UTILITY COMMITTEE

The Utility Committee Meeting was held on September 24, 2012 at 5:30 p.m. with Chairman Bonar presiding. Members present were Mr. Perza, Mrs. Williams, Mr. Blakeman and Mr. Snaman. Members of Council present were Council President Leary, Mr. Hare, and Mr. Hutchison. Mayor Carey was also present.

AGENDA ADDITIONS/DELETIONS

By unanimous consent, the agenda was approved as presented.

Annexation Request - 110 and 136 Rustic Lane, owned by Taililou, LLC

Members were provided with the Petition to Annex and Zone Property, as amended, for properties located at 110 and 136 Rustic Lane, owned by Taililou, LLC. 110 Rustic Lane (ED00-057.02-02-38.00-000) consists of $1.118^{+/-}$ acres and is currently zoned BG - General Business (Kent County). 136 Rustic Lane (ED00-057.02-02-40.00-000) consists of $0.56986^{+/-}$ acres and is currently zoned RMH - Residential Manufactured Home District (Kent County). The proposed zoning classification for both parcels is C-2A - Limited Central Commercial (City of Dover).

Mr. Scott Koenig, City Manager, stated that the properties proposed for annexation have a Comprehensive Plan Designation of Category 1 - High Priority Annexation Areas, and he reviewed information regarding utility availability, as follows:

Water:

- There is currently an eight-inch (8") water main that terminates at 58 E. Rustic Lane. To receive water service, the developer/owner of the subject properties must extend the water main to the easternmost property line of 136 East Rustic Lane. Infrastructure must be installed in accordance with the requirements of the City of Dover Water/Wastewater Handbook and DelDOT.

- The subject parcels are currently located within Tidewater Utilities Certificate of Public Convenience and Necessity (CPCN). The property owner must follow the appropriate guidelines to allow for transference to the City of Dover's CPCN.

Wastewater:

- Currently, there is no City of Dover gravity sanitary sewer service on East Rustic Lane. The closest City of Dover gravity sanitary sewer main is roughly 770 linear feet south of the intersection of East Rustic Lane and Route 13. There is also a one and one quarter inch (1-1/4") force main located on the east side of Route 13, utilized by WaWa and Sonic, which is now a maintenance responsibility of the City of Dover.

- Providing sanitary sewer service to this area has been a long term goal of the Department of Public Works and will continue to be pursued through an out year capital improvement project as options become available to provide sanitary sewer service to the community as a whole.

- Until such time as gravity sanitary sewer service becomes available to the community, the options for service are limited. The owner/developer of the subject properties could perform the following, in accordance with the Water/Wastewater Handbook:

  - Install approximately 1,531 linear feet of sanitary sewer main (provided gravity flow can be obtained). This option has limited viability as it would be cost-prohibitive to any project and would not be approved by DelDOT for at least five (5) years, as Route 13 was recently repaved.

  - Utilize grinder pumps and install a force main connection to Route 13. This would become a long term maintenance responsibility for the City of Dover, which is discouraged unless there is a community benefit, as East Rustic Lane is a State road. In addition, the existing force main referenced may be unable to receive any additional contribution and connection in Route 13 would not be approved as noted above. The properties would be required to connect to gravity sanitary sewer when it became available.

  - The subject properties could continue to use a septic system. This option would only be viable for residential use if also approved by DNREC and adequate space was available. The property would be required to connect to public sewer when it became available.

- Due to the information above regarding the wastewater utility, future uses of the subject properties would therefore be limited.

Electric:

- The subject properties are both located in the City of Dover Electric service territory and have power available across the street. Any new service must meet the requirements of the Electric Service Handbook.

Mr. Koenig clarified that water, sanitary sewer, and electric service are available at a relatively high cost but that this cost would be borne by the applicant.

Responding to Mr. Blakeman, Mr. Koenig confirmed that the properties were currently being served by the City of Dover electric utility.

Mrs. Williams moved to recommend adoption of Resolution No. 2012-12 *(Attachment #1)* setting the annexation referendum for properties located at 110 and 136 Rustic Lane consisting of 1.118$^{+/-}$ acres (110) and 0.56986$^{+/-}$ acres (136), owned by Taililou, Inc., seconded by Mr. Perza and unanimously carried.

Review of Utility Related Capital Investment Plan (CIP) (July) ***(Electric and Water/Wastewater)***
Members reviewed a Project Tracking Report, as of July 31, 2012, for the Utility (Electric and Water/Wastewater) Related Capital Investment Plan.

Responding to Mrs. Williams, Mrs. Donna Mitchell, Controller/Treasurer, noted that the negative balance reflected for funding of the new library in FY11 was due to the timing of receipts for the project. She explained that $1.2M was included in the budget with the expectation that the building would be sold and that the building was not being depreciated or appreciated at this time.

