

*MILFORD CITY COUNCIL*  
MINUTES OF MEETING  
*February 10, 2014*

The Milford City Council held a Public Hearing on Monday, February 10, 2014 in the Joseph Ronnie Rogers Council Chambers at Milford City Hall, 201 South Walnut Street, Milford, Delaware on the matter of:

City Council has been advised that up to \$3,500,000 is required to finance the construction costs associated with the city's approved water distribution system improvement projects to remove and replace faulty valves throughout the existing water distribution system, create operational and efficiency improvements through the integration of a SCADA system and install supplemental water supply facilities and associated treatment upgrades to replace older, failing equipment; and pay certain administrative and other costs incurred in connection therewith. The City Council of the City of Milford hereby proposes to the electors that the city borrow an amount of money, not to exceed \$3,500,000. The borrowing is expected to be accomplished through an SRF package offered by the Delaware Department of Health and Social Services at an annual interest rate of 1.5% for a period of twenty (20) years.

PRESIDING: Mayor Joseph Ronnie Rogers

IN ATTENDANCE: Councilpersons Bryan Shupe, Garrett Grier III, S. Allen Pikus, Dirk Gleysteen, Owen Brooks, Jr., Douglas Morrow, Sr., James Starling, Sr. and Katrina Wilson

City Manager Richard Carmean, Police Chief Keith Hudson and City Clerk/  
Recorder Terri Hudson

COUNSEL: City Solicitor David Rutt, Esquire

Mayor Rogers called the Public Hearing to order at 7:03 p.m.

City Manager Carmean announced that he invited DBF Engineer Erik Retzlaff to answer any questions the public may have. Mr. Retzlaff will also provide a brief overview of the borrowing, the reason for the borrowing and the impact to our customer fees. Following that, city council and the public can ask questions of Mr. Retzlaff.

Mr. Carmean said that though it is not on the agenda, he recommended Mr. Retzlaff discuss the problems that have arisen at the Tenth Street Water Plant.

Mr. Retzlaff then provided a synopsis noting that the purpose of the hearing is to discuss the potential borrowing of \$3.5 million for water system improvements in Milford.

The project is a threefold project.

The first item is maintenance and repair of faulty isolation valves throughout the system. The city has approximately 2,500 water valves. Unfortunately, we do not know which valves work or are inoperable. When water mains have had breaks, we have had separate service lines that leaked and it could take up to four to six hours to find the correct valves to shut off. In addition, we do not know where all of them are. We need to go around the entire system and determine those that work and what they shut off. When a valve is in a fixed position for sometime, it doesn't always move easily. It needs to be broken free and if it breaks during the process, it will need to be replaced.

Mr. Retzlaff described the project as a large undertaking that, based on the costs and available funding, could take more than twenty years to complete. If we chose to handle it in that manner, it would take twenty years to get to all the valves that required maintenance. By the time the project is completed, we would need to start over again.

The proposed option would allow us to address all the valves at one time and then develop a routine maintenance schedule where work orders could be generated. In that manner, we would make sure the valves are properly working through a weekly or monthly schedule.

The second component of the project involves additional production and improvements to the treatment facilities. Presently, the Washington Street facility is completely down and is being reconstructed. Two of the other facilities were built around 1987 and are in need of improvements. The newest is at the Kenton facility.

Mr. Retzlaff explained that one of the plants built in 1987 is under producing. There are four wells and one is being recommended for abandonment because it is in a shallow and confined aquifer. With that well out of service, there is not much water coming to that facility. The city has already paid a significant amount of money to construct the facility and we need to find a way to continue to utilize it rather than replace it. We are already in the process of searching for additional water to feed the plant. Once we are able to find the additional water, treatment upgrades will be needed.

Some minor repairs are also needed to the facility on Tenth Street that is approximately 27 years old.

Mr. Retzlaff then informed council of a problem that occurred on this date at the largest producing facility on Tenth Street. He emphasized that a portion of the money being borrowed would be used to upgrade some of the older facilities and in this case, the largest facility in use.

