City of Milford

CITY COUNCIL AGENDA

February 13, 2017 - 7:00 P.M.

Joseph Ronnie Rogers Council Chambers
Milford City Hall
201 South Walnut Street
Milford, Delaware

COUNCIL MEETING

Call to Order - Mayor Bryan Shupe

Invocation

Pledge of Allegiance

Approval of Previous Minutes

Recognition

Proclamation 2017-04/Rare Disease Day

Proclamation 2017-06/Honoring Lizzie Howell

Proclamation 2017-07/Banneker Student Kylie Moorman/Lifesaving Recognition**

Monthly Police Report

Monthly City Manager Report

Monthly Finance Report

Committee & Ward Reports

Conditional Approval***/Bid Award/Parks & Recreation/Milford Kayak Launch

Milford Parks & Recreation Logo

Recommendation/Budget Transfer/Solid Waste Capital/
Downtown Dual Waste/Recycling Containers Purchase*

Communications & Correspondence

Unfinished Business

Adoption/Ordinance 2017-07
Chapter 185 Amendment/Sewer Code
Impact Fees

Adoption/Ordinance 2017-08
Chapter 222 Amendment/Water Code
Impact Fees

Adoption/Ordinance 2017-09
Chapter 19/Economic Development and Redevelopment
Citywide Job Creation and Capital Investment Program

New Business

Introduction/Ordinance 2017-02
Michael Rivera for a Conditional Use
C2 (Central Business District) Zoning District
S/E Corner of N Walnut Street and NE Second Street Intersection
Present Use: Single Family Detached Dwelling; Proposed Use: Hotel/Bed & Breakfast & Apartment
Tax Map MD-16-183.10-03-58.00

Introduction/Ordinance 2017-03
Code of the City of Milford
Part II-General Legislation
Chapter 230-Zoning
Article III-Use and Area Regulations
§230-16 – I-1 Limited Industrial District

Introduction/Ordinance 2017-05
Mildred Pederson on behalf of Transatlantic Shipping Agency for a Conditional Use
C2 (Central Business District) Zoning District
N/E Corner of the SE Front Street and S Walnut Street Intersection
27 South Walnut Street, Milford, Delaware.
Present Use: Commercial Retail; Proposed Use: Commercial Retail with Apartments
Tax Map 3-30-6.20-002.00

Introduction/Ordinance 2017-06
Larson Engineering on behalf of Milford Plaza Enterprises for a Conditional Use
C3 (Highway Commercial) Zoning District
N/E Corner of N DuPont Boulevard and NW Front Street Intersection
600 N DuPont Boulevard, Milford, Delaware
Present Use: Commercial Retail; Proposed Use: Commercial Retail w/Repair Shop &/or Service Station
Tax Map MD-16-183.09-01-04.00

Adoption/Resolution 2017-01/Authorizing Advanced Metering Infrastructure Program, DEMEC Advanced Metering Infrastructure Contract and Funding Source**

Authorization/State of Delaware Mosquito Spraying Agreement

Appointment/Board of Adjustment Member

Authorization/Plan Review and Inspection Agreement/First State Inspection Agency, Incorporated

EXECUTIVE SESSION

Recess into Executive Session

{Pursuant to 29 Del. C. §10004(b)(9)} Personnel Matters

{Pursuant to 29 Del. C. §10004(b)(4)} Collective Bargaining Matters

Return to Open Session

Personnel Matters

IBEW Local Union 126 Matter

Adjourn

This agenda shall be subject to change to include additional items including executive sessions or the deletion of items including executive sessions which arise at the time of the public body's meeting.

SUPPORTING DOCUMENTS MUST BE SUBMITTED TO THE CITY CLERK IN ELECTRONIC FORMAT NO LATER THAN ONE WEEK PRIOR TO MEETING; NO PAPER DOCUMENTS WILL BE ACCEPTED OR DISTRIBUTED AFTER PACKET HAS BEEN POSTED ON THE CITY OF MILFORD WEBSITE.

120616 010617 011917 012017 *020717 Late Addition Requested by Chief of Police (Staff Meeting) **021017 Late Addition by City Manager (Funding Source Added) ***AG's Approval Required

From: "Jerry Williams" <jerry@understandingmyositis.org>
To: "Mayor Shupe" <Mayor@milford-de.gov>
Subject: Proclamation Request for Rare Disease Day 2017

Dear Mayor Shupe,

I have attached a proclamation for your review. It would be wonderful if you would approve this and submit to me a proclamation for Rare Disease Day. The proclamation would be shared on social networking sites and our Myositis Support and Understanding non profit site, as well as the Rare Disease Day website.

If possible, it would be great if we could have a picture taken together with the proclamation to share on the above sites.

Thank you for your time and attention to this,

Kindly,

--
Jerry Williams
Founder and President
Myositis Support and Understanding Association, Inc.

www.UnderstandingMyositis.org

City of Milford

PROCLAMATION 2017-04

RARE DISEASE DAY

Whereas, there are nearly 7,000 diseases and conditions considered rare (each affecting fewer than 200,000 Americans) in the United States, according to the National Institutes of Health (NIH);

Whereas, while each of these diseases may affect small numbers of people, rare diseases as a group affect almost 30 million Americans;

Whereas, many rare diseases are serious and debilitating conditions that have a significant impact on the lives of those affected;

Whereas, while more than 450 drugs and biologics have been approved for the treatment of rare diseases according to the Food and Drug Administration (FDA), millions of Americans still have rare diseases for which there is no approved treatment;

Whereas, individuals and families affected by rare diseases often experience problems such as diagnosis delay, difficulty finding a medical expert, and lack of access to treatments or ancillary services;

Whereas, while the public is familiar with some rare diseases such as "Lou Gehrig's disease" and sympathetic to those affected, many patients and families affected by less widely known rare diseases bear a large share of the burden of funding research and raising public awareness to support the search for treatments;

Whereas, hundreds of residents of Milford, Delaware are among those affected by rare diseases since nearly one in 10 Americans have rare diseases;

Whereas, the National Organization for Rare Disorders (NORD) is organizing a nationwide observance of Rare Disease Day on February 28, 2017;

Whereas, thousands of patients and caregivers, medical professionals, researchers, companies developing orphan products to treat people with rare diseases, and others in the town of Milford, Delaware will participate in that observance;

NOW, THEREFORE, I, Bryan W. Shupe, Mayor of the City of Milford, Delaware, hereby proclaim February 28, 2017, will be observed as Rare Disease Day in the City of Milford.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the City to be affixed hereto this 13th day of February 2017.

Mayor Bryan Shupe

Attest:

City Clerk

PAYMENT SCHEDULE

6/27/2016 9:21:31 AM

Loan Schedule as on 6/27/2016

Borrower: City of Milford
Tax ID: 51-6000177
Loan Number: 12000015
Loan Type: Municipal Loan
Status: New Loan
Loan Amount: $1,700,000.00
Actual Loan Amount: 1,700,000.00
Annual Rate: 3.00%
Period: Semi-Annually
Payments: 40

Cost: $0.00
Report Generated By: Paquette, Frank
Loan Officer: Motyl, Brian
Origination: 1/31/2001
Maturity: 7/1/2022
Payment: 56833.26

#	Due Date	Amount($)	Interest ($)	Principal($)	Principal Balance($)	Loan Balance($)
					666,741.28	738,832.38
28	07/01/2016	56,833.26	~~10,001.11~~	46,832.15	619,909.13	681,999.12
29	01/01/2017	56,833.26	~~9,298.63~~	47,534.63	572,374.50	625,165.86
30	07/01/2017	56,833.26	8,585.61	48,247.65	524,126.85	568,332.60
31	01/01/2018	56,833.26	7,861.90	48,971.36	475,155.49	511,499.34
32	07/01/2018	56,833.26	7,127.33	49,705.93	425,449.56	454,666.08
33	01/01/2019	56,833.26	6,381.74	50,451.52	374,998.04	397,832.82
34	07/01/2019	56,833.26	5,624.97	51,208.29	323,789.75	340,999.56
35	01/01/2020	56,833.26	4,856.84	51,976.42	271,813.33	284,166.30
36	07/01/2020	56,833.26	4,077.20	52,756.06	219,057.27	227,333.04
37	01/01/2021	56,833.26	3,285.85	53,547.41	165,509.86	170,499.78
38	07/01/2021	56,833.26	2,482.64	54,350.62	111,159.24	113,666.52
39	01/01/2022	56,833.26	1,667.38	55,165.88	55,993.36	56,833.26
40	07/01/2022	56,833.26	839.90	55,993.36	0.00	0.00
		Total:	~~72,091.10~~	666,741.28		

$ 52,791.36

CALL SAM WITH EARLY PAY-OFF

CITY OF MILFORD (DELAWARE)
SERIES B OF 2011
REFUNDS THE SERIES OF 2002

SETTLE 6/30/2011
DATED 6/30/2011

1	2	3	4	5	6	7	8	9	10	11
Date	Principal	Coupon	Yield to Call	Yield to Maturity	Interest	Semi-Annual Debt Service	Annual Debt Service	Existing Debt Service	Savings	PV Savings
1/1/2012	545,000	2.000	0.550		43,791.94	588,791.94	588,791.94	692,590.00	103,798.06	102,891.80
7/1/2012					38,100.00	38,100.00				
1/1/2013	685,000	2.000	0.750		38,100.00	723,100.00	761,200.00	774,100.00	12,900.00	12,770.62
7/1/2013					31,250.00	31,250.00				
1/1/2014	690,000	2.000	0.900		31,250.00	721,250.00	752,500.00	766,025.00	13,525.00	13,108.81
7/1/2014					24,350.00	24,350.00	745,600			
1/1/2015	290,000	2.000	1.200		24,350.00	314,350.00	338,700.00	351,420.00	12,720.00	12,080.36
7/1/2015					21,450.00	21,450.00	335,800			
1/1/2016	240,000	2.000	1.400		21,450.00	261,450.00	282,900.00	300,832.50	17,932.50	16,670.89
7/1/2016					19,050.00	19,050.00	280,500			
1/1/2017	235,000	3.000	1.700		19,050.00	254,050.00	273,100.00	296,432.50	23,332.50	21,270.16
7/1/2017					15,525.00	15,525.00	269,575			
1/1/2018	250,000	3.000	2.000	2.141	15,525.00	265,525.00	281,050.00	301,712.50	20,662.50	18,608.24
7/1/2018					11,775.00	11,775.00	277,300			
1/1/2019	255,000	3.000	2.400	2.547	11,775.00	266,775.00	278,550.00	301,130.00	22,580.00	19,858.68
7/1/2019					7,950.00	7,950.00	274,725			
1/1/2020	260,000	3.000	2.600	2.730	7,950.00	267,950.00	275,900.00	299,867.50	23,967.50	20,697.94
7/1/2020					4,050.00	4,050.00	272,000			
1/1/2021	270,000	3.000	2.750	2.847	4,050.00	274,050.00	278,100.00	302,905.00	24,805.00	21,034.20
							274,050			
TOTALS	3,720,000				390,791.94	4,110,791.94	4,110,791.94	4,387,015.00	276,223.06	258,891.68

Savings as a % of Refunded Par 7.33% 6.87%

$78,560

CARD SALE WITH EARLY PAY-OFF

City of Milford

PROCLAMATION

2017-06

Honoring Lizzy Howell

WHEREAS,

The Mayor and City Council of the City of Milford wish to commend Lizzy Howell on her hard work and dedication and to congratulate her on her outstanding accomplishments in dance and her national and international recognition as a role model to all young people who want to dance; and

Despite facing criticism and prejudice, over the past ten years fifteen-year-old Lizzy has smashed stereotypes through ballet, tap, jazz and contemporary dancing; and

After a video of Lizzy showing off her 'mad skills' went viral after being posted on Instagram, it has received more than 6 million views; and

Lizzy sends a powerful message showcasing different shapes and sizes who are all incredible and inspiring in their own right; and

An overnight sensation, Lizzy has won an 80,000-strong army of fans for breaking down barriers in the world of dance; and

Dancers have voiced their support from throughout the world with many relating their own experiences about the hardships they have faced; and

Acknowledged for her perseverance, dedication and positive spirit, Lizzy has been featured not only locally, but by the Today Show, Radio City Rockettes, Inside Edition, Just Hollywood and Teen Vogue, just to name a few; and

Lizzy, who was diagnosed with pseudotumor cerebri, is promoting diversity in yet another way and was most recently named an Ambassador for Dancing for You, an awareness campaign for dancers with disabilities.

NOW, THEREFORE, I, Bryan W. Shupe, Mayor of the City of Milford, do hereby declare it an honor to commend Lizzy Howell for her exceptional dancing abilities, her character and her hope that her struggles will help others overcome challenges both on and off the dance floor.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the City to be affixed hereto this 13th day of February 2017.

Mayor Bryan W. Shupe

Attest:

City Clerk

City of Milford

PROCLAMATION

2017-07

Recognizing Banneker Student Kylie Moorman

WHEREAS, Members of the City Council wish to express great admiration for Kylie Moorman for her exemplary courage in saving the life of a fellow student; and

WHEREAS, On January 26, 2017, Sabrina Kadow was in the hallway at Benjamin Banneeker Elementary School talking and laughing when she began to cough; and

WHEREAS, fellow students recognized the fact that Sabrina was suddenly chocking and was unable to breath due a mint that was lodged in her throat; and

WHEREAS, Safety Patroller Kylie Moorman quickly responded approaching Sabrina from behind and began to perform the Heimlich Maneuver causing her to react and expel the mint; and

WHEREAS, Sabrina was then taken to the School Nurse and checked for any lingering effects of the mint that had lodged in her throat; and

WHEREAS, thanks to her quick actions and knowledge of the Heimlich Maneuver, Kylie Moorman was able to save the life of Sabrina Kadow.

NOW, THEREFORE, I, Bryan W. Shupe, Mayor of the City of Milford, Delaware, on behalf of Milford City Council, hereby proclaim Kylie Moorman as a most distinguished Milford heroine who has earned the appreciation and gratitude of her city.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the City to be affixed hereto this 13th day of February 2017.

Mayor Bryan W. Shupe

Attest:

City Clerk

CITY OF MILFORD

DELAWARE

"THE GARDEN CITY OF TWIN COUNTIES"

OFFICE OF THE CHIEF OF POLICE
KENNETH L. BROWN

400 N.E. FRONT STREET
MILFORD, DE 19963
(302) 422-8081 FAX (302) 424-2330

TO: Mayor and Members of City Council

FROM: Kenneth L. Brown, Chief of Police KLB

DATE: February 7, 2017

RE: Activity Report/January 2017

==========

Monthly Stats:

A total of 485 arrests were made by the Milford Police Department during January 2017. Of these arrests, 167 were for criminal offenses and 318 for traffic violations. Criminal offenses consisted of 48 felonies and 119 misdemeanors. Traffic violations consisted of 58 Special Duty Radar, 5 Drunk-Driving charges, 255 other.

Police officers investigated 43 accidents during the month and issued 125 written reprimands. In addition, they responded to 1119 various complaints including city requests and other agency assistance.

Monthly Activities:

The Staff Officers have been implementing the logistics, executing policies and training officers on the Body Worn Camera Program. On January 26, 2017, the Milford Police Department's Body Worn Camera Program was put into effect.

Two officers attended FBI-LEEDA Media & Public training at the Dover Police Department. One officer attended DWI Detection & SFST Instructor training at the DSP Academy.

SRO:

Cpl. Bloodsworth participated in a "tabletop" emergency procedure exercise with the staff at Banneker Elementary School.

Cpl. Bloodsworth participated in oral board interviews for new AAA Safety Patrol members at Mispillion Elementary School.

Cpl. Bloodsworth accepted an invitation to speak to preschool aged students at the Boys and Girls Club.

Sgt. Masten participated in a law enforcement partnership meeting facilitated by the Delaware Department of Transportation. This meeting was an information sharing by numerous agencies. This has become a monthly get together and has turned out to be very beneficial with relaying information about cases or intelligence to various agencies.

Milford Police Facebook posts reached over 108,000 people between January 3rd and January 30th, with nearly 34,000 people engaging with the posts.

K9 Unit:

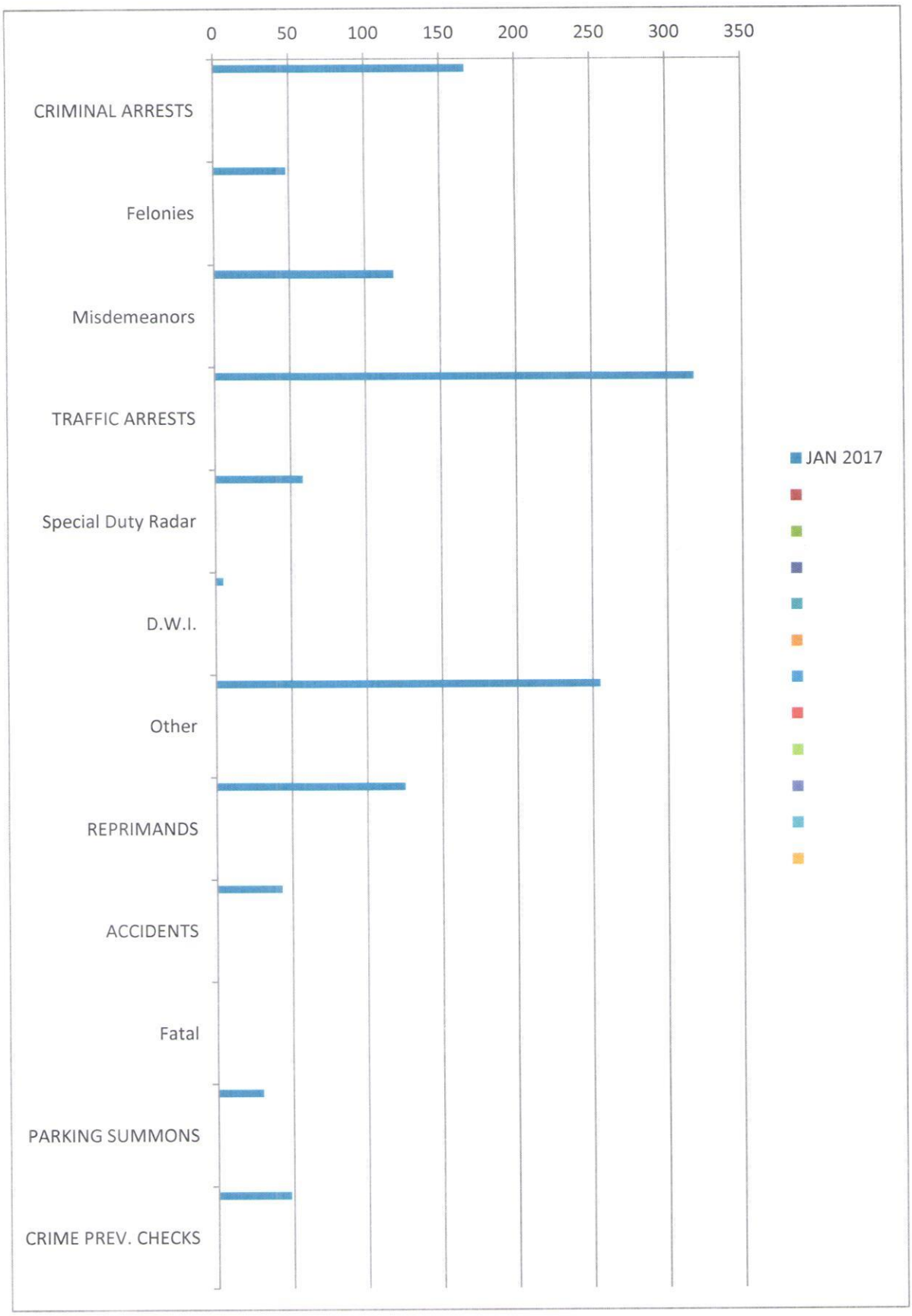
For the month of January 2017 the Milford Police Department K9 unit had the following stats:

• Utilized	18
• Drugs	2
• Crowds	1
• Assist Other Agencies	6
• Building Searches	1
• Deployed as Precaution	5
• Area Search	1
• Article Search	0
• Bite Apprehensions	0
• No Bite Apprehensions	3
• Tracks	2
• Demo	0

Notes: K9 Unit was successful on two tracks locating evidence for two separate robberies.

JAN 2017 ACTIVITY REPORT

	JAN 2017	TOTAL 2017	JAN 2016	TOTAL 2016
COMPLAINTS	1119	1119	1061	1061
CRIMINAL ARRESTS	167	167	135	135
Felonies	48	48	84	84
Misdemeanors	119	119	51	51
TRAFFIC ARRESTS	318	318	353	353
Special Duty Radar	58	58	54	54
D.W.I.	5	5	8	8
Other	255	255	291	291
REPRIMANDS	125	125	92	92
ACCIDENTS	43	43	44	44
Fatal	0	0	0	0
PARKING SUMMONS	30	30	5	5
CRIME PREV. CHECKS	48	48	8	8
FINES RECEIVED	$6,113.39	$ 6,113.39	$ 6,522.20	$ 6,522.20


0
50
100
150
200
250
300
350
CRIMINAL ARRESTS
Felonies
Misdemeanors
TRAFFIC ARRESTS
Special Duty Radar
D.W.I.
Other
REPRIMANDS
ACCIDENTS
Fatal
PARKING SUMMONS
CRIME PREV. CHECKS
JAN 2017

OFFICE OF THE CITY MANAGER
ERIC NORENBERG, ICMA-CM
302.424.3712, FAX 302.424.3558

201 SOUTH WALNUT STREET
MILFORD, DE 19963
www.cityofmilford.com

City Manager's Report
February 13, 2017

ADMINISTRATION

The new phone system was implemented and has been working well. All phone lines are now VOIP and are much clearer. Staff can transfer callers to anyone in the City without having to ask the caller to hang up and dial another phone number.

Parks & Recreation

Ralph Skinner Jr. "RJ" assumed the role as the Parks Superintendent and was recognized by Council.
Parks & Rec office hours were adjusted to 8:00 am until 4:30 pm and lunches are being staggered to cover the office.
Holiday decorations were removed in the downtown area however a decision was made to leave up the small lights on the trees downtown over the winter months.
A January nor'easter saw high water levels on the Mispillion River which resulted in a lot of debris being washed/blown into the parks which was cleaned up.
Staff worked on creating a new Parks & Rec logo and spring brochure. The logo is to be presented to the Parks & Rec committee and City Council on February 13.
Staff met separately with Milford School District and DE Turf to explore potential additional programming.
A pre-bid meeting was held with potential contractors for the new kayak dock on the Mispillion River. The project was put out to bid, with bids being received and opened on January 31. Bid to be awarded by City Council in February.

FINANCE DEPARTMENT

Customer Service Division

No report provided.

Information Technology Division

No report provided.

PLANNING & ECONOMIC DEVELOPMENT

Enforcement & Inspections Division

Code Enforcement Case Activity
New Cases: 38
Closed Cases: 8
Open at Start of Month: 67
Open at End of Month: 97

Code Enforcement Violation Activity
Abandoned Vehicle: 6
Dangerous Tree: 1

Furniture: 0
Generic: 10
Property Maintenance: 12
Rubbish & Garbage: 7
Weeds & Grass: 0
Zoning Use: 0
Total: 36

Rental Inspections Performed: 2
Rental Licenses Issued: 825
Vendor Licenses Issued: 2
Contractors Licenses Issued: 122

Building Permits Issued
Commercial Foundation: 0
Commercial Building Permit: 10
Demolition: 5
Residential New Construction: 13
Residential Renovation/Accessory Structure: 5
Roof/Siding: 3
Solar Panels: 6
Utility (Electric/Water): 3
Total: 45

The Building Inspector resigned effective January 31. The City will be utilizing the services of First State Inspection Agency, Inc. for building plan review and inspection services.

Planning & Zoning Division
Planning Commission recommended approval of three conditional use applications within the City's DDD that would rehabilitate existing structures and promote mixed use commercial/residential opportunities.
Planning Commission continued its work to craft updates to the Comprehensive Plan. The January workshop reviewed chapters on Natural Resources and Parks, Recreation and Open Space. The Commission also reviewed the findings from the climate change workshops and the proposed language to be inserted into the Plan.

Economic Activities Division
On January 10, the Governor held an event at the under construction Touch of Italy location downtown to announce the DDD large project awards. The City had two large project applicants during this funding round, Dan Bond with Lou's Bootery and Dennis Silicato for the former skating center building, both were awarded grant funds from the State.

PUBLIC WORKS DEPARTMENT
Electric Division
Power Outages: 01/23-Shawnee Acres; two trees downed.
Poles replaced due to either age, rot or damage: 1
Closed Work Orders: 10
Trouble Service Calls: 19
New Electric Services Installed: 5
Preventative Maintenance/Trees Trimmed: Asplundh has been trimming around the City.
Miss Utility Locates: 94

New pole installed at Royal Farms for electric car charging station.

Touch of Italy's leased parking lot saw five new poles installed with LED lights.

Water & Wastewater Division
New water line installed for Touch of Italy.
AT&T antenna dislodged atop the NE Tenth Street water tower which has been reattached.
Meeting held with DB&F regarding the SE Regional Sewer Pump Station which will serve Bayhealth and others.
A sewer truck broke down, which has since been repaired, however Town of Camden lent us their truck to use.
Silicato sewer pump station was cleaned out twice due to garments clogging the pump.

Streets & Solid Waste Division
Bulk Pick Ups: 12
Additional Containers: Trash-2; Recycle-3; Yard Waste-0
Service Terminated: 5
Change Container Size: 8
Damaged/Replaced Container: 7
After Hours Calls:

The automated trash truck has been ordered and anticipate an April delivery.
Crews were prepared for the January snowstorm and focused on roads around the hospital, police department and emergency routes first. Water crew plowed developments; Electric crew handled snow removal in parking lots, sidewalks; Parks & Rec crew assisted. Crews spent several days after the snow cleaning salt from the equipment.

Crew Labor: January 7 was 7 employees; January 8 was 12 employees
Public Works Overtime: 157.50 hours total; 75.50 hours Streets division only
Salt Used: 60 tons

SOLID WASTE/RECYCLING MONTHLY DIVERSON REPORT

February 2017

	SOLID WASTE TONNAGE	CURBSIDE RECYCLING	DROP-OFF CENTER RECYCLING	YARD WASTE	TOTAL	DIVERSION
Oct-16	288.48	53.47	41.27	36.50	419.72	31.3%
Nov-16	249.43	45.97	36.82	33.00	365.22	31.7%
Dec-16	253.19	72.99	36.27	36.27	398.72	36.5%

	SOLID WASTE TONNAGE	CURBSIDE RECYCLING	DROP-OFF CENTER RECYCLING	YARD WASTE	TOTAL	DIVERSION
2013	3903.34	617.90	213.77	473.85	5208.86	25.1%
2014	3206.04	645.88	243.90	472.08	4567.90	29.8%
2015	3077.95	642.20	259.49	446.27	4425.91	30.5%
***2016 (YTD)*	3104.05	651.45	415.39	462.27	4633.16	33.0%

Year End Totals

Goat Island Gazebo under construction.

Goat Island Gazebo almost complete.

Mispillion River water level rise around Goat Island.

Mispillion River water level rise.

Youth indoor soccer program.

Youth basketball program.

DELAWARE HEALTH
AND SOCIAL SERVICES
DIVISION OF PUBLIC HEATH

OFFICE OF DRINKING WATER
PHONE: (302) 741-8630
FAX: (302) 741-8631

January 19, 2017

Mr. Eric Norenberg
180 Vickers Drive
Milford, DE 19963

Dear Mr. Norenberg:

The Centers for Disease Control and Prevention (CDC) annually distinguishes outstanding performance in fluoridation management by public water systems. The Fluoridation Quality Award is granted to communities that adjust and achieve a monthly average fluoride level in drinking water that is in the optimal range for 12 consecutive months in a year.

The Delaware Division of Public Health (DPH) is proud to announce that Milford Water Department is a recipients of the 2015 Fluoridation Quality Award for maintaining a consistent level of optimal fluoridation to promote public health benefits.

Community water fluoridation is recognized by the CDC as one of the ten greatest public health achievements in the 20th Century. It has helped improve the quality of life in adults and children and has reduced the amount of money spent to restore or remove decayed teeth. Water fluoridation is safe, efficient and inexpensive method to prevent dental caries.

The DPH applauds Milford Water Department for having accomplished this measure of excellence in their water fluoridation programs. We urge these you to continue to maintain water fluoridated at optimal levels to reduce dental disease among our citizens.

Sincerely,

Kevin W. Cottman
Environmental Health Specialist III
Office of Drinking Water

WFRS
Water Fluoridation Reporting System

2015

Water Fluoridation Quality Award

Milford Water Department
State of Delaware

The Centers for Disease Control and Prevention commends this water system for its consistent and professional adjustment of the water fluoride content to the optimum level for oral health for 12 consistent months. Consistent, high-quality water fluoridation practice, as demonstrated by this water system, is a safe and effective method to prevent tooth decay, improving the oral health of community residents of all ages.

Presented by the
Centers for Disease Control and Prevention
United States Department of Health & Human Services

Centers for Disease Control and Prevention
National Center for Chronic Disease Prevention and Health Promotion

National Fluoridation Engineer, Division of Oral Health
National Center for Chronic Disease Prevention
and Health Promotion

CITY OF MILFORD
FUND BALANCES REPORT

Date: DECEMBER 2016

Cash Balance - General Fund Bank Balance	$4,106,691
Cash Balance - Electric Fund Bank Balance	$3,601,484
Cash Balance - Water Fund Bank Balance	$1,362,216
Cash Balance - Sewer Fund Bank Balance	$1,423,747
Cash Balance - Trash Fund Bank Balance	$290,410

	General Improvement	Municipal Street Aid	Real Estate Transfer Tax	Solid Waste Reserves
Beginning Cash Balance	363,782	1,188,916	1,832,107	0
Deposits			89,383	
Interest Earned this Month	151	494	781	
Disbursements this Month	(212)		(41,667)	
Investments				250,000
Ending Cash Balance	$363,721	$1,189,410	$1,880,604	$250,000

	GF Capital Reserves	Water Capital Reserves	Sewer Capital Reserves	Electric Reserves
Beginning Cash Balance	1,606,721	7,176,340	3,492,767	6,908,912
Deposits				
Interest Earned this Month	8	38	19	35
Disbursements this Month	(18,795)	(876)	(431)	(1,468)
Investments	250,000			
Ending Cash Balance	$1,837,934	$7,175,502	$3,492,355	$6,907,479

	Water Impact Fee	Sewer Impact Fee	Electric Impact Fee	Economic Development Fund
Beginning Cash Balance	$1,550,326	994,734	456,665	551,804
Deposits	9,611	5,080	3,000	
Interest Earned this Month				
Disbursements this Month				($98,000)
Investments				
Ending Cash Balance	$1,559,937	$999,814	$459,665	$453,804

INTEREST THROUGH THE SIXTH MONTH OF THE FISCAL YEAR:

General Fund	10,709	Water Fund	2,930
GF Capital Reserves	500	Water Capital Reserves	2,196
Municipal Street Aid	2,353	Sewer Fund	2,664
Real Estate Transfer Tax	3,543	Sewer Capital Reserves	1,084
Electric Fund	6,809	Trash Fund	3,798
Electric Reserves	2,095		

TOTAL INTEREST EARNED TO DATE $38,681

REVENUE REPORT

Page Two

50% of Year Expended

Date: December 2016 ACCOUNT	AMOUNT BUDGETED	MTD	YTD	YTD%
Economic Developent Fund	201,255	58,000	98,000	48.69%
General Fund Reserves	411,000	0	0	0.00%
Realty Transfer Tax-Police	500,000	41,667	250,000	50.00%
Real Estate Tax	3,762,970	0	3,753,928	99.76%
Business License	106,250	3,075	5,925	5.58%
Rental License	85,000	5,450	7,750	9.12%
Building Permits	75,000	12,240	49,927	66.57%
Planning & Zoning	15,000	700	11,526	76.84%
Grasscutting Revenue	16,000	0	16,000	100.00%
Police Revenues	440,000	10,858	217,819	49.50%
Misc. Revenues	272,820	13,243	99,715	36.55%
Transfers From	3,300,000	275,000	1,650,000	50.00%
Total General Fund Revenues	$9,185,295	$420,233	$6,160,590	67.07%
Water Revenues	2,730,500	199,177	1,451,715	53.17%
Sewer Revenues	2,506,500	217,124	1,326,119	52.91%
Kent County Sewer	1,850,000	146,876	939,629	50.79%
Solid Waste Revenues	1,360,440	113,471	685,745	50.41%
Electric Revenues	24,925,790	1,866,985	13,256,095	53.18%
TOTAL REVENUES	$42,558,525	$2,963,866	$23,819,893	55.97%
YTD Enterprise Expense		32,107		
YTD Enterprise Revenue		47,080		
LTD Carlisle Fire Company Building Permit Fund		135,293		

EXPENDITURE REPORT
Page Three

Date: December 2016 — 50% of Year Expended

ACCOUNT	AMOUNT BUDGETED	MTD	YTD	YTD%	UNEXPENDED BALANCE
City Manager					
Personnel	461,930	$54,591	228,983	49.57%	232,947
O&M	259,095	$9,950	62,781	24.23%	196,314
Capital	0	$0	0		0
Total City Manager	$721,025	$64,541	$291,764	40.47%	429,261
Planning & Zoning					
Personnel	184,400	$18,986	87,018	47.19%	97,382
O&M	67,975	$3,489	28,218	41.51%	39,757
Capital	0	$0	0		0
Total P, C & I	$252,375	$22,475	$115,236	45.66%	137,139
Code Enforcement & Inspections					
Personnel	225,210	$16,947	72,992	32.41%	152,218
O&M	69,290	$3,675	24,832	35.84%	44,458
Capital	25,000	$0	0	0.00%	25,000
Total P, C & I	$319,500	$20,622	$97,824	30.62%	221,676
Council					
Personnel	31,225	$3,568	15,191	48.65%	16,034
O&M	44,650	$2,639	16,722	37.45%	27,928
Council Expense	17,000	$256	13,924	81.91%	3,076
Contributions	206,000	$0	66,000	32.04%	140,000
Codification	9,500	$0	5,064	53.31%	4,436
Employee Recognition	11,000	$8,956	9,656	0.00%	1,344
Insurance	21,740	$9,818	19,636	90.32%	2,104
Christmas Decorations	15,000	$655	10,355	69.03%	4,645
Economic Development	15,000	$0	96	0.64%	14,904
Resident Survey	15,000	$0	0	0.00%	15,000
Armory Expenses	10,000	$2,998	11,102	111.02%	(1,102)
Total Council	$396,115	$28,890	$167,746	42.35%	228,369
Finance					
Personnel	418,395	$46,178	190,753	45.59%	227,642
O&M	62,270	$4,339	26,544	42.63%	35,726
Capital	0	$0	0		0
Total Finance	$480,665	$50,517	$217,297	45.21%	263,368
Information Technology					
Personnel	148,680	$29,471	67,587	45.46%	81,093
O&M	177,450	$6,832	51,935	29.27%	125,515
Capital	55,000	$13,176	47,516	86.39%	7,484
Total Information Technology	$381,130	$49,479	$167,038	43.83%	214,092

EXPENDITURE REPORT
Page Four

Date: December 2016 50% of Year Expended

ACCOUNT	AMOUNT BUDGETED	MTD	YTD	YTD%	UNEXPENDED BALANCE
Police Department					
Personnel	3,944,180	$426,963	1,983,728	50.30%	1,960,452
O&M	507,360	$64,384	242,604	47.82%	264,756
Capital	71,600	$434	62,857	87.79%	8,743
Total Police	$4,523,140	$491,781	$2,289,189	50.61%	2,233,951
Streets & Grounds Division					
Personnel	476,960	$44,185	191,949	40.24%	285,011
O&M	407,905	$27,906	161,997	39.71%	245,908
Capital	211,000	$0	0	0.00%	211,000
Debt Service	16,475	$15,523	15,523	94.22%	952
Total Streets & Grounds	$1,112,340	$87,614	$369,469	33.22%	742,871
Parks & Recreation					
Personnel	605,635	$63,887	313,574	51.78%	292,061
O&M	267,370	$21,511	127,084	47.53%	140,286
Capital	126,000	$848	38,900	30.87%	87,100
Total Parks & Recreation	$999,005	$86,246	$479,558	48.00%	519,447
Total General Fund Operating Budget	$9,185,295	$902,165	$4,195,121	45.67%	4,990,174

EXPENDITURE REPORT
Page Five

Date: December 2016 50% of Year Expended

ACCOUNT	AMOUNT BUDGETED	MTD	YTD	YTD%	UNEXPENDED BALANCE
Water Division					
Personnel	314,350	$34,570	150,367	47.83%	163,983
O&M	1,111,675	$105,955	511,958	46.05%	599,717
Capital	402,730	$0	9,407	0.00%	393,323
Debt Service	901,745	$213,284	289,809	32.14%	611,936
Total Water	$2,730,500	$353,809	$961,541	35.21%	1,768,959
Sewer Division					
Personnel	314,350	$34,569	150,359	47.83%	163,991
O&M	1,144,955	$81,876	454,477	39.69%	690,478
Capital	434,725	$0	0	0.00%	434,725
Debt Service	612,470	$161,429	186,899	30.52%	425,571
Sewer Sub Total	$2,506,500	$277,874	$791,735	31.59%	1,714,765
Kent County Sewer	1,850,000	$146,875	939,628	50.79%	910,372
Total Sewer	$4,356,500	$424,749	$1,731,363	39.74%	2,625,137
Solid Waste Division					
Personnel	401,470	$34,038	170,871	42.56%	230,599
O&M	697,970	$66,560	349,789	50.12%	348,181
Capital	261,000	$0	0	0.00%	261,000
Total Solid Waste	$1,360,440	$100,598	$520,660	38.27%	839,780
Total Water, Sewer Solid Waste	$8,447,440	$879,156	$3,213,564	38.04%	5,233,876
Electric Division					
Personnel	1,254,300	$299,068	758,391	60.46%	495,909
O&M	1,775,045	$168,580	858,559	48.37%	916,486
Transfer to General Fund	2,500,000	$208,333	1,250,000	50.00%	1,250,000
Capital	450,000	$0	578	0.13%	449,422
Debt Service	346,445	$0	0	0.00%	346,445
Electric Sub Total	$6,325,790	$675,981	$2,867,528	45.33%	3,458,262
Power Purchased	18,600,000	$1,605,776	9,687,759	52.08%	8,912,241
Total Electric	$24,925,790	$2,281,757	$12,555,287	50.37%	12,370,503
TOTAL OPERATING BUDGET	$42,558,525	$4,063,078	$19,963,972	46.91%	22,594,553

INTERSERVICE DEPARTMENTS REPORT

Page Six

Date: December 2016

50% of Year Expended

ACCOUNT	AMOUNT BUDGETED	MTD	YTD	YTD%	UNEXPENDED BALANCE
Garage					
Personnel	89,850	10,702	43,430	48.34%	46,420
O&M	78,135	8,859	39,295	50.29%	38,840
Capital	0	0	0		0
Total Garage Expense	$167,985	19,561	$82,725	49.25%	85,260
Public Works					
Personnel	199,550	22,239	90,318	45.26%	109,232
O&M	185,772	21,474	96,418	51.90%	89,354
Capital	21,708	0	21,708	100.00%	0
Total Public Works Expense	$407,030	43,713	$208,444	51.21%	198,586
Billing & Collections					
Personnel	532,230	57,589	257,000	48.29%	275,230
O&M	225,530	20,450	99,965	44.32%	125,565
Capital	0	0	0		0
Total Billing & Collections	$757,760	78,039	$356,965	47.11%	400,795
City Hall Cost Allocation					
Personnel	0	0	0		0
O&M	61,000	3,085	32,913	53.96%	28,087
Capital	0	0	0		0
Total City Hall Cost Allocation	$61,000	3,085	$32,913	53.96%	28,087

ALL COSTS SHOWN ON PAGE 6 ARE ALSO INCLUDED IN THE VARIOUS DEPARTMENTS LISTED ON PAGES 3-5 OF THE EXPENDITURE REPORT WHO UTILIZE THE SERVICES OF THE DEPARTMENTS LISTED ABOVE. INTERSERVICE FUNDS ARE ENTIRELY FUNDED BY OTHER CITY DEPARTMENTS.

To be advertised
Delaware State News – Monday October 2rd, 2016 & October 10, 2016

----------Advertisement for Bids----------

Sealed bids for **the Milford Kayak Dock Project** located behind 200 Northeast Front Street, Milford, Delaware, for construction of;
a 6' wide by 27' long pier
a 4' wide by 30 ' long gangway
an 8' wide by 16' long floating dock
an 8' wide by 12' long kayak launch
Sealed bids will be received by the City of Milford, Department of Parks & Recreation, at the City Hall Council Room 201 South Walnut Street Milford, Delaware, 19963 ,
11 a.m. Tuesday October 25th 2016.

A non-mandatory pre-bid meeting will be held at Milford Parks & Recreation Building, 207 Franklin Street, Milford, Delaware at 10:00 a.m. Tuesday October 11, 2016 for the purpose of establishing the listings of subcontractors and to answer questions. **Attendance of this meeting is non-mandatory for bidding on this contract, but recommended.**

3 copies of the Sealed bids shall be addressed to the City of Milford, Department of Parks & Recreation, Attn: Mr. Brad Dennehy, Director, and delivered to City of Milford, City Hall, 201 South Walnut St., Milford, DE l9963

The outer envelope should be clearly labeled: "Sealed Bids Milford Kayak Dock, no not open".

Contract Documents may be obtained from the Landscape Architect, upon receipt of non-refundable $50.00 deposit per set (plus $15. non-refundable mailing charge) if requested to mail to Contractors. Checks are to be made payable to "Landscape Architectural Services, LLC". The Landscape Architect can be reached at 302-284-4578. These documents will be made available starting Monday October 10, 2016 at noon.

Each bid must be accompanied by a bid security equivalent to ten percent of the bid amount and all additive alternates. A 100% Performance Labor & Materials Payment Bond shall be submitted by the successful bidder. The City of Milford reserves the right to reject any and all bids and to waive any informalities therein.

If the necessity arises to extend the time for the opening of the bids from that described in the advertisement, no less than five calendar days unadvertised notice would be provided. Those bidders who have received plans would be notified by certified mail, facsimile or e-mail.

End of Advertisement of Bids.

Milford Kayak Launch
200 N. E. Front Street
Mispillion Greenway
Milford, DE

1/9/2017

**********Letterhead of bidder ********

BID FORM

City of Milford
Department of Parks & Recreation
207 Franklin St.
Milford, DE 19963
Attn: Mr. Brad Dennehy, Director

RE: Milford Kayak Launch, 200 N. E. Front Street, Milford DE

We, DRONEY MARINE CONST INC (name of bidder) have received the Bidding Documents on the subject project, including the Landscape Plans, dated " revised 1/9/17 for re-bid"

The undersigned, representing that he has read and understands the Bidding Documents and that this bid is made in accordance therewith, that he has visited the site and has familiarized himself with the local conditions under which the Work is to be performed, and that his bid is based upon the materials, systems and equipment described in the Bidding Documents without exception, hereby proposes and agrees to provide all labor, materials, plant, equipment, supplies, transport and other facilities required to execute the work described by the aforesaid documents for the lump sum itemized below:

We have also received addendums(s) #1 and 2 and have included for their provisions in our bid.

Base Bid Lump Sum: to build and install: a 6' wide by 27' long pier, a 4' wide by 30' long gangway, an 8' wide by 16' long floating dock and an 8' wide by 12' long kayak launch according to the specs and plans.

SEVENTY TWO THOUSAND EIGHT HUNDRED FORTY TWO $ 72,842.00

Attachments: subcontractors list
Non-collusion statement
Bid-security

Milford Kayak Launch, 200 N. E. Front Street, Milford DE

In submitting this bid we agree:

1. To hold our bid open for 60 days after bid opening.
2. To enter into and execute a contract, if awarded on the basis of this bid.
3. To accomplish the work in accordance with the Contract Documents.
4. To complete the work in accordance with schedule stipulated by the Owner.

a. Signature when Bidder is an individual:

Date: _____ Firm Name: _____

Owner: _____

b. Signature when Bidder is an individual:

Date: _____ Firm Name: _____

Owner: _____

c. Signature when Bidder is a Partnership:

Date: _____ Firm Name: _____

Signature of Partner: _____

Signature of Partner: _____

d. Signature when Bidder is a Corporation:

Date: 1/10/17 Firm Name: DRONEY MARINE CONSTR INC

By: [signature] pres.

By: _____

Corporate Seal:

Milford Kayak Launch
200 N. E. Front Street
Mispillion Greenway
Milford, DE

1/9/2017

Unit prices for additions to and/or deductions form the Contract for the following items shall be used during the construction period.

Unit prices include all costs to provide work in place, including taxes, overhead and profit, excavation, hauling, dumping and clean up. **Contractor shall verify and be responsible for all required quantities.**

Description of Item	_____	Size	Unit Cost	Total
Base Bid				
Surveyor – Layout		ea	----------	2500
Geotechnical Services		ea	----------	1500
Concrete Deck Support		ea	----------	1900
6x6 Trtd Post		@EA	200	2400
12" diam Trtd Pile		@EA	3300	23100
6x6 Trtd Railing Post		@EA	300	2100
Aluminum Railing		lf	----------	9100
Boardwalk Structure Beams & Stringers		sf	35	5670
2x6 Wood Polymer Decking		sf	10	1620
4' x 30' Aluminum Gangway		ea	----------	5200
8' x 27' Floating Dock		ea	----------	----------
8' x 12' Kayak Launch		ea	----------	---------- 17,752

INCLUDES 10"X20' PILINGS IN PLACE OF CONCRETE FOOTERS

Base Bid Total: $ 72,842.00

Milford Kayak Launch
200 N. E. Front Street
Mispillion Greenway
Milford, DE

1/9/2017

Non-Collusion Statement

This is to certify that the undersigned bidder has neither directly nor indirectly, entered into any agreement, participated in any collusion or otherwise take any action in restraint of free competitive bidding in connection with this proposal submitted this date to:

Milford Kayak Launch, Mispillion Greenway, Milford, DE
Milford, Delaware

All the terms and conditions of the Invitation to Bid contained herein have been thoroughly examined and are understood.

Name of Bidder: DRONEY MARINE CONST INC

Signature of Authorized Representative: [signature]

Title PRESIDENT

Address of Bidder 31322 RAILWAY Rd
MILLVILLE DE 19967

Phone #

Sworn to and Subscribed before me this 31 ST day of January ~~2016.~~ 2017

BRENDA L. RICHARDS
NOTARY PUBLIC
STATE OF DELAWARE
My commission expires on July 10, 2017

My Commission Expires

[signature]
Notary Public

This page must be signed and notarized for your Bid to be considered.

Milford Kayak Launch
200 N. E. Front Street
Mispillion Greenway
Milford, DE

1/9/2017

Section 00431

Subcontractor Listing

If awarded this contract, we,

DRONEY MARINE CONST INC ---------- (name of bidder)
will award subcontracts to the following subcontractors. Where we intend to perform the work with our own forces, our name is listed as subcontractor.

General Contractor:

Name:----------

Address:----------

Site Contractor:

Name: ----------

Address: ----------

Pile Driving Contractor:

Name: ----------

Address:----------

Carpentry Contractor:

Name: ----------

Address:----------

Concrete Contractor:

Name ----------

Address----------

Delaware Licensed Professional Land Surveyor:

Name ---------- ADAMS-KEMP

Address---217 RACE ST GEORGETOWN DE 19947

LANDSCAPE ARCHITECTURAL SERVICES, L.L.C.
LAND, SITE & PARK PLANNING • WETLANDS SCIENCES

Bid Opening Summary
Milford Kayak Launch
Tuesday January 31 , ~~2016~~ 2017

Bidder's Name	Addenda #1			Subs List	Non Collusion	Bid Bond	Base Bid	No alternates		TOTAL	
Zack Excavation Inc. 2935 S. DuPont Blvd. Smyrna DE 19977 Attn: Ryan Kimble											
John L. Briggs Co. 106 E. Laurel St. Georgetown DE 19947 Attn: Keith Cong											
Droney Marine Construction Inc. 31322 Railway Rd. Millville, DE 19967 Attn: Clarke Droney	✓			✓		✓	72,842	-	-		

LANDSCAPE ARCHITECTURAL SERVICES, L.L.C.

Matthew T. Spong, R.L.A., ASLA
Trisha Sawicki, ASLA

City of Milford
201 South Walnut Street
Milford, DE l9963
Attn: Mr. Eric Norenberg, City Manager February 2, 2017

RE: Milford Kayak Launch Re-Bid, 200 N. E. Front Street, Milford
Bid Award Analysis & Recommendation

Dear Eric,

Advertisements for re-bid of this project were placed in the Delaware State News Legal Notices and run on 1/9/17 and 1/16/17. (3) contractors attended non-mandatory pre-bid meeting was held on January 17, 2017 held at the City of Milford Parks Dept. Building. Bids were due on Tuesday January 31st, 2017.

One general contractor, Droney Marine Construction Inc. submitted a Base Bid Lump Sum: to build and install a 6' wide by 27' long pier, a 4' wide by 30' long gangway, an 8' wide by 16' long floating dock and an 8' wide by 12' long kayak launch according to the specs and plans for a sum of seventy two thousand eight hundred forth two dollars ($72,842.)

They included the required subcontractors list, non-collusion statement and bid surety. The estimated budget was $77,677. Their bid is within budget and Droney Marine Construction Inc. has 25- years of experience installing piers and docks for state and Municipal clients, including floating dock and vinyl sheet piling for the City of Milford's Mispillion Greenway Phase 15 & 16, the Chaney Wilmont Greenway, completed in March 2012. Accordingly I recommend award of the Milford Kayak Launch construction to Droney Marine Construction Inc. in the amount of $72,842.

Please note that DNREC's Subaqueous Lands Construction Permit for working in the Mispillion River restricts the timing for piling placement work in the water before March 1st 2017 or after May 15th 2017 as required to protect the American Eel.

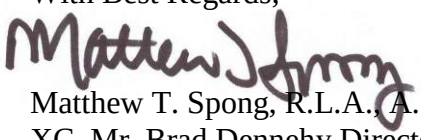
The Parks Department would prefer that the piling work be done by March 1st 2017 and the other work by April 15 2017 so the dock can be used for in April for the "Bud & Bug" festival.

City of Milford
201 South Walnut Street
Milford, DE l9963
Attn: Mr. Eric Norenberg, City Manager February 2, 2017

If the City wants to try to meet this schedule it is imperative that the city Councils approval be granted an a notice to proceed be given to Droney Marine Construction Inc. by February 15th 2017

Please contact me if you need any more information.

With Best Regards,



Matthew T. Spong, R.L.A., A.S.L.A., Principal
XC Mr. Brad Dennehy Director , Milford Parks & Recreation
Ms. Teresa Hudson, MMC City Clerk

P.O. Box 293, Dover, DE l9903 phone: 302-284-4578 fax: 302-284-0301
e-mail: matt@las-llc.net website: www.las-llc.net

From: Killen, Deanna (LegHall) [mailto:Deanna.Killen@state.de.us]
Sent: Friday, February 10, 2017 2:37 PM
To: Norenberg, Eric <ENorenberg@milford-de.gov>
Subject: RE: Downtown Milford Improvements

Hi Eric,

I just heard back from Geri. She said the Deputy Attorney General is out of the office and will return on Wednesday. She's fairly certain the project is an eligible expense, but won't be able to confirm that until she consults with the AG. She suggests leaving the project on the agenda and ask the Council to approve it contingent upon the Attorney General approving it as eligible and contingent upon the funding being set up on a CTF agreement. She said she'd be nervous about awarding the bid prior to having the funding on agreement.

Deanna S Killen
Legislative Aide – Delaware State Senate
Senator Gary Simpson – Minority Leader
Senator Gerald Hocker
Senator Bryant Richardson
411 Legislative Ave
Dover, DE 19901
302-744-4085
Like our Facebook Page

From: Norenberg, Eric [mailto:ENorenberg@milford-de.gov]
Sent: Friday, February 10, 2017 1:56 PM
To: Killen, Deanna (LegHall)
Subject: RE: Downtown Milford Improvements

Hi again:

The key timeframe is that we cannot drive piles in the river between March 1 and May 15 (per DNREC). We are hopeful that if we award on Monday, we have a chance of completing the project by the Bud and Bug Festival. It will be tight, but we will do our best. If we don't get the dock fabricated and delivered in time to drive the piles and install before March 1, we will have to wait until May or June. In which case, we can do the ribbon cutting and dedication with the Senator at the Riverwalk Freedom Festival or another time that fits his schedule.

Thanks!

Eric

From: Norenberg, Eric
Sent: Monday, February 6, 2017 3:00 PM
To: Killen, Deanna (LegHall) <Deanna.Killen@state.de.us>
Cc: Larson, Geri C (DelDOT) <Geri.Larson@state.de.us>; Dennehy, Brad <bdennehy@milford-de.gov>
Subject: RE: Downtown Milford Improvements

Hello everyone:

We had to rebid the project. Following outreach to possible bidders, we received a satisfactory bid for the project (see attached). We plan to have this in front of City Council next week for award. Will that be ok?

Thanks!

Eric

From: Killen, Deanna (LegHall) [mailto:Deanna.Killen@state.de.us]
Sent: Monday, September 19, 2016 11:34 AM
To: Norenberg, Eric <ENorenberg@milford-de.gov>
Cc: Larson, Geri C (DelDOT) <Geri.Larson@state.de.us>
Subject: RE: Downtown Milford Improvements

Hi Eric,

I am copying Geri from DelDOT on this email. She should be able to answer your questions.

Thanks.

Deanna S Killen
Legislative Aide – Delaware State Senate
Senator Gary Simpson – Minority Leader
Senator Gerald Hocker
Senator Bryant Richardson
411 Legislative Ave
Dover, DE 19901
302-744-4085
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From: Norenberg, Eric [mailto:ENorenberg@milford-de.gov]
Sent: Monday, September 19, 2016 11:32 AM
To: Killen, Deanna (LegHall)
Subject: RE: Downtown Milford Improvements

Good morning:

Thanks for confirming. We shall proceed with the bidding and get a copy of the successful bid to you.

After that, is the project still awarded by the City Council? And, do we wait to award the bid until we have an agreement for the CTF funds?

Thanks!

Eric

From: Killen, Deanna (LegHall) [mailto:Deanna.Killen@state.de.us]
Sent: Monday, September 19, 2016 11:23 AM
To: Norenberg, Eric <ENorenberg@milford-de.gov>
Subject: RE: Downtown Milford Improvements

Hi Eric,

The Senator has agreed to fund up to $75,000 for the kayak ramp project using his CTF. As a reminder, before you put the project out for bid, you will not need to pay prevailing wages. The Senator feels the estimate is a bit high. I cannot enter the project on his website until we have the final bid, so please be sure to send it over as soon as possible. Please let me know if you have any questions. Thanks.

Deanna S Killen
Legislative Aide – Delaware State Senate
Senator Gary Simpson – Minority Leader
Senator Gerald Hocker
Senator Bryant Richardson
411 Legislative Ave
Dover, DE 19901
302-744-4085
Check out our website!
Like our Facebook Page

From: Norenberg, Eric [mailto:ENorenberg@milford-de.gov]
Sent: Wednesday, September 14, 2016 3:17 PM
To: Killen, Deanna (LegHall)
Subject: FW: Downtown Milford Improvements

Hi Deanna:

In follow-up to our call, attached is the lease agreement with DNREC in order to install our kayak ramp (unfortunately as I mentioned, it needs to have the Mayor's name, so we will have to have that changed).

Also attached is a new cost estimate for the kayak ramp. It is slightly higher than the original estimate, but it includes a sizeable contingency so we hope it will still come in around the $75,000 mark.

Weather permitting, we intend to get it installed before the 2017 Bug and Bud Festival (last week in April). (Which will be a great opportunity for a ribbon cutting and dedication with Senator Simpson.)

I look forward to confirming the funding and requirements for us to begin the bidding process. Thanks!

Eric

Eric Norenberg, ICMA-CM
City Manager
201 S. Walnut Street
Milford, DE 19963
302.424.3712 x304
www.cityofmilford.com
enorenberg@milford-de.gov

From: Norenberg, Eric
Sent: Tuesday, June 28, 2016 1:39 PM
To: GARY SIMPSON <gsimpson@udel.edu>
Cc: Mayor Shupe <Mayor@milford-de.gov>
Subject: Downtown Milford Improvements

Good afternoon Senator Simpson:

As requested, here are details about three proposed downtown projects for FY16-17. Each are partially funded and we are hoping to line up grant funds or other support to move the projects to full funding. Any assistance would be appreciated please.

- Purchase and install a **floating kayak dock along the Mispillion River in downtown Milford**. Will allow boaters to dock and eat at nearby restaurants. Total Project Cost: $75,000. Available funds: $30,000. **Yet to be raised: $45,000.**

- **Remove the artificial causeway connecting Goat Island** to the mainland to allow recreational boaters the opportunity to paddle around the island before or after eating in downtown (see above). Total Project Cost: $75,000. Available funds: $50,000. **Yet to be raised: $25,000.**

- **Replace aging wood planks on the Mispillion Riverwalk**. Total Project Cost: $300,000. Available funds: $100,000. **Yet to be raised: $200,000.**

If you have any questions, please let me know. Thanks!

Eric

Eric Norenberg, ICMA-CM
City Manager
201 S. Walnut Street
Milford, DE 19963
302.424.3712 x304
www.cityofmilford.com
enorenberg@milford-de.gov

Milford PARKS&RECREATION

play • connect • grow

MILFORD
COLORS & LOGOS

Milford HIGH SCHOOL
HOME of the BUCCANEERS

THE CITY of Milford DELAWARE

THE CITY of Milford DELAWARE

Milford
River Town.
Art Town.
Home Town.

DOWNTOWN Milford INCORPORATED

BRAND IDENTITY

MILFORD PARKS & RECREATION DEFINED

Milford Delaware is a Fun place to live! Where people play here, connect here and grow here. From humble beginnings, *Milford Parks & Recreation* grew by investing in the community, its people, and now offers many recreational youth and adult activities, community sports teams, beautiful parks, outdoor venues, and a new scenic Riverwalk. *Milford* is more than just a place. *Milford* is its people, local businesses, culture, art, events, and community.

Because *Milford* is such a cohesive town, it was important to keep the logo simple, clean, and blend seamlessly with the *City of Milford's* identity. The final logo was chosen, for it's subtle nod at the beautiful bridges along the Riverwalk, and the leaf, a symbol of the outdoors. It was important that the logo was not only consistant with the brand of the city, but also could be separate and stand alone. It needed to be easy to read, and applied to various applications. It was also important that it was current and modern. The color choices were made to be natural along with the outdoor feeling that Parks & Recreation have to offer.

TAG LINE

play • connect • grow

Plays on tag line "Bridging the past, connecting the future" with a subtle nod to the past and future. Connecting "play" (youth/sports) with "grow" (adults/seniors). Milford connects both Counties (it unites). MP&R has a rich history of 40 years and incentivize an outdoor and active lifestyle (play), community (connect), & grow (both the town, & nature).

COLOR PALETTE

FONTS USED

Iowan Old Style Black

Iowan Old Style Bold Italic

PREVIOUS CONCEPTS & CLIENT FEEDBACK

Too busy, Colors are off. Bridge okay.

Wants to start from scratch

- Design is wide open, not tied to circle or any type of shape.
- We want a "wow" factor design, which people get and makes a statement that we are "relevant"
- We are not tied to the blue and green colors but they are traditional colors at the national level (personally I like the idea of adding a color)
- The logo has to be easily recognizable and transferable to shirts, decals, stickers, etc.
- Staff want "Milford" to be a highlight, so you easily know its Milford…maybe making the new script Milford a center point, but again I am open.

BRAINSTORMING WORDS

Connection, Bridge, Nature, River, weeping willows, Riverwalk, trails, diamond state, elegant, up and coming, new, modern, technology, Bayhealth hospital, growth, gateway, kent, sussex, intersection, heart, Mispillion River, grow, community, unite, amusement, fun, enjoyment, leisure, hobby, goat island, dog park, youth programs, maple street, agriculture, mill, shipping, play

SOME INITIAL CONCEPTS

PROMOTIONAL PRODUCTS: STICKERS, BADGES, MAGNETS, LABELS, COASTERS...

TSHIRT MOCKUPS

BRAND COLORS

CAN BE APPLIED ANY COLOR COMBINATION

MILFORD COLORS

MOCKUP

SIMPLE TRUCK APPLICATION

HAT

RUBBER STAMP

THE CITY of Milford DELAWARE

PUBLLIC WORKS DEPARTMENT
302.422.1110, FAX 302.422.1119

180 VICKERS DRIVE
MILFORD, DE 19963

TO: Eric Norenberg, City Manager

CC: Jeff Portmann

FROM: **Mark Whitfield, Public Work Director**

DATE: February 9, 2017

RE: Budget Adjustment Request- Solid Waste Capital Account

On December 14, 2016 the City received partial funding for the Universal Recycling Cycle 7 Grant that which was awarded for the dual containers. The initial request was for $84,460 to place 80 dual trash/recycle containers in the city's parks and down town areas. However, we only received enough funding to place 40 containers, which amounted to $42,230.

In order to cover this shortfall, it is recommended to use the savings from the purchase of the automated refuse truck purchase the remaining 40 containers. The original budgeted amount for the truck was $261,000, the new refuse truck will cost $220,290. With the savings from the truck of $40, 710, it is recommended these funds to purchase these remaining containers. The remaining shortfall of $1520 will be taken out of the Solid Waste trash container line item.

I have attached a copy of the purchase order with the exhibit 1 from the grant documents.

PURCHASE ORDER

CITY OF MILFORD, DELAWARE
P.O. BOX 159, MILFORD, DELAWARE 19963

P.O. Number: 027785
P.O. Date: 01/13/17
Page:

Vendor:

HOUSTON FREIGHTLINER, INC
9500 NORTH LOOP EAST
HOUSTON, TX 77029

Bill To:

ACCOUNTS PAYABLE
10 SE SECOND STREET
MILFORD, DE 19963

Ship To:

CITY OF MILFORD
180 VICKERS DRIVE
MILFORD, DE 19963

Vendor #	Confirmed By	F.O.B.
2148	MICHAEL MCCARTHY	
Requisition #	**Ship Via**	**Our P.O. # MUST Appear on ALL Invoices, Packages, and Correspondence**
2028646		

Quantity	Unit of Measure	Item Number and Description	Unit Cost	Extended Cost
1.00	EA	999 999 2017 FREIGHTLINER M2-1106-80 w/ GS PRODUCTS COLLECTSTAR AUTO SIDE LOADER H-GAC #17-5749	220290.0000	220290.00
			TOTAL	220290.00
			Total Line Items:	220290.00

Total Purchase Amount

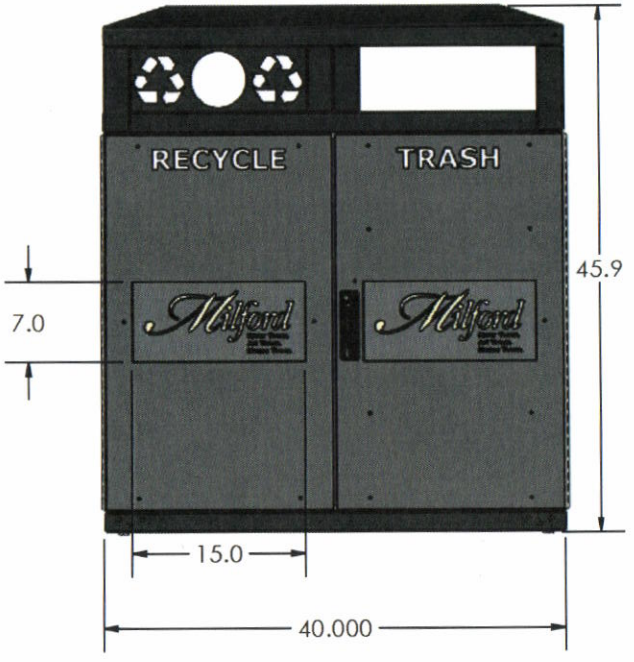
Approved By

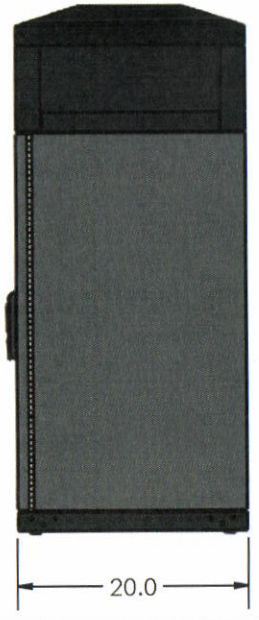
Certified By

Exhibit 1

Budget					
City of Milford			EIN: 51-6000177		
Product/Service Description	Unit Cost	Quantity or Number of Hours	Total/ Maximum Cost	Maximum Reimbursable by DELAWARE	Unfunded Portion
Securr Sentinel Outdoor Trash/Recycling Receptacles	$1,007.00	80	$80,560.00	$40,280.00	$40,280.00
Shipping for Sentinel Outdoor Trash/Recycling Receptacles	$3,900.00	1	$3,900.00	$1,950.00	$1,950.00
		Total:	$84,460.00	$42,230.00	$42,230.00

NOTES:
1. ADA COMPLIANT.
2. RIGID LINER INCLUDED.
3. STAINLESS STEEL HINGE.
4. GALVANNEALED STEEL CONSTRUCTION TO RESIST CORROSION.
5. UV RESISTANT POWDER COAT FINISH.
6. UNIT HAS LEVELING AND ANCHORING BRACKETS.
7. TRASH AND RECYCLING CONFIGURATIONS AVAILABLE.
8. RECYCLE & TRASH DECALS 1.75" TALL FRONT & BACK.
9. RECYCLE EMBLEM FRONT & BACK.
10. MILFORD LASER CUT PANELS (4) FRONT & BACK.





UNLESS OTHERWISE SPECIFIED:		NAME	DATE
DIMENSIONS ARE IN INCHES TOLERANCES: FRACTIONAL ±.015 ANGULAR: MACH ± BEND ± TWO PLACE DECIMAL ±.020 THREE PLACE DECIMAL ±.010	DRAWN	JCERDA	
	CHECKED		
	ENG APPR.	D MOORE	
	MFG APPR.		
	Q.A.		
	COMMENTS:		

PHONE: (909) 605-0538
FAX: (909) 605-7780
www.securr.com
DO NOT SCALE DRAWING

1390 S. MILLIKEN AVE
ONTARIO CA 91761

PROPRIETARY AND CONFIDENTIAL
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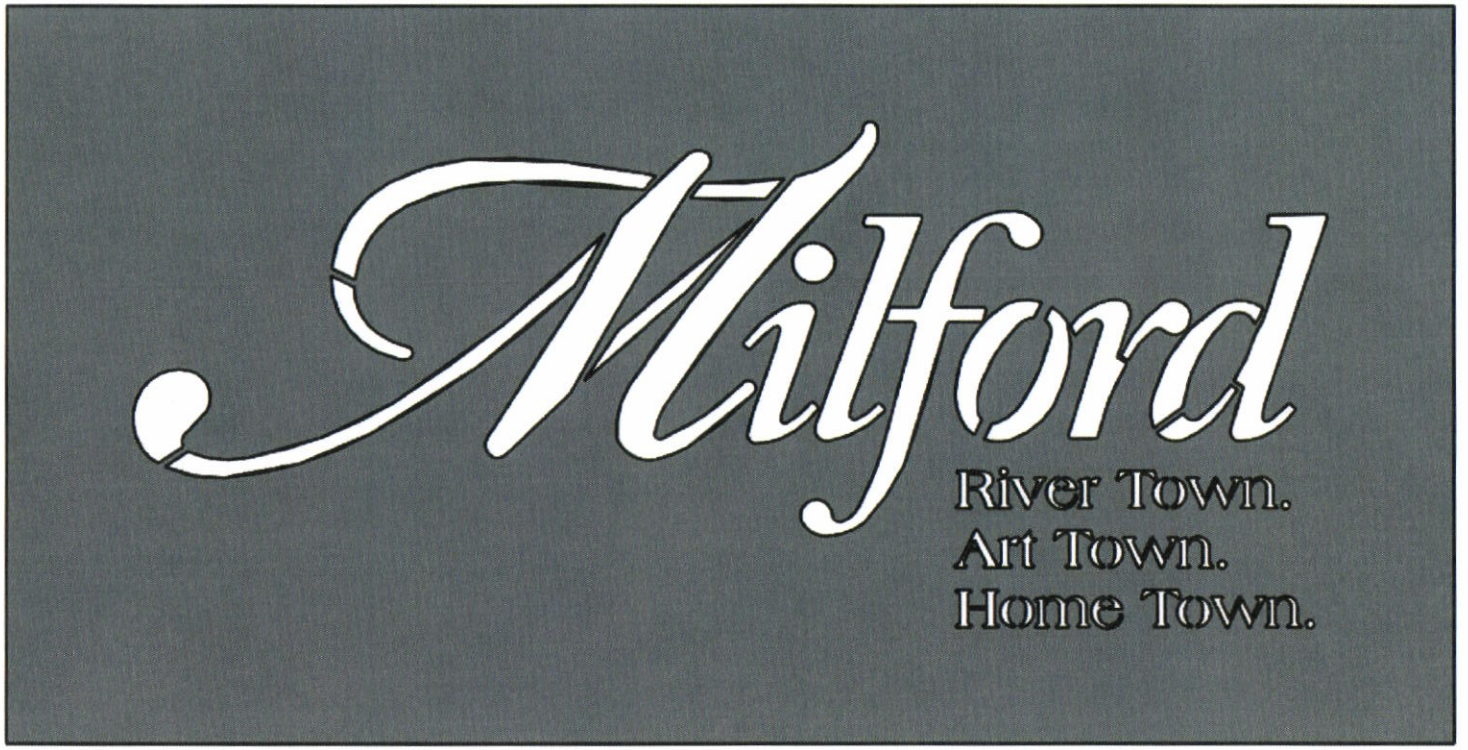
TITLE:
HS245OWR-PS-020

SIZE A | GUARDIAN SERIES

SCALE: 1:16 WEIGHT: SHEET 1 OF 2

5 4 3 2 1



UNLESS OTHERWISE SPECIFIED:

DIMENSIONS ARE IN INCHES
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FRACTIONAL ±.015
ANGULAR: MACH ± BEND ±
TWO PLACE DECIMAL ±.020
THREE PLACE DECIMAL ±.010

	NAME	DATE
DRAWN	JCERDA	
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MFG APPR.		
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TITLE: HS245OWR-PS-020

SIZE A | REV

SCALE: 1:4 | WEIGHT: | SHEET 2 OF 2

5 4 3 2 1

DELAWARE LEAGUE OF LOCAL GOVERNMENTS
MONTHLY DINNER MEETING
THE DUNCAN CENTER
500 W. LOOCKERMAN STREET, 5TH FLOOR, DOVER

****

THURSDAY, FEBRUARY 23, 2017

REGISTRATION/SOCIAL HOUR: 5:30 P.M. - 6:15 P.M.
DINNER: 6:30 P.M. – 7:15 P.M.
PROGRAM: 7:15 P.M.