In response to Mrs. Williams, Mrs. Mitchell explained that $1,606,700 of remaining Community Transportation grant funds were transferred to the City's Street Program, which was an appropriate use for these funds and would facilitate accounting.

In response to Mr. Blakeman, Mrs. Mitchell explained that the Unapplied CT Projects line was included in the report as a placeholder in anticipation of the receipt of State grant funds.

Responding to Mrs. Williams, Mr. Koenig advised members that the West Dover Pump Station project was on hold due to staffing limitations and was scheduled for design later in the year.

In response to Mr. Perza, Mr. Koenig noted that an easement for the Tar Ditch Interceptor Upgrade had been requested and this project was scheduled for the Fall of 2012.

Referring to Page 5 of the report, Mrs. Mitchell informed members that the Revised Fiscal Year Budget Column reflected carry forward amounts and that staff was working to make sure that funds would be available. She anticipated that a budget amendment would be brought forward in October 2012 which would provide a more visible picture of CIP funding.

UPDATES

Garrison Oak Technical Park Project
Mr. Scott Koenig, City Manager, reminded members that during the City Council meeting held on August 13, 2012, Council authorized revisions to the engineering services agreements to finish design of the sewer system and other items related to land planning. He noted that during the meeting scheduled for later in the evening, Council would consider authorizing engineering design agreements for wastewater facilities and an elevated water storage tank.

Mr. Koenig stated that air permitting was moving forward and that negotiations were ongoing between White Oak Solar Energy and Calpine. He noted that a filing was submitted in Superior Court on behalf of White Oak Solar Energy against the City of Dover Planning Commission regarding the potential for dust to affect the long-term performance of the solar array. Based on conversations between Mr. Koenig and Mr. Nathan Hanson, LS Power Development, LLC on September 24, 2012, it was expected that this issue would be resolved between White Oak Solar Energy and Calpine.

Responding to Mr. Blakeman, Mr. Koenig stated his belief that negotiations were continuing with PJM regarding access to the grid and that he expected a final document would be issued in the Fall of 2012. He noted that the building permit must be issued in January 2013 in order to meet the auction deadline; therefore, this dispute must be resolved.

Sun Park

Mr. Scott Koenig, City Manager, reviewed the Dover Sun Park - Budget vs. Actual Report which provided information on costs and revenues for July and August 2012. Responding to Mrs. Williams, Mr. Koenig noted that the City planned to budget approximately $300,000 extra each year until the cost of fossil fuel increases to the point where solar energy savings would be realized.

Responding to Mr. Snaman, Mrs. Mitchell clarified that $300,000 per year would be allocated for solar energy in addition to the $1.7M currently budgeted.

Mr. Koenig noted that the cost of solar panels has decreased rapidly and construction costs have also reduced; therefore, the City was currently paying a premium over fossil fuel and more green energy credits must be purchased to meet requirements.

Mrs. Williams requested that members be provided additional information in the subsequent meeting packet including a breakdown of the sources and projections through 2030. Concurring, Mr. Blakeman requested that the graph entitled "City of Dover Electric Fund - Monthly Activity - Sun Park - FY13" be expanded in the future to incorporate specific additional parameters ***(Attachment #2)***.

In response to Mr. Hare, Mr. Koenig explained that the City of Dover purchases all solar power produced by the facility, which typically does not exceed 10 megawatts.

By unanimous consent, the meeting adjourned at 5:56 p.m.

David L. Bonar
Chairman

DLB/TM/js/dd
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Attachment
Attachment #1 - Resolution No. 2012-12
Attachment #2 - City of Dover Electric Fund - Monthly Activity - Sun Park - FY13, Including Parameters Requested by Mr. Blakeman

City of Dover

MAYOR AND COUNCIL

DRAFT PROPOSED COUNCIL RESOLUTION NO. 2012-12

A RESOLUTION PROPOSING THE INCLUSION OF AN AREA WITHIN THE LIMITS OF THE CITY OF DOVER AND CALLING FOR A SPECIAL ELECTION TO BE HELD IN THE SAID AREA.

WHEREAS, the Charter of the City of Dover authorizes Council to extend the boundaries of the said City after a special election of the qualified voters and real estate owners of the territory proposed to be annexed, and

WHEREAS, the Mayor and Council of the City of Dover deem it in the best interest of the City of Dover to include areas located at 110 and 136 Rustic Lane, which are contiguous to the present City limits, into the limits of the City of Dover and within a zoning classification as recommended by the City of Dover Planning Commission.

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

1. That a special election be held for areas located at 110 and 136 Rustic Lane situated in East Dover Hundred, Kent County, State of Delaware.

