

MILFORD CITY COUNCIL
MINUTES OF MEETING
July 24, 2014

A Meeting of the Public Works Committee of Milford City Council was held in the Joseph Ronnie Rogers Council Chambers of Milford City Hall, 201 South Walnut Street, Milford, Delaware on Thursday, July 24, 2014.

PRESIDING: Chairman Owen Brooks, Jr.

IN ATTENDANCE: Mayor Bryan Shupe

City Manager Richard Carmean and City Clerk/Recorder Terri Hudson

Chairman Brooks called the meeting to order at 3:07 p.m. and turned the meeting over to the city manager.

Delinquent/Disconnect Property Owner Utility Notifications/Rentals/Linda Elzey

Landlord Authorization/Tenant Utility Issues/Linda Elzey

Mr. Carmean began by explaining that Linda Elzey spoke with the city clerk about addressing the city council regarding some concerns regarding landlord/tenant policies within the city. The city manager's response was this is not the proper procedure council follows and is something he has never allowed. When she was advised this was not permitted, Mrs. Elzey recalled two people who appeared before council regarding alarm fines they had received. The city manager explained that they had presented their concerns to the finance committee though the city manager disagreed with allowing that as well. In that case, they had contacted the Finance Committee Chairman who had set up the meeting even though it is not normally allowed.

Mr. Carmean then decided that because the public works committee was meeting this week, he would allow her to come before this committee because the issues relate to billing and electric matters.

Mr. Carmean said he spoke with the city attorney regarding such requests though he will discuss that at a later date.

Mayor Shupe then asked what steps Mrs. Elzey has taken and whether she had discussed the matter with the city manager. Mrs. Elzey said that though she has not talked with the city manager, she has discussed it with the public works and billing employees.

The mayor advised that he sent a letter to the city solicitor but he has not heard anything back as of this time. He questions whether this is the best way to proceed or if her concerns should be directed to the city manager. He feels it should have been taken care of at that level instead of coming before a committee.

Mayor Shupe reiterated concern about whether this is the proper procedure to follow. He said that normally a citizen would reach out to the city manager and then to their city councilman if they are still not satisfied. The councilman would then forward the information to the city manager.

Ms. Elzey explained that she spoke with Councilman Grier and asked how it should be handled. He recommended she contact the city clerk and have it put on the agenda to discuss.

Mr. Carmean said that is why the topic will be discussed during the FOIA training. He said he hopes Mrs. Elzey understands what kind of doors this can open and made reference to the police committee where residents could come in and tell the police chief how he should staff his department. He said the city solicitor explained the proper procedure for a person, who does not want to deal with city staff or the city manager, is to go to their elected councilperson in the ward in which this situation takes place. In this situation, Mrs. Elzey's rental property is in the second ward. They then speak to the council person or both, express their concerns and the councilperson will see that they receive an answer. If the person does not like the answer, they could then present it at a council meeting.

Mayor Shupe suggests that because Mrs. Elzey contacted city council and that is what they told her to do, then we need to go ahead and hear it. But before we do this type thing again, we make sure we have some structure from the city solicitor on how it should be handled in the future and abide by it.

Mr. Carmean said it would have been hard to tell Mrs. Elzey she was unable because she knew two people were able to do the same thing at a finance committee meeting a few months ago. He agrees that at this point, she should express her concerns. However, he feels we need to put in place some rules on how to handle. The mayor agreed adding that needs to be done for all committees.

Mr. Brooks pointed out that he was unaware of the meeting Mr. Carmean is referring to though a number of other council members were invited. He heard about it when Paul Mills showed up at the next council meeting.

Mr. Carmean said that at the time the agenda was being prepared for the meeting, no one knew those two people were going to show up and discuss those issues. He feels it is difficult to tell someone that another person is unable to make their point after it was done one time before. In his forty years with the city, that is the only time that has ever been allowed. He stressed again the need to get a clear definition of how it works.

Mayor Shupe feels there is some housekeeping needed on the city's end which has nothing to do with anything Mrs. Elzey is here to talk about. However, he agrees we need to put some policies in place on how to address these issues in the future.

Mrs. Elzey was then given an opportunity to speak.

Mrs. Elzey reported that she has two concerns. The first is the procedure for notification to a landlord for delinquent water and sewer/electric bills because the utility bills are separated once it becomes a rental property. Her concern is that no notification is given to the landlord that the utilities are being disconnected. Her main problem is electric being turned off in the middle of the winter when it is ten degrees outside and the pipes end up freezing. It then becomes a major problem for the property owner.

Mrs. Elzey further explained that the Delaware Landlord and Tenant Code can come back on the property owner when the water and sewer is disconnected. The code requires the owner to provide the tenant with water and sewer. She explained that she has experienced some major problems with a current tenant; the only reason she found out they were scheduled for disconnect is because she was concerned that may be a possibility.

Mrs. Elzey is currently in the process of going to court on the matter and when she contacted an attorney, she was advised that as the property owner, she should pay the water and sewer bill. Had Mrs. Elzey not contacted the city, she would have not known the utilities were going to be disconnected at this home.

She asked if the landlord is able to receive a duplicate of the disconnect notice that is mailed which states the bill is unpaid. In that way, the landlord would have the ability to follow up. Mrs. Elzey feels this would help the city as well because the bill would be paid.

Mr. Brooks asked how the electric bill disconnects are handled; Mr. Carmean explained that if the tenant leaves and utilities are turned off, the property owner can request the city leave it on which puts the account back into the property owners' name immediately. In that manner, there is no lapse in service.