PROGRAM:

The Honorable Governor John Carney is the keynote speaker for the February meeting. His recent election as Delaware's 74th Governor follows three terms as the State's Member of the U. S. House of Representatives and two terms as Lieutenant Governor.

Next Meeting: Thursday, March 23, 2017

****

WE MUST HAVE YOUR RESERVATIONS NO LATER THAN FEBRUARY 17, 2017

Mail To/Make Payable to: Delaware League of Local Governments • P.O. Box 484 • Dover, DE 19903-0484
Phone: 302-678-0991 • Email: cfluft@udel.edu

_____ will have _____attendees
(Municipality/County/Agency)

PLEASE LIST THE NAMES OF THOSE ATTENDING

Name		**Title**
_____	&	_____
_____	&	_____
_____	&	_____
_____	&	_____
_____	&	_____
_____	&	_____

( ) Check enclosed for ( ) dinners @ $30 each
( ) Payment will be made at the door
( ) Check mailed for ( ) dinners @ $30 each

SCAT

Town of Bethany Beach
Town of Bethel
Town of Blades
Town of Bridgeville
Town of Dagsboro
Town of Delmar
Town of Dewey Beach
Town of Ellendale
Town of Fenwick Island
Town of Frankford
Town of Georgetown
Town of Greenwood
Town of Henlopen Acres
Town of Laurel
City of Lewes
City of Milford
Town of Millsboro
Town of Millville
Town of Milton
Town of Ocean View
City of Rehoboth Beach
City of Seaford
Town of Selbyville
Town of Slaughter Beach
Town of South Bethany
Sussex County Council

Sussex County Association of Towns

20 W Fourth Street, Blades, Delaware 19973

S.C.A.T. Dinner for Wednesday, March 1st, 2017

LOCATION: CHEER Community Center
20520 Sand Hill Road
Georgetown, DE 19947
(Unfortunately the Blades Fire Hall isn't ready for events)

TIME: 6:00 pm – Guest Social Hour w/ Appetizers (Cash Bar)
6:30 pm - Dinner

HOST: Town of Blades

SPEAKER: First Map Presentation by Delaware Department of Technology
http://firstmap.delaware.gov

COST: $30.00

MENU: **Buffet Dinner**
Caesar Salad tossed with Caesar dressing topped with our bread croutons
Made from scratch rolls & butter
Ribeye Steaks marinated in Italian seasonings, grilled medium
Baked Ziti with 3 kinds of cheese and our marinara sauce
Fried Shrimp nice sized shrimp breaded and fried golden
Scalloped potatoes rich & creamy
Roasted Vegetable medley with fresh herbs, olive oil, and spices
Dessert Pretzel Salad
Iced tea both sweet & regular, Coffee, Water

For reservations, please contact Vikki or Karen at **302-629-7366** or via email to vikkiprettyman@bladesde.com no later than **FEBRUARY 24TH, 2017 BY NOON**

Please make checks payable to the **Town of Blades**
Attention: Vikki Prettyman
20 W Fourth Street
Blades, DE 19973

Reminder: S.C.A.T. Steering Committee Breakfast

Friday, March 3rd at 9AM, ARENA's Delaware Coastal Airport
Cost $10.50 (checks written to Arena's)
RSVP to vikkiprettyman@bladesde.com

NLC NATIONAL LEAGUE OF CITIES

CITIES STRONG TOGETHER

WE ARE THE NATION'S CITIES.

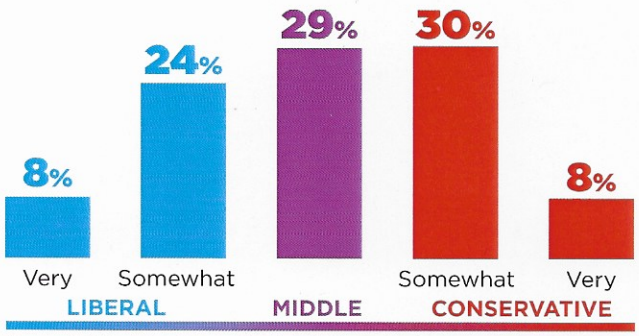
We work with Washington to move America forward.

The National League of Cities (NLC) represents cities of all sizes, from the 8.4 million residents of New York City to the five residents of Thurmond, West Virginia.

We are not partisan, but we are passionate about making America's cities great.

We believe in the values of local authority, ethics, civility, diversity, and collaboration.

IDEOLOGY OF ELECTED OFFICIALS IN NLC-MEMBER CITIES



Source: NLC Member Survey, October 2016

NLC SERVES AS THE VOICE OF AMERICA'S CITIES IN WASHINGTON

Policy ideas from around the country

NLC works closely with local officials to elevate policy ideas built on the best practices of local governments across the country. We have the city perspective that can inform your work as a Member of Congress.

NLC also conducts original research, from emerging issues like drones and driverless cars to annual studies of city fiscal conditions and the issues most important to mayors. We know what matters to our nation's cities.

An unparalleled coalition of 19,000 cities

In addition to our member cities, NLC partners with state-level municipal leagues. Together we are connected with the more than 19,000 municipalities in the U.S. We are the voice for America's cities of all sizes. We are also the best resource to help the Federal Government get information to the leaders of America's cities.

A partner to implement change

We provide on-the-ground assistance to cities on all sorts of issues: attracting businesses, education, and land use to name a few. Federal policies get implemented locally. That's why it's critical for the Federal Government to work in partnership with city leaders on solutions that move our country forward. We help make that happen.

An advocate for city priorities

We stand for sensible policies that help cities build economic prosperity. Cities help build a bridge to the middle class and help our communities grow.

We look forward to serving as both a resource and partner as we work together to build better communities.

CITIES DRIVE THE U.S. ECONOMY.

METROPOLITAN AREAS ARE HOME TO

86% of the nation's population

88% of total non-farm employment

88% of total real income

91% of real gross domestic product

The majority of rural Americans
live within a reasonable commute of a city.

Local governments invest $1.7 trillion
annually on services such as transportation, public safety and education.

78% of road miles

50% of bridges

95% of water infrastructure are owned by local government.

Sources: IHS Global Insight, "U.S. Metro Economies: GMP and Employment Report 2015-2017"; Brookings Instutition, 2011; US Census Bureau, 2013.

THE ECONOMY IN AMERICA'S CITIES AND TOWNS DETERMINES THE ECONOMY OF THE NATION.

NLC NATIONAL LEAGUE OF CITIES

CITIES STRONG TOGETHER

Drive America's Economy Forward by Reinvesting in Municipal Infrastructure

Guiding Principles

1. America's cities are paying their fair share: over two-thirds of all public infrastructure projects in the United States are locally financed by municipal bonds.
2. While the demands on America's infrastructure grow each year, federal funding has fallen to historically low levels, placing the economic and physical well-being of our cities in jeopardy.
3. City leaders are best positioned to identify where infrastructure needs are greatest, and should be given a stronger voice in how limited federal dollars are spent.

The vibrant network of infrastructure in America's cities is the economic competitive advantage that allows our 122.5 million households and 7.5 million businesses to lead the world in an increasingly globalized economy. Yet, we know that our infrastructure is failing us. Too many bridges are in a state of disrepair, our internet lags behind the rest of the world, families drink from bottled water in the absence of safe tap water.

The economic costs of continued inaction are staggering. Failing infrastructure costs America's families $3,400 annually in lost disposable income. Cities are already paying their fair share — financing more than two-thirds of all infrastructure projects through tax-exempt municipal bonds — but cities simply cannot afford to carry our nation forward alone. For that reason, the National League of Cities calls on Congress and the administration to invest in making America's transportation, water and broadband infrastructure, once again, the envy of the world.

Transportation

NLC calls on Congress and the President to modernize our nation's transportation infrastructure by passing legislation that will:

1. Identify a user-fee based pay-for that keeps the Highway Trust Fund fully paid for beyond the expiration of the FAST Act;

2. Fund transportation infrastructure projects by putting money directly in the hands of local governments, who are best equipped to identify high-priority projects and where the need is the greatest;

3. Increase federal funding for programs that support all modes of transportation, including TIGER, Transportation Alternatives, the Surface Transportation Block Grant Program, New Starts and FASTLANE; and

4. Identify opportunities for greater private investment while recognizing that privately financed public private partnerships only work for a limited number of expensive projects.

Water

NLC calls on Congress and the President to improve our nation's water infrastructure by passing legislation that will:

1. Reauthorize and provide federal funding for water infrastructure improvements through the Clean Water and Drinking Water State Revolving Loan Fund (SRF) programs;

2. Provide full appropriation to the Water Infrastructure Finance and Innovation Act (WIFIA) and permanently establish the program beyond a pilot program;

3. Remove the federal volume cap on tax-exempt bonds for water and wastewater infrastructure projects;

4. Establish a comprehensive and flexible integrated planning and permitting process for local water, wastewater and stormwater management; and

5. Clarify that rebates provided by local water utilities to homeowners for water conservation and water efficiency are not subject to a federal income tax.

Broadband

NLC calls on Congress and the President to update our nation's broadband infrastructure by passing legislation that will:

1. Expand broadband access by eliminating state barriers to municipal broadband networks;

2. Establish a grant program to accompany the Rural Utility Service Broadband Loan program;

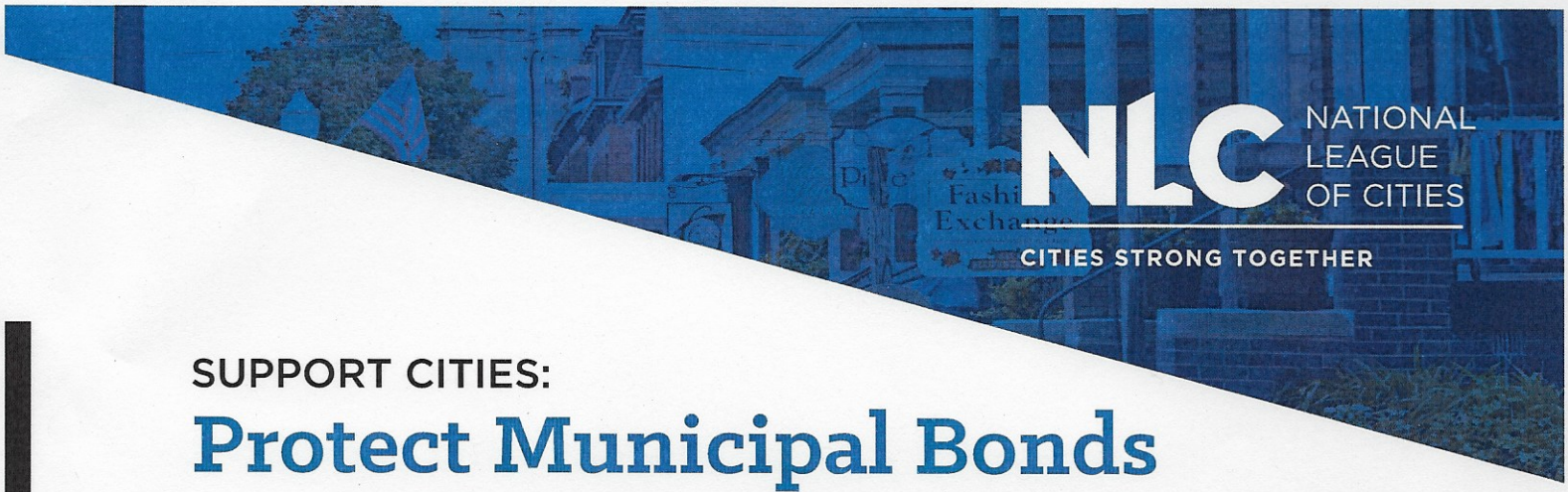
3. Increase funding for Community Development Block Grants and Choice Neighborhoods Grants;

4. Expand the HUD ConnectHome program to ensure low-income children have Internet access; and

5. Incentivize inclusion of conduit or fiber placement in federally-funded infrastructure projects.

For more information

For a full report on NLC's infrastructure priorities, visit www.nlc.org/infrastructure



NLC NATIONAL LEAGUE OF CITIES

CITIES STRONG TOGETHER

SUPPORT CITIES:

Protect Municipal Bonds

NLC calls on Congress and the President to preserve the federal income tax exemption on municipal bonds that will:

1. Allow local and state governments to finance public infrastructure that supports everyday life.
2. Prevent an increase in the cost to taxpayers in building schools, water treatment facilities, libraries, bridges and many other public projects.
3. Benefit all Americans. It is not a special interest loophole and should not be treated as such.

Percentage of public infrastructure financed by tax-exempt bonds

Utilities	87%
Environment	54%
Education	65%
Health Care	40%
Transportation	35%

Municipal bonds are the primary way state and local governments finance the public infrastructure that supports everyday life. From the construction of schools and hospitals to ensuring access to clean water, cities large and small alike use tax exempt municipal bonds to save on interest cost while finding a way to provide basic to critical services to their local communities. More than two-thirds of U.S. public infrastructure projects are financed by municipal bonds.

Voters and governmental bodies approve issuance of these bonds, which are then purchased by private individuals, mutual funds and financial institutions. The interest gained by these investors is exempt from the federal income tax, and has been since 1913. In a way, municipal bonds are America's original and most successful public-private partnership.

Local governments save an average of 25 to 30 percent on interest costs with tax exempt municipal bonds (as compared to taxable bonds), thanks to investors who are willing to accept a lower interest rate on tax exempt bonds. The exemption is similar to the exemption for federal Treasury bonds from state and local taxes.

In addition to the cost savings, municipal-bond-funded projects create jobs, provide a stable investment vehicle for investors, and help reduce local tax and utility rates for community residents. Despite these benefits, the tax exemption is on the table for capping or elimination as a part of tax reform discussions.

Congress and the President must maintain the federal income tax exemption for municipal bonds to protect this critical tool for local governments to rebuild and improve America's infrastructure.

Support Municipal Bonds

Join the Congressional Municipal-Finance Caucus and protect the tax exemption for municipal bonds.

For more information

Contact Brett Bolton at 202-626-3183
or bolton@nlc.org

NLC NATIONAL LEAGUE OF CITIES

CITIES STRONG TOGETHER

SUPPORT CITIES:

Close the Online Sales Tax Loophole

NLC calls on Congress and the President to close the online sales tax loophole by enacting e-fairness legislation that will:

1. Level the playing field between online and brick-and-mortar retailers.
2. Establish parity at the point of purchase through a destination sourcing regime.
3. Not impose new or higher taxes and respect the current state and local tax structure.
4. Provide local governments with the resources they need to invest in communities, build infrastructure and provide important services like emergency response.

$23 billion dollars in owed sales tax go uncollected from online transactions every year.

The brick-and-mortar businesses in our cities strengthen our local economies, provide needed jobs, and give our streets character. Despite their necessity to our cities, they currently compete at a five to ten percent disadvantage to online sellers by collecting legally required sales tax at the time of purchase—something online retailers are not compelled to do. This imbalance hurts local businesses and our cities.

As more Americans shop online, more and more economic activity is diverted away from our communities. In 1992, the Supreme Court told Congress in its Quill decision to resolve the issue of sales tax collection by remote sellers. In the intervening years, Congress has failed to act.

The dollar value of sales conducted online has increased exponentially. If main street retailers cannot keep up as a result of this growing disadvantage, the ripple effect in lost jobs and revenue will threaten our communities' sustainability.

Congress can fix this unfairness. E-fairness legislation would close the online sales tax loophole. This legislation would modernize the sales tax by authorizing states and local governments to collect already-owed sales taxes for online sales. This path will not harm small businesses, impose any new taxes, or affect federal revenues or expenditures.

By enacting e-fairness legislation, Congress and the President will level the playing field for all sellers and will provide support for state and local governments without a penny coming from the federal Treasury. Allowing local governments to collect an estimated $23 billion in sales tax revenue every year that is already owed will provide cities with more funding for basic services, such as roads and police officers, and fair competition for all businesses.

For more information

Contact Brett Bolton at 202-626-3181
or bolton@nlc.org

City of Milford Ordinance Review

NOTICE IS HEREBY GIVEN that the following Ordinance is under review by Milford City Council:

Ordinance 2017-07

CHAPTER 185-SEWERS

WHEREAS, beginning in 2010, the Council of the City of Milford established a Sewer Impact Fee Waiver for the purpose of encouraging property repairs, rehabilitation and new construction which was determined by the number of new jobs created; and

WHEREAS, amendments were made to the waiver guidelines in 2011, 2012, 2013 and 2014; and

WHEREAS, in 2016, City Council adopted an ordinance entitled Economic Development and Redevelopment (Chapter 19) that provided procedures for the consideration of economic development incentives and the use of economic development tools; and

WHEREAS, it is recommended that the Impact Fee Waivers language be removed from the City of Milford Sewer Code and incorporated into the Economic Development and Redevelopment Code to provide a more effective and efficient means of accessibility.

NOW THEREFORE, THE CITY OF MILFORD HEREBY ORDAINS:

Chapter 185 - SEWERS

Section 1. Article III entitled Sewer Impact Fee is hereby amended as follows:

ARTICLE III – Sewer Impact Fee

Section 2. Section 185-24 Impact Fee Established is hereby amended as by repealing Paragraph D in its entirety.

§ 185-24. - Impact fee established.

A. Prior to the issuance of a certificate of occupancy by the Code Official or other duly authorized representative, all developers or owners of newly constructed structures requiring sanitary sewer service shall pay the applicable impact fee per EDU to the City of Milford. The City reserves the right to bar occupancy of any such structure and withhold sanitary sewer service until such time as the aforementioned fee is paid in full. The fee per EDU as shown on the following schedule shall represent the impact fee to be used for construction, maintenance and expansion of the City's wastewater system.

B. Impact fees shall be in accordance with the schedule in185-24(b).

(1)The schedule shall be reviewed annually by the Mayor and Council and may be adjusted to incorporate revisions as necessary.

(2)If two or more dwellings, apartments, stores, offices or industrial units are connected through a single lateral, the impact fee payable under the schedule below shall be computed as though each such dwelling, apartment, store, office, or industrial unit were a separate property or user with a separate connection to the sewer.

C. Impact fee schedule. Fees will be automatically adjusted on an annual basis as noted in185-24(c).

~~D. The sewer impact fee described in Subsection C shall be waived for permits issued for commercial repairs, rehabilitation and new construction beginning March 20, 2014. The waiver shall be for a maximum of five EDUs per project. The city will continue to collect the impact fee charged by Kent County.~~

~~(1) To qualify for the impact fee waiver, the commercial construction must be completed and a certificate of occupancy received within a twelve-month period.~~

~~(a) Waiver of Sewer Impact Fees for Commercial Entities: To further encourage new business and the expansion of existing businesses, the business must create a minimum of five jobs to employ five full-time employees in the City of Milford in accordance with the following criteria:~~

~~Creation of 5—9 new jobs to last at least 3 years: Exemption of Impact Fee Waiver (1 EDU).~~
~~Creation of 10—14 new jobs to last at least 3 years: Exemption of Impact Fee Waiver (2 EDUs).~~
~~Creation of 15—19 new jobs to last at least 3 years: Exemption of Impact Fee Waiver (3 EDUs).~~
~~Creation of 20—24 new jobs to last at least 3 years: Exemption of Impact Fee Waiver (4 EDUs).~~
~~Creation of 25+ new jobs to last at least 3 years: Exemption of Impact Fee Waiver (5 EDUs).~~

~~(b) Agreement shall be executed by the commercial customer relative to the creation and retention of jobs.~~
~~(c) Annual certification to assure the commercial customer remains compliant with the written agreement.~~
~~(d) If the criteria is not met, the city may require the incentive to be repaid in full, or in part, as provided in the written agreement.~~

~~(2) Any commercial structure that does not receive a certificate of occupancy in accordance with § 185-24.D.(1) shall be ineligible for the impact fee waiver and shall pay the required impact fee in full prior to the issuance of a certificate of occupancy.~~

Section 3. Section 185-25 Computation of Impact Fee is hereby rescinded and Paragraphs B, C and D ‘reserved for future use’ are hereby repealed. Remaining Paragraphs will be incorporated

in Section 185-24 and Paragraph A renamed Paragraph D. Language being stricken is indicated in strikethrough and additional language shown as underlined and bold, to read as follows:

~~§ 185-25. - Computation of impact fee.~~

D.~~A.~~ Specific assessment by usage category:

Usage Category	Total EDUs
Assisted-living facilities	1 plus 1 per 2 living units
Bars and lounges	1 plus number of FUs/6
Bus stations and other public depots	1 plus number of FUs/6
Campgrounds and travel trailer parks	1 plus 1 per 2 spaces
Campgrounds and travel trailer parks with waste-handling facilities	2 plus number of FUs/space
Car washes with water recycling	1 plus 2 per wash bay
Churches and associated facilities	1 plus number of FUs/6
Churches without associated facilities, such as day cares, schools, rectories, etc., and without food service functions for fundraising and/or any other nonparishioner for-profit activities	1 plus number of FUs/12
Convenience store with rest rooms open to the public	1 plus number of FUs/4
Convention halls and public gathering places	1 plus number of FUs/6
Convention halls and other public gathering places used at a frequency of not more than one event per week and without any for-profit activities.	1 plus number of FUs/12
Delicatessen and food take-outs	1 plus number of FUs/6
Dormitories	1 plus 1 per 2.5 beds
Drive-in food service	1 plus number of FUs/6
Fire stations with associated convention halls used at a frequency of more than one event per week and without any for-profit activities	1 plus number of FUs/6
Fraternal and/or civic organizations used at a frequency of not more than once per week (If other commercial activities are operating from these premises, they are treated as separate accounts.)	1 plus number of FUs/9
Hospitals	1 plus 1 per 2 beds
Hotels and motels without restaurants	1 plus 1 per 3 rooms or 1

	plus 1 per 2 suites
Laundromat	1 plus 1 per commercial washer* or 1 plus 1 per 2 standard washers*
Marina without boat waste pumping facilities	1 plus number of FUs/6
Marina with boat waste pumping facilities	1 plus number of FUs/6
Municipal buildings	1 plus number of FUs/6
Nursing homes	1 plus 1 per 3 beds
Office buildings with public access	1 plus number of FUs/6
Office buildings without public access	1 plus number of FUs/9
Prisons	1 plus 1 per 2 beds
Restaurants and eating places, with rest rooms	1 plus number of FUs/6
Retail store	1 plus number of FUs/6
Schools without full-service kitchen	1 plus 1 per 30 certified students**
Schools without shower facilities	1 plus 1 per 30 certified students**
Schools with full-service kitchen or with showers	1 plus 1 per 25 certified students**
Service station with service bays	1 plus number of FUs/6
Service station with wash bays	1 plus number of FUs/4
Warehouse/storage buildings	1 plus number of FUs/9

NOTES:

* A reduction of 15% will be applied to each subcategory, if an equal number of dryers and washers are offered and multiple types of washers (top loaded and front loaded) are made available.

** Number of students (design capacity) as certified by the Delaware Department of Education.

~~B. (Reserved)~~

~~C. (Reserved)~~

~~D. (Reserved)~~

E. EDUs assigned to establishments not covered above shall assure that each establishment, in the opinion of the City Engineer, is given an assignment of EDUs compatible with its use of

the City water system. The applicant shall submit a special EDU request for the planned capacity needed.

F. No exemptions or abatements from the assessment of sewer impact fees shall be granted without the approval of City Council. **Refer to Chapter 19 Economic Development and Redevelopment for Specific Economic Development Incentive Programs.**

Section 4. Section 185-26, Additional Evaluations and Charges, is subsequently renumbered to Section 185-25, stricken language indicated in strikethrough and additional language shown as underlined and bold:

§ ~~185-26~~ **185-25**. - Additional evaluations and charges.

A. Property owner(s) and/or developer(s) proposing to submit for a Major Subdivision or Site Plan approval shall first submit a Utility Feasibility Study request to the City. Cost for the feasibility study shall be paid for by the applicant or applicants. The Utility Feasibility Study will be performed by the City and the results of the study used as the basis for defining the sewer drainage basin(s) and associated core infrastructure improvements necessary to serve the development(s).

B. If one or more property owners or developers proposes a new development with an average daily flow of 2,500 gpd (10 EDUs) or more, to connect to the City's sanitary sewer infrastructure (i.e., pump/lift stations, collection lines, transmission lines, and/or other related appurtenances), but the infrastructure is not sized to handle both the peak daily flows (average daily flow multiplied by a peaking factor of 2.0 to 3.5, depending on the size of the drainage system) from the existing users of the drainage basin and the proposed new development, the developer shall perform one of the following in addition to the payment of the impact fees and entering into a Development Agreement:

(1) If a single property owner/developer: Construct the necessary improvements to accommodate the existing users and the new proposed development as defined by the Utility Feasibility Study, prior to connecting to the City's system. All work shall be performed in accordance with the City of Milford Standards and Specifications; or

(2) If multiple property owners or developers: Sign a public works agreement with the City as further described in Section ~~185-27~~ **185-26**.

Section 5. Section 185-27, Multiple Property Owners/Developer Public Works Agreement and Aid-In-Construction. is subsequently renumbered to Section 185-26:

§ ~~185-27~~ **185-26**. - Multiple property owners/developer public works agreement and aid-in-construction.

A. In a case where multiple developers and/or property owners propose to jointly utilize existing or future core infrastructure of an existing or proposed sanitary sewer drainage basin at the same time, the costs of the associated improvements for each developer shall be determined based on the percentage of their contributing flow. The percentage of

contributing flow for each entity shall be calculated on an Equivalent Dwelling Unit (EDU) basis. Drainage basins shall be defined by the City of Milford in its best interest.

The City of Milford at its own discretion may elect to participate financially in the cost of the core infrastructure improvements. Should the City elect to participate in the project then the associated percentages for the core infrastructure between the City and each developer shall be specified in a Public Works Agreement. The City shall design, administer and inspect the project with construction of the improvements performed in a publicly bid process. An estimated cost for the design, administration and construction of the project will be prepared by the City as part of the Public Works Agreement and include a 10% contingency amount. The estimated cost to each developer and the City will be allocated in accordance with the executed Public Works Agreement with the contributions from each developer financially secured prior to execution of the Agreement by the City. Should total project costs exceed the estimated project cost plus 10% contingency then each party shall pay for the additional cost(s) on the determined percentage basis at the time the cost is incurred by the City. Should the total project cost be less than the estimated project cost plus 10% contingency then said funds shall be reimbursed to each party on the determined percentage basis.

Should the City not elect to participate in the core infrastructure improvements then the developers are free to execute the design and construction of the core infrastructure privately. A Public Works Agreement will be prepared by the City to define the required improvements and determine the percentage contribution by each party. All work shall be performed in accordance with City of Milford Standards and Specifications and the developers shall be responsible for all City costs to prepare the Public Works Agreement and perform all plan reviews, project coordination and inspections associated with the project.

B. In a case where multiple developers and/or property owners propose to jointly utilize existing or future core infrastructure of an existing or proposed sanitary sewer drainage basin at different times, the costs of the associated improvements for each developer shall be determined based on the percentage of their contributing flow. The percentage of contributing flow for each entity shall be calculated on an equivalent dwelling unit (EDU) basis. Drainage basins shall be defined by the City of Milford in its best interest.

The City of Milford at its own discretion may elect to participate in the cost of infrastructure upgrades to accommodate future developers who are not either ready or unwilling to immediately move forward with the development of their property within the sewer basin. The City shall contact each property owner within the City defined sewer basin to determine whether or not they would like to participate financially in the basin core infrastructure improvements. The properties within the basin shall then be defined as immediate participants (those properties interested in contributing immediately in the core infrastructure improvements) and future participants (those properties in the sewer basin not interested in immediately contributing in the core infrastructure). The City shall then decide whether or not they will participate in carrying the cost for said future participants in the form of Aid in Construction.

Should the City not elect to participate in the core infrastructure improvements then the immediate developers are free to execute the design and construction of the core infrastructure privately. The core infrastructure would then be sized to accommodate only the improvements necessary to meet the needs of the immediate participants. A Public Works Agreement will be prepared by the City to define the required improvements and determine the percentage contribution by each party. All work shall be performed in accordance with City of Milford Standards and Specifications. The developers shall be responsible for all City costs to prepare the Public Works Agreement and perform all plan reviews, project coordination and inspections associated with the project.

Should the City decide to participate in the project and construction of the core infrastructure, then the City will prepare a Public Works Agreement to define each immediate and future developer/property participant to be included within the sewer basin. The City shall design, administer and inspect the project with construction of the improvements performed in a publicly bid process. An estimated cost for the design, administration and construction of the project will be prepared by the City as part of the Public Works Agreement and include a 10% contingency amount. The estimated cost to each developer/property owner will be allocated in accordance with the executed Public Works Agreement with the contributions from each immediate developer financially secured prior to execution of the Agreement by the City. Should total project costs exceed the estimated project cost plus 10% contingency then each immediate developer shall pay for the additional cost(s) on the determined percentage basis at the time the cost is incurred by the City. Should the total project cost be less than the estimated project cost plus 10% contingency then said funds shall be reimbursed to each immediate developer on the determined percentage basis.

If not defined by the future participant property owner, flow determinations for each future property included within the sewer basin shall be defined based on the maximum allowable density of the existing zoning at the time of the Agreement, or as determined practical by the City. Should the property be up zoned and/or future development exceeds the number of EDUs allocated to the property then said future participant or developer shall be responsible for all upgrades necessary to accommodate the increase.

The immediate developer(s) and the City shall pay for the improvements on the percentage basis as defined in the Public Works Agreement. The City shall however be reimbursed for capital outlays plus interest by future participants/developer(s) for properties initially carried by the City as Aid in Construction. The Aid in Construction reimbursement to the City shall be based on the percentage of flow that each property defined as future will contribute to the core infrastructure up to the number of EDUs defined for said property in the Public Works Agreement. Aid in Construction costs allocated to future developer(s) shall be reimbursed to the City prior to plot plan recordation or commercial site plan approval, whichever applies.

C. The City Council has the right to modify, amend or waive any or all of the provisions contained in subsections (A) and (B) above.

D. No public funds will be utilized for any extension outside the City limits. Costs of such extensions shall be borne exclusive

Section 6. Dates.
Council Introduction: January 23, 2017
Council Adoption (Projected): February 13, 2017

ARTICLE III - Sewer Impact Fee

§ 185-22. - Purpose.

The purpose of this article is to establish appropriate methods to assist in the capital financing of construction, improvements and expansion of the City of Milford sanitary sewer system in a manner which ensures that the cost associated with such construction, improvements and expansion is borne by those who generate a greater impact on the existing system.

§ 185-23. - Definitions.

As used in this article, the following terms shall have the meanings indicated:

EQUIVALENT DWELLING UNIT (EDU) — A term used to express the load produced on a sanitary sewer system approximately equal to one dwelling place (250 gallons per day).

FIXTURE UNIT (FU) — A term having a value equal to 1/6 of a single EDU. Allocation of fixture units for the purpose of establishing a commercial EDU classification under the provisions of this article shall be as follows:

Type of Fixture (quantity of one)	Number of Fixture Units
Three-bowl commercial sink	2
Washstand or lavatory	1
Toilet	2
Bath or shower	1
Mop sink or service sink	1
Flush urinal	1
Continuous flush urinal	3
Convenience outlet	1
Domestic dishwasher	1
Commercial dishwasher	4
Drinking fountain	1

Garbage disposal	1
Residential washing machine	1

GPD — Gallons per day.

IMPACT FEE — A one-time fee imposed by the City upon the owner(s) of any new, remodeled, restored or enlarged residential, commercial, institutional or industrial structure or structures or any combination thereof which results in an increased sewer flow to the existing sanitary sewer system.

SF — Square foot.

§ 185-24. - Impact fee established.

[Amended 7-14-2008 by Ord. No. 2008-9]

A. Prior to the issuance of a certificate of occupancy by the Code Official or other duly authorized representative, all developers or owners of newly constructed structures requiring sanitary sewer service shall pay the applicable impact fee per EDU to the City of Milford. The City reserves the right to bar occupancy of any such structure and withhold sanitary sewer service until such time as the aforementioned fee is paid in full. The fee per EDU as shown on the following schedule shall represent the impact fee to be used for construction, maintenance and expansion of the City's wastewater system.

B. Impact fees shall be in accordance with the following schedule.

   (1) The schedule shall be reviewed annually by the Mayor and Council and may be adjusted to incorporate revisions as necessary.

   (2) If two or more dwellings, apartments, stores, offices or industrial units are connected through a single lateral, the impact fee payable under the schedule below shall be computed as though each such dwelling, apartment, store, office, or industrial unit were a separate property or user with a separate connection to the sewer.

C. Impact fee schedule. Fees will be automatically adjusted on an annual basis as follows:

Effective Date	Impact Fee Per EDU
	$975
August 1, 2008	$1,014
July 1, 2009	$1,055
July 1, 2010	$1,097
July 1, 2011	$1,141

July 1, 2012	$1,186
July 1, 2013	$1,234
July 1, 2014	$1,283
July 1, 2015	$1,334
July 1, 2016	$1,388
July 1, 2017	$1,443
July 1, 2018	$1,501
July 1, 2019	$1,561
July 1, 2020	$1,623
July 1, 2021	$1,688
July 1, 2022	$1,756
July 1, 2023	$1,826
July 1, 2024	$1,899
July 1, 2025	$1,975
July 1, 2026	$2,054
July 1, 2027	$2,136

D. The sewer impact fee described in Subsection C shall be waived for permits issued for commercial repairs, rehabilitation and new construction beginning March 20, 2014. The waiver shall be for a maximum of five EDUs per project. The city will continue to collect the impact fee charged by Kent County.

(1) To qualify for the impact fee waiver, the commercial construction must be completed and a certificate of occupancy received within a twelve-month period.

(a) Waiver of Sewer Impact Fees for Commercial Entities: To further encourage new business and the expansion of existing businesses, the business must create a minimum of five jobs

to employ five full-time employees in the City of Milford in accordance with the following criteria:

Creation of 5—9 new jobs to last at least 3 years: Exemption of Impact Fee Waiver (1 EDU).

Creation of 10—14 new jobs to last at least 3 years: Exemption of Impact Fee Waiver (2 EDUs).

Creation of 15—19 new jobs to last at least 3 years: Exemption of Impact Fee Waiver (3 EDUs).

Creation of 20—24 new jobs to last at least 3 years: Exemption of Impact Fee Waiver (4 EDUs).

Creation of 25+ new jobs to last at least 3 years: Exemption of Impact Fee Waiver (5 EDUs).

(b) Agreement shall be executed by the commercial customer relative to the creation and retention of jobs.

(c) Annual certification to assure the commercial customer remains compliant with the written agreement.

(d) If the criteria is not met, the city may require the incentive to be repaid in full, or in part, as provided in the written agreement.

(2) Any commercial structure that does not receive a certificate of occupancy in accordance with § 185-24.D.(1) shall be ineligible for the impact fee waiver and shall pay the required impact fee in full prior to the issuance of a certificate of occupancy.

[Ord. No. 2010-8, § 1, 5-24-2010; Ord. No. 2010-17, §§ 1, 2, 11-8-2010; Ord. No. 2011-16, §§ 1, 2, 6-27-2011; Ord. No. 2012-19, §§ 1, 2, 9-10-2012; Ord. No. 2013-10, §§ 1, 2, 11-25-2013; Ord. No. 2014-03, §§ 1, 2, 3-10-2014]

§ 185-25. - Computation of impact fee.

A. Specific assessment by usage category:

Usage Category	Total EDUs
Assisted-living facilities	1 plus 1 per 2 living units
Bars and lounges	1 plus number of FUs/6
Bus stations and other public depots	1 plus number of FUs/6
Campgrounds and travel trailer parks	1 plus 1 per 2 spaces
Campgrounds and travel trailer parks with waste-handling facilities	2 plus number of FUs/space
Car washes with water recycling	1 plus 2 per wash bay

Churches and associated facilities	1 plus number of FUs/6
Churches without associated facilities, such as day cares, schools, rectories, etc., and without food service functions for fundraising and/or any other nonparishioner for-profit activities	1 plus number of FUs/12
Convenience store with rest rooms open to the public	1 plus number of FUs/4
Convention halls and public gathering places	1 plus number of FUs/6
Convention halls and other public gathering places used at a frequency of not more than one event per week and without any for-profit activities.	1 plus number of FUs/12
Delicatessen and food take-outs	1 plus number of FUs/6
Dormitories	1 plus 1 per 2.5 beds
Drive-in food service	1 plus number of FUs/6
Fire stations with associated convention halls used at a frequency of more than one event per week and without any for-profit activities	1 plus number of FUs/6
Fraternal and/or civic organizations used at a frequency of not more than once per week (If other commercial activities are operating from these premises, they are treated as separate accounts.)	1 plus number of FUs/9
Hospitals	1 plus 1 per 2 beds
Hotels and motels without restaurants	1 plus 1 per 3 rooms or 1 plus 1 per 2 suites
Laundromat	1 plus 1 per commercial washer* or 1 plus 1 per 2 standard washers*
Marina without boat waste pumping facilities	1 plus number of FUs/6
Marina with boat waste pumping facilities	1 plus number of FUs/6

Municipal buildings	1 plus number of FUs/6
Nursing homes	1 plus 1 per 3 beds
Office buildings with public access	1 plus number of FUs/6
Office buildings without public access	1 plus number of FUs/9
Prisons	1 plus 1 per 2 beds
Restaurants and eating places, with rest rooms	1 plus number of FUs/6
Retail store	1 plus number of FUs/6
Schools without full-service kitchen	1 plus 1 per 30 certified students**
Schools without shower facilities	1 plus 1 per 30 certified students**
Schools with full-service kitchen or with showers	1 plus 1 per 25 certified students**
Service station with service bays	1 plus number of FUs/6
Service station with wash bays	1 plus number of FUs/4
Warehouse/storage buildings	1 plus number of FUs/9

NOTES:

* A reduction of 15% will be applied to each subcategory, if an equal number of dryers and washers are offered and multiple types of washers (top loaded and front loaded) are made available.

** Number of students (design capacity) as certified by the Delaware Department of Education.

B. (Reserved)

C. (Reserved)

D. (Reserved)

E. EDUs assigned to establishments not covered above shall assure that each establishment, in the opinion of the City Engineer, is given an assignment of EDUs compatible with its use of the City water system. The applicant shall submit a special EDU request for the planned capacity needed.

F. No exemptions or abatements from the assessment of sewer impact fees shall be granted without the approval of City Council.

[Ord. No. 2015-22, § 2, 11-23-2015]

§ 185-26. - Additional evaluations and charges.

A. Property owner(s) and/or developer(s) proposing to submit for a Major Subdivision or Site Plan approval shall first submit a Utility Feasibility Study request to the City. Cost for the feasibility study shall be paid for by the applicant or applicants. The Utility Feasibility Study will be performed by the City and the results of the study used as the basis for defining the sewer drainage basin(s) and associated core infrastructure improvements necessary to serve the development(s).

B. If one or more property owners or developers proposes a new development with an average daily flow of 2,500 gpd (10 EDUs) or more, to connect to the City's sanitary sewer infrastructure (i.e., pump/lift stations, collection lines, transmission lines, and/or other related appurtenances), but the infrastructure is not sized to handle both the peak daily flows (average daily flow multiplied by a peaking factor of 2.0 to 3.5, depending on the size of the drainage system) from the existing users of the drainage basin and the proposed new development, the developer shall perform one of the following in addition to the payment of the impact fees and entering into a Development Agreement:

   (1) If a single property owner/developer: Construct the necessary improvements to accommodate the existing users and the new proposed development as defined by the Utility Feasibility Study, prior to connecting to the City's system. All work shall be performed in accordance with the City of Milford Standards and Specifications; or

   (2) If multiple property owners or developers: Sign a public works agreement with the City as further described in Section 185-27.

[Ord. No. 2015-22, § 3, 11-23-2015]

§ 185-27. - Multiple property owners/developer public works agreement and aid-in-construction.

A. In a case where multiple developers and/or property owners propose to jointly utilize existing or future core infrastructure of an existing or proposed sanitary sewer drainage basin at the same time, the costs of the associated improvements for each developer shall be determined based on the percentage of their contributing flow. The percentage of contributing flow for each entity shall be calculated on an Equivalent Dwelling Unit (EDU) basis. Drainage basins shall be defined by the City of Milford in its best interest.

   The City of Milford at its own discretion may elect to participate financially in the cost of the core infrastructure improvements. Should the City elect to participate in the project then the associated percentages for the core infrastructure between the City and each developer shall be specified in a Public Works Agreement. The City shall design, administer and inspect the project with construction of the improvements performed in a publicly bid process. An estimated cost for the design, administration and construction of the project will be prepared by the City as part of the Public Works Agreement and include a 10% contingency amount. The estimated cost to each developer and the City will be allocated in accordance with the executed Public Works Agreement with the contributions from each developer financially secured prior to execution of the Agreement by the City. Should total project costs exceed the estimated project cost plus 10% contingency then each party shall pay for the additional cost(s) on the determined percentage basis at the time the cost is incurred by the City. Should the total project cost be less than the estimated project cost plus 10% contingency then said funds shall be reimbursed to each party on the determined percentage basis.

   Should the City not elect to participate in the core infrastructure improvements then the developers are free to execute the design and construction of the core infrastructure privately. A Public Works

Agreement will be prepared by the City to define the required improvements and determine the percentage contribution by each party. All work shall be performed in accordance with City of Milford Standards and Specifications and the developers shall be responsible for all City costs to prepare the Public Works Agreement and perform all plan reviews, project coordination and inspections associated with the project.

B. In a case where multiple developers and/or property owners propose to jointly utilize existing or future core infrastructure of an existing or proposed sanitary sewer drainage basin at different times, the costs of the associated improvements for each developer shall be determined based on the percentage of their contributing flow. The percentage of contributing flow for each entity shall be calculated on an equivalent dwelling unit (EDU) basis. Drainage basins shall be defined by the City of Milford in its best interest.

The City of Milford at its own discretion may elect to participate in the cost of infrastructure upgrades to accommodate future developers who are not either ready or unwilling to immediately move forward with the development of their property within the sewer basin. The City shall contact each property owner within the City defined sewer basin to determine whether or not they would like to participate financially in the basin core infrastructure improvements. The properties within the basin shall then be defined as immediate participants (those properties interested in contributing immediately in the core infrastructure improvements) and future participants (those properties in the sewer basin not interested in immediately contributing in the core infrastructure). The City shall then decide whether or not they will participate in carrying the cost for said future participants in the form of Aid in Construction.

Should the City not elect to participate in the core infrastructure improvements then the immediate developers are free to execute the design and construction of the core infrastructure privately. The core infrastructure would then be sized to accommodate only the improvements necessary to meet the needs of the immediate participants. A Public Works Agreement will be prepared by the City to define the required improvements and determine the percentage contribution by each party. All work shall be performed in accordance with City of Milford Standards and Specifications. The developers shall be responsible for all City costs to prepare the Public Works Agreement and perform all plan reviews, project coordination and inspections associated with the project.

Should the City decide to participate in the project and construction of the core infrastructure, then the City will prepare a Public Works Agreement to define each immediate and future developer/property participant to be included within the sewer basin. The City shall design, administer and inspect the project with construction of the improvements performed in a publicly bid process. An estimated cost for the design, administration and construction of the project will be prepared by the City as part of the Public Works Agreement and include a 10% contingency amount. The estimated cost to each developer/property owner will be allocated in accordance with the executed Public Works Agreement with the contributions from each immediate developer financially secured prior to execution of the Agreement by the City. Should total project costs exceed the estimated project cost plus 10% contingency then each immediate developer shall pay for the additional cost(s) on the determined percentage basis at the time the cost is incurred by the City. Should the total project cost be less than the estimated project cost plus 10% contingency then said funds shall be reimbursed to each immediate developer on the determined percentage basis.

If not defined by the future participant property owner, flow determinations for each future property included within the sewer basin shall be defined based on the maximum allowable density of the existing zoning at the time of the Agreement, or as determined practical by the City. Should the property be up zoned and/or future development exceeds the number of EDUs allocated to the property then said future participant or developer shall be responsible for all upgrades necessary to accommodate the increase.

The immediate developer(s) and the City shall pay for the improvements on the percentage basis as defined in the Public Works Agreement. The City shall however be reimbursed for capital outlays plus interest by future participants/developer(s) for properties initially carried by the City as Aid in Construction. The Aid in Construction reimbursement to the City shall be based on the percentage of

flow that each property defined as future will contribute to the core infrastructure up to the number of EDUs defined for said property in the Public Works Agreement. Aid in Construction costs allocated to future developer(s) shall be reimbursed to the City prior to plot plan recordation or commercial site plan approval, whichever applies.

C. The City Council has the right to modify, amend or waive any or all of the provisions contained in subsections (A) and (B) above.

D. No public funds will be utilized for any extension outside the City limits. Costs of such extensions shall be borne exclusively by the developer(s).

[Ord. No. 2015-22, § 4, 11-23-2015]

City of Milford Ordinance Review

NOTICE IS HEREBY GIVEN that the following Ordinance is under review by Milford City Council:

Ordinance 2017-08

CHAPTER 222-WATER

WHEREAS, beginning in 2010, the Council of the City of Milford established a Water Impact Fee Waiver for the purpose of encouraging property repairs, rehabilitation and new construction which was determined by the number of new jobs created; and

WHEREAS, amendments were made to the waiver guidelines in 2011, 2012, 2013 and 2014; and

WHEREAS, in 2016, City Council adopted an ordinance entitled Economic Development and Redevelopment (Chapter 19) that provided procedures for the consideration of economic development incentives and the use of economic development tools; and

WHEREAS, it is recommended that the Impact Fee Waivers language be removed from the City of Milford Water Code and incorporated into the Economic Development and Redevelopment Code to provide a more effective and efficient means of accessibility.

NOW THEREFORE, THE CITY OF MILFORD HEREBY ORDAINS:

Chapter 222 - WATER

Section 1. Section 222-31 of Chapter 222, entitled Impact Fees, is hereby amended as follows:

§ 222-31. - Impact fees.

The purpose of this section is to establish appropriate methods to assist in the capital financing of construction, improvements and expansion of the City of Milford water system in a manner which ensures that the cost associated with such construction, improvements and expansion is borne by those who generate a greater impact on the existing system.

Section 2. Paragraph F is hereby amended by adding language as indicated in underline and bold.

F. No exemptions or abatements from the assessment of water impact fees shall be granted without the approval of City Council. **Refer to Chapter 19 Economic Development and Redevelopment for Specific Economic Development Incentive Programs.**

G. If a developer proposes a new development with an average daily flow of 2,500 gpd or more, to connect to the City's water infrastructure (i.e., transmission lines, and/or other related appurtenances), but the infrastructure is not sized to handle both the peak daily demand and/or

fire flows from the existing users of the drainage basin and the proposed new development, the developer shall perform one of the following in addition to the payment of the impact fees:

(1) Construct the necessary improvements to accommodate the existing users and the new proposed development, prior to connecting; or

(2) Sign a public works agreement stating that the necessary improvements will be constructed in accordance with the terms and conditions outlined in said agreement.

H. Impact fee schedule. Fees will be automatically adjusted on an annual basis as follows:

Effective Date	Impact Fee Per EDU
	$1,845
August 1, 2008	$1,919
July 1, 2009	$1,996
July 1, 2010	$2,075
July 1, 2011	$2,158
July 1, 2012	$2,245
July 1, 2013	$2,335
July 1, 2014	$2,428
July 1, 2015	$2,525
July 1, 2016	$2,626
July 1, 2017	$2,731
July 1, 2018	$2,840
July 1, 2019	$2,954
July 1, 2020	$3,072
July 1, 2021	$3,195
July 1, 2022	$3,323
July 1, 2023	$3,456
July 1, 2024	$3,594
July 1, 2025	$3,738
July 1, 2026	$3,887
July 1, 2027	$4,043

Section 3. Paragraph I is hereby repealed in its entirety.

~~I. The water impact fee described in § 222-31.H. shall be waived for permits issued for commercial repairs, rehabilitation and new construction beginning March 20, 2014. The waiver shall be for a maximum of 5 EDUs per project.~~

~~(1) To qualify for the impact fee waiver, the commercial construction must be completed and a certificate of occupancy received within a twelve-month period.~~

~~(a) Waiver of Water Impact Fees for Commercial Entities: To encourage new business and the expansion of existing businesses, the business must create a minimum of five jobs to employ five full-time employees in the City of Milford in accordance with the following criteria:~~

~~Creation of 5—9 new jobs to last at least 3 years: Exemption of Impact Fee Waiver (1 EDU).~~
~~Creation of 10—14 new jobs to last at least 3 years: Exemption of Impact Fee Waiver (2 EDUs).~~
~~Creation of 15—19 new jobs to last at least 3 years: Exemption of Impact Fee Waiver (3 EDUs).~~
~~Creation of 20—24 new jobs to last at least 3 years: Exemption of Impact Fee Waiver (4 EDUs).~~
~~Creation of 25+ new jobs to last at least 3 years: Exemption of Impact Fee Waiver (5 EDUs).~~

~~(b) Agreement shall be executed by the commercial customer relative to the creation and retention of jobs.~~
~~(c) Annual certification to assure the commercial customer remains compliant with the written agreement.~~
~~(d) If the criteria is not met, the city may require the incentive to be repaid in full, or in part, as provided in the written agreement.~~

~~(2) Any commercial structure that does not receive a certificate of occupancy in accordance with §222-31.I.(1) shall be ineligible for the impact fee waiver and shall pay the required impact fee in full prior to the issuance of a certificate of occupancy.~~

Section 4. Dates.
Council Introduction: January 23, 2017
Council Adoption (Projected): February 13, 2017

§ 222-31. - Impact fees.

The purpose of this section is to establish appropriate methods to assist in the capital financing of construction, improvements and expansion of the City of Milford water system in a manner which ensures that the cost associated with such construction, improvements and expansion is borne by those who generate a greater impact on the existing system.

A. Definitions. As used in this section, the following terms shall have the meanings indicated:

EQUIVALENT DWELLING UNIT (EDU) — A term used to express the load produced on a water system approximately equal to one dwelling place (250 gallons per day).

FIXTURE UNIT (FU) — A term having a value equal to 1/6 of a single EDU. Allocation of fixture units for the purpose of establishing a commercial EDU classification under the provisions of this section shall be as follows:

Type of Fixture (quantity of one)	Number of Fixture Units
Three-bowl commercial sink	2
Washstand or lavatory	1
Toilet	2
Bath and shower	1
Mop sink or service sink	1
Flush urinal	1
Continuous flush urinal	3
Convenience outlet	1
Domestic dishwasher	1
Commercial dishwasher	4
Drinking fountain	1
Garbage disposal	1
Residential washing machine	1

GPD — Gallons per day.

IMPACT FEE — A one-time fee imposed by the City upon the owner(s) of any new, remodeled, restored or enlarged residential, commercial, institutional or industrial structure or structures or any combination thereof which results in an increased water usage.

SF — Square foot.

B. Prior to the issuance of a certificate of occupancy by the Code Official or other duly authorized representative, all developers or owners of newly constructed structures requiring water service shall pay the appropriate impact fee per EDU to the City of Milford. The City reserves the right to bar occupancy of any such structure and withhold water service until such time as the aforementioned fee is paid in full. The sum of the impact fee per EDU shall represent the impact fee to be used for construction, maintenance and expansion of the City's water system.

C. If two or more dwellings, apartments, stores, offices or industrial units are connected through a service line, the impact fee payable under the schedule below shall be computed as though each such dwelling, apartment, store, office, or industrial unit were a separate property or user with a separate connection to the water.

D. Specific assessment by usage category:

Usage Category	Total EDUs
Assisted-living facilities	1 plus 1 per 2 living units
Bars and lounges	1 plus number of FUs/6
Bus stations and other public depots	1 plus number of FUs/6
Campgrounds and travel trailer parks	1 plus 1 per 2 spaces
Campgrounds and travel trailer parks with waste-handling facilities	2 plus number of FUs/space
Car washes with water recycling	1 plus 2 per wash bay
Churches and associated facilities	1 plus number of FUs/6
Churches without associated facilities, such as day cares, schools, rectories, etc., and without food service functions for fundraising and/or any other nonparishioner for-profit activities	1 plus number of FUs/12
Convenience store with rest rooms open to the public	1 plus FUs/4
Convention halls and public gathering places	1 plus number of FUs/6

Convention halls and other public gathering places used at a frequency of not more than one event per week and without any for-profit activities.	1 plus number of FUs/12
Delicatessen and food take-outs	1 plus number of FUs/6
Dormitories	1 plus 1 per 2.5 beds
Drive-in food service	1 plus number of FUs/6
Fire stations with associated convention halls used at a frequency of more than one event per week and without any for-profit activities	1 plus number of FUs/6
Fraternal and/or civic organizations used at a frequency of not more than once per week (If other commercial activities are operating from these premises, they are treated as separate accounts.)	1 plus number of FUs/9
Hospitals	1 plus 1 per 2 beds
Hotels and motels without restaurants	1 plus 1 per 3 rooms or 1 plus 1 per 2 suites
Laundromat	1 plus 1 per commercial washer* or 1 plus 1 per 2 standard washers*
Marina without boat waste pumping facilities	1 plus number of FUs/6
Marina with boat waster pumping facilities	1 plus number of FUs/6
Municipal buildings	1 plus number of FUs/6
Nursing homes	1 plus 1 per 3 beds
Office buildings with public access	1 plus number of FUs/6
Office buildings without public access	1 plus number of FUs/9
Prisons	1 plus 1 per 2 beds

Restaurants and eating places, with rest rooms	1 plus number of FUs/6
Retail store	1 plus number of FUs/6
Schools without full-service kitchen	1 plus 1 per 30 certified students**
Schools without shower facilities	1 plus 1 per 30 certified students**
Schools with full-service kitchen or with showers	1 plus 1 per 25 certified students**
Service station with service bays	1 plus number of FUs/6
Service station with wash bays	1 plus number of FUs/4
Warehouse/storage buildings	1 plus number of FUs/9

NOTES:

* A reduction of 15% will be applied to each subcategory, if an equal number of dryers and washers are offered and multiple types of washers (top loaded and front loaded) are made available.

** Number of students (design capacity) as certified by the Delaware Department of Education.

E. EDUs assigned to establishments not covered above shall assure that each establishment, in the opinion of the City Engineer, is given an assignment of EDUs compatible with its use of the City water system. The applicant shall submit a special EDU request for the planned water capacity needed.

F. No exemptions or abatements from the assessment of water impact fees shall be granted without the approval of City Council.

G. If a developer proposes a new development with an average daily flow of 2,500 gpd or more, to connect to the City's water infrastructure (i.e., transmission lines, and/or other related appurtenances), but the infrastructure is not sized to handle both the peak daily demand and/or fire flows from the existing users of the drainage basin and the proposed new development, the developer shall perform one of the following in addition to the payment of the impact fees:

(1) Construct the necessary improvements to accommodate the existing users and the new proposed development, prior to connecting; or

(2) Sign a public works agreement stating that the necessary improvements will be constructed in accordance with the terms and conditions outlined in said agreement.

H. Impact fee schedule. Fees will be automatically adjusted on an annual basis as follows:

[Added 7-14-2008 by Ord. No. 2008-10]

Effective Date	Impact Fee Per EDU
	$1,845
August 1, 2008	$1,919
July 1, 2009	$1,996
July 1, 2010	$2,075
July 1, 2011	$2,158
July 1, 2012	$2,245
July 1, 2013	$2,335
July 1, 2014	$2,428
July 1, 2015	$2,525
July 1, 2016	$2,626
July 1, 2017	$2,731
July 1, 2018	$2,840
July 1, 2019	$2,954
July 1, 2020	$3,072
July 1, 2021	$3,195
July 1, 2022	$3,323
July 1, 2023	$3,456
July 1, 2024	$3,594

July 1, 2025	$3,738
July 1, 2026	$3,887
July 1, 2027	$4,043

I. The water impact fee described in § 222-31.H. shall be waived for permits issued for commercial repairs, rehabilitation and new construction beginning March 20, 2014. The waiver shall be for a maximum of 5 EDUs per project.

(1) To qualify for the impact fee waiver, the commercial construction must be completed and a certificate of occupancy received within a twelve-month period.

(a) Waiver of Water Impact Fees for Commercial Entities: To encourage new business and the expansion of existing businesses, the business must create a minimum of five jobs to employ five full-time employees in the City of Milford in accordance with the following criteria:

Creation of 5—9 new jobs to last at least 3 years: Exemption of Impact Fee Waiver (1 EDU).

Creation of 10—14 new jobs to last at least 3 years: Exemption of Impact Fee Waiver (2 EDUs).

Creation of 15—19 new jobs to last at least 3 years: Exemption of Impact Fee Waiver (3 EDUs).

Creation of 20—24 new jobs to last at least 3 years: Exemption of Impact Fee Waiver (4 EDUs).

Creation of 25+ new jobs to last at least 3 years: Exemption of Impact Fee Waiver (5 EDUs).

(b) Agreement shall be executed by the commercial customer relative to the creation and retention of jobs.

(c) Annual certification to assure the commercial customer remains compliant with the written agreement.

(d) If the criteria is not met, the city may require the incentive to be repaid in full, or in part, as provided in the written agreement.

(2) Any commercial structure that does not receive a certificate of occupancy in accordance with §222-31.I.(1) shall be ineligible for the impact fee waiver and shall pay the required impact fee in full prior to the issuance of a certificate of occupancy.

[Ord. No. 2010-9, § 1, 5-24-2010; Ord. No. 2010-18, §§ 1, 2, 11-8-2010; Ord. No. 2011-17, §§ 1, 2, 6-27-2011; Ord. No. 2012-20, §§ 1, 2, 9-10-2012; Ord. No. 2013-11, §§ 1, 2, 11-25-2013; Ord. No. 2014-04, §§ 1, 2, 3-10-2014]

City of Milford Ordinance Review

NOTICE IS HEREBY GIVEN that the following Ordinance is under review by Milford City Council:

CHAPTER 19
ECONOMIC DEVELOPMENT AND REDEVELOPMENT CODE

WHEREAS, in 2016, City Council adopted an ordinance entitled Economic Development and Redevelopment which provided procedures for the consideration of economic development incentives and the use of economic development tools in targeted areas; and

WHEREAS, it is in the best interest of potential developers and the residents of the City of Milford to include a section designated to Job Creation and Capital Investment Program by providing incentives for potential development throughout the city in order to promote and enhance overall economic growth.

NOW THEREFORE, THE CITY OF MILFORD HEREBY ORDAINS:

Chapter 19 – Economic Development and Redevelopment

Section 1. Article III, entitled Specific Economic Development Incentive Programs, is hereby amended as follows:

ARTICLE III – Specific Economic Development Incentive Programs

An applicant for economic incentives under this Chapter must apply for and meet the conditions of one of the SEDIP programs available under this Article III.

Section 2. A new Section entitled Citywide Job Creation and Capital Investment Program numbered §19-10 is hereby added to read as follows:

§19-10. – Citywide Job Creation and Capital Investment Program

A. Eligibility

Eligible Projects shall include any new business or expansion of any existing business within the City. Eligibility shall be based on the creation of full-time equivalent jobs and/or capital investment as outlined Section §19-10 Paragraph D. The Incentive Beneficiary shall enter into an agreement with the City of Milford to ensure the eligibility criteria are met and maintained.

B. Target Area – Citywide

The corporate limits of the City of Milford. A copy of the municipal boundary map shall be on file at City Hall, 201 S. Walnut Street, Milford, Delaware.

C. Development Incentives

(1) Impact Fee Waivers

a) **Job Creation Impact Fee Waivers**
    i. **To encourage new businesses and the expansion of existing businesses, an employer creating new full-time equivalent jobs in accordance with Table A is eligible to receive impact fee waivers. Jobs must be new to the community.**
b) **Capital Investment Impact Fee Waiver**
    i. **An employer expanding a facility and/or a developer constructing an employment facility with significant capital investment is eligible to receive impact fee waivers in accordance with Table B.**
c) **An agreement shall be executed by the Incentive Beneficiary and the City Manager to document the terms of the creation of jobs and the terms of impact fee waiver.**
    i. **Documentation sufficient to satisfy the City Manager or designee that full-time equivalent jobs are being created in accordance with the incentives described in this SEDIP, and that said full-time equivalent jobs are retained for a minimum of three years shall be provided as requested.**
    ii. **Annual reports and certification shall be provided to ensure the commercial customer remains compliant with the written agreement and the terms of the impact fee waiver.**
    iii. **If the criteria are not met, the Incentive Beneficiary shall be required to repay the incentives in full, or in part, as provided in the written agreement.**
d) **To qualify for impact fee waivers, the commercial construction of projects;**
    i. **Costing $1,000,000 or less must be completed and a certificate of occupancy received within a twelve-month period;**
    ii. **Costing between $1,000,001 and $5,000,000 must be completed in twenty-four months; and projects**
    iii. **Costing more than $5,000,000 must be completed within thirty-six months.**
e) **Upon written request to the City Manager at least 30 days prior to the deadline for completion of the project, as outlined in 19-10.C.(1)(d), the deadline may be extended by the City Manager for delays beyond the control of the Incentive Beneficiary. Such an extension will not be unreasonably withheld. If an extension is denied, the Incentive Beneficiary may appeal the City Manager's decision to the City Council.**

D. Economic Incentive Program Tier Incentives

(1) Job Creation Impact Fee Waivers

Table A - Job Creation		
Tier	Full-time Equivalent Jobs Created or Retained	Impact Fee Waivers (EDUs)
1	25-29	5
2	30-34	6
3	35-39	7
4	40-44	8
5	45-49	9
6	50+	10

(2) <u>Capital Investment Impact Fee Waiver</u>

Table B - Capital Investment		
Tier	Capital Investment	Impact Fee Waivers (EDUs)
1	$1,000,000 to $4,999,999	10
2	$5,000,000 to $9,999,999	20
3	$10,000,000 to $49,999,999	30
4	$50,000,000 to $99,999,999	40
5	$100,000,000 or more	50

Section 3. Dates.
Council Introduction: January 23, 2017
Council Adoption (Projected): February 13, 2017

CHAPTER 19 – ECONOMIC DEVELOPMENT AND REDEVELOPMENT

Article I – General Provisions

§ 19-1 Purpose

The City Council has deemed it to be in the best interest of the residents of the City and in furtherance of their health, safety and welfare to promote economic development and redevelopment within the City of Milford. In order to promote development and redevelopment, City Council has determined that incentives in the form of impact fee waivers, fee waivers, and other options should be made available to qualifying persons and businesses.

§19-2 Definitions

As used in this article, the following terms shall have the meanings indicated:

DIRECT JOB-refers to a Full-Time Equivalent Job that is created by the Incentive Beneficiary that did not exist prior to the receipt of notice of eligibility for a Specific Economic Development Incentive Program available under this Chapter. To be considered a Direct Job, there must be an increase in the total number of Full-time Equivalent Jobs employed by the Incentive Beneficiary.

ELIGIBLE PROJECT-refers to a project of an Incentive Beneficiary that is approved to receive economic incentives under a Specific Economic Development Incentive Program offered under this chapter.

FULL-TIME EQUIVALENT JOB-calculated as total hours worked in jobs created divided by the number of hours in a Full-time Schedule.

FULL-TIME SCHEDULE-an average of thirty (30) hours per week, or at least one-hundred and thirty (130) hours in a month.

INCENTIVE BENEFICIARY-refers to the person or entity that has applied for and been approved to receive economic incentives made available under this Chapter. Any individual who owns 50% or more of an entity that has been approved for economic incentives under this Chapter shall also be identified as an Incentive Beneficiary.

INCENTIVIZED PROJECT-refers to the specific project identified in the application submitted by the Incentive Beneficiary for receipt of economic incentives under this Chapter.

INDIRECT JOB-refers to a job that is created by a person or entity who is not an Incentive Beneficiary but has created an indirect job as a result of an economic incentives offered to an Incentive Beneficiary under this Chapter.

INSTALLMENT LAND CONTRACT-refers to a real estate contract between the City and the Incentive Beneficiary whereby the City agrees to sell to the Incentive Beneficiary city-owned property for an agreed

upon price that is to be paid by the Incentive Beneficiary through monthly, quarterly or annual installments. The City shall retain title to the real property until the full purchase price is paid by the Incentive Beneficiary.

OWNER OCCUPIED – refers to a residential property that is owned and occupied by the same persons.

PART-TIME JOB-refers to a job for which an employee averages less than thirty (30) hours per week on a regular basis.

SPECIFIC ECONOMIC DEVELOPMENT INCENTIVE PROGRAM (SEDIP)-refers to any incentive program under Article III that City Council has ordained to be made available to qualifying applicants. Each program may incorporate any of the economic incentives identified under Article II, subject to any unique terms and conditions as City Council may deem appropriate.

TAX ABATEMENT – refers to the waiver or reduction of City of Milford property taxes.

§19-3 Administration

The City Manager and his or her staff shall develop the administrative procedures necessary to implement any SEDIP available under this Chapter 19. The City Manager or such person as he or she may designate shall promulgate reasonable standards to be used in determining whether an applicant is eligible for economic incentives under the particular SEDIP being applied for in accordance with Article II and the specific terms and conditions of the SEDIP. The City Manager or his or her designee shall be responsible for auditing the Incentive Beneficiary as required. Revocation of eligibility shall be determined by the City Manager.

§19-4 Appeals

Any applicant denied eligibility or who is subject to revocation of eligibility may appeal the decision to the City Council within 30 days from the receipt of notice of denial or revocation of eligibility. The appeal shall be made by filing a written request with the City Clerk.

§19-5 Miscellaneous

Severability: Should any section or provision of this Chapter be declared void, illegal or otherwise invalid by a Court of competent jurisdiction such decision shall not affect the validity of any other provisions of this chapter not otherwise declared invalid or inapplicable.

Article II - Economic Development Programs

§19-6 Incentive Options

The following are a list of the incentive options that may be made available for any SEDIP offered under Article III of this Chapter, subject to any specific conditions or restrictions as may be identified in the specific program:

A. Impact Fee Waiver or Reduction: A SEDIP may offer qualifying Incentive Beneficiaries a waiver or reduction from any City assessed water, sewer or electric impact fees to the extent provided for under the SEDIP.

B. Permit and Fee Waiver or Reduction: A SEDIP may offer qualifying Incentive Beneficiaries a waiver or reduction from any of the following permits or fees:

(1) Building permit fee
(2) Water service connection fee
(3) Sewer inspection fee
(4) Electric service connection fee
(5) Fees associated with any preliminary or final site plan review
(6) Other fees associated with professional services provided by the City as it pertains to planning, engineering and legal review.

C. Fees that cannot be waived: Any fees or taxes assessed by the State, County or School District and special fees payable for fire or public safety protection cannot be waived and must be paid by the Incentive Beneficiary to maintain eligibility under the Chapter.

D. Installment Land Contract: When applicable, a SEDIP may permit the City Manager, on behalf of the City, to enter into a real estate contract between the City and the Incentive Beneficiary in which the City provides financing to the Incentive Beneficiary, and whereby the Incentive Beneficiary purchases the property through monthly, quarterly or yearly installments. The City shall remain the title owner of the property until full payment is received.

E. Tax Abatements: A SEDIP may offer full or partial tax abatements on City of Milford property taxes for a specified period of time.

§19-7 Eligibility

A. Eligibility for participation in any SEDIP shall be determined by the City Manager according to the specific provisions and requirements of the SEDIP being applied for.

B. An otherwise eligible applicant shall be ineligible for any SEDIP if:

(1) An application for a building permit for the project was filed prior to the effective date of this Chapter; or
(2) The Incentive Beneficiary is delinquent on any taxes, assessments, sewer, water, electric, trash charges and any other fees due to the City of Milford for any property owned or leased by the Incentive Beneficiary; or
(3) The Incentive Beneficiary has previously had its eligibility revoked for any SEDIP offered under this Chapter.

C. Revocation of Eligibility. If the Incentive Beneficiary is in default of any of the terms and conditions required under this Chapter, including any requirements specific to the SEDIP or an Installment Land Contract, the City Manager shall provide a written notice of default to the Incentive Beneficiary. In the event the default is not substantially cured within fifteen (15) days, the City Manager shall immediately revoke the Incentive Beneficiary's eligibility and assess the Incentive Beneficiary the full cost of all impact and permit fees that were reduced or waived.

