UTILITY COMMITTEE

The Utility Committee Meeting was held on February 27, 2012 at 5:39 p.m. with Chairman Bonar presiding. Members present were Mr. Lynn, Mrs. Williams, Mr. Blakeman, and Mr. Snaman. Members of Council present were Mr. Hare (departed at 5:48 p.m.) and Mr. Hutchison (arrived at 5:49 p.m.). Mayor Carey (arrived at 5:41 p.m.) was also present.

AGENDA ADDITIONS/DELETIONS

By unanimous consent, the agenda was approved as presented.

Dedication of Rights-of-Way and Public Infrastructure - Lexington Glen - Phase I

Members were advised that Ashburn Homes, Inc., the party responsible for completing the public infrastructure within Phase 1 of the Lexington Glen Subdivision, has requested that all public infrastructure improvements related to this phase be dedicated to the City of Dover for permanent ownership and maintenance. Members reviewed an outline of all public improvements associated with Phase 1 and a map showing the general location and configuration of the subject rights-of-way. The total construction value of the public improvements is $1,184,627. Ashburn Homes, Inc. has completed construction of the improvements within Phase 1 in accordance with City standards and specifications. After construction was completed, City staff inspected the public improvements and developed a list of repairs to be made to meet the City of Dover Standards and Specifications for Public Works Construction. As of this date, all work required by Ms. Sharon Duca, Interim Public Works Director, has been completed.

Mr. Scott Koenig, City Manager, advised members that a one (1) year Maintenance Agreement, Letter of Credit, and a Release of Liabilities is required to be submitted as part of the dedication process. Although the Letter of Credit had not yet been submitted, he stated that it was anticipated that it would be received prior to consideration of the Committee's recommendation by City Council. As-built drawings of the infrastructure have been provided to staff.

Staff recommended acceptance of the dedication of rights-of-way and public infrastructure in Phase 1 of the Lexington Glen Subdivision, with the stipulation that the Letter of Credit must be received prior to Council action, with dedication to include all of the referenced public improvements, as follows:

Sewer Utility Infrastructure (Construction Value = $234,137):			
10" SDR-35 PVC Sanitary Sewer Main	-	1,865 l.f.	
8" SDR-35 PVC Sanitary Sewer Main	-	945 l.f.	
6" PVC Sanitary Sewer Laterals	-	3,430 l.f.	(98 laterals)
4' Diameter Sanitary Sewer Manholes	-	12 ea.	(67.42 v.f.)
8" PVC Sanitary Force Main	-	110 l.f.	
Water Utility Infrastructure (Construction Value = $207,148):			
8" Ductile Iron (Class 52 Cement Lined) Water Main	-	3,815 l.f.	
6" Ductile Iron (Class 52 Cement Lined) Water Main	-	160 l.f.	
1" Polyethylene Water Service Lines	-	3,185 l.f.	(98 services)
8" Gate Valve	-	13 ea.	
6" Hydrant Valve	-	7 ea.	
Fire Hydrants	-	7 ea.	

Storm Water Infrastructure (Construction Value = $335,564):		
Catch Basins	-	45 ea.
4' Diameter Storm Sewer Manholes	-	3 ea.
Outfall Structure	-	1 ea.
15" Type III Reinforced Concrete Pipe	-	2,144 l.f.
18" Type III Reinforced Concrete Pipe	-	355 l.f.
24" Type III Reinforced Concrete Pipe	-	1,536 l.f.
30" Type III Reinforced Concrete Pipe	-	1,023 l.f.
36" Type III Reinforced Concrete Pipe	-	408 l.f.
Flared End Sections (Concrete)	-	8 ea.

Street Infrastructure (0.5771 miles) (Construction Value = $407,778):		
Nicholas Drive	Station 2+82 to Station 15+55	1,273 l.f.
Thornton Street	Station 0+00 to Station 10+00	1,000 l.f.
Lexington Place	Station 11+20 to Station 18+94	774 l.f.