The city manager further explained that all tenants are required to provide a copy of their lease at the time they put the electric in their name. The city has a number of out of state landlords whose water bills are in their name but mailed in care of the tenant. In those cases, the landlord receives a copy and the tenant receives a copy because the lease states the tenant is responsible for water and sewer.

Mr. Carmean pointed out the water and sewer cannot be turned off to get rid of a bad tenant because it is a health issue. If the lease states the tenant is responsible, the city can disconnect the electric which is in the tenant's name.

Mrs. Elzey stated that does not comply with the Delaware Landlord/Tenant Code and the advice she received from her attorney. She said the property owner has no rights even if the tenant is responsible for making payment. As long as they are living in the home, because of the length of time needed to legally remove a tenant, they have to supply them water, sewer and electric according to the code.

Mr. Carmean said he is unaware of any law that requires the landlord to pay for electric unless they agreed to do so. Mrs. Elzey reiterated that as a landlord, she is required to provide the utilities. He will follow up with our attorney.

Mr. Brooks said it appears we are getting a lot of questions we do not know the answer to and perhaps Mr. Rutt should be present to explain the laws. He feels it is important to have his input before any decisions can be made.

Ms. Elzey said it appears the simple fix is to provide the landlord and tenant a copy of the delinquent or disconnect notification.

Mr. Carmean explained there is a real problem with privacy. If the landlord wants to take the responsibility of the electric that is not paid by the tenant, he agrees we would be on safe ground notifying the landlord. He is under the impression that the electric bill has a privacy issue attached because it belongs to the tenant and not the landlord. If that tenant skips without paying their bill, the city ends up stuck with the bill because the landlord is not responsible.

He agrees with Mrs. Elzey on the water and sewer bill which is why that bill remains in the property owners' name. However, he disagrees that the property owner would have to pay the electric bill.

Mrs. Elzey feels if that is not possible, the landlord could end up paying much more when the electric is disconnected and the pipes burst in the middle of the winter. If they were notified that would not occur. Mr. Carmean explained that a property owner can go to billing with proof of ownership and inform them that they want a phone call if the electric is scheduled to be disconnected. That information is then added to the account and the property owner will be contacted before the electric is disconnected.

Mr. Carmean said he will also check to see if they can let the landlord know if the electric is being disconnected without providing the amount they owe. He believes they can be told it will be disconnected on a certain date.

Mrs. Elzey expressed her concern about how a landlord would even know to ask the billing officer to notify them if they did not realize utilities could be shut off without notification. Particularly when there have been no problems with the tenant. She feels that the majority of landlords would not even think about going to the electric provider and ask for notification in the case of a disconnect.

Mr. Carmean said if we send notices out to all landlords, most do not want to receive them because they may have hundreds of tenants. In addition, there is a huge cost attached especially when in most cases, it would be thrown away by the landlord. He pointed out that this system has worked well for a hundred years with very little incidents where someone would leave, the electric is disconnected and the pipes freeze.

The city manager then stated that he, too, has had rental properties and he understands her concerns. The only thing is a landlord can be informed of is a pending disconnect. A duplicate notice, with some information removed, could be printed and sent to the landlords. He said we can also come up with something that states if you are a landlord and have concerns, you may contact billing with their phone number and inform them you want to be contacted in a disconnect situation.

In the meantime, Mr. Carmean will check with Solicitor David Rutt, along with our software company and the business that handles our mailing, and check on a duplicate disconnect notice being mailed without the amount owed on it.

He clarified that the disconnect notice sent to the customer provides the dollar amount they owe in addition to the disconnect date. He reiterated that if we determine it is legal, that information can be sent to the landlord.

The city manager does not think there is anything wrong with that; Mayor Shupe agrees that would work. He only recommends we get an opinion from our city solicitor first to make sure no privacy issues have been violated. He definitely sees Mrs. Elzey concerns and understands the landlord/tenant code can be tricky at times. Mrs. Elzey agreed there are a lot of gray areas.

The mayor said we need to follow up with Mr. Rutt about what we need to consider and what our concerns should be. If there are no legal problems, we will move forward with getting this done. Mr. Brooks agrees.

Mr. Carmean said it is not that big a problem to ask Mr. Rutt about the privacy issue and to check our software and mailing process. He said we have some customers who are on the disconnect list every month and some are in the areas of multi-dwelling housing where there could be more than one hundred bills are mailed. In those cases, the company that handles the rental management could potentially end up with sixty disconnect notices a month. If the situation is reversed and the property managers do not want to receive the notices, they can also let the city know and be removed from the mailing list.

He also pointed out that it is a different situation compared to a single family residence. When the electric is turned off in an apartment complex, there are units on either side so the likelihood of freezing pipes is much less. However, he will look into this and determine if we are able to notify landlords.

Mr. Carmean then asked Mrs. Elzey if she was ok receiving the notice without the amount; she stated yes adding that any notification would be beneficial. Mayor Shupe suggested that Mrs. Elzey contact public works and ask to be notified of any potential disconnects in the meantime.

The city manager noted that this tenant still resides in Mrs. Elzey's home. Mr. Carmean confirmed the electric is currently connected; Mrs. Elzey stated yes the tenant paid the bill the morning of the disconnect. Mr. Carmean said he has seen it take sometimes six months to get rid of a bad tenant, but in the meantime will check in this for Mrs. Elzey.

Mr. Carmean referenced Mrs. Elzey's other problem where a security light was removed without her permission and said he has spoken with the staff and asked if she has heard from them. Mrs. Elzey advised that she has not received an actual response back.