Article III – Specific Economic Development Incentive Programs

An applicant for economic incentives under this Chapter must apply for and meet the conditions of one of the SEDIP programs available under this Article III.

§19-8 Greater Milford Business Complex Incentive Program

A. Eligibility

Eligible Projects shall include any new construction on city-owned, undeveloped land within the Greater Milford Business Complex. Eligibility shall be based on the creation of full-time equivalent jobs as outlined in Table 1 under this Section. The Incentive Beneficiary shall enter into an agreement with the City of Milford to ensure the eligibility criteria are met and maintained.

B. Target Area – Greater Milford Business Complex

The Greater Milford Business Complex refers to the business park created by the City of Milford, as located on the south side of Airport Road in Milford, Kent County, Delaware, as further depicted in a Revised Record Plan of record in the Recorder of Deeds in and for Kent County, Delaware under Plot Book 68, Page 44.

C. Development Incentives

(1) Impact Fee Waivers

a) Incentive Beneficiaries may qualify to select a waiver of any of the following impact fees according to the tiers provided in Table 1 below: Water, Sewer or Electric.
b) The City will audit the Incentive Beneficiary three (3) years after the issuance of the first certificate of occupancy to verify the job creation levels are achieved. If the required Full-Time Equivalent Job levels are not met or maintained, the Incentive Beneficiary is responsible for payment of all fees and costs not otherwise waived or reduced under this program, including any fees and costs assessed by Kent County or other governmental agencies.

(2) Permit and Other Fee Waivers

a) The City will provide a one-time reduction of all permits and fees identified under §19-6(b) in accordance with Table 1 below.
b) The City will audit the Incentive Beneficiary three (3) years after the issuance of the first certificate of occupancy to verify the job creation levels are achieved. If the required Full-Time Equivalent Job levels are not met, the Incentive Beneficiary is responsible for payment of any waived or reduced fees.
c) The Incentive Beneficiary is responsible for obtaining all required local, State, County, and Federal permits and approvals as may be required to complete the project.
d) The Incentive Beneficiary shall be responsible for the Carlisle Enhancement Fee as outlined in the City of Milford Code.

(3) Installment Land Contract

a) The Incentive Beneficiary may apply to purchase the City owned property through an installment land contract at a price and upon such terms and conditions as may be determined by the City Manager. The acceptance of the contract is subject to the express approval of City Council, which approval may be withheld in its complete discretion.
b) The City will audit the Incentive Beneficiary annually to verify that the Incentive Beneficiary has created and maintained the required number of Full-Time Equivalent Jobs as identified in the installment land contract. Audits shall begin thirty-six (36) months from the date of contract signing and continue until full payment is made to the City. If the Full-Time Equivalent Job level averages below the required number for a period of three (3) consecutive years, excluding the first three years, the City Manager may determine that the Incentive Beneficiary is in default and provide notice as required.
c) In the event the default is not cured, in addition to such other remedies as may be available, the Incentive Beneficiary shall be required to choose between the following two options:

i. Surrender all improvements and the property to the City; or
ii. Pay the entire remaining principal balance to the City within 45 days following the date the default notice was issued.

D. Greater Milford Business Complex Economic Incentive Program Tier Incentives

Tier	Full-time Equivalent Jobs Created	Impact Fee Waivers	Waiver of Permits & Other Fees
1	5-9	1	20%
2	10-14	2	40%
3	15-19	3	60%
4	20-24	4	80%
5	25-29	5	All
6	30+	All	All

§19-9. – Downtown Development District Incentive Program

A. Eligibility

(1) Eligible Projects shall include any new residential or commercial construction, redevelopment, or expansion within the Downtown Development District and meet the following criteria:

a) Is located within the target area; and
b) The fair market value of the materials to be used and the labor to be performed on the project exceeds the sum of $15,000; and
c) Is for commercial, office, and/or residential use; and
d) Conforms to the intent of this ordinance.

(2) In order for a residential use to be an eligible project, the object of the construction or renovation must be a dwelling unit as defined in the City of Milford zoning ordinance. Construction or renovation of an

accessory building as defined in the City of Milford zoning ordinance shall not be eligible for development incentives.

B. Target Area – Downtown Development District

The Downtown Development District refers to the area defined by Resolution/Ordinance of City Council. A copy of the district map shall be on file at City Hall, 201 S. Walnut Street, Milford, Delaware.

C. Development Incentives

(1) Impact Fee Waivers
   a) Incentive Beneficiaries shall qualify for a full waiver of impact fees.

(2) Permit and Other Fee Waivers
   a) The City shall provide a one-time waiver of permits and fees identified under §19-6(b)(1), (5) and (6) for all eligible projects.
   b) The Incentive Beneficiary is responsible for obtaining all required local, State, County, and Federal permits and approvals as may be required to complete the project.
   c) The Incentive Beneficiary shall be responsible for the Carlisle Enhancement Fee as outlined in the City of Milford Code.

(3) Installment Land Contract
   a) The Incentive Beneficiary may apply to purchase City owned property through an installment land contract at a price and upon such terms and conditions as may be determined by the City Manager. The acceptance of the contract is subject to the express approval of City Council, which approval may be withheld in its complete discretion.
   b) In the event the conditions outlined in the contract are not met, the City Manager may determine that the Incentive Beneficiary is in default and provide notice as required.
   c) In the event the default is not cured, in addition to such other remedies as may be available, the Incentive Beneficiary shall be required to choose between the following two options;

      i. Surrender all improvements and the property to the City; or
      ii. Pay the entire remaining principal balance to the City within 45 days following the date the default notice was issued.

(4) Abatement of Property Taxes
   a) Incentive Beneficiaries shall qualify to receive City of Milford property tax abatements for a period not to exceed ten (10) years. The abatement period shall commence from the date of final certificate of occupancy.
   b) Rehabilitation Projects
      i. If the incentive beneficiary improves the assessed value, as determined by the City Tax Assessor, by more than 50% of the original assessed value, the incentive beneficiary shall receive a full abatement of City property taxes for ten (10) years.
      ii. If the incentive beneficiary improves the assessed value, as determined by the City tax assessor, by less than 50% of the original assessed value, the incentive beneficiary shall receive a partial abatement of City property taxes on the value of the improvements for ten (10) years.

c) New residential or commercial construction shall receive a full tax abatement for five (5) years.
d) Properties converted from rental units to owner occupied housing shall receive a full tax abatement for ten (10) years, subject to continued occupancy by the property owner.

(5) Realty Transfer Tax Waiver
a) There shall be no realty transfer tax imposed on those transfers where the buyer qualifies as a first-time homebuyer. See Chapter § 178-2(D).

NOTICE OF PUBLIC HEARINGS

PLANNING COMMISSION PUBLIC HEARING: JANUARY 17, 2017
CITY COUNCIL PUBLIC HEARING: FEBRUARY 27, 2017

NOTICE IS HEREBY GIVEN the Planning Commission of the City of Milford will hold a Public Hearing on Tuesday, January 17, 2017 at 7:00 p.m. or as soon thereafter as possible.

A FINAL PUBLIC HEARING is scheduled on Monday, February 27, 2017 at 7:00 p.m. before Milford City Council. Following the hearing, the ordinance may be adopted, with or without amendments.

ORDINANCE 2017-02

Michael Rivera for a Conditional Use to allow a motel/hotel and allow dwellings other than single family with a maximum density of 12 units per acre and in conjunction with nonresidential use of .22+/- acres in a C2 (Central Business District) Zoning District. Property is located at the southeast corner of N Walnut Street and NE Second Street intersection, Milford, Delaware. Present Use: Single Family Detached Dwelling; Proposed Use: Hotel/Bed & Breakfast with One Efficiency Apartment. Tax Map MD-16-183.10-03-58.00

WHEREAS, the City of Milford Planning Commission will consider the conditional use application at a Public Hearing on January 17, 2017; and

WHEREAS, Milford City Council will hold a Public Hearing on February 27, 2017 to allow for public comment and further review of the ordinance; and

WHEREAS, it is deemed in the best interest of the City of Milford to allow a motel/hotel and allow dwellings other than single family with a maximum density of 12 units per acre and in conjunction with nonresidential use as herein described.

NOW, THEREFORE, the City of Milford hereby ordains as follows:

Section l. Upon the adoption of this ordinance, Michael Rivera is hereby granted a Conditional Use Permit to allow a motel/hotel and allow dwellings other than single family with a maximum density of 12 units per acre and in conjunction with nonresidential use, in accordance with the application, approved plans and any conditions set forth at the Public Hearings.

Section 2. Construction or operation shall commence within one year of the date of issuance of the permit otherwise the conditional use becomes void.

Section 3. Dates.
Planning Commission Review & Public Hearing: January 17, 2017
City Council Introduction: February 13, 2017
City Council Public Hearing: February 27, 2017
Adoption: February 27, 2017
Effective: March 9, 2017
This ordinance shall take effect and be in force ten days after its adoption.

For additional information, please contact Rob Pierce in the Planning Department at Milford City Hall either by e-mail at RPierce@milford-de.gov or by calling 302-424-3712.

Advertised: Beacon 12/28/16

Land Use Application Cover Sheet

File Name: Rivera

File Number: _____

Date Stamp

Instructions for Applicants:
Please read and follow all instructions on your application carefully. If you have any questions about the process or your project, it is strongly recommended that you speak with staff prior to submitting your application to help ensure that processing can advance in a timely manner. Every application must include this cover sheet, the application/checklist and all required items. No applications will be accepted/processed if violations exist or if any fees are owed to the City.

Specify Type of Land Use Application to be submitted (check all that apply):

- ☐ Preliminary Site Plan
- ☐ Final Site Plan
- ☐ Change of Zone
- ☐ Preliminary Major Subdivision
- ☐ Final Major Subdivision
- ☑ Conditional Use
- ☐ Final Minor Subdivision
- ☐ Variance/Appeal
- ☐ Annexation

Please Type or Print Legibly

Property Owner(s): Mike R. Rivera & Denise S. Morris			Phone:
Address: 119 N. Walnut St.			Cell: 302-542-1269 302-222-3626
City: Milford	State: DE	Zip: 19963	Fax: N/A
E-Mail: michael.rivera32@verizon.net denisesmorris@gmail.com			
Applicant Name and Company: Same as above			Phone:
Address:			Cell:
City:	State:	Zip:	Fax:
E-Mail:			
Surveyor or Engineer:			Phone:
Address:			Cell:
City:	State:	Zip:	Fax:
E-Mail:			
Site Address: 119 N. Walnut St Milford DE 19963			Zoning: C2
Tax Map & Parcel Number(s): MD-16-183.10-03-58.00-000			Acreage: 0.224

I/We certify that the information provided in this application, including all submittals and attachments, is true and correct to the best of my/our knowledge.

Signature of Property Owner(s): Denise S. Morris Date: 11/21/16

Signature of Applicant(s): Mike Rivera Date: 11/23/16

Office Use Only:

- ☐ Current on Utilities
- ☐ Current on Taxes
- ☑ No Outstanding Violations

REVISED: 05.2016

PLANNING & ZONING DEPARTMENT
P 302.424.3712 F: 302.424.3558

201 SOUTH WALNUT STREET
MILFORD, DE 19963

www.cityofmilford.com

STAFF ANALYSIS REPORT
November 30, 2016

Application Number / Name	:	16-016 / Lands of Michael Rivera
Application Type	:	Conditional Use
Comprehensive Plan Designation	:	Highway/Commercial
Zoning District	:	C-2 (Central Business District)
Present Use	:	Single Family Detached Dwelling
Proposed Use	:	Hotel/Bed and Breakfast with one (1) efficiency apartment
Property Identification Numbers	:	MD-16-183.10-03-58.00-000
Area and Location	:	0.22 +/- acres situated at the southeast corner of N. Walnut Street and NE Second Street. Rear of property abuts N. Washington Street.

I. BACKGROUND INFORMATION:

The applicant is proposing to convert an existing 5,780 square foot single-family detached dwelling unit into a Bed-and-Breakfast (B&B) operation with an efficiency apartment. Per Chapter 230-13(C)(4)&(10), motels and hotels along with dwelling units other than single-family are allowed uses subject to conditions set forth by the Planning Commission and City Council.

The B&B operation would consist of four (4) rooms and one (1) suite for the innkeeper. The first floor would consist of the common areas (library, parlor, living room and kitchen). The second floor would consist of two (2) B&B suites with bathrooms, the innkeeper suite and bathroom, and one efficiency apartment. The third floor would consist of two (2) more B&B suites and bathrooms, a library and a storage room.

The property contains an existing three-car garage and off-street parking area that could accommodate up to eight (8) vehicles. The three car garage would be utilized by the innkeeper, each B&B room would be allotted one space, and the efficiency apartment would be allotted one parking space. In addition to the provided off-street parking, occupants could utilize available on-street parking and the municipal parking lot along N. Walnut Street.

The B&B would be operated 24 hours a day seasonally (summer and holidays). The apartment would be utilized year-round. The B&B would employ two (2) housekeepers, one (1) B&B cook, (1) groundskeeper and (2) B&B managers/owners.

A summary of the proposal is provided as an attachment outlining the goals and objectives of the ownership.

II. STAFF ANALYSIS:

Based on the information presented, the City of Milford Code and the Comprehensive Plan, staff submits the following regarding the request for a Conditional Use:

- Conditional Use evaluation based on the following criteria provided in Chapter 230-48:

The presence of adjoining similar uses.

Staff Response: The property is adjacent to a municipal parking lot to the west, a flooring retail business to the east, and single-family detached and attached dwelling units to the north. The adjoining property to the south consists of a single-family structure that has been converted into three apartment units.

An adjoining district in which the use is permitted.

Staff Response: A Bed-and-Breakfast is allowed as a conditional use in the adjacent R-2 zoning district. In addition, a one-family dwelling could be divided into multiple dwelling units in the adjacent R-2 district with a conditional use approval.

There is a need for the use in the area proposed as established by the Comprehensive Plan.

Staff Response: The Comprehensive Plan promotes mixed-use development in the Central Business District. The combination of the B&B and residential component would be consistent with the Comprehensive Plan and the goals of the Downtown Development District Plan. The proposal would provide additional overnight accommodations for guests visiting Milford which should positively affect the local economy.

There is sufficient area to screen the conditional use from adjacent different uses.

Staff Response: The proposed use is separated from other adjacent uses by N. Walnut Street, N. Washington Street and NE Second Street. The adjoining property to the south is a single-family detached dwelling that has been converted into three apartment units. Additional uses along N. Walnut Street include first floor retail with apartment uses above. Screening is not possible along the road frontages and there appears to be no adverse impact to the adjoining property to the south since they are similar uses.

The use will not detract from permitted uses in the district.

Staff Response: The proposed use could positively affect permitted uses in the district by attracting downtown visitors. It is anticipated that guests of the B&B would utilize the businesses and services within walking distance of the property. Staff does not anticipate any adverse impacts to other permitted uses in the CBD.

Sufficient safeguards, such as traffic control, parking, screening and setbacks, can be implemented to remove potential adverse influences on adjoining uses.

Staff Response: The subject parcel is located within the C-2 Central Business District zoning category, and according to Chapter 230, does not require off-street parking. However, the applicant has proposed to utilize the existing three (3) car garage and off-street parking area to accommodate up to eight (8) vehicles. On-street and municipal parking lots could be utilized for additional guests or employees. Traffic control, screening and setbacks appear to be sufficient.

III. AGENCY & DEPARTMENT COMMENTS:

Enforcement and Inspection Division: Applicant will be required to apply for necessary permits and all building construction must be in accordance with Chapter 88 Building Construction. Applicant will be required to obtain approval or letter of no objection from the Delaware State Fire Marshal's Office.

Public Works Department: The applicant is responsible for any and all improvements required to provide adequate water, sanitary and electric service to the structure. Service requests should be coordinated through the Public Works Department.

PLANNING & ZONING DEPARTMENT
P 302.424.3712 F: 302.424.3558

201 SOUTH WALNUT STREET
MILFORD, DE 19963

www.cityofmilford.com

DATA SHEET FOR LANDS OF MICHAEL RIVERA

Planning Commission Public Hearing: January 17, 2017

City Council Public Hearing: February 27, 2017

Application Number / Name	:	16-016 / Lands of Michael Rivera
Applicant	:	Michael Rivera & Denise Morris 119 N. Walnut Street Milford, DE 19963
Owner	:	Same
Application Type	:	Conditional Use
Comprehensive Plan Designation	:	Highway/Commercial
Zoning District	:	C-2 (Central Business District)
Present Use	:	Single Family Detached Dwelling
Proposed Use	:	Hotel/Bed and Breakfast with one (1) accessory apartment
Area and Location	:	0.22 +/- acres situated at the southeast corner of N. Walnut Street and NE Second Street. Rear of property abuts N. Washington Street.
Property Identification Numbers	:	MD-16-183.10-03-58.00-000

ENC: Staff Analysis Report
Exhibit A - Location & Zoning Map
Exhibit B – Aerial Map
Exhibit C – Written Summary of Proposal

NOTICE OF PUBLIC HEARINGS

PLANNING COMMISSION PUBLIC HEARING: JANUARY 17, 2017
CITY COUNCIL PUBLIC HEARING: FEBRUARY 27, 2017

NOTICE IS HEREBY GIVEN the Planning Commission of the City of Milford will hold a Public Hearing on Tuesday, January 17, 2017 at 7:00 p.m. or as soon thereafter as possible.

A FINAL PUBLIC HEARING is scheduled on Monday, February 27, 2017 at 7:00 p.m. before Milford City Council. Following the hearing, the ordinance may be adopted, with or without amendments.

ORDINANCE 2017-03
CODE OF THE CITY OF MILFORD
PART II-GENERAL LEGISLATION
CHAPTER 230-ZONING
ARTICLE III- USE AND AREA REGULATIONS
§230-16 – I-1 LIMITED INDUSTRIAL DISTRICT

WHEREAS, the City of Milford enacted a Zoning Code, Chapter 230, to protect the health, safety, morals and general welfare of its citizens and to protect and preserve places and areas of historical, cultural or architectural importance and significance; and

WHEREAS, from time to time, City Council determines a need for amendments and additions to the Zoning Ordinance of the City of Milford; and

WHEREAS, City Council has determined light to moderate industrial manufacturing uses are compatible with general offices as well as professional offices of a low-profile, low-traffic category and thus the permitted uses in the OC-1 Office Complex Zoning District and the BP Business Park Zoning District should be permitted uses in the I-1 Limited Industrial Zoning District.

NOW, THEREFORE, THE CITY OF MILFORD HEREBY ORDAINS:

Section 1.
An Ordinance to Amend the Code of the City of Milford by Amending Chapter 230 entitled Zoning by modifying Article III-Use and Area Regulations, Subsection B, Permitted Uses, by amending item 1, as follows:

B. Permitted uses. Permitted uses of the I-1 District shall be as follows:
(1) All permitted uses of the OC-1 District and BP District.

Section 2. Dates.
Planning Commission Review & Public Hearing: January 17, 2017
City Council Introduction: February 13, 2017
City Council Public Hearing: February 27, 2017
Adoption: February 27, 2017
Effective: March 9, 2017
This ordinance shall take effect and be in force ten days after its adoption.

For additional information, please contact Rob Pierce in the Planning Department at Milford City Hall either by e-mail at RPierce@milford-de.gov or by calling 302-424-3712.

Advertised: Beacon 12/28/16

NOTICE OF PUBLIC HEARINGS

PLANNING COMMISSION PUBLIC HEARING: JANUARY 17, 2017
CITY COUNCIL PUBLIC HEARING: FEBRUARY 27, 2017

NOTICE IS HEREBY GIVEN the Planning Commission of the City of Milford will hold a Public Hearing on Tuesday, January 17, 2017 at 7:00 p.m. or as soon thereafter as possible.

A FINAL PUBLIC HEARING is scheduled on Monday, February 27, 2017 at 7:00 p.m. before Milford City Council. Following the hearing, the ordinance may be adopted, with or without amendments.

ORDINANCE 2017-05

Mildred Pederson on behalf of Transatlantic Shipping Agency for a Conditional Use to allow dwellings other than single family with a maximum density of 12 units per acre and in conjunction with nonresidential use of .195+/- acres in a C2 (Central Business District) Zoning District. Property is located at the northeast corner of the SE Front Street and S Walnut Street intersection, 27 South Walnut Street, Milford, Delaware. Present Use: Commercial Retail; Proposed Use: Commercial Retail with Apartments. Tax Map 3-30-6.20-002.00

WHEREAS, the City of Milford Planning Commission will consider the conditional use application at a Public Hearing on January 17, 2017; and

WHEREAS, Milford City Council will hold a Public Hearing on February 27, 2017 to allow for public comment and further review of the ordinance; and

WHEREAS, it is deemed in the best interest of the City of Milford to allow a Conditional Use to allow dwellings other than single family with a maximum density of 12 units per acre and in conjunction with nonresidential use as herein described.

NOW, THEREFORE, the City of Milford hereby ordains as follows:

Section l. Upon the adoption of this ordinance, Mildred Pederson on behalf of Transatlantic Shipping Agency is hereby granted a Conditional Use Permit to allow to allow dwellings other than single family with a maximum density of 12 units per acre and in conjunction with nonresidential use, in accordance with the application, approved plans and any conditions set forth at the Public Hearings.

Section 2. Construction or operation shall commence within one year of the date of issuance of the permit otherwise the conditional use becomes void.

Section 3. Dates.
Planning Commission Review & Public Hearing: January 17, 2017
City Council Introduction: February 13, 2017
City Council Public Hearing: February 27, 2017
Adoption: February 27, 2017
Effective: March 9, 2017
This ordinance shall take effect and be in force ten days after its adoption.

For additional information, please contact Rob Pierce in the Planning Department at Milford City Hall either by e-mail at RPierce@milford-de.gov or by calling 302-424-3712.

Advertised: Beacon 12/28/16

NOTICE OF PUBLIC HEARINGS

PLANNING COMMISSION PUBLIC HEARING: FEBRUARY 21, 2017
CITY COUNCIL PUBLIC HEARING: FEBRUARY 27, 2017

NOTICE IS HEREBY GIVEN the Planning Commission of the City of Milford will hold a Public Hearing on Tuesday, February 21, 2017 at 7:00 p.m. or as soon thereafter as possible.

A FINAL PUBLIC HEARING is scheduled on Monday, February 27, 2017 at 7:00 p.m. before Milford City Council. Following the hearing, the ordinance may be adopted, with or without amendments.

ORDINANCE 2017-06

Larson Engineering on behalf of Milford Plaza Enterprises for a Conditional Use to allow a car repair shop and/or a service station on 21.40+/- acres in a C3 (Highway Commercial) Zoning District. Property is located at the northeast corner of the N DuPont Boulevard and NW Front Street intersection, 600 N DuPont Boulevard, Milford, Delaware. Present Use: Commercial Retail; Proposed Use: Commercial Retail with a car repair shop and/or a service station. Tax Map MD-16-183.09-01-04.00

WHEREAS, the City of Milford Planning Commission will consider the conditional use application at a Public Hearing on February 21, 2017; and

WHEREAS, Milford City Council will hold a Public Hearing on February 27, 2017 to allow for public comment and further review of the ordinance; and

WHEREAS, it is deemed in the best interest of the City of Milford to allow a Conditional Use to allow a car repair shop and/or a service station as herein described.

NOW, THEREFORE, the City of Milford hereby ordains as follows:

Section l. Upon the adoption of this ordinance, Larson Engineering on behalf of Milford Plaza Enterprises is hereby granted a Conditional Use Permit to allow a car repair shop and/or a service station, in accordance with the application, approved plans and any conditions set forth at the Public Hearings.

Section 2. Construction or operation shall commence within one year of the date of issuance of the permit otherwise the conditional use becomes void.

Section 3. Dates.
Planning Commission Review & Public Hearing: February 21, 2017
City Council Introduction: February 13, 2017
City Council Public Hearing: February 27, 2017
Adoption: February 27, 2017
Effective: March 9, 2017
This ordinance shall take effect and be in force ten days after its adoption.

For additional information, please contact Rob Pierce in the Planning Department at Milford City Hall either by e-mail at RPierce@milford-de.gov or by calling 302-424-3712.

Advertised: Beacon 01/25/17

CONTRACT RELATING TO ADVANCED METERING INFRASTRUCTURE PROGRAM

BETWEEN

THE DELAWARE MUNICIPAL ELECTRIC CORPORATION

AND

CITY OF MILFORD, DELAWARE

WHEREAS, the City of Milford (the "Participating Member") is a municipality, duly organized and validly existing under the laws of the State of Delaware (the "State"); and

WHEREAS, The Delaware Municipal Electric Corporation ("DEMEC") is a municipal electric company incorporated in the State, established by certain cities and towns, and formed pursuant to Chapter 13 of Title 22 of the Delaware Code (the "Act"); and

WHEREAS, DEMEC and the Participating Member have determined to undertake a project consisting of DEMEC's acquisition, installation and development of Advanced Metering Infrastructure ("AMI") and the provision of AMI services for the Participating Member under a hosted solution strategy (the "AMI Program") utilizing American Municipal Power, Inc. ("AMP"), a not for profit corporation, to provide certain of the related services on a subcontracted basis; and

WHEREAS, AMP has engaged in an RFP selection process and entered into resulting agreements (the "Vendor Agreement") with Silver Spring Networks, Inc. and ElectSolve Technology Solutions and Services, Inc. (collectively, the "Vendors") to provide certain AMI field equipment, communication components, and associated back office systems in connection with the AMI Program in order to provide a comprehensive AMI Program that has the advantages to participating AMP members of economies of scale, mitigation of risk from local technology deployment and support, and reduced burden of ongoing support; and

WHEREAS, DEMEC is a member of AMP and shall contract with AMP to provide the AMI Program and certain AMI Services, as described in the "Contract to Master Services Agreement between DEMEC and AMP for Participation in the Advanced Metering Infrastructure Program" (the "AMP – DEMEC Agreement"); and

WHEREAS, the Participating Member and DEMEC desire to enter into this "Contract Relating To Advanced Metering Infrastructure Program" (this "Contract") pursuant to which DEMEC will provide, or cause to be provided by AMP and the Vendors, the AMI Program and certain AMI Services, as more fully described herein; and

WHEREAS, DEMEC and the Participating Member are duly authorized under applicable provisions of law, including but not limited to the Act, to execute, deliver and perform this Contract and their respective governing bodies have taken all necessary actions and given all necessary approvals in order to constitute this Contract a legal, valid and binding obligation of the parties hereto.

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements herein contained, as of this ____ day of _____, 2017 (the "Effective Date"), it is agreed by and between DEMEC and the Participating Member (referred to herein as the "Parties") as follows:

ARTICLE I. SERVICES

A. For the term of this Contract, DEMEC agrees to provide to Participating Member, and Participating Member agrees to take and pay for, the services set forth in Exhibit A – Scope of Initial Services (the "Initial Services") and Exhibit B – Scope of On-going Services ("On-going Services", and together with the Initial Services, the "Services"). Both Exhibit A and Exhibit B are attached hereto and incorporated by reference herein.

B. The Initial Services shall be completed in a timely manner in consultation with the Participating Member. The Initial Services shall begin on a mutually agreeable date.

C. DEMEC's obligations to provide Services hereunder are contingent upon, and subject to, the delivery to DEMEC of Services by AMP and the Vendors, in accordance with the AMP – DEMEC Agreement and the Vendor Agreements, or DEMEC's ability to secure replacement Services in the event of a failure or inability to deliver or default by AMP or one or more of the Vendors.

D. DEMEC shall, in the event of a failure or inability to deliver or default by AMP or one or more Vendors, and whether or not such failure or default leads to termination of the AMP – DEMEC Agreement or a Vendor Agreement, in good faith use its best efforts to substitute for actual delivery replacement Services in a timely and reasonable manner.

E. All Services shall be provided in accordance with all applicable laws, rules, regulations and codes. DEMEC shall, or shall require AMP and the applicable Vendor to, comply with any prevailing wage requirements applicable to the Services set forth in Exhibit A and any attachments thereto.

F. Definitions for all capitalized terms used but not defined in Exhibits have the meanings given them in Exhibit C.

G. It is understood and agreed that DEMEC intends to, and Participating Member agrees that DEMEC shall be permitted to, cause AMP and the Vendors to perform certain of its obligations hereunder on a subcontracted basis. Notwithstanding that AMP and the Vendors will perform certain of DEMEC's obligations hereunder, Participating Member agrees to look solely to DEMEC for performance of DEMEC's obligations hereunder, and Participating Member agrees that Participating Member shall have no privity of contract or direct recourse against AMP or the Vendors for any breach of this Contract.

ARTICLE II. STANDARD OF CARE AND LIABILITY

A. The standard of care for all services performed or furnished by DEMEC under this Contract will be the care and skill ordinarily used by professionals practicing under similar conditions at the same time and in the same locality as services performed pursuant to this Contract. DEMEC shall not be responsible for the accuracy or completeness of (a) any information reported or supplied by Participating Member pursuant hereto or (b) any reports derived from any inaccurate or incomplete information reported or supplied by Participating Member pursuant hereto.

B. In connection with the Services, DEMEC shall use reasonable diligence in assuring the equipment and facilities provided in connection with the Services sufficiently perform in accordance with applicable industry standards and coordinate with Participating Member's property that is integrated with Participating Member's AMI system as of the date of commencement of On-going Services.

C. Exhibit D attached hereto sets forth Vendor-provided service levels and credits and warranties. In the event of termination of any Vendor Agreement, DEMEC shall use reasonable diligence to cause AMP to procure from the replacement vendor(s) warranties, performance guarantees and/or service level credits for the Services performed by such vendor(s) that provide Participating Member with benefits no less favorable than those described in Exhibit D. To the extent permitted, DEMEC will assign to Participating Member all Vendor or other third-party warranties, guarantees and service level credits related to the Services. If DEMEC is not permitted to assign such warranties, guarantees and service level credits, it will otherwise provide to Participating Member the financial benefit thereof. However, DEMEC does not warrant or guarantee any specified level of performance with respect to the equipment and facilities provided in connection with the Services beyond the warranties and performance guarantees DEMEC receives from AMP and the Vendors and assigns to the Participating Member. If the equipment and/or facilities provided in connection with the Services fail or are rendered partially or completely inoperable for any reason whatsoever, except to the extent caused by DEMEC's willful, wanton or intentional acts or omissions or recklessness, DEMEC shall not be liable for damages caused thereby to Participating Member and such events shall not constitute a breach of DEMEC's obligations under this Contract. In the case of a material AMP or Vendor default, DEMEC shall promptly exercise its rights under the AMP – DEMEC Agreement, the relevant Vendor Agreement, or otherwise under the law, for the benefit of Participating Member, provided that out-of-pocket costs and expenses associated with DEMEC's exercise of such rights will constitute On-going Services Fees which are not subject to the annual cap set forth in Article V.

D. Subject to the provisions of this Article II, DEMEC assumes no responsibilities of any kind with respect to the construction, operation or maintenance of Participating Member's electric system or other property owned or used by Participating Member other than the equipment and/or facilities provided in connection with the Services.

E. DEMEC shall carry, and shall require AMP and the Vendors to carry, appropriate amounts of property and casualty insurance for their respective employees and equipment used in performing the Services. The Vendors are contractually required to meet the insurance requirements set forth in Exhibit G.

ARTICLE III. MUNICIPALITY'S RESPONSIBILITIES

A. Participating Member shall designate in writing an employee of Participating Member to act as Participating Member's representative with respect to its responsibilities and the Services (the "Participating Member Representative"). Such person shall have complete authority to transmit instructions, receive information, and interpret and define Participating Member's policies and decisions with respect to the Services. The Participating Member Representative shall attend any pre-implementation, progress and other related meetings and inspections. A detailed matrix of the roles and responsibilities for project implementation held by Participating Member, DEMEC, AMP and the Vendors is attached hereto as Exhibit E, Overview of Roles and Responsibilities for AMI and MDMS Systems.

B. Participating Member shall provide information, comments and approvals as required in a timely manner to DEMEC when such input is necessary for DEMEC to perform the Services. The Participating Member Representative shall give prompt written notice to DEMEC whenever he or she observes or otherwise becomes aware of any development that affects the scope or time of performance or furnishing of the Services or any defect or nonconformance in the Services, or in the work of any Vendor or other contractor pursuant to this Contract. Participating Member shall reasonably cooperate with DEMEC in such a manner as to facilitate DEMEC's performance of its obligations under any Vendor Agreements.

C. Participating Member shall arrange access to and make all provisions for DEMEC, AMP and the Vendors to enter upon public and private property as required to perform the Services.

D. In the event that Participating Member determines that payment of prevailing wage is required in connection with all or any part of the Services, Participating Member shall designate a Participating Member employee or representative to serve as the prevailing wage coordinator. Municipality shall be solely required to assure prevailing wage requirements are satisfied.

E. In accordance with Vendor requirements, Participating Member shall comply with all applicable export laws; and not directly or indirectly provide, export or re-export, or otherwise make available (in any form, including visual access), AMI products or technology in violation of any such laws, restrictions, or regulations, without all necessary approvals or licenses. Products and technology may not be provided or made available either directly or indirectly, (i) into Cuba, Iran, North Korea, Sudan, Syria or any other country subject to United States trade sanctions, or to individuals or entities controlled by such countries or to nationals or residents of such countries (other than nationals who are lawfully admitted permanent residents of countries not subject to such sanctions); or (ii) to anyone on any denied, prohibited, or unverified list maintained by the United States Government, including the Office of Foreign Assets Control (OFAC) Specially Designated Nationals (SDN) List.

F. As used in this Section: "Equipment" means all hardware and related accessories provided to Participating Member under this Contract; "Software" means any DEMEC, AMP or Vendor proprietary software used in connection with the AMI Program, including firmware and third party software embedded in any of the foregoing; "Services" means project management services, Software-as-a-Service ("SaaS"), support services and any other services provided pursuant to this Contract; "Products" means, collectively, Equipment and Software; and "Authorized Users" means Participating Member's employees, contractors and agents.

G. Participating Member will not: (a) modify or create derivative works of any Product or SaaS; (b) assign, transfer, lease or sublicense any firmware or SaaS; (c) allow any third party, other than Authorized Users, to access the SaaS without DEMEC's prior written consent; (d) use any SaaS to provide processing services to third parties, or otherwise use any SaaS on a "service bureau" or "timesharing" or subscription basis; (e) reverse engineer, disassemble, decrypt, extract or otherwise reduce any firmware or SaaS to a human perceivable form or otherwise attempt to determine the source code or algorithms of any Product or SaaS (except to the extent the foregoing restriction is expressly prohibited by applicable law); (f) infringe any Vendor's intellectual property rights; or (g) publically publish the results of any benchmark tests run on any Product or SaaS.

H. Participating Member's Authorized Users shall not distribute, download, or place on any Vendor website or server or use with any SaaS, any content that: (a) Authorized Users know or have reason to believe infringes the intellectual property rights of any third party or violates any rights of publicity or privacy; (b) violates any law, statute, ordinance or regulation (including without limitation the laws and regulations governing export control, unfair competition, antidiscrimination or false advertising); (c) is defamatory, trade libelous, unlawfully threatening or unlawfully harassing; (d) is obscene, pornographic or indecent; or (e) contains any viruses, trojan horses, worms, time bombs, cancelbots or other computer programming routines that are intended to damage, detrimentally interfere with, surreptitiously intercept or expropriate any system, data or personal information (items (a) – (e) are collectively referred to as "Prohibited Content"). DEMEC and AMP reserve the right to remove or cause to be removed any Prohibited Content from the server without prior notice to Participating Member. If any such action is taken without prior notice to Participating Member, DEMEC shall provide prompt notice to Participating Member following (y) DEMEC's removal of Prohibited Content or (z) receipt of a Vendor's notice of their removal of Prohibited Content.

I. Participating Member hereby agrees that, except for the payment of fees and expenses (which shall be governed by Article V hereof) or as otherwise expressly provided in this Contract or specifically requested by DEMEC in a particular instance, all obligations of DEMEC under the AMP - DEMEC Agreement (the terms of which are hereby incorporated by reference) shall be performed by Participating Member on behalf of DEMEC. In the event of any amendment to the AMP - DEMEC Agreement, the Parties agree that this Contract may be amended unilaterally by DEMEC, with the consent of the Participating Member (but upon not less than 30 days' notice to Participating Member), to the extent reasonably necessary in order to render this Contract consistent in all respects with the AMP - DEMEC Agreement. Consent of the Participating Member shall not be unreasonably withheld.

ARTICLE IV. DEMEC'S RESPONSIBILITIES

A. DEMEC shall designate in writing an employee of DEMEC to act as DEMEC's representative with respect to its responsibilities and the Services (the "DEMEC Representative"). Such person shall have authority to transmit instructions, receive information, and relay DEMEC's policies and decisions with respect to the Services. The DEMEC Representative will attend pre-implementation, progress and other related meetings and inspections on an as-needed basis. A detailed matrix of the roles and responsibilities for project implementation held by Participating Member, DEMEC, AMP and the Vendors is attached hereto as Exhibit E, Overview of Roles and Responsibilities for AMI and MDMS Systems.

B. The DEMEC Representative shall give prompt written notice to Participating Member whenever he or she observes or otherwise becomes aware of any development that affects the scope or time of performance or furnishing of the Services or any defect or nonconformance in the Services, or in the work of any Vendor or other contractor pursuant to this Contract.

ARTICLE V. FEES AND EXPENSES

A. DEMEC shall be compensated for the Initial Services in accordance with the Initial Services Pricing Contract as set forth in Exhibit F. The Participating Member will be charged fees for the provision of Initial Services ("Initial Services Fees") which shall be determined based on the amount of equipment and services provided by DEMEC and the corresponding price for such equipment and services as delineated in Exhibit F. The Participating Member acknowledges and agrees that such amount shall not be financed by DEMEC and shall be payable by Participating Member from its own funds within ____ days of the receipt of an invoice or billing statement for such amount.

B. Participating Member shall pay DEMEC fees ("On-going Services Fees") for DEMEC's provision of On-going Services in accordance with the On-going Services Pricing Contract, attached as Exhibit F. Notwithstanding anything to the contrary in Exhibit F, each monthly payment due from Participating Member shall be made in advance, and not in arrears, with reconciliation of any over payment or under payment to occur no less frequently than annually.

C. The On-going services Fee may be increased annually by DEMEC by an amount calculated to compensate DEMEC for its expenses necessary to perform the On-going Services, provided such increase may not exceed 3% per year. Participating Member acknowledges and agrees that certain actions or inactions of Participating Member may lead to an increase in DEMEC's costs, such as those described in Exhibits A and B hereto, and that all such costs will be reimbursed to DEMEC by Participating Member. DEMEC will provide the Participating Member with reasonable notice of any increases in DEMEC's costs and, upon the Participating Member's request, DEMEC shall provide the Participating Member with a line item description of those costs.

D. All other provisions and terms for billing and payment for services rendered under this Contract shall be made in accordance with DEMEC's billing practices established under the Agreement Between The Delaware Municipal Electric Corporation And City of Milford For Full Requirements Power Sales, Transmission, and Agency Services.

ARTICLE VI. TERM

The term of this Contract shall begin upon execution of this Contract by the Parties and continue for an initial term of ten (10) years (the "Initial Term"). After the Initial Term, this Contract shall renew for consecutive one (1) year terms until either Party notifies the other in writing, no less than sixty (60) days prior to the end of the then-current term, of its intent not to renew. Pricing for any renewal term shall be established by agreement of the Parties prior to the commencement of such renewal term.

ARTICLE VII. TERMINATION

A. Either Party may terminate this Contract for cause upon sixty (60) days' written notice in the event of substantial failure by the other Party to perform in accordance with the terms hereof through no fault of the terminating Party. Notwithstanding the foregoing, this Contract will not terminate as a result of such substantial failure if the Party receiving such notice begins, within ten (10) days of receipt of such notice, to correct its failure to perform and proceeds diligently to cure such failure within no more than thirty (30) days of receipt thereof; provided however, that if and to the extent such substantial failure cannot be reasonably cured within such thirty (30) day period, and if such Party has diligently attempted to cure the same and thereafter continues diligently to cure the same, the cure period provided for herein shall extend up to, but in no case more than, sixty (60) days after the date of receipt of the notice.

B. Participating Member or DEMEC may terminate this Contract for convenience upon sixty (60) days' written notice.

C. In the event of termination for any reason, DEMEC shall be entitled to compensation pursuant to the terms of this Contract for Services provided until the termination date. In the event that Participating Member terminates this Contract for convenience during the Initial Term, any unpaid portion of the Initial Services Fee and/or the On-going Services Fees shall remain payable as if such Services were provided throughout the Initial Term, and no portion shall be refunded. Notwithstanding the foregoing, to the extent that AMP is able, through commercially reasonable efforts, to mitigate its costs and expenses related to the expected provision of the services under the AMP – DEMEC Agreement, and the amount payable by DEMEC to AMP following a termination is thereby reduced, the amount payable by Participating Member to DEMEC following a termination for convenience by the Participating Member shall be reduced accordingly.

ARTICLE VIII. MODIFICATION

Modifications to this Contract may, from time to time, be necessary. Except in the case of a unilateral amendment by DEMEC in accordance with Section 3.G. above, in the event either Party believes such a modification is required, both Parties agree to negotiate any such modifications in good faith. This Contract may only be amended, supplemented, modified, or cancelled by a duly executed written instrument.

ARTICLE IX. NOTICES

A. Any notice required pursuant to this Contract will be in writing via U.S. mail, addressed to the Party and address listed below:

If to DEMEC:

If to Participating Member:

B. Any notice given in writing under this Contract shall be deemed to have been given by either Party to the other Party upon the date received or rejected by the other Party if sent by registered or certified mail, as shown in the Post Office receipt, or if not mailed by registered or certified mail, upon the date of receipt thereof by such other Party.

ARTICLE X. MISCELLANEOUS

A. It is recognized by Participating Member that DEMEC, in undertaking or causing to be undertaken the administration of the AMI Program, must comply with the requirements of the AMP – DEMEC Agreement, the Vendor Agreements and other related agreements; it is therefore agreed that this Contract should be construed in a manner consistent with compliance with the provisions of all such agreements.

B. Any provision or part of this Contract held to be void or unenforceable under any law or regulation shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon the Parties, who agree that the Contract shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.

C. The Parties recognize that information exchanged pursuant to this Contract may be proprietary, trade secret and/or confidential and agree, to the extent consistent with law, to treat the same as such.

D. This Contract, including the Exhibits attached hereto constitutes the entire agreement between Participating Member and DEMEC relating to the Services and supersedes all prior written or oral understandings, which shall terminate upon the effectiveness of this Contract.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties warrant and represent that all actions and authorizations necessary to authorize them to affix their signature to this Contract have duly occurred and that they have been duly authorized to execute this Contract on behalf of their respective Party, and hereto have executed this Contract to be effective as of the Effective Date.

DELAWARE MUNICIPAL ELECTRIC CORPORATION

Attest: By:_____
President

_____
Secretary

CITY OF MILFORD

(SEAL)

Attest: By:_____
Mayor

_____
Clerk

EXHIBIT A – SCOPE OF INITIAL SERVICES

AMP's Advanced Metering Program enables the Participating Member to acquire Advanced Metering Infrastructure (AMI) equipment and services under contracts AMP has in place with its Vendors - Silver Spring Networks (Silver Spring), and ElectSolve Technology Solutions and Services (ElectSolve). The Program includes an operating model and associated roles and responsibilities for the deployment, operation and maintenance of all the components necessary to operate a fully functional AMI system.

A general description of the operating model can be described as follows:

- ***Participating Member's AMI Field Equipment***. The Participating Member will deploy advanced meters, AMI Communications network components and related equipment and system integrations. These tasks are described more fully in this Exhibit.
- ***AMI applications, systems, and related technologies.*** The applications, servers and related infrastructure will be deployed by AMP and provided to the Participating Member as a service more fully described in Exhibit B – Ongoing Services
- ***Integration(s) to local system(s)***: An integration to the Participating Member's billing system will be completed, enabling the meter-to-cash processes. Additional integrations to other operational system are provided as required.

This Exhibit describes the initial services required for the Participating Member to participate in the Program, including advanced meters, communications network components and related field equipment, system integrations, training and project management. The Participating Member will not need AMI software and hardware as those will be provided by AMP as Ongoing Services.

Except as otherwise identified below as a responsibility of Participating Member, AMP will provide the following Initial Services to the Participating Member which will be performed by Vendor Silver Springs Network and Vendor Electsolve Technology Solutions and Services:

1. Equipment purchase
   1.1. AMP will purchase for Participating Member, for the Fees specified in Exhibit F (which shall be paid by DEMEC and reimbursed by the Participating Member), Equipment and Tools requested by Participating Member.
   1.2. If quantities change pursuant to the Enhanced Field Network Design described in Task 2.1.1.4 or the Final Field Network Design resulting from Optimization as described in Task 2.5, Participating Member will purchase the additional quantities of Equipment as are identified at each of those steps. Participating Member will reimburse DEMEC or AMP for any such purchases made by DEMEC or AMP, respectively. To enable Silver Spring to meet its component order lead times, AMP must provide Silver Spring with timely information about the configuration of the Equipment so that deliveries may be made within required lead time.

1.3. AMP will maintain an AMI backoffice test environment at their Columbus, OH headquarters location that includes Access Points, meters and field service units for the purposes of testing and trouble shooting.

1.4. Equipment Delivery. Except any expedited deliveries that may be mutually agreed to in writing, the requested delivery date of Equipment must be no less than sixteen (16) weeks from Silver Spring receipt of the applicable Purchase Order. Silver Spring will ship Equipment FCA (Incoterms 2010), Silver Spring's production facility. Participating Member may not cancel or modify a Purchase Order after Silver Spring's acceptance without Silver Spring's prior written consent.

1.5. Equipment Changes; End of Life. Silver Spring may, upon notice, add, replace, or change Equipment it offers for sale and, without prior notice but with prompt subsequent notice, implement engineering changes needed to satisfy governmental requirements, protect Equipment or system security and integrity, or for environmental, health or safety reasons. Silver Spring may cease production of Equipment upon advance written notice at least six (6) months before the last delivery date for such Equipment ("**Last Order Date**"). AMP may issue a final Purchase Order for the discontinued Equipment prior to the Last Order Date. AMP may not cancel any portion of a Purchase Order issued for the discontinued Equipment.

1.6. Equipment warranties are described in Exhibit D.

2. Field Network (RF System) Design and Deployment – The deliverables included in this scope are to setup a Participating Member field area network, equipment, and meters needed to provide AMI services and connect into the back-office systems. These services are more particularly described below.

2.1. **Field Network Design**

2.1.1. **Silver Spring Responsibilities.** Silver Spring will provide field network design services in the following order to yield (1) an Initial Field Network Design, (2) an Enhanced Field Network Design and (3) a Final Field Network Design. Silver Spring will:

2.1.1.1. Develop an initial estimate of the number of Access Points and Relays required for the deployment area, based on the number, density, and coverage area of Endpoints, RF Mesh bandwidth requirements and acceptance criteria (the "Initial Field Network Design"). Typically, the Initial Field Network Design does not consider topography, land use, type of buildings, vegetation, etc.

2.1.1.2. Develop recommended installation locations based on applicable location data (pole data) supplied and validated by Participating Member.

2.1.1.3. Complete a Site Survey to validate the Initial Field Network Design. Silver Spring may extend the Site Survey to include the recommended locations for installing additional Access Point or Relay that Silver Spring may recommended. Although AMP and Participating Member will review and approve any such additional locations as described below, these additional locations will not be used during the initial installation. Rather, these additional locations will be available for additional Access Points or Relays that may be determined to be necessary when Silver Spring prepares the final Field Network Design.

2.1.1.4. Following the Site Survey and AMP and Participating Member's review of the pole locations, Silver Spring will incorporate recommended changes (i.e., those most useful to an effective and efficient Field Network Design) into the site survey results to yield an enhanced field network design for the deployment area ("Enhanced Field Network Design").

2.1.1.5. It is understood that Participating Member expects to use its local fiber optic network for backhaul to the AMI headend. However, If cellular APs are intended to be used, Silver Spring will investigate cellular coverage during field network design by reviewing coverage maps provided by the cellular carrier(s), taking into account AMP and Participating Member's preference for any particular cellular carrier(s), and testing the location during the site survey to assess the preferred carrier's or carriers' coverage.

2.1.2. Participating Member Responsibilities. Participating Member will perform each of the following tasks.

2.1.2.1. To enable Silver Spring to generate the Field Network Design, provide the most accurate data available that can be used to determine where Access Points and Relays should be attached, including without limitation, the furnishing of documents, maps and other material that depict the location, address (including zip code, if available), elevation above/below ground, and latitude and longitude position coordinates (required) of all meter locations, any field conditions about which Participating Member is aware that may be expected to create RF interference between a service point and exterior locations of Access Points and Relays (including, without limitation, service point descriptions of the number of meters located in meter rooms with a significant amount of metal enclosures, meter rooms located in basements or other non-ground-floor locations), Participating Member facilities, transmission and distribution rights of way, substations and administrative buildings.

2.1.2.2. Provide the specific placement criteria and installation techniques acceptable to Participating Member for the installation of Access Points and Relays on Participating Member facilities.

2.1.2.3. Review the Site Survey and recommended installation locations and propose changes to these locations if necessary.

2.1.2.4. Secure and pay for all internal and external approvals, improvements, modifications, for attachment of Access Points and Relays, including local construction permits, franchises, licenses, or other fees. This step must be completed prior to Field Network deployment.

2.1.2.5. Determine the method of power connection (direct line connect or photo cell adaptor) for Access Points and Relays at any given location.

2.1.2.6. If necessary, install additional poles to satisfy Silver Spring requirements.

2.1.2.7. Obtain the services of any third party WAN provider(s) (e.g., cellular operators), and provide coverage maps to Silver Spring for use during the design of the Field Network, unless Participating Member intends to use its fiber optic network for backhaul, in which case fiber optic network system diagrams and asset locations will be provided. Upon Participating Member's acceptance of Silver Spring's Enhanced Field Network Design, AMP will work with Participating Member to acquire the WAN facilities necessary to provide backhaul capabilities consistent with the Field Network Design. AMP will work with Participating Member to ensure that all WAN communication links are installed and maintained in accordance with Silver Spring's specifications, including establishing a VPN connection from the WAN backhaul to the appropriate data center(s) housing the UIQ System to carry traffic between the Access Points and the Back Office.

2.1.2.8. Submit a Letter of Agency to a third party WAN provider(s) in a form reasonably acceptable to Silver Spring that authorizes Silver Spring to act as an agent for AMP and/or Participating Member and directly communicate with and instruct WAN provider(s) on behalf of AMP and /or Participating Member regarding operational issues.

2.2. **Field Network Deployment Support**

2.2.1. **Silver Spring Responsibilities.** Silver Spring will perform each of the following tasks.

2.2.1.1. Silver Spring will provide the following in-field support:

a During the Deployment Period, conduct in-field troubleshooting of installed Access Points and Relays in the following order:

(i) Participating Member will contact the Silver Spring customer support staff for remote diagnostics assistance for problems with Access Points and Relays.

(ii) If the remote diagnostic assistance is unsuccessful, a Silver Spring field technician will accompany Participating Member's designated representative's field support personnel to perform in-field diagnostics within five (5) Business Days of the unsuccessful diagnosis.

(iii) In order to facilitate knowledge transfer to Municipalities distribution personnel, on a mutually agreed schedule, Silver Spring will accompany Participating Member

and/or its designated representatives to install and troubleshoot the first two (2) installations of Equipment requiring a typical device or installation methodology. Subsequent in-field assistance by Silver Spring will be at an additional charge.

2.2.1.2. Silver Spring will provide the following remote support for the Deployment Period:

a Assist with device configuration planning, including meter programs.

b Configure read schedules, exports, ping schedules and UIQ background jobs.

c Create and test device information files for import into UIQ (until the Integrated Meter Provider is empowered by Silver Spring to perform this task).

d Import the device information files into UIQ (until the Integrated Meter Provider assumes responsibilities for creating and testing the device files, at which time Silver Spring will transition the loading task to AMP and/or its designated representatives after training by Silver Spring).

e Create, test and load Access Point and Relay device files into UtilityIQ.

f Validate availability of Access Points and Relays. (In-field support required for Access Points or Relays subsequent to this validation of availability is covered in Task 4.1.2.)

g Validate the performance and configuration of Access Points and enable routing.

2.3. **Field Network Installation**. In any geographic area, prior to installing Integrated Meters, Silver Spring will cause its Installation Subcontractor to install and troubleshoot Access Points and then Relays, in accordance with Silver Spring guidelines. This work is further described in Attachment 1 to Exhibit A.

2.3.1. **Silver Spring Responsibilities.** Silver Spring will perform the following tasks during the Deployment Phase.

2.3.1.1. Train**,** for a period not to exceed two (2) Business Days, Participating Member and/or its designated representative's field personnel and relevant contractors on the specific aspects of installing Equipment.

2.3.1.2. Perform a field audit of the first three Access Points and first three Relays, and up to 5% of the remaining Access Points and Relays to inspect the quality of work. Identify any omissions or improvements.

2.3.1.3. Provide installation guidelines.

2.3.1.4. Contract with and manage the Installation Subcontractor who will install the Access Points and Relays. Confirm that the contractors follow Silver Spring-provided installation guidelines, including but not limited to installing the Access Points and Relays in a given area prior to Integrated Meter deployment.

2.3.2. **Installation Subcontractor.** Silver Spring will perform the following tasks during the Deployment Phase, which may be performed by an installation Subcontractor.

2.3.2.1. Prior to installing the Integrated Meters, install all Access Points and Relays in the locations recommended in the Enhanced Field Network Design in accordance with Silver Spring's standard guidelines. All installations within this task are assumed to be powered by either direct line connect or photo cell adaptor and placed on an AMP supplied light arm.

2.3.2.2. Perform troubleshooting of installed Access Points and Relays and correct any installation errors prior to acceptance.

2.3.2.3. Neither AMP nor Silver Spring will be responsible for any failure or delay in performing the Installation Services to extent such failure or delay constitutes an Excusable Delay.

2.3.3. **Participating Member Responsibilities.** Participating Member's designated representatives will perform each of the following tasks:

2.3.3.1. Provide specifications for attaching Access Points and Relays to Participating Member poles and other third party poles and define mounting requirements for all possible pole types, including banding, bolts and power tap requirements.

2.3.3.2. Secure all approvals required for installation of Access Points and Relays no less than two weeks prior to the scheduled date for installation. Participating Member will pay all additional out-of-pocket costs incurred by Silver Spring for network installation required outside of this period.

2.3.3.3. Provide any 'make-ready' components and consumable supplies needed for completion of the mutually approved installation (e.g., miscellaneous wire and raceways, wiring connectors for secondary voltage connections on utility poles, and through bolts, lag screws, and/or stainless steel banding to mount RF pole-top devices to wood or metal poles).

2.3.3.4. Participating Member and/or its designated representatives will complete all tasks necessary to order, inventory and warehouse equipment needed to install the Access Points and Relays.

2.3.3.5. Participating Member and/or its designated representatives will be deemed to have inspected and accepted the installation of all Access Points and Relays unless Participating Member and/or its designated representatives informs Silver Spring within ten working days of Silver Spring's notification of completed installation (that the installation is noncompliant with the applicable requirements.

2.4. **Endpoint Installation.** In any geographic area, Silver Spring will cause its Installation Subcontractor to install and troubleshoot Integrated Meters and then Water IMUs and Water Meters, in accordance with Silver Spring guidelines. This work is further described in Attachment 1 to Exhibit A.

2.4.1. **Installation Subcontractor Responsibilities.** Silver Spring will cause its Installation Subcontractor to perform the following tasks during the Deployment Phase and after Access Point and Relays are installed:

2.4.1.1. Install Endpoints, in accordance with Integrated Meter Provider guidelines regarding installation procedures and Silver Spring guidelines regarding the sequence of Endpoint installations.

2.4.1.2. Within 24 hours of installation, load into UIQ the location file information of each Integrated Meter.

2.5. **Network Optimization**. Endpoints must be Optimized before Silver Spring is liable for Service Level credits related to meter read delivery and on-demand performance (as described in Exhibit D) within the Optimization Area. The Parties must agree upon an overall Optimization schedule, including each Optimization effort and associated area, prior to beginning the initial Optimization effort.

2.5.1. **Silver Spring Responsibilities**.

2.5.1.1. After ninety-five percent (95%) of the Endpoints have been installed in an Optimization Area, Silver Spring will perform Optimization.

2.5.1.2. After the installation or relocation of Access Points and Relays as recommended during Optimization, Silver Spring will complete the analysis and provide a report to AMP and Participating Member.

2.5.1.3. Repeat Tasks - 2.5.1.1 – 2.5.1.2 with each subsequent Optimization Area.

2.5.1.4. Silver Spring will perform Optimization tests and analysis one time per Optimization Area. Subsequent Optimization activities in the same Optimization Area may incur an additional fee.

2.5.1.5. Silver Spring will review the installed Access Points, Relays, and Endpoints prior to optimization and confirm that the yet to be installed meters are not clustered in a manner that will make Optimization unsuccessful.

2.5.2. **Participating Member Responsibilities.** Participating Member will perform each of the following tasks:

2.5.2.1. Immediately prior to Optimization, Participating Member will share information with Silver Spring to assure that the locations of installed and yet to be installed endpoints are known. Silver Spring will evaluate this information and should Silver Spring determine that there are clusters of uninstalled meters that would make optimization impossible, Participating Member will install those additional meters Silver Springs deems are essential to successful optimization.

2.5.2.2. Only after the Endpoints have been Optimized, Participating Member may require the payment of Service Level credits related to meter read delivery and on-demand performance, as described in Exhibit D.

2.5.2.3. Identify an individual to coordinate Optimization for Participating Member. This individual will be responsible for scheduling and coordinating Optimization-related tests within Participating Member's organization.

2.5.2.4. Review Silver Spring's recommended locations for relocating or installing new Access Points or Relays and obtain all internal and external approvals for attachment of such additional Access Points and Relays. Participating Member will relocate or install these network devices as soon as practical once Participating Member has secured all pole attachment approvals.

2.5.2.5. Provide location files to Silver Spring, consistent with Silver Spring specifications.

3. Application Setup and Billing System Integration – The goal and deliverables here are to describe the process and terms of onboarding Participating Member into the AMP Back-office environment and Integration to Participating Member's billing system sufficient to replace the existing meter reading system, and enable billing determinant transfer to billing system. AMP will provide a work authorization and Participating Member customer profile document which will be referred to as the ORDER and ElectSolve will install the authorized licenses.

3.1. **uCentra® Licensing:**

3.1.1. Software licenses & installation fees and payment schedule for each Participating Member installation will be included on the Participating Member ORDER.

3.2. **Participating Member MDMS Installation Procedure:** The following procedure will be used to install licenses authorized by the Participating Member ORDER.

3.2.1. ETSS to provide virtual server specifications for the Participating Member uCentra® software to AMP and AMP will provide for and install the required virtual or physical hardware and operating systems. Servers Required:

3.2.1.1. 1ea. uCentra® Database Server.

3.2.1.2. 1ea. uCentra Application Server.

3.2.2. ETSS will assist AMP staff with hardware sizing, configuration, testing and deployment as needed.

3.2.3. ETSS will install and configure the uCentra® Software License for the Participating Member's required applications. AMP to provide credentials to virtual servers required by ETSS to install software licenses and complete the configuration of the uCentra® software license.

3.2.4. ETSS to install and configure SQL Server software. AMP to provide SQL Server License and media and required credentials to ETSS to complete installation of SQL Server software.

3.2.5. ETSS will configure, integrate and test uCentra® Software, modules and interfaces to the Participating Member utility back-end vendor systems as defined below:

3.2.5.1. CIS Interface Provisioning, Configuration and Testing:

a CIS billing determinant files to be provided by the MDMS to the CIS, using the utility's existing meter reading hand-held file format. The utility may optionally use another standard bill file export provided by the MDMS. Meters are currently read manually using Sensus hand-held devices.

b Participating Member will provide sample bill files to ElectSolve to support bill file format testing.

c CIS synchronization will be by one of the following; direct ODBC read-only connection to CIS tables or by daily CIS master file exports.

d CIS Billing Interface and Integration functionality implemented during the implementation phase is determined during a requirements phase jointly with the Participating Member at the project kick-off. During the requirements phase it will be determined which billing functions as described in Attachment 1 – Billing System

Integration Options will be required and the configuration and integration will be performed based on these requirements.

e Once integration has been completed and the system completes SAT, any future modifications, changes or re-configurations to the CIS integration will require professional services. The CIS Billing Interface and Integration is a one-time effort and future changes to these requirements, requiring new functions to be implemented, re-configured, removed, etc. will be charged at a Time & Material rate or a fixed fee rated to be determined after the new requirements are defined and agreed between all parties.

f Participating Member requests to change the CIS integration that include changes such as but limited to; changes to configured rate calculations, minor format changes for billing file exports, upgrades to CIS to same CIS new versions, etc. are the types of billing interface and configuration support not deemed to be a "re-configuration" requests since they do not require the CIS Billing interface to be modified or modified substantially.

g Participating Member requests to change the CIS integration that include changes such as but limited to; Net-Metering, TOU, CP, NCP, Ratchet Rates, Totalized Billing, replacing a CIS vendor to a different CIS vendor, etc. are deemed to be "re-configuration" requests since these configuration changes require the underlying CIS Billing interface to be modified substantially.

h A Participating Member request that requires changes to the CIS Billing Integration will be evaluated jointly by Electsolve and AMP to determine the level of difficulty and to make a determination if the changes requested by the utility are covered under software maintenance and integration support or if the requested changes require substantial re-configuration. Based on these determination that substantial configuration changes are required, Supplier and AMP will mutually work together to define a new Scope of Work (SOW) that defines the new requirements, deliverables and cost associated with the CIS Billing Integration re-configuration.

3.2.5.2. SSN AMI Interface Provisioning, Configuration and Testing:

a A single SSN head-end is being implemented by AMP for use by all AMP Municipal utilities.

b Participating Member AMI meters will be read by the single AMP SSN head-end system.

c AMI data collected by the single AMP SSN head-end will be staged and processed by the AMP uCentra MDMS system.

d Data loaded into the Participating Member SSN AMI meters.

e Supported SSN AMI meter controls (i.e. Read-Meter, Connect-Meter, Disconnect-Meter, Meter-Demand_Reset, etc) will be enabled and accessible using the Participating Member's uCentra MDMS user interface ("UI"). The uCentra® WebServices & Brokering Module will facilitate all SSN AMI control requests, logging of requests and communications between uCentra® and the AMP SSN head-end. Participating Member SSN AMI meter controls will be allowed from their own uCentra® MDMS UI. No SSN AMI controls will be allowed from the AMP uCentra® MDMS UI or any other non-Participating Member uCentra® MDMS UI.

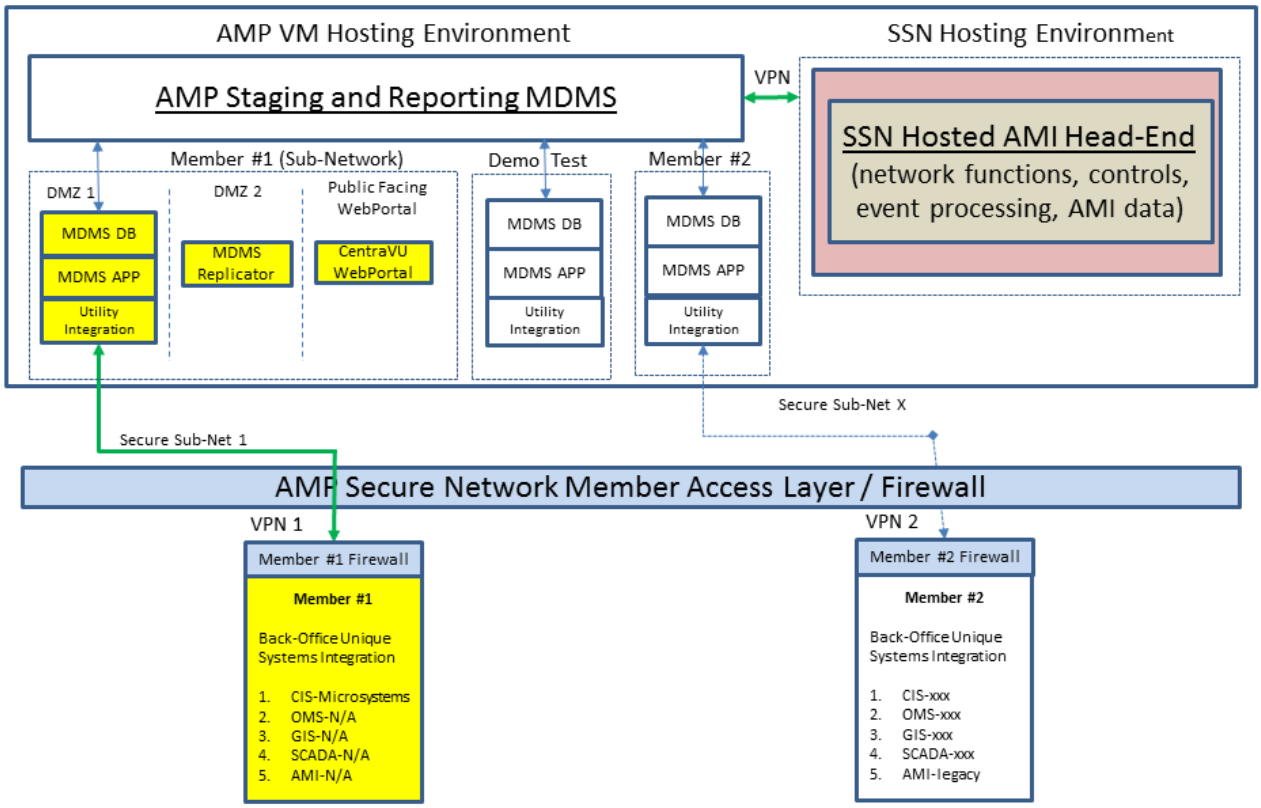
3.3. **Data Center Services Provided by AMP:**

3.3.1. Hardware and Hosting services. AMP will provide all hardware and hosting services required for the installation and integration of all uCentra® software licenses. AMP will be responsible for provisioning the AMP uCentra® MDMS virtual server environment.(Aggregate Instance, Demo Instance and Participating Member Instance.

3.3.2. Microsoft Operating System and Microsoft SQL Database Software licenses. AMP will provide all Microsoft operating system and Microsoft SQL database licenses required.

3.4. **Hardware and Connectivity Diagram:**

3.4.1. Yellow sections will be completed during Participating Member initial setup.



3.5. **Deliverable -** The Participating Member ORDER will authorize the installation of the base set of MDMS features and functionality as defined below as the deliverables. Optional modules and interfaces may also be included on the ORDER.

3.5.1. **5.1 Software License Version and Feature Set.**

uCentra® Version 2.2 MDMS/ODMS System Feature Sets (latest version will be deployed):

3.5.1.1. Dashboard Module

a The standard Dashboard package includes 6 default content boxes selected by the customer from an existing inventory of widgets and RSS feeds. Content boxes will display data residing in the MDMS. Additional Dashboard widgets and RSS feeds can be purchased utilizing optional hourly services.

3.5.1.2. Validation, Editing and Estimation (VEE) Module

a Provides data validation, editing and estimation functionality.

3.5.1.3. Messaging & Alerts Module

a Allows user to schedule reports to be sent via email, such as blink count reporting, daily meter exceptions, negative consumption for active meters, meters not reporting, etc.

b Allows users to receive predefined alerts via email and/or text messaging.

3.5.1.4. Pop 3 or comparable outbound email is responsibility of AMP or Participating Member to provide.

a Management and configuration of reports and alerts.

3.5.1.5. Contractr Service Module

a Allows scheduling of predefined events, such as AMR data processing, SCADA data processing and billing determinant generation for cycle billing reads, etc.

3.5.1.6. Advanced Charting Module

a Generate charts, graphs using meter interval and register read data residing in uCentra®.

3.5.1.7. Importer/Exporter Module

a Includes file based importing and exporting functionality for used for integration of data to and from the MDMS application. This functionality supports exporting data into back-office systems such as the Participating Member's CIS and other downstream data processing systems as well as loading data into the MDMS from data collection systems interfaced to the MDMS such as AMI, SCADA, IEDs, JAA's, etc.

3.5.1.8. Weather Import Service

a Importing and storing weather data provided by a third party weather data source is supported. Weather is displayed in the various charts/graphs when users view data in the MDMS. Free weather service feeds will be used by default, pay-for weather data feeds are available for an additional fee.

3.5.1.9. Data View Module

a A set of pre-defined, pre-built "data views" are provided with the MDM SQL Server database. These "data views" look very similar to actual database tables and allow Participating Member's users to connect to the database and create their own ad hoc queries. Since the MDM data warehouse model includes a broad range of tables, procedures and functions, these "data views" are included to reduce the complexity for Participating Member's users to access the data for other functions. Users can connect to these views by ODBC connection using MS Access, Crystal Reports or other desktop query and reporting tools.

b Views included: ActiveCustomerData, AllCustomerData, BillingReads, IntervalReads, RegisterReads and MeterInventory. Each view includes a set of fields derived from the MDM data warehouse model and a complete field list for each "data view" is provided in the user documentation.

3.5.1.10. GIS Reporting Module.

a Render report results to a GIS map viewer for meters stored in the MDMS that include GIS coordinate data. Provides maps using OpenStreetMaps by default.

3.5.1.11. CSR Web Portal Module.

a Visualization of meter read interval and register data. Search by account, customer, meter, meter serial, street, etc. Perform meter controls; connect-disconnect-read request, manage users, security, access level security, perform cycle billing determinant extraction functions, display daily usage charts, link to the optional CentraVU® customer portal for CSR customer support conveniences, View AMI read performance charts, display MDMS system status.

