, how many times you turn to a Fire Marshall to give you an opinion about a cost of a system?
Scott Hoffman: I asked him about the under-ground storage option and that's the information he provided. I'll tell you this, we're doing a project right now with a Volunteer Fire Company. We met with the Fire Marshall. They said you need to put in a storage tank, fire pumps, etc., things that we talked about. If you want to have a sprinkler system in your building because you're expanding the building above 10,000 square feet, which is the minimum, the Volunteer Fire Company said Fire Marshall, we don't want to do that, we're going to redesign our building so we don't have to absorb that cost; so I did not ask them about the cost; I'm merely reporting on the information they provided. We've never looked at the under-ground storage alternative and if you would like some additional numbers on that cost, I have to talk to a consultant who does

that type of work.
Councilwoman Jones: And I'm not as one person on a seven man Council, I can't authorize that kind of research and more payment to CABE Associates, but I am asking you as you present to the public and my own glitch in this is why in this presentation the Fire Marshall's opinion is included. That's my only point. I don't think you have an answer and I didn't expect you to, but thank you.
Robin Davis: Scott, Heather has something to say.
Scott Hoffman: Okay.
Heather Warren: I'm not an engineer by far, but I will just address one public health concern with under-ground storage. If it's a dry year, how are you guaranteed that the amount of water that you need is in that aquifer? Because you're going to have irrigation and farmer's and everybody else pulling from that, there's no guarantee that the water that you need for fire suppression is going to be there. That's my only point on that. Just consider it.
Councilwoman Jones: And, Ms. Warren, thank you very much and that speaks to the requirements of a tank under-ground, but it does not speak to why I have a Fire Marshall's opinion about the expense of an under-ground tank, but I thank you for the clarification.
Scott Hoffman: Well, the only response that I can provide, is that I did not go through the exercise of determining how much it would cost, based on what you said was that you would not want to pay us to do that. So I did that.
Councilwoman Jones: I'm not authorized, is what I said. I singularly am not authorized to do that and would not presume that I could do that.
Scott Hoffman: If somebody wants to look at it as an option moving forward, then tell us and we can find out how much it will cost. The Fire Marshall told us it's cost prohibitive and they discourage towns from doing it. That's the facts. I just am presenting the facts of what we found out.
Councilwoman Hudson: I'm interested in the elevation of the site.
Scott Hoffman: I understand that. I'm going to provide that information to the Town Manager.
Councilwoman Hudson: Thank you.
Heather Warren: I just had another question and it comes back to scheduling the progress of this project. You're asking Scott and I'm not defending him, God bless him tonight, a lot of questions and you have one more Public Hearing Wednesday, so is this going to lead to another Public Hearing and is that going to push back the Referendum again, to give Scott a chance to answer all these questions or whoever can answer all these questions?
Scott Hoffman: I can provide the answers tonight to the elevation questions at the next meeting; that's simple.
Councilwoman Jones: I am not requiring any further information about in-ground storage. I want to be heard however, that I do not understand why the residents in Milton are being presented with a comment from the Fire Marshall about how expensive this system is. Is the Fire Marshall in the business of installing in-ground holding tanks or whatever the apparatus is? If he's not the expert, as Mr. Hoffman obviously has said, because you'll have to turn to somebody who is the expert, I don't believe that this information is helpful at this point. It's not based on anything and he's not an expert to give just a comment that it's too expensive. That's my only point.
Heather Warren: Sure.
Councilwoman Hudson: To me, it just seems like the comment was put in there to influence us negatively for that, when I don't think that comment should have been put in there at all.
Scott Hoffman: Well, I have to say that I was only presenting the information that I was given

by the Fire Marshall. It wasn't meant to influence you. I was trying to provide as much information about the alternatives. The only way to provide additional information about the under-ground alternative, would be to seek the costs from another consultant.
Robert Howard, 217 Chandler Street: I'm not sure I really want to say this, but, given the urgency of the Referendum and getting ourselves in the cue for money, it seems to me that these questions about alternative costs and whatnot, could be resolved in the final design phase and if it turned out that there was something cheaper to build that would satisfy the requirements, then the $1.35 million for the elevated storage tank, that could be resolved in the process of the design, I would think.
Mayor Newlands: That's a very good comment, thank you. And we are not rushed to do this. This has been going on for seven years. We're at the point now of closing this and getting a Referendum to get to the next point. This is the second or third, I don't have the schedule in front of me, but I know this is the second time since I've been in office that Scott's been in front of us giving these presentations and talking about this.
