

**MINUTES
UTILITIES COMMISSION MEETING
JULY 22, 2002**

Mayor Margo G. Bailey called the meeting to order at 7:30 p.m. In attendance were Mabel Mumford-Pautz, J. Brian Kirby, Whaland Clark, Harrison C. Bristoll, Jr., Medford Capel, William S. Ingersoll, Town Manager and Zoning Administrator, Jennifer Stead, Stenographer, and guests.

Mayor Bailey asked if there were any additions or corrections to the minutes of the previous meeting of June 17, 2002. Mr. Bristoll moved that the minutes be approved as presented was seconded by Mrs. Mumford-Pautz and carried unanimously.

Mayor Bailey stated that cash on hand and in banks was \$798,335.15.

Mr. Capel stated that leak in the standpipe would be fixed on July 23rd. He stated that he was in contact with three different companies for quotes, which ranged from \$4800.00 to \$750.00. There were several leaks that would be repaired for the \$750.00 price.

Mayor Bailey asked residents to voluntarily cut back on water usage. She said things like watering the lawn and washing cars could be put on hold for a while.

Mr. Ingersoll stated that the Council was in receipt of a letter from Funk & Bolton regarding the issuance of bonds for the water upgrade with O'Brien & Gere. Mr. Ingersoll stated that he was asked by MDE to propose a name for Bond Counsel. He said their fees would be capped at \$6,000.00 (plus out of pocket expenses). Mr. Ingersoll stated that the bond would probably be between \$1.5 million and \$2 million dollars. Mr. Clark moved to appoint Funk & Bolton as bond counsel for the water quality project, was seconded by Mr. Bristoll and carried unanimously.

Mr. Ingersoll stated there was a letter from the Kent County Commissioner's Office dated April 30, 2002, which he read into the record, requesting to purchase 20 sewer allocations, 12 for Mr. Lawrence and 8 for future use along MD Route 289.

Mr. Ingersoll stated that the Sanitary District had been absorbed by the Kent County Commissioners. Mr. Lawrence was present and read a letter into the record which was dated July 22, 2002. Mr. Lawrence wanted to develop the property into 12 one-acre home sites and he asked the 12 sewer allocations originally granted to Anthony be restored. He stated the Sanitary District had used the Anthony allocations elsewhere and denied his request for sewer hook-ups.

Mrs. Mumford-Pautz requested more time to review the information. Mr. Ingersoll stated that he would like the County to give the Town an accounting of what allocations were left and exactly which lots they were for.. Mr. Ingersoll had a map that went along with the Sanitary District's final allotment. He stated that Anthony subdivision's allocations and other allocations were used without the Town's knowledge. He stated that in the

D&R area there were 11 allocations left, 22 in Quaker Estates, and 7 divided between Country Club Estates and the LaMotte subdivision. Mr. Ingersoll stated that owners of some lots have been paying a fee, for over a decade, to hook up. Mr. Ingersoll stated that each property that hooked up paid a hookup fee to the Sanitary District, which was something that the Town never received or required from the Sanitary District. Mr. Ingersoll stated that the County Commissioner's letter seemed to imply that they were ready to negotiate the "purchase" of additional allocations, and to Mr. Ingersoll this implied hookup fees.

Mr. Ingersoll stated that the Town should have an exact lot by lot accounting of the remaining unused sewer units. He said the history of the Anthony property was that they asked for 36 extra hookups because 12 would not work economically. They were denied those extra units at the time. There was nothing in the record stating they were denied the original 12 and the 12 units had been used by the Sanitary District before there was a moratorium. The Sanitary District was supposed to supply 150 revenue units to take care of Country Club Estates and Quaker Estates, where there were failing septic systems, with 25 more granted to LaMotte, and 12 granted to Anthony bringing the total to 187. Mr. Ingersoll stated that the issue would come up with the D&R property because there would be an immense value to the sewer hook-up. Mr. Ingersoll stated that before the Town granted the Sanitary district extra units there were property owners paying a waiting fee for hookups that did not exist.

Mr. Capel stated that the Town asked to take over the Quaker Neck line five-years ago. Mr. Capel stated that the Sanitary District's expenses were electric and maintenance of the pumps.

