UTILITY COMMITTEE

The Utility Committee Meeting was held on February 11, 2013 at 5:00 p.m. with Chairman Bonar presiding. Members present were Mr. Perza, Mrs. Williams (arrived at 5:24 p.m.), and Mr. Blakeman. Mr. Snaman was absent. Members of Council present were Mr. Anderson (arrived at 5:14 p.m.), Mr. Dixon, Mr. Hare (arrived at 5:03 p.m.), Mr. Hutchison, and Council President Leary (arrived at 5:05 p.m.). Mayor Carey was also present.

AGENDA ADDITIONS/DELETIONS

By unanimous consent, the agenda was approved as presented.

Request for Alley Abandonment (Paper) - 235 (Case), 239 (McCabe-Cort), and 243 (Marami Partners) Bayard Avenue

A request was received from Ms. Joan Case for the abandonment of an alley located behind her property on Bayard Avenue. A letter was subsequently sent to all adjacent property owners to determine their interest in participating in the abandonment and having a portion of the alley conveyed to them. Two (2) additional property owners expressed interest in participating. The names of interested property owners and the addresses of their affected properties are as follows: 1) Ms. Joan Case - 235 Bayard Avenue; 2) Ms. Claudia McCabe-Cort - 239 Bayard Avenue; and 3) Marami Partners - 243 Bayard Avenue. Members reviewed a map of the area and a list of adjacent property owners.

Mr. Scott Koenig, City Manager, assured members that staff has confirmed that the alley is unimproved and considered to be a "paper" alley. He noted that electric utility infrastructure and storm drainage infrastructure are located within the alley; therefore, public utility easements will be required. Since the alley is 14 feet wide, half of the alley or seven (7) feet, would be conveyed to the requesting parties.

Staff recommended conveyance of seven (7) feet of said alley to only 235, 239 and 243 Bayard Avenue and in conjunction with the provision of a public utility easement for each parcel. Conveyance would be in proportions complimentary to the existing lot widths of these parcels. Should members favor approval of the request, staff recommended: 1) abandonment of the subject alley with conveyance of seven feet (7') of said alley to 235, 239 and 243 Bayard Avenue, currently owned by Ms. Joan Case, Ms. Claudia McCabe-Cort and Marami Partners, respectively, in conjunction with the provision of a public utility easement for each parcel; and 2) adoption of a resolution by Council setting a public hearing regarding the proposed abandonment for March 11, 2013. ***(City Clerk's Office Note: In accordance with the City's Procedure for Alley Abandonments, a Resolution setting the Public Hearing will be presented to Council for consideration for adoption.)***

Responding to Mr. Perza, Mr. Koenig explained that the remaining adjacent property owners had no interest in the additional property and if the City were to abandon the property, these owners would not maintain the property, which would create problems for the City. Should any of these property owners desire the property in the future, they would need to submit a request to the City and the same procedure would be followed.

Mr. Blakeman moved to recommend approval of staff's recommendation to abandon the subject alley with conveyance of seven feet (7') of said alley to 235, 239 and 243 Bayard Avenue, currently owned by Ms. Joan Case, Ms. Claudia McCabe-Cort and Marami Partners, respectively, in conjunction with the provision of a public utility easement for each parcel; and for the adoption of a Resolution setting a public hearing for March 11, 2013 at 7:30 p.m. regarding the proposed abandonment *(Attachment #1)*. The motion was seconded by Mr. Perza and unanimously carried.

Quarterly Review of Utility Related Capital Investment Plan (CIP) *(Electric and Water/Wastewater) (October, November, and December)*

Members were provided a Project Tracking Report, as of December 31, 2012, for the Utility (Electric and Water/Wastewater) Related Capital Investment Plan (CIP).

Mr. Scott Koenig, City Manager, advised members that several projects were underway and noted that City Council would be considering Engineering Service Agreements as well as the Street Program. Although departments were working with limited staff, he stated that most projects were moving forward and assured members that staff was working hard to keep the CIP on track.

TEA/NAES Report *(November)*

Mr. Scott Koenig, City Manager, reviewed the TEA/NAES Monthly Report for November 2012 and reminded members that staff reviews this report with TEA on a monthly basis. The report is provided to allow for the monitoring of electric sales and revenues received, which will provide a better understanding of any fluctuations that occur and allow the opportunity to make improvements if deemed necessary.

Referring to Power Supply costs, Mr. Koenig noted that the City was running below budget on costs, which had been consistent for several months.

In response to Mr. Hutchison, Mr. Koenig stated that although there was a time when the City bought hedge energy five (5) years in advance, this had been reduced to a three (3) year horizon. Looking out three (3) years, he stated that the City was hedged approximately 50%. The portfolio had been pulled back somewhat on hedge transactions because the City was trying to take advantage of low market conditions; therefore, the target for the current year was to hedge approximately 80% of the Power Purchase and buy the remaining 20% in the spot market. He noted that this approach had worked well under the current operating conditions.