Keith Major: Just to clarify though, if it's an under-ground tank or a ground-level tank, it still requires a pumping system where the elevated tank doesn't. Correct?
Scott Hoffman: Right. Once you get the water in the elevated storage tank, the wells pump it out of the ground. Okay. It goes into the distribution system and then any water that's not being used by anybody goes into the elevated storage tank. The wells. Correct. So let's just say, hypothetically, we're going to use under-ground storage. Those pumps would have to be sized to meet the fire protection needs, just like the wells that were connected to the above-ground storage tank, so in any of these other alternatives, other than the elevated storage tank, you're most likely going to be paying for some additional pumping costs, electricity, operation, etc. The way to determine that if you want to look at that as an option, is as the gentleman said, you need to get further into the design and then you can look at I mentioned a life cycle cost of those alternatives and compare capital and operating costs; not just look at capital figures.
Keith Major: Is there some sort of law that says that our border for fire protection has to go through the water treating system and we're using treated water for fire protection?
Scott Hoffman: Are you asking if you could build a separate system for fire protection?
Keith Major: Taking it from the river, from Wagamon's Pond, from any of these places; building our own fire protection pump station and using the water system that we have.
Scott Hoffman: Whew, that's a complicated question.
Gene Dvornick: If you're interested in building an entire secondary distribution system, because you would be cross-connecting water from the river directly into your drinking water and I think that would be far more expensive.
Scott Hoffman: Yes.
Gene Dvornick: And I'll just offer one comment. I've worked with another municipality that's looking at elevated storage and does not use CABE Associates as the engineering firm and that's the same exact number for the elevated tank, $1.35 million.
Jeff Dailey, 211 Gristmill: Mr. Mayor, you used the word “compliance” just a moment ago and I have this question and you may be able to help me here. The Ten State Standards, are those recommendations to municipalities. It was my understanding that a lot of these requirements which had been more than recommendations, they were mandates to municipalities; I understand that they expired two or three years ago and that they are now just recommendations.
Scott Hoffman: What I showed earlier was excerpts from the State of Delaware Public Water System Drinking Water Regulations that are telling you that the design of your system has to be

in accordance with Ten State Standards. That's the current regulations.
Jeff Dailey: Okay, and that applies to the fire flow?
Scott Hoffman: Yes.
Jeff Dailey: Okay. It's not just the drinking, it includes the fire flow.
Scott Hoffman: They don't tell you specifically how you have to do it, they set up some basic design parameters for what you need to do.
Jeff Dailey: Okay. Along those lines, the verbiage was "where fire protection is provided". What does that mean? Does that mean hydrants every so often? Does it mean a Volunteer Fire Department is that, or is it a funded Fire Department for a municipality. I'm just curious.
Scott Hoffman: They don't have any discrepancy on if it's funded, volunteer, whatever; they're saying if your water system provides fire protection. In other words, you have hydrants connected to your water system. So that means you are providing fire protection.
Jeff Dailey: Okay. In some of the literature it was expressed that there was a concern about a downtown fire, given that we have a Main Street and larger buildings in that part of the town, and of course, no pun intended, we're flush with water. We've got a river, we've got ponds, we've got all this going on. If, in fact, the dry wells are inoperable, should this be of concern to us; could this bring down those peak days. Are dry wells supposed to be non-functioning because they've been filled with silt, as my neighbor, Mr. Dvornick said? Why can't they be made functional? Why can't we have a supplemental system? And do we have fire trucks that pump water through such dry wells? I don't know these things.
Scott Hoffman: I can't comment specifically on the equipment that the Fire Department has. I can bring the rest of the fire prevention regulations to the next meeting to talk about if you have this public water system, it needs to provide a certain flow throughout town and maintain a certain pressure, etc. The dry hydrants, I think they're there in case you can use them for something; worse case scenario, if we have to go to the pond and get water. You have to understand though a fire truck holds a fixed amount of water. Do you want to be dependent on fire trucks running back and forth to the pond to get water from the pond to the school, if it's on fire? Or do you want to depend on the fire hydrant that's right there in front of the school?
Jeff Dailey: No, I think the dry wells were to address the area right there, so if we had dry wells in the river, then it would be available to us for a downtown fire. No, certainly not Mariner Middle School, no. There should be a supply of water there.
Scott Hoffman: I have no knowledge about the dry hydrants.