Mrs. Williams moved to recommend acceptance of the dedication of rights-of-way and public infrastructure for Lexington Glen - Phase I to include all of the referenced public improvements, as recommended by staff, with the stipulation that the Letter of Credit is received prior to Council action. The motion was seconded by Mr. Snaman and unanimously carried.

Cash-In-Lieu of Pump Station Upgrades Agreement - Village of Maple Dale Senior Housing

Mr. Scott Koenig, City Manager, reminded members that the Village of Maple Dale Senior Housing Subdivision is currently under construction and that the subdivision is in the sanitary sewer basin that flows to the Retreat Pump Station, which is located on Pine Valley Road. The Retreat Pump Station is in need of upgrades in order to properly handle the proposed sanitary sewer flow from the complete build out of the Village of Maple Dale Senior Housing Subdivision. He stated that, typically, the developer would have to perform the upgrades to the infrastructure prior to building residences. The complete replacement of the Retreat Pump Station is planned to occur in Fiscal Year 2016. As such, staff believes that it is in the best interest of all to perform the overall replacement as planned in Fiscal Year 2016 but to utilize a cash-in-lieu of agreement with the developer rather than perform the upgrades now. He assured members that this would ensure that the new components are not removed after only four (4) years of usage.

Mr. Koenig explained that, in lieu of the pump station upgrades, staff and Becker Morgan Group, Inc., (consulting engineer) agreed that a specified number of residences (30 townhomes and 18 condominium units) could be built without affecting the performance of the existing pump station. This was determined after a fairly extensive technical review of the pump station's capacity and performance, as well as projected flows and construction timeframe. The monetary value of the upgrades that would be required for the pump station ($36,570) was established following staff's review and approval of submitted estimates. Members reviewed a draft agreement in which Maple Dale Country Club, Inc., would pay for the necessary improvements to the pump station. This agreement states that only 30 townhomes and 18 condominium units could be built before the Retreat Pump Station is replaced.

Staff recommended execution of the agreement.

In response to Mr. Hare, Mr. Koenig indicated that construction has already begun on four (4) units and the required building permits have been obtained. He assured members that the City would require payment of the cash-in-lieu amount of $36,570 prior to issuing any additional building permits.

Mrs. Williams moved to recommend execution of a cash-in-lieu agreement with Maple Dale Country Club, Inc. *(Attachment #1)*, with the stipulation that no additional building permits would be issued without receipt of payment in full in the amount of $36,570. The motion was seconded by Mr. Snaman and unanimously carried.

North American Energy Services (NAES) Agreement Extension

Mr. Scott Koenig, City Manager, advised members that an Operations and Maintenance (O & M) Agreement for the City's electric generating facilities was entered into with North American Energy Services (NAES) in 2006. The previous City Manager was prepared to extend the agreement as it currently stands through May 31, 2014. Mr. Koenig stated that, given recent discussions regarding electric rates and cost of service, staff believes that the City should renegotiate the terms of the O & M Agreement. Mr. Koenig indicated that, based on the review of Mr. Kirk Betts, the City's Utility Attorney, the initial term of the NAES contract was four (4) years, ending in June 2010, and the agreement has an evergreen provision that would permit the City to extend the agreement on an annual basis after the initial term. All the compensation provisions remain except escalation, which is an annual adjustment. The City may terminate the agreement by giving notice at least 18 months before the proposed termination date. This notice may be given at any time. A request may be made at any time to enter into sole source negotiations with NAES to adjust the terms of compensation.

Staff recommended that Council authorize the City Manager to: 1) issue a letter advising NAES of the City's desire to review and renegotiate the terms of the O & M Agreement; and 2) issue a letter to Mr. Kirk Betts, Utility Attorney, to commence the contract negotiations.

Responding to Mr. Blakeman, Mr. Koenig indicated that the concept of issuing a Request for Proposals (RFP) was discussed by Mrs. Donna Mitchell, Controller/Treasurer, and Mr. Betts. It was his understanding that once NAES is notified of the City's desire to renegotiate, they will respond with a very favorable contract price; however, he assured members that if this is not the case, the City could solicit proposals through the market.