The aerator contains stacked trays with wooden slats. The water comes down and falls through the various slats and trickles down into droplets. Air is used to prevent a free-fall. Today, air was coming out of the fan that sits at the bottom. When the aerator was opened, it was discovered that all the slats had collapsed and were at the bottom of the structure. Right now, the structure is being temporarily bypassed with permission of the Office of Drinking Water. Another way to relocate the chemical injection points must be found or the wooden slats will need to be replaced.

Mr. Retzlaff advised this was part of the routine maintenance that would be addressed in the project. Unfortunately, that time table had to be moved up.

He assured council that would be resolved though it will take some time.

The third component of the project is to integrate the SCADA system which would allow the various components to be monitored. Water flow, reservoir levels, pipe pressure and other factors can be tracked for any potential problems. The facility producing the least expensive water can also be determined which would allow more focus being placed on that particular facility.

He feels we will also need some redundancies throughout the system. Right now, with one facility down and the largest in a bypass mode, we are susceptible to not being able to meet our demand. The scope of the project was to make those upgrades necessary to put us in a good, safe position to do maintenance and accomplish the other goals.

Mr. Retzlaff emphasized the interest rate offered is 1.5% and that rates have significantly increased since we received the offer from the state. He said we could end up needing more than the \$3.5 million though it is a good start. This will involve an increase to the water users of approximately \$13.50 to \$14.68 per year. The average residential customer will see an increase of \$1.18 per month.

He said the loan will be paid solely by Milford's water customers.

On the other hand, Mr. Retzlaff explained that if something were to break in an emergency situation, it would cost a great deal more to repair. He believes it is better to do this now on our own terms.

Ms. Wilson confirmed this has been planned and asked how long the project has been on the table; Mr. Retzlaff advised the first application was submitted in March of 2013. A binding commitment letter was presented to the Public Works Committee in August.

She referenced the problem at the Tenth Street facility and asked if that was a part of the original scope of work; Mr. Retzlaff stated yes part of the original scope of the project was to make upgrades to some of the facilities. The problem that occurred today simply increased the time table needed for the upgrades.

Ms. Wilson asked if the city manager and finance director have both agreed to what is being presented and if everything is in order.

The city manager reported that the city was offered a low interest rate thanks to the work of DWSRF Administrator Heather Warren. The city manager began to review the work that was needed and then prioritized the projects. During the budget process, the public works director, finance director and he considered handling this in a different way if we did not have to borrow the money. They also considered our employees doing the work. He said a major portion of this money will be spent on valve replacements and related work. As Mr. Retzlaff pointed out, Mr. Carmean said our in-house crews would take twenty years to look at all the valves and make the repairs.

Mr. Carmean said that after a lot of discussion, they decided that hiring a contractor to come in to do the work would be more appropriate. He referenced the number of valves beneath Route 113. Twisting the valves and finding they do not work could be done. But if a valve were to break during the process, the road would need to be cut immediately to access the valve. This would also require our public works department to keep different sized valves on hand for replacements. The road paving would then need to be completed in a short amount of time. Our personnel would not be able to handle those type repairs.

As a result, the three of us decided this would be the best approach to take.

If the citizens prefer handling this another way, they will have to consider other options. However, the city manager feels this is the only quick way to address the problem.

The city manager agrees with Mr. Retzlaff that some of the money would go toward our treatment facilities for upgrades and repairs. Temporary fixes can be done that will not impact the quality or quantity of the water should another problem occur as did the one at Tenth Street today.

After Mr. Carmean explained the situation, Ms. Wilson said it sounds to her like we are fortunate to still have the offer on the table. However, she wants assurance we can accomplish what is necessary to do and that Finance Director Jeff Portmann is comfortable with what is being proposed including the loan and paybacks as well as the city manager's approval.

Mr. Carmean stated yes and explained this is a customer free-driven debt. A standard water customer based on national averages would see an increase of \$1.18 a month.

Mr. Retzlaff explained it is broken down based on the average of Milford's residential billings. Mr. Carmean emphasized that his bill is not average because he uses more water than an average customer. He may see an increase of \$25 a year.