2. That the election be held on the 15th day of November, 2012 commencing at the hour of 11:00 a.m. in the City Hall Annex, 15 Loockerman Plaza, Dover, Delaware, for the purpose of submitting the question of annexation of the above areas to those persons entitled to vote thereon.

3. That the election be held and conducted pursuant to the provisions of the Charter of the City of Dover as amended.

4. That this resolution be published in accordance with the City of Dover Charter.

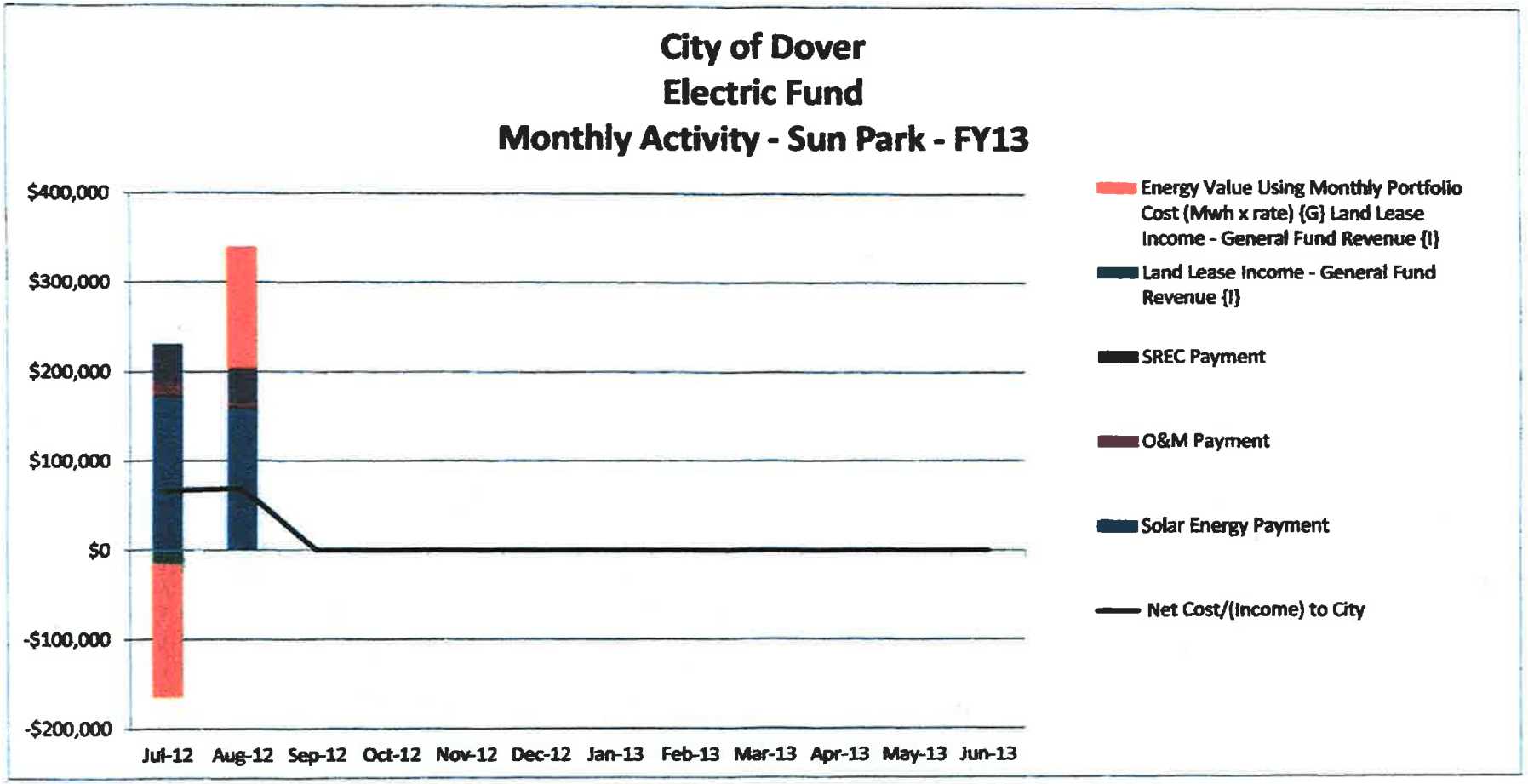
ADOPTED: *

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

Actions History:
September 24, 2012 - Introduced at Utility Committee

Draft



Current Month

Power Purchases	MW	Total Cost*	Cost Per MW
Power Grid			
Generation			
Solar Energy			
Totals			
System Sales			
Line Loss			

*does not include land lease income

ATTACHMENT #2
Utility Committee Meeting of September 24, 2012