Jeff Dailey: Okay, well that's something that we would want to know.
Mayor Newlands: Scott, can you go back to your first slide where you show the diagram of above-ground storage?
Jeff Dailey: Mr. Mayor, I wasn't quite finished.
Mayor Newlands: I'm just letting him get there and while he's doing that, you can speak.
Jeff Dailey: Oh great, thanks. The other thing is, if we put this in place, if we commit ourselves as a town to this 30-year and we're building 20 homes, what happens if in 15 years we're having to look at this again? How long is this going to meet our capacity? And I'm thinking too, Dogfish Head Brewery is expanding, they're building a warehouse. I think there's talk of an office building. Now they don't use water from the town for the brewing of beer, but their EDU's are going to increase and with that can come commercial development, a restaurant, etc. So I'm just wondering if this is going to suffice.
Mayor Newlands: So do you want to build a bigger one?
Jeff Dailey: I don't want to build a bigger one, no.
Scott Hoffman: Nobody wants to build this one, now you want to build a...

Mayor Newlands: I'm trying to understand this question, because he's saying we're undersizing this for the future, so I don't know what he's trying to do.
Jeff Dailey: Mr. Mayor, I asked earlier about maximizing and optimizing our current water system and certainly we still have the missing 10 or 11 million gallons quarterly, so there are things that need to be resolved and I want the complete picture as was promised to me when I spoke over a year ago asking for more from CABE Associates then just a water tower, a well and a pump, but that's all I, as a citizen, am looking for. The one other thing you mentioned, Mr. Mayor, that there would be a well at the site. I may have missed this. Is there to be a well... If you do the site behind Dogfish Head, on what is now their land, will there be a well there?
Scott Hoffman: There is a plan yes, we hoped to be able to put a well on that site.
Mayor Newlands: Actually more than one well.
Jeff Dailey: Has there been any discussion of the prior industry that was at that site many, many years ago; also the contaminated land that Dogfish owns under it's parking lot and also the regular and there's a site map for this, that shows where the drilling and the testing takes place; on the newly acquired Dogfish Head land, for contamination? I mean, there's been no discussion of that regarding that site.
Scott Hoffman: We actually submitted this site to DNREC Water Supply Section and received comments from them; they told us a well on this site would have to be in a confined aquifer. You have two wells right now that are in confined aquifers; this would be similar to those.
Jeff Dailey: Okay and they had no concern about seepage or water movement or groundwater invading it?
Scott Hoffman: Not in a well in a confined aquifer, no, because it is isolated from the water in the aquifer above that by a confining layer.
Jeff Dailey: Okay. And I just want to make one closing comment, because I really don't like to hear myself talk either. Had there been Mr. Mayor, a Council, a Committee of seven to even nine people that was working with CABE Associates on this, we have Economic Development Committees of that size and they're very industrious; we might have had lots of options and alternatives brought to your attention, to Council's attention and to our attention had that been in place. I am also a little concerned about the three man panel that investigated the sites. I don't know that that small a group is really representative of the diverse population of Milton in this new century. Thank you.
Mike Cody: Just to take up on the question that Jeff had just dropped off at the end of his about the site and I'm going to... There are two parts to that question. You said you're in negotiation right now and I would hope that you can tell me that the negotiation won't finish before March 24th, the date of the Referendum and if we can get a clue about what nominal might be for the cost, that's not in this budget.
Mayor Newlands: We're not going to have a closing on that property before the Referendum, right? Yeah, so we will not be closing on that property before the Referendum. We put an offer out at what's called a Fair Market Value; we had the property appraised by a local appraiser; and that's the offer that we put out and it's not really in negotiation, we've put an offer out and that's where it is sitting right now and we have to get back to them with further information. And quite frankly, I don't know any of the specifics about it, because I was not involved in any of it.
Mike Cody: Does anyone know what range nominal is for the parcel of land?
Mayor Newlands: Mr. Abbott would. You mentioned a number before of $120,000?
Mike Cody: I was thinking more about $90,000 an acre, because that's 40 by $3.6 million. You mentioned $120,000.
Mayor Newlands: Lower ballpark than that, but you're okay. I really can't get into it.

Mike Cody: Okay.
Mayor Newlands: But it's not going to be $90,000. Alright. That's as far as I can go.
Allison Howes: I would just like to know what this property. Is there a contingency in the contract that you said that if the Referendum does not go through, you are not going to buy this piece of property?