Her concern is that a security light was installed on a utility pole prior to her purchasing the home. They liked the feature and her mother and father lived at the house and when they came home at night, the yard was lit up. When checking the property recently, only because of the problems she has encountered, she discovered the security light was no longer there. Apparently, the tenants did not want the extra charge of paying for the security light so they contacted the city electric department and requested it be removed. Electric crews were sent to the property to remove it without any notification to Mrs. Elzey or her sister whom both own the property.

She reiterated that they were unaware this had occurred until she happened to notice the light was gone.

In Mrs. Elzey's opinion, the light belongs at the property and it should not be an option for the tenant to remove it or any other fixture or utility. At a minimum, she believes her sister and her should have been given some notice this was going to occur. Had that happened, she would have told the electric department she was more than willing to pay the \$15 a month.

Mr. Carmean explained this was not just a light that Mrs. Elzey owned. In this case, it was a city-installed light which is charged to the electric bill at that residence. When the electric was changed to the tenant, the security light fee was added to their bill. Ms. Elzey pointed out the light was removed five months after they moved in which was two years ago. Mr. Carmean said it was before the tenant had problems. They felt they did not need the light and were unwilling

to pay the fee. He said this could be addressed in the lease as well. The lease could state that the property owner is responsible for paying the security light fee in the lease. The other option is for the property owner to be sent an individual bill each month for the security light. Mrs. Elzey stated they were not given any options and instead took the direction of the tenant who had the light removed without their knowledge.

Mr. Carmean believes the billing department thought they had put the light in or it could have been a mistake. He pointed out that the city has thousands of customers so it is easy to make a mistake. He said it is normal for someone to get a security light installed and then call in six months to have it removed. The billing people may not have looked at the history or did not have the history to determine who put the light up.

He again recommended this be addressed in the lease and if the tenant does not want the light, they don't have to rent the house. The other option is for the security fee to be sent to the property owner and when the tenant calls, they are unable to have the light removed.

Mrs. Elzey believes that because it was a light attached to the property, the owner should have been contacted. Particularly if something was going to be removed or installed. Mr. Carmean said he cannot see that in a security light situation because that is usually the choice of the electric customer.

Mrs. Elzey asked what would happen if a business had a lighted sign in the front and it was leased to a tenant and the tenant decides not to pay the extra fee for the sign. So they ask the city to remove the sign; Mr. Carmean explained that the city does not install signs. Security lights are the only thing we install and charge a fee on.

He said the other option is to go to Lowes or Home Depot and buy a security light and put it on the pole. The tenant would not have any rights and the city could not remove it because it was not the city's light and instead belonged to the property owner.

He said a lot of people do that because they don't want the extra fee each month. The additional electric is then made included in their utility bill.

Mr. Carmean asked if Mrs. Elzey wants the light back up; she said yes adding that she already asked for it and they were supposed to get back with her because she wants it billed and mailed to her. She does not want it on her tenant's bill and the billing supervisor was checking to see if that could be done. However, she has not gotten back with her at this point. Mrs. Elzey called her today but she was not at work so she left a voice mail message.

At this point, Mrs. Elzey doubts if the city truck will be able to access the yard to get to the light because of the number of large items in the yard. The city manager told Mrs. Elzey if she wants to purchase a security light, he will have the electric crews mount the light. The cost of the electricity will then be added to the electric bill of that property and the tenant will be unable to remove it.

Mrs. Elzey explained that between when the light goes back up and the tenant is removed, the house will be put on the market and she will not have another rental.

It was again confirmed she wants the security light put back up and that the new owners can decide whether to buy another light or keep the city light. At this point, she does not want to purchase a light but only wants the light re-installed. Mr. Carmean said he will take care of that and will have the monthly bill sent to Mrs. Elzey until her tenants leave the home. Once they are out, it could be added to the tenant's bill or the new owners.

The city manager recalled that our code official served the tenant with the appropriate documents that required them to clean up the yard. Mrs. Elzey reiterated that deadline was today but she is unsure if that was done because she no longer goes to the house.

Mr. Carmean assured Mrs. Elzey that as soon as those items are removed, the city crews will reinstall the light.

Mr. Brooks said he had no idea there were problems with water and sewer or items in the yard. He said the city manager only advised him that Mrs. Elzey only had a problem with the security light being removed. Mr. Carmean said yes adding the other issue was the duplication of the disconnect notice, though she wanted a duplicate electric. Mr. Carmean said the problem is with computerization because everything is printed through the computer. There is a privacy issue associated with the electric bills and he is unsure if we can provide the disconnect notice. He thinks we might be able to work something out.

Mr. Brooks feels we need a procedure when it comes to who receives notifications. He said Mrs. Elzey stated that the light was removed in 2012 and did not find out until two years later. Mrs. Elzey explained that she only became aware that the light had been removed in the past month or so. She would not have known had all these other problems occur which is why she was at the house and noticed the light was removed.

Mr. Brooks understands and feels we need to ensure that when a tenant rents a house, whether they want the light or not, it is clear who is responsible for the light. He feels we need to try to solve these issues before they become a problem.

Mr. Carmean said there has never been a situation where a renter had a security light removed because they were paying for it and did not want it. As he said, a landlord could put in the lease that the security light has to be paid for while the home is rented.

He further explained that we have a list of policies and how things are handled from when someone first signs up for electric, water and sewer to when it is disconnected. We could make a new policy that anytime a tenant asks to have a security light removed, we would contact the property owner. They would be asked if they want it removed or kept in their name before anything is done. He said this situation has never occurred before.

Mrs. Elzey confirmed the light was there when they purchased the home in 2007. Mr. Brooks understands that she wants the light for security reasons.