Mr. Retzlaff pointed out that the scope of work included in this project is work the city will have to do over the next three to five years. The treatment facilities are going to need to be upgraded and rehabbed. Presently, they are struggling to find ways to isolate the different systems. It was difficult to determine which valves had to be shut off to complete the Southeast Front Street project. Some go six blocks out though that would be fixed once the project is complete. What was uncovered today on Tenth Street was on a five-year time table though that now needs to be accelerated.

Mr. Retzlaff referred to various pictures (attached) of the Tenth Street facility aerator and associated equipment. He explained the water comes down from the top, then down through a series of wooden slats and out the bottom. Also noted was the blower that pushes the air back up against the water and strips the contaminants out.

He explained that this is not a required treatment to stay in compliance; instead, it is more aesthetic and an odor and taste related treatment. Because it can be blended, the facility does not have to be shut off should it need to be bypassed.

He referenced the blower and where water was coming in about two inches deep. Also noted was the discharge pipe which is beneath the tower.

Bolts were removed from the access panel. The wooden slats collapsed and were sitting in the bottom. Pressure built up due to the water coming in that was unable to get out and was eventually released through other openings.

Mr. Retzlaff said there is a substantial amount of missing wood that ended up in the reservoir.

A photo depicting the area of the chemical injection and discharge from the aerator was also shown. The chemical point will need to be relocated or another means found for a partial bypass to ensure the water does not back up.

Mr. Retzlaff reiterated that upgrades at this facility were included in the original scope of the project.

Mr. Pikus said that Mr. Retzlaff alluded to the Southeast Front Street project. He asked if funds were built into that project to replace any impacted valves. Mr. Retzlaff confirmed that some valves will be replaced as part of that project which is included in the funding.

He emphasized how difficult it is to estimate the cost of the balance of the valve repair/replacement because of the unknowns.

Mr. Pikus asked if this is the last time the city will see the interest rate at 1.5%. Mr. Retzlaff said the rates are based on national interest rates. They were at zero at one point. Unless there is another financial crisis, he predicts we will not see this low rate again. He added that the current rates are close to 4%.

Mr. Pikus feels that borrowing the money at 1.5% is a no brainer.

Mr. Gleysteen said that once this work is completed, a preventive maintenance program needs to be in place. He asked if we are stacked to do that; Mr. Carmean said no adding that we will need to hire another water department employee. He said we can get a valve exerciser to use on the valves.

The city manager said we can always use another employee. He said there are storm drains that need to be cleaned regularly and a lot of maintenance done routinely. We don't have the personnel to handle it at this time.

Mr. Carmean advised that Mr. Portmann is a great numbers man but felt we should try the ten or twenty-year program. He believes that everything Mr. Portmann says about money but is unsure if the finance director understands the full scope of what could happen out in the streets when turning the valves and breaking them off. He, along with Mr. Portmann and Mr. Dennehy discussed the matter and Mr. Portmann finally said it should be taken to referendum and the money borrowed.

The city manager said that Mr. Portmann did not realize what could happen if one of the valves was snapped off.

Mr. Gleysteen asked if the valve exerciser can be used on fire hydrants or if that requires a different piece of equipment; Mr. Carmean is unsure but does not believe it is the same. He pointed out that we have always had good maintenance on our fire hydrants. We have a longtime fireman who is second in command at our water department. He is a big proponent of keeping the hydrants turned and operating though there are a few that need turning.

Mr. Retzlaff described the valve exerciser as a motor that spins the valve open and closed. It has gates that come down and clear the path which allows it to seep properly against the pipe. There are isolated ones throughout the system and a main valve that feeds the hydrant. A different device called a hydrant diffuser is used so that when you open the hydrant up, water can be more easily directed versus washing out everything around it.

The valve exerciser works the valves up and down while the packing in the top is kept lubricated so it will work when needed.

Mr. Retzlaff reported that a 10-inch valve requires 38 full rotations with a wrench to open.

Mr. Brooks agrees noting that it sounds like routine maintenance would pay for itself. Mr. Carmean feels adding another person to exclusively handle valve exercising would pay dividends.

Mr. Carmean said he even considered hiring another three-person crew before agreeing to spend the \$3.5 million. However, that would involve cutting the streets and digging a hole. The problem is if one of the valves goes down, there will be a number of people without water for a very long time. We would then have to hire someone to do the concrete work, street work and paving work. He does not believe this could be accomplished in house.