Mayor Newlands: We don't have a contract right now. We actually just made an offer and that's it.
Allison Howes: But if they accept your offer, then you're...
Mayor Newlands: It will be written as such that if this whole thing fails, or the property is not viable, that we will not own the property.
Allison Howes: Thank you.
Louis Sgro: Just one question. How are the absentee ballots for this election?
Mayor Newlands: The same as we're doing now for this election; for the Town Council election.
Vincent Tala: Two quick questions. Number one, was any thought given to retrofitting the existing system, the second water tower behind Shipbuilder's, perhaps maybe tearing that one down, selling it off for scrap and putting a new one up there and the second question, could the town look into eminent domain and just seize the property from Dogfish Head at no cost to the town?
Mayor Newlands: Let me answer the first one, because I actually have enough knowledge to answer the first one. First of all, Shipbuilder's has no wells associated with it. There's no well house associated with that. It's also on the north side of town. We want to put this entire facility on the south side of town, on the south side of the river.
Vincent Tala: Maybe I misunderstood. I thought I heard that there's a tower back there?
Mayor Newlands: There's a tower back there that's fed through the system, but there are no wells back there, that I'm aware of, right?
Scott Hoffman: Can I expand on that answer a little bit? One of your towers, in addition to providing the storage volume, they are what creates the water pressure throughout town, so when the town was small and you had the towers in the middle of the town, that works great. As the town gets bigger, you have to build your storage further out so you can basically spread the pressure around, I guess is the simplest way of saying it. So, no, we did not consider replacing the Shipbuilder's tower with a larger one; part of the reason why is to put it on the south side of town and to try to make sure you have adequate pressure throughout town by locating the tower in a strategic location.
Vincent Tala: But you were talking about selling that tower off. If you're selling that tower off, aren't we losing storage?
Scott Hoffman: That's something that is down the road, when you have to look at additional storage beyond this project, as a way to try to recover some capital money that would go into a new elevated storage tank. So in the future, that could be an option.
Vincent Tala: Okay. And what about the eminent domain question?
Mayor Newlands: I really can't get into that because we've already put an offer out and I really can't get into any more of this.
Ginny Weeks: There's not a whole lot of land left in town, although there are lots left, for major expansion, so one of the only ways to expand other than the Sam Lucas now that Dogfish has industrialized that area is south in the old Elizabethtown and DeSabatino's property and so on. If you sell that tower and that annexes in, what are you going to do about pressure over there. Are we going to have to build another tower over there, when those developments come in?
Scott Hoffman: Are you talking about future scenarios?

Ginny Weeks: Yeah, that's what you're saying, we're building for the future; but if you're going to take that tower away, how are we going to have pressure over there?
Scott Hoffman: No, what I said was in the future, if you need to build a new elevated storage tank, one of the options could be to build a tank on the north side of town; maybe I didn't say the north side; that's what I meant; north side of town and get rid of the Shipbuilder's tower, with the idea being that you don't want to maintain four elevated storage tanks. You want to maintain as few as possible to meet your needs, because that lowers your long term cost.
Ginny Weeks: So what you're saying is that if development takes place, eventually on the north side of town we will need another tank?
Scott Hoffman: If there's sufficient development, that could be a possibility in the future.
Mayor Newlands: In place of the tower that's there in Shipbuilder's. If we're going to have a million and change gallons of water in the air for elevated storage, a 75,000 gallon is not needed at all.
Scott Hoffman: And listen, when Shipbuilder's was built, they built that storage tank; the town didn't build it, Shipbuilder's Village built it; so in the future, if you have the opportunity to work with a developer, you might be able to get them to build an elevated storage tank for you, as part of your project. Those are the kinds of things that you look to do to minimize the cost of projects.
Ginny Weeks: The only other question is, if that tower was needed for Shipbuilder's and you sell it and tear it down, what are you going to replace it with for Shipbuilder's?
Scott Hoffman: It's not needed specifically for Shipbuilder's; it was built as part of the Shipbuilder's project because they needed more storage when they built Shipbuilder's. It's not specifically Shipbuilder's, it's connected to the rest of the town's distribution system.
Ginny Weeks: Okay, thank you.
Lynn Ekelund: This is pretty easy, I think. The actual Referendum is going to be on March 24th, am I correct?
Mayor Newlands: Correct.
Lynn Ekelund: Do we have times?
Mayor Newlands: Yes, it's going to be between 8:00 a.m. and 6:00 p.m.