Mayor Shupe summarized the conversation stating that the light will be reinstalled once city trucks are able to get to the light. In the meantime, we will check with the solicitor to determine if we can send the landlord a copy of the Notice of Disconnect. Mr. Carmean said he wants to check on this because for years, anyone coming in with a lease that states they are responsible for sewer and water gives the city the right to disconnect for payment. If the lease does not state that and the landlord pays for it and requests water and sewer be disconnected at some point, we cannot do that because it is a public health issue. However, we do have the right to disconnect water and sewer on owner-occupied properties when their utility bills are not paid. He definitely needs to check with Mr. Rutt on those issues.

Mr. Carmean pointed out that currently, most of the landlords prefer their tenants be responsible for paying for sewer and water.

Mr. Brooks said if the law states that utilities must be provided to the home to live in the house, then what happens when the water is disconnected. Mr. Carmean said code enforcement gets involved and begins an eviction process because it becomes a health issue. He said that has happened on several occasions which essentially helps the landlord because it becomes a condemnation. The condemnation can then be lifted when the tenant exits the home and the utilities are turned back on, if that is the only reason for the condemnation. He reiterated that has occurred many times.

Niecy Roberts then addressed the committee stating that she and her husband Craig own several rental properties. They recently purchased their first in the City of Milford. She is here to support Mrs. Elzey's request for the notification of the disconnect adding that is something which is very important to them.

Mrs. Roberts also wanted to add that if cost is an issue with the mailing, they would be very happy with a phone call or an e-mail. She suggested a generic e-mail that states "Landlord—please be advised that your tenant is scheduled for disconnect with the City of Milford. Please contact us." In her opinion, that would at least provide a way to respond.

She reported that they have had an issue with a property outside the City of Milford where the electric was disconnected in one of their rentals and they were never informed. After the disconnect, the ice in the ice maker melted onto the floor that her husband had just installed and ruined it.

Mrs. Roberts stated they have an agreement with Delmarva Power and if they had known, they would have been able to prevent that problem. Anytime the electric is disconnected, the electric immediately goes back into their name and they are immediately notified.

Mr. Carmean said we have property owners who have the accounts set up so that once the electric is turned off, it automatically goes back into the property owners' name. However, in a disconnect situation, they do not have the city turn it back on because the tenant will continue to live there. It could take them three months to get them out of the house while the property owners continue to pay the bill. It would make more sense to send the notice in that situation.

Mrs. Roberts said they definitely want the notice on the disconnect but they also want the option of leaving it on versus having it disconnected. Mr. Carmean said not if the tenant continues to live there without paying rent or electric. Mrs. Roberts said it would have been cheaper for them to pay the electric bill than pay for all new plumbing in the house if this occurred in the winter. She said they are simply asking to be in the loop of what is occurring on the property.

Mr. Carmean said he does not see a problem with sending the landlord a copy of the disconnect notices.

Mr. Brooks likes the idea and asked that after the city manager follow up with the city solicitor and gets the answer, to contact Mrs. Elzey. Mr. Carmean said he would add that he will also report back to council his findings.

Mr. Carmean reiterated that the security light will be reinstalled as soon as they are able to get to it.

Mayor Shupe thanked Mrs. Elzey for the information.

DBF Project/Washington Street Water Treatment Facility Relocation

Randy Duplechain and Erik Retzlaff of Davis, Bowen and Friedel were also present.

Mr. Carmean advised that he met with DBF to review the plans and some last minute changes to the water treatment plant on South Washington Street. When the project started, the plan was to place the city billing office at the same site. Since then the bank was purchased and the billing office will be relocated there.

He has since had some recommendations and his intent is to have a nice park there because it would be in the middle of the Riverwalk.

They then asked if the plant could be moved to the parking lot next to the water tower. The city manager said the lot is not presently utilized now and will not be needed in the future. Mr. Carmean asked Mr. Retzlaff if it would be possible to move the treatment plant to that parking lot. DBF then went back to the drawing board to figure out how this could be accomplished. This would leave a much larger area across from Milford Library for park use and would remove the water treatment plant from the river.

In addition, the facade would not have to be brick so there would be a savings there.

Mr. Retzlaff explained that they were beginning to finalize the project and were deciding what to do with the remaining property after the improvements were completed. A lot of concentration was on the dilapidated retaining walls on the back side of the Salvation Army and the paving on the side that was formally used as a thruway.

The original plan was to replace the plant at its current location. When the Washington Street pumping station was done, a temporary pole line was run from the street around the property to serve the pumping station until the water plant was built. Only one generator was planned on the site which would run both facilities.

He explained there was never power run to the pump station itself; it was run from the plant to the pump station and the plans were to keep it that way.

It was confirmed that the area closest to the retaining wall is above the floodplain and almost four feet higher than the other side by the river.

He then referenced the rendering of the original plan which still allowed a large amount of park space extending from the plant site to the parking area for the basketball courts. Approximate size is 80 feet times 150 feet across or slightly more than one-third acre.

Mr. Retzlaff advised the original plan also included the replacement of the retaining walls. An easement had been obtained from Salvation Army to install a retaining wall and replace the one in the rear that divides the city and Salvation Army property. It is needed because the down spouts from the Salvation Army dump onto the adjacent city property.

The building would be built on top of the reservoir. The reservoir will allow water to go through the aerator and collect into a reservoir. The aerator is 15 feet tall; the concrete reservoir is 25 feet wide by 45 feet long and 8 feet tall. All but two feet will be above grade. The top of the aerator will be approximately 25 feet tall.

A six-foot fence will be added for security as well as aesthetic purposes. All that will be visible of the aerator is the railing that sits above the roof line. Below the fence will be a thin, two-block retaining wall which will create a grade separation.