Mr. Brooks added that one of the big problems is that no bypasses have been established. If they were in place, this project would be much simpler.

Mr. Carmean recalled someone with a leak or a main leak requires four, five or six blocks shut down in order to fix the leak. The city manager asked council to decide whether or not to proceed. He noted that the city has had very good luck with referendums for borrowing. We will try and work with the city solicitor or whichever attorney handling this to make sure we are given some flexibility in case something happens. He recalled the money that was allocated for the billing office in the last referendum. Because we came across a better deal, we were able to use that money for other improvements.

He will ask that this be written in the same manner; that will allow the city the flexibility to do something similar should it need to be changed.

Mayor Rogers asked if there are any more council comments or questions.

Mr. Brooks recalled a Public Works Committee Meeting that was held in August when this was discussed.

Mayor Rogers then opened the floor to the public.

Joe Palermo of 5 Misty Vale Court, Meadows at Shawnee, stated that approximately eight months ago, a statement was made that he wants to bring to everyone's attention. The city manager indicated we had 1,800 or 1,900 fire hydrants and 60% were inoperative. Because of that, he feels this is a step in the right direction. Like the rest of the country, our infrastructure is deteriorating to a point where it is a matter of safety and health and wellness and this should be done as quickly as possible.

Mr. Carmean said that is a good point and referenced the new well at Seabury Avenue, the new tower south of town with the well and treatment, the water plant reservoir and new well for this tower. He pointed out some really grand improvements have been made to our water system as well as improvements to our sewer collection system. There will be treated water and water in the tower that we are unable to get to the customers. He emphasized this will strengthen the whole backbone of our system.

Bob Connelly of 107 Barksdale Court, Hearthstone Manor, stated that two points bother him. First, we are going to bond and every water user in the city is going to pay the costs of this. He said if he is right, he questions all the impact fees that have been forgiven all these years and whether there would be sufficient money in the treasury to pay this without going to bond.

Mr. Connelly then pointed out that later this evening, council is going to discuss extending and forgiving additional impact fees. His understanding is the purpose of impact fees is to protect the users from spreading the cost to every taxpayer versus those who are creating a need for the new systems.

Mr. Carmean said the actual forgiveness of impact fees has not been a long, long program. Mr. Connelly asked if has been at least three or four years; Mr. Carmean said yes, three or four years. He said a lot of the impact fees that were forgiven were residential. Tonight he wants to discuss just commercial and job creation. If we had not had the residential impact fee program, we would have had another \$500,000 to \$600,000 that could be used. He said we like to keep \$1 million in that reserve account which we have.

He continued by explaining that if we had not forgiven impact fees, we would have more money but we would still have to borrow money to do the program in one fell swoop.

Mr. Connelly stated that what we were afraid of then was that this would be passed onto the consumer rather than paid by the developers. He pointed out that what was said then has come true and now we are going to extend the period for impact fees again. He concluded by stating he does not understand.

Mayor Rogers then asked for additional comments or questions. No one responded. The mayor closed the public hearing at this time.

*Adoption of Resolution 2014-04 Authorizing Borrowing*

Mr. Pikus moved to adopt Resolution 2014-4, seconded by Mr. Gleysteen:

RESOLUTION GIVING FINAL AUTHORIZATION FOR THE BORROWING OF FUNDS THROUGH THE ISSUANCE OF UP TO \$3,500,000 MAXIMUM PRINCIPAL AMOUNT OF A GENERAL OBLIGATION BOND TO FINANCE COSTS ASSOCIATED WITH IMPROVEMENTS TO THE WATER DISTRIBUTION SYSTEM OF THE CITY OF MILFORD.