3.5.1.12. WebServices and Brokering Module.

a Manage webservices (CIM, Multispeak, other), broker webservice request between different vendors, track webservice logs.

3.5.1.13. File Manager/sFTP/FTP Module.

a Manage file movement, folder operations, file mover function, access FTP sites for file loads, place file extracts on FTP sites.

3.5.1.14. Optional CentraVU® Customer Portal has the following feature:

a Auto-archiving of site configuration, content and pages

b Customer access to usage data in both graphical and tabular formats

c Customer access to usage information in several units of measure; kWh, kW, kVarh, kVA, PF, gallons, CF, etc…

d Customer access to usage in correlation to weather conditions (Hi, Low, Avg.)

e Customer access to usage by billing cycle or a custom date range

f Customers can manage multiple accounts from a single sign-in

g Customers can download usage in CSV or PDF file export formats

h Customers can access billing history and actual bill PDF images for up to 3 years (requires access to bill images in PDF form provided by Participating Member)

i Customers can set up usage alerts (SMS & email) and received notifications when a customer defined specified dollar amount is reached

j Customers can track weekly usage via report by email

k Supports configuring additional content pages in CentraVU® to provide additional content for customer access such as; tips for usage conservation, TOU sample scenarios, DR program tips, "Tip of the Day", etc.

l CentraVU® allows customers to submit questions/requests/comments which are routed by email to specified departments via the mail form in CentraVU®

m Customers can access account information via Mobi Website on smartphones and tablets

n CentraVU® includes an optional API to allow utilities to use other 3rd party CE products and to use the API for data request to uCentra® but using the CentraVU® replicator.

o CentraVU® supports token login configurations to allow CentraVU® to sit behind other 3rd party authenticated sites such as "pay online" sites.

p CentraVU® supports; Water, Gas and Electricity

q CentraVU® supports meter totalization where multiple meters are combined and displayed as a single meter for accounts with multiple meters.

r CentraVU® supports both residential and commercial/industrial customers

4. Project Management – Provide oversight of AMI deployment operations.

4.1. **Silver Spring Project Implementation**

4.1.1. **Silver Spring Responsibilities.** Silver Spring, through its Project Manager, will manage the AMI Project and Silver Spring deliverables under this Exhibit during the Deployment Period:

4.1.1.1. Creating, tracking and updating the Project Contract.

4.1.1.2. Providing weekly status reports addressing the progress of the AMI Project, issues and outstanding action items.

4.1.1.3. Participate in Participating Member requirements gathering and configuration specifications kickoff

4.1.1.4. Attending weekly meetings as agreed to with AMP's project team to coordinate AMI Project activities between the Parties.

4.1.1.5. Coordinating Silver Spring's deliverables to AMP and Participating Member's third party contractors.

4.1.1.6. Answering general questions and providing overall program facilitation.

4.1.2. **AMP & Participating Member Responsibilities.**

4.1.2.1. AMP and Participating Member will each designate a Project Manager to coordinate all AMP & Participating Member activities related to AMI Project.

4.1.2.2. AMP and Participating Member's Project Managers will work to create efficient paths of communication with Silver Spring, including prioritizing communication requests made to the Silver Spring team.

4.1.3. **Delays.** Additional costs incurred as a direct result of any delay will be the responsibility of the Party who caused such delay.

4.2. **Electsolve Project Implementation & System Integration**

4.2.1. **Electsolve Project Implementation Services**

4.2.1.1. Installation and configuration of uCentra® software media and licenses on AMP provided hardware.

4.2.1.2. Support installation and configuration of AMP provided hardware and operating systems.

a AMP will procure all hardware required for the ®MDMS, and ETSS will assist by reviewing and approving final server specifications for hardware and third party OS and database software. Final server specifications are based on meter counts, AMI interval data requirements and retention periods. After hardware procurement, ETSS will assist AMP staff to configure the server hardware and network to support remote access and support for the MDMS solution.

(i) All implementation services will be based on completion of a Customer Profile Document.

4.2.1.3. Provide Project Management for MDMS scope of work.

a A PMI® Certified Project Manager will be assigned to the project. The ETSS project manager will be responsible for MDMS Project Initiation, Planning, Execution, Quality Control and Tracking through the MDMS System Acceptance Test and Closing of the project.

b Bi-weekly Project calls. Supplier and AMP will work mutually together to schedule more frequent project calls when project activity or issues warrant. Supplier believes bi-weekly project calls will be sufficient based on similar scoped projects with like requirements.

4.2.2. **Electsolve System Integration Services**. - System integration processes for deploying, implementing, testing and rolling out each interface are aligned with the implementation integration and project management groups assigned for the customer project.

4.2.2.1. System Interface with SSN AMI

a AMI provisioning, AMI data collection, AMI event handling, and interactive AMI command and control including disconnect/re-connect, on-demand meter reading

b Production testing and rollout

c Dependency – SSN AMI headend installation and one test meter are required for base installation to begin.

4.2.2.2. System Interface with Participating Member's billing or Customer Information System

a Integration to the meter master, customer master, billing history, rates, and location/premise master at a minimum.

b Billing determinants will be provided by "To-Host" file format utilizing the existing meter reading file format unless Participating Member would like to select a standard bill file format provided by uCentra®.

c Billing process review, evaluation and recommendation based on using AMI and MDMS functionality.

d Production planning, testing and rollout.

4.2.2.3. Meter Exchange file integration

a Participating Member meter deployment; AMI meter provisioning and meter exchange will be performed jointly by SSN and Participating Member staff.

b Meter exchange and meter location files produced by the meter deployment process will be made available to the MDMS via FTP, sFTP or posted to a folder on a shared file exchange server to be determined during the project kick-off.

Participating Member Requirement and Dependencies.

1. Participation by Participating Member and its CIS vendor, if necessary, in a planning session to determine methods of CIS data access.
2. Participating Member will need to provide samples and formats for the files imports they are currently using for CIS billing determinants. Provide third party import files and cover any third

party cost associated. ETSS will help facilitate this and work with all third party vendors with permission from Participating Member.

AMP Requirements and Dependencies.

1. AMP is required to have full MDMS back-office complete including connectivity to ETSS, SSN Hosted headend and Participating Member CIS

SSN Requirements and Dependencies

1. SSN is required to have AMI headend and one test meter installed for ElectSolve to begin integration

The above are the major ETSS dependencies. A full responsibility matrix is listed in Exhibit E for further clarification of roles and responsibilities.

5. Training – Provide end-user training to the Participating Member to enable a smooth transition to new process and environment.

5.1. **Silver Spring Training** – Silver Spring will perform the following training services

5.1.1. During Field Network Installation Phase – Silver Spring will train, for a period not to exceed two (2) Business Days, Participating Member and/or its designated representatives on troubleshooting procedures and tools for Access Points, Relays and communication problems with Integrated Meters.

5.1.1.1. Silver Spring will provide special training on enabling RF communication from meter rooms and other interior hard-to-reach service points:

5.1.1.2. Silver Spring will instruct Participating Member and/or its designated representative's staff on how to recognize field conditions that may create RF interference between a service point and exterior locations of Access Points and Relays (e.g., service points with a significant amount of metal enclosures or which are located in deep basements / sub-basements), to enable Participating Member and/or its designated representatives to refrain from installing Integrated Meters at such locations or to plan for continued on-site reading of such meters until later remediation.

5.1.2. During Deployment Phase - Silver Spring will train Participating Member and/or its designated representative's field personnel and relevant contractors on the specific aspects of installing Endpoints. This training will be completed within two (2) Business Days.

5.2. **Electsolve MDMS Training** – Electsolve will perform the following training services:

5.2.1. Training will be provided according to the size of the Participating Member. AMP may attend Participating Member Training Sessions as well.

5.2.2. Training consists of an in-depth view of the entire uCentra® ODMS for all classes. Every attendee will see every aspect of the uCentra® ODMS including its features, operability and functionality. Attendees with similar responsibilities are encouraged to attend the same class as focus can be centered on features that will be relevant to their job.

5.2.3. Multiple classes can be conducted for the same department when necessary so that the department may maintain a presence for normal business operations.

5.2.3.1. Classes generally last from 2-3 hours depending on class participation. Generally, two sessions per day are scheduled.

5.2.3.2. In addition to every attendee receiving training on the entire functionality of the MDMS, some roles will receive more specialized training.

a Customer Service Representatives will learn to:

(i) Compare/review customer usage by date range using monthly billing history

(ii) Compare/review usage by kWh and kW in relation to temperatures

(iii) Compare/review usage by interval time periods

(iv) Compare/review usage by interval time periods in relation to interval temperatures

(v) Review detailed customer information of an account

(vi) Review the outage history of an account
(vii) Review the connect/disconnect history of an account
(viii) Review the meter event history of an account
(ix) Perform on-demand reads
(x) Remotely connect and disconnect a meter
(xi) View the physical location of a meter
(xii) Graphically compare/review customer usage by specified days for a time period
(xiii) Run reports relevant to customer accounts
(xiv) Contract reports to automatically be delivered to email inbox
(xv) Create and maintain Dashboards relevant to customer accounts

b Billing Agents will learn to:
(i) Compare/review customer usage by date range using monthly billing history
(ii) Compare/review usage by kWh and kW in relation to temperatures
(iii) Compare/review usage by interval time periods
(iv) Compare/review usage by interval time periods in relation to interval temperatures
(v) Review detailed customer information of an account
(vi) Perform on-demand reads
(vii) Create an AMI billing file to upload into the billing application
(viii) Review/download previous billing cycle reports
(ix) Run reports relevant to billing
(x) Contract reports to automatically be delivered to email inbox
(xi) Create and maintain Dashboards relevant to billing

c Meter Technicians and Servicemen will learn to:
(i) Review detailed customer information of an account
(ii) Review the detailed history of a meter
(iii) Review the historical locations of a meter
(iv) Review the meter event history
(v) View the physical location of a meter
(vi) Graphically compare/review customer usage by specified days for a time period
(vii) Run reports relevant to meter issues
(viii) Contract reports to automatically be delivered to email inbox
(ix) Create and maintain Dashboards relevant to meter issues

d Engineering and Operations personnel will learn to:
(i) Review detailed customer information of an account
(ii) Review the detailed history of a meter
(iii) Review the historical locations of a meter
(iv) Review the meter event history
(v) View the physical location of a meter
(vi) Graphically compare/review customer usage by specified days for a time period
(vii) Graphically review meter, transformer and substation data
(viii) Review system loss analysis
(ix) Review/analyze voltage events
(x) Run reports relevant to AMI system and system events
(xi) Contract reports to automatically be delivered to email inbox
(xii) Create and maintain Dashboards relevant to system events

6. Testing

6.1. **Silver Spring System Acceptance Testing**

6.1.1. **First Article Testing (FAT).** Upon request from Participating Member and using its standard test procedures, Silver Spring will test the first two Integrated Meters of every new form with a unique configuration file at its offices in Redwood City, California, to verify that the meter has been configured per Participating Member's requirements.

6.1.1.1. Silver Spring Responsibilities. To facilitate this testing, Silver Spring will direct the Integrated Meter Provider to ship two meters of each form to Silver Springs for testing before shipping the remaining meters to Participating Member. The Integrated Meter Provider will hold the remaining shipment until this testing is complete and Silver Spring will release the shipment once testing has been successfully completed. Participating Member will be responsible for purchasing any Integrated Meters used for FAT, and any Integrated Meters supplied for FAT can be returned to Participating Member.

6.1.1.2. **Silver Spring Field Acceptance Testing.** Acceptance Testing will be conducted on a mutually agreed-upon number of devices in a contiguous geographic area of the deployed Smart Grid network.

6.1.2. **Silver Spring Responsibilities.** Silver Spring will perform the following tasks:

6.1.2.1. Develop test scripts based on the acceptance criteria agreed upon by AMP and Silver Spring.

6.1.2.2. Perform Field Tests immediately following the Optimization of the first Optimization Area. Silver Spring will perform the Field Tests remotely from Redwood City.

6.1.2.3. Silver Spring will review the results of any failed tests with AMP, determine the root cause and propose corrective action to address the root cause. Silver Spring will perform a retest one the root cause is identified and corrected, if requested by AMP

6.1.2.4. Provide documented test results, including Acceptance Test sign off in a written format to be agreed upon and executed by the Parties.

6.1.3. **Participating Member Responsibilities.** Participating Member will perform each of the following tasks:

6.1.3.1. Provide all field work necessary to complete the Field Tests.

6.1.3.2. Provide a lead to coordinate all testing activities with Silver Spring.

6.1.3.3. Provide a schedule for Field Testing prior to the commencement of Acceptance Testing. Field Testing will occur after Optimization is completed in the area in which the Field Tests will be performed.

6.2. **Electsolve System Acceptance Testing (SAT)** - Jointly performed by ETSS, AMP and Participating Member. The objective of the System Acceptance Test is to demonstrate the functionality and operation of ETSS's uCentra® MDMS/ODM before moving into production. Following the base system SAT, any additional modules within the scope of work will follow the same procedure for sign-off.

6.2.1. The System Acceptance Test will be performed after the system has been installed and tested by ETSS. This will be executed after each phase. The process is as follows:

6.2.2. Participating Member will designate one person to sign-off on all functionality. Additional attendees from areas such as Customer Service, Participating Member Services, Metering, Engineering, or Management may all attend to give input to the official designee. Attendance is documented.

6.2.3. Participating Member's designee will pass or fail each item as it is demonstrated using the sign-off sheet provided. Notes may be added throughout.

6.2.4. Any items failing test will be fixed and retested at an agreed upon date and time.

6.3. **Electsolve Implementation Testing** - As data is mapped into the MDM, the Participating Member staff will be called upon to validate data by assisting in verifying that the data has been mapped according to Participating Member's requirements and business processes. This process entails comparing uCentra® data screens to CIS data screens. This is an iterative process and will be scheduled as required. Generally this should take 2 hours a week over the course of 2-3 weeks.

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ATTACHMENT 1 – BILLING SYSTEM INTEGRATION OPTIONS

Integration to Participating Member's Billing or Customer Information System can be accomplished in one of four methods described in the following chart. Exhibit F provides pricing for the selected methodology.

uCentra® CIS Interface Functionality	No CIS Billing	Base CIS Billing "Meter-To-Cash" Integration	Advanced CIS Billing Integration	Power Billing
Flat File Import (limited data set) CIS vendor to provide exports to ElectSolve	√	√	√	
Flat File Import (expanded data set) CIS vendor to provide exports to ElectSolve		√	√	
Data Authentication		√	√	
Data Reconciliation		√	√	
Data Integration Assistance		√	√	
VEE Configuration for Once/Day Billing Determinant exports (All meters, once per day)		√	√	
Produce Once/Day Billing Determinant export file in Standard format (All meters, once per day)		√	√	
Billing Reads for KWH		√	√	
Billing Reads for KW		√	√	
Billing Reads for KWH-R		√	√	
Billing Reads for KWH-N		√	√	
Calculated or derived reads			√	
Basic Pre-Pay using CMEP		√	√	
Single File format to major CIS Vendors (Cogsdale, CSA, Cassel, UAS, Daffron, NISC, etc.)		√	√	
"From-Host" and "To-Host" file exchange supported to match legacy meter read processes associated with hand-held use.		√	√	
File format for non-standard CIS Vendor			√	
Single Utility, Electric or Gas or Water		√	√	
VEE Configuration to Match Billing read exports by cycle/route/meters process			√	
Produce individual Billing Read export by cycle/route/meters			√	
Multi Utility Electric Gas Water		√		
Custom Billing file formats			√	
Custom VEE processes			√	
Support for TOU			√	
Support for Demand Billing			√	
Support for net billing			√	
Ratched Rates				√
Totalized Meters			√	
High End Meters			√	
Calculated Reads or billing determinates due to limitation of CIS			√	
Multiple AMI Systems (Aclara plus non-Aclara)			√	
Large Commercial & Industrial (CP, NCP, Unique Contracts)				√
other complex billing determinant generation				√
* see detail requirements for additional information				

ATTACHMENT 2 – SILVER SPRING SUBCONTRACTOR INSTALLATION SCOPE OF WORK

General Notes

1.1 The description of the Installation Subcontractor's work herein will be performed pursuant to an agreement between Silver Spring and its Installation Subcontractor. Although AMP acknowledges that Silver Spring will engage a subcontractor for certain services, Silver Spring will remain liable for all duties designated herein as responsibilities of either Silver Spring or the Installation Subcontractor.

1.2 Pricing reflected in Exhibit F includes the use of the Installation Subcontractor's work order management system, handheld devices, GPS collection, photograph capabilities, data management, and work order reports.

1.3 The price reflected in Exhibit F does not include the supply or installation of AC power supply disconnect switches for Access Points and Relays.

1.4 Pricing does not include cutting, drilling or grinding of locking devices and agreed to in writing and signed by Silver Spring and the Installation Subcontractor.

1.5 Pricing assumes seamless flow of work with full utilization of each installation crew at all times. Contractor will be fully engaged in deployment planning and development of proposed work flow, recognizing specific requirements of individual installations, including those meters behind locked doors.

1.6 Hours of operation are defined in local time as:

1.6.1 Regular Business Hours >> 8:00 a.m. – 6 p.m., Mon-Fri. (excludes AMP's recognized holidays)

1.6.2 After-Hours >> All other times

Safety

1.7 All Installation Subcontractor safety procedures implemented for this program will be in accordance with Silver Spring, AMP and Participating Member safety procedures as well as state and local ordinances. Installation Subcontractor will also provide all safety equipment needed to protect installation personnel, motorists and the general public from injury. All Installation Subcontractor personnel will strictly enforce and adhere to all safety rules and procedures. Subcontractor to comply with Participating Member's safety procedures.

1.8 All employees assigned to work on Participating Member's endpoints installation shall comply with all applicable federal, state, and local laws and regulations in the performance of the Services.

1.9 Installation Subcontractor will manage and run employee training and safety programs.

1.10 Installation Subcontractor will provide personal protective equipment, tools & equipment for all employees.

1.11 Installation Subcontractor will provide appropriate identification, as agreed to with Silver Spring, AMP and Participating Member.

1.12 Installation Subcontractor will perform ongoing field safety audits.

1.13 Installation Subcontractor shall comply with OSHA, and provide periodic reporting of OSHA recordable injuries and motor vehicle incidents.

1.14 Silver Spring shall be responsible for the cost of repair or replacement to Property damaged by Installation Subcontractor; AMP and Participating Member recognize that Silver Spring may recover such costs from the Installation Subcontractor.

Project Management

1.15 AMP and Participating Member will assign a single project manager to serve as the main point of accountability and contact for Silver Spring and the Installation Subcontractor. The project manager will also attend weekly deployment meetings during the Project and provide comprehensive daily, weekly, monthly and quarterly updates on action items and deliverables.

1.16 The plan is based on a five-day work week; however, Installation Subcontractor, Silver Spring, or Participating Member may request to have the installer work Saturdays and evenings as necessary in the event of delays. Such changes to work hours shall be as mutually agreed to between Silver Spring, the Installation Subcontractor and Participating Member, approved by AMP and Participating Member in advance, and this may impact pricing.

1.17 The Installation Subcontractor plans to continuously perform the installation of the Equipment, and there will be no work stoppages other than Participating Member-designated holidays and weather days.

1.18 All endpoints will be released in route-read order. Participating Member will provide a meter-reading schedule prior to the Project start date. AMP and Participating Member will ensure a seamless flow of work that allows for full utilization of each installation crew.

1.19 Installation Subcontractor will manage all Services in accordance with the project schedule, staffing and Silver Spring's or Participating Member's project plan and develop and manage the detailed route saturation plan.

People, Resources and Tools

1.20 Installation Subcontractor will implement a hiring plan that includes background checks and pre-employment drug testing.

1.21 Installation Subcontractor will ensure its employees meet the appropriate experience, qualifications and requirements for the specified Services. Employees shall maintain the necessary proficiency to safely and accurately perform such Services on an ongoing basis.

1.22 Installation Subcontractor will provide a work order management system (WOMS). Provision of WOMS includes typical flat file transfer based integration(s) with AMP's enterprise systems.

1.23 Installation Subcontractor will provide work management handheld devices, mobile phones, and data plans for handheld devices and phones.

1.24 Installation Subcontractor will provide vehicles and fuel. Participating Member will provide secure parking as required for Installation Subcontractor's fleet.

1.25 [The Installation Subcontractor will pay all those working on _____ a prevailing rate of wage as set forth in Attachment 3 to this Exhibit A.]

Warehousing and Inventory Management

1.26 Participating Member will provide warehouse and cross dock facilities, labor, material handling equipment, and services (e.g., staging, handling, scrapping, manage consumables, etc.). Provide appropriate office space, crew space, training space, break rooms, bathrooms, etc. Provide satellite [e.g., "remote"] cross dock facilities/locations and related labor, as required.

1.27 AMP and Participating Member shall source and store approximately 8 weeks of new Equipment inventory at any given time (i.e., for most Municipalities, 100% of Equipment needed for the deployment, plus 3-5% for spares, shall be procured, delivered, and stored prior to installation commencing).

1.28 Participating Member will provide inventory management and tracking for all equipment and accessories provided by/procured for Silver Spring or Installation Subcontractor including Integrated Meters, Water IMUs and water meters; and seals, locking rings and other similar items.

1.29 Installation Subcontractor will provide materials forecasts and coordinate with Silver Spring, AMP and Participating Member regarding the delivery of equipment and accessories needed to meet Project requirements. Participating Member will coordinate deliveries at its warehouse.

1.30 Removed meters and meter materials will be returned to Participating Member's warehouse. Optionally, Participating Member may have the Installation Subcontractor dispose of all removed meters and meter materials at no additional fee to utility.

1.31 At its cost and expense, Participating Member will be responsible for Replacement of all materials damaged or lost from its warehouse.

Installation Considerations – All equipment

1.32 Installation Subcontractor will obtain and maintain all necessary licenses that are required to perform the Services, and submit proof of license to AMP and Participating Member.

1.33 Installation Subcontractor will submit its proposed installation and inspection processes to Silver Spring, AMP and Participating Member for review with a reasonable opportunity to provide feedback prior to implementation.

1.34 Installation Subcontractor will provide a "before" and "after" photograph of all installations. In addition, for the relevant endpoints, provide photographs of register data and the entire Endpoint set. Some of these can

be done as part of the "before" or "after" photograph. Store and maintain all photos in a manner that allows for retrieval and transfer to AMP and Participating Member, as requested.

1.35 Installation Subcontractor will manage keys provided for access. Manage seals, locking devices and barrel locking tools.

1.36 Installation Subcontractor will install ancillary equipment such as external antennas and cables, as required.

1.37 Installation Subcontractor will provide data capture of normal GPS data accuracy of approximately +/- 5 meters of the installed device.

1.38 Installation Subcontractor will provide at least 2 documented field attempts on 2 separate days and 2 documented written attempts (door hangers) , to attempt to complete each meter installation, prior to Returning to Utility ("RTU").

1.39 Should the installer find tampering or unsafe conditions that require the technician to wait for a Participating Member employee to arrive, the response time under normal conditions will not exceed 30 minutes. Should the installer be required to stay beyond this time, the Installation Subcontractor will be reimbursed at a time and materials rate as listed in Exhibit F.

1.40 It is the sole responsibility of the Participating Member to provide access to installation sites. Additional fees may be charged, with AMP and Participating Member's prior approval, if installers cannot get access to >5% of attempted sites on any given day, or >3% of attempted sites in a given week. As these thresholds are approached, installation Subcontractor will notify AMP and Participating Member to allow access issues to be resolved in a time manner.

1.41 End Customer Engagement

1.41.1 Installation Subcontractor will schedule an appointment for all life support End Customers.

1.41.2 Participating Member will implement an End Customer claims program. Participating Member will manage and resolve customer claims resulting from the Installation Subcontractor's products and services.

1.41.3 Installer will leave a door hanger after each visit or completed endpoint installation. Door hangers and all such related customer communications material will be provided by Participating Member.

1.42 AMP and Participating Member will be responsible for all marketing and End Customer communications.

1.43 End Customer contact information will be provided by Participating Member at least 30 days prior to the applicable deployment date and the installer will be allowed to contact End Customer to schedule installation appointments, where necessary. Contractor recognizes that customer contact information may change due to move-ins/move-outs within this 30-day window.

Installation Considerations –Access Point and Relay Installation on Poles

1.44 All installation sites will be pre-determined.

1.45 The installer will have permission to access all pre-determined installation sites; Participating Member may escort the installer to such sites.

1.46 The installer will refer to standard installation guides for type of pole mount installation and not blueprints or drawings.

1.47 The installer shall ground the installed device to an existing ground.

1.48 The pre-assembled infrastructure node and light arm will be mounted to an existing Participating Member pole 16 to 30 feet above ground level. Device installation distances must meet NESC clearance requirements.

1.49 The installer shall make the transformer power tap.

1.50 All installation sites will be outdoors and easily accessible by a bucket truck.

1.51 No permit fees are required for individual network equipment install locations.

1.52 The pricing does not include acquiring access or negotiating leases for new Equipment installation sites.

1.53 The pricing does not include determining loading limits to existing poles or elevated structures for Equipment mounting.

1.54 The pricing assumes installation on standard utility poles.

1.55 For all installations, Installation Subcontractor shall provide required consumable supplies, not included in the equipment provided by Silver Spring or Participating Member, per the installation documentation such as:

1.55.1 Miscellaneous wire and raceway;

1.55.2 Miscellaneous wire connectors for secondary voltage connections on utility poles; and

1.55.3 Through bolts, lag screws, and/or stainless steel banding to mount RF pole-top devices to wood or metal poles, if necessary

1.55.4 For antenna and radio installations at substations and towers, all consumables not identified in Exhibit F will be invoiced at costs to Installation Subcontractor.

1.56 The light arms will be provided by Participating Member in such quantities as to not disrupt the network installation schedule.

Specific Installation Considerations – Integrated Meter Exchange

1.57 All new Integrated Meter installations are assumed to be in the same form and class as existing meter. Accuracy of data regarding existing meters is the sole responsibility of Participating Member.

1.58 Participating Member will provide a list of life support and critical load meters prior to the Project start date. The Installation Subcontractor will not be held responsible for End Customer claims relating to life support or critical load meters where it was not notified in advance of a life support and critical load meter by Participating Member.

1.59 AMP will provide keys where meters are located behind locked gates.

1.60 Pricing for the installation services assumes that no more than 1% of accounts measured on a monthly basis will result in RTU status.

Specific Installation Considerations – IMU Installation on Water Meters

The pricing assumes that no more than 3% of water meters dispatched to the installer for retrofit will be RTU due to age, damage, or other maintenance related issues.

The pricing does not include any plumbing of service lines.

The unit price for installation does not include broken-screw repairs. Such repairs shall be provided at a time and materials rate listed in Exhibit F.

Participating Member will provide keys and tools for the removal and replacement of locking devices, as needed.

Participating Member will provide assistance with any unsafe situation upon notice by the installer.

Installation Subcontractor will perform IMU programming using Silver Spring approved procedures and tools. Silver Spring is responsible to provide specialty tools, if so required for IMU programming, to the installer.

Pricing does not include painting of meters.

Specific Installation Considerations – Water Meter Replacement

The pricing assumes that no more than 3% of water meters dispatched to the installer will be RTU due to age, damage, or other maintenance related issues.

The pricing does not include any plumbing of service lines.

The unit price for installation does not include broken-screw repairs. Such repairs shall be provided at the rate in Exhibit F.

Participating Member will provide keys and tools for the removal and replacement of locking devices, as needed.

Participating Member will provide assistance with any unsafe situation upon notice by the installer.

Pricing does not include painting of meters.

Optional Barcoding Services

For older and currently non-barcoded water meters that exist in the field, optionally and for the incremental fees listed in Exhibit F, install a sticker bar code label. Include a verification step in the WOMS handheld work flow to capture this activity's performance and verify that the new meter bar code is scanned. The following are the assumptions related to applying the bar code to old water meters:

Barcoding service will be performed at the same time as water IMU installation.

No drilling or tapping. Bar code is assumed to be a sticker-type solution or a plastic or metal barcode that could be affixed with an adhesive and held into place with a piece of tape to give it time to set.
Bar codes will be pre-printed and issued to installer. Installer will make the choice to use any one of the pre-issued bar codes to affix to each water meter.
Installer will do a quick "clean" on the meter surface to secure the best opportunity for bar code to properly adhere and remain affixed for the long term.
Installer will scan the new bar code during install to create an "association" with the water meter, as linked via the installation work order.
The installation work flow will have edits to prompt the Installer to perform these steps and not allow the work order to close unless this process is completed.
The completed installation work order record for each water meter that is transacted back to Participating Member will contain the new bar code information.

Quality and Audits

1.61 For Access Points and Relays, the Installation Subcontractor shall perform a field audit of the first three Access Points and first three Relays, and up to 5% of the remaining Access Points and Relays to inspect the quality of work.

1.62 For Endpoints, the Installation Subcontractor shall audit 100% of each installer's work in the field during the first 10 days and 5% thereafter.

1.63 Installation Subcontractor will revisit and correct any problems found by audits of the installer's work.

Reporting

1.64 In addition, Installation Subcontractor will provide activity reports on a regular basis to Silver Spring, AMP and Participating Member. Reports and data will include:

1.64.1 Daily and/or weekly summary reports with installation status.

1.64.2 Detail information defining the installation of each device.

1.64.3 Detail monthly report of all installations.

Additional Services and Resources to be Provided by Silver Spring

Silver Spring will:

1.65 Perform hardware and firmware troubleshooting of installed Access Points and Relays, and facilitate correction through Installation Subcontractor for any installation errors prior to acceptance.

1.66 Interface with AMP and Participating Member team, as needed.

1.67 Provide installation locations for all network devices.

1.68 Proactively communicate any issues that might/will delay the Project.

1.69 Resolve any complaints filed against Installation Subcontractor employees by Silver Spring, AMP, Participating Member, End Customer, or any other external party.

1.70 Provide guidelines for attaching Access Points and Relays to Participating Member poles and other third party poles and define mounting requirements for all possible pole types, including banding, bolts and power tap requirements.

1.71 Perform any required reviews of installation of each Access Point and Relay, and correction of installations that does not meet the requirements.

Additional Services and Resources to be Provided by AMP and/or Participating Member

AMP will:

1.72 Provide a Project manager to coordinate AMP and its Municipalities activities related to the Project.

1.73 Proactively communicate any issues that will delay the installation pace or Project.

Participating Member will:

1.74 Resolve any complaints filed against Participating Member's employees by Silver Spring or Installation Subcontractor.

1.75 Provide rules for attaching Access Points and Relays to Participating Member poles and other third party poles and define mounting requirements for all possible pole types, including banding, bolts and power tap requirements.

1.76 Secure all approvals required for installation of Access Points and Relays required no less than two (2) weeks prior to the scheduled installation.

1.77 Provide rings and seals; provide barrel locking tools.

1.78 Perform new Integrated Meter and IMU sample testing.

1.79 Perform removed meter "as-found" calibration testing.

1.80 Convert A-base meters to socket based meters. Convert/install K-base meters.

1.81 Perform repairs of bad order electric meter sockets in coordination with Silver Spring and the installer; these will likely be Participating Member supplied resources and/or contractors provided at Participating Member's expense.

1.82 Provide hazardous waste containers for batteries delivered at its warehouse; remove and replace when full.

Call Center Support

1.83 All End Customer calls will be received by Participating Member.

1.84 The installer is responsible for follow-up calls as are required to perform and complete its installation services or address installation related issues received by Participating Member's call center.

ATTACHMENT 3

PREVAILING WAGE – APPLICABLE TO _____

[TO BE ATTACHED, AS APPLICABLE]

EXHIBIT B - SCOPE OF ON-GOING SERVICES

AMP's Advanced Metering Program alleviates the need for the Participating Member deploy and operate AMI systems. Instead, AMP will deploy these technologies and provide them to the Participating Member as a service under contracts AMP has in place with its Vendors - Silver Spring Networks (Silver Spring), and ElectSolve Technology Solutions and Services (ElectSolve). This operating model is known as Software-as-a-Service (SaaS).

AMP will provide the following On-going Services in coordination with Vendors:

1. Participating Member Network and WAN Backhaul Ongoing Support
2. AMI Head-End System SaaS Hosting, Operations, Administration, and Support
    a. Functional Operation of system is handled by AMP AMI operator
3. Meter Data Management System SAAS Hosting, Administration and Support
    a. Includes support of interfaces from MDMS to other systems (CIS, GIS, OMS, SCADA, etc.)

A general description of the deployed technologies can be described as follows:

- ***UtilityIQ AMI Headend***. The AMI headend is a SaaS deployment where Silver Spring has deployed the UtilityIQ headend hardware, software and application its Category III primary & backup data Centers. Silver Spring operates and maintains the hardware, software and databases and is responsible for achieving system performance in accordance with SLAs. AMP is responsible for running the AMI application, such as setting up and maintaining read jobs. The Municipalities are responsible for field activities, such as meter, access point and relay field troubleshooting and replacement.
- ***UCentra Application Suite***: The UCentra applications is an owner-operated platform deployed at AMP's primary & backup datacenters. Each Participating Member will have its own UCentra instance and network subnet, however, all systems will run in a single Virtual hardware and database environment provided and provisioned by AMP. Each Participating Member will have access to functions related to billing and the data will be segregated so that each Participating Member will only have access to its own information. AMP will have full administrative responsibility for the system and ElectSolve will provide supplemental services to take responsibility for critical database, application and batch job tasks. ElectSolve will provide on-going consulting assistance for several other administrative tasks to be performed by the Participating Member or AMP.

This operating model, and associated roles and responsibilities (as detailed in Exhibit E), has been selected to achieve the following goals:

- Provide a seamless MDMS/AMI solution.
- Provide the Participating Member the value of advanced metering while providing a barrier to functions that would have the potential to corrupt or otherwise negatively impact the system as a whole.
- Provide a barrier between the Municipalities such that they can only view data associated with their specific customers.

1. **Silver Spring Field Network and WAN Backhaul Monitoring and Management**

    1.1. **General.** Silver Spring will remotely monitor from the NOC the Access Points, Relays and WAN Backhaul circuit 24x7. When an Incident triggers an alert, Silver Spring will communicate with AMP as set forth in

Attachment 2 to Exhibit B, track the incident, troubleshoot the problem, and escalate to Silver Spring subject matter experts or third party vendors as needed, pursuant to the agreed incident management process. AMP will cooperate with reasonable requests that Silver Spring makes as part of its efforts to respond to Incidents.

1.1.1. **Silver Spring Responsibilities**.

1.1.1.1. **Reports.** UIQ will provide built-in reports regarding the health and performance of Access Points and Relays.

1.1.1.2. **System Changes.** For any planned or urgent System Change related to any aspect of monitoring and management of the NAN and WAN backhaul described in this Task, Silver Spring will follow the established change management process per Attachment 3 to Exhibit B. Such change will be implemented during a Maintenance Window, or as the Parties otherwise agree.

1.1.2. **AMP and Participating Member Responsibilities.** AMP and Participating Member will cooperate with reasonable requests that Silver Spring makes as part of its efforts to respond to incidents.

1.2. **Remote vs. In-Field Actions.**

1.2.1. **Silver Spring Responsibilities.**

1.2.1.1. Silver Spring will perform its administration, monitoring and investigations (as detailed below) remotely, from its NOC.

1.2.1.2. Notwithstanding Task 1.2.2.1, at AMP or Participating Member's request and assuming that Silver Spring's remote assistance is unable to resolve a problem, Silver Spring resources can be made available on-site at AMP's facilities or in the field as mutually scheduled for an additional fee; *provided, however*, that Silver Spring resources are available in-field at no fee during the Deployment Period.

1.2.2. **AMP and Participating Member Responsibilities.**

1.2.2.1. Participating Member will perform all in-field investigations of the NAN.

1.2.2.2. **Equipment Replacement.** After in-field investigation or upon Silver Spring's recommendation, Participating Member will promptly remove Equipment experiencing problems and promptly replace such Equipment. AMP and/or Participating Member will communicate promptly with Silver Spring Customer Support when any such Equipment is removed or replaced. AMP and/or Participating Member will seek the replacement of all uninstalled Equipment using Silver Spring's then-current RMA process.

1.2.2.3. AMP will maintain in UIQ the current location information for all devices, including latitude, longitude, and the street address, and the current administrative state of such devices in UIQ (e.g., "maintenance", "retired", etc.).

1.3. **Integrated Meter and Water IMU Support**. AMP and/or its designated representative will be responsible for monitoring and resolving single Endpoint issues, including but not limited to performing in-field troubleshooting of all post-installation problems with Endpoints. To facilitate the identification of single endpoint issues, Silver Spring will provide one or more reports that can be generated automatically to notify Participating Member and AMP of single endpoint issues that require attention. Silver Spring will initiate investigation (remotely) of any Incidents involving Endpoints that fail to initialize and Endpoints or Water IMUs that transition to the "unreachable" state within the Production environment that are caused by a systemic problem (architectural, engineering, software, product design, etc.). Silver Spring will liaise with AMP and Participating Member, as necessary.

1.4. **Access Points and Relays.** Silver Spring will provide configuration management, firmware upgrades, monitoring and remote troubleshooting of Access Points and Relays for the production environment.

1.5. **WAN.** AMP will pay for the services of the WAN provider(s) for Access Point to WAN connectivity and the WAN backhaul circuit. Participating Member will reimburse AMP for this cost. If reasonably requested by Silver Spring or as the Parties otherwise agree, AMP and Participating Member will work directly with the WAN provider(s) to investigate and resolve WAN service incidents.

1.6. **WAN Backhaul Circuit.** Each Party will pay its expenses associated with Internet connectivity at its location. AMP will maintain and pay for a VPN connection from the WAN backhaul provider. As part of its monitoring of the WAN Backhaul circuit pursuant to Task 1.1, Silver Spring will provide ongoing monitoring and management of the VPN termination equipment. If AMP chose to establish and employ a dedicated telecommunications circuit for WAN backhaul connectivity in lieu of or in addition to a VPN, AMP will maintain that connection at AMP's expense and Silver Spring will monitor that connection.

1.7. **Firmware Maintenance.** At its discretion, Silver Spring will install Firmware Updates to the Communications Modules in Equipment, as a planned System Change. Equipment receiving a Firmware Update will be unavailable during the final step of the update process. For clarity, installation of meter

firmware updates is not included in the Solution Services. Installation of meter firmware updates can be performed under a separate agreement.

2. **Silver Spring Utility IQ (UIQ) AMI Head-End Ongoing Maintenance and Management**

2.1. **Software Support**. Software Support will be provided as set forth in Attachment 1 to this Exhibit B.

2.2. **Application Hosting and Management**

2.2.1. **General.** Silver Spring will administer and monitor the Server, database and storage for the UIQ environments purchased by AMP, and related Back Office network circuits and components. Silver Spring will monitor the UIQ System 24x7 remotely from the NOC. When an Incident triggers an alert, Silver Spring will communicate with AMP as set forth in Attachment 1 to this Exhibit B, track the incident, troubleshoot the problem, and escalate to Silver Spring subject matter experts or third party vendors as needed, pursuant to the agreed Incident management process. AMP will cooperate with reasonable requests that Silver Spring makes as part of its efforts to respond to Incidents.

2.2.1.1. **System Changes.** For any planned or urgent System Change related to any aspect of the Back Office, Silver Spring will follow the established change management process and implement the change during a Maintenance Window as described below, or as the Parties otherwise agree.

2.2.2. **Maintenance by Silver Spring; Back Office Maintenance Windows.** In accordance with the established change management procedures, Silver Spring will perform maintenance on Back Office hardware and software during one maintenance window ("**Maintenance Window**") per week, at a regularly scheduled time and lasting four (4) hours unless otherwise agreed. The Maintenance Window will always be available, but may not always be used. Unless mutually agreed, and for additional fees, all Maintenance Window will take place on a weekday after AMP's and Participating Member's local business hours. Annually, Silver Spring will publish its standard Maintenance Window schedule and, if necessary, work with AMP to align their maintenance window.

2.2.2.1. **Updates.** Silver Spring will provide and install, if applicable, Updates in accordance with Attachment 1 to this Exhibit B.

2.2.3. **Capacity Management.** Before introducing any Non-AMI Traffic into the NAN and/or WAN, AMP and Silver Spring will determine whether Non-AMI Traffic will impact the available capacity of the NAN and WAN and to plan for any such introduction to avoid interference with the timely performance of meter reads and other AMI functions. As part of this analysis, the Parties will determine whether additional Access Points or Relays are required or current Access Points and Relays must be relocated, all of which will be at AMP's expense.

2.2.4. **Backups and Restoration of Data.** Each Business Day, Silver Spring will conduct daily backups of application configuration files and Generated Data. These backups are for operational purposes only and are not a disaster recovery solution or a solution to be used by AMP for testing or analysis purposes.

2.2.5. **Disaster Recovery.** If Silver Spring declares, pursuant to the Disaster Recovery Plan, that an entire data center or other event causing a significant loss of a production system functionality and/or inability to access or read production data is a "disaster," Silver Spring will provide failover between the production and disaster recovery environments in a manner that meets the RTO and RPO, as defined below. Silver Spring will restore the production environment in accordance with the Disaster Recovery Plan.

a "Recovery Point Objective" or "RPO" means the point in time from which data can be recovered after the occurrence of an event causing a significant loss of system functionality and/or inability to access or read data. This term is used exclusively in the context of disaster recovery. The RPO for this SOW is four (4) hours.

b "Recovery Time Objective" or "RTO" means the time period during which business functions need to be restored after the Parties have agreed that an event causing a significant loss of system functionality and/or inability to access or read data has occurred. This term is used exclusively in the context of disaster recovery. The RTO for this SOW is twenty-four (24) hours from the time a disaster is declared.

2.2.6. **Disaster Recovery Test.** Silver Spring will perform a test of the Disaster Recovery Plan annually to confirm failover capabilities between data centers. The annual Disaster Recovery Test will be conducted in a scheduled maintenance window during which AMP's Production environment will be unavailable. Upon a successful completion of the Disaster Recovery Test a Report will be provided to

AMP for AMP's record-keeping. If test is unsuccessful another test will be scheduled and performed within 45 business days. This process will continue until a successful test is performed.

2.2.7. **Alignment of Disaster Recovery with Production.** As System Changes are made to the production environment, Silver Spring will make identical changes to the disaster recovery environment.

3. **Electsolve Applications and System Ongoing Support.**

3.1. Patching, Maintenance, and support of all servers within the Participating Member MDMS System

3.2. Backup Services. - Backup retention will be 4 weeks of daily backups available along with a minimum 1 year of at least one monthly backup (12 total, one per month) available.

3.3. Replication to Disaster Recover (DR) site

3.3.1. Disaster Recovery RTO of 4 to 8 hours.

3.3.2. Annual DR failover test will be performed to validate system recovery

3.4. Refer to Attachment 1 to this Exhibit for detailed information about Electsolve ongoing support services

ATTACHMENT 1
SUPPORT SERVICES

SILVERSPRING SUPPORT SERVICES TERMS

1. Certain Definitions. Capitalized terms used in this Attachment have the following meanings:

"**Error**" means a material failure of the Software to perform in accordance with its Documentation. Errors do not include, and Silver Spring shall have no responsibility for, any failure of the Software caused by any of the following: (i) any alterations, or modifications not made or approved by Silver Spring in writing; (ii) misuse or abuse, including without limitation the failure to operate the Software in accordance with Silver Spring's installation and operating instructions, or Documentation, including without limitation on computing devices or with computer operating systems and/or third party software other than those recommended by Silver Spring in writing; (iii) the Software has been damaged in any manner due to the fault or negligence of any person or entity other than Silver Spring or its authorized contractor; (iv) AMP fails to reasonably assist Silver Spring in verifying, reproducing and correcting error conditions, or Silver Spring is unable, after using reasonable efforts, to verify and reproduce the error condition reported by AMP; (v) any failure of the computer operating systems, hardware environment, and/or third party software utilized by AMP; or (vi) accident, Force Majeure or other types of damage not caused by Silver Spring.

"**Incident**" means an event that is not a standard operation and causes or may cause a disruption to or reduction in the quality of a Service, system or AMP productivity.

"**Major Release**" means a new release of Software supported by Silver Spring that adds features and functionality improving overall product performance, efficiency and usability. Major Releases are denoted by a change in the digit number of the release to the left of the decimal point (e.g., 1.5 to 2.0).

"**Minor Release**" means a new Software release supported by Silver Spring that impacts overall product performance, efficiency and usability. Minor Releases are denoted by a change to the tenths decimal number of the release (e.g., 1.5 to 1.6).

"**Patch Release**" means a Software release that provides Error fixes, and is denoted by a change to the hundredths decimal number of the release (e.g., 1.5.2 to 1.5.3).

"**Questions**" means AMP's requests for general technical support or information.

"**Tier 1 Support**" means support provided to Municipalities by Separate Silver Spring. Issues identified by the Municipalities will be directed to the Separate Silver Spring's (i.e., ElectSolve) Help Desk.

"**Tier 2 Support**" means technical support provided to AMP's support coordinators. UtilityIQ and network connectivity problems identified by AMP will be directed to the Silver Spring Help Desk.

"**Tier 3 Support**" means Silver Spring's support personnel that provide the services described in Section 2 below.

"**Update(s)**" means a Major Release, Minor Release, or Patch Release. Updates do not include stand-alone, plug-in or add-on software products or modules licensed separately that contain new features and functionality for which Silver Spring charges separate license and Support Services fees.

2. SUPPORT SERVICES. Silver Spring will provide Customer with the following Support Services for the term of the AMI Project for which Customer has purchased Support Services:

2.1. Access to Customer Support. Silver Spring will provide 24x7x365 secure access to a web-based customer portal containing Silver Spring product documentation, Updates, and other "self-service" materials, including a ticketing system that allows the customer to open and track the status of issues. Silver Spring Customer Support will be available to provide the Services described in this Exhibit, on weekdays (excluding Silver Spring holidays as Silver

Spring will specify annually in advance), during the hours listed below in Table 1. Except as required for Priority 1 Incidents pursuant to Table 2 below, contact during Customer Support Business Hours may be made by telephone or email using the contact information provided in Table 1, or via a Silver Spring-provided ticketing system.

Table 1 – Customer Support Business Hours and Contact Information

Customer Location	Customer Support Business Hours	Email Support	Telephone Support
North America	5 a.m.– 6 p.m. (Pacific)	support@silverspringnet.com	888.776.9876 (US) 650.298.4298 (Canada)

Calls made after Customer Support Business Hours will be diverted to Silver Spring personnel for Priority 1 Incidents. Customer must centralize its interactions with Silver Spring's Customer Support staff by assigning no more than two (2) persons who are authorized to contact Silver Spring for Support Services ("***Authorized CSR Supervisors***"). Authorized CSR Supervisors will be responsible for relaying information between Silver Spring and other members of Customer's support staff.

Silver Spring's Customer Support personnel will respond to Incidents, Questions and Errors as described below. Unless otherwise mutually agreed on a case by case basis, Silver Spring's Customer Support personnel will be Customer's primary point of contact.

Unless otherwise stated in an applicable SOW, AMP will provide Silver Spring with at least ten (10) Business Days' advance written notice when requesting Silver Spring resources to be on-site.

While Priority 1 issues will always be addressed via Customer Support 24x7, unless otherwise stated, Silver Spring team members other than Customer Support staff will be available during normal local business hours (9am-6pm on Business Days) for that specific resource – for example, Silver Spring team members in Redwood City, CA, are available during those hours Pacific Time, while Silver Spring team members performing in-field assistance are available during those hours in AMP's time zone. Off-hour resources can be arranged during critical periods; additional charges may apply.

2.2. Incidents and Questions. Silver Spring's Customer Support personnel will provide Tier 3 support, and receive and respond to Incidents and Questions. As a result of an Incident or Question being entered into the ticketing system, a new "Service Request" will be generated and referenced from that point forward. As Tier 3 support, Silver Spring's Customer Support personnel will respond only to Incidents and Questions submitted by the Authorized CSR Supervisors after they have attempted to resolve problems from Customer's other staff. Silver Spring will use reasonable efforts to provide support within the timeframes and in the manner specified in Table 2 below. Customer will cooperate with Silver Spring's reasonable requests.

If Customer has purchased SaaS, Silver Spring's Customer Support personnel will proactively alert Customer about Priority 1 Incidents that Silver Spring discovers in the course of its monitoring and management responsibilities under SaaS.

Unless Customer has purchased SaaS, Customer is solely responsible for remediating the root cause of Incidents (including, but not limited to, installing Software or Firmware updates).

2.3. Classification of Incidents and Questions. When Customer submits an Incident or a Question, Customer will reasonably assess its urgency according to the appropriate Priority Levels defined in Table 2. Silver Spring will confirm the Priority Level and the Parties will resolve any disagreement regarding the Priority Level designation as soon as is reasonably practical.

Table 2 –Priority Levels, Response and Resolution Process* Regarding Incidents and Questions

Priority	Description	Response Time and Continuing Communication	Resolution Process	Escalation
1	Mission-critical functions in supported applications or Firmware within a production system are stopped or unavailable such that Customer cannot reasonably continue work.	**Silver Spring Detects**: Silver Spring will contact Customer by telephone within 30 minutes of initial detection, regardless of time of day. **Customer Detects**: Customer will contact Silver Spring by telephone to report the incident. If this contact is outside of Customer Support Business Hours, Silver Spring will contact Customer within 30 minutes of receipt of the Incident to acknowledge receipt of the report. **Target**: Silver Spring will meet the stated Response times for 90% of all Priority 1 Incidents and will respond to 100% within 4 hours of receipt of the Incident. **Continuing Communication:** Every 2 hours after initial contact, unless the Parties otherwise agree.	Silver Spring will investigate and work on a 24 x 7 basis to provide Customer with a root cause analysis and to: (1) resolve the Incident with a workaround; (2) implement a change to eliminate the root cause; or (3) downgrade the Priority to a P2, P3 or P4, whichever is earlier. Customer must be available 24x7 to work with Silver Spring. If the root cause is found (or suspected) to be due to an Error, Silver Spring will issue an Error Report and track the progress toward the completion of a change which resolves the Error, according to Table 3 below.	If Silver Spring fails to respond within targeted response times, the Incident will be escalated as follows: **After 30 minutes:** Director, Front Line Support **After 1 hour** : Senior Director, Customer Support **After 4 hours**: Client Delivery Executive **After 8 hours**: SVP, Smart Grid Services and Operations
2	Major functions in supported applications or Firmware within a production system are significantly and adversely affected. The function has major and material business impact to Customer.	**Silver Spring Detects**: During Customer Support Business Hours, Silver Spring will contact Customer within 90 minutes of initial detection. **Customer Detects**: Customer will contact Silver Spring to report the Incident during Customer Support Business Hours. **Target**: Silver Spring will meet the stated Response times for 90% of all Priority 2 Incidents and will respond to 100% within 4 hours of receipt of the Incident. **Continuing Communication**: Every 6 hours after initial contact during Customer Support Business Hours, unless the Parties otherwise agree, unless the Parties otherwise agree.	Silver Spring will investigate and work during Customer Support Business Hours to: (1) resolve the Incident with a workaround; (2) implement a change to eliminate the root cause; or (3) downgrade the Priority to a P3 or P4, whichever is earlier. If the root cause is found (or suspected) to be due to an Error, Silver Spring will issue an Error Report and track the progress toward the completion of a change which resolves the Error, according to Table 3 below.	If Silver Spring fails to respond within targeted response times, the Incident will be escalated as follows: **After 90 minutes:** Director, Front Line Support **After 4 hours** Senior Director, Customer Support **After 8 hours**: Client Delivery Executive **After 24 hours:** SVP, Smart Grid Services and Operations

Priority	Description	Response Time and Continuing Communication	Resolution Process	Escalation
3	Minor functions in supported software or Firmware are either severely degraded or inoperable and may have low business impact but do not prevent Customer from performing regular business activity.	Customer will contact Silver Spring to report the Incident during Customer Support Business Hours. Silver Spring will acknowledge the Incident within 1 business day. **Target**: Silver Spring will respond to 100% within 1 business day of Incident Report receipt. **Continuing Communication**: Weekly, unless the Parties otherwise agree.	Silver Spring will investigate and work during Customer Support Business Hours to: (1) resolve the Incident with a workaround; (2) implement a change to eliminate the root cause; or (3) downgrade the Priority to a P4, whichever is earlier. If the root cause is found (or suspected) to be due to an Error, Silver Spring will issue an Error Report and track the progress toward the completion of a change which resolves the Error, according to Table 3 below.	On Request
4	Errors with day-to-day use of the product, whether classified as user interface related, errors in documentation, presentation, or functionality that do not prevent Customer from performing daily business.	Customer will contact Silver Spring to report the incident during Customer Support Business Hours. Silver Spring will acknowledge the Incident within one business day of receipt of the Incident. **Target**: Silver Spring will respond to 100% within one business day of receipt of the Incident. **Continuing Communication**: Weekly, unless the Parties otherwise agree.	Silver Spring will investigate and work during Customer Support Business Hours to: (1) resolve the Incident with a workaround; or (2) implement a change to eliminate the root cause. If the root cause (or suspected root cause) is due to an Error, Silver Spring will issue an Error Report and track the progress toward the completion of a change which resolves the Error, according to Table 3 below.	On Request

No incident regarding a non-production environment will be considered a Priority 1 incident (i.e., an incident that would be considered Priority 1 if it affected the production environment will be categorized as Priority 2). Moreover, if Customer reports an Incident affecting Equipment or network performance as Priority 1 in any area that has not been Optimized, Silver Spring may, in its sole discretion, categorize such incident as Priority 2. Because such non-Optimized meters may not be used for billing, such an Incident will not be deemed critical to Customer's business operations and Priority 1 classification may not be deemed appropriate.

Silver Spring will close out an Incident, unless Customer objects within ten (10) days of receipt of Silver Spring's resolution of the Incident.

2.4. Error Management. To the extent Silver Spring determines or suspects that the root cause of a reported Incident is an Error, Silver Spring will open a report ("***Error Report***") and use reasonable efforts to investigate and resolve the Error in accordance with Table 3 below. Target resolution timeframes in Table 3 do not include the time that elapsed before a problem was identified as an Error.

2.5. Classification of Errors. When Silver Spring determines that the root cause of an Incident is an Error, it will reasonably classify the Error in accordance with the Severity Levels defined in Table 3. The Parties will resolve any disagreements about the Severity Level designation as soon as is reasonably practical.

Table 3 – Software and Firmware Error Management with Severity Levels, Response and Target Resolution Times

Severity	Technical (System) Error	Operational Error	Target Resolution Time and Continuing Communication preceding Resolution
1	**Critical Error.** Critical functions in supported applications within a production system have stopped or unavailable such that Customer cannot reasonably continue work. The function is mission critical to the Customer's business and has significant material impact. Severity 1 defects are a function of the software application affected, and typical examples would include: (i) correctness of metrology data used for usage derived billing generation purposes; and (ii) major documented functions such as meter read, remote disconnect and meter data export are inoperable. This would also include the system hanging frequently and indefinitely even after repeated restarts, causing unacceptable or indefinite delays for resources or response. An example of a Severity 1 issue for Firmware would be the loss of communication to the network resulting in a large number of estimated bills. For Firmware to qualify as a Severity 1 issue, the Error must impact a significant number of the deployed endpoints.	**Emergency Priority Operations Error.** Stops business from performing essential daily work. Measurement of energy use is not functioning correctly, and a manual workaround is not feasible (e.g., when the system completely fails to collect energy use information)**.**	As soon as possible, with communication after opening of Error Report every 4 hours until resolution. Silver Spring will provide continuous efforts until the earlier of: (a) a change resolves the root cause, or (b) a workaround is provided. Customer must work with Silver Spring continuously until such time. Typically, resolution of Severity 1 Errors requires an emergency Patch Release. Additional time may be required for resolution of Errors resulting from meter firmware bugs.

Severity	Technical (System) Error	Operational Error	Target Resolution Time and Continuing Communication preceding Resolution
2	**Major System Error.** Major functions in supported applications within a production system are significantly and adversely affected and have a major business impact to the Customer. Severity 2 defects are a function of the application affected and would include major documented functions such as meter read, remote disconnect and severe degradation of the meter data export. For Software, this would also include the system hanging or crashing intermittently, but can be restarted to restore operation.	**High Priority Operations Error.** The Error has a significant adverse impact on Customer. High risk security errors are considered to be "high priority."	As soon as possible, with daily communication after opening of Error Report until Silver Spring provides a diagnosis and reasonable action plan. Thereafter, every other business day until resolution. Silver Spring will use commercially reasonable efforts to provide a diagnosis and reasonable action plan within 2 Business Days. Customer must work with Silver Spring to facilitate resolution. Typically, resolution of Severity 2 Errors requires an emergency Patch Release.
3	**Moderate System Error.** Minor functions in the supported application are severely degraded or inoperable and may have low business impact, but do not prevent the Customer from performing regular business activity.	**Medium Priority Operations Error.** The Error affects system users, but does not stop the performance of Customer's daily business and there is a reasonable workaround.	180 calendar days (based on relative prioritization*) after opening of Error Report with ongoing communication until Silver Spring provides diagnosis and reasonable action plan, or until resolution. * After fixes for higher rated Errors are placed into production, fixes for moderate Errors will be considered for inclusion in the next available Update.
4	**Minor System Error**. Errors with day-to-day use of the product, whether classified as user interface related, errors in documentation, presentation, or functionality which may have small material business impact but does not prevent the Customer from performing daily business.	Low Priority Operations Error. The Error is an irritant.	Upon mutual agreement, 365 calendar days after opening of Error Report, to be resolved in the normal course of Silver Spring's development activities** unless Silver Spring and Customer agree to close the Error Report without any resolution. Communication after opening of Error Report will be monthly until Silver Spring provides diagnosis and reasonable action plan, then quarterly until resolution. ** After higher rated Errors have been fixed and scheduled for release, fixes for minor Errors will be considered for inclusion in that release or in a subsequent release in the normal course of Silver Spring's development activities.

1.

2. 2.6. On-Site Support. Silver Spring will provide on-site support at a mutually agreed time, at Silver Spring's then-current standard consulting rates, plus all travel, lodging and incidental expenses.

2.7. Remote Support. Silver Spring will provide remote support to customers who have purchased SaaS in accordance with the applicable statement of work. If Customer has not purchased SaaS, Customer will, at its cost, provide Silver Spring with remote access to the UIQ System, and, through it, to the WAN Backhaul and NAN, via a secure VPN connection to facilitate Silver Spring's ability to troubleshoot and support Customer to the extent required to diagnose or address Errors. Any delay in providing such access, or any failure of such access due to acts or omissions of Customer may affect the time required for resolution.

2.8. Device History. As mutually agreed, and for customers who have not purchased SaaS, Customer shall provide Silver Spring with a properly completed monthly report in a reasonable form provided by Silver Spring that addresses the history for all Equipment to distinguish between potential Incidents and hardware issues.

2.9. Updates. At its discretion and upon general release, Silver Spring will provide Updates to Customer, at no additional charge. Silver Spring will install Updates if Customer has purchased SaaS. If Customer has not purchased SaaS, Silver Spring will provide Updates and related documentation electronically for installation and implementation by Customer or by Silver Spring at an additional cost.

2.10. Limits to Software Version Support for Customers with Deployments in Excess of Two Years. If Customer refuses Updates to the version of UIQ Software it is using, Silver Spring will provide Support Services for that Minor Release for a period of the lesser of: (a) the remainder of the SaaS Term or term for which Customer purchased Support Services, or (b) two (2) years from the general availability date of the Minor Release. For the purposes of version support, a Major Release includes a Minor Release by default, and will be treated as such. Customer may purchase an additional two (2) years of Minor Release version support ("**Extended Software Support**") for the Fee specified in Exhibit F; provided that, Silver Spring's sole obligation with respect to Extended Software Support will be to release Software for purposes of bug fixes and maintenance modifications. Silver Spring will provide Customer with a minimum of six (6) months advanced notice for each of (i) End of Standard Software Support, (ii) End of Extended Software Support, and (iii) End of Life for product.

2.11. Limits to Firmware Version Support for Customers with Deployments in Excess of Two Years. If Customer refuses Updates to the version of Firmware it is using, Silver Spring will provide Support Services for that Minor Release for a period of the lesser of: (a) the remainder of the SaaS Term, or (b) two (2) years from the general availability date of the Minor Release. For the purposes of version support, a Major Release includes a Minor Release by default, and will be treated as such. Customer may purchase an additional two (2) years of Minor Release version support ("**Extended Firmware Support**") for the fee specified in Exhibit F; provided that, Silver Spring's sole obligation with respect to Extended Firmware Support will be to release Firmware for purposes of bug fixes and maintenance modifications. Silver Spring will provide Customer with a minimum of six (6) months advanced notice for each of (i) End of Standard Firmware Support, (ii) End of Extended Firmware Support, and (iii) End of Life for product.

2.12. Customer's Responsibilities. Customer will provide Tier 1 Support and Tier 2 Support. Customer is responsible for acting on and implementing the support solutions that Silver Spring recommends or provides, including workarounds. In the event of an emergency Software or Firmware Patch Release, which addresses a critical Error that could have material impact, Customer shall implement the emergency patch in a timely manner as directed by Silver Spring. Silver Spring shall have no liability for Customers' failure to implement the emergency Patch Release.

3. TERM AND TERMINATION. Support Services will commence on the initial delivery date of the UIQ Software and remain in full force and effect for an initial term of (a) one (1) year, unless sooner terminated in accordance with this Attachment or (b) in accordance with the Support Services term. Thereafter, Support Services will automatically renew for additional consecutive one (1) year terms, unless either Party has notified the other of its intent not to renew at least ninety (90) days prior to the expiration of the then-current term. Support Services will automatically terminate if the SOW is terminated in accordance with its terms.

ELECTSOLVE SUPPORT SERVICES TERMS

ETSS will provide Tier 1, 2 and 3 support. Integration Support includes:

- Access to software interface and integration upgrades, program patches and documentation updates
- Business hour hotline support, telephone support from 8:00 AM to 5:00 PM CST. After hours support provided for Priority 1 calls.
- Application and data problem diagnosis assistance resulting from third party system integration issues, data management or other related causes.

1. New Releases and Updates

Supplier will notify CUSTOMER 30 days in advance of installing a new certified version of the Software. Supplier will then coordinate with CUSTOMER to install the latest available versions of the Software at a suitable time and will coordinate this installation within any customer required maintenance window(s) following agreed upon change management process. Supplier will provide the SAT procedures to CUSTOMER and conduct the SAT remotely from Supplier offices. CUSTOMER will provide Supplier with SAT testing results within 15 business days of completion of the SAT.

2. Platform Software and Server Software:

Prior to any upgrade/update, the Parties will determine the likely impact of a pending upgrade on CUSTOMER platforms (servers or devices) and applications. Installation date of new Release(s) will be mutually agreed between CUSTOMER and Supplier to ensure that the timing does not adversely impact CUSTOMER.

3. Incident Management

CUSTOMER and Supplier collaboration and communication is a key to mutual success. All entities responsible for Service Availability will follow an agreed matrix for Incident communication and Incident Management to be developed during the project kickoff workshop.

A. Cases and Updates

Supplier will coordinate Incident isolation, testing and repair work for supplier Software and all Software third-party component system errors, defects or problems that are within Supplier's span of control which are covered under the applicable Software Maintenance and Support Agreements. Supplier will proactively inform CUSTOMER when an issue or condition arises that may cause potential system anomalies and additional Cases.

B. CUSTOMER Notification to Supplier

CUSTOMER may communicate Incidents to Supplier by email or telephone at any time. In each case, SUPPLIER will open a Case with information to assist in Incident Resolution and will assign a Case number to the Incident. Supplier will generate a single response by email for each Case regardless of initial Incident notification method.

C. Incident Classifications

Supplier assigns incidents/cases to a specific category based on the following matrix below:

Category	Definition
Severity 1 – Urgent	Complete Software failure, severe Software instability, or the loss or failure of any major subsystem or Software component such as to cause a significant adverse impact to Software availability, performance, or operational capability.
Severity 2 – Serious	Degradation of Software or critical functions such as to negatively impact Software operation.
Severity 3 – Minor	Any other Software defect, failure, or unexpected operation.
Severity 4 – General/Technical Help	Request for Software information, technical configuration assistance, "how to" guidance, and enhancement requests.

3. D. Escalation Procedure

CUSTOMER may elect to escalate a support Severity 2, 3 or 4 problem if and when Supplier proposed action plan or solution to a problem is unsatisfactory, the reported severity of a problem has changed, and/or the Supplier has not provided a response within the stated response time set forth in (G) below.

4. E. Business Hours Support

Support Email Address - **ElectSolve_Support@electsolve.com**

Regular Business Hours Phone - **318-221-2055**

- Supplier will provide assistance with service requests 8 hours per day, 5 days per week excluding holidays. Support shall be provided during normal working hours (8:00 am – 5:00 pm Central Time). After hours support outlined below.
- The Support team shall include all key technical competencies so that any aspect of a system failure can be investigated and shall comprise experienced technical staff that is skilled in troubleshooting Supplier delivered system.
- Each case entered by Customer shall be logged, given a unique case number, and assigned to a Supplier support resource for investigation and analysis.
- Severity 1 problems shall be reported by telephone for rapid response; target response times are stated below.
- For severity 1 problems, the key objective shall be to restore the system to an operational state as quickly as possible, which may be achieved by a temporary workaround. Resolution of the defect shall then be completed during Supplier standard working hours.
- Severity 2 problems shall be reported in the same manner as for 8X5 Support but shall have shorter target response times as stated below.
- The Support service goals shall be to meet these targets for greater than 95% of all incoming requests.

Support Service Targets	**Support Invoice Credit for Availability Shortfall (against Total Monthly Service Fee)**
95.00% - 100%	0%
93.50% - 94.99%	5%
90.50% - 93.49%	7.5%
< 90.49%	10%

- Severity 3 and 4 problems shall be treated in the same manner as for 8X5 Support.

5. F. After Hours and Holiday Support (Severity 1 – Urgent only)

6. After Hours Phone – 888-407-1621

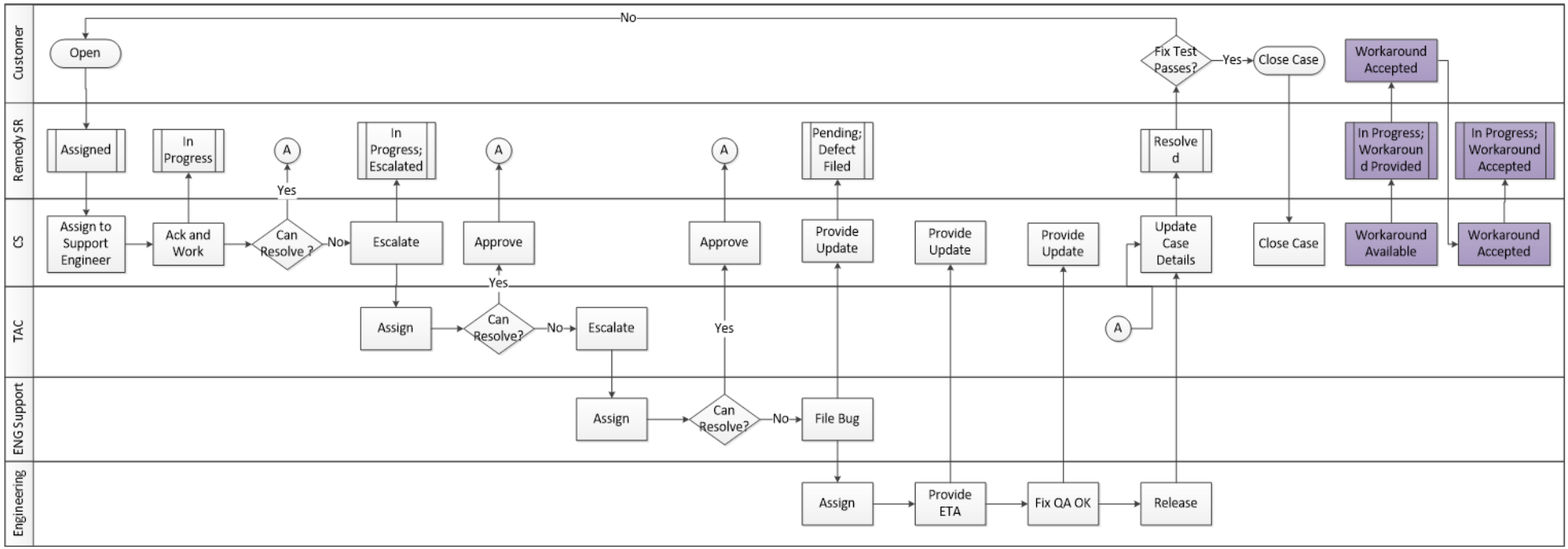
- After Hours Support is defined as incidents that occur Monday – Friday before 8am Central time or after 5pm Central Time or on Saturdays, Sundays or holidays
- After Hours Support should only be used for incidents that would be considered Severity Level 1 problems
- To report a Severity Level 1 incident after regular hours, call the Supplier's on-call number listed above
- In the event the customer is unable to talk to a support representative directly, the customer should leave a detailed message and they will be contacted within the allotted timeframe for a Severity Level 1 issue as outlined in section G.

7. G. Standard Support Target Problem Response Times

Severity	**Initial Response Time** (call back by Technician)	**Action Response Time** (work will begin)	**Action**
1	60 minutes (For after hours/holiday support, customer must call after hours number in section F to guarantee response time)	4 hours	An urgent or emergency situation requiring continuous attention from necessary support staff until system operation is restored – may be a workaround.
2	1 day	1 day	Attempt to find a solution acceptable to the customer as quickly as practical. Resolution may be a workaround.