Some work, related to the well relocation, is still needed at the tank site if this is left at the original location. A new building was needed and the existing well house at well 2 would be removed. The bowls that fed the tank and the drain from the tank were inoperable and most likely could not do anything to service the tank. As a result, they rerouted the blue pipe and the line will be rerun and hydrants installed so the tank could be drained. Currently the overflow goes into a manhole.

Mr. Retzlaff noted that the change in plans to relocate the tank site to the parking lot area will result in additional parkland. In addition, six feet of the reservoir could be buried below grade. Power would still be required at the original site and the generator will still need to be installed.

He advised that with the relocation of the production from its original location, there would only be one well on backup power. We will end up with two wells on backup power if it were relocated though that involves some additional costs.

The cost of adding stainless steel equipment enclosures for the breakers, the drive for well 1 and the feed over to the pumping station is approximately \$100,000 at a minimum just for the enclosure. Another \$80,000 will be needed for the additional generator.

Other than the generator, the building would cost at least \$100,000 at the tank site if the plant remains as originally planned. Though the generator at the original site will not be as large, it will require two generators.

The city manager noted that we have our own electric company and asked if they could install the size generator needed at the tank site, underground it to the sewer pump station and only use a single generator. Mr. Retzlaff explained that a generator is connected to a transfer switch that provides power to the panel and the equipment operated off the panel. If the panel dies, it automatically goes to the generator. That means the drives for the motor at the other site would also have to be there. If not, the power at the tank site could go out while the power at existing plant site would remain on; the generator would also come on. Therefore, they all need to be fed through it which requires an extremely long feeder

between where the panel is and to get to where the drive is to the motor. Typically, there would be an excessive voltage drop on that line.

Mr. Brooks confirmed that if there were an outage, the other switches come on automatically. Mr. Retzlaff agreed adding that all the juice that comes from the grid to that location automatically does that. All the drives would have to be installed for all components at that site. That would not work well with an extremely long meter line to the motor because it would have too much voltage drop and could impact the performance of the motor.

Mr. Carmean asked to revisit the estimated costs. He noted that the \$180,000 includes the generator that is needed anyway. Mr. Retzlaff advised that roughly, the relocation will cost around \$100,000 of additional money.

Mr. Brooks confirmed this is part of what the citizens approved in the 2011 referendum. Mr. Retzlaff stated yes and confirmed that \$4 million was allocated for the South Washington Street project. That was based on what was proposed though the money saved by eliminating the billing office can be used for these additional projects.

He then presented a rendering of what the improvements to the proposed tank site would look like. The chain link fence would be removed and the entire site fenced.

Mr. Retzlaff advised the buildings on Washington Street will not have a brick facade which is a savings of \$45,000 to \$50,000. At the end of the day, he said there will be some additional costs though it will not be an astronomical amount.

Mr. Brooks again asked if there is still money left from the \$4 million allocated for this project; Mr. Retzlaff stated yes because the billing office was removed from the project.

As a resident, Public Works Director Brad Dennehy stated that he thinks this is a good idea.

Mr. Dennehy then asked if money could be saved by having the treatment facility and tower closer; Mr. Retzlaff stated no and explained that if relocated, it would be still be pumped from the new well site across from city hall to the tank site. Instead of going from the tank site to the existing site on the river, it would simply reverse direction and go from the existing site on the river up to the tank site, so no additional piping is needed. As a result, there is no cost difference related to the piping.

Mr. Retzlaff explained a slotted PVC privacy fence is shown in the rendering though something more ornamental could be chosen similar to a wrought iron fence. The intent was to keep most of the equipment hidden.

Mr. Retzlaff also pointed out that the aerator will be visible from Walnut Street. However, the sound of the fan on top will be minimal and similar to a roof exhaust fan. Anyone close to the aerator will hear a waterfall sound.

When asked how large the control house will be at the South Washington Street site, Mr. Retzlaff explained that either a building or a controlled enclosure could be put there. The enclosure would be approximately six feet tall by four feet deep and six feet across.

Mr. Carmean said his decision was based on having additional park space though he prefers the water plant and reservoir moved to the new location.

Mr. Dennehy pointed out the parking lot site seems better because the South Washington Street location could be flooded; Mr. Duplechain advised that at either location, the plant is well out of the floodplain. The South Washington Street site is a much higher area versus the parking lot location.

Mayor Shupe referenced the existing green area south of the basketball court and asked if that is the same level. Mr. Retzlaff advised that area would need to be filled because there is a three-foot grade break. The gray area represents the banking of the road.

Mr. Retzlaff then pointed out the condition of the retaining wall and the staining caused by the moisture. He pointed out the banking is an old berm that was paved to stabilize the area.

Mr. Duplechain referenced the green area adjacent to the basketball court was the original location of the well until they found contaminated soil.

Mayor Shupe confirmed this would result in one large green area for the park and basically it almost doubles. Mr. Duplechain explained that a retaining wall would not necessarily be required toward the basketball if the city preferred to fill that area.

Mr. Retzlaff noted the area is flat to the basketball court but the surrounding area has an existing, defined slope.

Mayor Shupe would like to present this to council and likes the idea of putting it in this new location and away from the riverwalk, adding that he does not think anyone considered its proximity to the river. Mr. Retzlaff explained that at the time the plan was presented at the referendum, it included the billing office and other city facilities.

Mr. Retzlaff then compared the two location and the project originally approved by voters at the 2011 referendum. The original scope of the project included a replacement well with an administrative (billing office) office. Well 2 and well 3 are located at the tank site; the screen of well 3 got clogged which decreased the water being pumped to 12 gallons of water per minute. The original project was to reconnect well 2 and extend the raw water main because it was an old cast iron with lead soldered joints, bring it into the plant for treatment, replace well 3 and build the administrative facility with a parking area. When the test well was drilled approximately ten feet, they hit a strong smell of gasoline. The well was then moved to the lot behind the city hall parking lot. PNC Bank was then purchased and the administrative building was removed from the plan.