Mayor Bailey stated it was unfair for Mr. Lawrence to have to wait, but a total number was needed. The Council gave permission to Mr. Ingersoll to approach the County Commissioner's Office, in their title of Sanitary District, to discuss the issue of sewer allocations and ask them for an accounting of the allocations.

Mr. Kirby stated that there was a letter from the Sanitary District to Mr. Taylor (a representative of the Anthony property) dated September 1989 discussing 12 units being null and void. Mr. Ingersoll stated that this letter was given to him recently, but had not been sent to the Town. Mr. Ingersoll stated he discussed whether or not they had the authority to void the 12 allocations with the Town attorney. He said the Town once committed to the allocations and the Town should investigate that commitment before a decision was made. He said there were many negatives for Mr. Lawrence, but he would like to have it researched.

Mr. Ingersoll said that there was a letter written in 1988 by the Town Council to not consider any further out-of-town sewer hookups until the scheduled lagoon improvements were completed. However, the 12 sewer units to the Anthony property and the 25 sewer units for the Radcliffe Farms property were already committed from the beginning. Mr. Ingersoll stated that when the allocations were committed for the first

150 units, they were based on existing housing with failing septic systems, not vacant lots in Quaker Estates that were unbuildable due to no percolation.

Mr. Ingersoll stated that Mr. Bob Kestell was present with a proposal to buy or lease the paper road beyond the end of N. Mill Street. Mr. Kestell stated the sidewalk fell precipitously and the only way to improve it was to fill. The Utility Department owned a pumping station in that area. He wanted to build a retaining wall around it, and then use pavers, sidewalk, and decking to provide better access for the Utility Department. He would also fence the area to alert others that it was a dead end street. Mr. Kestell stated that he the Town could either let him lease or buy the property, but he preferred to purchase it. Mr. Ingersoll stated that Mr. Kestell was intending to spend a great deal of money in order to correct the problem with the terrain. He said that the pumping station served only the end two houses that Mr. Kestell owned. Over time, Mr. Kestell would add on more homes to the pumping station load.

Mr. Ingersoll stated that he thought it would be safe to sell the property to Mr. Kestell, keeping an easement for the pumping station. If Mr. Kestell decided to sell the properties at some point, the new owners would still have the station working for them. Mr. Kestell stated that the project would probably cost him about \$15,000.00. Mr. Ingersoll stated that it would be easier to have Mr. Kestell maintain the property as long as the Town had the easement for the sewer line.

Mr. Ingersoll stated that the property would first have to be declared excess surplus. He also stated that the land was not a buildable lot, there was not another house on the right side of the extended road and there would probably never be because of the drop-off. Additionally, the Planning Commission would not allow a subdivision in that area.

Mrs. Mumford-Pautz moved to declare the property at the end of N. Mill Street surplus property was seconded by Mr. Clark and carried unanimously.

Mr. Ingersoll stated that when it was declared surplus property there would be an appraisal and then the Town would go into negotiations with the owner.

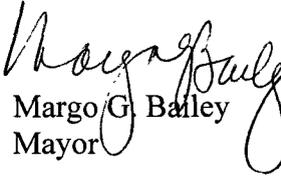
Mr. Ingersoll stated that a letter was received two-years ago from SOS requesting credit for the existing sewer and water hook-ups at 601 High Street (Barker property), 605 High Street (Covert property), 607 High Street (Covert property). There was one 2" meter and two 5/8" meters. The request was made so credit could be given when they rebuilt. Preliminary calculations were done and it came out to be the same as the hook-up fees now in place. Mr. Ingersoll asked the Commission to formally agree that SOS had three hook-ups credit and that Mr. Capel would decide the hook-up fee based on the present construction and SOS would pay the difference.

Mr. Clark moved that SOS should have three credits for their new building, was seconded by Mr. Bristoll and carried unanimously.

Mr. Clark moved to pay bills was seconded by Mr. Bristoll and carried unanimously.

Mr. Kirby moved that the meeting be adjourned at 8:12 p.m. was seconded by Mr. Bristoll and carried unanimously.

Submitted by: 
Jennifer Stead
Stenographer

Approved by: 
Margo G. Bailey
Mayor