Severity	**Initial Response Time** (call back by Technician)	**Action Response Time** (work will begin)	**Action**
			Resolution time is dependent on reproducibility, ability to gather data, and customer's prioritization.
3	2 days	5 days	Evaluation and action plan. Resolution may be by workaround. Resolution time is dependent on reproducibility, ability to gather data, and customer's prioritization.
4	2 days	10 days	Statement of when problem or question is likely to be resolved.

ATTACHMENT 2
SILVER SPRING INCIDENT MANAGEMENT PROCESS



ATTACHMENT 3
SILVER SPRING CHANGE MANAGEMENT PROCESS

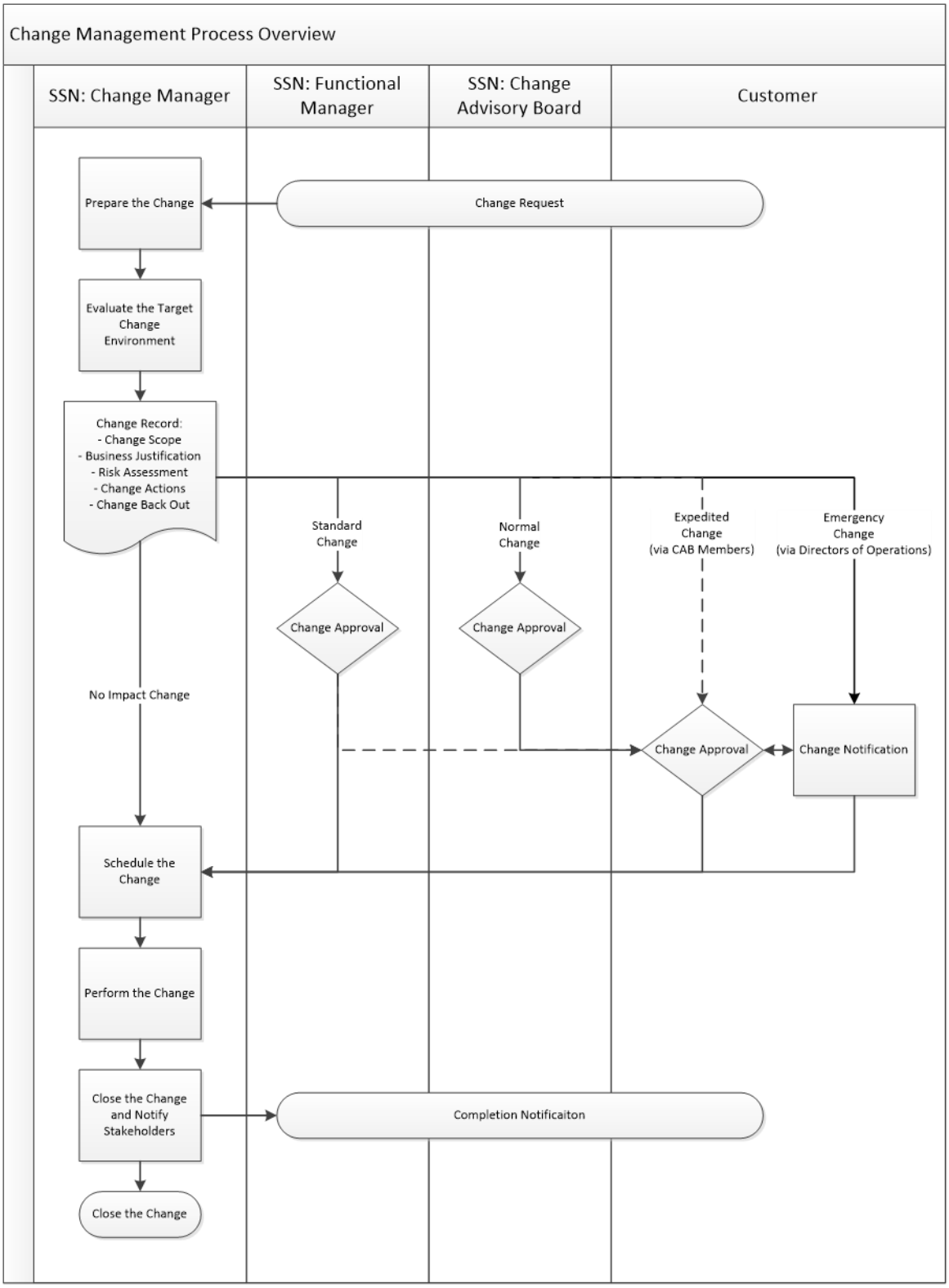


EXHIBIT C – DEFINITIONS

1. "Acceptance Testing" means the procedure by which the Parties perform a series of tests to validate, measure and verify Product functionality.
2. "Access Points" or "APs" means Equipment that acts as an interface between the NAN and the WAN that allows UIQ to communicate with the Endpoints.
3. "AMI" or "Advanced Metering Infrastructure" means hardware and software that, along with communications services, enable automated meter reading and other capabilities.
4. "AMI Project" means AMP's AMI project as described in the applicable SOW, excluding materials, equipment, software or services provided by third parties not under Silver Spring's direction or control.
5. "AMI System" means the AMI products and technologies that Silver Spring will provide, including: (a) the Back Office, (b) WAN connections to/from Access Points, (c) the NAN, exclusive of eBridges, and (d) the data center infrastructure, facilities, and environmental and power resources where the Back Office equipment is located.
6. "AMI Traffic" means (i) communications between and among the UIQ System and Access Points, Relays and Integrated Meters associated with routine network management and diagnostic functions; and (ii) data and communications flowing between the UIQ System and Integrated Meters through Silver Spring RF mesh network, provided that the same are related to meter reading, meter configuration, meter maintenance, meter status, and remote disconnect switch operation or status.
7. "Anchor Read" means the "register value" stored once daily in a register in the Communication Module as installed in the Integrated Meter (usually at midnight).
8. "Application Server" means the hosted server and web based interface that is used by End Users to access and utilize the Service.
9. "Authorized CSR Supervisors" means the CSR Representatives who are authorized to contact Silver Spring for Support Services.
10. "Availability" means the percentage resulting from the following calculation: [1-(Down Time/(Total Time)] x 100. Availability percentages must be expressed to two decimal points with the second decimal place rounded up or down to the nearest one-hundredth of a percentage point.
11. "Backhaul" means the WAN between the Access Points and the data center (e.g., cellular 3G networks, broadband over power line (BPL), Wi-Fi, fibermux over Ethernet, etc.).
12. "Back Office" means and includes the UIQ System.
13. "Business Day" means weekdays excluding Silver Spring holidays as Silver Spring will specify annually in advance.
14. "Capacity" means the maximum System capability that is available to support the software.
15. "Case" means a numbered record that documents a significant event, enquiry or incident. The tracking document for an incident, enquiry or scheduled maintenance.
16. "Communication Module" means Silver Spring's network interface card (sometimes also referred to a "NIC"), that is installed in Equipment and meters.
17. "Customer Support Representative" or "CSR" means a member of AMP's customer service staff who provides telephone, email, or other remote support to End Customers.
18. "CSR Supervisors" means Customer personnel who supervise the CSRs.
19. "Deployed Endpoint" means an Endpoint that is in any operational state within the UIQ system, except "New", which is a UIQ operational state used to track Endpoints shipped to the Purchaser and not yet installed (eg. Inventory for spares).
20. "Deployment Period" means the period under the applicable SOW commencing on SOW Effective Date, or date on which an applicable notice to proceed is issued, whichever is later, and ending upon completion of Acceptance Testing.
21. "Disaster Recovery Plan" means Silver Spring's disaster recovery plan for SaaS.
22. "Documentation" means an electronic version of the then-current installation instructions and user manuals Silver Spring customarily provides to its customers.
23. "Down Time" means the number of minutes the Service is not operational during a calendar month and excludes scheduled downtime.
24. "Emergency Maintenance" means maintenance required outside the agreed-upon Contracted Maintenance or necessary within Contracted Maintenance but not scheduled more than 24 hours in advance.

25. "End Customer" means a residential or commercial customer of any Participating Member.
26. "Enhanced Field Network Design" means the field network design that incorporates recommended changes (i.e., those most useful to an effective and efficient Field Network Design) based on Site Survey results and AMP's review of pole locations.
27. "Endpoints" means and includes Integrated Meters, Water IMUs and any other device that the Parties agree in writing is an Endpoint.
28. "Equipment" means all hardware and related accessories Silver Spring provides to Participating Member under this Contract that is identified as such in an exhibit.
29. "Error" has the meaning set forth in Attachment 1 to Exhibit B.
30. "ETSS" means ElectSolve Technology Solutions and Services, a Separate Vendors.
31. "Excusable Delay" means conditions beyond a party's reasonable control, including, without limitation, Acts of God, accidents, fires, floods, earthquakes, severe weather, labor disputes, acts of civil or military authorities, or scheduling delays or delays in providing necessary resources by the other Party, or the other Party's contractors.
32. "Fees" means, with respect to any SOW, all amounts payable thereunder.
33. "Field Network Design" means a design created by Silver Spring that identifies the number and proposed locations of Relays and Access Points that will be required for the deployment area, based on the number, density, and coverage area of Endpoints, RF Mesh bandwidth requirements and acceptance criteria. The Field Network Design is dependent upon information that AMP provides under the applicable SOW.
34. "Field Service Unit (FSU)" means a 900MHz Frequency Hopping Spread Spectrum ("FHSS") radio provided by Silver Spring that works with a laptop or handheld computer to provide field service personnel the ability to wirelessly interrogate Silver Spring's radio communication network devices.
35. "Field Tests" or "Field Testing" means the tests for Equipment deployed in an area of AMP's service territory as set forth in the applicable SOW.
36. "Final Field Network Design" means the document that Silver Spring provides to AMP after each Optimization, and which describes the design, size, capacity and configuration of the Participating Member NAN, and the number and location of Access Points and Relays.
37. "Firmware" means the object code version of Silver Spring proprietary software that is embedded in Equipment.
38. "Force Majeure" means any event giving rise to an Excusable Delay.
39. "Fronthaul" means the connection between AMP's data center or corporate network and the Back Office, which enables (1) AMP's staff to access the UIQ System's user interface and (2) communications between AMP's backend systems (e.g. MDMS) and the UIQ System. Fronthaul connectivity can be established via VPN, dedicated telecommunications circuit, MPLS circuit or other mutually agreed transport.
40. "Gas IMU" means Silver Spring's gas interface management unit.
41. "Generated Data" means all information, data, analyses and reports generated by the UIQ System and stored in the UIQ System database.
42. "Hours of Operation" means 8 hours a day, 5 days a week, U.S. Central Time, Monday through Friday, excluding up to 10 holidays ("Support Hours").
43. "Incident" has the meaning set forth in Attachment 1 to Exhibit B and results in a Tier 1 Support Request.
44. "Initial Field Network Design" means the field network design that sets forth the initial estimate of the number of Access Points and Relays required for the deployment area, based on the number, density, and coverage area of Endpoints, RF mesh bandwidth requirements and acceptance criteria, without consideration of topography, land use, type of buildings, vegetation, etc.
45. "Installation Subcontractor" means a subcontractor to Silver Spring that performs installation services of Access Points, Relays, and Endpoints.
46. "Instance" means a copy of UIQ installed on a Silver Spring Server.
47. "Integrated Meter" means an electricity metering endpoint provided by the Integrated Meter Provider into which the Communications Module has been integrated in accordance with applicable specifications.
48. "Integrated Meter Provider" means a supplier of Integrated Meters for AMP, as agreed to by the Parties in writing.
49. "Interval Read" means, for Integrated Meters, the "interval values" stored in the channels in the Communication Module, which are recorded on the Communication Module on a periodic basis (e.g., every 15 or 60 minutes).
50. "IP" means Internet Protocol.
51. "Maintenance Window" has the meaning set forth in the applicable SOW.

52. "Major Release" has the meaning set forth in Attachment 1 to Exhibit B.
53. "Meter Data Management System (MDMS)" means a meter data management system provided by AMP.
54. "Minor Release" has the meaning set forth in Attachment 1 to Exhibit B.
55. "NAN" or "Neighborhood Area Network" means and includes Endpoints, Relays, Access Points and the wireless mesh network established as a result of such devices running UIQ. There will be a NAN for each AMP Participating Member
56. "NOC" means Silver Spring's network operations center.
57. "Non-AMI Traffic" means any network communications or information that does not constitute AMI Traffic.
58. "Optimization" means the procedure by which the field network design, Equipment configuration and implementation have been validated for the Endpoint locations installed under the applicable SOW by performing active and passive tests to (1) identify Endpoints / service points for which performance and data return redundancy meets the design specifications upon which the Parties have agreed (such Endpoints / service points would be considered "Optimized"), and (2) identify Endpoints / service points that do not meet such specifications so that they will be managed subsequent to Optimization. Optimization will be executed in a given area of the service territory (i.e., the area will be "Optimized") after initial Endpoint installation exceeds 95% complete in such area and all Access Points and Relays required by the Enhanced Field Network Design for the area have been installed and validated. Optimization may result in the placement of additional, or relocation of existing, Relays and Access Points in the area, to yield the Final Field Network Design.
59. "Optimization Area" means a collection of approximately 1-100,000 Integrated Meters spanning one Participating Member used for Optimization.
60. "Patch Release" has the meaning set forth in Attachment 1 to Exhibit B.
61. "Preventive Maintenance" means activities performed by Silver Spring that are necessary or desirable for the continuous provision of SaaS at their stated Service Levels, including, but not limited to, those activities that require the temporary cessation of one or more SaaS.
62. "Product(s)" means a combination of Equipment and Software.
63. "Project Management Services" means Silver Spring's project management services for project coordination and deployment of UtilityIQ as described in the applicable SOW.
64. "Project Manager" means the person each Party appoints to handle the day-to-day management of the Parties' respective responsibilities described in the applicable SOW.
65. "Project Plan" means a document prepared by Silver Spring and agreed to in writing by AMP, describing the Parties' respective tasks and responsibilities, milestones, deliverables, testing and Project Contract under an applicable SOW.
66. "Project Contract" means the schedule for delivery of the Products and completion of Services under an applicable SOW, as the Parties mutually agree in writing.
67. "Provisioned" means an Endpoint that is located in an area of the NAN and which is in any of the following operational states within the UIQ System: "active," "inactive," or "disconnected," and which has been Optimized, but which is not: (i) in a "discovered," "installed," "initializing," "unreachable" or "init_failed" state; or (ii) considered to be in the process of being deployed.
68. "Purchase Order" means AMP's ordering document referencing this Contract.
69. "Questions" has the meaning set forth in Attachment 1 to Exhibit B.
70. "Relay" means Silver Spring's wireless receiver that routes and forwards information through the Silver Spring mesh network.
71. "Resolution" means the permanent correction of the error, defect or condition giving rise to the Incident/outage.
72. "RF" means radio frequency.
73. "Root Cause Analysis" means the process of identifying the core events that resulted in failure to meet performance requirements.
74. "SaaS (Software as a Service)" means the Service where Silver Spring operates Software on Silver Spring servers at a Silver Spring data center and makes such Software accessible to AMP, and AMP's Authorized Users, on a subscription basis.
75. "SAT" means System Acceptance Test.
76. "Contracted Maintenance" means the number of minutes of maintenance that is scheduled in advance and occurs within the Contracted Maintenance Window.
77. "Contracted Maintenance Window" means a three hour window of time in which Supplier may perform Contracted Maintenance.
78. "Server(s)" means the physical machine or computer on which UIQ will be installed.

79. "Service Availability" means the ability to sign on to the uCentra® Application.
80. "Service Level Agreement (SLA)" and "Service Level Credit" SLAs and Service Level Credits:
    a. Unless otherwise provided for in a SOW, Consultant will provide SaaS in accordance with the applicable service levels agreements ("SLAs") set forth in Exhibit D attached hereto. Unless otherwise provided for in a SOW, Consultant will issue AMP a credit in the amount set forth in Exhibit D for Consultant's failure to meet the applicable SLAs ("Service Level Credit"); provided, however, the total Service Level Credits awarded to AMP for any single month may not exceed twenty percent (20%) of the associated monthly SaaS Fees. Notwithstanding the foregoing, if a single event results in Consultant's failure to meet more than one SLA, only the SLA associated with the single greatest Service Level Credit shall apply for the purposes of calculating the total Service Level Credits. The Service Level Credits are the Purchasers' sole and exclusive remedy, and Consultant's sole liability, for the failure to meet the applicable SLA.

    b. To receive a Service Level Credit, AMP must issue a written request to Consultant no later than thirty (30) calendar days after the circumstances giving rise to such Service Level Credit occurred. Each Service Level Credit request will be confirmed by Consultant's monitoring software. No Service Level Credits will be issued or accrue if AMP is not current in its payment obligations. SLAs will only apply to Provisioned Endpoints and only when those Provisioned Endpoints are fully powered and actively communicating. Service Level Credits shall not issue or accrue in connection with Consultant's failure to meet any SLA to the extent such failure is associated with any of the following: (i) prior to the completion of Optimization; (ii) during scheduled maintenance and emergency maintenance (including the installation of Firmware and for seventy-two (72) hours thereafter as the NAN returns to normal operating ranges); (iii) failure of any backhaul between Endpoints and the Server environment; (iv) failures in external Internet or VPN configurations not managed by Consultant; (v) any event that falls in the category of "Excusable Delays" as part of the applicable Vendor Agreement; (vi) incorrect metric reporting as a result of outages or errors of any Consultant measurement system; (vii) an act or omission of AMP, Participating Member, or other third parties beyond the reasonable control of Consultant; and (viii) failures of third-party equipment, hardware, software or services.
81. "Service Level/Priority" means priority set to each case by Supplier to determine what the resolution ETA should be.
82. "Site Survey" means an in-field inspection (generally by Silver Spring or its authorized agents) of the location where the Relays and Access Points will be deployed. The Site Survey includes the recording of information regarding the location, including, but not limited to, Longitude/Latitude coordinates, pole ID, mounting height, cellular signal strength and overall suitability of the location.
83. "Software" means any Silver Spring proprietary software and associated documentation identified as such in an exhibit to this Contract, including firmware and third party software embedded in any of the foregoing (Equipment and Software are referred to collectively as "Products");
84. "SOW" means an amendment to a Vendor Agreement which specifically addresses work to be performed for Participating Member.
85. "SOW Effective Date" means the date when an SOW becomes effective, which is the date of last signature of either Party to execute such SOW.
86. "Specifications" means the technical specifications for the Product upon which the Parties mutually agree in writing.
87. "Supplier's Span of Control" means Application Software used in connection with providing MDMS services to CUSTOMER. Exceptions that are out of Supplier's Span of Control:

    Common Carrier and telecommunication Issues
    Backup Services
    Off-site backup storage
    Third Party software, data integrated problem resolution for non- Supplier software (CIS, AMI, SCADA, OMS, MWF, Pre-Pay, etc.)
    Hardware/Servers/Switches/Routers/Firewalls/Storage Devices/etc.
    Hardware Redundancy
    Networks/Physical/Virtual/WAN/LAN/VPN, etc.
    Network Performance
    Participating Member Networks/Customer Network Performance

Participating Member Network Latency
Participating Member Provided Data Quality
Customer Network Security
Co-Location Security
Co-Location Service/Rack Space/Environmental Services/etc.
Telecom Latency
Infrastructure Disaster Recovery Services
Regional Power Outages

88. "Support Services" means any technical, informational and maintenance support services provided by Silver Spring in accordance with Attachment 1 to Exhibit B and Attachment 2 to Exhibit B.
89. "System" means any or all of Supplier's platforms, databases, software, product modules and API(s), both Third Party, and not Third party, that support the Service.
90. "System Change" means any change or modification to any infrastructure components of the UIQ System and the NANs.
91. **"**Tier 1 Support**"** has the meaning set forth in Attachment 1 to Exhibit B.
92. "Tier 2 Support" has the meaning set forth in Attachment 1 to Exhibit B.
93. "Tier 3 Support" has the meaning set forth in Attachment 1 to Exhibit B.
94. "Update(s)" has the meaning set forth in Attachment 1 to Exhibit B.
95. "UtilityIQ Software", "UtilityIQ" or "UIQ" means the object code version of Silver Spring's UtilityIQ® software. The UIQ modules must be licensed individually.
96. "UIQ System" means Silver Spring's head end system, including without limitation, Servers, Software and the following network and application components: (routers terminating IPSEC/RFC2893 tunnels; (b) VPN tunnel (or other circuit) connecting AMP to a UIQ environment; and (c) a data center infrastructure (including network, power and facilities).
97. "VPN" means a Virtual Private Network, which is a secure LAN-to-LAN tunnel based on the IPsec protocol, used to connect AMP and the NOC providing access to the Smart Grid System from AMP corporate location(s).
98. "WAN" means a Wide Area Network, which is the network supporting communications between the Access Points and the UIQ System.
99. "Water IMU" means Silver Spring's water interface management unit.

EXHIBIT D - SERVICE LEVELS AND CREDITS AND WARRANTIES

I. SERVICE LEVELS AND CREDITS

1. **SLA Triggers**. Each Service Level listed below will start to be enforceable, and to be reported on, upon the satisfaction of the condition noted below (each an "**SLA Trigger**").

2. **SLAs and Service Level Credits.**

2.1. **Participating Member-level SLAs and Service Level Credits.** The SLAs described in this Section 2.1 will be measured on a per-Participating Member basis. Similarly, the Service Level Credits associated with the SLAs described in this Section 2.1 will be issued on a per-Participating Member basis, as a proportion of the SaaS Fees attributable to each Participating Member entitled to such Service Level Credits (each, an "**Affected Participating Member**").

2.1.1. **Participating Member SLA for Endpoint Read Data**. For newly available data on the Communication Module, the UIQ System will gather and process Anchor Reads and Interval Reads from Provisioned Endpoints deployed within each Participating Member's territory at the applicable rate set forth in the tables below with respect to Anchor Reads captured at midnight and Interval Reads captured each day, by 10.00 a.m. local time the next day.

(a) Endpoint Read Data SLA Applicable to Integrated Meters:

SLAs for Meter Read Data	
# of Participating Member's Provisioned Integrated Meters	**SLA**
<500	No SLA
500-1,999	≥ 90%
2,000-4,999	≥ 95%
5,000-9,999	≥ 98%
>10,000	≥ 99%

(b) Endpoint Read Data SLA Applicable to Gas and Water IMUs:

SLAs for Gas IMU and Water IMU Read Data	
# of Participating Member's Provisioned Gas IMUs and Water IMUs	**SLA**
<500	No SLA
500-1,999	≥ 89.5%
2,000-4,999	≥ 94.5%
5,000-9,999	≥ 97.5%
>10,000	≥ 98.5%

2.1.1.1. **SLA Trigger.** The SLA Trigger related to the SLA for Endpoint Read Data is the Optimization of Endpoints within a given Participating Member's Optimization Area.

As each additional Area is Optimized, Silver Spring will identify the Endpoints that are Optimized, and such Endpoints will be added to the set of Endpoints (either (i) Integrated Meters, or (ii) Gas and Water IMUs) subject to the applicable SLA above.

2.1.1.2. **Service Level Credits for Affected Participating Member**. If Silver Spring fails to meet the SLA defined in Section 2.1.1 above with respect to any given Affected Participating Member, AMP (on behalf of each Affected Participating Member) will be entitled to the following Service Level Credits, which shall be calculated based on the portion of the quarterly SaaS Fees attributable to such Affected Participating Member:

Service Level Credits for Failure to meet SLA for Endpoint Read Data	
Affected Participating Member's No. of Daily Failures in the Applicable Quarter	**Service Level Credit** *(% of affected Participating Member's attributable quarterly SaaS fee associated with the UIQ production environment)*
1 – 15	0%
16 – 30	4%
31-45	10%
46 – 60	15%
61 +	20%

2.1.2. Participating Member SLA for On-Demand Requests. The UIQ System will successfully execute at least ninety-eight percent (98.0%) of all (a) on-demand read, (b) on-demand remote connect and (c) on-demand remote disconnect requests made by each Participating Member for Provisioned Integrated Meters which are actively communicating. An on-demand request is a single transaction to a single Integrated Meter, initiated by a single user of the UIQ system. An on-demand read request does not include batch read jobs targeted at multiple Integrated Meters (e.g. "read all unread meters"). For the purposes of calculating this Service Level, multiple attempts to connect with a single device within a twenty-four (24) hour period will count as one failed attempt; on-demand read requests (single or batch) targeted at an Integrated Meter which was not read in the previous 24 hours will be excluded; and on-demand read jobs initiated by system-level accounts ("root" and "UIQ") will be excluded.

2.1.2.1. **SLA Trigger.** The Service Level Trigger related to the SLA for on-demand performance is the Optimization of more than 10,000 Integrated Meters within a Participating Member's given Optimization Area. Once this threshold is met, and as each additional Area is Optimized, Silver Spring will identify the Integrated Meters that are Optimized, and such Integrated Meters will be added to the set of Integrated Meters subject to the SLAs.

2.1.2.2. **Service Level Credits for Affected Municipalities**. If Silver Spring fails to meet the SLA defined in Section 2.1.2 above with respect to any given Affected Participating Member, AMP (on behalf of each Affected Participating Member) will be entitled to the following Service Level Credits, which shall be calculated based on the portion of the quarterly SaaS Fees attributable to such Affected Participating Member:

Service Level Credits for Failure to Meet SLA for On-Demand Requests	
Affected Participating Member's % of On-demand Requests Successfully Executed in the Applicable Quarter	**Service Level Credit*** *(% of affected Participating Member's attributable quarterly SaaS fee associated with the UIQ production environment)*
≥98.0% and 100.0%	0%
≥95.0% and <98.0%	5%
≥90.0% and <95.0%	10%
≤90.0%	20%
**Service Level Credits will apply only if there is a minimum of 1,500 on-demand requests in the applicable quarter.*	

3. **Consecutive Failures to Meeting Minimum SLAs.** In the event that any minimum quarterly SLA (defined as 90.0% for on-demand requests and 95.0% for UIQ availability) is not be met in two consecutive quarters then, with respect to the second such quarter, the cap on cumulative Service Level Credits will be 30% of the applicable SaaS Fees. This 30% cap will continue to apply for each subsequent consecutive quarter in which the minimum quarterly SLAs defined above are not met.

4. **Reporting.** Notwithstanding the quarterly basis of measuring SLAs and issuing of any associated Service Level Credits described above, Silver Spring will measure and report on-going SLAs on a monthly basis, each calendar month, starting with the Service Level Triggers defined herein. That report will list performance against all SLAs in the prior month and an estimate of any Service Level Credits that may apply. Following each such report, the Parties will discuss such performance and the extent to which the estimated Service Level Credits either are appropriate or should be modified due to circumstances not captured by the reporting methodology. Upon agreement concerning the Service Level Credits due, such credits will be applied against Silver Spring's charges for the second month following the month in which the credits were incurred.

5. **Inconclusive Analyses.** Silver Spring will conduct root cause analyses of SLA failures to the extent that such analyses can be conducted remotely and do not require a field visit. If a field visit is required, then AMP will perform the work under direction from Silver Spring. If Silver Spring's analysis is inconclusive or if the Parties agree that circumstances outside Silver Spring's control caused the SLA failure (e.g., known or expected unreachable meter patterns in a given area), AMP will not be entitled to a Service Level Credit.

II. WARRANTIES

Vendor Silver Spring has contractually provided to AMP the following warranties:

Product Warranties.

1. *Equipment Warranty*. For a period of one (1) year from the delivery date of Equipment ("**Equipment Warranty Period**"), Silver Spring warrants that such Equipment provided by Silver Spring shall be: (i) new unless AMP and the Participating Member give prior written approval otherwise; (ii) in conformity with the requirements of the Vendor Agreement; and (iii) free from defects in materials and workmanship. An extended warranty is available to the municipality as an extra cost option. If selected by the Participating Member, pricing for the extended warranty is provided in Exhibit F. As the sole and exclusive remedy, Silver Spring will, at its option and expense, repair or replace the non-

conforming Equipment during the warranty period described in this Section. Prior to returning a unit of Equipment for repair or replacement, AMP or Participating Member will obtain from Silver Spring a return manufacturer's authorization ("**RMA**") number, which shall be placed on all packaging, labeling, and other communications relating to the return. Silver Spring may require that the Equipment be evaluated prior to issuing an RMA number. Once Silver Spring confirms the nonconformity or defect and determines that it cannot be repaired at Purchaser's site, Silver Spring will accept return of such Equipment for repair or replacement and return the Equipment as promptly as possible and in accordance with Silver Spring's standard RMA procedures. The warranty period for replaced or repaired Equipment shall be the greater of (i) the remaining warranty period of the nonconforming Equipment that was repaired or replaced, or (ii) six (6) months from the delivery date of such replaced or repaired Equipment. Should Silver Spring fail or be unable to perform the necessary repairs, replacements, and tests in accordance with Silver Spring's RMA procedures, AMP may perform or cause to be performed the necessary work at Silver Spring's expense. The Equipment warranty does not cover Equipment in poor operating condition due to: (a) changes to the Equipment not made or approved by Silver Spring in writing; (b) use with cables, mounting kits, antennas, battery backups and other devices connected to Equipment or third party software or firmware that Silver Spring has not provided to AMP or Participating Member or approved for use with such Equipment in writing; (c) Participating Member's or a third party's misuse, abuse, negligence, or failure to install, test, handle or operate the Equipment in accordance with the applicable documentation; (d) certain force majeure events; or (e) incorrect data, or data entry or output by Participating Member or a third party.

2. *Water IMU Battery Warranty*. Silver Spring warrants that any Water IMU with an external transmitter installed shall be free from battery defects in manufacturing and design for a period of twenty (20) years from the delivery date of such Water IMU *(*"**Water Battery Warranty Period**"*)*. Silver Spring or its suppliers will repair or replace a Water IMU product that is non-performing due to battery failure free of charge for the first ten (10) years of the Water Battery Warranty Period and at a prorated replacement cost based on the current list price during the remaining ten (10) years of the Water Battery Warranty Period as follows:

Water Battery Warranty Period Year #	Prorated Replacement Cost (per non-conforming water IMU product)
11	30% of then-current price of the replacement water IMU product
12	35% of then-current price of the replacement water IMU product
13	40% of then-current price of the replacement water IMU product
14	45% of then-current price of the replacement water IMU product
15	50% of then-current price of the replacement water IMU product
16	55% of then-current price of the replacement water IMU product
17	60% of then-current price of the replacement water IMU product
18	65% of then-current price of the replacement water IMU product
19	70% of then-current price of the replacement water IMU product
20	75% of then-current price of the replacement water IMU product

3. *Extended Gas IMU Battery Warranty*. Subject to certain contractual limitations, Silver Spring warrants to AMP that, for a period of ten (10) years from the delivery date of any Gas IMU ("**Gas Battery Warranty Period**") purchased by AMP under the Vendor Agreement, the battery contained in such Gas IMU will conform in all material respects to the applicable Documentation. For the avoidance of doubt, the warranty provided in this Section only applies to the extent AMP (i) purchases the underlying Gas IMU from Silver Spring, and (ii) pays Silver Spring the additional Fee associated with the Gas IMU battery warranty as set forth in the applicable Order. As the sole and exclusive remedy, (i) for any failure of a Gas IMU battery that occurs during the initial five (5) years of the Gas Battery Warranty Period, Silver Spring will replace such non-conforming Gas IMU battery at Silver Spring's expense; and (ii) for any failure of a Gas IMU battery occurring during the final five (5) years of the Gas Battery Warranty Period, AMP shall be entitled to a credit against the purchase of a replacement Gas IMU battery. The amount of such credit shall be determined as follows:

Gas Battery Warranty Period Year #	Credit Amount (per non-conforming Gas IMU battery)
6	80% of then-current price of the replacement gas IMU battery
7	60% of then-current price of the replacement gas IMU battery
8	40% of then-current price of the replacement gas IMU battery
9	20% of then-current price of the replacement gas IMU battery
10	10% of then-current price of the replacement gas IMU battery

Services Warranty. For a period of six (6) months from the completion date of the Services, Silver Spring warrants to AMP that any Services performed pursuant to any SOW shall be free from defect or failure due to faulty workmanship. The sole and exclusive remedy, and Silver Spring's entire liability, for any breach of this warranty will be for Silver Spring to correct or re-perform any nonconforming Services during the warranty period described in this Section, at Silver Spring's expense, provided that Silver Spring shall have no obligation to re-perform any non-conforming Services if the Vendor Agreement with Silver Spring has terminated or expired.

ARTICLE XI. EXHIBIT E - Overview of Roles and Responsibilities for AMI and MDMS Systems

Associated system operating model and associated roles and responsibilities for the operation and maintenance of the AMI application called UtilityIQ, provided by Silver Spring Networks (Silver Spring), and UCentra MDMS, provided by ElectSolve Technology Solutions and Services (ElectSolve).

Legends for Role and Responsibility Matrices

The matrices refer to four primary participants

- AMP (American Municipal Power), typically an IT systems person
- ETSS (ElectSolve): ElectSolve's Services team member assigned to AMP
- Participating Member (any participating Participating Member): typically an AMI lead at the Participating Member
- SSN (Silver Spring Networks): Silver Spring's Network Operations Center

The matrices define the roles and responsivities for all headend and network tasks. It is meant to be applicable once the system goes into operation. (Responsibilities during deployment and test are defined in our responses to the AMP RFP.) The nomenclature used in the table is as follows:

- **R** = Responsible, the organization responsible for carrying out the task
- **P** = Participate, the organization responsible for providing the responsible party any needed support or coordination.
- **A** = Approving, the organization responsible for approving the intended actions of the responsible party in advance of the actions being executed. Approval also means that the Silver Spring and ElectSolve inform one another in advance of the pending activity to assure the activity does not impact the other party's platform or operations.
- **N** = Notification, the organization will be notified in advance by the responsible party before the activity takes place.

ARTICLE XII. Roles and Responsibilities for SaaS UtilityIQ AMI Head

AMI 1.	***Back Office Network Administration***	**Muni**	**AMP**	**SSN**
a.	Maintain customer data center network and customer corporate network connections to support UtilityIQ environments.			R
b.	Maintain WAN backhaul network connections (APs to UtilityIQ system), monitoring and troubleshooting (including escalating to relevant provider (public WAN provider, utility, etc.).			R
c.	Maintain utility LAN-to-UtilityIQ connectivity, including monitoring and troubleshooting (fronthaul).			R
d.	Maintain monitors to enable the SSN NOC to respond to alerts and escalate internally and externally, as necessary.			R
e.	Maintain B2B network connections (VPN/DSL) and associated security and access control measures to enable SSN Remote Management			R
f.	Maintain back office network configuration management.			R
g.	Provide network connections capacity planning.			R
h.	Provide capacity planning procurement.			R
AMI 2.	***Server Administration/Operating System (OS)***	**Muni**	**AMP**	**SSN**
a.	Troubleshoot OS problems.			R
b.	Manage file systems			R
c.	Maintain monitors to enable the NOC to respond to alerts and escalate internally and externally, as necessary.			R
d.	Apply OS patches and updates, and test.		A	R
e.	Create user (shell) accounts, as required.			R
f.	Maintain all current software licensing requirements for applicable third-party software (Oracle, Red Hat Enterprise Linux, and so on).			R
g.	Maintain current hardware maintenance agreements for all equipment and servers in customer data center(s).			R
h.	Provide remote for activities requiring physical presence (power cycle hardware, escort vendors, etc.)			R
i.	Maintain server and OS configuration management			R
j.	Provide server capacity planning.			R
k.	Provide capacity planning procurement.			R
AMI 3.	***Storage Administration***	**Muni**	**AMP**	**SSN**
a.	Maintain external storage systems (SAN hardware and software), including updates, patches, and fixes.			R
b.	Maintain current maintenance agreements for SAN hardware and software			R
c.	Implement and maintain storage file system for UtilityIQ, according to Silver Spring performance specifications.			R
d.	Maintain monitors to enable the NOC to respond to alerts and escalate internally and externally, as necessary.			R
e.	Maintain SAN configuration management.			R
f.	Provide storage capacity planning			R
g.	Provide capacity planning procurement			R
AMI 4.	***Database Administration***	**Muni**	**AMP**	**SSN**

a.	Maintain monitors to enable the NOC to respond to alerts and escalate internally and externally, as necessary.			R
b.	Manage database table space usage and next extent sizes.			R
c.	Perform database reorganizations.		A	R
d.	Backup database redo (archive) logs			R
e.	Resolve database problems			R
f.	Apply database updates and patches, and test.		A	R
g.	Perform regular (typically weekly) database purge/archive tasks ("retention").		A	R
h.	Maintain current all software licensing requirements for applicable third-party software (Oracle).			R
i.	Maintain database configuration management.			R
j.	Provide database capacity planning.			R
k.	Provide capacity planning procurement			R
AMI 5.	***Backups***	**Muni**	**AMP**	**SSN**
a.	Provide backup infrastructure (hardware/software).			R
b.	Perform regular backups.			R
c.	Manage off-site backups.			R
d.	Monitor backup jobs.			R
e.	Restore from backup media, as necessary.			R
f.	Periodically validate/test backup restore procedure.			R
g.	Maintain backup configuration management.			R
AMI 6.	***Application Administration***	**Muni**	**AMP**	**SSN**
a.	Install and configure application updates, patches, and fixes.	N	A	R
b.	Maintain application tuning (configuration management).			R
c.	Maintain monitors to enable the NOC to respond to alerts and escalate internally and externally, as necessary.			R
d.	Monitor and respond to alerts, and escalate internally and externally, as necessary.			R
e.	Support testing of new UtilityIQ releases in test environments, and approve updates to upper environments (Production and Rapid Recovery), if applicable.			R
AMI 7.	***UIQ Administrative Tasks***	**Muni**	**AMP**	**SSN**
a.	Perform adds/deletes/change to UtilityIQ user accounts (user administration)		A	R
b.	Contract/Run UtilityIQ Application batch jobs.			R
c.	Monitor critical-identified read and export batch jobs.			R
d.	Coordinate batch jobs and backups.			R
AMI 8.	***Security***	**Muni**	**AMP**	**SSN**
a.	Provide physical and logical security of equipment.			R
b.	Provide physical and logical security of data.		P	R
c.	Maintain VPN connection firewall.			R

d.	Create and maintain security policies to equipment and data.		A	R
e.	Maintain security of configuration management.		A	R
f.	Monitor and assess security strategies.			R
g.	Support and participate in system security reviews and audits.			R
h.	Conduct security penetration test of all critical Silver Spring components.			R
AMI 9.	***Operations Policies and Procedures***	**Muni**	**AMP**	**SSN**
a.	Tier 1 Support *(Note: UtilityIQ and network connectivity problems identified by AMP will be directed to the Silver Spring Help Desk. Issues identified by the Participating Members will be directed to the ElectSolve Help Desk.)*	See Note	See Note	See Note
b.	Maintain Application Support Desk, Tier 2 (technical support to customer's support coordinators).			R
c.	Provide onsite coordination and tracking of Customer Support issues			R
d.	Allow direct escalation to Tier 3 (TAC and NOC) support personnel (via onsite Smart Grid Engineers)			R
e.	Modify Management policies and procedures.		A	R
f.	Update Incident Management policies and procedures.		A	R
g.	Monitor logs for non-security events.			R
h.	Report on SLA and other performance measurements.			R
i.	Review monthly performance and agree on Service Level credits.		P	R
AMI 10.	***Meter Deployment Management***	**Muni**	**AMP**	**SSN**
a.	Procure new meters as required.	R		
b.	Provide meter installation (post initial deployment).	R		
c.	Provide meter hardware replacement and maintenance.	R		
d.	Provide regular updates on Integrated meter deployment progress and plans.	R		
e.	Provide properly formatted device files for all meters.	P		R
f.	Manage import of device files for all meters into UtilityIQ.			R
g.	Provide properly formatted location files for all meter installations, including GPS coordinates. (Note: operation to be performed via ElectSolve MDMS.)	R		
h.	Manage import of location files for all meters into the MDMS.. (Note: operation to be performed via ElectSolve MDMS and the MDMS will post the properly formatted data to SSN for UtilityIQ processing.)	R		
i.	Provide field troubleshooting of meters.	R		
j.	Deploy NIC firmware updates (included in SaaS fees)		A	R
k.	Deploy meter firmware updates (service provided as a fee for service)		A	R
l.	Deploy meter program updates files (service provided as a fee for service)		A	R

AMI 11.	***Mesh Network Operations***	**Muni**	**AMP**	**SSN**
a.	Provision and install any new APs and Relays in accordance with operating procedures, installation guides and design documents. (post initial deployment).	R		P
b.	Provide properly formatted device files for all APs and Relays	P		R
c.	Provide properly formatted location files for all meter installations, including GPS coordinates (for all such devices moved or added after the deployment period or optimization)	R		P
d.	Manage import of device and location files for all APs and Relays into UtilityIQ (for all such devices moved or added after the deployment period and optimization.	P		R
e.	Validate APs after installation (after the deployment period and optimization, relevant for organic growth of meter locations or device replacement).			R
f.	Manage procurement/billing of WAN carrier (cellular operators).		R	P
g.	Perform AP and Relay firmware upgrades.		A	R
h.	Perform regular "network sweeps" to update firmware and configure newly deployed devices covered in the scope of the agreement.			R
i.	Monitor reachability of APs and Relays.			R
j.	Troubleshoot reachability of APs and Relays.			R
k.	Perform network operation statistics gathering, analysis, trending and reporting.			R
l.	Provide field investigation of meters, APs, and Relays (as requested) to help determine root cause of meter deployment issues.	R		P
m.	Provide AP and Relay hardware replacement and maintenance.	R		
n.	Provide AP and Relay configuration management.			R
o.	Provide AP and Relay capacity planning.	P		R
p.	Procure new APs and Relays as required.	R		
q.	Initiate remote disconnects/reconnects. (Note: this would be initiated in the MDMS by the Participating Member and executed via a integration with the UtilityIQ headend.)	R		
r.	Perform export verification via deployed SSN monitors			R
s.	Perform meter read verification via deployed SSN monitors			R
t.	Conduct performance reporting auditing.		N	R
u.	Perform SLA tracking.		N	R
v.	Perform data maintenance within the application, incorporating both meter and installation (location) information.			R
w.	Perform device swaps within the application.			R
x.	Coordinate field visits for faulty/suspect devices.	P		R
AMI 12.	***Disaster Recovery***	**Muni**	**AMP**	**SSN**
a.	Conduct annual Rapid Recovery walk-through exercise, and test failover drills.		P	R
b.	Maintain and provide an overall customer Rapid Recovery Plan, encompassing UtilityIQ and MDMS dependencies (including acceptance criteria).		R	P
c.	Maintain and update Rapid Recovery Plan, in accordance with changes to the environment.		P	R

d.	Test customer data connections and backup communications with Silver Spring.		R	
e.	Maintain network connectivity between data center(s) to meet the design requirements (RPO).			R
f.	Provide adequate notice of Rapid Recovery walk-through schedule.		R	P
g.	Maintain and provide an overall customer Rapid Recovery Plan, encompassing UtilityIQ dependencies (including acceptance criteria).		R	P
h.	Install and configure application updates, patches, and fixes.	N	A	R
AMI 13.	***AMI/MDMS System DAILY Operations***	**Muni**	**AMP**	**SSN**
a.	Monitor MDMS daily to assure that all expected meter data has been properly feed to MDMS system.	R		
b.	Monitor CIS daily to assure that all expected meter data has been properly feed to CIS system.	R		
c.	Run the Communication Network Devices Status Report and investigates and troubleshoots issues found. Notify Participating Member if in field assistance is needed.			R
d.	Runs read performance reports in the head-end, investigates causes and analyzes data in the MDM Notify Participating Member if in field assistance is needed.			R
e.	Removes warehoused meters from read schedules and deletes retired meters from the AMI head-end.			R
f.	Resolve the meter edits	P		R
g.	Runs orphan meter and register read report for electric, investigates and resolves. Notify Participating Member if in field assistance is needed.			R
h.	Runs unknown node report and leak reports for water, troubleshoots and resolves. Notify Participating Member if in field assistance is needed.			R
i.	Runs the Gap and VEE reports to analyze estimated reads. Notify Participating Member if in field assistance is needed.	R		
j.	Runs and reviews the MDM Consecutive Days Zero Consumption Report, Consumption on Inactive Meters Report, Exception Report for "Zero" reads, Negative Consumption Report, SQL Job Activity Report, and the Tamper Reads Report.	R		
k.	Contact Participating Member to request field troubleshooting and repairs when required. Support field troubleshooting from the NOC. Test repairs when required.			R
l.	Monitor the list of open troubleshooting and repair requests.	N		R
m.	Conduct field troubleshooting and repairs on APs and relays when requested by Silver Spring NOC. Notify NOC of completion and coordinate with NOC for any required testing	R		
n.	Compiles and distributes AMI system information to Utility staff in the form of statistical reports to track system performance, growth and productivity.	N	N	R

Responsibilities for On-premise MDMS

MDM 1.	***Back Office Network Administration***	**Muni**	**AMP**	**ETSS**
a.	Maintain customer data center network and customer corporate network connections to support UCentra environments.		R	
b.	Maintain WAN backhaul network connections (APs to UCentra system), monitoring and troubleshooting (including escalating to relevant provider (public WAN provider, utility, etc.).		R	
c.	Maintain utility LAN-to-UCentra connectivity, including monitoring and troubleshooting (fronthaul).		R	
d.	Maintain monitors to enable the NOC to respond to alerts and escalate internally and externally, as necessary.		R	
e.	Maintain B2B network connections (VPN/DSL) and associated security and access control measures to enable SSN Remote Management		R	
f.	Maintain back office network configuration management.		R	
g.	Provide network connections capacity planning.	P	R	P
h.	Provide capacity planning procurement.		R	
MDM 2.	***Server Administration/Operating System (OS)***	**Muni**	**AMP**	**ETSS**
a.	Troubleshoot OS problems.		R	P
b.	Manage file systems		R	P
c.	Maintain monitors to enable the NOC to respond to alerts and escalate internally and externally, as necessary.		R	
d.	Apply OS patches and updates, and test.		R	P
e.	Create user (shell) accounts, as required.		P	R
f.	Maintain all current software licensing requirements for applicable third-party software (Oracle, SQL Server, Red Hat Enterprise Linux, and so on).		R	
g.	Maintain current hardware maintenance agreements for all equipment and servers in customer data center(s).		R	
h.	Provide remote for activities requiring physical presence (power cycle hardware, escort vendors, etc.)		R	
i.	Maintain server and OS configuration management		R	P
j.	Provide server capacity planning.		R	P
k.	Provide capacity planning procurement.	P	R	P
MDM 3.	***Storage Administration***	**Muni**	**AMP**	**ETSS**
a.	Maintain external storage systems (SAN hardware and software), including updates, patches, and fixes.		R	P
b.	Maintain current maintenance agreements for SAN hardware and software		R	
c.	Implement and maintain storage file system for UCentra, according to ETSS performance specifications.		R	P
d.	Maintain monitors to enable the NOC to respond to alerts and escalate internally and externally, as necessary.		R	
e.	Maintain SAN configuration management.		R	P

f.	Provide storage capacity planning		R	P
g.	Provide capacity planning procurement	P	R	P
MDM 4.	***Database Administration***	**Muni**	**AMP**	**ETSS**
a.	Maintain monitors to enable the NOC to respond to alerts and escalate internally and externally, as necessary.		P	R
b.	Manage database table space usage and next extent sizes.		P	R
c.	Perform database reorganizations.			R
d.	Backup database redo (archive) logs			R
e.	Resolve database problems			R
f.	Apply database updates and patches, and test.			R
g.	Perform regular (typically weekly) database purge/archive tasks ("retention").			R
h.	Maintain current all software licensing requirements for applicable third-party software (SQL).		R	
i.	Maintain database configuration management.			R
j.	Provide database capacity planning.	P	P	R
k.	Provide capacity planning procurement	P	P	R
MDM 5.	***Backups***	**Muni**	**AMP**	**ETSS**
a.	Provide backup infrastructure (hardware/software).		R	
b.	Perform regular backups.		R	P
c.	Manage off-site backups.		R	
d.	Monitor backup jobs.		R	
e.	Restore from backup media, as necessary.		R	P
f.	Periodically validate/test backup restore procedure.		R	P
g.	Maintain backup configuration management.		R	P
MDM 6.	***Application Administration***	**Muni**	**AMP**	**ETSS**
a.	Install and configure application updates, patches, and fixes.		A	R
b.	Maintain application tuning (configuration management).			R
c.	Maintain monitors to enable the NOC to respond to alerts and escalate internally and externally, as necessary.			R
d.	Monitor and respond to alerts, and escalate internally and externally, as necessary.			R
e.	Support customer's testing of new UCentra releases in lower environments (such as test), and approve updates to upper environments (Production and Rapid Recovery), if applicable.		A	R
MDM 7.	***UCentra Administrative Tasks***	**Muni**	**AMP**	**ETSS**
a.	Perform adds/deletes/change to UCentra user accounts (user administration)	R	P	P
b.	Contract/Run UCentra Application batch jobs.			R
c.	Monitor critical-identified read and export batch jobs.			R
d.	Coordinate batch jobs and backups.			R
MDM 8.	***Security***	**Muni**	**AMP**	**ETSS**

a.	Provide physical and logical security of equipment.	R	R	
b.	Provide physical and logical security of data.	R	R	
c.	Maintain VPN connection firewall.	R	R	
d.	Create and maintain security policies to equipment and data.		R	
e.	Maintain security of configuration management.		R	
f.	Monitor and assess security strategies.		R	
g.	Support and participate in system security reviews and audits.	P	R	P
h.	Conduct security penetration test of all critical Silver Spring components.		R	
MDM 9.	***Operations Policies and Procedures***	**Muni**	**AMP**	**ETSS**
a.	Tier 1 Support *(Note: UtilityIQ and network connectivity problems identified by AMP will be directed to the Silver Spring Help Desk. Issues identified by the Participating Member will be directed to the ElectSolve Help Desk.)*	See Note	See Note	See Note
b.	Maintain Application Support Desk, Tier 2 (technical support to customer's support coordinators).		P	R
c.	Provide coordination and tracking of Customer Support issues		P	R
d.	Modify Management policies and procedures.		R	P
e.	Update Incident Management policies and procedures.		P	R
f.	Monitor logs for non-security events.		P	R
g.	Report on SLA and other performance measurements.		P	R
h.	Review monthly performance and agree on Service Level credits.		R	P
MDM 10.	***Disaster Recovery***	**Muni**	**AMP**	**ETSS**
a.	Participate in annual Rapid Recovery walk-through exercise, and test failover drills.	P	R	P
b.	Maintain and update Rapid Recovery Plan, in accordance with changes to the environment.	P	R	P
c.	Test customer data connections and backup communications	P	R	
d.	Maintain network connectivity between data center(s) to meet the design requirements (RPO).	R	R	
e.	Provide adequate notice of Rapid Recovery walk-through schedule.	P	R	
f.	Maintain and provide an overall customer Rapid Recovery Plan, encompassing UCentra dependencies (including acceptance criteria).	P	R	

EXHIBIT F - PRICING SCHEDULE

I. INITIAL SERVICES

Field Equipment	
Network Infrastructure Equipment (Installed & Spares)	$78,470.00
Network Infrastructure Tools	$37,545.00
Network Installation	$11,501.60
Integrated Electric Meters	$935,767.83
Electric Meter Installation	$141,789.60
Water Meter Modules	$639,595.20
Water Meter Module Installation Services	$137,368.00
Water Network Infrastructure Tools	$23,280.00
Professional Services - Silver Spring Networks	$88,418.00
Applications & Integrations	
Base Billing System Integration, Training, Project Management	$88,100.00
Optional Interfaces, Optional Configurations & Optional Application Modules	$112,854.00
AMP Project Management	$83,573.10
INITIAL SERVICES TOTAL	**$2,378,252.33**

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INITIAL SERVICES - DETAILED BREAKDOWN

Network Equipment and Installation Services

Network Infrastructure Equipment						
Item	**Catalog Number**	**Net Gear Quantities**		**Price / Unit ($USD)**	**QTY**	**Total Price**
		Installed	**Spares**			
Ethernet Access Point 4.5	200-030109	3	1	$4,750.00	4	$19,000.00
Relay 4.5	210-040149	22	3	$950.00	25	$23,750.00
Power Cable, 4.5 AP and Relay 4,5, 3-Pin Power, R/A, 30 FT, 16 AWG	202-450011	25	4	$80.00	29	$2,320.00
Network Battery Back Up	200-450001	25	4	$515.00	29	$14,935.00
Battery cable, Backup battery, 27IN	202-450001	25	4	$80.00	29	$2,320.00
Mounting kit, vertical wood pole, short pole arm	200-037009	25	4	$325.00	29	$9,425.00
Boomerang Bracket	200-037040	22	3	$90.00	25	$2,250.00
Mounting Kit, Vertical Pole #2	200-037001	3	1	$325.00	4	$1,300.00
Cable, Remote antenna, LMR-400, NM to NM, 50 ft	202-000245	3	1	$140.00	4	$560.00
High-gain fiberglass antenna	201-000002	25	4	$90.00	29	$2,610.00
Total						**$78,470.00**

Note 1: Additional Network Infrastructure Equipment (Access Points, Relays, and Accessories) may be required as part of Network Optimization.

Network Infrastructure Tools				
Item	**Catalog Number**	**Price / Unit ($USD)**	**Quantity**	**Total Price**
Field Service Unit 4.0 – United States	240-010010	$1,900.00	3	$5,700.00
External Mag Mount Antenna - FSU	201-000017	$115.00	3	$345.00
Communications Tester	280-011019	$3,500.00	3	$10,500.00
Communications Tester Annual Software Maintenance	290-030001	$700.00 / unit / year (10 Years)	30	$21,000.00
Total				**$37,545.00**

Network Installation				
Item	**Catalog Number**	**Price / Unit ($USD)**	**Quantity**	**Total Price**
Access Point	290-001010	$655.60	3	$1,966.80
Relay	290-001010	$433.40	22	$9,534.80
Total				**$11,501.60**

Meter Equipment and Installation Services

Integrated Electric Meters						
Item	**Catalog Number**	**SSN Price / Unit ($USD)**	**300 kbps option**	**Total Unit Price**	**Qty**	**Total Price[1]**
I210+c 1S CL100 No-RD 120V w/integration Demand T2 V2 E2 Q2 R2	230-400468	$121.21	$4.00	$125.21	4	$500.84
GE I210+C 2S CL200 RD 240V w/integration T2 V2 E2 Q2 J2 R2	230-400470	$110.72	$4.00	$114.72	6800	$780,096.00
GE I210+C 2S CL320 No-RD 240V w/integration T2 V2 E2 Q2 R2	230-400472	$118.89	$4.00	$122.89	18	$2,212.02
GE I210+C 3S CL20 No-RD 120/240V w/integration T2 V2 E2 Q2 R2	230-400473	$140.95	$4.00	$144.95	36	$5,218.20
GE I210+C 4S CL20 No-RD 240V w/integration T2 V2 E2 Q2 R2	230-400474	$140.95	$4.00	$144.95	8	$1,159.60
GE I210+C 12S CL200 RD 120/208V network w/integration T2 V2 E2 Q2 J2 R2	230-400475	$183.89	$4.00	$187.89	46	$8,642.94
GE KV2c 9S 120-480V w/integration TVEQR	230-404343	$285.77	$4.00	$289.77	264	$76,499.28
GE KV2c 9S 120-480V w/integration TVEQR, K Reactive, and SIO Module	230-404355	$436.67	$4.00	$440.67	29	$12,779.43
GE KV2c 16S CL200 120-480V w/integration TVEQR	230-404341	$285.64	$4.00	$289.64	168	$48,659.52
Total					**7,373**	**$935,767.83**

Note 1: Total quantity includes spare meters. Quantity reflects amount requested by the City of Milford.

Electric Meter Installation					
Item	**Catalog Number**	**SSN Price / Unit ($USD)**	**Meter Type**	**Quantity**	**Total Price**
Single Phase ≤ 240v	290-001011	$16.40	1S I210+C	4	$65.60
		$16.40	2S I210+C	6,690	$109,716.00
		$16.40	3S I210+C	28	$459.20
		$16.40	4S I210+C	4	$65.60
		$16.40	12S I210+C	42	$688.80
Sub-Total				**6,768**	**$110,995.20**
Three Phase Self Contained	290-001011	$41.40	16S KV2C	152	$6,292.80
Sub-Total				**152**	**$6,292.80**

Three Phase Transformer-Rated	290-001011	$98.40	9S KV2C	249	$24,501.60
Sub-Total				**249**	**$24,501.60**
Total				**7,169**	**$141,789.60**

Water Meter Modules				
Item	**Catalog Number**	**SSN Price / Unit ($USD)**	**Qty**	**Total Price**
Hersey SS Interpreter Register Kit with Silver Spring Protocol	225-030008	$139.30	3,524	$490,893.20
Master Meter Pit Mount RF Module w/ Itron Connector (8" wire length)[2]	225-050005	$121.80	1,210	$147,378.00
Silver Spring Activator	285-070001	$662.00	2	$1,324.00
Total				**$639,595.20**

Note 1: Total quantity does not include spare modules. Quantity reflects amount requested by the City of Milford.

Note 2: Part requires reuse of Itron connector from meter to wall mount RF module.

Water Network Infrastructure Tools				
Item	**Catalog Number**	**Price / Unit ($USD)**	**Quantity**	**Total Price**
Master Meter SSN Transceiver (MMR)- SSN Protocol Programmer/Receiver with Programming Software	285-050001	$2,515.00	3	$7,545.00
Master Meter External Mag Mount Antenna - MMR	285-060001	$215.00	3	$645.00
Silver Spring Transceiver Software Annual Software Maintenance	290-030008	$503.00 / unit / year	30	$15,090.00
Total				**$23,280.00**

Water Meter Installation				
Item	**Catalog Number**	**SSN Price / Unit ($USD)**	**Qty**	**Total Price**
Ert Retrofit-inside settings	290-001011	$73.50	44	$3,234.00
ERT Retrofit-outside settings	290-001011	$28.60	4,690	$134,134.00
Total			**4,734**	**$137,368.00**

Professional Services

Professional Services Between 10,001 & 20,000 Endpoints					
Item	**Catalog Number**	**Base Fee**	**SSN Price / Unit over 10,000 ($USD)**	**Installed Meter Quantity**	**Total Price**
Professional Services Fee	275-000001	$75,000	$6.00	11,903	$86,418.00
Travel & Expense	290-001001				$2,000.00
Total					**$88,418.00**

Base Billing System Integration	
Item	**Total Price**
Advanced CIS Billing Module for Billing System	$64,850.00
ElectSolve Project Management	$14,000.00
ElectSolve Training (2 days)	$2,800.00
Estimated Travel Budget for ElectSolve personnel (Expenses to be billed at cost, as incurred)	$6,450.00
	$88,100.00

Additional Interfaces, Advanced Configurations & Optional Application Modules	
Item	**Total Price**
SCADA Interface Module	$14,028.00
JAA Wholesale Interface Module	$8,988.00
Consumer Engagement(CE) Module	$35,542.50
Voltage Analysis Module(requires GIS)	$13,125.00
Event Visualization(requires ArcGIS, GIS)	$24,160.50
Meter Exchange File Management Module	$17,010.00
Hometown Connections Software Discount	($1,068.00)
Totals	**$145,671.00**

II. ON-GOING SERVICES

Annual Fees

AMP AMI Program (11,905 meters) (actual meters in service, count trued up monthly)	$121,431.00
SGCC Membership	$300.00
Support for Optional Application Modules	$17,151.20
TOTAL ANNUAL FEES	**$138,882.20**

(**Note: Municipality should forecast an annual increase of 3% of On-Going Services)**

EXHIBIT G – VENDOR INSURANCE REQUIREMENTS

Article 1 General Insurance Requirements

1.1 Throughout the performance of the Work or longer as may be described below, Vendors must obtain, pay for, and keep in force, the minimum insurance coverage described in this Contract of Insurance.

1.2 Before starting the performance of any Work, upon renewal of any policy, and upon a change of any insurance carrier, Vendors must deliver to AMP certificates evidencing that the required insurance is in force.

1.3 With the exception of government-controlled workers compensation coverage:

1.3.1 Vendors must place the insurance with companies that **(1)** are satisfactory to AMP, **(2)** hold an A.M. Best Rating of A-, VII, or higher, and **(3)** are authorized to conduct business in the state where the Work will be performed;

1.3.2 Vendors will **(1)** provide at least 30 days' written notice to AMP (as certificate holder) of the cancellation or non-renewal of the insurance and **(2)** provide at least 10 days' written notice to AMP (as certificate holder) of the cancellation of the insurance for non-payment of premium; and

1.3.3 within 30 days of AMP's request, Vendors must submit insurance-company certified copies of policy endorsements.

1.4 Vendors must pay all deductibles, or self-insured retentions, or both contained in Vendors' policies of insurance required or provided in connection with the Vendor Agreement or any task order or statement of work. AMP reserves the right to approve or reject all levels of self-insured retention, captive insurance programs, or other alternative risk financing Vendors may use to comply with any insurance requirement.

1.5 AMP does not represent that required coverage or limits are adequate to protect Vendors.

1.6 Failure of AMP to demand a certificate or other evidence of full compliance with the insurance requirements or failure of AMP to identify a deficiency from evidence that is provided will not be construed as a waiver of Vendors' obligation to maintain the required insurance.

1.7 To the fullest extent permitted by applicable law, Vendors waive all rights against AMP and its agents and employees for damages to the extent covered by insurance, except rights to the proceeds of the insurance. This waiver shall not apply to any professional liability policy maintained in connection with the Work.

1.8 Upon AMP's request, Vendors shall add any AMP Participating Member(s) as additional insured(s) on those policies which AMP is named as an additional insured pursuant to the requirements herein.

Article 2 Vendors' Minimum Coverage Requirements

2.1 Workers Compensation. Vendors must maintain workers compensation coverage meeting the requirements of applicable law.

2.2 Employers Liability / Stop Gap Coverage. Vendors must maintain employers liability / stop gap coverage with **(1)** an each-accident limit of not less than $1,000,000, **(2)** a disease each-employee limit of not less than $1,000,000, and **(3)** a disease policy limit of not less than $1,000,000.

2.3 Commercial General Liability. Vendors must maintain commercial general liability ("CGL") coverage which provides **(1)** an each-occurrence limit of not less than $2,000,000, **(2)** a general-aggregate limit of not less than $2,000,000, and **(3)** a products and completed-operations aggregate limit of not less than $2,000,000.

2.3.1 The CGL insurance must be written on ISO occurrence form CG 00 01 10 01 or a substitute form, providing at least equivalent coverage for liability arising from premises, operations, independent contractors, products/completed-operations, personal and advertising injury, and liability assumed under an insured contract.

2.3.2 Vendors must include American Municipal Power, Inc. as an additional insured(s) under the CGL policy using ISO endorsement CG 20 10 07 04 and ISO endorsement CG 20 37 07 04 or a substitute form(s) providing equivalent coverage.

2.3.3 The CGL insurance must apply as primary and non-contributory insurance with respect to any other insurance or self-insurance programs which cover the additional insured(s).

2.3.4 The CGL policy must not exclude coverage to the additional insured(s) for bodily injury or property damage arising out of the products/completed-operations hazard.

2.3.5 Vendors must maintain the CGL insurance in effect for no less than 5 years after the earlier of the termination the Vendor Agreement or completion of all Work.

2.4 Business Automobile Liability. Vendors must maintain business automobile ("BA") coverage written on ISO form CA 00 01 10 01 or a substitute form, providing at least equivalent coverage with a limit of not less than $1,000,000 each accident.

2.4.1 The coverage must extend to any auto owned (if any), non-owned, leased, rented, hired, or borrowed.

2.4.2 Vendors must include American Municipal Power, Inc. as an additional insured(s) under the BA policy.

2.5 Umbrella/Excess Liability. Vendors may employ an umbrella/excess liability policy to achieve the above-required minimum coverage.

2.6 Professional Liability. If the Work include any professional services, Vendors must maintain professional liability insurance which provides **(1)** an each-claim limit of not less than $2,000,000, and **(2)** an annual-aggregate limit of not less than $2,000,000.

2.6.1 The professional liability policy must have an effective date which is on or before the date on which Vendors first started to provide any Work.

2.6.2 Vendors must maintain the professional liability insurance in effect for no less than 5 years after the earlier of the termination the Vendor Agreement or completion of all Work.

2.6.3 If the Work include any professional design services and Vendors is not authorized under applicable law to directly provide professional design services, Vendors may satisfy the requirements of this **Section 2.6** by providing a contractor's professional liability insurance policy.

[End]

4828-3859-4602, v. 13

CITY OF MILFORD, DELAWARE
RESOLUTION 2017-01

A RESOLUTION APPROVING AN ADVANCED METERING INFRASTRUCTURE PROGRAM; AUTHORIZING THE EXECUTION OF A CONTRACT RELATING TO THE ADVANCED METERING INFRASTRUCTURE PROGRAM BETWEEN THE CITY OF MILFORD AND THE DELAWARE MUNICIPAL ELECTRIC CORPORATION; AND AUTHORIZING OTHER MATTERS RELATED THERETO.

WHEREAS, the City of Milford (the "Participating Member") is a municipality, duly organized and validly existing under the laws of the State of Delaware (the "State"); and

WHEREAS, The Delaware Municipal Electric Corporation ("DEMEC") is a municipal electric company incorporated in the State, established by certain cities and towns, and formed pursuant to Chapter 13 of Title 22 of the Delaware Code (the "Act"); and

WHEREAS, DEMEC and the Participating Member have determined to undertake a project consisting of DEMEC's acquisition, installation and development of Advanced Metering Infrastructure ("AMI") and the provision of AMI services for the Participating Member under a hosted solution strategy (the "AMI Program") utilizing American Municipal Power, Inc. ("AMP"), a not for profit corporation, to provide certain of the related services on a subcontracted basis; and

WHEREAS, AMP has engaged in an RFP selection process and entered into resulting agreements with Silver Spring Networks, Inc. and ElectSolve Technology Solutions and Services, Inc. (collectively, the "Vendors") to provide certain AMI field equipment, communication components, and associated back office systems in connection with the AMI Program in order to provide a comprehensive AMI Program that has the advantages to participating AMP members of economies of scale, mitigation of risk from local technology deployment and support, and reduced burden of ongoing support; and

WHEREAS, DEMEC is a member of AMP and shall contract with AMP to provide the AMI Program and certain AMI Services, as described in the "Schedule to Master Services Agreement between DEMEC and AMP for Participation in the Advanced Metering Infrastructure Program;" and

WHEREAS, the Participating Member and DEMEC desire to enter into a "Contract Relating To Advanced Metering Infrastructure Program" (the "DEMEC – Member AMI Contract") pursuant to which DEMEC will provide, or cause to be provided by AMP and the Vendors, the AMI Program and certain AMI Services, as more fully described therein; and

WHEREAS, the parties intend that the obligations of the Participating Member under the DEMEC – Member AMI Contract shall be payable solely from the revenues derived from the Participating Member's Electric System (the "System"); and

WHEREAS, by the adoption of this Resolution the Participating Member desires to authorize the execution of the DEMEC – Member AMI Contact and undertake the obligations described therein.

NOW, THEREFORE, BE IT RESOLVED by the Council of the Participating Member as follows:

Section 1. Approval of AMI Program. The Participating Member hereby approves the AMI Program as described in the schedules to the DEMEC – Member AMI Contract and requests DEMEC to provide, or cause to be provided, for the benefit of the Participating Member, the AMI Program and the AMI Services.

Section 2. Authorization of DEMEC – Member AMI Contract. The Participating Member hereby authorizes the execution of the DEMEC – Member AMI Contract, and authorizes and directs the Mayor and the Clerk of the Participating Member to execute and acknowledge the DEMEC – Member AMI Contract on behalf of the Participating Member. The DEMEC – Member AMI Contract shall be in substantially the form presented to this meeting, which is hereby approved, subject only to such changes and modifications as counsel may recommend and the Mayor of the Participating Member may approve, such approval to be conclusively evidenced by his or her execution thereof.

The Participating Member acknowledges that under the terms of the DEMEC – Member AMI Contract, in the event the Participating Member terminates the DEMEC – Member AMI Contract for convenience during the Initial Term (as defined therein), any unpaid portion of the Initial Services Fee and/or the On-going Services Fees (as such terms are defined therein) shall remain payable as if such services were provided throughout the Initial Term, and no portion shall be refunded. Notwithstanding the foregoing, to the extent that AMP is able, through commercially reasonable efforts, to mitigate its costs and expenses related to the expected provision of the aforementioned services, and the amounts payable by DEMEC to AMP in light of the termination is reduced, DEMEC shall make a similar adjustment with respect to the amounts that remain payable from the Participating Member to DEMEC in such circumstances.

The obligation of the Participating Member under the DEMEC – Member AMI Contract shall be payable solely from the revenues and other available funds of the System.

Section 3. Authorization of Further Action. The Participating Member hereby authorizes the Mayor, the Clerk and any other appropriate officers or employees of the Participating Member to take all other actions and sign any other documents or agreements necessary or appropriate in connection with the AMI Program or the DEMEC – Member AMI Contract or otherwise in furtherance of the purposes of this Resolution.

Section 4. Effective Date. This Resolution shall go into effect immediately upon its adoption by Council.

This certifies that this is a true and correct copy of the Resolution duly adopted by the City Council of the City of Milford at its meeting on February 13, 2017.