Mr. Blakeman moved to recommend acceptance of the TEA/NAES Monthly Report for November 2012, seconded by Mr. Perza and unanimously carried.

UPDATES

Members were provided the following updates:

Green Energy Funding and Programming

Members reviewed an update on the Green Energy Funding and Programming. Mr. Scott Koenig, City Manager, advised members that there were still customers on the waiting list for reimbursement and that the City had reopened the grant applications; however, the City was not receiving a continuous supply of applications.

National Pollution Discharge Elimination System (NPDES) Municipal Separate Storm Sewer Systems (MS4) Permit

Mrs. Ann Marie Townshend, Director of Planning and Community Development, stated that staff was continuing to work on activities related to the permit and utilizing the intern from Wesley College to assist with the permit requirements. Within the last week, staff provided businesses information on how to maintain their stormwater areas, which was well received and has started a dialogue.

Mrs. Townshend stated that the City's Annual Report will be submitted to the Department of Natural Resources and Environmental Control (DNREC) within the next two (2) weeks. The current challenge was that there were staff vacancies at DNREC for employees who oversee the National Pollution Discharge Elimination System (NPDES) Program.

Solar Park

Mr. Scott Koenig, City Manager, noted that members were provided details of the Electric Revenue Fund, Electric Supply & Generation - Cost per MWh by supply source for FY 2013 by Month. He reminded members that this information was being provided in response to Mr. Blakeman's questions during a previous meeting regarding the amount the City is receiving and paying in regard to solar energy. Mr. Koenig referenced the bar chart provided and explained that it depicts the City's costs per MWh for the current fiscal year.

Responding to Mr. Hare, Mrs. Donna Mitchell, Controller/Treasurer, explained that the spreadsheet provided total power supply and generation numbers and combined them to show the net. The chart showed the cost per MWh by source of supply. She stated that the spreadsheet provided figures for each source of supply, including the net, as well as the total power supply and plant costs. Referring to the report, she noted that the total power supply and plant cost was $28,109,056. Of that amount, $728,272 was for the Sun Park - Energy and $157,894 is for the Sun Park - Renewable Energy Credits (RECs). She explained that the City was making money on the plant itself, not on the cost of supply for the Sun Park, but by generating (capacity credits), as well as spot market energy that was sold when the plant was run. Mrs. Mitchell also noted that the Generation Credit was $5,662,597 and the Supply was $33,771,653 with all power supply included; however, the PJM capacity load was $5,640,726, which would be higher if the City did not have the capacity credit in the amount of $7,158,061. She explained that the difference between the $7,158,061 and $5,640,726 was the margin the City is making on having the plant run.

Mr. Hare questioned if the City was making approximately $2M on the Solar Park. Responding, Mrs. Mitchell stated that the Solar Park continues to cost more per MWh and was not helping with the load. As requested by Mr. Hare, Mrs. Mitchell reiterated that the cost of the Solar Park was reflected in "Dover Sun Park - Energy," which totaled $728,272 and "Dover Sun Park - REC, which totaled $157,894.

Mr. Bonar reminded members that the Solar Park was the result of a legislative mandate which required the City to provide renewable energy credits and renewable energy resources.

In regard to the cost of the Solar Park, Mr. Koenig explained that this would be the amount that is paid to LS Power less what is collected for the power. At this point, there was no report that netted these two (2) amounts. Responding, Mr. Hare requested that a simple report be provided to members detailing this information.

Calpine

Mr. Scott Koenig, City Manager, indicated that the Calpine Project continued to move forward and that City staff was holding weekly conference calls with principals of the projects. Additional staff meetings were being conducted to address infrastructure issues. Staff was anticipating the issuance of a building permit and for earth moving to occur within the next 45-60 days and was working on milestones to meet the demands of the Calpine Project. To his knowledge, Calpine's air permit had been issued and they were continuing to work on obtaining stormwater management and other administrative approvals necessary for a spring start. He anticipated construction to begin April 1, 2013.

Mr. Bonar advised members that staff, along with some members of City Council, would be meeting with those in charge of the construction of the power plant within the next couple of weeks to ascertain the number of jobs that would be brought to the area due to the construction. He stated that it had been estimated that 300 jobs would be created. He stated that both Calpine and Kvaerner Construction had been strongly encouraged to hire locally; however, he noted that some employees would be coming from Philadelphia and New Jersey to provide technical skills that may not be available locally.

By unanimous consent, the meeting adjourned at 5:27 P.M.

David L. Bonar
Chairman

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Attachment

Attachment #1 - Resolution No. 2013-05 Setting Public Hearing - Alley Abandonment - 235, 239, and 243 Bayard Avenue

City of Dover

MAYOR AND COUNCIL

DRAFT PROPOSED COUNCIL RESOLUTION NO. 2013-05

A RESOLUTION PROPOSING THE VACATING AND ABANDONMENT OF A CERTAIN ALLEY SITUATED IN THE CITY OF DOVER.

BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF DOVER, IN COUNCIL MET:

Section 1. The Council of the City of Dover favors the vacating and abandonment of the following portions of an alley:

Adjacent to 235 Bayard Avenue (ED-05-077.06-01-84.00)
Being a portion of that certain piece or parcel of land situated in the City of Dover, Kent County, State of Delaware, being an unimproved public alley running in a north to south direction, located to the east of Bayard Avenue, said portion of alley beginning at a point identified as the northeast corner of Parcel No. ED-05-077.06-01-84.00; thence running with Parcel No. ED-05-077.06-01-84.00 South 22 degrees 11 minutes East 60.01 feet along the westerly line of the 14' wide alley to the northeast corner of Parcel No. ED-05-077.06-01-85.00; thence running North 68 degrees 53 minutes East 7 feet crossing into said 14' wide alley to a point in the center of the alley, opposite the northeast corner of Parcel No. ED-05-077.06-01-85.00; thence running North 22 degrees 11 minutes West 60.01 feet parallel to the westerly line of the 14' wide alley to a point; thence running South 68 degrees 53 minutes West 7 feet to the westerly side of the 14' wide alley, being the point and place of beginning and containing 0.0096 acres (420 square feet) of land be the same more or less. The above described parcel of land shall be considered a public utility easement, reserving the rights of the City of Dover, their agents or assigns to free access for ingress and egress to these premises and every part thereof at all times for purpose of installing, maintaining and operating its existing public utilities.

Adjacent to 239 Bayard Avenue (ED-05-077.06-01-85.00)
Being a portion of that certain piece or parcel of land situated in the City of Dover, Kent County, State of Delaware, being an unimproved public alley running in a north to south direction, located to the east of Bayard Avenue, said portion of alley beginning at a point identified as the northeast corner of Parcel No. ED-05-077.06-01-85.00; thence running with Parcel No. ED-05-077.06-01-85.00 South 22 degrees 11 minutes East 60.01 feet along the westerly line of the 14' wide alley to the northeast corner of Parcel No. ED-05-077.06-01-86.00; thence running North 68 degrees 53 minutes East 7 feet crossing into said 14' wide alley to a point in the center of the alley, opposite the northeast corner of Parcel No. ED-05-077.06-01-86.00; thence running North 22 degrees 11 minutes West 60.01 feet parallel to the westerly line of the 14' wide alley to a point; thence running South 68 degrees 53 minutes West 7 feet to the westerly side of the 14' wide alley, being the point and place of beginning and containing 0.0096 acres (420 square feet) of land be the same more or less. The above described parcel of land shall be considered a public utility easement, reserving the rights of the City of Dover, their agents or assigns to free access for ingress and egress to these premises and every part thereof at all times for purpose of installing, maintaining and operating its existing public utilities.

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Adjacent to 243 Bayard Avenue (ED-05-077.06-01-86.00)
Being a portion of that certain piece or parcel of land situated in the City of Dover, Kent County, State of Delaware, being an unimproved public alley running in a north to south direction, located to the east of Bayard Avenue, said portion of alley beginning at a point identified as the northeast corner of Parcel No. ED-05-077.06-01-86.00; thence running with Parcel No. ED-05-077.06-01-86.00 South 22 degrees 11 minutes East 68 feet along the westerly line of the 14' wide alley to the southeast corner of Parcel No. ED-05-077.06-01-86.00 being the southeast terminus of the 14' wide alley; thence running North 55 degrees 29 minutes 31 seconds East 7.2 feet crossing into said 14' wide alley to a point in the center of the alley, opposite the southeast corner of Parcel No. ED-05-077.06-01-86.00; thence running North 22 degrees 11 minutes West 66.3 feet parallel to the westerly line of the 14' wide alley to a point; thence running South 68 degrees 53 minutes West 7 feet to the westerly side of the 14' wide alley, being the point and place of beginning and containing 0.0108 acres (470.15 square feet) of land be the same more or less. The above described parcel of land shall be considered a public utility easement, reserving the rights of the City of Dover, their agents or assigns to free access for ingress and egress to these premises and every part thereof at all times for purpose of installing, maintaining and operating its existing public utilities.

Section 2. The Council of the City of Dover will sit on Monday, March 11, 2013, at 7:30 p.m., in the Council Chambers at City Hall, Dover, Delaware, to hear the objections of such residents of the City or owners of the property affected as shall attend, in accordance with the provisions of Section 27 of the Charter of the City of Dover (Chapter 158, Volume 36, Laws of Delaware).

Section 3. The Clerk of Council is hereby directed to post copies of this Resolution in five or more public places in the City of Dover.

ADOPTED: *
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CARLETON E. CAREY, SR.	THOMAS J. LEARY
MAYOR	COUNCIL PRESIDENT

Actions History:
February 25, 2013 - Introduced at City Council

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