He explained the project is considerably different because of the additional raw water main needed to connect the new well location to the tank and the removal of the administrative building. Previously the controls were to run well 2. Now it is needed to house all the communications for the additional new well. The water main was also relocated below the storage tank.

The scope of the project includes production well 3, which comes up to the tank site, if the plant were located to the parking area site and the water main run to well 1.

Mr. Retzlaff asked that a decision be made in order to finalize the project.

Mr. Carmean asked Mr. Brooks and Mayor Shupe to make a committee recommendation to council.

Mayor Shupe agrees with the city manager that moving the plant off the river and bringing in more green area would be his preference. Mr. Brooks agrees though he feels this needs to be presented to city council.

When reviewing the proposed rendering of the building and reservoir, Mr. Carmean asked if it could be moved closer toward the PNC building. Currently, it is shown in the center of the property. Mr. Retzlaff explained that it requires a 24-foot wide gate to allow proper access by large equipment when some of the larger components are removed. The drive aisle on the southerly side of the proposed plant aligns with the current access. He tried to move the plant further to the south but that is prohibited by the location of well 2.

Mayor Shupe asked if it would be visible from the florist shop on Southeast Front Street; Mr. Carmean said he doubts it because there is a huge water tower on the same site. Mr. Duplechain explained it is about the height of a house with a crawl space though the aeration tower would be visible.

USDA Funding Possibilities/Borrowing & Referendum

City Manager Carmean said he has already discussed the next presentation with Mr. Brooks and Mayor Shupe. It will need to be presented to council for action.

Mr. Retzlaff advised that USDA approached DBF because they have funding available but not enough projects. The USDA offered grant funds to entice clients to pursue improvements to be funded over two years in order to maximize a grant.

Mr. Duplechain advised this is a forty-year loan and the current rate is 2.375%. Mr. Carmean added that the difference in this loan compared to the \$3.5 million project at the 1% rate is that of the \$4 million, \$2 million is a grant.

Mr. Retzlaff confirmed this will still need to go to referendum and voters will be asked to approve a \$2 million 40-year loan at 2.375%. He noted that the \$3.5 million that was considered for a previous referendum involved a 20-year term at 1%. This is a forty-year term with no wage rates so 20 to 30% of construction costs would be saved.

In order to be eligible for the grant money, it is necessary to exceed a certain affordability criteria related to the cost of utilities versus the median household income. Milford's water rates are not high enough to qualify for the grant though our sewer rates qualify. Therefore, only sewer projects would be eligible. In order to maximize the amount of the grant, it will be broken out over two different funding cycles. Therefore, a few projects would be funded the first year and the remainder of the projects funded the next year.

When Mayor Shupe asked if the last referendum included a rate increase, Mr. Carmean confirmed there would have been a water rate increase. Mr. Duplechain said sewer rates would need to increase to some extent to pay the debt of this loan.

Mr. Retzlaff said he can work the numbers out and estimate the rate increase to pay the \$2 million.

The city manager said that at the time of borrowing, we could say we do not need to raise our rates. However, at some point they will need to be increased. In order to borrow the money, we would not have to raise our rates over the next couple of years.

Mr. Brooks recalled the last rate increase was a result of improvements needed by Kent County and Milford's portion of the loan repayment which he believed was approximately twelve cents.

Mr. Retzlaff advised the plan is to do a systemwide SCADA instrumentation and programming upgrades (\$400,000), North Street Pump Station Rehabilitation (\$525,000), Fisher Avenue Pump Station Rehabilitation-Phase I (\$325,000), South Milford/Shawnee Acres Pump Station Upgrade (\$450,000) and Lighthouse Estates Pump Station Improvements (\$300,000) in year one.

Year two includes Phase Two of the Fisher Avenue Pump Station Rehabilitation (\$850,000), North Shore Pump Station Rehabilitation (\$400,000) and I&I System Repairs (\$750,000).

He noted that the SCADA project involves the alarm system and interface of the operators so they can get useful data to diagnose issues. Right now, if something occurs and it overflows at the station, it only calls staff out. It does not provide any historical data. Adding this would allow monitoring the run times on the pumps.

The North Street project is already designed and Fisher Avenue Phase 1 and Shawnee Acres Phase 1 only involve initial upgrades. Shawnee Acres Phase 1 and Lighthouse Estates need improvements because there are issues when it rains.

Mr. Brooks expressed concern about taxpayers paying for upgrades to the Shawnee Acres facility because it is not in the city. Mr. Retzlaff pointed out it is a city-owned property that provides sewer to that area. It was agreed to rename the pump station to the Southern Milford Pump Station. Mr. Duplechain pointed out it serves that entire area including those in Shawnee Acres on our system.

Mr. Retzlaff then pointed out the next phase of the project includes the North Shores Pump Station which is also out of city limits. It will also include Phase 2 of the Fisher Avenue Pump Station Rehabilitation as well as I&I work that was never pursued.

Mayor Shupe asked what the estimated utility increase would be; Mr. Retzlaff said he can break down the debt service over the forty-year term and how that would impact Milford's customers based on the current numbers.

Mr. Retzlaff explained that over a forty-year term, the debt service annually is not a significant amount and the city could defer the rate increase for five years. The city would not actually close the loan until the project is approximately 70% complete, so \$700,000 worth of projects need to be done before the city begins to prepay the loan. However, interim financing would have to be paid unless that could be paid from reserves and then reimbursed at the time of the loan closing costs.