Lynn Ekelund: Okay.
Mayor Newlands: The same as the current election next week in Town Hall.
Lynn Ekelund: I remember at the Town Council meeting there was some discussion back and forth as to who the new Charter said could vote in the Referendum. Who is voting?
Mayor Newlands: It would be property owners that can vote.
Lynn Ekelund: Property owners, not renters; it's just property owners.
Mayor Newlands: Not renters.
Unidentified Speaker: It says all residents.
Lynn Ekelund: That's my question.
Mayor Newlands: It's resident property owners and non-resident property owners.
Councilwoman Hudson: Only property owners?
Mayor Newlands: Win, did you want to say something. He's up on the law, not me. Win wrote it, he knows it.
Councilwoman Hudson: You're going to have a riot.
Win Abbott: Yes, Sir. If you will refer to the minutes of our Public Hearing meeting when our solicitor was here, he had indicated that although our Charter specifically says property owners and further goes on to detail, if a property is owned by a corporation, an LLC, or a trust, that there will be one vote for that property; but if it were jointly owned by two persons, each person

would have a vote as in husband and wife or partners that live there. If you'll allow me to finish. Pardon me, the solicitor said that although our Charter has that limitation, there is a higher law. There are Supreme Court cases decided to the effect that we could not disenfranchise residents who are non-property owners; and therefore the vote would be extended to all persons who are residents, whether you are renters or not, as well as property owners, corporations, trusts, LLC's, to the effective of one vote for an owner, regardless of how many properties that LLC or trust or whatever owned. So, the vote would be extended to all residents of Milton and additionally all property owners, trusts or LLC's to the effect of one vote if it happened to be in a corporation style holding.
Mayor Newlands: So if I am a non-resident and I own property in town, I can vote for that property and the tenant can vote for that property?
Win Abbott: That's correct.
Mayor Newlands: Okay, I misunderstood that. Sorry.
Lynn Ekelund: Thank you.
Win Abbott: Yes Ma'am and for your information, the brochures and everything that went out do indicated Referendum, 8:00 a.m. to 6:00 p.m., March 24, 2012, Town Hall and so on; you'll find that it's also being heavily advertised.
Lynn Ekelund: Okay and that's the brochure that I'm holding in my hand?
Win Abbott: Yes Ma'am, you'll find that printed in the bold face on the very front page of that brochure you are holding in your hand.
Lynn Ekelund: And in this brochure that went out to all property owners, regardless of whether they are resident property owners? They understand that they are permitted to vote?
Win Abbott: It went out to our entire tax base.
Lynn Ekelund: Okay and so if they get this and they read through the fine print, and it's being advertised...
Mayor Newlands: We're getting calls from Florida and New York State, people asking for absentee ballots because they won't be here.
Lynn Ekelund: Okay and it's my understanding that the absentee ballots will not be available until after the March 5th Town Council meeting. Is that correct?
Win Abbott: That is correct, because the ballot question has not yet been decided; that's up to Town Council. Town Council will decide on that on Monday night and then I will be able to create the absentee ballots and send them with affidavits to all persons requesting them, whether they call in or stop in at the office.
Lynn Ekelund: Okay, thank you.
Mayor Newlands: Now, I had you go to this one slide for a reason. You said that these pumps only pump 500 gallons a minute?
Scott Hoffman: Two pumps in combination, a shallow well and a deep well pumps 510 gallons per minute.
Mayor Newlands: Total, together?
Scott Hoffman: Yes.
Mayor Newlands: And we need 3,000 gallons a minute to really service our system with domestic and if there's a fire going on in town?
Scott Hoffman: Yes, you're based on a peaking factor of approximately six. We don't know what the actual number is, that's a good estimate for a water system of this size. Your domestic water supply, during your peak hour, would be 1,500 gallons per minute. The fire, 1,500 gallons per minute, is defined by the fire prevention regulations. So during that time, you could need 3,000 gallons per minute.

Mayor Newlands: So I'd need twelve wells in order to equal that?
Scott Hoffman: You're going to need more wells, yes.
Mayor Newlands: At least twelve wells.
Scott Hoffman: Depending upon what the size and the capacity of each is, yes, and the bigger the well is, the more expensive it is to build.
Mayor Newlands: And the wells should not be in the same aquifers or at least too close to each other, right?
Scott Hoffman: Yeah, you can't have too many close together, or they start affecting how much each can pump.
Mayor Newlands: Right.