Mayor Bryan W. Shupe

SEAL

City Clerk Teresa K. Hudson

THE CITY of Milford DELAWARE

OFFICE OF THE CITY MANAGER
ERIC NORENBERG, ICMA-CM
302.424.3712, FAX 302.424.3558

201 SOUTH WALNUT STREET
MILFORD, DE 19963
www.cityofmilford.com

February 12, 2017

TO: Mayor and City Council

FROM: Eric Norenberg

SUBJECT: Appropriation for Smart Meter / AMI Project

As the City Council has discussed the Smart Meter / AMI Project at various stages since last March, staff has assured City Council that the funds are available for the project.

Finance Director Jeff Portmann has reported that funds for this project have been set aside in anticipation of the project proceeding. Here is the current breakdown of funding for the Smart Meter / AMI Project:

Electric Reserves		**Water Reserves**	
Cash Balance After Council Approved Expenses	**$5,906,154.26**	**Cash Balance After Council Approved Expenses**	**$6,232,260.73**
FY17 Smart Meter Project	($1,600,000.00)	FY17 Smart Meter Project	($800,000.00)
Available Electric Reserves	**$4,306,154.26**	**Available Water Reserves**	**$5,432,260.73**

After an appropriation from both electric Reserves and Water Reserves to pay for the Smart Meter / AMI Project, both funds will remain healthy.

It is recommended that the motion to authorize the Smart Meter / AMI Project included language to appropriate funds for the project, as follows:

“I move approval of Resolution 17-01 to authorize execution of the agreement with DEMEC for the Advanced Metering Infrastructure Program and that $1.6 million be appropriated from the Electric Reserves and $800,000 from the Water Reserves for the project.”

STATE OF DELAWARE
DEPARTMENT OF NATURAL RESOURCES
& ENVIRONMENTAL CONTROL
DIVISION OF FISH & WILDLIFE
89 Kings Highway
Dover, Delaware 19901

OFFICE OF THE DIRECTOR

Phone: (302) 739-9910
Fax: (302) 739-6157

January 20, 2017

Eric Norenberg
City of Milford
201 South Walnut Street
Milford, DE 19963

Re: Do you want State Mosquito Control services in your city/town next year?

Dear Sir or Madam:

It's now time for you to think about the start of another mosquito control season, involving our program now inquiring about whether your city or town might again want to receive (or might newly want to receive) the State's mosquito control services for the upcoming year (2017). By mid-March, 2017 the **Delaware Mosquito Control Section** will once again start its statewide spring woodland control program (to control larval mosquitoes breeding in wet woodlands). We'll then be performing from early April into early November our usual range of other statewide efforts to control these pests and public health menaces, which can originate from coastal tidal marshes, freshwater wetlands, and within developed or domestic settings. As such, **we now want to know if your city or town wants to participate in our control program for the upcoming year**, and to receive, at no cost to your municipality the State's mosquito control services.

Potential problems if for some reason you choose not to sign up

In addition to our usual concern for mosquito nuisance problems and their quality-of-life and economic impacts (for local economies based on tourism, outdoor recreation, hosting outdoor events, animal husbandry), plus our traditional concern for possible transmission to humans or horses of highly virulent Eastern Equine Encephalitis (EEE), this upcoming season also carries the specter for the quite probable continued occurrence of a relatively new mosquito-borne disease problem given much publicity over the past decade or so, being West Nile Encephalitis (WNE), which also affects both humans and horses. While WNE might not be as sickening or deadly a problem as EEE, it will probably more frequently occur, and still be quite problematic for some people who contract this virus. We are now also on the lookout in Delaware for a recent mosquito-borne disease to hit the country affecting people, being Chikungunya virus that first came to the Western Hemisphere in December, 2013 in the Caribbean, and for which Delaware the past three summers has had a few imported cases of this disease brought back by travelers to the Caribbean and Central or South America, but fortunately not yet any locally-transmitted Chikungunya. The newest mosquito-borne that has now landed at our doorstep this past summer by way of South America and the Caribbean, having many characteristics similar to Chikungunya

including being a recent import from the Old World, but now with an additional concern for pregnant women in possibly leading to microcephaly and other development issues among newborns, is Zika virus. Fortunately to date, we've had no locally-transmitted cases of Zika, and we're working hard to see this doesn't occur, whereby your hopeful cooperation and participation in our mosquito control program then also helps.

It's important to understand that if at this time your municipality chooses not to participate in the Section's program, then in event of your sudden change of mind, perhaps due to intolerable nuisance or disease problems sometime during the upcoming year, the Section might *not* be able to take control actions until all the agreements and procedures contained herein are fulfilled by your city or town. This can then slow down or even preclude the Section's ability to take or deliver timely response actions.

What you need to do to participate

In order to best serve the public, the Delaware Department of Natural Resources and Environmental Control (DNREC) has developed and adopted the enclosed **Mosquito Control Spray Policy** to govern applications of insecticides, with particular emphasis on the spraying of aerially- or ground-applied adulticides (insecticides to kill adult mosquitoes), and to a lesser degree for aerially- or ground-applied larvicides (insecticides to kill immature mosquitoes in their aquatic stages), within incorporated cities or towns. Aerial spraying of adulticides or larvicides might be done by fixed-wing aircraft or helicopter. Ground application of adulticides will be done by truck-mounted sprayers (a.k.a. "foggers"). Ground application of larvicides might be done by truck-mounted sprayers, backpack sprayers, or hand tosses. We are not requesting your endorsement for our ability to undertake ground applications of larvicides, but we are for all types of aerial spraying for adulticiding or larviciding, as well as for ground applications of adulticides.

The Spray Policy requires annual consent by municipalities before the Section will undertake certain types of needed insecticide spraying within a city or town's jurisdictional boundaries; provides for contact persons to represent both the municipality and the State; allows through a municipality's own devices for identification of human health-related "No-spray zones" for adulticides (if any); and addresses mosquito control in event of a declared public health emergency. This annual consent can be indicated by completing and returning to the Section the enclosed "**Municipality Endorsement**" form. There is also the option on the endorsement form to indicate that your city or town does not wish to participate. We would greatly appreciate your returning the endorsement form in either case. Without receiving the endorsement signed in some manner by the time requested, the Section will assume that your city or town does **not** wish to participate in the upcoming year's control program.

Please note that just by your signing and returning the Municipality Endorsement form it does **not** mean that you then automatically receive **all** of our mosquito control services whenever needed without any further actions on your part. Converse to this and as a specific exception (exclusive of a public health emergency that Mosquito Control might recognize), and as described in our Spray Policy (see Section III-4), **each and every time** that you want Mosquito Control to undertake any adulticide spraying (to control adult mosquitoes), done by us either via ground-based or aerial applications within or over areas in your municipality's jurisdiction, **your municipality's designated Mosquito Control contact person** (as you will have indicated on the Municipality Endorsement form, or alternatively it could be some other appropriate city or town official) **must contact the Mosquito Control Section and request such adulticiding.** Please note that there can be occasions when we might recommend to your city or town that such type of spraying be undertaken (based on technical information that our program collects), and whereby we advise you that your municipality then officially requests that we take such spray actions. However, in many instances it will be more a matter of your first contacting us on an **event-by-event** basis that you want Mosquito Control to apply adulticides (which could be determined by your municipality as being necessary or desirable for us to undertake via several avenues, such as your hearing from your citizens or constituents about intolerable local mosquito infestations, or by other means or devices that your city or town might have at your disposal).

The Mosquito Control Section also requires all participating municipalities **to prepare and sign a waiver on official city or town letterhead stationery** permitting spray application by low-flying aircraft, in order to comply with Federal Aviation Administration (FAA) regulations, and return such to us when done. Additionally, we have included a map of your city or town's area that was made from a pertinent section(s) of a USGS 7-1/2" topographic map(s), **for your municipality to delineate its current incorporated boundaries**; and for you **to also indicate and delineate requests for human health-related adulticide No-spray Zones (if any)** in regard to adulticide aerial spraying, adulticide ground spraying, or both. In regard to requesting any human-health-related adulticide No-Spray Zones, you will then also have to follow-up with additional information when making such requests in accordance with our Mosquito Control Spray Policy.

Information about the products we use

We have provided a CD in this packet containing insecticide product labels and Safety Data Sheets (SDS) for the insecticides mentioned in our enclosed Spray Policy, which constitute the range of products that we might use this upcoming season. These written materials, although technical in nature, can provide a wealth of information to any concerned individuals regarding an insecticide's safety for human health, wildlife or the environment. And of course we only use EPA-registered products for the purpose at-hand, safely done in full accordance with federally-approved label instructions. Please note that we also send our daily Spray Announcements to you throughout the control season via e-mail, and that you can also receive notice of this via our new Spray Zone Notification System (SZNS), with more details about the latter in our Mosquito Control Spray Policy. We have also included a copy of our public information handout "Mosquito Control in Delaware," which you can reproduce and use however you see fit.

If your city or town wishes to participate in the Section's mosquito control program next year, please sign and return **by no later than COB on March 10 (Friday), 2017**:

1. the enclosed Municipality Endorsement;
2. an FAA waiver letter giving us permission to aerially spray over your city/town, written on your city/town letterhead;
3. the enclosed USGS topo map, where you have drawn your municipality's current boundaries along with any changes since last year, or have indicated any requested No-spray Zones.

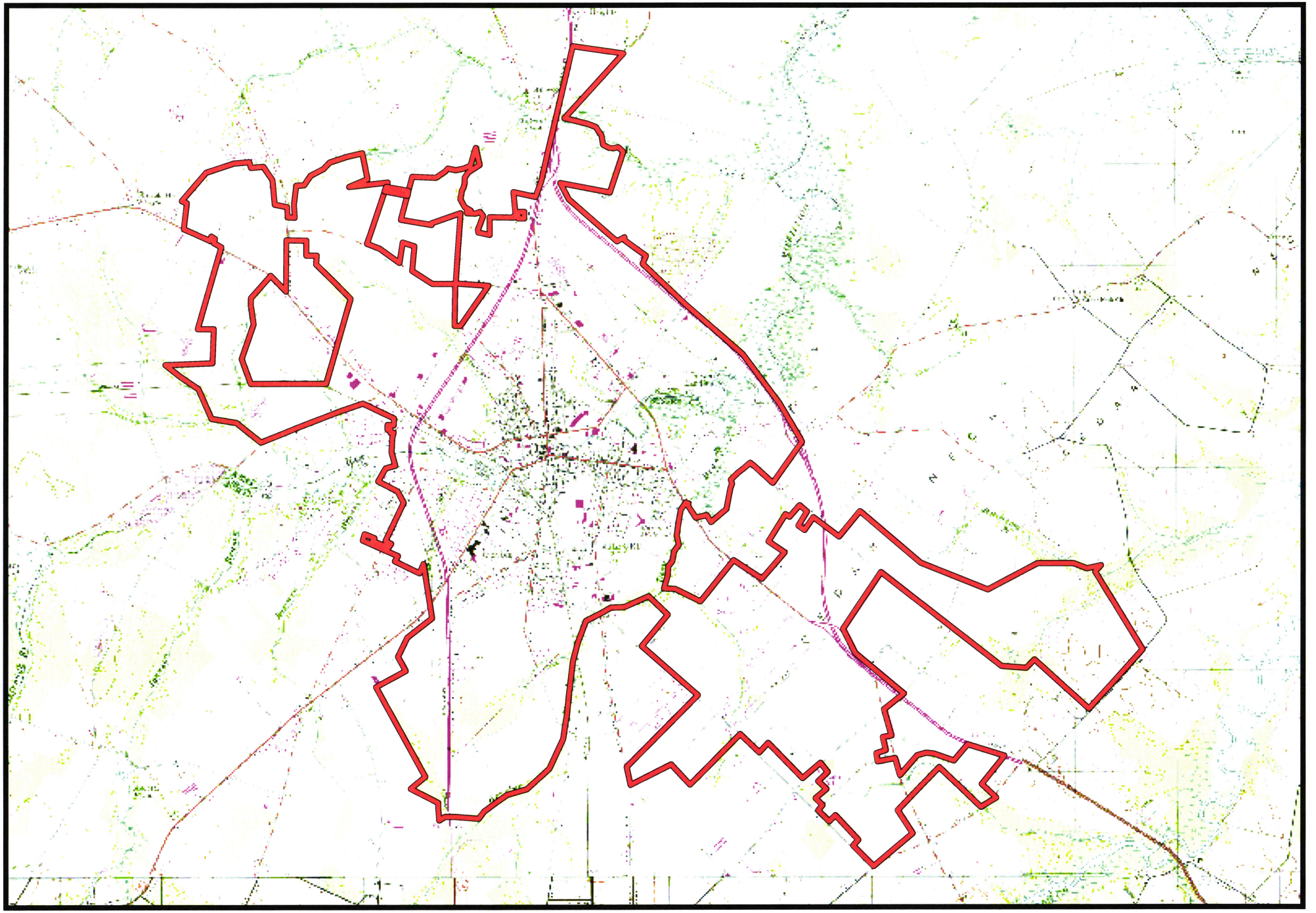
Your response should be mailed to: **Delaware Mosquito Control Section, Division of Fish and Wildlife, DNREC, 89 Kings Highway, Dover, DE 19901 (attn: Kim Gadow).** If you have any questions, please call me at 302-739-9917. Thank you for your cooperation.

Sincerely,

William H. Meredith

William H. Meredith, Ph.D.
Environmental Program Administrator
Delaware Mosquito Control Section

Encl: Mosquito Control Spray Policy (for your information)
CD copy of product labels and Safety Data Sheets (SDS)
Municipality Endorsement form (for your signing and returning)
"Mosquito Control in Delaware" (an informational handout)
USGS topo map (for your indicating municipal boundaries and returning)


MILFORD
Town of Milford

MOSQUITO CONTROL SPRAY POLICY

The Delaware Mosquito Control Section (Division of Fish and Wildlife, Department of Natural Resources and Environmental Control) utilizes an Integrated Pest Management (IPM) program to control mosquitoes in Delaware.

I. CONTROL METHOD PRACTICES AND PRIORITIES

The Department's (DNREC's) first preference for control is to use environmentally-sound source reduction techniques such as Open Marsh Water Management (OMWM) for saltmarsh mosquito control, managing or manipulating water levels in high-level coastal impoundments so as to disrupt the mosquito's life cycle, or stocking of larvivorous fishes in stormwater basins, backyard ornamental ponds, beaver ponds, etc. Such biological controls are effective in controlling an estimated 95 percent of mosquitoes breeding in areas treated with source reduction. The Department has a long-term program for implementing such approaches and is carrying out this program as time and resources permit. However, source reduction techniques are not suitable for some mosquito producing habitats, and in some cases landowners will not permit the Department to undertake the activities needed for source reduction purposes. In such circumstances, other control measures must then be employed.

The second preference for control is selective application of environmentally-compatible, EPA-registered larvicides (products designed to kill mosquitoes while they are still in the concentrated aquatic life stage) applied to the areas where mosquitoes breed. Aerial larviciding by fixed-wing aircraft or helicopters is usually not practiced directly over residential or developed areas, but ground-applied larvicides are frequently used to treat roadside ditches, flooded fields, used tire piles, abandoned swimming pools, woodland pools, median strip swales, lawn puddles, etc. in urban areas or suburban communities. Aerial larviciding by fixed-winged aircraft or helicopter is primarily used to treat freshwater wetlands, flooded woodlands, or coastal salt marshes or tidal wetlands, and is done only as warranted based upon intensive field surveys of larval occurrence, distribution and abundance. To be effective, larvicides must be applied during a very restricted period in the mosquito's aquatic phase of development. However, unfavorable weather or tidal conditions may prevent effective larvicide applications during this period. Larvicides routinely used in the recent past have included organophosphates such as temephos (Abate); but there is now a tendency to move toward third-generation larvicides, including juvenile growth hormone mimics such as methoprene (Altosid, Metalarv), bacterial insecticides such as Bti (VectoBac, FourStar, Aquabac, Teknar) or *Bacillus sphaericus* (VectoLex), or spinosad (Natular). Temephos is no longer used. We also make some local use of mono-molecular film larvicides (Agnique, Arosurf). These products may be either liquid or granular formulations. All larvicide products are applied according to federal, EPA-approved label specifications, as required by the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA).

When unfavorable larviciding conditions occur or larviciding has been unsuccessful, it might be necessary to resort to adulticiding (the term used to describe spraying practices to

control adult mosquitoes). This type of spraying always occurs via a liquid formulation which ultimately becomes a fog or vapor. This is not to be confused with larviciding, which is often done via a dry/granular formulation. The adulticides used for the control of pestiferous mosquito species (e.g. organophosphates such as naled, or synthetic pyrethroids such as sumithrin, or etofenprox) are EPA-registered insecticides, which (like the larvicides) have demonstrated minimal human health or environmental risks, and as such can be sprayed over or within populated areas. Older chlorinated hydrocarbon or organochloride pesticides (DDT) are no longer used by our program, nor are carbamates. The EPA has determined that all the modern mosquito control insecticides applied by the Mosquito Control Section can be used to kill mosquitoes without posing unreasonable risks to human health, wildlife or the environment (but this is not to say that there are no risks at all). Once again, all adulticide products are applied according to federally, EPA-approved label specifications, as required by the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA). The Department will keep abreast of any EPA announcements that would suggest that a pesticide of choice (larvicide or adulticide) might present greater risks to human health or the environment than previously thought, and certainly comply with any new EPA requirements affecting the use of individual pesticide products.

When adulticides have to be used, our first choice is to apply them aerially by fixed-wing aircraft or helicopter within or immediately adjacent to mosquito-breeding areas, immediately after the adult mosquitoes have emerged. This tactic is more effective and less expensive than spraying adulticides over widespread areas after the adults have dispersed. However, before newly-emerged adults migrate to upland zones, the time period available to achieve satisfactory control on or near their breeding habitats is even shorter than for larviciding.

In some cases, however, all of the above controls are inadequate to control mosquito populations prior to their movements into developed areas. In such cases, adulticiding in populated areas might have to be done, particularly if nuisance problems become intolerable or there is the chance of spreading mosquito-borne diseases. These adulticides might be applied aerially (by fixed-wing aircraft or helicopter) or by ground using truck-mounted sprayers.

This spray policy primarily addresses the issues of insecticide applications in populated areas, with an emphasis on adulticide use whether by aerial or ground applications. The best available scientific information from the EPA and product manufacturers, plus independent research by the University of Delaware and other sources, leads us to conclude that the products we use, and the manner in which we use them, pose no unreasonable risks to the public (human health), wildlife or the environment. The EPA's product-labeling process reflects the permitted use and safety precautions that pesticide applicators must adhere to. The EPA, in order to designate a product's approved use, has to complete a risk assessment, and has to determine using best available science that the final end use possesses extremely low human health or environmental risks when applied in accordance with federally-approved label instructions, as required by the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA).

II. ADULTICIDING IN POPULATED AREAS

The decision to spray for mosquitoes in populated areas depends upon two forms of evidence indicating that mosquito populations are unacceptably high. The first form is physical evidence obtained in populated areas from professional analyses of adult mosquito light-trap data (where available) for population abundance and species composition, or upon adult mosquito landing rate counts. Light-trap counts in populated areas exceeding 25 adult females per night of pestiferous species, or landing rate counts averaging three (3) or more adults per minute in populated areas, indicate a nuisance condition substantially lowering the quality-of-life, as well as an enhanced possibility for mosquito-borne disease transmission. Except when there are additional reasons to believe that some mosquito species may be presenting a significant public health risk, no spraying will be conducted unless physical or complaint evidence suggests that spraying is warranted.

The second form of evidence is public complaints in populated areas, resulting in requests for spraying coming from either individuals, civic or homeowners associations, or local city or town officials within incorporated municipalities. To the extent practicable the Section will investigate in the field the need for a spray response based on the physical evidence previously described, collected in manner as can be practicably obtained in the field in consideration of mosquito species-specific diurnal/nocturnal activity patterns, sampling limitations, and staff or equipment logistical constraints. The Mosquito Control Section will decide whether spraying is warranted on the basis of physical evidence alone; or by the merit, as determined by the Section, of a municipal request; or by the number, merit and pattern, as determined by the Section, of citizen complaints directly received by the Section. **[In regard to public requests for adulticide spraying coming from incorporated areas, the Section requires that citizen requests for spraying during an infestation be coordinated and conveyed to the Section by phone through a designated municipal official.]**

III. PROTOCOLS FOR ADULTICIDING INCORPORATED MUNICIPALITIES

1. Mosquito Control Municipality Spray Endorsement

On an annual basis, each incorporated municipality (city or town) desiring aerial adulticiding or aerial larviciding will prepare and sign a waiver on official municipal letterhead permitting spray application of insecticides by low-flying aircraft for treatments to be done by the Delaware Mosquito Control Section or its contractors, in order to comply with Federal Aviation Administration (FAA) regulations.

Before the start of the pest season (by early or mid-March), the municipality will also acknowledge and agree to through a signed endorsement the Mosquito Control Spray Policy's provisions, in order to allow and request the Mosquito Control Section to spray as warranted either all or portions of areas within the municipality's jurisdiction in accordance with this Spray Policy. Return of the signed endorsement requesting spraying will be needed for the Section to

spray by fixed-wing aircraft, helicopter, or truck-mounted sprayer or fogger any adulticides or larvicides within a municipality's borders, with exception of aerial spraying of larvicides over coastal tidal wetlands, and with exception of ground application of larvicides to tidal or non-tidal wetlands or other aquatic breeding sites by truck-mounted sprayers or hand application methods. [In regard to these last two situations, approval from municipalities is *not* necessary for the Section to aerially treat coastal tidal wetlands with larvicides, nor to make ground applications of larvicides in tidal or non-tidal wetlands or other aquatic breeding sites.] Without receipt of this signed endorsement, the Section will assume that the municipality does not want any aerial adulticiding or non-tidal wetland aerial larviciding, nor any truck-mounted spraying of adulticides, within their jurisdiction during the current pest season (mid-March through mid-November). If a municipality does not sign and return the endorsement before start of the pest season, it must be kept in mind that any change of thought resulting in a municipality to then request spraying later in the season cannot be honored until the endorsement is signed and returned to the Section, which in many cases might slow down or even prohibit the Section's ability to provide timely treatment, even in response to severe nuisance problems or potential disease outbreaks.

2. Adulticide No-Spray Requests and No-Spray Zones

The Mosquito Control Section might entertain and possibly grant requests for creation of No-Spray Zones for situations or circumstances where a resident might have substantial medical complications or adverse impacts from exposure or contact with our adulticide sprays. Please note that the possible creation of No-Spray Zones will not apply for domestic honeybee-keeping, organic gardens or crops, endangered or threatened species or other wildlife species of special concern, etc. These other possible concerns or issues have other approaches or mechanisms to try to deal with such possible conflicts and spray exposures. Possible creation and use of No-Spray Zones is for human health purposes only, and also requires some appropriate medical documentation (from a board-certified M.D. or D.O.), submitted by a person requesting an adulticide spray exclusion that substantiates such a request.

The Mosquito Control Section will not spray those municipality areas delineated by the municipality, and agreed to by the Section, to be zones where: 1) no aerial adulticide can be applied; or 2) areas where no ground adulticide can be applied; or 3) areas where neither method of adulticiding can be done. *Residents/property owners within an incorporated municipality desiring not to be included in the aerial or ground adulticide program must make such requests known by contacting their local municipal government officials.* The decision to request or authorize a No-spray Zone within a municipality, and the consequences for doing such, are entirely the responsibility of a municipality's officials. It is anticipated that such No-spray Zones will not be sought by municipalities for non-residents or non-property owners (i.e. not applicable to casual visitors or tourists). The municipality, after accounting for factors given in Section 3 below (for sizes of No-spray Zones), will prepare maps of No-spray Zones that were requested by their citizens and approved by the municipality, and submit these maps to the Mosquito Control Section for review and concurrence. Please note that it is important that the locations and sizes of each No-spray zone within a municipality be identified each and every year, as there will be no automatic carryover of No-spray Zone designations from previous years. The Section will

review the submitted maps and inform the municipality in writing (by U.S. Mail or e-mail) of its concurrence. If concurrence cannot be given by the Section for the proposed No-Spray Zones because of technical or logistical problems, the Section will then meet with municipal officials to resolve these problems. If a municipality wishes to modify the No-spray Zone designations after the pest season has started (i.e. after mid-March), the municipality may request such modification from the Section, but should understand that the Section will need at least two weeks advance notice in order to comply with the requested modification.

With exception of a declared public health emergency by appropriate State-level agencies, it must be understood that within a municipality the decision to adulticide for mosquito control purposes or not to spray is totally up to municipal officials, who have to weigh several factors in making this decision, to then possibly be followed by requesting the Mosquito Control Section's treatment services. These officials have to consider the impacts of intolerably high mosquito populations on quality-of-life factors and local economies, along with the possibility of mosquito-borne disease transmission, weighed against very negligible risks to human health or the environment when using EPA-registered adulticides in manner prescribed by the EPA, plus perhaps aircraft noise issues occasionally associated with aerial applications. If a resident or visitor to an incorporated city or town has a problem with this municipal decision, their complaint or grievance should be taken up with the municipality, not with the Mosquito Control Section. If a resident's or visitor's complaint or problem involves aircraft noise or other operational issues for how spraying was done, exclusive of concerns or issues dealing with pesticide exposure, the municipality should, in consultation with the Mosquito Control Section, attempt to directly address these issues with the resident or visitor making such complaint. If the complaint or problem concerns pesticide exposure, which in many cases is quite unavoidable in responding to a municipality's request for adulticiding over or within populated areas, the Mosquito Control Section will assist a municipality in technically addressing a complaint or issue raised by a resident or visitor. However, it must be kept in mind that the Section applied the adulticide at the municipality's request, in conjunction with the Section also independently investigating to the extent practicable that the adulticiding was warranted.

3. Sizes of No-Spray Zones

Because of technical constraints often associated with the nature and distances of adulticide spray drift (which is actually both a beneficial and unavoidable aspect of mosquito control adulticiding), a No-spray Zone for aerial adulticiding could involve an area having a radius of about 1500 feet outward from or around the residence in question (amounting to about 162.5 acres in size), and a No-spray Zone for ground spraying could involve an area having a radius of about 500 feet outward from or around the residence in question (amounting to about 18.1 acres in size). In almost all cases it will probably **not** be necessary for the No-spray Zone to be much larger than these minimums (which are created to avoid treating a residence where no spraying has been requested), but the final determination of the size of the No-spray Zone will be made by the Section on a case-by-case basis. In some or even many cases depending upon wind speed, wind direction, and other factors, it might still be possible at Mosquito Control's sole discretion to adulticide at distances less than what's described above.

It must also be recognized by the local municipalities that certain configurations or densities of No-spray Zones might also prohibit adulticide spraying to an extent greater than the mere summation of individual No-spray Zones. It must also be kept in mind that in many locations the creation of a No-spray Zone for an individual residence will preclude adulticide treatment for many neighbors or nearby residences who desire pest relief -- this situation is a dilemma that the local municipality must resolve.

4. **Requests for Adulticide Spraying within Municipalities**

A city or town each year signing and returning an annual endorsement form does **not** mean that a municipality then automatically receives **all** of our mosquito control services whenever needed without any further actions on the city's or town's part. Converse to this and as a specific exception (and exclusive of a public health emergency that Mosquito Control might recognize), **each and every time** that a municipality wants Mosquito Control to undertake any **adulticide** spraying (to control adult mosquitoes), done by Mosquito Control either via ground-based or aerial applications within or over areas under a municipality's jurisdiction, **then the municipality's designated Mosquito Control contact person** (as indicated by the city or town on the endorsement form), or some other appropriate city or town official, **must first contact the Mosquito Control Section and request such adulticiding.** Please note that there can be occasions when Mosquito Control might recommend to a city or town that such type of spraying be undertaken (based on technical information that our program collects) and whereby we advise that the municipality then officially requests that we take such spray actions, but in many instances it will be more a matter of the city or town first contacting us on an **event-by-event** basis to request that Mosquito Control performs some adulticide spraying (which could be determined by a city or town as being necessary or desirable for Mosquito Control to undertake via a municipality hearing from its citizens or constituents about intolerable local mosquito infestations, or by other means or devices that a city or town might have at its disposal).

For cities or towns in New Castle County and the northern half of Kent County, with the latter to involve all areas north of Camden-Wyoming on an east-west line that essentially includes all areas from south Dover north, extending on the west side from north of Marydel essentially along Rt. 8 into Dover and then eastward out to areas just north of Pickering Beach, the number to call is our **Glasgow office at 302-836-2555**. For cities or towns in all of the remainder of Kent County in its southern portions, including all of Camden-Wyoming, plus Marydel on the west and Pickering Beach on the east, along with all of Sussex County too, the number to call is our **Milford office at 302-422-1512**. Please refer to Mosquito Control's webpage on the DNREC website for more detailed delineations of the geographic jurisdictions for our Glasgow and Milford offices, at http://www.dnrec.delaware.gov/fw/Services/Pages/MosquitoSection.aspx.

Additionally, the Mosquito Control Section now provides the public and municipal officials an on-line portal to submit mosquito complaints and requests for control services, at http://www.dnrec.delaware.gov/fw/mosquito/Pages/ServiceRequestForm.aspx. Depending upon if an on-line request comes from a party living within an incorporated municipality or not, Mosquito

Control's response might then be different in accordance with what's contained in this policy for residents of incorporated municipalities versus residents in unincorporated areas.

It should be emphasized that any requests for mosquito control spraying coming from residents or visitors in municipalities should ***not*** be made directly to the Mosquito Control Section, but rather should first go to the appropriate municipal official, such that the city or town can then decide based upon several types of possible inputs as to whether the city or town will then request our Section's control services. The Mosquito Control Section will not respond to such requests if coming to us directly from a resident or visitor in a municipality (although via various means we might still receive such requests), but rather will tell the caller upon hearing of their problem to now contact their appropriate municipal official. A resident or visitor experiencing mosquito problems in unincorporated areas of the counties can directly call the Mosquito Control Section or utilize the on-line service request portal, done both for our awareness and possible follow-up control actions.

5. Advance Notification of Spraying

When there is a good probability that adulticiding operations are imminent within a municipality, to the extent practicable for sake of public notification the Mosquito Control Section will, for each adulticiding event (whether done by air or truck), do the following:

1) Offer advance spray notifications via Mosquito Control's new **Spray Zone Notification System (SZNS)**, which was started in 2015 and has now also replaced our former listserver e-mail method. The SZNS is probably now our most effective and comprehensive method to provide the public with advance spray notifications. This system is used to convey to the general public where and when *aerial* spraying (for adulticides or larvicides) and truck-mounted fogging (for ground-applied adulticides) is planned. To accomplish this, Mosquito Control has partitioned the state into numerical spray zones which are geographic blocks roughly 4.3 miles x 3.4 miles in dimension, or about 14.6 square miles in size (essentially about one-quarter of a USGS 7.5-minute quad map).

The SZNS consists of two key components. First, an integrative, on-line statewide map assists the public in identifying their particular zones of interest. Additionally, this statewide map is updated on a daily basis to display those zones where mosquito control spraying is planned for that day. Second, for good communication purposes, the SZNS integrates the Delaware Notification Service (DNS) application in order to then broadcast via text, e-mail or phone message when spray activity is scheduled for or within a particular zone (the mode or modes of communication are up to the subscriber's choice). If the subscriber prefers to also receive a daily statewide spray announcement summary of all spray events planned for any given day by Mosquito Control, this can be requested too.

The goal of the SZNS is to provide a tool where the public can identify their spray zone(s) of interest, and then be quickly notified when spray activity is planned within that zone(s). Individuals interested in signing up for this service or viewing the map can do so by visiting http://www.dnrec.delaware.gov/fw/mosquito/Pages/MC-Spray-Info.aspx.

Additionally, if a city or town has provided a municipal contact person(s), possibly achieved via return of the Municipality Spray Endorsement form they're asked to complete and return each year to Mosquito Control, then that appropriate municipal official so identified will be entered into the SZNS, and will receive our e-mailed daily spray announcements sent in advance for our planned spray events.

2) Place a phone spray announcement on a Mosquito Control Section recorder that citizens can call toll-free at 1-800-338-8181 to find out about the status of spraying.

3) On a statewide basis, contact about 15 local radio stations by e-mail (via the SZNS described above) to provide a daily spray announcement, which the radio stations may or may not choose to broadcast at their discretion.

4) Post a similar spray announcement on the Mosquito Control Section's (Division of Fish and Wildlife's) DNREC webpage, which the public can access via the Internet at http://www.dnrec.delaware.gov/fw/Lists/Mosquito%20Spraying%20Announcements/calendar.aspx.

5) Lastly, immediately prior to aerial applications of adulticides, if possible the treatment aircraft will briefly circle over pertinent areas within a municipality, to provide final notification or signal in the field of our intention to spray.

Any additional notification of intent to spray is up to the participating municipalities to perform or offer, but it is probable that giving additional public notice going beyond what the Mosquito Control Section presently performs would not be very feasible or practicable to do.

To the extent feasible and practicable, with exceptions for public health emergencies or when contending with unsettled weather conditions for spraying, such advance notification will be issued by the Mosquito Control Section at least two (2) hours before any adulticide spraying begins, and be done for every adulticiding effort within a municipality's jurisdiction.

The advance notification procedure for spraying described above will now also be followed for every *aerial* larviciding effort within a municipality's jurisdiction (in the past, such notice was routinely provided for spring woodland control aerial larviciding and other aerial treatments of freshwater wetlands, but was not done for aerial larviciding of coastal marshes). While aerial larviciding operations in treating wetland breeding sites usually do not involve spraying directly over people, the unfortunate terrorism events of September 11, 2001 have now greatly increased the public's concern and anxiety about possible bioterrorism incidents, which could occur (at least in theory) via pesticide spray delivery systems, so it is now prudent to ensure that municipal officials are fully aware in advance of any-and-all adulticiding (whether done by air or truck) or aerial larviciding within their jurisdictions. What will not be publicly announced will be truck-based spraying of larvicides (e.g. along roadside ditches) or hand-applied or back-pack larviciding done on foot (e.g. when treating localized breeding sites in small pocket marshes or in residential areas), since these types of activities are: 1) sometimes numerous and scattered; 2) are often not determined to be necessary until actually on-site; and 3) because of their carefully targeted applications to localized surface water (as opposed to the widespread spraying of

adulticide aerosols over uplands or marshes by aircraft or truck, or the relatively widespread aerial spraying of larvicides over wetlands), such applications hardly generate any public awareness, concern or comment.

For sake of good communications, and to help other agencies respond to possible public inquiries about mosquito control spraying activities, advance notifications of spraying are also provided by the Mosquito Control Section by e-mail via the SZNS to the Delaware Emergency Management Agency (DEMA), to each county's 911 Emergency Call Center, to Dover Air Force Base, and to the Delaware Department of Agriculture's (DDA) Pesticide Compliance Section and to the DDA's State Apiarist.

Additionally, by a working agreement adopted in 2003 among the Mosquito Control Section, the DDA's State Apiarist, and the Delaware Beekeeping Association (DBA), for all aerial adulticide spray announcements the Mosquito Control Section now indicates via coded grid-block numbers (for a special map of Delaware) where aerial adulticide spraying activities are intended to occur. By the tri-party working agreement, it is incumbent upon domestic honeybee keepers to assume responsibility for their keeping up-to-date and for their being aware about locations where aerial adulticiding is soon intended, achieved by the beekeepers taking advantage of the various spray announcement devices mentioned above (i.e. Spray Zone Notification System subscription, toll-free phone calls, radio announcements, webpage postings). If a domestic honeybee keeper has a problem with where some spraying will soon occur, the beekeeper should then inform the Mosquito Control Section in timely manner about such concerns, so that appropriate spray measures can be taken by Mosquito Control to avoid or minimize any adverse impacts to beekeeping operations. Since domestic honeybee keepers frequently move their bee colonies around in addressing crop pollination needs, and since the need for mosquito control spraying can be quite geographically variable and occur with relatively short notice, it is important that good two-way communications be maintained between Mosquito Control and domestic honeybee keepers, which adherence to the working agreement's protocols is intended to provide.

The 2003 mosquito control/ beekeeper working agreement has now been significantly updated, and starting in 2015 the protocols or standard operating procedures between the Mosquito Control Section and Delaware's beekeepers, which now address both aerial and ground adulticiding, are now described in 2 new documents, essentially replacing the 2003 agreement. These 2 documents should now be consulted for anything concerning mosquito control adulticiding relative to domestic beekeeping.

"Adult Mosquito Control and Domestic Honeybees – Standard Operating Procedures," accessible at www.dnrec.delaware.gov/fw/mosquito/Documents/MC-Honeybees-SOP.pdf.

"Adult Mosquito Control and Domestic Honeybees – Standard Operating Procedures, Background and Rationale," accessible at www.dnrec.delaware.gov/fw/mosquito/Documents/MC-Honeybees-Rationale.pdf

6. Time of Spraying

To the extent feasible and practicable and in consideration of product label requirements, adulticide spraying will be conducted at times which minimize direct human exposure (preferably early morning or late evening for aerial applications). During the summer peak "tourist season" from the Friday evening immediately before the Memorial Day weekend through the Monday evening of Labor Day weekend, aerial adulticide applications in the "coastal resort strip" from Lewes to Fenwick Island may be made on weekdays in the morning from 5:30 to 8:30 a.m. and in the evenings from 6:00 to 9:00 p.m., excluding the weekend that is defined here as Friday evenings through Monday mornings (and through Monday evenings on holiday Mondays of 3-day "weekends"). The "coastal resort strip" itself may be viewed as extending landward of the Atlantic Ocean coastline from Lewes to Fenwick Island a distance of up to about 5 miles inland, as well as about 2 miles landward of the primary bayshores composing the Inland Bays. Exceptions to not aerially adulticiding the coastal resort strip between Friday evening and Monday morning can occur at special request (in writing) from a municipality, or in event that inclement weather or other circumstances prevent timely, effective adulticiding at other times, whereby only the Friday evening to Monday morning weekend period is left for timely, effective spray application. Aerial adulticide applications will only be made when weather conditions comply with product-label spraying requirements (e.g. clear visibility and winds no more than 10 mph). Outside the coastal resort strip area, the weekend exclusion for adulticide spraying will not apply, but the daily time slots for spraying will still apply. An exception to the desired early morning and evening times for aerial spraying can occur when unusual weather conditions (e.g. fog, excessive wind, temperature inversions) preclude applications at the desired times, and yet the mosquito situation is so bad that spraying must still be performed that day, in which case adulticide spraying might occur during the day between early morning and late evening if not in violation of any product label conditions. Ground applications of adulticides statewide may generally be done from early evening through the night into early morning on weekdays or weekends, except that municipalities within the coastal resort strip from Lewes to Fenwick Island during the summer peak "tourist season" will generally not receive ground adulticide applications on the weekends (defined as above); municipalities within the coastal resort strip still might be ground-sprayed on weekends at special request (in writing) of a municipality, or if inclement weather or other circumstances prevent timely, effective ground applications at other times. Ground applications will only be done when weather conditions comply with product-label spraying requirements.

7. Adulticides Used

The Mosquito Control Section may aerially apply by twin-engine aircraft or helicopter at application rates up to those indicated below one or more of the following adulticides, with the choice of which product to use per spray event dependent upon the problem species to treat and other technical factors or local considerations:

1) Dibrom Concentrate (naled) applied at 0.10 lbs. AI/A, applied in ULV concentrated formulation of 1.0 oz./A, or

2) Trumpet EC (naled) applied at 0.10 lbs. AI/A, applied in ULV concentrated formulation of 1.2 oz./A, or

3) Anvil 10+10 (sumithrin + PBO) applied at 0.0036 lbs. AI/A, applied in ULV concentrated formulation of 0.62 oz./A, or

The following adulticides may be ground applied at application rates up to those indicated by truck-mounted London Fog ULV (Ultra Low Volume) ground foggers:

1) Anvil 10+10 (sumithrin + PBO) applied at 0.0036 lbs. AI/A, mixed with mineral oil, applied at a total volume of 1.24 oz./A (0.62 oz./A Anvil 10+10 plus 0.62 oz. mineral oil/A), or

2) Duet (prallethrin + sumithrin + PBO) applied at 0.00024-0.00072 lbs. AI/A for prallethrin component, plus 0.0012-0.0036 lbs. AI/A for sumithrin component, both applied as a packaged mix in ULV concentrated formulation, or

3) Zenivex E4 – RTU (etofenprox) applied at 0.00175-0.0070 lbs. AI/A applied in undiluted concentrated formulation, or

4) Zenivex E20 (etofenprox) applied at 0.00175-0.0070 lbs. AI/A applied ULV in undiluted concentrated formulation; or mixed with mineral oil and also applied ULV.

5) Deltagard (deltamethrin) applied at 0.00045 – 0.00134 lbs. AI/A applied ULV in undiluted concentrated formulation; or mixed with water and also applied ULV.

6) Talstar P (bifenthrin) applied at 0.07 – 0.22 lbs. AI/A at a one gallon of solution/1000 sq. ft. rate. Note this product would be used for backyard type barrier spraying use only.

The Mosquito Control Section will make accessible via CD to each incorporated municipality a copy of each adulticide's product label and its accompanying Safety Data Sheet (SDS), provided for their informational purposes as part of annual Spray Policy packets sent to each municipality.

8. Larvicides Used

The Mosquito Control Section may apply at application rates up to those indicated one or more of the following larvicides aerially by twin-engine aircraft or helicopter, or from the ground using truck-mounted sprayers or hand application methods, with the choice of which product to use per spray event dependent upon the problem species to treat and other technical factors or local considerations:

1) VectoBac 12AS (Bti) applied at 32 oz./A, or

2) VectoBac GS or G (Bti) applied in granular formulation at 10 lbs./A, or

3) Aquabac XT (Bti) applied at 32 oz./A, or

4) Aquabac 200G (Bti) applied in granular formulation at 10 lbs./A, or

5) Aquabac 400G (Bti) applied in granular formulation at 8 lbs./A, or

6) FourStar 45, 90 and 180 Day Briquets (Bti + Bacillus sphaericus) applied at one briquet/100 sq. ft., or

7) FourStar BTI 45 and 150 Day Briquets (Bti) applied at one briquet/100 sq. ft., or

8) FourStar Bti CRG (Bti) applied in granular formulation at 7.5-20 lbs./A, or

9) FourStar MBG (Bti + Bacillus sphaericus) applied in granular formulation at 5-20 lbs./A, or

10) FourStar CRG (Bti + Bacillus sphaericus) applied in granular formulation at 7.5 lbs./A, or

11) Teknar SC (Bti) applied at 32 oz./A, or

12) Teknar G (Bti) applied in granular formulation at 10 lbs./A, or

13) Altosid Liquid Larvicide (5% methoprene) applied at 0.013 lbs. AI/A, applied at 4 oz./A mixed with water to achieve a final application volume of 32 oz./A, or

14) Altosid Liquid Concentrate (20% methoprene) applied at 0.013 lbs. AI/A, applied at 1 oz./A mixed with water to achieve a final application volume of 32 oz./A, or

15) Altosid Pellets (methoprene) applied at 10 lbs./A, or

16) Altosid SBG II (methoprene) applied in granular formulation at 10-20 lbs./A, or

17) Altosid Briquets (methoprene) applied at one briquet/100 sq. ft., or

18) Altosid XR Extended Residual Briquets (methoprene) applied at one briquet/200 sq. ft., or

19) Altosid XR-G (methoprene) applied in granular formulation up to 20 lbs./A, or

20) Metalarv S-PT (methoprene) applied in pellet formulation at 2.5-10 lbs./A, or

21) Natular 2EC (spinosad) applied at up to 2.8 oz/A, or

22) Natular G (spinosad) applied up to 9 lbs./A, or

23) Natular G30 (spinosad) applied in granular formulation up to 20 lbs./A, or

24) Natular T30 (spinosad) applied at one tablet/100 sq. ft., or

25) Agnique MMF (nonionic surfactant) applied at 3 oz/1000 sq. ft., or

26) CocoBear (larvicidal oil) applied at up to 3 gals./ac.

The Mosquito Control Section will make accessible via CD to each incorporated municipality a copy of each larvicide's product label and its accompanying Safety Data Sheet (SDS), provided for their informational purposes as part of annual Spray Policy packets sent to each municipality.

9. Public Health Emergencies

In the event of an Eastern Equine Encephalitis (EEE), St. Louis Encephalitis (SLE), or West Nile Encephalitis (WNE) public health emergency, jointly recognized by DNREC and the Delaware Division of Public Health, aerial or ground adulticiding might be carried out over municipalities that have not signed the Spray Policy endorsement agreeing to permit such activities, as well as spraying also possibly occurring in designated No-spray zones, ceasing when the public health emergency is terminated. In event of a public health emergency, general public health considerations to prevent or lessen serious disease problems must take precedent over individual desires to avoid a short-term exposure to an insecticide that is registered by the EPA for application over populated areas, with knowledge that such exposures will of course take place but which are of minimum risk to human health and safety. The Section will try to continue to observe to the extent feasible and practicable its policies on advance notification, timing of spraying, and type of insecticides used, but public health concerns during emergencies may necessitate deviations from these protocols, such as for application timing, or for treating No-spray Zones, etc.

IV. PROTOCOLS FOR ADULTICIDING UNINCORPORATED AREAS

The spraying of adulticides by aerial or ground application in unincorporated areas does not require a signed Mosquito Control Spray Policy endorsement such as is needed prior to spraying incorporated municipalities. Because of insurmountable practical and logistical problems in communicating with individual citizens or civic associations in unincorporated areas, the Mosquito Control Section must assume that timely and safe adulticiding is allowable and desired whenever pest populations become excessive or mosquito-borne disease potentially threatens. The Section will determine when and where adulticiding is necessary, based on physical evidence and in conjunction with complaints from individual citizens or civic or homeowners associations. Similarly, the Section's ability to use larvicides, whether applied aerially or by ground, will not require any signed endorsements for when spraying is done in unincorporated areas.

Requests for human-health-related purposes for no spraying of ground or aerially-applied adulticides in unincorporated areas can be made by individual residents or property owners by

directly contacting the Mosquito Control Section, to request a form for applying for No-spray Zone consideration, which after completion should then be returned to the Mosquito Control Section at the address indicated on the form (note: to request the application form, contact the Mosquito Control Section at 302-739-9917; or write to Delaware Mosquito Control Section, Division of Fish and Wildlife, DNREC, 89 Kings Highway, Dover, DE. 19901; or you can download a copy of the form over the Internet, by accessing at http://www.dnrec.delaware.gov/fw/mosquito/Pages/MC-No-Spray-Request.aspx). Please note that as with incorporated areas, the possible creation of No-Spray Zones will not apply for domestic honeybee-keeping, organic gardens or crops, endangered or threatened species or other wildlife species of special concern, etc. These other possible concerns or issues have other approaches or mechanisms to try to deal with such possible conflicts and spray exposures. Possible creation and use of No-Spray Zones is for human health purposes only, and also requires some appropriate medical documentation (from a board-certified M.D. or D.O.), submitted by a person requesting adulticide spray exclusion that substantiates such a request.

Please note that in situations in unincorporated areas where a local civic or homeowners association (HOA) exists that encompasses a residence for which a No-spray Zone designation is sought, the Mosquito Control Section will then strongly encourage and expect the No-spray Zone request form to be submitted by an appropriate official or representative of the local civic or homeowners association, done on behalf of the resident making the No-spray Zone request, with the resident helping to provide the appropriate official or representative for purposes of form completion the human health-related reason(s) or rationale behind the No-spray Zone request and other pertinent personal information. Adhering wherever possible to this protocol will help ensure that the residents in a neighborhood or development represented by a local civic or homeowners association will then be aware of the No-spray Zone request and its possible ramifications; and via the request form's submission by an appropriate official or representative, that the local civic or homeowners association is then in agreement or concurrence with a resident's request for a No-spray Zone. This should then also assist a local civic or homeowners association to provide notice and explanations to their association's members who might then not receive pest relief services, resulting from a neighbor of theirs requesting and being granted a No-spray Zone designation.

All such requests for No-spray Zones must be made prior to March 1 for each pest season and must be made in writing using the approved form, which will request information such as name, address, and telephone number of the resident or property owner requesting no spraying, a map indicating the location of the property not to be adulticided, and the human health-related reason(s) for requesting the No-spray Zone. The names, addresses and phone numbers of all residents or property owners that adjacently border a property where no spraying is requested must also be submitted by a person requesting a No-spray Zone. This will assist the Mosquito Control Section in evaluating the No-spray Zone request and in providing explanations to at least some of the people who might then not receive pest relief services, resulting from their neighbor possibly being granted a No-spray Zone designation. Individuals must indicate whether they are requesting no aerially-applied adulticides, no ground-applied adulticides, or both. Similar as with No-spray Zones established within incorporated municipalities, and because of the nature and distances of adulticide spray drift (which is actually both a beneficial and unavoidable aspect

of mosquito control adulticiding), the size of such zones for aerial adulticiding must involve an area having a radius of about 1500 feet outward from or around the residence in question (amounting to about 162.5 acres in size), and a No-spray zone for ground spraying must involve an area having a radius of about 500 feet outward from or around the residence in question (amounting to about 18.1 acres in size). In some cases depending upon wind speed, wind direction, and other factors, it might still be possible to adulticide at distances less than what's described above. If the entire requested No-spray Zone all fits inside the property of the person requesting such designation, then submitting information about neighboring residents or property owners will not be required.

This request for no spraying must be submitted each and every year using the approved form, as there will be no automatic carryover of No-spray Zone requests from year to year. If an individual citizen or a local civic or homeowners association in an unincorporated area wishes to request a No-spray Zone after the pest season has started (i.e. after mid-March), such requests may be submitted in writing to the Section similar to requests made prior to mid-March. However, due to the logistical problems in changing operational spraying procedures and advising contractors of revisions, the requester should understand that the Section will need at least two weeks advance notice in order to consider and review the request and to initiate procedural changes (if any).

Based upon the written requests for no spraying of adulticides, the Section will determine the need for and boundaries of No-spray Zones and will notify the individual or a local civic or homeowners association of the Section's decision. When possible, the Section strongly prefers that individual requests for no spraying in areas or neighborhoods that have local civic or homeowners associations be coordinated and conveyed in writing to the Section by the association prior to mid-March; however, individual requests can still be presented to the Section.

The application of adulticides in unincorporated areas will be similar to what is done in incorporated municipalities regarding times of spraying, insecticides used, and public health emergencies. However, in regard to providing advance notification of each spraying event, and because of insurmountable logistical problems, telephone calls or other personal contacts by the Section to individual citizens or local civic or homeowners associations will *not* be made. Nonetheless, concerned citizens can still inquire about the Section's intentions to spray by contacting, on a daily basis, the toll-free phone recording at 1-800-338-8181 or the Section's webpage posting of daily spray announcements at http://www.dnrec.delaware.gov/fw/Lists/Mosquito%20Spraying%20Announcements/calendar.aspx, or they can subscribe to the Section's Spray Zone Notification System (SZNS) to automatically receive such spray announcements via the Internet at http://www.dnrec.delaware.gov/fw/mosquito/Pages/MC-Spray-Info.aspx, and they can also be aware of pending spray operations by listening to any spray announcements that may be broadcast by local radio stations.

V. RESOLVING CONFLICTS IN UNINCORPORATED AREAS BETWEEN PERSONS REQUESTING NO SPRAYING vs. PERSONS WANTING PEST RELIEF VIA ADULTICIDING

Whenever possible, persons living in unincorporated areas who do not desire adulticiding will try to be accommodated by the Mosquito Control Section. However, conflicts sometimes arise when one or more nearby neighbors demand adulticiding for pest relief. Such conflict can arise either during the consideration or designation process for a human health-related No-spray Zone or after a human health-related No-spray Zone has been designated. When such conflict arises, the Section will attempt to resolve the disputes on a case-by-case basis, resulting in either continuation or resumption of adulticiding measures, modification of adulticiding measures, or stopping or continued cessation of adulticiding measures. Wherever local civic or homeowners associations exist that encompass a residence for which a No-spray Zone might be sought, the Mosquito Control Section will then also look to an appropriate association governing board or an association official to help make the determination whether to grant a No-spray Zone designation. Having a local civic or homeowners association actually submit the human health-related No-spray Zone request form on a resident's behalf also then indicates to the Mosquito Control Section that the ramifications of possibly not treating anywhere from about 18.1- 162.5 acres within a neighborhood or development have been examined by the local association, and that the association is in agreement or concurrence to go forward in accommodating a human health-related No-spray Zone. Value judgments of public health, safety, comfort and quality-of-life must be weighed against the health or other concerns of an individual requesting no spraying, with such judgments made either by the Mosquito Control Section, or by a local civic or homeowners association wherever such exist that pertinently apply. Individuals with special medical problems possibly attributed to pesticide exposure can obtain a physician's written opinion acknowledging pesticide sensitivity, coming from a board-certified M.D. or D.O., and such people might be given special consideration by the Section to the extent feasible and practicable, with hopefully similar consideration also extended by a local civic or homeowners association wherever such exist that pertinently apply.

The Section will try to resolve all conflicts in a manner acceptable to all parties, including if requested helping a local civic or homeowners association also resolve such conflicts, but public health concerns possibly affecting many people (e.g. arbovirus encephalitis outbreaks) must take precedence over other considerations. For most individuals having health-related concerns involving adulticide exposures, such people can satisfactorily minimize their concerns by paying attention to the advance spray notification process, followed by their taking common-sense measures to minimize or avoid exposure (e.g. temporarily leave the spraying area, temporarily moving inside, temporarily closing windows and doors, etc.). However, please note that given the safety of the types of EPA-registered adulticides or larvicides that the Section uses, and how these products are then applied with very minimal human health risks, then for a vast majority of people no special precautions need to be taken to avoid exposure to the Section's operational spraying

VI. POLICY APPLICABILITY – TYPES OF SPRAY APPLICATIONS

This policy's requirements to request participation of incorporated cities or towns, and to give advance notice of intention to spray in incorporated cities or towns, is applicable to aerial applications of adulticides, as well as for ground application of adulticides when delivered by truck-mounted sprayers. Participatory consent by cities or towns is also needed for aerial applications of larvicides during the spring woodland control program or for aerial larviciding of other freshwater wetlands; but such participatory consent from municipalities is not needed for aerial larviciding over coastal tidal wetlands, nor for the ground application of larvicides by truck-mounted sprayers or hand or back-pack application methods. However, advance spraying notice of all aerial larviciding within municipalities will be given. This policy's requirements for the Mosquito Control Section to give advance notice to cities or towns of intention to spray is not applicable to ground applications of larvicides when delivered by truck-mounted sprayers or on-foot by back-pack sprayer, hand-held sprayer, or hand toss. [It must be noted that if a municipality desires only on-foot applications of insecticides that are done by hand or back-pack, and does not agree to aerial applications of insecticides nor to adulticide applications by truck-mounted sprayers, in many cases and locations it will then not be possible to provide satisfactory nuisance control or disease prevention.]

The spray policy is also applicable to insecticide applications that are made for mosquito control in unincorporated areas, in regard to many needs, matters or practices that are similar to what occurs in cities or towns; as well as providing some protocols that are specific or unique for adulticiding in unincorporated areas, where municipal government interactions are not possible nor applicable. Finally, requirements to follow this spray policy can be waived by DNREC during a declared public health emergency (see Section III-9).

VII. GENERAL EMERGENCY WAIVERS

The Department, for exceptional circumstances or during emergencies, may modify this policy on a case-by-case basis.

VIII. POLICY ADOPTION

This "Mosquito Control Spray Policy" is adopted as the Mosquito Control Section's (Delaware Department of Natural Resources and Environmental Control) management policy, and supersedes any previous written or unwritten policies.

First formulated and adopted in February, 1990.

Latest revision – January 9, 2017

MOSQUITO CONTROL IN DELAWARE

Why does the State need to control mosquitoes?

- To reduce intolerable nuisance problems that lower quality-of-life.
- To prevent outbreaks of mosquito-borne diseases such as encephalitis.
- To lessen impacts to local economies based on animal husbandry, tourism or outdoor recreation.

How does the State control mosquitoes?

Mosquito control in Delaware is performed statewide by the Delaware Mosquito Control Section, an agency in the Division of Fish and Wildlife, Department of Natural Resources and Environmental Control. The Section has a three-tiered approach for controlling mosquitoes that integrates best management practices to reduce insecticide use.

- The first-tier uses various source reduction methods in the areas where mosquitoes breed by selectively excavating ponds or ditches in salt marshes to provide habitat for native fishes that eat mosquito larvae (a practice called Open Marsh Water Management); or by managing water levels in impounded coastal marshes to reduce breeding sites; or by seasonally stocking fish that eat mosquito larvae in freshwater wetland ponds or stormwater management basins.

- The second-tier treats wetlands, standing water and other mosquito breeding areas with insecticides to stop larval mosquitoes from emerging as adults.

- The third-tier applies insecticides to control adult mosquitoes, which might be necessary to do over or within populated areas as a control measure of last resort. This method is only used when the first two approaches fail to achieve satisfactory control.

Applications of larvicides or adulticides are done by aircraft or truck-mounted sprayers, and larvicides are sometimes applied by backpack sprayers or hand tosses. All spraying is done in conjunction with a vigilant mosquito surveillance and monitoring program, to ensure that insecticides are sprayed only when and where needed. In combination with non-insecticide source reduction methods, this approach forms a modern, integrated pest management program for controlling Delaware's mosquito populations.

How does the State decide when insecticide applications are necessary?

There are two considerations for determining when mosquito populations are of enough concern to require control measures. The first consideration assesses mosquito abundance through the use of larval dipping counts, adult light-trap collections, or adult landing rate counts, as well as by the number and location of public nuisance complaints. If the numbers of mosquitoes observed exceed established threshold criteria whereby nuisance or quality-of-life problems will soon occur or are actually happening, then control measures are implemented.

The second consideration monitors the presence of mosquito-borne disease viruses, either by directly testing mosquitoes themselves, or by testing blood samples from sentinel chickens for evidence of virus transmission. The field samples are collected by the Mosquito Control Section using a statewide network of 26 surveillance stations, with virus testing done by the Delaware Division of Public Health Laboratory. If disease virus is detected, this information is combined with assessments of mosquito population abundance, to either change threshold criteria for taking control actions, or to indicate geographic areas of special concern.

What insecticides does the State use?

When it is necessary to use insecticides, only products registered by the U.S. Environmental Protection Agency (USEPA) are used, which must be applied in accordance with all USEPA-approved label instructions. The use of insecticides in Delaware is overseen by the Delaware Department of Agriculture's Pesticide Compliance Section.

(over)

Currently, five types of insecticides are used for mosquito control in Delaware. These include 3 larvicides – the microbial larvicide ***Bacillus thuringiensis Israelensis*** (Bti – Vectobac, Aquabac, Teknar); the juvenile growth hormone mimic ***methoprene*** (Altosid); and the organophosphate ***temephos*** (Abate). Larvicides are typically applied over marshes or other wetlands, where people are usually not likely to be.

Two types of adulticides are used, which in their routine application may come in contact with people, since these products are applied as aerosols near, over or within populated areas.

Resmethrin (Scourge) or ***sumithrin*** (Anvil) are synthetic pyrethroid adulticides used to control mosquitoes and other insects. These synthetic compounds imitate natural insecticides found in chrysanthemum flowers. Both compounds have low toxicity to mammals, and break down quickly in sunlight or when exposed to air. Resmethrin and sumithrin are considered by the USEPA to pose little risk to humans when used at the low concentrations for mosquito control.

Naled (Dibrom, Trumpet) is an organophosphorus adulticide. It is primarily registered for use on land to control adult mosquitoes and blackflies. Naled is also used on some food and feed crops to control pests. When applied at low concentrations as required by the label for mosquito control purposes, naled is considered by the USEPA to pose little risk to humans.

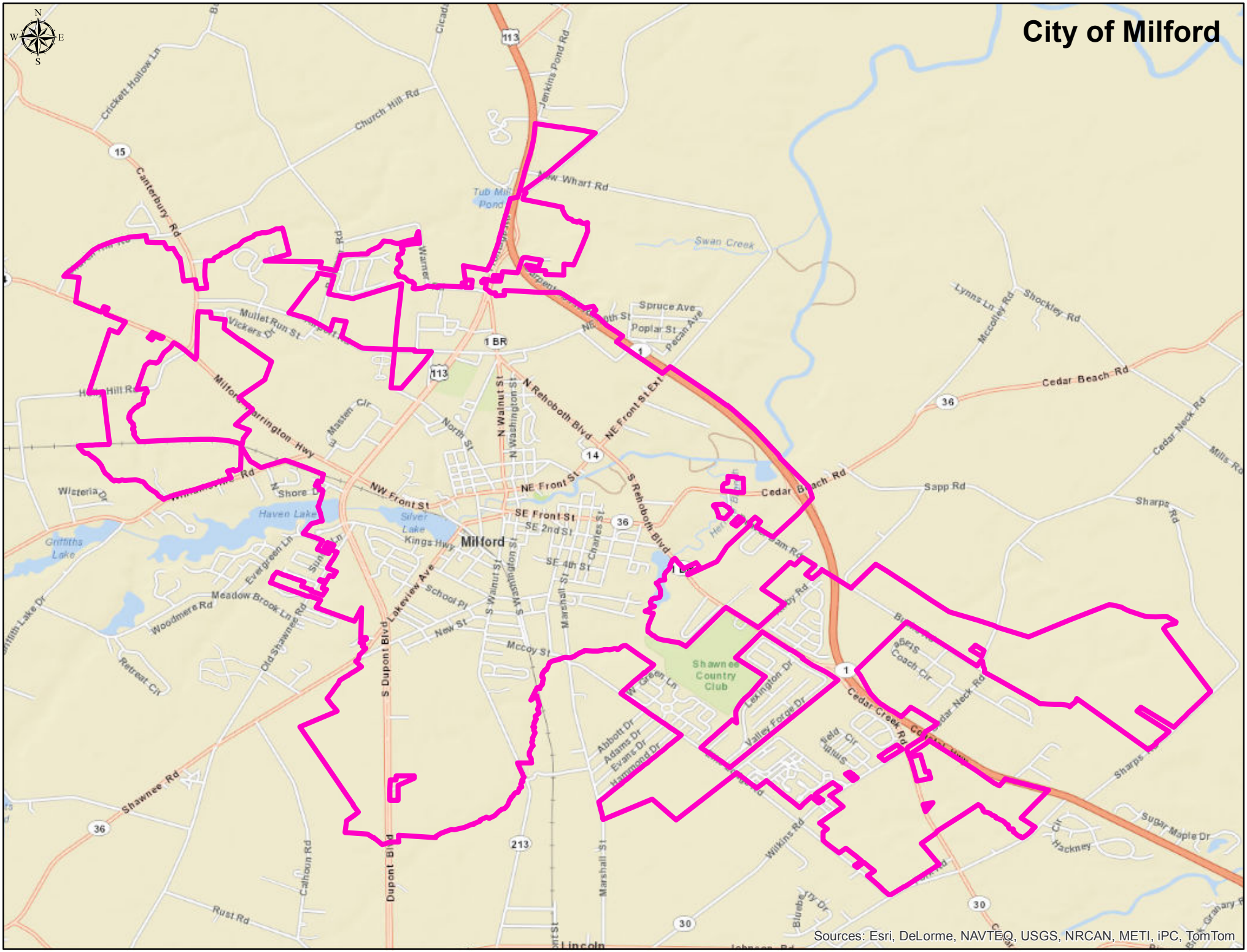
How safe are the insecticides that are used?
The insecticides being used for mosquito control, whether larvicides or adulticides, are registered and approved for mosquito control by the USEPA and have gone through rigorous testing to assure that there are negligible adverse effects to human health or the environment. These insecticides have been developed to affect insects while being relatively non-toxic to humans and other mammals, along with being short-lived in the environment. The USEPA has determined that these mosquito control insecticides, when used in accordance with USEPA-approved label instructions, can be applied without posing unreasonable risks to human health, wildlife or the environment. The currently used adulticides are applied as ultra-low volume (ULV) formulations, which allows very small quantities of active ingredients to be used. All insecticide applications carried out for mosquito control are conducted or supervised by licensed pesticide applicators, who have been trained in safe usage and application of insecticides.

What precautions could I take to reduce my exposure to insecticides?
As mentioned above, insecticides used for mosquito control are registered by the USEPA for spraying near, over or within populated areas, and can be applied without posing unreasonable risk to human health. However, there are some steps that can be taken to help further reduce any concerns about insecticide exposure. These measures could include staying indoors and closing windows during spraying, or washing any exposed skin with soap and water after direct contact. In the unlikely event you feel you are experiencing adverse health effects following insecticide application, you should seek medical care.

Who do I call for more information?
An information packet containing the Mosquito Control Section's "Spray Policy," pertinent USEPA factsheets, and technical information (product label, MSDS) about selected adulticides is available by contacting:

Dept. of Natural Resources and Environmental Control (DNREC), Mosquito Control Section	(302) 739-3493
Dept. of Agriculture (DDA), Pesticide Compliance Section	(302) 739-4811
Division of Public Health (DPH), Environmental Health Evaluation Branch	(302) 739-6619

Pesticides and Mosquito Control. United States Environmental Protection Agency (USEPA). Office of Pesticide Programs. http://www.epa.gov/opp00001/citizens/mosquitocontrol.htm
The EXtension TOXicology NETwork (EXTOXNET) Cooperative effort of University of California-Davis, Oregon State University, Michigan State University, Cornell University, and the University of Idaho. http://www.ace.orst.edu/info/extoxnet/


City of Milford
Milford
Shawnee Country Club
Haven Lake
Silver Lake
Griffiths Lake
Tub Mill Pond
Swan Creek
NW Front St
NE Front St
SE Front St
SE 2nd St
SE 4th St
N Walnut St
S Walnut St
N Washington St
S Washington St
N Rehoboth Blvd
S Rehoboth Blvd
NE Front St Ext
Kings Hwy
Lakeview Ave
S Dupont Blvd
Dupont Blvd
Cedar Beach Rd
Cedar Creek Rd
Cedar Neck Rd
Sapp Rd
Sharps Rd
Shawnee Rd
New Wharf Rd
Church Hill Rd
Canterbury Rd
Crickett Hollow Ln
Jenkins Pond Rd
Milford Harrington Hwy
Mullet Run St
Vickers Ct
Spruce Ave
Poplar St
Pecan Ave
Lynns Ln
McColley Rd
Shockley Rd
Mills Rd
Wisteria Ct
Shore Dr
Evergreen Ln
Meadow Brook Ln
Woodmere Rd
Old Shawnee Rd
Retreat Cir
School Pl
New St
McCoy St
Charles St
Marshall St
Lexington Dr
Valley Forge Dr
Abbott Dr
Adams Dr
Evans Dr
Hammond Dr
Coach Cir
Field Cir
Hackney Cir
Sugar Maple Dr
Wilkins Rd
Blueberry Dr
Calhoun Rd
Rust Rd
Lincoln
Johnson Rd
Granary Rd
Sources: Esri, DeLorme, NAVTEQ, USGS, NRCAN, METI, iPC, TomTom

Applicant Name: Chad Carter

Street Address: 207 Beaufort Lane

Milford, DE 19963

Email Address: chad.d.carter@gmail.com

Occupation and Employer: Land Planner - Solutions IPEM

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Plan Review/Inspection Agreement
City of Milford and First State Inspection Agency, Incorporated

THIS AGREEMENT, made this 13th day of February 2017, by and between the **CITY OF MILFORD**, a municipal corporation of the State of Delaware, (Hereinafter referred to as "City") and **FIRST STATE INSPECTION AGENCY, INC.** (Hereinafter referred to as "FSIA").

Whereas, the parties desire to establish a relationship with respect to plan reviews and inspections of permitted construction in the City of Milford and establish certain aspects of their relationship.

NOW THEREFORE, in consideration of the mutual promises contained herein, and other good and valuable consideration, the parties agree as follows:

1. FSIA shall conduct plan reviews, prior to the issuance of a permit. Alterations or modifications to approved plans will constitute additional review fees.

2. FSIA shall conduct building inspections to meet the requirements of the IRC and ICC Building codes as adopted by the City, including any amendments thereto.

3. FSIA shall conduct on-site inspections, consisting of footing, foundation, framing, energy, and final inspections.

4. FSIA shall maintain written records of on-site inspections until final inspections have been completed, at which time the City will be notified of the Final inspection and a copy of all inspection records will be forward to the City.

5. All inspection requests shall be initiated by the City and forwarded to the FSIA office.

6. FSIA shall provide technical advice and information, as requested by the City.

7. The City agrees to pay FSIA pursuant to the fee schedule attached hereto. FSIA shall bill the City: upon approval of construction drawings for the cost of plan review; and upon the first inspection, for the cost of inspection, Payment is due 30 days after receipt of invoice.

9. FSIA shall, during the entire term hereof, and any extension thereof, keep in full force and effect, a policy of general liability insurance with respect to its obligations under this agreement, which is approved by the City and in which the limits of liability shall not be less than one million ($1,000,000.00) for each accident or occurrence. FSIA also agrees to maintain an Errors and Omissions Policy approved by the City, and in which the limits of liability shall be not less than one million ($1,000,000.00). FSIA shall furnish the City with the certificate or certificates of insurance or other acceptable evidence that such insurance is in full force at all times during the term hereof.

10. This agreement shall remain in effect for a period of Five (5) Months at the same fee schedule, with the option of an additional Three (3) Years with a review of the services provided and the fee schedule at that time, to determine the necessity of a possible increase of fees. This agreement will commence February 1, 2017, and end June 30, 2017, provided, however, that the City shall have the sole option to terminate this contract after Five (5) Months, by providing FSIA written notice at least 30 days prior to termination.

IN WITNESS THEREOF:

Signed, sealed and delivered in the presence of:

FIRST STATE INSPECTION AGENCY, INC.

_____ _____(SEAL)
Attest Printed Name:_____
Title:_____

Sworn to and subscribed before me this ____ day of _____, 20 .