Mr. Retzlaff noted that the North Street Pump Station design has been complete for five years and is ready to go. When the gas main was run on Route 113 beside Dickinson Medical Center, it went back away from the highway and was placed on top of where the project was going to be which is why it was never done.

Mayor Shupe asked if this should first be discussed with the finance committee. Mr. Duplechain explained that part of the urgency is the requirement to use the first allotment of money which requires the submission of the application. He explained that the representative from USDA wanted it by the end of this month.

The mayor confirmed that this would only be an introduction on Monday and not a final vote.

The city manager explained that the committee only needs to agree for DBF to submit the application. He emphasized that the city can back out at anytime.

Mr. Brooks does not feel it is fair to expect a vote from the other council members Monday night. He suggests it be presented at a workshop first so they completely understand the project and funding. Mayor Shupe agreed.

Mr. Retzlaff explained that all they need today is an opinion on whether they feel this is something worth pursuing and the authorization to proceed and prepare the report in order to submit the application to USDA. Mr. Carmean agreed this does not lock them into a referendum at this point.

Mayor Shupe feels that because of FOIA, they are unable to call everyone to get an opinion and pointed out the matter must be presented at a city council meeting. Mr. Retzlaff agreed adding that at this point, they only ask the committee tell them to proceed and start preparing the report.

Mr. Carmean said he will have DBF break the projects out on Monday night and explain exactly what is needed. Mr. Retzlaff said he is willing to do that but he needs the reports done by the end of next week and if he does not hear anything until Monday night, that only gives him 3½ days to complete them. Having an answer today, gives him two more days.

Mr. Brooks reiterated that he prefers it be presented to council in a workshop so they fully understand. Mr. Retzlaff explained they are not looking for a commitment to take it to referendum, but only need to start working on the report. That must be done in order to secure the offer from USDA before it can even be considered.

Mr. Carmean said he does not like to surprise council and he has the authority to direct DBF to complete and submit the application. However, he felt there was sufficient time to preliminarily run it by the Public Works Committee and then he will explain to council that it does not lock the city in. He agrees the application needs to be submitted.

Mr. Brooks expressed concern regarding the few council members who are unfamiliar with the projects and may not even know the locations of the projects. Mr. Carmean then agreed that additional information is needed before the city locks in.

Mr. Brooks said he is in favor of this, but wants council educated on the matter.

The city manager said he told Mr. Duplechain that if the city does not receive the \$2 million grant, he does not want to borrow the \$2 million. Mr. Duplechain agreed they told USDA that if the city does not get the grant, the city does not want the loan. He also pointed out that USDA is a great funding source because they have longer loan terms, low interest rates, no wage rates and no penalty for paying off the loan sooner. In this case, there is grant money available.

Mr. Duplechain also noted the city is at the threshold right now and after the next census, Milford will not be eligible to apply for similar loans because one of the qualifications is population. Milford's population numbers at the last census fell just below the 10,000 which is the maximum number.

When asked, Mayor Shupe said he is willing to recommend to council Monday night that we proceed with the application but does not want to lock into anything. However, he agrees it needs to be considered because it appears to be a good deal.

Mr. Duplechain explained the application process involves a number of significant reports and will take time. He emphasized that each day a decision has not been made puts them behind. However, they are willing to burn the midnight oil if necessary, assuming the committee does not have the authority to act on the application.

Mr. Carmean said that as city manager, he has spent money on a lot of projects before he brings them to council. He believes he has the authority to allow DBF to start working on the application. He will then inform council Monday night that he has directed them to proceed. If council does not agree, it will stop at that point.

Mr. Retzlaff concluded by stating they will start the application process and inform council what has been offered and the projects they wish to pursue. If not interested, they will cease work.

The city manager announced that Hans Medlarz, who will be involved in these discussions over the next several years, has chosen some of the projects.

With no further business, the Public Works Meeting adjourned at 4:48 p.m.

Respectfully submitted,



Terri K. Hudson, MMC
City Clerk/Recorder

Attachments:

DBF Presentation (dated 07-24-14)

Public Works
Committee Meeting

City of Milford

July 24, 2014



Washington Street Water Treatment Plant Replacement Project

Potential Relocation Discussion



Location as Originally Proposed

- Plant at same location as the existing
- Electrical Service & Emergency Generator at Site to Serve New Water Plant & Sewage Pumping Station