Scott Hoffman: The point I was trying to make when we first showed this, was the most efficient and cost effective way to build a system of this height, is to provide wells, which will provide your average flow and it will allow your peak demands to be handled by your storage system, whatever it is. Elevated storage is a very nice option, because it works by gravity and gravity is free.
Mayor Newlands: Thank you.
Allison Howes: I guess I just have one more question and I just can't get past this 44 million gallons that is missing and I don't understand I guess, how we got here to this point, without addressing that. I mean, why are we having a Referendum when we are missing 44 million gallons of water?
Mayor Newlands: Two answers to that question. Number one, the project was started in 2005, so the need was determined in 2005. The missing water was just identified a few weeks ago.
Allison Howes: So why are we not taking care of that before we're moving forward?
Mayor Newlands: Because we'll probably lose state funding and not have this project at all and be in real trouble.
Allison Howes: But we might not need the project, if we find it.
Mayor Newlands: We will need the project, believe me. The numbers are there to support it.
Scott Hoffman: I just want to clarify one thing. The discrepancy is 11 million.
Councilwoman Hudson: A quarter.
Scott Hoffman: Oh, per year. I'm sorry.
Mayor Newlands: We still need the redundancy on the other side of town. We only have one well house right now and if...
Allison Howes: How are we going to move when we have figures like this? If we had the correct figures, then we could vote responsibly.
Mayor Newlands: We still need a redundant system on the other side of town to feed the system. If we have a problem with this system, we have no water and this system was without water two days last year. We had an electrical problem in our well house, twice last year, and we woke up one morning and we had no water at all and another day around 11:30 we had a similar electrical problem which we finally got fixed, the water ran out in the system. We didn't have anything pumped into the towers.
Jeff Dailey: I understand the north side of town, the south side of town and the natural waterways as the divide, but we are not that large a town and since you're going to be looking at elevations, the existing site, the water tower at Shipbuilder's, by way a crow flies, it's not that far from Cannery Village or Heritage Creek, the two new developments at the south end of town; plus you've got water mains to service that. So possibly looking at, yet again, another option that could perhaps save us money, is a larger tower at that site with a pumping station and taking advantage of the existing infrastructure. The south side of town is not a business

district; we don't foresee that kind of growth and development there; that's warranted for the north side of town; 16 and 30, so I'm just suggesting this as, yet again, another option and I'm sorry that I'm, as a citizen, have to be bringing up these suggestions, but a year ago I suggested that when CABE Associates does their presentation, they present far more than just a water tower and a well and a pumping station. I'm sorry that I was promised that, as a citizen, but that didn't happen. I'm not sure why.
Mayor Newlands: I think he's explaining it quite well and hear what the other alternatives are.
Jeff Dailey: Not at the Public Hearing.
Mayor Newlands: You're getting your answers.
Jeff Dailey: With all due respect, that presentation at the Public Hearing was wanting. It was deficient and it was not what I had been promised when I spoke at a Town Council meeting a year ago and I was promised, by the then CABE Associate, this gentleman's partner, that no, we would be given all of the options, all of the alternatives and that's not the case. That's all I'm saying.
Scott Hoffman: Well, the one thing that I would say is every alternative that we look at, has an additional cost associated with it; so before I look at any additional alternatives at this planning stage, I would need some direction to do that and that you also have the ability; I said this a couple of times tonight and another gentleman in the audience also said it; when you get into the design stage of the project, you can look at those alternatives in a better way, because then you can actually have the ability to look at all the costs associated with each one. The particular alternative that you're bringing up now has different financial figures then the one that we're presenting and you're going to need additional detailed information in order to present those life cycle cost analysis of those alternatives.
John Booros, 115 Broad Street: I just want to voice my opposition to allowing renters to commit me to a 30-year loan for somebody who can move out of the rental property tomorrow. I have read the Charter. The Charter does say it's homeowners; one vote; advertised in four papers; three times, whatever it is. To allow a renter to vote in a Referendum to commit the owner's of property in this town to a 30-year $3.4 million thing, is just wrong and I think that if one of those renters in this town wants to go to court and file something because the Supreme Court ruled somewhere that we have to, then let them file it; but in the interim, I don't think that renters in this town should be able to vote and commit property owners in this town to things like this. I don't think it's right and I think when that they wrote the Charter and they put that in the Charter, that says that only homeowners and property owners and business owners that own property will be able to vote, that the intent was not to allow a renter to commit an owner to a $3.2 million over 30 years.