WHEREAS, the City of Milford, Delaware (the "City") pursuant to Article 8 of 72 Del. Laws Ch. 148, as amended (the "Charter") proposes to borrow an amount not exceeding the maximum principal amount of \$3,500,000 in order to: (i) finance the construction costs associated with the City's approved water distribution system improvement projects to remove and replace faulty valves throughout the existing water distribution system, create operational and efficiency improvements through the integration of a SCADA system and install supplemental water supply facilities and associated treatment upgrades to replace older, failing equipment; and (ii) pay certain administrative and other costs incurred in connection therewith (collectively, the "Project");

WHEREAS, the City has applied for a loan through the Delaware Department of Health and Social Services (the "Department") in order to provide funds to pay for the Project;

WHEREAS, the Department, in conjunction with the Delaware Department of Natural Resources and Environmental Control, has issued a commitment letter dated September 17, 2013, to lend the City, from the Delaware Drinking Water State Revolving Fund, up to \$3,500,000 in the aggregate principal amount for the Project at an annual interest rate of 1.5% for a period of twenty (20) years;

WHEREAS, pursuant to a Resolution adopted on January 27, 2014, the City gave notice of its intention to borrow up to \$3,500,000, with the aforementioned terms, through the issuance of a general obligation bond (the "Bond") of the City for the Project and established a public hearing on the matter for February 10, 2014; and

WHEREAS, having conducted the public hearing, after notice, in accordance with Article 8 of the Charter, the Council of the City (the "City Council") hereby determines to give its final authorization to proceed with the borrowing.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Milford, Delaware, as follows:

Pursuant to Article 8 of the Charter and after a public hearing conducted on February 10, 2014, after notice, all in accordance with the requirements of the Charter, the City Council hereby gives its final authorization and resolves to proceed with borrowing from the Department an amount of money not to exceed \$3,500,000, at an annual interest rate of 1.5% for a period of twenty (20) years, to fund the Project. The City will secure the borrowing through the issuance of a general obligation bond of the City and the full faith and credit of the City will be pledged to pay the principal of and interest on the Bond. The City Council shall provide in its budget and in fixing of the rate of tax, or otherwise, for the payment of principal of and interest on the Bond.

s/Mayor Joseph R. Rogers

Motion carried by unanimous roll call vote.

*Adoption of Resolution 2014-05 Scheduling Special Election*

Ms. Wilson moved to adopt Resolution 2013-05, seconded by Mr. Starling:

RESOLUTION PROPOSING THE ISSUANCE BY THE CITY OF MILFORD, DELAWARE, OF UP TO \$3,500,000 MAXIMUM PRINCIPAL AMOUNT OF A GENERAL OBLIGATION BOND TO FINANCE COSTS ASSOCIATED WITH IMPROVEMENTS TO THE WATER DISTRIBUTION SYSTEM OF THE CITY OF MILFORD AND ORDERING A SPECIAL ELECTION IN CONNECTION THEREWITH.

WHEREAS, the City of Milford, Delaware (the "City") pursuant to Article 8 of 72 Del. Laws Ch. 148, as amended (the "Charter") proposes to borrow an amount not exceeding the maximum principal amount of \$3,500,000 in order to: (i) finance the construction costs associated with the City's approved water distribution system improvement projects to remove and replace faulty valves throughout the existing water distribution system, create operational and efficiency improvements through the integration of a SCADA system and install supplemental water supply facilities and associated treatment upgrades to replace older, failing equipment; and (ii) pay certain administrative and other costs incurred in connection therewith (collectively, the "Project");

WHEREAS, the City has applied for a loan (the "Loan") through the Delaware Department of Health and Social Services (the "Department") in order to provide funds to pay for the Project;

WHEREAS, the Department, in conjunction with the Delaware Department of Natural Resources and Environmental Control, has issued a commitment letter, dated September 17, 2013, to lend the City, from the Delaware Drinking Water State Revolving Fund, up to \$3,500,000 in the aggregate principal amount for the Project at an annual interest rate of 1.5% for a period of twenty (20) years;

WHEREAS, pursuant to a Resolution adopted on January 27, 2014 (the "Initial Resolution"), the City gave notice of its intention to borrow up to \$3,500,000 through the issuance of a general obligation bond (the "Bond") of the City for the Project and established a public hearing on the matter for February 10, 2014; and

WHEREAS, having conducted the public hearing, after notice, and having adopted a resolution authorizing the Loan, all in accordance with Article 8 of the Charter, the Council of the City (the "City Council") hereby determines to proceed with the proposed borrowing and hereby orders a Special Election to be held not less than thirty (30) nor more than sixty (60) days after the aforementioned public hearing, for the purpose of voting for or against the proposed borrowing, all in accordance with the Charter.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Milford, Delaware, as follows:

1. Pursuant to the Initial Resolution and after a public hearing conducted on February 10, 2014, after notice, and following adoption of a resolution authorizing the Loan, all in accordance with the requirements of the Charter, the City Council hereby resolves to proceed with borrowing an amount of money, not to exceed \$3,500,000 to fund the Project.
2. Pursuant to Article 8 of the Charter:

Amount of Borrowing: Total principal amount not to exceed \$3,500,000.

Rate of Interest: The interest rate for the Loan shall be 1.5%.

Manner of Securing the Same: The City will borrow the funds through the issuance of a general obligation bond of the City to finance the Project and the full faith and credit of the City will be pledged to pay the principal of and interest on the Bond.

Manner of Paying or Funding: The City Council shall provide in its budget and in fixing of the rate of tax, or otherwise, for the payment of principal of and interest on the Bond.

Purpose for Borrowing: The City Council hereby finds that the Project constitutes the following, which is a permitted purpose for which money may be borrowed under Article 8 of the Charter:

Finance the construction costs associated with the City's approved water distribution system improvement projects to remove and replace faulty valves throughout the existing water distribution system, create operational and efficiency improvements through the integration of a SCADA system and install supplemental water supply facilities and associated treatment upgrades to replace older, failing equipment. Such costs, including the costs of issuance of the Bond, are estimated not to exceed \$3,500,000.

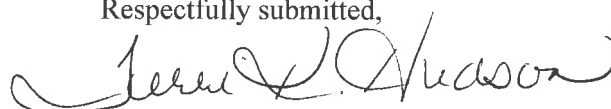
3. The City Council hereby orders that a Special Election be held on March 29, 2014 (the "Special Election") for the purpose of voting for or against the proposed borrowing. The Special Election shall be conducted at the Milford City Hall, 201 South Walnut Street, Milford, Delaware, 19963, and the polls shall open at 12:00 p.m. (noon) and shall close at 8:00 p.m. Such Special Election shall be held not less than thirty (30) nor more than sixty (60) days after the aforementioned public hearing and adoption of the resolution authorizing the Loan.
4. At such Special Election, every person who would be entitled to vote at an annual election if held on that day shall be entitled to one vote.
5. The City Council hereby directs that notice of such Special Election be posted and published as required by the Charter, Article 8.04 by:
  - (i) Posting notices thereof in five (5) public places in the City at least two weeks prior to the day fixed for the holding of the Special Election; and
  - (ii) Publishing a copy of such notice once each week during those two (2) weeks immediately preceding that week during which the day fixed for the holding of the Special Election shall fall in a newspaper generally circulated in the City.
6. Pursuant to Article 8 of the Charter, the Special Election shall be conducted by an Election Board (the "Board of Election") whose members shall be appointed or selected in the same manner and they shall have the same qualifications as provided in the case of annual elections of the City.
7. The Board of Election shall count the votes for and against the proposed borrowing and shall announce the result thereof. The Board of Election shall make a certificate under their hands of the number of votes cast for and against the proposed borrowing, and shall deliver the same, in duplicate, to the City Council, one copy of the certificate shall be entered in the minutes of the next meeting of the City Council, and the other copy shall be filed with the papers of the City Council.
8. Pursuant to Article 8 of the Charter, the City Council shall hereby cause the notices of the Special Election to be published and/or posted as provided herein and by the Charter and to take such other actions as are necessary or appropriate and in the best interest of the City to effectuate the resolutions adopted above and the requirements of the Charter.

s/Mayor Joseph R. Rogers

Motion carried by unanimous roll call vote.

With no further business, Mayor Rogers adjourned the Public hearing at 7:39 p.m.