July 2014



St. Washington Street

Existing Well

Retaining Wall

Retaining Wall

Fence

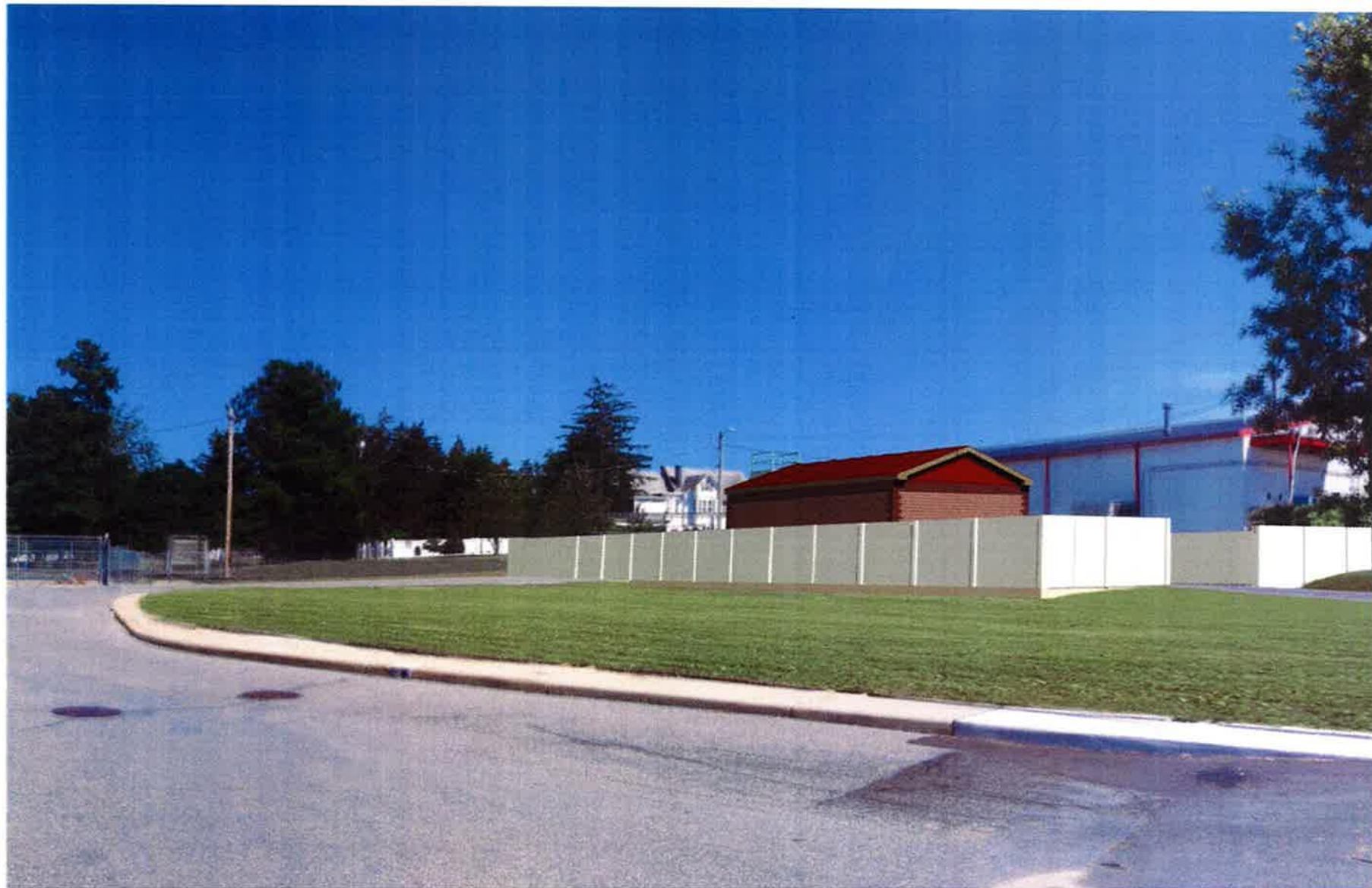
Washington Street Water Treatment Plant

March 2012
Aerial Photograph



Washington Street WTF Rehabilitation & Improvements Project
City of Milford





July 2014



Washington Street Tower

Washington Street

2nd Street

March 2012
Aerial Photograph



Washington Street WTF Rehabilitation & Improvements Project
City of Milford



Proposed Relocation

- Plant at Elevated Storage Tank Site
- Existing Site already used for Water Facility
- Larger Park
- Reservoir can be buried, unlike at other site
- Additional Generator Needed at Old Plant Site for Power to Well 1 & Sewage Pumping Station



July 2014 N
W E

S.E. Front Street

Washington Street

Pearl Alley

Reservoir
Water Treatment Facility

Aerator

Generator

Fence

Washington Street Tower

Walnut Street

2nd Street

March 2012
Aerial Photograph

0 40 80 Feet

Washington Street WTF Rehabilitation & Improvements Project
City of Milford

DAVIS
BOWEN &
FREDDEL, INC.
ANALYSIS • DESIGN • CONSTRUCTION



July 2014



Existing Well

Fence

Control & Electric Power Bldg.

Generator

Retaining Wall

March 2012
Aerial Photograph



Washington Street WTF Rehabilitation & Improvements Project
City of Milford

DAVIS

Original Project Scope

- Replacement Well at Existing Plant Site
- Administration Building



Washington Street WTF Rehabilitation & Improvements Project
City of Milford

Modified Project Scope including Relocation of Plant

- Production Well at Remote Site due to Contamination
- Additional Raw Water Main to New Well Location
- No Administration Building
- Replacement of Existing Well House at Tank Site
- Relocation of Water Main feeding Elevated Storage Tank

July 2014



March 2012
Aerial Photograph

Washington Street WTF Rehabilitation & Improvements Project
City of Milford



USDA Funding Possibilities



USDA Funding Possibilities

- ▶ USDA Rural Development approached DBF as they have funding but not enough projects
- ▶ USDA willing to provide grant funds to entice Milford to pursue improvements projects
- ▶ Based on the Affordability of City Utility Rates, only the Sewer Utility is eligible for Grant Funds. Water Utility is not.
- ▶ Projects to be funded over 2 years to maximize Grant

Proposed Year 1 Projects

\$2,000,000	Total Project Costs
\$ 400,000	System-Wide SCADA Instrumentation & Programming Upgrades
\$ 525,000	North Street Pump Station Improvements
\$ 325,000	Fisher Avenue Pump Station Improvements – Phase 1
\$ 450,000	Shawnee Acres Pump Station Improvements – Phase 1
\$ 300,000	Lighthouse Estates Pump Station Improvements

Proposed Year 2 Projects

\$2,000,000	Total Project Costs
\$ 850,000	Fisher Avenue Pump Station Improvements – Phase 2
\$ 400,000	N. Shores Pump Station Rehabilitation
\$ 750,000	I & I Sewer System Repairs