Mayor Newlands: I don't disagree with you and we'll get a clarification on Monday night.
John Booros: Somebody is going to go to court I think is what's going to happen.
Mayor Newlands: I don't disagree with you. We'll have clarification Monday.
Councilwoman Jones: With all due respect Mr. Mayor, I think Ms. Howes' question about what have we been doing about the water was not answered according to the answer I received, which is that according to Mr. Abbott and his sources, they've been chasing this water problem since 2007; that's what was reported. Is that not correct?
Win Abbott: I can say that I've been aware of it since late November and that it was mentioned in passing that our pumping records versus that which is metered, has not been perfectly accurate since 2007. The degree to which there's been a discrepancy, I don't know.
Mayor Newlands: We do know that there are issues; we have meters inside people's basements; who won't let us in their houses and we have to get into houses and change those meters; we

know those are very inaccurate. We have to get those changed. We have a number of issues that are known for awhile. Last summer Allen came before Council and asked for meters; I think it was the summer before; and we budgeted for a number of meters to get changed for some of the apartment buildings because we weren't getting good flows from them; we couldn't read some of them; so they've been addressing it. We're getting a little bit more aggressive right now and in your Council packet for Monday, I think, there's a request in there for $68,000 for meters; which we get paid back pretty rapidly on that; three to five quarters.
Win Abbott: Pardon me, this gentleman to my left has been patiently scribbling away here for 2-1/2 hours. I would like to introduce our representative from the State Planning Office. I think he might have some light to shed on the priorities that we may plan making such investments.
Brian Hall, with the Office of State Planning: Good evening and thank you all for allowing me to participate this evening. It's a pleasure to be with you all. It's very long and a late evening, so I won't belabor the situation. What we look at and we're speaking actually now to Grant Funding and we are under a directive from our current administration, both at the legislative level, as well as the Governor's office; to work tirelessly with towns to implement three very basic goals. Number one is fiscal responsibility. Number two is job and job creation and Number three is education of our youth and that has transposed down to all elements of grant funding, whether we're planting a tree for Urban and Community Forestry or whether we're talking about large capital investments. I would encourage you, as a community, to consider the Referendum as what it is. It is a Referendum asking the town to enter into an agreement to review and consider a water system, for potential upgrades of an existing system. What I would encourage you to do is to maintain your due diligence through this entire process, through the Referendum process as well as the design process; because there are a variety of questions that still need to be answered, as things are refined. I cannot speak to the history of some of the things that have been talked about this evening, but what I can say is this, from a fiscal responsibility point we want to see you get the best system and the best bag for your buck. So we're going to look to the engineers to give us the best information that they can and if it comes back that an elevated tower is the most cost effective way to meet those goals, then those things are going to be factored into the loan and grant process; that may affect potential amounts of forgiveness. It may also impact then what is actually paid for by the State. Meaning that, if we want to go above and beyond that in some fashion, then we would look to the community to be funding what is above and beyond that very basic level. So, I'm saying this to you all tonight and there's been some very good questions and very good conversation and I again, appreciate you all coming out and spending such a long time this evening, with us all; because I think it's a very informed question that you're being asked to consider. I hope you will take the time and due diligence to do that. So, again, we will look to, as part of this application process the best information that we can get from your engineer and from town staff. We know there is a general need. There's a general need to improve accessibility to water. How that's achieved is still yet to be determined. So I hope that you'll work through that process with us. I'm here to answer any questions that you might have, but I'm going to give this back to Mr. Abbott and thank him for putting me on the spot here and allow him to elaborate; again, return the questions to the floor. Thank you all.
Mayor Newlands: Thank you, Brian. Are there any other questions? Anybody else? Ms. Warren do you have anything else to add about the process?
Heather Warren: The Division of Public Health, SRF, who I am, answer to Brian, so if he's not happy, nobody's happy.
Mayor Newlands: Okay.

Brian Hall: I will add and elaborate very quickly. Heather's office does not just answer to me. I'm the representative and liaison for the Office of State Planning and Coordination for Sussex County. I'm given the privilege to work with all 25 local jurisdictions, including county government. What's important to realize that the grant process goes through an approval process from the cabinet committee on State Planning Issues. That's a constituted group, put in place by the Governor, consisting of cabinet committee members, as well as other members appointed at large by the administration. That group is then given review and oversight of the grant projects and makes final approval. They're also the same group that will look at projects that have come back and have returned money and then deemed that money to either continue on with the project, or as Heather has eluded to before, encouraging town staff to move forward with the application process, because again, oftentimes money does become available when other communities are unable to move forward; whether that be due to financial reasons; whether that be to construction delays; or whatever other challenges there might be. So, please, by all means, I am not the higher power; that is someone in a group much higher and above my pay grade; but they do look to my recommendations and we work very diligently with Heather's office to make sound recommendations based on the information we receive from staff, from citizens at large such as yourselves tonight, and the engineering firm representing that community. Thank you.