_____ _____
Notary Public Date Commission Expires

CITY OF MILFORD

_____ _____(SEAL)
Attest/City Clerk By: Mayor Bryan W Shupe

Sworn to and subscribed before me this ____ day of _____, 20 .

_____ _____
Notary Public Date Commission Expires

First State Inspection Agency, Inc.

Plan Review Fee Schedule

BUILDING

All use groups other than R3 and R4

- New Construction (Fee based on **Gross Floor Area* of construction)

  Up to and including 10,000 sq. ft. $.045 per sq. ft.

  Greater than 10,000 sq. ft. $.03 per sq. ft.

  * *Gross Floor Area* is defined as the total square footage of all floors, within the perimeter of the outside walls, including basements, cellars, garages, roofed patios, breezeways, covered walkways and attics with floor to ceiling height of 6'6" or more.

- Alterations

  1.5% of Construction Valuation up to $20,000

  0.5% of Valuation over $20,000

One and Two Family Dwellings (use groups R3 and R4)

- New Construction

  $145.00 per dwelling unit includes building, plumbing, and mechanical

- Alterations and Additions

  1.0% of the estimated cost of constructions

- Swimming pools $ 20.00
- Decks $ 20.00
- Minor Interior renovations (basement fit-out) $ 20.00
- Sunroom & Screen Porch $ 40.00
- Solar Plan Review $ 20.00

First State Inspection Agency, Inc.

Inspection Fee Schedule

BUILDING INSPECTIONS

All use groups other than R3 and R4

- New Construction and additions $ 55.00 *plus* $.25 per sq. ft. of *Gross Floor Area*

  **Gross Floor Area* is defined as the total square footage of all floors, within the perimeter of the outside walls, including basements, cellars, garages, roofed patios, breezeways, covered walkways and attics with floor to ceiling height of 6'6" or more.

- Alterations and Tenant Fit-out 2.5% of construction cost
- Demolition $ 40.00
- Signs $ 40.00

Minimum fee $ 40.00

One and Two Family Dwellings (use groups R3 and R4)

- Dwellings Unit $ 225.00 (includes 5 inspections)
  $ 45.00 each additional inspection
- Swimming pools $ 80.00
- Decks $ 80.00
- Minor Interior renovations (basement fit-out) $ 100.00
- Sunroom & Screen Porch $ 100.00
- Solar Inspection $ 40.00

MILFORD CITY COUNCIL
MINUTES OF MEETING
January 9, 2017

A Meeting of the City of Milford Finance Committee was held in the Joseph Ronnie Rogers Council Chambers at Milford City Hall, 201 South Walnut Street, Milford, Delaware on Monday, January 9, 2017.

PRESIDING:	Chairman Douglas Morrow
IN ATTENDANCE:	Committee Member: Councilman James Burk
MAYOR & COUNCIL:	Mayor Bryan W. Shupe
	Councilmember Owen Brooks Jr.
STAFF:	City Manager Eric Norenberg, City Clerk Terri Hudson and Finance Director Jeff Portmann

Chairman Morrow called the Committee Meeting to order at 5:32 p.m.

City of Milford FY2016 Audit Report

City Manager Norenberg then deferred to City Finance Director Jeff Portmann and Robert K. Griffin, CPA from the City's Auditing Firm Beck, Villata & Company.

Mr. Griffin provided the Finance Committee with an overview of the contents of the audit and its key components. He explained it basically includes three audit reports, The first relates to the City's financial statement (net possession, statement of activities and cash flows for each of the City's funds).

The second audit applies to a 'single audit' needed because the City receives project funding through loans from the USDA and the Delaware Revolving Fund. The funds originate from the federal government and are subject to compliance requirements as a result. An audit report is required with respect to compliance of the requirements for those programs.

In addition to the section on the financial statement, there is a section of Management's Discussion and Analysis (MD&A) which verbalizes and breaks down the finances in layman terms. It addresses the City's capital projects and summarizes any changes in the City's financial position.

He referenced the MD&A noting the comparison of FY15 and FY16, in terms of net position by governmental and business-type activities.

Governmental-type activities include all revenues and expenditures in connection with the general activities in terms of providing services to Milford's citizens.

The business-type activities are the fees charged to the user for the service such as electric, water, trash and sewer.

Mr. Griffin noted that the net position for FY15 was $69.5 million; at the end of FY16, it increased by approximately $4 million or $73.5 million. More than half of that net position value is in capital assets.

He reported that the City had a positive year in terms of the net activity, the result of an excess within the budget which is broken down by business and governmental-type activities. The City has a significant portion of its assets in other assets such as cash.

Mr. Griffin pointed out that Finance Director Portmann has been very conservative in terms of the way he has managed money and kept it in reserves. The result is a healthy financial situation should the City encounter a situation whereby an unexpected project is needed.

He then referred to the Budgetary Comparison Schedule General Fund for FY16. It shows the budget for the General Fund which includes revenues, property taxes, expenses, general government expenditures, public safety, etc. It is broken down by line item with a comparison of what actually happened. The total budget revenue was $4.5 million though the actual budget was $4.8 million. Total expenditures were $8.048 million though the expenditures were slightly less than that.

There is a budgeted transfer between the business-type expenses to make up for the deficiency in the general fund.

Mr. Griffin stated that at the end of the year, the general fund had a net increase in actual expenditures of $49,575. As a result, the budget was good in comparison to what actually happened.

As far as findings and internal controls, he explained that with a small accounting staff the difficulty is the segregation of duties which can be almost impossible without hiring additional staff. Mr. Griffin further emphasized that Mr. Portmann and his staff do a phenomenal job of experiencing little, if any, incompatible conflicts of responsibilities. He recalled that for a period of time, Mr. Portmann had someone coming in just to handle bank reconciliation to prevent another employee from handling accounts payable and the bank reconciliation, as an example.

He reiterated that the internal control for the size of the Finance Department's staff is as good as can be in his opinion.

He also pointed out there has always been a misconception that the auditor prepares the financial statement; however, technically the City's staff prepares the financial statement and his firm audits those statements. That misconception has been clarified to the extent it has been impractical to fully prepare a set of financial statements with all the disclosure requirements of the generally accepted accounting principles (GAAP).

Mr. Griffin further explained that some governments actually do that to prevent a 'finding'. As a result, a finding is added that states his firm helps prepares the financial statements because the City staff is unable to handle that completely. He does not feel it is a true weakness though perhaps another CPA could handle that at some point which is what a number of governments are now doing. There are times when there may be some independence issues when it involves smaller governments that may not have someone capable of reviewing and understanding these items.

In terms of an internal control standpoint, that is the only deficiency that had to be disclosed within the report.

The compliance report involving the various programs is submitted to the Federal Clearinghouse which resulted in a clean report for the City.

When asked if there were any questions, Councilman Brooks said he asked that Council meet with the auditors and recalled that the previous firm would report the good points, bad points and weaknesses and what the City needed to do to improve.

He then said that Council found out last year, that $450,000 had not been paid in property taxes. Councilmember Brooks asked if that is something that Mr. Griffin is able to find in the audit. Councilmember Morrow pointed out that the delinquent tax issue goes back twenty years.

Mr. Portmann reported that the City currently has approximately $300,000 in delinquent taxes and possibly $380,000 prior to the Property Tax Amnesty Program developed by the new City Manager earlier this year. That amount has been reduced to approximately $350,000 because of that program. He anticipates that with this year's payment, that will be reduced to approximately $300,000.

Councilmember Brooks does not understand how that happened and feels someone should have caught it.

Mr. Portmann emphasized that every City Manager was aware of the delinquent amount. He also noted that it is up to City Council to take action to do sheriff sales, monition sales, etc. Councilmember Brooks argued that it should never have happened and that City Council should have been told when it happened and not ten years later.

Mr. Portmann pointed out that it increases approximately $30,000 every year and reiterated that they have had many discussions about the need for sheriff sales to help the City with those collections. Councilmember Brooks reemphasized that no one told City Council how much was owed over the years. The only information given was that the budget was balanced and no tax increase was needed.

Mr. Portmann further explained that a budget is different than a tax issue. Councilmember Brooks said he is talking about the tax issue right now and someone needed to tell Council a long time ago instead of waiting until this past year when it popped up that people owed the City $450,000 in delinquent real estate taxes.

Mr. Portmann compared it to the sidewalk issue and the fact that the sidewalks are in need of repair but no one wants them fixed because they don't want to make their neighbor pay the bill. Councilmember Brooks said he disagrees with Mr. Portmann and recalled that the sidewalk issue came to Council but the tax issue never came to Council. Mr. Portmann said he is unaware of exactly what has been discussed with Council.

Councilmember Burk suggests we pick a point in modern history and we move forward. Council should get a report on what is outstanding each year because the longer it is out there, the less ability we will have to collect on it.

Councilmember Brooks said he just wanted the auditor to give Council the good points, the bad points and what the City needed to do to improve. Councilmember Morrow agreed adding that this was Mr. Norenberg's first year here and he was the only City Manager to tell Council about the problem.

Councilmember Burk suggested that moving forward, Council should require the City Manager to provide a report on delinquent taxes.

Mr. Portmann agreed noting that Mr. Norenberg is actually in the process of doing something by bringing it to Council.

Councilmember Burk pointed out that the current City Manager started the amnesty program which is great and the delinquent accounts have now been brought to Council's attention.

Councilmember Brooks said in his position as a Councilperson, he needs to represent his people and if he had known about all the delinquent taxes at the time Council agreed to a five-cent tax increase, there would not have been any tax increase. They would have gone and gotten that money and made the people pay their taxes instead of letting them get away with this for twenty years.

Mayor Shupe said he agrees with Councilman Brooks and understands his frustration. He recommends that tonight a point be made on record that Council will be made aware of all delinquent accounts on an annual basis. Councilmember Brooks argued that it should have been automatic and it is unfair to the other people that paid their taxes.

Councilman Morrow added that the amnesty period is now over and we now have a City Manager who is aggressively pursuing the other revenues through the court and other legal actions as we speak. Therefore, we need to support him and allow him to provide any additional details. He feels Mr. Norenberg is doing what he can at this point and emphasized that he is not the one that created this problem.

Councilmember Brooks pointed out that Council receives a financial statement every month and the real estate taxes are at 99.9%. Last year, they were at 101.2% which means there were more taxes collected above what was budgeted. What it didn't show was the number of people that have not paid their taxes every year.

Councilman Brooks said Council has to know every year, either from the auditors or someone, that these property taxes are not being paid. Mr. Portmann said we do not need an auditor and that can be handled in house. Councilmember Brooks reiterated that it has not been done in the past.

Mr. Portmann explained the receivables go up $33,000 to $35,000 a year and that has been the trend for many years even though there are a number of people who have not yet paid their tax bills. Until Council is prepared to take some official action, that is not going to happen and the members of the current Council appear to want to get this process started.

Councilmember Burk said he does not feel that tonight is the time to start though it needs to be done.

Councilmember Brooks said the auditor is here and someone needs to audit the books to get them right. Councilmember Burk agrees and stated that this is one of those nights when we have a number of different things happening and though he would love to talk about it and feels it is an important topic, we still need a strategy and allow Mr. Norenberg sometime to formulate it.

Councilmember Morrow agrees and stressed that Mr. Norenberg at least has the wheels turning.

City Manager Norenberg recalled that at the retreat, one of the things they discovered about the same time were a few errors in the tax bills that were mailed out. When correcting one particular neighborhoods' situation, he and Mr. Portmann felt that Customer Service Manager Debbie Johnson and her staff should review every thing before we begin to accuse someone of not paying their taxes so that the records are accurate. That has been in works since this past fall and he has not heard a recent update though he and Mr. Portmann will provide that report. In addition, there has been discussions about sending a letter to the delinquent taxpayers advising them they will need make their tax accounts current and if not, the next steps could be consequential.

The City Manager also recalled that City Solicitor and he have already informed Council that some changes are needed to the City Charter to bring the delinquent tax laws up to date. They plan to present the proposed Charter changes to full City Council so it can be introduced to the General Assembly which will take a few more months.

Mr. Norenberg further explained that there is a path forward which will address the situation. He is very well aware of Councilmember Brooks' concerns but assured him there are things in the works to address that.

The City Manager then asked Mr. Griffin to speak on his role in verifying tax payments and referenced the next couple of items that need to be addressed before the Council Workshop starts.

Councilmember Brooks said he just wants to be heard and doesn't want other people paying another person's bill.

Mr. Griffin then explained that from an audit standpoint, there are a couple different layers of what is reviewed. From an audit standpoint, there are a couple layers to ensure the numbers are fairly presented. They actually set up a substantial allowance against it because of the doubtfulness of it becoming collectible at least from an accounting or outside sense. Therefore, the value is much less than $300,000 on the books and what can be recovered is a different story.

Councilmember Brooks reiterated that the number started out at $450,000; Mr. Griffin further explained that there is an allowance against it which results in a lesser amount in the financial statements which is what the auditors' responsibility is.

Mayor Shupe said it sounds similar to his business. For example, if they are selling something, they assume that 15–20% of the people will not pay their entire bill and some may not pay it at all. He said they account for that and do not overspend within that margin of error.

Mr. Griffin explained overdue accounts are generally dealt with internally and considered an accounting practice. It has been discussed internally and confirmed that he has been part of those conversations and believes the City is going in the right direction.

Councilmember Morrow feels this must have been very difficult for a new City Manager but appreciates Mr. Norenberg bringing it forward and commends Mr. Norenberg for handling it.

Finance Director Position

Mr. Portmann advised that the Accounting Manager left to take another position as Ocean View's Finance Director. She based that decision on the fact that she has an hour drive to Milford everyday and Ocean View is only three miles from her home. He believes she would have been a perfect replacement for his position; however, we will now begin to

advertise her position and start the process again.

Early Bond Buy-Out

Mr. Portmann informed the Committee of two pieces of debt. The main item is the 2001 State loan for the sewer project of which the City is paying 3% interest on the balance of $572,000. He is requesting the Committee consider paying off the sewer portion of approximately $500,000 for a savings of $53,000. It is scheduled to be paid out in 2022. The maximum interest earned will be 1.5% in comparison to the 3% being paid.

The Finance Director feels this is a good opportunity to save some money and Mr. Portmann asked if the committee shared his opinion.

The Finance Director confirmed we currently paying $112,000 a year; this would eliminate that payment over the next six years.

Councilmember Burk feels that anytime we have the ability to save any amount of money, and in this case $53,000, is an excellent opportunity. Mr. Portmann will prepare something after he follows up with the State. He will then have Mr. Norenberg present something to Council in a future agenda.

Mayor Shupe asked if during the budget process, Mr. Portmann can provide a one-page summary of what has been spent, annual debt, items with a one-time savings, etc. He understands it is included in the budget, but feels it would be helpful if provided as a one-page document.

Mr. Portmann said he and the City Manager will work on that.

Adjourn

There being no further business, Councilmember Burk moved to adjourn the Committee Meeting, seconded by Councilmember Morrow. Motion carried.

The Committee Meeting adjourned at 6:02 p.m.

Respectfully submitted,

Terri K. Hudson, MMC
City Clerk/Recorder

MILFORD CITY COUNCIL
MINUTES OF MEETING
January 9, 2017

The City Council of the City of Milford met in Workshop Session on Monday, January 9, 2017 in the Joseph Ronnie Rogers Council Chambers of Milford City Hall, 201 South Walnut Street, Milford, Delaware.

PRESIDING: Mayor Bryan Shupe

IN ATTENDANCE: Councilpersons Arthur Campbell, Lisa Peel, James Burk, Owen Brooks Jr, Douglas Morrow and Katrina Wilson

City Manager Eric Norenberg, Police Chief Kenneth Brown and City Clerk/Recorder Terri Hudson

COUNSEL: City Solicitor David Rutt, Esquire

Mayor Shupe called the Council Workshop to order at 6:03 p.m.

UFS Presentation-City Electric Rate Preliminary Study & Recommendation

City Manager Norenberg recalled City Council authorizing an agreement with Utility Financial Solutions (UFS) several months ago to engage in a Cost of Services Analysis and Rate Study. Since that time, UFS has been gathering data about the City's electric utility both on the cost and rate side and comparing that to our current rate design. After a review with City staff, they are prepared to present the preliminary results for dialog and discussion in order to prepare the final rate design to be presented to Council at a later date.

UFS President Mark Beauchamp then provided an overview of the process and the five-year long-term financial projection that will incorporate the City's capital improvements, power costs, etc. It will be used to set a rate track of how rates should change over a period of time to keep the utility financially stable.

The first Council decision will be to decide whether to proceed with the proposed rate track or if something different is needed. He noted that a rate decrease is actually being recommended in Milford though in most cases, a rate increase is suggested.

He will also discuss certain key financial targets the utility must maintain to ensure the financial stability of the utility is maintained during a five-year or longer period.

The last item presented will be the cost of service results. He explained the cost of survey study takes the total amount of revenue requirements, meaning how much money must be recovered from customers through the rates that are charged, and identifies who is causing the costs to be incurred.

For example, power supply includes a demand charge. The cost of survey study identifies what class is using power during the demand period in order to allocate demand-related cost estimates which result in cost causation principles.

The total cost to provide service to each class is then compared to the projected revenues to identify how each class needs to change to meet its cost of service requirement.

The minus 3% (decrease) being recommended and the cost of service study finds there is a variation between classes. The second question of City Council is how much leeway can be provided to move the classes closer to the cost of service results. They are recommending it be moved slowly over a period of time to prevent any 'rate shock'.

The third question identifies the monthly customer charge which is a definite weakness in the City's rate structure. The current charge is $4 which include 5 kilowatt hours of electricity. The cost of service study finds that should be substantially higher.

Mr. Beauchamp will review what each customer charge represents and explain why it is important to get it to the appropriate

level.

The first part in the financial projection is the assumptions with respect to the future. They are as follows:

Annual Inflation-2.5%
Annual Growth Rate-.66%
Capital Plan
*2018 - $900,000 per year
*2019 - $900,000 per year
*2020 - $900,000 per year
*2021 - $900,000 per year
*2022 - $900,000 per year

Power Supply Cost Changes:
*2018 - 5% Decrease
*2019 - 0.3% Increase
*2020 - 0%
*2021 - 2.5% Increase
*2022 - 2.5% Increase

Mr. Beauchamp reiterated there are three key financial targets to assess the financial health (highlighted). The 'debt coverage ratio' is the maintenance of a certain cover ratio which is typically 1.2 or another 20% that must be generated in cash flow through operations over the debt service payment. Milford is a low-debt utility and debt coverage is not a problem.

The second target 'projected cash balances and recommended minimum cash' is based on a calculation of what cash Milford should maintain which is a minimum of $4.7 million. Without any rate change, the projected cash balance in 2018 is projected above that at $6 million and is projected to increase to $10 million in 2022. Therefore, the City is in good shape with respect to cash.

The third target 'target operating income' incorporates depreciation expenses in the expense category even though it is a non-cash expenditure.

Mr. Beauchamp further explained that if Milford spent $1 million in capital with a twenty-year life, the City will not spend a lot of money for repairs and replacement during the early years; however, it will cost more as the asset gets older. That asset is wearing down every year and that depreciation expense needs to be recovered through the customers who are using it. If not, it has to be left for the next generation.

He advised that a target operation income is established through a rate of return though it is not a way to make money. It is a rate of return to break even. If the City charged depreciation expenses, at the end of the twenty-year capital life span, that money has been theoretically recovered. The break-even target operating income is the inflationary increase of the asset replacement cost.

He emphasized that if those two factors are not recovered when establishing rates, the City will create generational subsidies which should be prevented.

The target operating income is approximately $800,000 plus a year; the operating income does not fall below that target until 2022. They find that Milford is a very healthy utility.

PROJECTION WITHOUT RATE CHANGE

Fiscal Year	Projected Rate Adjustments	Debt Coverage Ratio	Projected Expenses	Projected Revenues	Adjusted Operating Income	Target Operating Income	Projected Cash Balances	Recommended Minimum Cash
2018	0.0%	8.44	24,378,015	26,337,865	1,959,850	810,849	6,042,803	4,732,677
2019	0.0%	7.98	24,702,326	26,511,695	1,809,369	835,173	7,586,082	4,777,493
2020	0.0%	7.78	24,994,147	26,686,672	1,692,525	859,547	9,056,338	4,816,739
2121	0.0%	6.23	25,755,313	26,862,804	1,107,491	884,033	9,985,157	4,907,484
2022	0.0%	4.62	26,538,580	27,040,098	501,518	908,673	10,349,048	5,003,744

As a result, UFS is recommending a 3% rate decrease for 2018. That lower rate can be maintained for two years. A slight

rate increase of 1.5% is projected in 2020, 2021 and 2022.

Mr. Beauchamp cautioned Council that a long term projection, is based on a lot of assumptions. Every year, the projection should be updated so that as it reaches the end of the five-year projection, it can be determined what is needed.

He confirmed Council is comfortable lowering the rate by 3% considering the financial projection. He noted that even with that decrease, it is still over on the adjusted operating income.

Mr. Beauchamp further explained that the cost of service study actually showed the rates could be lowered by 4.4%; however, that was not done because there is a high probability a rate increase will be needed in 2019. He feels more of a balance over the next years is a batter solution.

He confirmed that the 3% decrease is an average decrease for all classes.

RECOMMENDED RATE TRACK

Fiscal Year	Projected Rate Adjustments	Debt Coverage Ratio	Projected Expenses	Projected Revenues	Adjusted Operating Income	Target Operating Income	Projected Cash Balances	Recommended Minimum Cash
2018	-3.0%	6.29	24,378,015	25,553,279	1,175,263	810,849	5,258,216	4,732,677
2019	0.0%	5.71	24,702,326	25,721,930	1,019,605	835,173	6,007,808	4,777,493
2020	1.5%	6.59	24,994,147	26,280,070	1,285,923	859,547	7,063,571	4,816,739
2121	1.5%	6.17	25,755,313	26,850,322	1,095,009	884,033	7,969,944	4,907,484
2022	1.5%	5.724.62	26,538,580	27,432,947	894,366	908,673	8,716,607	5,003,744

Mr. Beauchamp explained the 1.5% increases are driven by power cost increases which are out of the City's control. He is assuming there will be a 2.5% increase in power costs in 2021 and 2022. They are driven mainly by natural gas prices and is an unknown at this point and one of the reason he expressed caution about the projection for years four and five. As 2020 and 2021 get closer, the 1.5% increase will need to be reviewed.

The general consensus of Council was they were comfortable with lowering the rate as long as the City recovers its costs at the same time.

Councilman Burk pointed out the study included an increase in the residential customer charge from $4 to $16 and asked if that was taken into account. Mr. Beauchamp does not recommend increasing the charge from $4 to $16 and instead suggests a tiered approach though he will discuss that when solar is addressed.

Mr. Beauchamp stated that certain factors are used to identify the minimum level of cash reserves that are needed. 'Working capital lag' is the time between when the City pays bills and when customers pay their bills. For example, the power provider bills the City for January's readings and the City pays that bill in February. The customer meters are also read the end of January though the City does not get that money until the end of the following month. He pointed out there is always at least a 45-day working capital lag when billing monthly. Therefore, cash is needed in reserves at all times to pay bills in a timely fashion and until such time it is received from the customers.

The second issue is the age of the infrastructure which means more exposure to a catastrophic event. The City's distribution infrastructure is on the older side. The average distribution system throughout the United States is about 50% depreciated and the City's system is substantially above that. Because of its age, there is going to be a need to spend a lot of money to reinvest in that system at some point in the future.

UFS wants to make sure there is sufficient funding in the reserves to start the repair and replacement process. Should something happen, there must be enough money to start the process until adequate financing can be arranged.

Though most utility customers believe that the price of electric is most important with an electric system, reliability of service is actually more important. The main focus in Milford should be to provide reliable service to our customers and the main reason for the minimum reserve level to ensure that when a capital project is needed, there is money available. When quantified, that minimum number should be $4.7 million.

DEBT COVERAGE RATIO (NO CHARGES)

DESCRIPTION	Projected 2018	Projected 2019	Projected 2020	Projected 2021	Projected 2022
Debt Coverage Ratio					
Net Income	1,830,988	1,659,688	1,555,664	983,228	387,299
Add Depreciation/Amortization	935,591	953,591	989,591	1,025,591	1,061,591
Add Interest Expense	184,845	179,895	174,791	169,545	164,145
Cash Available for Debt Services	2,951,425	2,793,175	2,720,047	2,178,364	1,613,0355
Debt Principal & Interest	349,845	349,895	349,791	349,545	349,145
Projected Debt Coverage Ration (Covenants)	8.44	7.98	7.78	6.23	4.62
Minimum Debt Coverage Ratio	1.4	1.4	1.4	1.4	1.4

ELECTRIC DEPARTMENT MINIMUM CASH RESERVE

Description	2018	2019	Projected 2020	2021	2022
Minimum Cash Reserve Allocation					
Operation & Maintenance Less Depreciation Expense	12.3%	12.3%	12.3%	12.3%	12.3%
Purchase Power Expense	11%	11.0%	11.0%	11.0%	11.0%
Historical Rate Base	3%	3%	3%	3%	3%
Current Portion Debt Service Payment	74%	74%	75%	76%	76%
Five-Yr Capital Improvements/Net of Bond Proceeds	20%	20%	20%	20%	20%
% Plant Depreciated	56%	58%	59%	61%	62%
Calculated Minimum Cash Level					
Operation & Maintenance Less Depreciation Expense	647,684	663,876	680,473	697,485	714.922
Purchase Power Expense	1,997,227	2,016,440	2,029,749	2,094,224	2,160,747
Historical Rate Base	930,307	957,307	984,307	1,011,307	1,038,307
Current Portion Debt Service Payment	257,459	259,870	262,211	264,470	269,769
Five-Yr Capital Improvements/Net of Bond Proceeds	900,000	880,000	860,000	840,000	820,000
Minimum Cash Reserve Levels		**4,732,677**		**4,777,493**	**4,816,739**	**4,907,484**
Projected Cash Reserves	**6,042,803**	**7,586,082**	**9,056,338**	**9,985,157**	**10,349,048**	**5,003,744**

ELECTRIC DEPARTMENT TARGET OPERATING INCOME

Description	2018	2019	Projected 2020	2021	2022
Target Operating Income Determinants					
Net Book Value/Working Capital	13,531,905	13,478,314	13,388,722	13,263,131	13,101,539
Outstanding Principal on Debt	4,720,000	4,550,000	4,375,000	4,195,000	4,010,000
System Equity	8,811,905	8,928,314	9,013,722	9,068,131	9,091,539
Target Operating Income Allocation					
Interest on Debt	3.92%	3.95%	4.00%	4.04%	4.09%

System Equity	7.10%	7.34%	7.60%	7.88%	8.19%
Target Operating Income					
Interest on Debt	184,845	179,895	174,791	169,545	164,145
System Equity	626,004	655,278	684,756	714,488	744,528
Target Operating Income	810,849	835,173	859,547	884,033	908,673
Minimum Cash Reserve Levels	**1,959,850**	**1,809,369**	**1,692,525**	**1,107,491**	**501,518**
Projected Cash Reserves	**6%**	**6.2%**	**6.4%**	**6.7%**	**6.9%**

The cost of service study implies that the residential rate should be reduced 6.3%; small general service reduced 6.7%; city street lighting increased 39%; security lighting decreased 13%; medium general service reduced 1%; large general service decreased 6% etc. as shown below:

ELECTRIC COST OF SERVICE RESULTS

Customer Class	Cost of Service	Projected Revenues	% Change
Residential Service	9,154,781	9,770,811	-6.3%
Small General Service	1,224,605	1,312,794	-6.7%
City Lighting	120,476	86,266	39.7%
Security Lighting	24,029	27,605	-13%
Medium General Service	4,841,417	4,898,582	-1.2%
Large General Service	768,587	620,401	-6.3%
General Service Primary Voltage	3,338,532	3,617,760	-7.7%
Special Contract Service	5,174,792	5,253,547	-1.5%
City Accounts	356,658	365,112	-2.3%
Total	**25,003,877**	**26,152,877**	**-4.4%**

Mr. Beauchamp then explained that if the reduction of rates by 3% is approved, how much bandwidth needs to be provided to move these classes closer to cost of service within a +/-2% bandwidth. That means some classes could be lowered as much as 5% while others would only see a 1% decrease. They would work in that range and move them slower toward cost of service.

If Council agrees to a +/-2% bandwidth, the residential class will most likely see a 4% decrease.

He noted that the city lighting is part of the general fund, and he will most likely only ask for a 1% decrease though it actually shows the need for an increase.

The medium general service will only get about a 1% decrease though they will work within that range to move these classes closer to the cost of service.

Mr. Beauchamp reiterated that they recommend a +/-2% bandwidth around the 3% decrease.

Mr. Beauchamp explained that a rate design packet will be created showing every class and how each will be impacted. It will show the residential class having a 4% decrease, for example. However, it will not be uniform because of the other factors involved. Some may see a 6% decrease and others may see a slight increase. Overall, all residential customers will have a 4% decrease.

Even though the rate for the class is decreasing, his preference is to increase the customer charge which means they will further lower the energy charge.

The customer charge primarily impacts residential and small general service customers and makes little difference to the larger customers. When a meter is installed on a customer's home or facility, the utility bears the cost to install, repair, replace, read, and build the meter (service drop charge). Those are all fixed costs that do not vary based on consumption.

He referenced the number of people that move to Florida during the winter as an example. If they are not charged the proper

customer charge, then the year-round-rate payers are subsidizing those seasonal customers.

Mr. Beauchamp also informed Council there is an underlying belief that increasing the customer charge will more adversely impact low-income customers. He explained that what most utilities don't realize is that most low income customers tend to be higher than average electric consumers and not less. Therefore, they actually benefit from increases of customer charges. They typically do not buy a home or rent a home that was built in the last twenty years and most likely are in an older home built without the proper insulation, windows or air conditioners. They cannot afford to purchase the energy efficient appliances or change out the lightbulbs to LEDs. Other factors such as larger families or more than one family living in the home creates higher bills as well. Therefore, the higher customer charge tends to benefit most low-income families.

MONTHLY CHARGE

Customer Class	Cost of Service Customer Charge	Current Average Customer Charge
Residential Service	16.63	4.00
Small General Service	23.37	6.00
Medium General Service	75.67	7.00
Large General Service	152.78	18.00
General Service Primary Voltage	286.89	21.00
Special Contract Service	385.99	

He then discussed net metering in the State of Delaware which is hot topic right now because of solar. For example, a solar customer takes 1,000 kilowatt hours from the City's electric system, but gives back 600 kilowatts. The reason that happens is because solar residential customers use energy early in the morning and early in the evening. Solar production is in the afternoon. The customer is drawing from the electric system in the morning and early evening and giving it back in the afternoon. Net metering 'nets' the two together and results in a bill for the 400 kilowatt hours.

Mr. Beauchamp said everyone in the industry, including the solar companies, know that is wrong. The State of Delaware has legislation that allows that as well.

Part of the way to correct that is to adjust that customer charge up. One of his recommendations is to increase the customer charge from $4 to $6 and maybe $7 because it will have an adverse impact on low users. The intent is not to create rate-shock or have customers' bills substantially rise, particularly when we are decreasing the residential rate.

Mr. Beauchamp explained that the rate design packet will show the impact of different levels of usage for residential customers.

He also pointed out that part of the reason there is a cost shift that occurs with solar customers is because residential customers peak either early in the morning or early in the evening. The City has to maintain the same sizing of transformer and distribution needs for that customer even though they are using less total electricity. This is because solar does not reduce the demand that a residential customer places on the distribution system.

Mr. Beauchamp then asked if Council is comfortable with a $2 increase in the residential customer charge; he emphasized that will keep the energy rate lower. In total, residential customers will see an approximate 4% decrease even with the increase in the customer charge.

He also pointed out there is a portion of the distribution infrastructure that goes into the customer charge. That portion is a theoretical calculation of how much it would cost to build a distribution infrastructure. If a customer uses zero electricity but wants to be connected to the system, there is still a wire that runs to them. That is what the customer charge is attempting to recover.

When asked if Council is comfortable with a $2 increase in the customer charge, Mr. Brooks emphasized that when the electric rates go up in a couple years, that charge will remain. Mr. Beauchamp reiterated that his recommendation is to continue to raise the customer charge. In an ideal world, he would increase it by $2 each year but have a corresponding reduction in the energy charge, thus moving it slowly over time.

When asked a question about the reason for the customer charge increase, Mr. Beauchamp stated that power costs are not recovered through that charge and only distribution lines. Secondly, the City of Milford has a power cost adjustment mechanism in place that is non-functioning. He recommends the City put in place a functioning power cost adjustment. That would be part of the rate design package.

The projected 2.5% increase in 2021 and 2022 in power costs would be automatically picked up through the power cost adjustment mechanism. The same would apply if there was a decrease.

Mr. Beauchamp referenced Delaware Co-Op who is increasing their rates but is advertising a 5% rate decrease because their power cost adjustment mechanism is dropping.

Councilman Campbell asked if there will be a cap on the customer charge increase projected each year; Mr. Beauchamp recommends increasing it by $2 each year and lowering the energy rate over the next six years and until that charge becomes $16.

Mayor Shupe asked City Manager Norenberg that if City Council should approve the 2% increase in three years or if that should be a decision made by future City Councils.

Mr. Norenberg explained the goal is to develop a multi-year plan for the City to follow. This needs to be reviewed on an annual basis because of future unknowns such as power costs. He suggests stating that we recommend and plan to make the customer charge increase over the next three to four years and study it in three to four years to make sure we are on track with the expenses and other costs that factor into that charge.

He agrees that as City Management and City Council change during that time, they will need to confer on how to proceed with the customer charge and rates. The customer charge means an increase in revenue but we are decreasing revenues to cover the same expenses in the kilowatt hour fee. Therefore, it is balancing act which is why the need for the periodic reviews.

Mr. Norenberg informed Council that DEMEC provides a forecast of the power costs and we have a good idea of what it will look like over the next couple years. Beyond that, it could change based on natural gas prices, etc.

Mayor Shupe said the point he is making is that this should continue as an ongoing operational matter with an annual review.

Councilman Campbell expressed concern that the majority of residents already feel that Milford has an extremely high cost of residential electric though it appears we are actually in the middle of the road when compared to other utility companies in Delaware.

Councilman Burk pointed out that we still need a long term plan though we may need to change directions while working toward the same goal. He likes what UFS has presented and feels it is a good plan.

Mr. Norenberg added that UFS will be providing the City Finance Director with a tool to help monitor the adjustments that have been handled by the power cost adjustment versus paying the former consultant for those services on a monthly basis. In that manner, he will keep City Council much more informed.

The City Manager then confirmed the consensus of City Council was to proceed with the preliminary plan as has been submitted by UFS, including the +/-2% bandwidth so the largest decrease would be approximately 5% and the smallest 1%, along with the incremental change relative to the customer charge.

City Council agreed.

There being no further business, the Workshop Session concluded at 6:57 p.m.

Respectfully submitted,

Terri K. Hudson, MMC
City Clerk/Recorder

MILFORD CITY COUNCIL
MINUTES OF MEETING
January 9, 2017

Milford City Council held a Public Hearing on Monday, January 9, 2017 in the Joseph Ronnie Rogers Council Chambers at Milford City Hall, 201 South Walnut Street, Milford, Delaware.

PRESIDING: Mayor Bryan Shupe

IN ATTENDANCE: Councilpersons Arthur Campbell, Lisa Peel, James Burk, Owen Brooks Jr, Douglas Morrow and Katrina Wilson

City Manager Eric Norenberg, Police Chief Kenneth Brown and City Clerk/Recorder Terri Hudson

COUNSEL: City Solicitor David Rutt, Esquire

Mayor Shupe called the Public Hearing to order at 7:03 p.m.

City Planning Coordinator Rob Pierce was also present.

Adoption/Ordinance 2016-15
Code of the City of Milford Part II-General Legislation
Chapter 230-Zoning
Article II-Designation of Districts &Article III-Use and Area Regulations
Creation of New Zoning District/C2-A/Riverfront Development District

The Planning Coordinator reported a Public Notice was advertised in the Milford Beacon on November 23, 2016. He referenced the memo in the packet that was addressed to the Planning Commission and outlined the details which are the result of the Rivertown Rebirth Plan created in September 2015 and adopted in early 2016.

He noted that the Planning Commission began discussions in August at which time an ordinance was drafted similar to the C2 (Central Business District) zone. Building heights were increased to four stories and density increased to sixteen units per acre which aligns with the R3 zoning district. The proposed ordinance, also presented to the Community Affairs Committee, also includes the majority of their recommendations.

There were subsequent reviews and various components were tweaked; one being limiting the zone to riverfront properties thus separating it from Walnut, Northwest Front Street and the surrounding historic areas as can be seen in the packet.

The Planing Commission recommended approval of the new zone by unanimous vote at their November 2016 meeting.

Consistent with the Rivertown Rebirth Plan, the ordinance will promote density and housing opportunities in the downtown areas.

There being no questions or comments from City Council, Mayor Shupe opened the floor to public comment. When no one responded, the Mayor closed the public comment portion of the hearing.

Councilwoman Peel moved to adopt Ordinance 2016-15, seconded by Councilman Campbell:

ORDINANCE 2016-15
CODE OF THE CITY OF MILFORD
PART II-GENERAL LEGISLATION
CHAPTER 230-ZONING ARTICLE II-DESIGNATION OF DISTRICTS
&
ARTICLE III-USE AND AREA REGULATIONS
Creates C2-A/Riverfront Development District

WHEREAS, the City of Milford deems it necessary to classify, regulate and restrict the height, number of stories and size of buildings and other structures, the percentage of lot that may be occupied, the size of yards, courts and other open spaces, the density of population and the location, use and extent of buildings, structures and land for residence, trade, industry and other purposes; and

WHEREAS, the City creates districts for said purposes; and

WHEREAS, the City of Milford proposes the purpose of the Riverfront Development District is to create an atmosphere that encourages mixed use residential and commercial development along riverfront properties in the downtown area. The district shall preserve the character of the adjacent central business district and historic areas while providing an attractive and convenient combination of shopping and living units.

NOW, THEREFORE, THE CITY OF MILFORD HEREBY ORDAINS:

Section 1.
An Ordinance to Amend the Code of the City of Milford by Amending Chapter 230 entitled Zoning by adding a new zoning category.

Section 2.
Article II-Designation of Districts, 230-5. Types of Districts is hereby amended as follows:

For the purpose of this chapter, the portions of the City of Milford included within the Zoning Map adopted under this chapter are divided into ~~15~~ *16* types of districts as follows:

Designation	Characteristic Description
R-1	Single-Family Residential District
R-2	Residential District
R-3	Garden Apartment and Townhouse District
C-1	Community (Neighborhood) Commercial District
C-2	Central Business District
C-2A	*Riverfront Development District*
C-3	Highway Commercial District
H-1	Institutional Development District
I-1	Limited Industrial District
I-2	General Industrial District
OC-1	Office Complex District
OB-1	Office Building District
BP	Business Park District
IS	Institutional Service District
IM	Institutional Medical District
R-8	Garden Apartment and Townhouse District

Section 3.
Article III-Use and Area Regulations is hereby amended by adding the following:

§ 230-13.1 C-2A Riverfront Development District

In a C-2A District no building or premises shall be used and no building shall be erected or altered which is arranged, intended or designed to be used except for one or more of the following uses and complying with the requirements so indicated.

A. Purpose. The purpose of the Riverfront Development District is to create an atmosphere that encourages mixed use residential and commercial development along riverfront properties in the downtown area. The district shall

preserve the character of the adjacent central business district and historic areas while providing an attractive and convenient combination of shopping and living units. The district shall be limited to those properties adjacent to the Mispillion River and shall be prohibited along North and South Walnut Street, Northwest Front Street and shall not be allowed within any of the historic districts.

B. Permitted uses. In a C2-A district, land, buildings or premises shall be used by right for one or more of the following:

(1) General merchandise stores, including such uses as department stores, apparel and accessories, hardware, shoes, drugs and variety stores.
(2) Specialty retail stores, including such uses as gifts, antiques, crafts, newspapers, beer, wine or liquor, tobacco, flowers, sporting goods, books, jewelry, leather goods and stationery stores.
(3) Personal service establishments, including such uses as barbers, beauticians, shoe repair and tailors.
(4) Financial institutions, loan companies and banks.
(5) Restaurants, excluding fast-food or franchised food service operated restaurants.
(6) Retail food stores, including bakeries, confectionery, candy or gourmet shops, small convenience grocery shops (without gas pumps) and meat, fish or produce stores.
(7) Professional services and administrative activities, including such uses as offices of agents, brokers, physicians, dentists, attorneys, architects, engineers, musicians and artists and governmental offices serving the public.
(8) Libraries, museums, art galleries and public information centers.
(9) Fraternal, social service, union or civic organization.
(10) Studio for artists, designers, photographers, musicians, sculptors and related uses.
(11) Municipal and public services and facilities, including City Hall, municipal parking lots, water storage towers, water reservoirs, water pumping stations, water treatment plants, sewage pumping stations, sewers (storm and sanitary), street rights-of-way, utility transmission and distribution lines, public transportation bus or transit stops, police and fire stations and substations for electric, gas and telephone facilities.

C. Conditional uses subject to special requirements. The following uses are permitted subject to receiving a conditional use permit by the City Council as provided in Article IX of this chapter:

(1) Commercial indoor recreation activities, including amusement arcades, indoor theaters, social clubs, youth clubs or similar facilities.
(2) Laundromats and dry-cleaning establishments.
(3) Fast-food or franchised food service operated restaurants.
(4) Day-care centers.
(5) Community residential treatment program.
(6) Multifamily residential when part of a mixed-use development, with commercial uses in the same building and/or on the same site.
(7) Nano or microbrewery with or without associated pub.

D. Area and bulk requirements.

(1) Maximum number of units per acre shall be 16.
(2) Minimum lot area shall be 5,000 square feet.
(3) Minimum lot width shall be 50 feet.
(4) Maximum building coverage shall be 60%
(5) Front yard setback shall be 15 feet minimum
(6) Side yard setback shall be 14 feet aggregate total with a minimum of 6 feet.
(7) Rear yard setback shall be 20 feet.
(8) Height of buildings shall not exceed four stories or 50 feet.
(9) Minimum separation distance between dwelling structures on the same lot shall not be less than 15 feet.
(10) Parking shall comply with the requirements provided in Article IV of this chapter.
(11) Signs shall comply with the requirements for C-2 Central Business District as provided in Article VI of this chapter.
(12) For mixed use residential and commercial projects, off-street parking, parking beneath buildings, front, side and rear setbacks, landscaping and buffering, lot coverage, number of units per building and building

separation shall be as determined by the Planning Commission.

Section 4. Dates.
Planning Commission Review and Public Hearing: December 20, 2016
City Council Introduction: December 12, 2016
City Council Review and Public Hearing: January 9, 2017
Adoption: January 9, 2017
Effective: January 19, 2017

Motion carried by the following 6-0 roll call vote:

Councilman Campbell votes yes based on the review and recommended approval of the Planning Commission and its complete review.

Councilwoman Peel votes yes based on the recommendations from the Community Affairs Committee, the Downtown Development District and the Planning Commission.

Councilman Burk votes yes for the reasons that have been stated.

Councilman Brooks votes yes for the same reasons.

Councilman Morrow votes yes and agrees with the reasons given by the previous Councilmembers.

Councilwoman Wilson votes yes for the same reasons stated by Councilman Campbell and Councilwoman Peel.

There being no further business, Councilwoman Peel moved to adjourn the Public Hearing, seconded by Councilman Burk. Motion carried.

The Public Hearing adjourned at 7:11 p.m.

Respectfully submitted,

Terri K. Hudson, MMC
City Clerk/Recorder

MILFORD CITY COUNCIL
MINUTES OF MEETING
January 9, 2017

A Meeting of Milford City Council was held in the Joseph Ronnie Rogers Council Chambers at Milford City Hall on Monday, January 9, 2017.

PRESIDING: Mayor Bryan Shupe

IN ATTENDANCE: Councilpersons Arthur Campbell, Lisa Peel, James Burk, Owen Brooks Jr, Douglas Morrow and Katrina Wilson

City Manager Eric Norenberg, Police Chief Kenneth Brown and City Clerk/Recorder Terri Hudson

COUNSEL: City Solicitor David Rutt, Esquire

CALL TO ORDER

Mayor Shupe called the Council Meeting to order at 7:39 p.m.

INVOCATION AND PLEDGE

The Pledge of Allegiance followed the invocation given by Councilmember Wilson.

APPROVAL OF PREVIOUS MINUTES

Motion to approve the December 12, 2016 Committee and Council Meetings made by Councilmember Brooks, seconded by Councilmember Burk. Motion carried.

RECOGNITION

Winter Storm Helena

Mayor Shupe commended the Public Works and Police Department for their aid during the recent storm which brought three to nine inches of rain in various parts of the City. These departments made sure the roads were clear and our residents were safe.

Elected Officials/Campaign Finance

Mayor Shupe reminded Council that their end of the year reports must be filed no later than January 20th.

City of Milford Promotions

City Manager Norenberg recalled Council recognizing three City Employees who were retiring. Tonight he is introducing Ralph Skinner Jr. (RJ) who has been through a training and transition process that has qualified him for a promotion to Parks Superintendent.

Parks and Recreation Director Brad Dennehy informed Council that Mr. Skinner began as a seasonal employee in the Solid Waste Department and worked himself up through the ranks. He is a dedicated employee and only the third Parks Superintendent in more than forty plus years. He also lends a hand on the recreational side and assists with the youth basketball league on Saturdays.

Mr. Skinner then stood up and Councilmembers congratulated him.

Milford Police Department Officer Recognition

Chief Brown informed Council of two incidents in which he wanted to commend his officers.

On December 23, 2016, Sergeant Timothy Lord, Private First Class John Collins and Patrol Officers Sean Hudson and Tel Clayton responded to an apartment complex in Milford where two individuals were suffering from heroin overdoses. Chief Brown said that through a grant from the State of Delaware, officers have been trained to administer Narcan, an antidote used in opiate addiction.

When the officers arrived, they found the subject in distress. Officer Hudson immediately began to administer the Narcan which saved his life. The other officers were responding to the second individual; however, that person began to respond before they were able to administer the drug. Chief Brown emphasized that it was the quick action of these four officers that saved the lives of the two individuals.

He then presented commendations to Sergeant Tim Lord, Officers John Collins, Tel Clayton and Sean Hudson which read as follows:

"In recognition of your life-saving efforts when responding to a dual heroin overdose in progress on December 23, 2016. Your immediate actions resulted in both subjects surviving the incident."

Chief Brown then recognized Sergeant Lord's shift for a second incident that occurred on January 2, 2017 that included K-9 Officer Timothy Webb.

He described the incident stating that Milford citizen Joshua Dickson was across the street from the Milford Diner when he heard glass breaking. He observed an individual attempting to crawl in a broken window at the restaurant and called police. K-9 Officer Webb, along with the other Milford Officers, were immediately dispatched to the scene. The K-9 officer chased the robbery suspect out of the restaurant where he was apprehended by Patrolman First Class John Collins.

Chief Brown attributed the arrest and apprehension of the defendant to Mr. Dickson's swift actions.

Mr. Dickson was presented with a certificate which read as follows:

"In recognition of your assistance and apprehension of a burglary suspect on January 2, 2017. Your quick action to report the breaking of glass and description of the suspect assisted officers in the suspect's apprehension and arrest."

Sergeant Lord, Corporal Webb, Patrolman First Class Collins and Patrolman Clayton received a second commendation which read as follows:

"In recognition of the apprehension of a burglary-in-progress subject on January 2, 2017. Your professional handling of the incident resulted in the suspect being apprehended without injury to the suspect, yourself or fellow officers."

Chief Brown then further acknowledged Sergeant Lord who in December 2016, was recognized for being awarded Delaware Crime Stopper's Robert J. Seinsoth Memorial Law Enforcement of the Year Award for medium-sized police departments. Lord's recognition stemmed from major drug arrests he made over the past ten plus years which resulted in the seizure of 2,300 bags of heroin, 2,400 grams (5.3 pounds of marijuana), 56 grams of cocaine and 1 gram of methamphetamine, as well as three firearms, more than $12,000 in drug money, as well as vehicles and video equipment and the arrests of 50 individuals.

Proclamation 2017-01/Martin Luther King Day

Mayor Shupe read the following proclamation into record acknowledging the work of the late Martin Luther King:

PROCLAMATION 2017-01
Martin Luther King Jr. Day

WHEREAS, the Reverend Dr. Martin Luther King, Jr. was born in Atlanta, Georgia, on January 15, 1929, and has made a lasting impression as a key leader in the American Civil Rights Movement during the 1950s and 1960s; and

WHEREAS, Dr. King dedicated his life to the advancement of the fundamental principles of freedom, opportunity, and equal justice for all; and

WHEREAS, Dr. King's outstanding leadership, inspiring speeches and diligent efforts on behalf of our nation's at-risk and minority population have encouraged millions of Americans to share his dream of civil equality and to bring this dream closer to reality; and

WHEREAS, Dr. King promoted nonviolence and compassion and his followers of all races and creeds rallied around him and his vision for universal equality, camaraderie and peace, which we continue to strive for today in our homes and communities; and

WHEREAS, his vision of a world free of hatred and injustice has changed the face of American society and continues to inspire people around the world; and

WHEREAS, let us reflect on the words and deeds of Martin Luther King Jr., and consider what each of us can do today to help keep his dream alive.

NOW, THEREFORE, I, Bryan W. Shupe, Mayor of the City of Milford, do hereby proclaim January 16, 2017 as Martin Luther King Jr. Day in the City of Milford and ask that each of us honor Dr. King's legacy and focus on bringing people together to break down the barriers that have divided us as a nation.

The proclamation will be included in the permanent records of the City of Milford.

Proclamation 2017-02/School Choice Week

The following proclamation was requested by Andrew R. Campanella, President, National School Choice Week commemorating January 22-28, 2017 as City of Milford School Choice Week:

WHEREAS all children in the City of Milford should have access to the highest-quality education possible; and

WHEREAS City of Milford recognizes the important role that an effective education plays in preparing all students in City of Milford to be successful adults; and

WHEREAS quality education is critically important to the economic vitality of City of Milford; and

WHEREAS City of Milford is home to a variety of high quality public and nonpublic schools from which parents can choose for their children, in addition to families who educate their children in the home; and

WHEREAS, educational variety not only helps to diversify our economy, but also enhances the vibrancy of our community; and

WHEREAS City of Milford has many high-quality teaching professionals in all types of school settings who are committed to educating our children; and

WHEREAS, School Choice Week is celebrated across the country by millions of students, parents, educators, schools and organizations to raise awareness of the need for effective educational options.

NOW, THEREFORE, I, Bryan W. Shupe, Mayor of the City of Milford, do hereby proclaim January 22-28, 2017 as School Choice Week and call this observance to the attention of all of our citizens.

A copy will be forward to Mr. Campanella.

Monthly Police Report

Police Committee Chairman Burk presented the monthly Police Report on behalf of Chief Brown. He referred to the events

described in the report noting that our officers do much more than keep our citizens and community safe. He feels that is what separates Milford from the other police agencies in Delaware.

Chairman Burk moved to accept the Monthly Report, seconded by Councilman Campbell. Motion carried.

Chief Brown stated that on behalf of the Police Department, he would like to commend Public Works Director Mark Whitfield and City Manager Eric Norenberg for the great job their crews did at the Police Department with the snow removal. He said it was the best snow removal he has experienced and asked that they relay his appreciation. They began treating the parking lot and roadways before the snow began, were back shortly after it began falling and kept it clear throughout the event.

Monthly City Manager Report

City Manager Norenberg referenced his report with the various updates and statistics.

He added that he is continuing to proceed with the new phone system as has been discussed. The few problematic areas in some of the departments have been corrected. All the individual systems have been replaced with one master system which should be much more efficient. Training began today and new phones will be installed over the next few days with the actual changeover scheduled this Friday.

The City Manager and Mr. Pierce are working on the RFP for land development proposals for the City-owned riverfront property in downtown Milford which was the subject of the earlier public hearing.

In addition, an RFP is being prepared for the salary study and will soon be ready for release.

Mr. Norenberg informed Council that Governor Markell will make some announcements at the Touch of Italy building (former M&T Bank) related to the Downtown Development District applications tomorrow morning if any Councilmembers are interested in attending.

He also reminded Council that he recently submitted a Local Government Management Fellowship Program application as he described in one of his weekly reports. This is a shared program with the City of Rehoboth that could potentially provide some candidates later this spring who will assist in succession planning and staff development.

Lastly, Mr. Norenberg reminded Council that Milford will host the SCAT dinner on Wednesday, June 7, 2017.

Councilwoman Peel moved to accept the monthly City Manager Report, seconded by Councilman Campbell. Motion carried.

Monthly Finance Report

Finance Committee Chairman Morrow reported that through the fifth month of Fiscal Year 2016-2017 with 42% of the fiscal year having passed, 49% of revenues have been received and 37% of the operating budget expended. He noted that increase in revenues and decreased percentage of expenses is based on the timing of some accounts and purchasing and contractual requirements.

The City Manager is also reviewing the Milford Armory expenses which have increased slightly over the past few months.

Councilmember Morrow moved to accept the monthly Finance Report, seconded by Councilmember Brooks. Motion carried.

Committee & Ward Reports

None.

Communications & Correspondence

Included in packet.

Unfinished Business

Adoption/Ordinance 2016-09/Amending Chapter 79 Animal Code

City Manager Norenberg reminded Council this is a housekeeping ordinance relative to those sections referencing the Kent County SPCA. This was needed after a new State law transferred authority from the counties to the state Office of Animal Welfare to control stray animals, regulate and inspect kennels and shelters, prevent the spread of rabies, and investigate animal cruelty and dangerous dog complaints. He noted that he has worked with Chief Brown over the past few months to update the code which resulted in the following edits:

ORDINANCE 2016-09
Code of the City of Milford
Part II-General Legislation
Chapter 79-Animals

AN ORDINANCE OF THE CITY OF MILFORD ADOPTING AND AMENDING CHAPTER 79 OF THE CITY OF MILFORD CODE RELATED TO ANIMALS

WHEREAS, the regulating of animals within the City is necessary in order to protect the health, safety and welfare of humans and other animals; and

WHEREAS, Chapter 79 of the Code of Ordinances provides for such regulations; and

WHEREAS, after a review of Chapter 79, City Council has determined it is in the best interest of the City to update and further clarify regulations regarding the control, possession and licensing of animals; and

WHEREAS, many of these animal regulations have been in existence for more than eight years; and

WHEREAS, local conditions and recent amendments to State statutes regarding the regulation of animals require modification of the current City Code.

NOW, THEREFORE, THE CITY OF MILFORD HEREBY ORDAINS:

Chapter 79 - ANIMALS

SECTION 1.
An Ordinance to Amend the Code of the City of Milford by Revising Chapter 79 entitled Animals.

SECTION 2.
Article I, entitled Definitions, is hereby amended to read as follows (new language will be bold and underlined and deleted language will be stricken through):

ARTICLE I - Definitions
§ 79-1. Terms defined.
As used in this chapter, the following terms shall have the meanings indicated:

ANIMAL — Dog, cat and any species of mammals except human beings.
ANIMAL CONTROL AGENCY — An agency of the state, county, municipality, or other governmental subdivision of the state which is responsible for animal control operations in its jurisdiction.
*CAREGIVER — ~~Anyone~~ **A person** who ~~puts out~~ **provides shelter, medical care, or** food ~~for~~ **to** feral **or free-roaming** cats. ~~CAT COLONY — A social group of cats who avoid human contact~~, **lacking discernible owner identification**, and ~~breed with each other to create a growing population of homeless cats; cats who group together in an alley, corner of a parking lot or a grassy area.~~ **works to reduce their numbers by working to spay and neuter the animals. Free-roaming cat**

caregivers are not owners.

FERAL CAT — ~~An untamed domestic~~ ***A cat*** *~~living~~****that (i) is born*** *in the wild~~; unaltered cats released by owners who no longer care for them;~~* ***or is the*** *offspring of ~~such~~ an* ***owned or feral cat and is not socialized, (ii) is a formerly owned cat that has been*** *abandoned ~~cat.~~* ***and is no longer socialized, or (iii) lives on a farm. Feral cats may have a temperament of extreme fear and resistance to contact with humans.***

HORSE-DRAWN VEHICLE — A carriage, wagon, cart, sled or sleigh or other device drawn by horses which has a passenger carrying capacity.

OWNER — The person, firm, corporation, organization, or department possessing, harboring, keeping, having an interest in, or having care, custody, or control of an animal.

TRAP-NEUTER_RETURN (*TNR****)*** *PROGRAM — A ~~humane and nonlethal approach to feral cat population control; a comprehensive management plan where~~* ***program in which*** *healthy****, feral, semi-****feral****, or free roaming*** *cats* ***lacking discernible owner identification*** *are sterilized ~~and~~, vaccinated~~, then~~* ***against rabies, ear-tipped*** *and returned to ~~their habitat and provided with long-term care.~~* ***a safe location near or where they were found.***

SECTION 3.

Sections 79-2 through 79-4 of Article II, entitled Control of Dogs, Cats and Other Animals, is hereby amended to read as follows (new language will be bold and underlined and deleted language will be stricken through):

ARTICLE II - Control of Dogs, Cats and Other Animals

§ 79-2. ***Dogs*** *Running at large; exceptions.*

A. *~~It shall be unlawful for any person or persons to permit any animal owned, kept, maintained or in the custody or control of such person or persons to run at large either upon the public streets, sidewalks, highways, alleys or thoroughfares of the City of Milford or upon private property of any other person or persons without permission of the owner of that property or of the person in possession of that property.~~* ***Dogs shall be maintained in accordance with Delaware State Code Title 16 Chapter 30f. Animal Welfare § 3048F Dogs running at large, as may be amended.***

(1) Exceptions:

~~(a) Such restriction shall not apply to cats.~~

~~(b)~~ ***(a)*** *Such restriction shall not apply to dogs owned by the Milford Police Department or other law enforcement agencies and maintained as Police K-9 units while under the custody and control of the trainer or handler.*

§ 79-3. Dog license required.

A. *The owner or lawful possessor of any dog shall obtain a license for his dog pursuant ~~to the licensing requirements of the county in which the owner or lawful possessor resides. License must be kept current. Any owner or possessor who fails to comply with the provision of the applicable county shall be subject to a fine of not less than $25 nor more than $300~~* ***Delaware State Code Title 16 Chapter 30f. Animal Welfare § 3042F Fees for dog licenses; terms, as may be amended.***

~~B. The owner of the dog shall affix or cause to be affixed to said dog the identification tag associated with the license required in Section 9-3A. Said dog shall thereafter, at any and all times, have attached to it said identification tag.~~

§ 79-4. Leash required; exceptions.

A. *No animal shall be permitted in or upon any public street, sidewalk, alley, park, parkway or other public place in the City or in or upon any property belonging to said City unless said animal is on a leash and is under the complete control of the person owning or, at the time, in possession of said animal.*

(1) Exceptions:

(a) Cats.

*~~(b) Feral cats that have been trapped, spayed or neutered and re-released are exempt from Subsection A. Each cat would be ear-tipped, clearly identifying it as a product of the Kent County SPCA Feral Cat TNR Program.~~****(b) Dogs may run at large within the City's Dog Park in accordance with Article IV Milford Dog Park of Chapter 165 of the City of Milford Code.***

B. *Notwithstanding anything in this article to the contrary, no person shall be compelled to keep any animal in his possession on a leash while in or upon any public street, alley, parkway or other public place in the City if, at the time, said animal is securely confined in an automobile* ***provided that the animal is safe and its welfare is not***

endangered by such confinement in accordance with Delaware State Code Title 11, Chapter 5, Subchapter VII, Cruelty to Animals, as may be amended.

SECTION 4.
Sections 79-5 and 79-6, entitled Feral Cats and Outdoor Housing Facilities, Feral Housing, of Article II, are hereby rescinded in their entirety and Sections 79-7 through 79-12 renumbered as Sections 79-5 through 79-10 and amended to read as follows (new language will be bold and underlined and deleted language will be stricken through):

~~*§ 79-5. Feral cats.*~~
~~*A. Individuals who choose to apprehend a feral cat running at large within the City of Milford shall have the feral cat delivered to the Kent County SPCA.*~~
~~*B. No individual will trap a feral cat off his/her property of record except the Kent County SPCA pursuant to specific authorization from the City of Milford Police Department.*~~
~~*C. Each feral cat colony will be registered by the caregivers with the City of Milford and Local Animal Control Agency, which will serve as a clearinghouse for information on current caregivers and assistance for persons found in violation of this section. A caregiver who fails to register within the time allowed shall be subject to a fine of not less than $100 nor more than $300.*~~
~~*D. Any person or caregiver determined to be in violation of Subsections E(1) through (4) below shall be in violation and may be allowed a period of time to come into compliance, or provide satisfactory evidence of working to achieve compliance.*~~
~~*E. Failure to comply in the time given will result in issuing a violation citation. Caregivers of feral cat colonies shall implement proper management and sterilization practices as follows:*~~
~~*(1) Sterilize (spay/neuter) all adult cats that can be captured.*~~
~~*(2) Vaccinate against rabies, as required by law, all cats that can be captured.*~~
~~*(3) Make every attempt to remove kittens from the colony before eight weeks of age for domestication and placement.*~~
~~*(4) Make every attempt to sterilize all kittens over eight weeks of age and before five months of age.*~~
~~*(5) Make every attempt to remove sick or injured cats from the colony for immediate veterinarian care or for humane euthanasia.*~~
~~*(6) Assure responsibility and arrangements for feeding the cat colony regularly throughout the year, including weekends, holidays and vacations.*~~
~~*(7) Keep feeding areas clean and orderly.*~~
~~*(8) Maintain secure and safe winter shelter as required in § 79-6C of this article.*~~
~~*(9) A microchip implant and ear-tipping will be mandatory and used on feral cats in order to be identified as a spayed or neutered and vaccinated member of a managed colony.*~~
~~*(10) The feral cat caregiver shall be vaccinated for rabies; the expense will be the responsibility of the individual or rescue group.*~~
~~*(11) Maintain proof of sterilization, vaccination, medical records, and implant identification for all cats. These records must be provided to the animal control or law enforcement agency upon request.*~~
~~*F. Animal(s) creating a public nuisance. The designated agency/rescue group will be notified within 48 hours of removal of any feral cats.*~~
~~*G. In the event the feral cat caregiver fails to comply with this section, the designated agency/rescue group will be notified within forty-eight-hour period before removal of any animal. The designated agency/rescue group will attempt to resolve the situation prior to removal of a cat by an enforcement agency.*~~
~~*§ 79-6. Outdoor housing facilities; feral housing.*~~
~~*A. The following categories of cats must not be kept in outdoor facilities, unless the attending veterinarian specifically approves that practice:*~~
~~*(1) Cats that are not acclimated to the temperatures prevalent in the area or region where they are maintained;*~~
~~*(2) Breeds of cats that cannot tolerate the prevalent temperatures of the area without stress or discomfort (such as short-hair breeds in cold climates); and*~~
~~*(3) Sick, infirm, aged or young cats.*~~
~~*B. When their acclimation status is unknown, cats must not be kept in outdoor facilities when the ambient temperature is less than 50° F.*~~
~~*C. Shelter from the elements. Outdoor facilities for cats must include one or more shelter structures that are accessible to each animal in each outdoor facility, and that are large enough to allow each animal in the shelter*~~

~~*structure to sit, stand, vertically stretch and lie in a normal manner, and to turn about freely. It must be large enough to contain all the animals at one time. Shelters in outdoor structures for cats must contain a roof, four sides, and a floor; building surfaces in contact with animals must be impervious to moisture. Metal boxes/barrels, cars, refrigerators or freezers, and the like must not be used as shelter structures. Shelter structures must:*~~
~~*(1) Provide the cats with adequate protection and shelter from the cold and heat;*~~
~~*(2) Provide the cats with protection from the direct rays of the sun and the direct effect of wind, rain, or snow;*~~
~~*(3) Be provided with a wind break and rain break at the entrance; and*~~
~~*(4) Contain clean, dry bedding material if the ambient temperature is below 50° F. Additional clean, dry bedding is required when the temperature is 35° F. or lower.*~~

*§ ~~79-7~~. **79-5** - Noisy animals.*
No person shall keep any animal which causes frequent or long-continued noise so as to disturb the comfort or repose of any person in the vicinity. Any violation of this section, in addition to the penalties set forth in § 79-12, is declared to be a nuisance and as such may be abated.

*§ ~~79-8~~. **79-6** - ~~Appointment of~~ **Authorization for** Animal Control Official~~; impoundment procedure.~~*
~~*The Society for the Prevention of Cruelty to Animals of the State of Delaware, Kent County, 32 Shelter Circle, Camden, DE (KC SPCA) has been designated as the animal control agency for the City of Milford. It shall be the duty of the SPCA to apprehend any animal found in violation of the provisions of this article and to impound such animal in a suitable place. A record of the breed, color and sex of the animal and the number of its license, if any, shall be made at the time of impoundment and shall be maintained by the SPCA.*~~
City ordinances may be enforced by Milford Police Officers and City Code Enforcement Officials as appropriate. The City of Milford Chief of Police shall designate an Animal Control Agency/Official for the City of Milford.

*§ ~~79-9~~. **79-7** - Right of entry by Animal Control Official or designee; impoundment.*
*Upon presentation of proper credentials, an ~~official of the SPCA and/or~~ **Animal Control Official**, a City of Milford Code Official or Milford Police Officer may enter upon the yards of private property in order to enforce the provisions of this article. ~~It shall be the duty of the~~ **The** Animal Control Official or ~~his~~ duly authorized representative~~to~~**(s) may** impound all animals over the age of six months that are untagged, as provided for in this article, or that are in or upon any private property without the permission and consent of the owner of such property or that are in or upon any public street, alley, sidewalk, park or other public place unleashed.*

*§ ~~79-10~~. **79-8** - Redemption of impounded animals; costs.*
*The owner of any dog apprehended and impounded by the ~~SPCA~~ **Animal Control Official** may reclaim said dog upon the payment of any fine and cost imposed for any violation of this chapter. ~~Further, if the animal is of a character which requires a license under the laws of the State of Delaware and does not bear a license when impounded, proof of proper licensure must be demonstrated to the SPCA prior to redemption by the owner. If proof of proper licensure cannot be demonstrated by its owner, the animal cannot be reclaimed until such time as the owner has procured a proper license.~~ **or the Delaware State Code, in accordance with Delaware State Code Title 16 Chapter 30f. Animal Welfare, as may be amended.***

*§ ~~79-11~~. **79-9** - Obstruction of Animal Control Agency/Official.*
*No person shall willfully oppose, restrict, delay or obstruct the ~~SPCA~~ **Animal Control Officer** in the discharge or attempt to discharge or perform any act or duty authorized or prescribed herein.*

*§ ~~79-12~~. **79-10** - Violations and penalties.*
Unless otherwise established herein, the following fines and penalties shall apply to Article II of this chapter: Any person found guilty of violating the provision of this article shall forfeit to the City of Milford a fine of not less than $25 but not more than $300, plus the costs of prosecution.

SECTION 5.
Sections 79-13 through 79-15 of Article III entitled Prohibited Animals, are hereby renumbered as Sections 79-11 through 79-13 and amended to read as follows (new language will be bold and underlined and deleted language will be stricken through):

ARTICLE III - Prohibited Animals

*§ ~~79-13~~. **79-11** - Keeping or slaughtering of certain animals within City limits.*
No person shall keep or slaughter any swine, cow, bull, sheep, goat, goose, duck, hen, rooster, turkey or like animal or other farm animal within the City of Milford unless in conformity with Chapter 230, Zoning, and properly licensed and inspected by the appropriate state agencies.

*§ ~~79-14~~. **79-12** - Exception for parade animals.*
A. Animals used in parades where a City of Milford parade permit has been issued are exempt from the provisions of this chapter.

*§ ~~79-15~~. **79-13** - Violations and penalties.*
Any person found guilty of violating the provision of this article shall forfeit to the City of Milford a fine of not less than $100 but not more than $500, plus the costs of prosecution.

SECTION 6.
Article IV, entitled Horse-Drawn Vehicles, is hereby amended to read as follows (new language will be bold and underlined and deleted language will be stricken through) and Subsection D renamed Subsection E and a new Subsection D inserted:

ARTICLE IV - Horse-Drawn Vehicles

*§ ~~79-16~~. **79-14** - Conditions and restrictions.*
The provisions of Article III shall not be applicable to any person who brings into the City a horse for the purpose of providing transportation in horse-drawn vehicles carrying passengers on a fixed route under the following terms and conditions:
A. Each route shall be approved by the City Manager.
B. The horse shall not be kept or maintained within the corporate limits of the City when not being used for the purpose of providing transportation.
C. Horse-drawn vehicles are prohibited from all other streets and areas within the City unless specifically approved by the City Manager for providing point-to-point transportation for special events, including but not limited to weddings, theatrical performances and funerals.
D. Owners/operators of horse-drawn vehicles are responsible for cleanup after the horses.
*~~D~~. **E.** No person shall drive or operate a horse-drawn vehicle on any day or at any time that the ~~Chief of the Milford Police Department or his designee~~ **City Manager** makes a specific determination that it would be inconsistent with other special events or public safety requirements.*

SECTION 7.
Dates:
Council Introduction: December 12, 2016
Council Adoption: January 9, 2017

Motion to adopt Ordinance 2016-09 made by Councilwoman Peel and seconded by Councilman Burk. Motion carried.

Adoption/Ordinance 2016-24/Amending the Code of the City of Milford
Adding a New Chapter 90 Entitled Business License

City Manager Norenberg recalled that over the past few months, there have been a number of conversations about implementing a business license. The Community Affairs Committee met to discuss the ordinance and a public workshop was held during which time public comment was taken. Following that workshop, the Committee decided not to move forward with the business license.