Respectfully submitted,



Terri K. Hudson, MMC  
City Clerk/Recorder





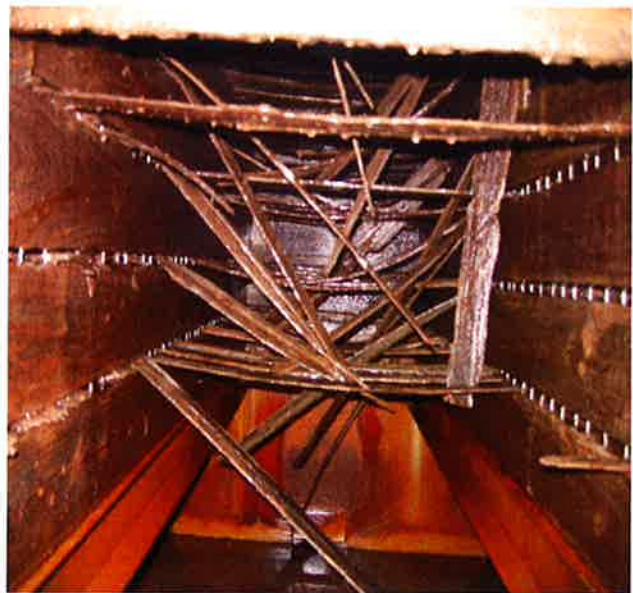
Aerator Shell



Blower



Access Panel Removed



Slats Falling Apart



Removing Slats Bottom of Aerator



Chemical Injection

MILFORD CITY COUNCIL  
MINUTES OF MEETING  
February 10, 2014

The Monthly Meeting of Milford City Council was held in the Joseph Ronnie Rogers Council Chambers of Milford City Hall, 201 South Walnut Street, Milford, Delaware on Monday, February 10, 2014.

PRESIDING: Mayor Joseph Ronnie Rogers

IN ATTENDANCE: Councilpersons Bryan Shupe, Garrett Grier III, S. Allen Pikus, Dirk Gleysteen, Owen Brooks, Jr., Douglas Morrow, Sr. and James Starling, Sr. & Katrina Wilson  
City Manager Richard Carmean, Police Chief Keith Hudson and City Clerk/Recorder Terri Hudson

COUNSEL: City Solicitor David Rutt, Esquire

#### CALL TO ORDER

Mayor Rogers called the Monthly Meeting to order at 7:39 p.m.

#### INVOCATION & PLEDGE

The Pledge of Allegiance followed the invocation given by Councilman Starling.

#### APPROVAL OF MINUTES

Motion made by Mr. Pikus, seconded by Mr. Brooks to approve the minutes of the January 13 and January 27, 2014 Council Meetings as submitted. Motion carried.

#### RECOGNITION

No special guests in attendance.

#### MONTHLY POLICE REPORT

Police Committee Chairman Morrow presented the police report on behalf of Chief Hudson. Mr. Pikus moved to accept the police report, seconded by Ms. Wilson. Motion carried.

#### CITY MANAGER REPORT

Mr. Carmean read into record the following report:

##### *Administration*

*The designed changes for our billing office project in the PNC building have been submitted to the Fire Marshal's office for approval. I will move this design along to the bidding stage and then bring those bids before Council.*

##### *Streets & Solid Waste*

*The process of discontinuing our commercial trash service is moving ahead. This will only apply to customers who require a dumpster. We will continue to offer commercial pickup to those who desire two 90-gallon cans and will provide the same number of recycling containers. As you recall, this has become necessary due to the State's mandate that commercial recycling must be provided to customers. It was determined that we could not offer that service within our fee structure.*

*The cost of dumpster pickups is prohibitive. Unfortunately, it has been determined our residential customers are supporting the commercial side of the business. The cost of commercial trash would need to be increased substantially to pay for itself and the reason we are discontinuing that service.*

*I want to mention the excellent job our employees did during our recent winter storms. The Street Department is responsible for clearing snow from the streets, but there is a great deal of time and effort spent removing snow from our own facilities. Parking lots and sidewalks controlled by the City also have to be cleaned. The crews apply salt and sand to intersections and walkways. I want to recognize all the employees that help get this done. Our solid waste crews help with streets and try to keep our trash collection on schedule.*

*After several weather related delays, Southeast Front Street has started to move ahead with all the planned repairs to sidewalks, infrastructure and street surface.*