Vice Mayor Betts: Scott, I have one thing. According to the increased quarterly fees, it kind of leads people to think that it's only going to be $6 a quarter; but isn't it really $12; if you consider the rate increase for the usage, plus the increased quarterly fee?
Scott Hoffman: Well, what the range for the $6 to $12 is just the range and increase for the availability fee; that's your base amount. Right now it's $35.
Vice Mayor Betts: That's right.
Scott Hoffman: So the $6 to $12 range comes from the two sets of financial terms that we provided; 35% of principal forgiveness and an interest rate and then zero principal forgiveness and an interest rate.
Vice Mayor Betts: But it is also a rate increase on the usage, too?
Scott Hoffman: No, there's no increase...
Vice Mayor Betts: According to here, it makes you think that the increased quarterly fee was going up $6 to $12 and then the example rates of the usage is going up.
Scott Hoffman: Can you go back to that, Steve?
Vice Mayor Betts: I mean, what I have here.
Scott Hoffman: We're just going to flip to the...
Vice Mayor Betts: I just want to distinguish to make sure I was understanding.
Scott Hoffman: Okay, there's the $6 and $12; that's the availability fee.
Vice Mayor Betts: That's right.
Scott Hoffman: That's your flat rate.
Vice Mayor Betts: That's a flat rate.
Scott Hoffman: Right.
Vice Mayor Betts: That's the increased quarterly fee.
Scott Hoffman: Yeah, that would be the quarterly fee. The next slide, Steve. So what we did here is the next question people usually ask is well I also have to pay for the water; so what does that total up to?
Vice Mayor Betts: That's right.
Scott Hoffman: So this is your total bill, which incorporates the $6 and $12, that's the new low and new high. The new low incorporates the $6 and the new high incorporates the $12.
Mayor Newlands: This would be the flat, plus the usage rate, together.

Vice Mayor Betts: What we're paying now.
Scott Hoffman: Right.
Vice Mayor Betts: So you're still saying that the increased quarterly fee and the usage rate are going to be between $6 and $12?
Scott Hoffman: Right, based on those assumptions between $6 and $12.
Vice Mayor Betts: It doesn't look like this here.
Scott Hoffman: Okay.
Vice Mayor Betts: Okay, thank you.
Councilwoman Jones: Mr. Mayor, what do we look forward to on Wednesday night, the same kind of a meeting? Will we have new information?
Mayor Newlands: It depends on what Mr. Hoffman can get by then.
Scott Hoffman: Well, let me make sure I understand what the new information is; the elevation, they would like to see the elevation of the two sites and how that effects the tanks. What other information are you all looking for, additional information?
Mayor Newlands: Could you find out for me how many municipalities have above-ground storage in Sussex County? And if any other towns that have other systems that are used? I've heard in Delaware, since it's so flat, above-ground is the only way anybody goes.
Councilwoman Jones: I think he's answered that already.
Heather Warren: I can pretty much say all other municipalities have Sussex County have elevated tanks. If they have a ground-level tank, it's certainly not their primary source of storage, by any means.
Mayor Newlands: Okay, great, thank you. See your job is done, I don't have to pay you now. What other information do we need from Mr. Hoffman for Wednesday? Does anybody have any other information that they need?
Councilwoman Hudson: Just need Allen to tell us where 44 million gallons is going.
Heather Warren: I would encourage you to not deviate from this presentation too awful much, if other folks are here; you don't want to say well this group got this information and this group didn't.
Scott Hoffman: We will do the same presentation, but I will add the additional information about the elevation.
Mayor Newlands: Just the elevation, that's all, Heather. Are you alright with that? Just the elevation?
Heather Warren: Yes.
Mayor Newlands: Okay.
Scott Hoffman: Let's see a show of hands for who's coming on Wednesday? We'll do it at the beginning.
Mayor Newlands: Okay does anybody else have questions? Council? Since this is just a regular meeting, we're adjourned. Thank you.