When that recommendation was presented to Council, Councilman Campbell asked that Council consider a revised version which was introduced on December 12th and is before Council for a final determination.

Councilmember Campbell stated that he did some research related to the $50 rental permit. Originally, the fee was $50 per landlord but was later increased to $50 per rental unit. He has been told there was an extensive discussion by the landlords and a lot of concern expressed at that time. He was informed it only impacted the landlords and not the brick and mortar establishments.

It was verified the rental permit ordinance was unrelated to business licenses.

Councilmember Campbell understands that a few of the business owners will be upset, but feels that a $120 business license, or $10 a month, is very reasonable. He believes its benefits to the City will outweigh any negatives. The City will have the ability to more easily identify the various businesses and types of businesses and to ensure they are accountable for their actions. It will also protect the general public health and safety of others.

Councilman Campbell is proposing this only apply to brick and mortar establishments and not people selling services or an out of town business that periodically comes into Milford. He feels those types of activities will be too difficult to police.

Councilwoman Peel disagreed and recalled the meetings stating that the Council Chambers was packed. Many business owners spoke against the license and no one spoke in favor of it. She said she is a representative of those businesses who are her constituents, which is a concern.

The Councilwoman feels the business owners made valid points because it is not solving the problem that needs to be solved with code enforcement.

Councilman Campbell stated that he has lived here ten years. When he moved here, the population of Milford was around 6,000; another 4,000 residents now live here and the City continues to grow. He said he is not trying to offend his fellow colleagues, but the cost to these businesses is $10 per month and this will help the cost of adding another code enforcement official.

Councilman Brooks said we have a rental ordinance and were supposed to hire a code enforcer. According to Councilman Brooks, two years later the City never hired a person to do that job and we are still taking that money.

Councilman Campbell said his understanding is the additional code official was hired and was laid off a few weeks afterwards. Councilman Brooks said he doesn't remember hiring anyone.

Councilman Campbell said he confirmed that someone was hired and then let go. His point is we still have the same number of code officials as when he moved here. We have a current population of 10,000 and with a $300 million hospital being built validates another code official in his opinion.

Councilman Brooks feels that the City of Milford is still collecting money for a rental person and that we should just hire one.

Councilwoman Wilson pointed out there has been a lot of work done on this ordinance and it covers a number of issues. Her personal opinion is that it should only apply to those businesses that are physically located within the limits of Milford. She feels that a license creates accountability and eliminates someone from coming in and just opening up a random business of any type. This gives the City the ability to be aware of each and every business operating within the City. She also is aware that as this ordinance was being created, there was a comparison done to other towns and this is well within in reason when compared to other towns. She does not believe the City is going to make money from it though it will support the code official though not all of his/her costs. She feels that overall it involves simple accountability.

Councilman Campbell recalled that currently only Bridgeville, Seaford and Milford do not have business licences. Though he is not saying Milford should do this only because the other towns have a license, it does seem justifiable to him.

Councilman Burk stated that he will respectfully disagree with Councilman Campbell. He said that Councilwoman Peel has already explained a public workshop was held and there was serious opposition expressed at that time. There was a follow-up meeting of the Community Affairs Committee and a full house present at that time as well. The Committee voted not to recommend this be approved. The business owners took time out of their day on two different occasions and they

will not recommend moving forward. Tonight would be the third time this will be addressed though those business owners may not be here because of the inclement weather.

He continued by saying that when he looks at the City Manager's report and sees the number of code cases, he feels we have an opportunity for improvements. But he has to represent his constituents, some of whom own property in his ward and run businesses in his ward.

Councilman Burk pointed out that when you need something for a fundraiser, these are the businesses that donate and are involved in our community. He recalled they were willing to be part of a registry which was one of the concerns and solves one of the problems.

Councilwoman Wilson stated that she, too, respectfully disagrees. She stated that having been on City Council for twenty plus years, she always stresses that she represents the City of Milford and all the residents. She represents the fourth ward, but we, and she means all members of City Council, make decisions for the entire City of Milford. She is very passionate about that and feels it is important that Council remember the decisions they make are for the benefit of the entire City.

Councilwoman Wilson does not feel it is appropriate to base all decisions on one small group; instead the entire package needs to be considered. She knows we have constituents that disagree with a business license. However, two or three constituents in one ward should not make decisions for the whole City nor do they know what is best for Milford.

She said she did not bring this up, but someone did who felt it was needed. That person has done a lot of work as can be seen by the ordinance.

Councilwoman Wilson recalled when the landlord rental ordinance was adopted, the Council Chambers was really packed and it was standing room only at that time. Council listened to everyone who wished to speak and considered all of the reasons stated but also looked at the facts of why that rental license was needed. Council told those landlords that they appreciated and understood the concerns. But for the betterment of the City of Milford, it was necessary to put it in place.

She said it is almost like a pattern of how things have been done and many decisions have been based on one group and not the entire City which is a concern to her.

Mayor Shupe said he would respectfully say that although it was voted that a rental fee be adopted for a third code official, that third code official is not here. Three years in a row during the budget hearings, the City has promised the individuals who have these rentals that their money would be used for the third code official. Now we are saying, we are going to take their money, but we need even more money for another code official.

Mayor Shupe said he has discussed this with the City Manager and the Planning Coordinator to try and see how this would be beneficial to the business community as well as the public. At the end of the day, he said there is money already budgeted for the third code official and that needs to be used.

Councilman Campbell said he was unaware the money from the rental license was supposed to pay for a code official.

Councilman Brooks argued that we got the rental license because we were going to have gatekeepers who were going to list who was renting the house and how many people lived there. One night there was a fire on North and Second Street and they got eleven women and kids out of the house. The firemen didn't know if they had to go back in and get the men or not. Then someone told them the men were all working.

He reiterated that we got a rental license to have a gatekeeper so we knew who lived in that house and how many in case there as a fire.

Councilwoman Wilson stated she is uncertain how that problem can ever be fixed.

Councilman Brooks said we listened but the gatekeeper and the conditions of the house were the reason it was approved. He does not see where businesses have anything to do with getting a code official to do code enforcement on rental houses.

Councilman Campbell pointed out the code official inspects the houses when needed. Councilman Brooks said we already have $60,000 in the budget for that.

Councilman Campbell said he is looking at this from a different perspective. Our population has increased to about 10,000 and we still only have 1½ code officials, which to him, is way out of balance. If we drive around the City and see some of the places our residents live in, he feels another code official is needed to handle this.

Councilman Brooks reiterated there is already $60,000 in our budget that should be used to hire this person.

Councilman Campbell repeated that anyone riding through our City who sees some of these facilities will be appalled. He emphasized he does not believe one code official or 1½ people can handle it. We want the doctors and nurses who are going to be working at this $300 million hospital to move into the City of Milford and right now it is not appealing.

Councilman Burk asked if the businesses should be the ones to pay for that; Councilman Campbell responded by stating he feels we need a business license to properly operate the commercial establishments in the City of Milford.

Councilman Burk said that Councilman Brooks just said there is already money in the budget for the third code official even though no one has been hired year after year.

City Manager Norenberg feels it is important to recognize the operation of the code official, zoning and building inspector, in that department. He explained that with the exception of Planning Coordinator Rob Pierce, they are all paid out of the general fund. The money that comes in from the rental licensing goes into the general fund. The money that would hypothetically come from the business license will also go into the general fund.

He explained there is no money sitting somewhere unspent waiting for a third person to be hired to do rental licensing. We are doing rental licensing and as much code enforcement, that our one employee dedicated to enforcement can do, with the money in the general fund appropriated for that. If Council wants another code enforcement officer to be able to do more, there will need to be a few choices made that will revolve around creating more revenue.

Mr. Norenberg continued by stating that the argument surrounding this particular issue seems to be concentrating on whether the money generated by a business license should fund another code enforcement officer. He stated that we are missing some of the benefits of having a business license which Mr. Pierce can articulate all those points. But we are aware there are situations where businesses come into town, set up shop without checking in with the City. We then realize later they are operating in a location that is not properly zoned or there are other problems with the business. Whatever might be happening can be prevented if we had a business license and registration program in place.

Councilman Burk asked how may times a business has come in, opened and did not meet zoning requirements; Mr. Norenberg said two to three have been identified though he is unsure over a period of time.

Councilman Burk repeated only two to three a year; Councilwoman Wilson said she can think of a couple as well and recalls one major issue. She feels that this license gives the City of Milford the power to go into that business and tell that owner they are not operating in accordance with our zoning ordinance.

Councilwoman Wilson recalled a few years ago and remembered a big festival that did not have the proper licensing. They also indicated they were nonprofit and it was later determined that was incorrect. Councilwoman Peel asked how we got rid of them. According to Councilman Morrow, the City called the State of Delaware.

Councilwoman Peel said that is the other point. These business owners are already regulated by a State agency, by an accrediting body or by some sort of health and public safety body. They felt like they had already done what they were supposed to and is unsure people will follow the rules with the license if they are not following them now.

Councilwoman Peel referred to Councilman Morrows' statement that the City was able to get rid of them through the State and asked why we would not continue to do that. Councilman Morrow recalls a few incidents where we had problems with businesses in town adding that the City is not set up to shut down a business unless there is some criminal activity that is occurring.

Councilman Morrow agrees we can get the information from other sources for free. He thinks it will be too much of a bookkeeping issue to manually handle this. We will need to hire an assistant or half an assistant just to keep track of this and that information should already be out there on the internet. If there are any issues with businesses, he feels we can simply make a call to the State of Delaware or if it is a criminal issue, we can call the police. If it is an alcohol and tobacco issue, we call that agency to handle it.

The Councilman continued by saying that originally it was set up to get information from these businesses but feels that is available in other places. He does not feel the City is in the business to shut down businesses and we are not going to get businesses that are not registered to register.

If we need a new code official, we need to do what the City Manager says and looks at the budget and looks at those areas where we can increase revenues to pay for another code official.

Councilman Brooks reiterated that Council put $60,000 in the budget and the previous City Manager took that money and put it somewhere else. Councilman Morrow said he also remembers that and added that we need to do some back stepping ourselves.

Mayor Shupe confirmed that when Councilman Brooks says City Manager, he is not referring to Mr. Norenberg. Councilman Brooks emphasized he is not talking about Mr. Norenberg and explained this was a few years ago. He said what good will it do to get another $60,000 to pay for something else adding the City already has $60,000 to get it.

Councilman Burk stated that the people that were opposing the ordinance are those that contribute to our community. They do not want to be taxed for this new code enforcement official.

There being no further discussion, Councilman Campbell moved to adopt Ordinance 2016-24 to institute a business license at $100 or $120 per year for brick and mortar establishments, seconded by Councilwoman Wilson. Motion failed by the following 2-4 vote:

Campbell-Yes
Peel-No
Burk-No
Brooks-No
Morrow-No
Wilson-Yes

Councilwoman Wilson votes favorably stating that because of the research and effort that was put into this ordinance and there was a need as was determined by City Staff, and that it would be beneficial while creating accountability for all businesses in the City.

NEW BUSINESS

Acceptance/City of Milford Fiscal Year 2015-2016 Audit

Finance Committee Chairman Morrow reported that the Finance Committee met earlier this evening at which time the City Auditors provided a review of the FY16 Audit, provided a good description of the audit and summarized some areas.

Below is a summary of the Auditor's results:

1. The auditor¡|s report expresses an unmodified opinion on whether the financial statements of City of Milford, DE were prepared in accordance with GAAP.
2. One significant deficiency disclosed during the audit of the financial statements is reported in this schedule of findings and questioned costs. No material weaknesses are reported.
3. No instances of noncompliance material to the financial statements of City of Milford, DE, which would be required to be reported in accordance with Government Auditing Standards, were disclosed during the audit.
4. No material weaknesses in internal control over major federal award programs for the City of Milford, DE are reported.

5. The auditor¡|s report on compliance for the major federal award programs for City of Milford, DE expresses an unmodified opinion on all major federal programs.
6. Audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) are reported in this Schedule.
7. The program tested as a major program was:
   *U.S. Department of Agriculture, Rural Utilities Services,
   Direct Loan for Water and Waste Disposal Systems, CFDA No. 10.760.
8. The threshold used for distinguishing between Type A and B programs was $750,000.
9. City of Milford, DE was determined to be a low-risk auditee.

Councilman Morrow moved to accept the FY 2015-16 City of Milford Audit as presented, seconded by Councilman Burk. Motion carried.

City Manager Norenberg added that we have a small operation and only a few staff and the challenge is to separate responsibilities. The auditor was extremely complementary of our staff and found no material weaknesses and that our staff does a fine job. In addition to the Finance Director and his staff who are on the front line, all employees have a high degree of accountability and do a great job of expending the funds entrusted to us by the taxpayers.

Councilman Burk commended City Manager Norenberg for a job well done.

Introduction/Ordinance 2017-01
Downtown Properties of Milford LLC/Conditional Use to allow Dwellings with Nonresidential Uses
Southwest corner of the NW Front Street and N Walnut Street Intersection
Present Use: Commercial Retail; Proposed Use: Commercial Retail with Apartments.
.05+/- Acres in a C2 (Central Business District) Zoning District
Tax Map MD-16-183.10-04-46.00; MD-16-183.10-04-46.01

Mayor Shupe introduced Ordinance 2017-01 and deferred to Planning Director Pierce.

Mr. Pierce explained this involves a conditional use application at the former Lou's Bootery Building. The ordinance will be presented to the Planning Commission this month for their review. It will then be presented to City Council for a public hearing and determination on January 23, 2017.

Introduction/Ordinance 2017-04
Change of Zone/Lands belonging to City of Milford
East Side of South Washington Street abutting Mispillion River
Current Zone C1/Proposed Zone C2A
1.78 +/- Acres
Tax Parcel 3-30-6.20-006.00 & 3-30-6.20-010.00 (portion)

Mayor Shupe introduced Ordinance 2017-04 and deferred to Planning Director Pierce.

Mr. Pierce explained this ordinance is related to the former Washington Street Water Treatment Plan owned by the City of Milford. The application is for a change of zone from its current C1 designation to the newly approved C2A district earlier this evening. The ordinance will be seen by the Planning Commission for their recommendation this month and presented to City Council for a public hearing and determination on January 23, 2017.

Authorization/Progressive Engineering 2017 Miscellaneous Services Contract and Per Diem Rate Schedule

Mr. Norenberg reported that Progressive Engineering handles the City's electric design work. What is before Council is a renewal contract for 2017 which includes the per diem rate schedule. Though they anticipate the overall associated cost will be between $10,000 and $15,000 this fiscal year, it seemed appropriate to present to Council for a vote.

The City Manager has talked to the Public Works Director and Electric Superintendent about soliciting proposals later this year to ensure the Progressive Engineering fees are competitive with similar firms. He feels it is important to test the

marketplace in terms of professional services every few years and they are recommending a one-year renewal while other avenues are explored.

Councilperson Brooks moved to authorize the 2017 Progressive Engineering Miscellaneous Service Contract and Per Diem Schedule, seconded by Councilperson Peel. Motion carried.

Authorization/Funding Source/City of Milford Parking Lot Paving & Striping Project

City Manager Norenberg advised this project involves the parking lot the City recently purchased which abuts the new Touch of Italy Restaurant.

He referenced the following memo:

It is recommended that the City Council authorize the expending funds from the Economic Development Fund to renovate the City parking lot at the northwest corner of Walnut and NW Front Street. This lot was purchased in June and is adjacent to the future Touch of Italy restaurant. The parking lot will serve not only the restaurant's customers and staff, but patrons of nearby businesses.

Rather than contracting with one vendor at possibly greater expense, the Public Works Department is managing the project and is doing some work in house and subcontracting other aspects. Projected expenses are:

Concrete curb and sidewalk	*$23,000*
Pavement repairs	*$18,500 * (This will not pave the entire lot; only patching)*
Lighting (poles and lights)	*$ 8,000 (Powder coating old poles and new LED light heads)*
Repl. vinyl privacy fence	*$ 8,000 * (Expect to cost split with adjacent property owner)*
Consulting engineer	*$ 5,000 **

As this project will be done in phases over the next couple of months, it is recommended that the Council approve expending up to $65,000 from Economic Development Fund for rehabilitation of the City parking lot located at the northwest corner of Walnut and NW Front Street.

Public Works Director Mark Whitfield stated that prices were solicited from a couple of outside contractors. The City is serving as the project manager and coordinating those efforts in lieu of bidding out the project as one large project. They felt this would help expedite the project.

Work has begun and they are presently in the process of powder coating the old light poles and ordering new ones. The concrete contractor will commence work within the next two weeks. They were hoping to have the paving done by January 15th though they are running out of time and decent weather. The plant shuts down on that date and will not reopen until March 1st though they can be first in line to ensure this is completed in time for the opening of the Touch of Italy.

Councilman Campbell moved to authorize up to $65,000 from the Economic Development Fund for the work described, seconded by Councilwoman Peel. Motion carried.

EXECUTIVE SESSION

Councilmember Wilson moved to go into Executive Session reference the below statute, seconded by Councilmember Burk:

{Pursuant to 29 Del. C. §10004(b)(9)} Personnel Matter

Motion carried.

Mayor Shupe recessed the Council Meeting at 8:18 p.m. for the purpose as is permitted by the Delaware Freedom of Information Act.

Return to Open Session

Councilmember Morrow moved to return to the Regular Session, seconded by Councilmember Wilson. Motion carried.

City Council returned to Open Session at 8:29 p.m.

Mayor Shupe announced that no action was needed as a result of the discussion in Executive Session.

ADJOURN

There being no further business, Councilmember Burk moved to adjourn the Council Meeting, seconded by Councilmember Campbell. Motion carried.

The Council Meeting adjourned at 8:30 p.m.

Respectfully submitted,

Terri K. Hudson, MMC
City Clerk/Recorder

MILFORD CITY COUNCIL
MINUTES OF MEETING
January 23, 2017

The City Council of the City of Milford met in Workshop Session on Monday, January 23, 2017 in the Joseph Ronnie Rogers Council Chambers of Milford City Hall, 201 South Walnut Street, Milford, Delaware.

PRESIDING: Mayor Bryan Shupe

IN ATTENDANCE: Councilpersons Christopher Mergner, Arthur Campbell, Lisa Peel, James Burk, Owen Brooks Jr., James Starling Sr. and Katrina Wilson

City Manager Eric Norenberg, Police Chief Kenneth Brown and City Clerk/Recorder Terri Hudson

COUNSEL: City Solicitor David Rutt, Esquire

Mayor Shupe called the Council Workshop to order at 6:03 p.m.

Smart Metering Project

City Manager Norenberg reported that for several years, the City of Milford has considered moving to a Smart Metering Program. Since March, he has been working on a project with DEMEC and American Municipal Power (AMP) to do a hybrid advanced metering program that involves an integrated system of smart meters, communication networks and data management systems that enables two-way communication between our utilities and customers.

In attendance were AMP's Chief Technology Officer Jared Price and AMI (Advanced Metering Infrastructure) Program Manager George Bjelovuk. It was noted that Chief Information Officer Brandon Kelly was unable to attend.

Also in attendance was DEMEC's Vice President of Finance Lou Vitola.

Mr. Price then discussed the various drivers for Milford to join the AMP/AMI Program. Upgrades to the metering environment are a budgeted improvement to the City's utility operations, improvements are needed to the existing and older and no longer supported ITRON system and AMI will provide a foundation for smart city infrastructure that will result in better overall service to Milford's electric and water utility customers.

AMI enhances utility operations through data, does better analysis, improves system loss improvements and enhances and improves outage response. Partnering with AMP and DEMEC allows Milford to take advantage of the due diligence via an RFI/RFP where a number of vendors were considered and a consulting firm chosen. The collaborative effort with other AMP and DEMEC Members provides a true joint action technology service.

He then provided some background on AMP stating that in 1971, AMP was formed as "not-for-profit" corporation under Ohio Revised Code Chapter 1702. In 1996, there was a Private Letter Ruling permitting financing on behalf of its Members which led AMP to provide tax-exempt financing for a lot of generating facilities utilizing fossil fuel, hydroelectric, wind and other renewable resources.

The wholesale power supplier provides service to its 135 members in the states of Ohio, Pennsylvania, Michigan, Virginia, Kentucky, West Virginia, Indiana, Maryland and Delaware (DEMEC's nine members). They also operate within two Regional Transmission Authorities---Midcontinent Independent System Operator, Incorporated and PJM Interconnection, LLC.

AMP is owned and governed by its 135 Members in the nine states. Each State or Joint Action Agency with five or more members is guaranteed a board seat of which Delaware Municipal Electric Corporation's President/CEO is a board member and heavily involved in this program.

Mr. Price explained that what differentiates AMP from a traditional vendor is that the ownership by DEMEC and Milford allows transparency of what is done financially and operationally throughout the process. AMP's strength is the joint action that provides a stronger voice in the industry and bigger buying power in the marketplace. They are a project-based

organization and members can choose to subscribe to projects of their choice. Their cornerstone is their financial strength which includes a $750 million to $1 billing line of credit that provides support for these major projects.

Mr. Price then discussed technology enablement which allows its members to have the power of scale in delivery of technology services. The goal is to allow its members to have affordable and achievable technologies while eliminating the complexity of those IT systems themselves.

He recalled that on March 28, 2016, a presentation was provided by Mr. Bjelovuk to City Council after which a letter of intent was authorize. At that time, he discussed the challenges of on-premise versus vendor solutions. Many of their members have a limited ability to explore the AMI marketplace and some engage an outside consulting firm for assistance. There is a lot of reliance on vendors/distributors who often end up driving the strategic direction versus the municipality driving their own direction and technology. Many of the technology investment capital budget items end in rigid or inflexible application suites.

He then recapped the RFI and RFP process followed prior to AMP selected Silver Spring Networks and ElectSolve as Vendor/Partners for the Advanced Metering Program.

The Silver Spring Network was selected for its superior AMI communications network and strong focus on availability and cyber security. The network will be monitored by SSN's Network Operations Center 7x24x365. They are not a metering manufacture and provide a network that works with multiple major manufacturers. The goal is to build and invest in the network one time, though the Silver Spring Network provides a foundation that enables the deployment of future smart grid and smart city services such as street lighting control or distribution automation.

ElectSolve was selected by AMP to provide meter data management (MDM) and back office integration services for AMP's. They have extensive experience working with municipal utility systems and billing integrations.

AMP's Board approved the program and executed contracts with these vendors in June 2016.

Mr. Price discussed the specifics of Milford's system. They will deploy a Silver Spring wireless network that consists of access points, repeaters, water meters, water meter modules and electric meters. Silver Spring will collect the data from the network over secure connections into an AMI head-end. That network will be monitored 24/7 backing that availability through an SLA guarantee. That will be securely transferred to AMP who will manage the application suite (utility customer portal). The portfolio includes integration to the City's billing system.

He said this is part of AMP's $2.5 million in technology investments their Board authorized in IT infrastructure, security components, data storage capacity, data storage, licensing and dedicated staff that includes a Program Manager and AMI Operator to run and manage the overall program.

AMP's Board also committed over $1 million in research and development for the 10-year program. Their initial goal is 200,000 meters though the board pledged an additional $5 million in support.

Included in the operational and capital costs is the initial investment in technology and back office equipment, a capital equipment refresh at year five, support costs, hosting charges, monitoring costs, program labor and management.

Mr. Price then talked about the AMP value proposition in comparison to other programs. It includes a complete meter to the data center process for Milford with a fully managed primary and disaster recovery center. That would be followed up with annual disaster recover and failover testing as well as full integration and ongoing support of Milford's CIS system. A utility portal for operations staff, additional modules, cyber security, intrusion prevention, data encryption and network monitoring 24x7x365, backed by Service Level Agreements provide 99.5% read reliability for electric meters and 99% read reliability for water meters. Operational costs were added to cover future operational upgrades.

There is no meter vendor lock in and the Silver Spring network allows the choice of major meter manufacturers.

Collaborative procurement enables economies-of-scale and provides the best value when purchasing meters and network equipment to member municipalities.

The AMI Program Manager will assist Milford with business case development, presentations on the program, responses to any issues, coordinating member training, and managing communications between the member, AMP and vendor/partners.

The AMI operator will provide day-to-day support by coordinating event reporting, scheduling and coordinating distribution of system work flows and reports. The operator will also assist with problem resolution and serve as an escalation point for any system problems.

Mr. Bjelovuk then discussed details of the AMI project. He recalled the non-binding letter provided by Milford in April that kicked off the project and provided the opportunity to engage AMP's vendors and Milford staff to design a system to best meet the City's needs.

This past September 7th and 8th, AMP brought Silver Spring Networks and ElectSolve representatives to meet with City staff. They drove the entire City to ensure the locations designed on paper were adequate in addition to confirming the poles that will be used for the equipment would work.

On the second day, a kickoff session was held to announce their expectations. An in-depth discussion was held with the City's Electric and Water Departments on how metering is currently handled and which meters would be replaced as part of the program. They also met with the Electric Personnel to understand how the SCADA system works. City Staff reviewed the available applications in the ElectSolve portfolio and how it would fit in with how the utility operates.

They had an in-depth conversation with the City's Billing Staff with regard to current billing practices and the meter/route/cycle format to ensure the meter to cash process can be duplicated and enhanced capabilities provided if desired.

They discussed on how to securely maintain and protect the equipment that will be stored temporarily before it is installed in the field, as well a how to handle the material that will be recovered.

Additional time was spent with City IT Staff to ensure the proper firewalls are in place and adequate internet connections meet their requirements.

That information was compiled to provide the scope and price of the project.

Mr. Bjelovuk then discussed the Milford program noting that the City will incur a one-time cost. All electric meters will be replaced with GE Aclara meters that have a Silver Spring network interface card.

The Brass water meters have been periodically replaced and are in decent shape. The water meter communication modules will be replaced. The wireless network will be installed and AMP will handle all installation of the field equipment through the Silver Spring Networks' contractors. All electric and water meter installation will also be handled as well as all aerial equipment.

ElectSolve personnel will be building a billing system integration that will transfer all the data from AMP's data center and send it back to the City's billing system to create customer bills. Any optional applications selected are licensed and included in the initial costs.

Once the system is installed, Milford will incur ongoing expenses for AMP's program costs which basically run the back office on Milford's behalf and any support costs for those applications.

Silver Spring Networks commits to the performance of their network with service level commitments. The AMP contracts with Silver Spring Networks flow to Milford and will be monitored 24 hours a day 365 days a year. If it ever fails to perform as designed, there are financial penalties in the contract though Silver Spring Networks have never had to pay one which speaks volumes to their reliability.

Mr. Bjelovuk then presented a photo and described the Silver Spring Networks' Access Points/Relay will connect to the current fiber network.

He discussed how the network will operate in the City of Milford and the areas where water and electric will be able to reach an access point and transfer back to the data center. If an access point were to fail, they would be able to hop to another point and find their way out of Milford.

Mr. Bjelovuk then presented a photo of the two GE electric meters that will be used in Milford. One is a residential meter platform I210+C equipped with a remote service switch. The commercial and industrial metering platform KV2c is available in multiple meter forms.

He then referred to an overhead view of a map showing the water meter endpoint.

The City has use Hersey water meters for many years. They will be retrofitted with a new Interpreter/Register. The Interpreter/Register that is on the water meter today contains an ITRON ERT that is read remotely by meter employees when driving by. They will be replaced with an Allegro Endpoint that communicates to that Silver Spring Networks continuously. On demand meter readings will be available hourly and that information stored in the system.

On the electric side, those readings will be collected every fifteen minutes and that information also stored for use by the City and its customers.

For those large commercial meters that cannot be retrofitted, their wired ERT will be replaced with a new module that has the ability to communicate with the existing wired installation.

For water meters that are inside a building, this type of communication module will provide the opportunity to get that module outside and away from anything that prevents it from communicating. They may also be used on meters that are outside and in the fringes of the City.

Should Milford need water meters in the future, access is available to the entire master meter fleet at unit pricing.

Mr. Bjelovuk reiterated that ElectSolve was chosen because they demonstrated to AMP they are leaders in the industry as was proven during the evaluations of deployments in other municipalities and other utilities throughout the country.

He then described how their system works. They build a series of interfaces of which uCentra® Dashboards Internal Management and Portal Internal Users are required. The first is an interface of Milford's customer information/billing system and the second interface will be built to the Silver Spring Networks back office. Additional interfaces are optional and Milford has the ability to choose which ones they want.

The base "Meter to Cash" includes all the integrations to collect meter readings once a month, get them through the billing system and ready to render bills each month. It also provides dashboards and portal access for utility operations.

He then presented the optional application that City Staff decided to build into the Advanced Metering Solution.

The first is an interface to the DEMEC meter from which the City purchases its power. The DEMEC meter interface will allow an interval by interval comparison of costs at wholesale and the retail sales in real time. This will provide the ability to determine what is driving the peak demand and what part of the year that occurs and whether the demand charges are set correctly or how much should they be.

The other interface selected is the ability to take the SCADA system and bring that data into the environment. All the collection data from the substations can be used in the analytical environment. It will provide the analysts and operating consultants the ability to look at the interval data and compare it to what is happening in the substations and do things like optimize the electric networks so it is balanced across all three phases or find places where there are losses in the system due to theft of energy or some antiquated transformation that is difficult to find.

The interface to SCADA will enable City Staff to do a much better job in this area.

The four optional applications selected by Milford include the customer portal (online access to usage data to improve and

manage energy costs), voltage analysis (monitors and alerts voltage anomalies more quickly) advanced visualization (displays outages, zero usage or high flow events on a map) and meter exchange file management (access data collected during the meter installation and stored on a server and accessible by Customer Service Staff).

Mr. Bjelovuk then referenced the customer screenshots that will be customized with the Milford branding.

He then discussed Smart Grid Consumer Collaborative. He stressed the important of effectively communicating with Milford's customers before, during and after these projects.

He stressed that AMP is a member of the Smart Grid Consumer Collaborative whose mission is to serve as a trusted source of information for industry stakeholders seeking a broad understanding of consumers' views about grid modernization, electricity delivery and energy usage and for consumers seeking an understanding of the value and experience of a modern electrical grid. By joining the program, Milford will have the ability to build outreach programs for our customers and provide a variety of resources via hosted events and through other members' shared best practices.

The contract is in the process of flowing through DEMEC and the City. It involves a large number of tables and every meter has been outlined by meter type and code, with the help of Public Works Director Mark Whitfield and Electric Superintendent Rick Carmean.

Mr. Bjelovuk then reviewed the cost summary, noting Milford has a very detailed cost of work:

INITIAL SERVICES	
•Network Infrastructure Equipment (Installed & Spares)	$78,470.00
•Network Infrastructure Tools	$37,545.00
•Network Installation	$11,501.60
•Integrated Electric Meters	$935,767.83
•Electric Meter Installation	$141,789.60
•Water Meter Modules	$639,595.20
•Water Meter Module Installation Services	$137,368.00
•Water Network Infrastructure Tools	$23,280.00
•Silver Spring Networks Deployment Management	$88,418.00
•Base Billing System Integration, Training, Project Management	$88,100.00
•Optional Interfaces, Optional Configurations & Optional Application Modules	$112,854.00
•AMP Project Management	$83,573.10
INITIAL SERVICES TOTAL	**$2,378,252.33**

He also recommends forecasting some additional miscellaneous expenses such as printed materials. Some deteriorated electric services may be found that are not included in the fees presented. Temporary storage costs may be needed though they will provide the frame work of what these costs may be.

ONGOING SERVICES - Annual Fees

AMP AM Program (11,905 meters) (actual meters in service, count trued up monthly)	$121,431.00
Smart Grid Consumer Collaborative Membership	$300.00
Support for Optional Application Modules	$17,151.20
TOTAL ANNUAL FEES	**$138,882.20**

(Note: Municipality should forecast an annual increase of 3% of Ongoing Services)

Mr. Bjelovuk informed Council they will be voting on a Resolution at the February 13th meeting after the attorneys from DEMEC, AMP and Milford review it. That would then enable the Mayor to enter into a contract with DEMEC and AMP for the program. Once that is executed, they will meet with City Officials to determine how this fits into the 2017 work plan.

City Manager Norenbeg added that DEMEC is facilitating Milford's participation because of the relationship we have with DEMEC and the relationship DEMEC has with AMP. The documents Council will see in February support that relationship.

It was verified that Milford currently has 7,070 electric meters.

When questioned how many Delaware municipalities are members of this program, Mr. Bjelovuk explained that Milford will be the first under contract. The City of Seaford was part of the first ten deployments whose data was used to get market pricing for the program. Currently they are experiencing some informational technology issues though he anticipates they will be the second municipality on board.

Preliminary conversations have occurred with New Castle City and Lewes. They have also been in discussions with Middletown.

City Manager Norenberg added that two of the remaining DEMEC members already have some sort of an AMI system in place. Other municipalities joining the program will provide a great network to share information, best practices, marketing, etc.

Mr. Bjelovuk noted that AMP had eight members under contract with letters of intent. Of those, the first, Ephrata, Pennsylvania has started their deployment. Their wireless network will be installed tomorrow and operating by the end of the week. Meter installations will begin after that.

The other seven members are at the same stage as Milford and are working on final pricing and contracts.

DEMEC's Vice President of Finance Lou Vitola stated that he was previously employed by the City of Newark who invested in an AMI system on their own. He feels they paid a much higher price tag and waiting for this program to be deployed would have saved the City a substantial amount of money.

Mr. Vitola added that part of the reason that DEMEC is a party in the contract is because DEMEC provides the wholesale electric requirement for all eight of its full-requirement members. They are also able to do the financing on behalf of the members if necessary. He believes that Milford will be making the investment in cash. The ongoing service fee will be included in the wholesale electric rate and billed through the wholesale power supply bill.

Mayor Shupe asked for an overview of the funding for the record.

Mr. Norenberg reported that those details will be provided at the next meeting. However, this is a project that has been planned for sometime and the City has been budgeting reserve funds in anticipation. Because we are including both water and electric meters, funding can come from electric reserves as well as water and wastewater reserves.

The City Manager also recalled the recent bond refinancing. The resulting savings will be used toward this project. In the meantime, Finance Director Jeff Portmann will prepare a memo that outlines these details for the February 13th meeting.

Mr. Mergner asked if there will be an overall savings or increase in electric costs. Mr. Norenberg explained it will not necessarily save money directly. However, it will save in operational costs for the City and the consumer due to a reduction of staff work by eliminating some of the field work that can now be handled electronically. In addition, there will be equipment savings due some being at its end of life and will no longer have to be replaced.

Mr. Mergner recommends pointing out those factors as these costs are publicized.

There being no addition, business, the Workshop Session concluded at 7:10 p.m.

Respectfully submitted,

Terri K. Hudson, MMC
City Clerk/Recorder

MILFORD CITY COUNCIL
MINUTES OF MEETING
January 23, 2017

Milford City Council held a Public Hearing on Monday, January 23, 2017 in the Joseph Ronnie Rogers Council Chambers at Milford City Hall, 201 South Walnut Street, Milford, Delaware.

PRESIDING:	Mayor Bryan W. Shupe
IN ATTENDANCE:	Councilmembers Arthur Campbell, Lisa Ingram Peel, James Burk, Owen Brooks Jr., James Starling Sr. and Katrina Wilson
	City Manager Eric Norenberg, Police Chief Kenneth Brown and City Clerk Terri Hudson
COUNSEL:	City Solicitor David Rutt, Esquire

Mayor Shupe called the Public Hearing to order at 7:10 p.m.

City Planning Coordinator Rob Pierce was also present.

Adoption/Ordinance 2016-27
An Ordinance Amending Chapter 230 Zoning
Conditional Use to Allow Chickens for Individual Domestic Purposes in a Residential Zone

Mr. Pierce explained the proposal is to allow chickens in Residential Zoning Districts R1 and R2 through the conditional use process.

He then provided a background stating that in August 2016, the Mayor and the Community Affairs Committee received a letter from a constituent regarding the allowance of chickens as pets and for egg-gathering purposes within City limits. The current Animal Ordinance, Chapter 79, prohibits any person from keeping or slaughtering "any swine, cow, bull, sheep, goat, goose, duck, hen, rooster, turkey or like animal or other farm animal within the City of Milford unless in conformity with Chapter 230 Zoning, and properly licensed and inspected by the appropriate agencies." As a result, City staff drafted the proposed code amendment based on the considerations of the Community Affairs Committee.

ln summary, the code revisions would permit the keeping of chickens within City limits within residential zoning categories R1 or R2 as a conditional use subject to certain restrictions.

A Public Hearing was held before the Planning Commission on December 20th at which time a few members of the public spoke in support of the code amendment. During the discussion by the Planning Commission, there was a point of contention involving the size of the lot. The resident addressing the Commission was in favor of the ordinance though her lot was only 1/3 an acre which prevented any consideration because the proposed ordinance required a one-acre sized lot.

As a result, a motion was made and seconded to amend the code revision and reduce the minimum lot size to one-third acre, but the motion failed when the commissioners voted 3-3. Another motion was made and seconded to adopt the amendment as presented. That motion also failed by a 3-3 vote. There being no affirmative vote, it is being presented to Council in its original formal without a formal recommendation from the Planning Commission.

According to City Solicitor Rutt, because there is no recommendation of approval by the Planning Commission, §230-58(f) of the City Zoning Code states that if a proposal is denied (in his opinion not having an approval is actually a denial), the ordinance is not eligible for reconsideration for up to a year unless there is a favorable 3/4 vote by City Council (six affirmative votes).

Mr. Pierce added that at one point, there was a recommendation for the ordinance to be sent back to the Community Affairs Committee. He explained the Committee was involved in the proposal that was presented to the Planning Commission

and recommended the one-acre minimum lot size.

Mr. Rutt stressed that unless City Council approves the proposed ordinance with a super majority vote, the ordinance cannot be reconsidered for a year.

The City Manager asked if it could be reconsidered as a new ordinance with a different lot size; Mr. Rutt explained it was advertised as 'amending Chapter 230 Zoning Code by including a conditional use to allow chickens for individual domestic purposes in a residential zone.' He described it as a 'generic advertisement' which is what he would recommend in case there are changes made during the public hearing process.

The Solicitor also informed Council the motion was proper to reduce the lot size to a one-third acre though the motion failed; the second motion was to adopt the recommendation of the committee with the one-acre minimum lot which also ended in a tie vote and essentially failed.

As he reads that section of the code, if a proposal, which includes amendments to any zoning regulation, does not receive a favorable vote to forward to Council, a three-quarters vote would be required to adopt it. Otherwise, it has to wait a year before it can be resubmitted.

Mr. Pierce then reviewed the following ordinance:

Ordinance 2016-27
Chapter 230 Zoning Code

AN ORDINANCE AMENDING CHAPTER 230 ZONING OF THE CODE OF THE CITY OF MILFORD BY INCLUDING A CONDITIONAL USE TO ALLOW CHICKENS FOR INDIVIDUAL DOMESTIC PURPOSES IN A RESIDENTIAL ZONE

WHEREAS, The Community Affairs Committee (Committee) recognizes the benefits of locally produced food; and

WHEREAS, The City of Milford currently prohibits the keeping of chickens in its corporate limits; and

WHEREAS, the Committee deems it to be in the best interest of the City of Milford to allow residents to keep a limited number of chickens for providing eggs for personal consumption in its residential districts; and

WHEREAS, The Committee recommends the City Council (Council) of the City of Milford modify the Zoning Chapter by adding a conditional use to allow chickens that are used for individual domestic purposes, subject to certain regulations as set forth, and said Council finds such actions reasonably further the health, safety and general welfare of the residents of the City of Milford.

NOW, THEREFORE, the City of Milford hereby ordains:

Section 1. Purpose and Authority

The purpose of this Ordinance is to amend Chapter 230 Zoning Code of the City of Milford by modifying Section 230-9 R-1 Single Family Residential District, Subsection C by including Paragraph 13 Keeping of Chickens for Individual Domestic Purposes, as follows:

§230-9. R-1 Single-Family Residential District.

In an R-1 District no building or premises shall be used and no building shall be erected or altered which is arranged, intended or designed to be used except for one or more of the following uses and complying with the requirements so indicated.

A. Purpose. The intent of the R-1 Residential District is to preserve the spacious residential atmosphere and quality of living of existing low-density residential development, to provide for the orderly and appropriate development of new

low-density housing and to allow related uses that would not be detrimental to the residential character of the district.

B. Permitted uses.

C. Conditional uses subject to special regulations. The following uses may be permitted with the approval of a conditional use permit by the Milford City Council in accordance with the provisions in Article IX of this chapter:

(13) Keeping of Chickens for individual domestic purposes subject to the following restrictions:

(a) Keeping of chickens shall be an accessory use and not permitted on lots smaller than one (1) acre in lot area.
(b) No more than four (4) chickens per acre shall be permitted on a residential lot with a maximum of twelve (12) chickens allowed on a single property.
(c) Chickens shall be registered with the Delaware Department of Agriculture.
(d) Chickens shall be penned in a coup that shall be at least four (4) square feet per chicken.
(e) All chicken coups shall be located in a rear yard and shall be a minimum of 20 feet from the side and rear property lines.
(f) Any odor associated with the chickens shall not be discernable from the property lines.
(g) Keeping of roosters shall be prohibited.
(h) Slaughtering of chickens shall be prohibited.
(i) Violations of these restrictions may lead to the revocation of the conditional use approval.

Section 2. Dates.

City Council Introduction: December 12, 2016
Planning Commission Review & Recommendation: December 20, 2016
City Council Projected Adoption Date: January 23, 2017

Councilwoman Wilson said the concerns expressed during the Planning Commission hearing mirrored her initial response. She feels it could end up being some form of discrimination because someone who has less land would not have the same privilege as someone with a larger lot.

She recalled years ago the reason farm animals were prohibited was because of the close proximity to neighbors.

She is unsure how someone can be penalized and not be allowed to have chickens only because that person has less land and maybe a smaller home than the neighbor.

Councilman Brooks recalled when he moved to his house on Tenth Street, he had three neighbors with chickens and it didn't bother him. Now he has one hundred geese in his backyard and that doesn't both him. He feels that chickens aren't that hard to control.

Mr. Mergner asked if a City employee follows up when someone files for permit to ensure compliance. He also asked how many one-acre lots are in R1 and R2 districts in the City; Mr. Pierce explained the applicant would be required to go through the conditional use process which would require public hearings before the Planning Commission and City Council. Once approved, they would receive a conditional use permit. That process would allow neighbors to provide public comment if they felt it was a problem or vice versa.

Mr. Pierce is unsure how many one-acre lots exist though it would be a low number. Most of the downtown area is zoned R1 or R2 and they typically range between 2,000 square feet and 8,000 square feet. Standard lot sizes are 10,000 to 13,000 square feet which is well below the one-acre minimum.

Councilman Brooks said this has been going on for a while and asked if any neighbors have contacted Mr. Pierce or if any petitions were submitted for or against the ordinance; Mr. Pierce recalled the original request that was received in August. At the December Planning Commission meeting, a second resident spoke in favor or the ordinance though she asked that

a one-third acre lot be considered.

Councilman Starling is concerned this will open the door for other farm animals in the City. He recalled years ago, there were a number of farm animals that could be found throughout Milford. He asked if another resident comes forward with a request for a horse or a cow, will the City allow that to be permitted as well.

Mr. Pierce stated that the Community Affairs Committee would have the right to pursue it and an ordinance would most likely be drafted. City Council would then have ability to approve or disapprove it.

It was confirmed that farm animals are currently prohibited within City limits.

Councilman Burk referenced Commissioner Fulton's comment regarding avian flu and the potential impact on the poultry industry in Milford. He asked if anyone has reached out to Perdue to get their feedback; Mr. Pierce stated no.

Councilman Burk believes Commissioner Fulton had a good point that if there is an outbreak, the chickens must be quarantined in addition to other requirements, though he had not considered that previously.

There being no additional comments from City Council, Mayor Shupe opened the floor to public comment. No one responded and the public comment period was then closed.

Councilman Campbell then moved to deny Ordinance 2016-27, seconded by Councilperson Wilson. Motion carried by the following 5-2 vote:

Councilman Mergner votes yes stating he believes this will be too difficult to administer and too much to control.

Councilman Campbell votes yes in favor of the motion and agrees with Councilman Starling's concerns that this could get out of control and that additional requests for other animals would be forthcoming.

Councilwoman Peel votes no stating that she sees no problem with it. She has had several constituents in her district request it and she knows we already have chickens living in Milford though we are not enforcing the code now. At least this would give us a way to see who has them.

Councilman Burk stated that although personally and professionally he does not support allowing chickens in town, he votes against the motion for the same reasons as Councilwoman Peel stated.

Councilman Brooks said he personally has no problem with chickens, geese or anything else, but he will support the Council. He agrees we could have a problem when John has it but someone else can't have it and it could end in a big uproar and he votes yes in favor of the motion.

Councilman Starling votes yes and believes it will be a problem and recalled the problems from years ago. He knows for sure there were a variety of animals throughout the town which is why the ordinance was created that prohibited that. Allowing this will create problems again especially when another person wants another animal and they will be able to use the argument that we allowed chickens.

Councilwoman Wilson votes yes and agrees with all the reasons stated by those Councilmembers who do want chickens in town.

Adoption/Ordinance 2017-01
Downtown Properties of Milford LLC
Conditional Use to Allow Maximum of 12 units per acre and Nonresidential Use of .05+/- Acres
C2 (Central Business District) Zoning District
Present Use: Commercial Retail; Proposed Use: Commercial Retail with Apartments
S/W Corner of the NW Front Street and N Walnut Street Intersection
Tax Map MD-16-183.10-04-46.00; MD-16-183.10-04-46.01

Mr. Pierce explained the applicant is proposing to renovate the former Lou's Bootery building located at 48 North Walnut Street into a mixed-use structure with first floor commercial and second and third floor residential use. The owner is planning a complete historic restoration of the building to preserve the character of the structure. The owner has submitted a Downtown Development District (DDD) large-project application to the Delaware State Housing Authority (DSHA) for the expenses associated with the restoration of the Pikus Building.

The first floor use is not known at this moment though the applicant anticipates either a retail or food service use and both are permitted in the C2 zoning district. The second and third floors will be converted into two two-bedroom apartment units. Per Chapter 230-13(C)(10), apartment units in conjunction with a non-residential use (mixed-use) requires a conditional use subject to City Council approval.

A summary of the proposal provided by the applicant is included in the packet, as well as Staff analysis, based on §230-48, which is the criterion used to evaluate conditional use applications.

The Enforcement and Inspection Division requires the applicant to apply for the necessary permits. All building construction must be in accordance with Chapter 88 Building Construction. The applicant will be required to obtain approval or a letter of no objection from the Delaware State Fire Marshal's Office and State of Delaware Department of Health. In addition, the building construction will have to comply with Chapter 130 Floodplain Management because it is within the 100-year floodplain.

Proposed renderings of the structure and the floor layout were also included in the packet, as well as summary of the project statistics and proposal.

The notice was advertised in the Milford Beacon on December 28, 2016 and all property owners within 200 feet received a copy of the mailed public notice.

By unanimous vote, the Planning Commission recommended approval of the application following their January 17, 2017 public hearing.

Applicant Daniel Bond of Downtown Properties of Milford LLC, was present. He stated he lives at 105 North Street which is very close to this building which will be called the Pikus Building in memory of the family that owned and operated Lou's Bootery from 1947 thru 2015 when Skip Pikus died.

Mr. Bond thanked City Council for making this possible through the DDD program. He was aware of the program and when he found out the building was available, he began to make some calculations. He believes the DDD grant and the National Historic Preservation Tax Credit Program from the State of Delaware and the Federal Government, may support a breakeven commercial operation.

He recalled that the old Jewell's Store, also known as the Governor Tharp building, was rehabbed with the Tax Credit Program which successfully resulted in a breakeven commercial effort.

Mr. Bond described the Pikus Building as being in very bad shape. The east facade has been cracking for many years and will be removed very soon. His structural engineer confirmed it is a hazzard to the public. He hopes the scaffolding will arrive this coming week so they can begin the demolition project. He will then apply for a construction permit to rebuild it as has been described.

When asked the colors being used, Mr. Bond said he liked the colors portrayed in the Rivertown Rebirth Plan. He informed Council it will look very similar though all the windows will be reopened and restored. The canopy that was added post World War II, will be removed and one with a more historical appearance installed. He has photographs from the early 20th Century and their goal is to restore that look.

Mr. Bond has already talked with the Historic Preservation officials in Dover. They have insisted the pressed tin ceiling be kept which in recent years was covered by a drop ceiling. The drop ceiling has been removed and he found that 90% of the original ceiling remains intact.

The interior has been gutted which prevents a lot of historic preservation work though the goal is to restore it to what it looked like before World War II.

Mayor Shupe then opened the floor to public comment; no one responded. The Mayor then closed the public comment portion of the hearing.

Councilwoman Peel moved to adopt Ordinance 2017-01, seconded by Councilwoman Wilson:

ORDINANCE 2017-01
Downtown Properties of Milford LLC for a Conditional Use
Allow dwellings with a maximum density of 12 units per acre in conjunction with nonresidential use
.05+/- acres in a C2 (Central Business District)
SW Corner of the NW Front and N Walnut Street Intersection, Milford, Delaware.
Present Use: Commercial Retail; Proposed Use: Commercial Retail with Apartments
Tax Map MD-16-183.10-04-46.00; MD-16-183.10-04-46.01

WHEREAS, the City of Milford Planning Commission will consider the conditional use application at a Public Hearing on January 17, 2017; and

WHEREAS, Milford City Council will hold a Public Hearing on February 27, 2017 to allow for public comment and further review of the ordinance; and

WHEREAS, it is deemed in the best interest of the City of Milford to allow a Conditional Use to allow dwellings other than single family with a maximum density of 12 units per acre and in conjunction with nonresidential use as herein described.

NOW, THEREFORE, the City of Milford hereby ordains as follows:

Section l. Upon the adoption of this ordinance, Downtown Properties of Milford LLC is hereby granted a Conditional Use Permit to allow dwellings other than single family with a maximum density of 12 units per acre and in conjunction with nonresidential use, in accordance with the application, approved plans and any conditions set forth at the Public Hearings.

Section 2. Construction or operation shall commence within one year of the date of issuance of the permit otherwise the conditional use becomes void.

Section 3. Dates.
Planning Commission Review & Public Hearing: January 17, 2017
City Council Introduction: January 9, 2017
City Council Public Hearing: January 23, 2017

Motion carried by the following unanimous vote:

Councilman Mergner votes in favor of the motion and believes this will encourage others to continue work on the downtown and believes this is a great project.

Councilman Campbell votes in favor of the motion and agrees with Councilman Mergner's comments.

Councilwoman Peel votes in favor of the motion stating she appreciates restoring the integrity of the building and understands it is a huge undertaking and thanks Mr. Bond.

Councilman Burk votes in favor of the motion adding that it is a great honor to the Pikus' legacy.

Councilman Brooks votes yes adding he wants to see that building stay there.

Councilman Starling votes yes stating that he echoes the comments of the other Councilmembers.

Councilwoman Wilson votes yes and pointed out that Mr. Bond does great work and she looks forward to its completion.

Mayor Shupe then thanked Dan and Rhonda Bond for adopting the building. He said it is exactly what they wanted to happen in the downtown particularly with a vacant building. He stated that not only does this impact economic development by getting something in there for commercial purposes, it will also provide some residential uses and most importantly historic preservation.

Adoption/Ordinance 2017-04
Change of Zone/Lands belonging to City of Milford
Current Zone C1/Proposed Zone C2A
East Side of S. Washington Street along the Mispillion River, Milford, Delaware
1.78 +/- Acres
Tax Parcel 3-30-6.20-006.00 & 3-30-6.20-010.00 (portion)

Mr. Pierce recalled Council discussing the parcels located east of Washington Street along the Mispillion River that was home to the former Washington Street Water Treatment Facility. It includes parcel six, zoned C1, in its entirety and a portion of parcel ten which is a small square in the lower right-hand corner of the lot. The City is seeking a change of zone to the newly created C2A Riverfront Development District. The property is presently vacant and recreational. It contains a parking area and a portion of the basketball court, along with the Riverwalk and some open green space.

This area was identified in the Rivertown Rebirth Plan and in the City's Downtown Development District (DDD) application as a potential site for mixed-use development. The concept would involve first floor retail and dining with apartments or condominiums on the upper floors.

The Rivertown Rebirth Plan was adopted by City Council in January 2015 as the redevelopment strategy for Downtown Milford. The City then received the DDD designation from the State of Delaware in August 2016.

Development of the site would require site plan review by the City. The property would be developed through a Request for Proposals (RFP) process where proposals would be solicited from private developers for the purchase and use of the land consistent with the City's redevelopment goals.

Included in the packet is an analysis regarding adjacent uses, adequate public facilities and conformance with the Comprehensive Plan.

The project site is impacted by the 100-year flood plain as delineated on the 2015 FEMA FIRM exhibits. The project site is also impacted by a well-head protection area surrounding one of the City's production wells. Any land development on the property would have to comply with Federal, State and local requirements related to these impacts in addition to the other laws and ordinances.

Included in the packet is an exhibit illustrating its location and the land use plan from the current Comprehensive Plan showing its designation as commercial in the downtown, along with excerpts from the Rivertown Rebirth Plan showing the mixed use concept and potential renderings.

The notice was advertised in the Milford Beacon on December 28, 2016.

Planning Commission recommended approval of the application by unanimous vote at their January 17, 2017 meeting.

Councilman Brooks asked if Mr. Pierce is indicating there is no developer which is the basis for the City seeking the change of zone; Mr. Pierce explained the zoning is being changed in preparation of an RFP to entertain development proposals from private firms. The RFP will describe the land and the vision, which includes a mixed use, in addition to the criterion the proposal must meet. Proposals will be submitted in March.

Councilwoman Wilson verified that the City is laying out the guidelines for the developer who will use that criteria to create a plan. Mr. Pierce stated that is correcting adding that the proposals will be reviewed internally before it is presented to Council with a recommendation.

Councilman Campbell asked if the basketball court will be moved; Mr. Pierce explained that because the land is protected through a land conservation trust fund, part of the RFP would require the developer to relocate the court to another location.

Councilwoman Wilson agreed that was always part of the plan and she was under the impression it was being moved to the Parks and Recreation location.

Mr. Norenberg said that is one option being considered. The whole project is a series of steps and this is the fourth or fifth step though more are expected. Approval from the State of Delaware must be granted to move the court to another site so it can be used for Parks and Recreation purposes. There is some urgency to move this along in order for the potential developer to apply for the DDD funding later this year.

Councilwoman Wilson asked if there is a specific site in mind; Mr. Norenberg stated that what is being considered is the Marvel Square area off Southeast Second Street though there are other suggestions. Recommendations will be brought before the Parks and Recreation Committee first.

Mr. Pierce said there is a possibility we could receive a proposal that has no impact on the basketball court and it could be left there. Councilwoman Wilson asked that we make sure there is a simultaneous plan in place so that our residents understand we are not removing this recreation site without a replacement.

Mayor Shupe added that ideally it will be somewhere convenient for those persons now using it and definitely within walking distance.

Mayor Shupe said they plan to add a number of items in the RFP including the possibility of public restrooms.

Councilman Brooks asked Mayor Shupe to make sure the bathrooms are maintained on a regular basis and reminded him of the serious issues associated with the public restrooms at the old police station in this area.

With no further Council comments, Mayor Shupe opened the floor to public comment. No one responded and the public comment portion of the hearing was closed.

Councilman Burk moved to adopt Ordinance 2017-04, seconded by Councilman Starling:

ORDINANCE 2017-04
Change of Zone/Lands belonging to City of Milford
Tax Parcel 3-30-6.20-006.00 & 3-30-6.20-010.00 (portion)
1.78 +/- Acres
Current Zone C1/Proposed Zone C2A

AN ORDINANCE OF THE CITY OF MILFORD, DELAWARE to amend the zoning map of the City of Milford by rezoning 1.78 +/- acres of real property from C1 (Neighborhood Commercial) to C2A (Riverfront Development) on the east side of S. Washington Street along the Mispillion River, Milford, Delaware. Present Use: Vacant/Recreation. Proposed Use: Mixed Use Commercial and Residential. Tax Map and Parcel: 3-30-6.20-006.00 & 3-30-6.20-010.00 (portion).

WHEREAS, the City of Milford Planning Commission will consider the change of zone application at a Public Hearing on January 17, 2017; and

WHEREAS, Milford City Council will hold a Public Hearing on January 23, 2017 to allow for public comment and further review of the ordinance; and

WHEREAS, it is deemed in the best interest of the City of Milford to allow a change of zone as herein described.

NOW, THEREFORE, the City of Milford hereby ordains as follows:

Section 1. Upon the adoption of this ordinance, tax map and parcels 3-30-6.20-006.00 & 3-30-6.20-010.00 (portion), owned by the City of Milford located on the east side of S. Washington Street along the Mispillion River, is hereby zoned C2A.

Section 2. Dates:
Planning Commission Review & Public Hearing: January 17, 2017
City Council Introduction: January 9, 2017
City Council Public Hearing: January 23, 2017
Adoption: January 23, 2017

Motion carried by the following unanimous vote:

Councilman Mergner votes in favor of the motion adding that he thinks it will enhance the downtown area and bring additional business to stimulate the City's economy.

Councilman Campbell also votes yes adding that it will benefit the City's downtown area and businesses.

Councilwoman Peel votes yes adding it fits the City's strategic plan and vision based on the Rivertown Rebirth Plan.

Councilman Burk votes yes stating it is exactly what was looked at during the Rivertown Rebirth presentation and he is glad to see it coming to fruition and agrees it will be a benefit to the City.

Councilman Brooks votes yes for the same reasons the other Councilpersons have stated.

Councilman Starling votes yes and also agrees with the comments made by the previous Councilpersons.

Councilwoman Wilson votes yes based on maintaining some control on what occurs on this land and likes the vision. She believes it will aid in the growth of our town in a positive manner and that it will fit nicely within the Rivertown Plan.

There being no further business, Councilman Mergner moved to adjourn the Public Hearing, seconded by Councilman Campbell. Motion carried.

The Public Hearing adjourned at 7:51 p.m.

Respectfully submitted,

Terri K. Hudson, MMC
City Clerk/Recorder

MILFORD CITY COUNCIL
MINUTES OF MEETING
January 23, 2017

A Meeting of Milford City Council was held in the Joseph Ronnie Rogers Council Chambers at Milford City Hall on Monday, January 23, 2017.

PRESIDING:	Mayor Bryan W. Shupe
IN ATTENDANCE:	Councilpersons Christopher Mergner, Arthur Campbell, Lisa Ingram Peel, James Burk, Owen Brooks Jr., James Starling Sr. and Katrina Wilson
	City Manager Eric Norenberg, Police Chief Kenneth Brown and City Clerk Terri Hudson
COUNSEL:	City Solicitor David Rutt, Esquire

CALL TO ORDER

Mayor Shupe called the Council Meeting to order at 7:51 p.m.

INVOCATION AND PLEDGE

The Pledge of Allegiance followed the invocation given by Councilmember Starling.

RECOGNITION

City Manager Eric Norenberg's Birthday

Mr. Norenberg was surprised with a birthday cake in honor of his birthday this past Saturday.

Proclamation 2017-03/Black History Month

Mayor Shupe read the following proclamation into record:

PROCLAMATION 2017-03
Black History Month

WHEREAS, Black History Month was first celebrated in February 1976 by the Association for the Study of African American Life and History (ASALH); and

WHEREAS, the Association continues to support the study of African American History in homes, schools, churches, organizations, businesses, and government; and while it believes that Black history, like American history, should be studied 365 days a year, it continues to view February as the critical month for pursuing this mission; and

WHEREAS, the Association continues to support the study of African American history in homes, schools, churches, organizations, businesses, and government; and while it believes that Black history, like American history, should be studied 365 days a year, it continues to view February as the critical month for pursuing this mission; and

WHEREAS, the history of African Americans unfolds across the canvass of America, beginning before the arrival of the Mayflower and continuing to the present. From port cities where Africans disembarked from slave ships to the battle fields where their descendants fought for freedom, from the colleges and universities where they pursued education to places where they created communities during centuries of migration, the imprint of Americans of African descent is deeply embedded in the narrative of the American past. These sites prompt us to remember and over time became hallowed grounds; and

WHEREAS, the Association has made "The Crisis in Black Education" as the 2017 Black History Theme to focus on the

crucial role of education in the history of African Americans; and

WHEREAS, linked to the 2017 theme, this City is the proud home of the Milford Eleven, a special group who gained national attention as the first African American students to attend a previously all-white Milford School in 1954. Though they were only in the Milford School District for 28 days, their impact was far reaching as they proudly paved the way for continued Civil Rights action.

NOW, THEREFORE, I, Bryan W. Shupe, Mayor of the City of Milford, Delaware, on behalf of Milford City Council, proclaim the month of February 2017 as BLACK HISTORY MONTH and urge all citizens of Milford to participate in the appropriate programs and activities of our schools, churches, museum, library, and other organizations that recognize and honor the significant contributions Americans of African heritage have made to the City of Milford, the State of Delaware, to the Nation and throughout the World.

The proclamation will be made a permanent record of the City.

Proclamation 2017-05/Donald Williams' Day

City Building Inspector Don Williams recently submitted his resignation to accept the position of City Manager with the City of Harrington. Mr. Williams was in attendance and was presented with the following proclamation:

PROCLAMATION
2017-05
Recognizing Donald T. Williams' Service

Whereas, on June 7, 2008, Donald T. Williams began his career with the City of Milford as the Code Enforcement Official in the Planning/Inspections/Code Enforcement Department; and

Whereas, Mr. Williams has been described by others as professional, positive, loyal and a valuable asset to the City and our citizens; and

Whereas, Mr. Williams is a recognized expert in the field of building codes and as a member of the International Code Council, has earned his certifications as both a Commercial and Residential Building Inspector; and

Whereas, in August 2011. a letter was sent to the Mayor, City Council and City Manager from William Michael Ward to commend Mr. Williams on the high professional standards and competence he exudes when performing his duties; and

Whereas, Mr. Williams was among the City of Milford employees acknowledged by Governor Jack Markell for their response to Hurricane Sandy in 2012; and

Whereas, Mr. Williams has tendered his resignation to take a position in another City effective February 1, 2017; and

Whereas, held in the highest regard, Mr. Williams' superiors and colleagues will greatly miss his presence and dedication to the City of Milford.

NOW THEREFORE, Be It Resolved, that I Bryan W. Shupe, Mayor of the City of Milford, do hereby proclaim January 31, 2017 as a day to thank Donald T. Williams for his 9 years and 24 days of outstanding service and to extend sincere gratitude for his part in keeping Milford a safe and attractive place to live, work and play.

Mr. Williams thanked City Council adding that he has worked with many members of City Council and appreciates them allowing him to do the job. He also thanked them for their friendship adding that most of his time has been spent at City Hall. Though he cannot think of a better place to work, he still has a little fight left in him and was afforded an opportunity he would like to take on before he retires.

He is excited about this new endeavor though he hopes he can bend a few ears as he encounters situations that are new to

him.

COMMUNICATIONS & CORRESPONDENCE

Included in packet.

UNFINISHED BUSINESS

There being no Unfinished Business items on the agenda, Mayor Shupe proceeded to New Business.

NEW BUSINESS

Hickory Glen Preliminary Subdivision Plan Approval Extension

Mr. Pierce referenced the request from Phillip Tolliver PE of Morris and Ritchie Associates in regard to an extension of the plan approval of Hickory Glen Preliminary located on the Milford-Harrington Highway/SR 14 and Holly Hill Road:

On behalf of our client, Mr. Eric Dunn of Dunn Development, LLC, and in regards to the above referenced plan, we hereby formally request a twelve (12) month extension for the previously approved Preliminary Plan. The Preliminary Site Plan was previously granted approval by the Milford Planning Commission on February 16, 2016, and is therefore scheduled to expire on February 16, 2017 in accordance with Section 200-4.A(5) of the City Subdivision Ordinance. The Preliminary Major Subdivision Plan was previously granted approval by the Milford City Council on February 22, 2016, and is therefore scheduled to expire on February 22, 2017 in accordance with Section 200-4.A(5) of the City Subdivision Ordinance.

We have been diligently working on developing the construction plans related to this project and this 12-month extension is necessary in order to obtain all necessary State, County, and City approvals related to the final engineering plans.

The Planning Director reported the City's Planning Commission recommended approval of the extension on January 17th.

Mr. Pierce confirmed this is the third extension requested for Hickory Glen. He explained that during the past year, they have come to terms on the Development Agreement with regard to the regional utilities and how it would be served by water, sewer, etc. Recently, infrastructure plans were submitted and are under review by City officials and State agencies.

He recalled that last year, the City performed a Northwest Area Study that included Homestead (Fry Farm), Hickory Glen, Amberwood and Draper properties. Some of those properties exchanged hands and in particular, the Amberwood project was reduced from a 200-unit subdivision and purchased by Crop Productions which is a 3-EDU water user. That change had a tremendous impact on the cost sharing aspect and was the reason for the most recent delay.

Mr. Pierce noted there has not been any modifications in the code; this is a bi-rite subdivision and not a Planned Unit Development/Conditional Use with no changes in street widths and any other requirements.

Councilman Brooks moved to approve a 12-month extension for the previously approved Preliminary Major Subdivision Plan, seconded by Councilwoman Wilson. Motion carried.

Introduction/Ordinance 2017-07
Chapter 185 Amendment/Sewer Code

Mr. Pierce informed Council this amendment involves removing some language related to the Sewer Impact Fee Waivers and moving that to the Economic Development and Redevelopment Code. It is scheduled for adoption at the February 13, 2017 Council meeting.

Introduction/Ordinance 2017-08
Chapter 222 Amendment/Water Code

Mr. Pierce informed Council this amendment mirrors the previous ordinance by removing the language related to the Water Impact Fee Waivers and moving it to the Economic Development and Redevelopment Code. It is scheduled for adoption at the February 13, 2017 Council meeting

Introduction/Ordinance 2017-09
Chapter 19/Economic Development and Redevelopment
Citywide Job Creation and Capital Investment Program

The Planning Director discussed the proposed ordinance which inserts the language removed from the sewer and water codes into the Economic Development and Redevelopment Code.

In addition, a section was crated whereby citywide incentives will be considered in relation to capital and job creation. In addition, the small job-created waivers were removed.

The ordinance is also scheduled for adoption on February 13, 2017.

Support/Correspondence/Kent County Planning/Commercial Zoning Matters

Mr. Pierce advised the City received notice of a land use application in Kent County along Route 1 and 113 which would essentially change the zone from AG Residential into a Commercial Use. He and Mr. Norenberg felt it was important to make a statement on behalf of the City to discourage commercial growth in the unincorporated areas along Route 1.

He feels that with the opening of the Delaware Turf facility, there will be a strong surge to shift the commercial focus closer to that facility. It is important to point out that Milford has the ample area, utilities and services to accommodate that type of investment within the incorporated areas of the County.

City Manager Norenberg recalled that DE Turn was designed and planned to support the incorporated communities versus the area immediately surrounding the sports complex. The Kent County Levy Court Commissioners have indicated they wanted it to be an economic boom for the incorporated communities. The goal is for existing businesses in Milford to benefit as a result of the sports facility.

Solicitor Rutt pointed out there is substantial land around Medings Seafood that is already zoned commercial.

Mayor Shupe asked Council authorization for him to sign the letter which will be forwarded to Kent County Planning.

Councilman Burk moved to authorize Mayor Shupe to sign the letter, seconded by Councilman Campbell. Motion carried with no one opposed.

EXECUTIVE SESSION

Councilmember Mergner moved to go into Executive Session reference below statutes, seconded by Councilmember Peel:

{Pursuant to 29 Del. C. §10004(b)(9)} Personnel Matters

{Pursuant to 29 Del. C. §10004(b)(4)} Collective Bargaining Matters

Motion carried.

Mayor Shupe recessed the Council Meeting at 8:17 p.m. for the purpose as permitted by the Delaware Freedom of Information Act.

Return to Open Session

Councilmember Burk moved to return to the Regular Session, seconded by Councilmember Mergner. Motion carried.

City Council returned to Open Session at 8:28 p.m.

Mayor Shupe announced that no action is needed as a result of the discussion in Executive Session.

ADJOURN

There being no further business, Councilmember Mergner moved to adjourn the Council Meeting, seconded by Councilmember Starling. Motion carried.

The Council Meeting adjourned at 8:30 p.m.

Respectfully submitted,

Terri K. Hudson, MMC
City Clerk/Recorder

MILFORD CITY COUNCIL
MINUTES OF MEETING
January 30, 2017

A Meeting of the City Manager Evaluation Team was held in the Joseph Ronnie Rogers Council Chambers at Milford City Hall, 201 South Walnut Street, Milford, Delaware on Monday, January 30, 2017.

PRESIDING: Mayor Bryan W. Shupe

IN ATTENDANCE: Team Members: Councilmembers Lisa Peel and Douglas Morrow

STAFF: City Clerk Terri Hudson

Mayor Shupe called the City Manager Evaluation Team Meeting to order at 5:03 p.m.

City Manager Evaluation

EXECUTIVE SESSION

Councilmember Peel moved to go into Executive Session reference the below statute, seconded by Councilmember Morrow:

{Pursuant to 29 Del. C. §10004(b)(9)} Personnel Matter

Motion carried.

Mayor Shupe recessed the Council Meeting at 5:04 p.m. for the purpose as is permitted by the Delaware Freedom of Information Act.

Return to Open Session

Councilmember Morrow moved to return to the regular session, seconded by Councilmember Peel. Motion carried.
The Evaluation Team returned to Open Session at 6:01 p.m.

No formal action needed as a result of the discussion in Executive Session.

The Meeting was adjourned at 6:02 p.m.

Respectfully submitted,

Terri K. Hudson, MMC
City Clerk/Recorder