*Irv Ambrose has been requesting this road and sidewalk project be done for a number of years. He confirmed today that the crews officially started work as they were in the area of his home in the 200 block.*

*I know it is not necessary to point out the widespread problem of potholes in our streets. The crews are addressing this as quickly and completely as possible. The hot-mix asphalt plants are not open this time of year so we use cold patch for the repairs. As soon as warm weather arrives, our crews will be making the permanent repairs.*

#### *Sewer & Water*

*The freezing temperatures have caused our water department some challenges. While we have experienced some freezing of our lines, it is the customers who have had the most use of our water employees. They were busy on several days assisting customers by disconnecting water to residences and businesses which had pipes burst within their homes and buildings.*

*I continue to work with DBF to move the planned southern water tower toward construction. We are close to finalizing the acquisition of the property for the tower. The easements were already obtained. The sewer extension from Wilkins Road to our southern limits is also being planned and designed.*

*Milford Housing is preparing to develop and will be paying a portion of the sewer and water extension costs with the Wickersham development.*

#### COMMITTEE & WARD REPORTS

##### *Annexation Committee Report/Anna M. Legates & JoAnn L. Currey*

Annexation Committee Chairwoman Wilson reported the committee met February 6<sup>th</sup> to discuss the request. She advised that Planner Debbie Pfeil, representing the City of Milford, provided the committee with a very thorough review. The property owners were also in attendance.

Chair Wilson then gave a brief synopsis of the review noting the Annexation Committee is recommending proceeding with the annexation.

The following report was then presented to council:

*TO: Mayor Ronnie Rogers & City of Milford Council Members*

*FROM: Annexation Committee*

*DATE: 02/06/14*

REF: *Annexation Committee Report*

*A public meeting was held in Council Chambers on February 6, 2014 to consider the annexation request for lands described as:*

*Property Owner: Anna M. Legates and JoAnn L. Currey  
Location: East of Delaware Route 1 between County Road 408A (east) & Carpenter Pit Road (north)  
Size: 6.481 +/- Acres  
Existing Zoning: AR-1: Agricultural Residential  
Proposed Zoning: C-3  
Tax Map and Parcel Number: MD-00-174.00-02-27.00*

#### *APPLICANT*

*A petition by the property owners was submitted on December 16, 2013 to annex 6.481 +/- acres into the corporate limits of the City of Milford.*

#### *LOCATION*

*The property is identified as Kent County tax parcels MD-00-174.00-02-27.00 and would be located in the Third Ward of the City of Milford.*

#### *STREETS*

*The property fronts both County Road 408A to the east and Carpenter Pit Road to the north, both of which are maintained by the State of Delaware. Access approval will be required from DelDOT. The parcel is currently vacant.*

#### *DRAINAGE*

*Storm water management on the parcel will be controlled by the Kent County Soil Conservation District at the developer's expense.*

#### *ZONING*

*The area proposed to be annexed is currently zoned AR in Kent County under the Kent County Zoning Ordinance. The applicant requests the property to be zoned C-3 Highway Commercial under the City of Milford's Zoning Ordinance. Proposed development is unknown, currently a vacant lot.*

#### *SEWER*

*The area proposed to be annexed would be connected to the City of Milford's sewer system and then be treated at the Kent County Regional Sewer Authority. All costs for utility extensions to this property shall be completed at the expense of the developer and upon completion, the utility lines transferred to the City for incorporation into the City's wastewater system. Wastewater capacity cannot be guaranteed until a final site plan has been approved by the Milford Planning Commission, or a subdivision application has been approved by the Milford City Council, building permits issued, and the scheduled impact fees are remitted to the City.*

#### *WATER*

*The area proposed to be annexed would be connected to the City of Milford's water system. All costs for utility extensions to this property shall be completed at the expense of the developer and upon completion, the utility lines transferred to the City for incorporation into the City's water system. Water capacity cannot be guaranteed until a final site plan/subdivision has been approved by the Planning Commission/City Council, building permits issued, and the scheduled impact fees are remitted to the City.*

#### *ELECTRIC*

*The Electric Department has 3 phase electric currently serving Lighthouse Estates and running down Carpenters Pit Road.*

#### *TRAFFIC*