Mr. Blakeman moved to recommend approval of staff's recommendation to authorize the City Manager to: 1) issue a letter advising North American Energy Services (NAES) of the City's desire to review and renegotiate the terms of the Operations and Maintenance (O & M) Agreement; and 2) issue a letter to Mr. Kirk Betts, Utility Attorney, to commence contract negotiations. The motion was seconded by Mr. Lynn and unanimously carried.

Update - Green Energy Funding and Programming

Mr. Scott Koenig, City Manager, noted that members received an update on Green Energy Funding and Programming and offered to respond to any questions.

Update - Garrison Oak Technical Park Project

Mr. Scott Koenig, City Manager, stated that staff is working on finalizing the plat for the Garrison Oak Technical Park so that lots can be recorded. It was his understanding that Calpine Corporation has filed an application which is scheduled for consideration by the Planning Commission during their March meeting. He noted that the Calpine project will be constructed on one of the lots created by the subdivision of the Garrison Oak Technical Park.

Mr. Koenig advised members that staff has also been working with Becker Morgan Group, the consulting engineer, regarding the construction drawings for the roads and the water and sewer systems associated with the subdivision plan related to the project. He stated that the discussions with Calpine Corporation are separate and on-going.

By unanimous consent, the meeting adjourned at 5:52 P.M.

David L. Bonar
Chairman

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Attachment
Attachment #1 - Cash-in-Lieu Agreement - Village of Maple Dale Senior Housing

CASH IN-LIEU AGREEMENT

VILLAGE OF MAPLE DALE SENIOR HOUSING

This **AGREEMENT** made this _____ day of _____ 2012 by and between the City of Dover, a Delaware Municipal Corporation, whose address is 15 Loockerman Plaza, P.O. Box 475, Dover, Delaware 19903-0475 (hereinafter referred to as the **CITY**), and the Maple Dale Country Club, Inc., whose address is 180 Maple Dale Circle, Dover, Delaware, 19904 (hereinafter referred to as **MAPLE DALE**).

WITNESSETH:

WHEREAS, MAPLE DALE provides funding in the amount of $36,570 for the following future **CITY** project:

1. Retreat Pump Station Replacement, scheduled to begin in FY 2015 (July 1, 2014 – June 30, 2015).

WHEREAS, the purpose of these monies is to provide the necessary improvements to the Retreat Pump Station in relation to the proposed residential construction, in lieu of **MAPLE DALE** providing the required upgrades for the construction of residential units.

WHEREAS, these improvements fall within the limits of a **CITY** capital improvement project rather than a private construction project.

Now therefore, **CITY** and **MAPLE DALE**, for and in consideration of the mutual covenants hereinafter stipulated to be kept and performed, agree as follows:

SECTION I

MAPLE DALE agrees to the following terms:

A. **MAPLE DALE** will provide the **CITY** the funding of $36,570 prior to construction of the agreed upon residential units (thirty (30) townhomes as well as one eighteen (18) unit condominium).

B. **MAPLE DALE** shall not construct any additional residential units prior to the **CITY** upgrading the Retreat Pump Station, which will be designed to have the available capacity for the remaining residential units provided in the "Village of Maple Dale Senior Housing" approved subdivision plans.

C. **MAPLE DALE** acknowledges that this agreement does not relieve the owner from paying impact fees, or other associates fees deemed necessary with this project.

SECTION II

CITY agrees to the following terms:

A. **CITY** will provide appropriate notice and/or justification to **MAPLE DALE** if the Retreat Pump Station Replacement project is delayed.

B. **CITY** will provide appropriate notice to **MAPLE DALE** when the Retreat Pump Station Replacement project begins and finishes.

CITY and **MAPLE DALE** agree that this agreement is the entire and complete Agreement between the parties and that no alterations, modification or amendments of this Agreement shall be made or deemed valid unless approved in writing and signed by both parties.

IN WINESS THEREOF, the parties hereunto have caused this Agreement to be executed in duplicate, the day and year first above written.

CITY OF DOVER

Approved as to form: By:

_____ _____

City Solicitor Scott Koenig, P.E.
City Manager

MAPLE DALE COUNTY CLUB, INC.

Approved as to form: By:

_____ _____