UTILITY COMMITTEE

The Utility Committee Meeting was held on August 8, 2011 at 5:00 p.m. with Chairman Bonar presiding. Members present were Mr. Blakeman and Mr. Snaman. Mr. Lynn and Mrs. Williams were absent. Other members of Council present were Mr. Anderson (arrived at 5:10 p.m.), Mr. Hare (arrived at 5:06 p.m.), and Mr. Hutchison. Mayor Carey was also present.

AGENDA ADDITIONS/DELETIONS

By unanimous consent, the agenda was approved as presented.

PACE/NAES Monthly Report *(May)*

The PACE/NAES Monthly Report for May 2011 was provided to members to enable them to monitor 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.

Mr. Scott Koenig, Interim City Manager, indicated that the June report will be the last from PACE/NAES, reminding members that the agreement with The Energy Authority (TEA) has been completed and services began on July 1, 2011.

Mr. Blakeman noted that a line item budget is currently provided for the power supply and power plant. He suggested that a summary of line items be included when the monthly report is submitted. Responding, Mr. Koenig stated that TEA indicated that they plan to refashion the monthly report and that he would advise them of this request.

Mr. Snaman moved to recommend acceptance of the PACE/NAES Monthly Report for May 2011, seconded by Mr. Blakeman and unanimously carried.

Update - Green Energy Funding and Programming

Mr. Scott Koenig, Interim City Manager, noted that there is currently a $74,239.46 deficit in the Green Energy Fund. He stated that as funds are received this deficit will be eliminated, since project owners are not reimbursed until the funds become available.

Responding to Mr. Bonar, Mr. Koenig stated that he believed there was typically a six (6) month time lapse before the City received reimbursement; however, he indicated that he would need to confirm this time frame. Mr. Bonar requested that staff submit a letter to the Delaware Municipal Electric Corporation, Inc. (DEMEC) to inquire as to the average turnaround time and the reason for such a delay, and to request an itemized list of those projects that are pending reimbursement. He advised members that he was aware of several instances when projects (outside of the City) were funded and an inordinate amount of time elapsed after paperwork was submitted, and that paperwork has sometimes been lost. Mr. Bonar indicated that some citizens have been "shorted" under this program and he wanted to ensure that the City does not experience this. He stated that, according to an investigation he performed during the last six (6) months, there is a significant concern with these reimbursements. Mr. Bonar requested staff to provide members with an update on this issue.

Proposed Ordinance #2011-20 - Chapter 110 - Utilities, Article III - Water Service, Division 1 - Generally, Section 110-67 - Private Wells

Members reviewed a proposed ordinance that would prohibit new private shallow wells within the City of Dover. Mr. Scott Koenig, Interim City Manager, advised members that this prohibition will protect the water resources of the unconfined aquifer from which the City draws a portion of its water supply, as well as protect the City's Certificate of Public Convenience & Necessity (CPCN). He noted that, currently, private shallow wells, for irrigation purposes in particular, are permitted in accordance with certain criteria specified in the Code.

In addition, Mr. Koenig stated that geothermal technology for heating and cooling is an emerging technology that was not contemplated when this section of the code was implemented. Geothermal systems require well permits from the Delaware Department of Natural Resources and Environmental Control (DNREC), although they do not draw water from the ground. The proposed ordinance would clarify that wells associated with the installation of closed loop geothermal systems are permitted within the City of Dover in accordance with specified criteria.

Staff recommended adoption of Proposed Ordinance #2011-20.

Responding to Mr. Hare, Mr. Koenig stated that the City is aware of the location of the shallow wells. He indicated that there is a requirement for an annual report to be submitted to the City indicating usage and that the City will need to conduct inspections.

Mr. Hutchison questioned the alternatives available to property owners. Responding, Mr. Koenig stated that if a private well is not permitted, owners could utilize their current water service for lawn irrigation, or a second water meter could be installed to prevent paying for sewer usage on the service to the house. He noted that the private shallow wells have served as another option for owners.

In response to Mr. Anderson, Mr. Koenig explained that every time someone drills down into the aquifer, there is potential for current or future contamination. He stated the proposed ordinance has a dual purpose: to protect the City's interests and investments and to prevent possible contamination of the aquifer.

Mr. Blakeman moved to recommend adoption of Proposed Ordinance #2011-20 *(Attachment #1)*, as recommended by staff. The motion was seconded by Mr. Snaman and unanimously carried.

By unanimous consent, the meeting adjourned at 5:18 P.M.

Respectfully submitted,

David L. Bonar
Chairman

DLB/DD/jg/js/tm
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Attachment
Attachment #1 - Proposed Ordinance #2011-20

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

That Chapter 110 - Utilities, Article III - Water Service, Division 1 - Generally, Section 110-67 - Private Wells, be amended by deleting text indicated in red strikeout (subsection (b) Shallow wells in its entirety) and inserting text indicated in bold, blue, italics as follows:

Sec. 110-67. Private wells.

(a) When authorized. It shall be unlawful and a nuisance for any person to dig, drill or otherwise excavate any well more than 150 feet below the surface of the ground within the city, or one mile thereof, without the permission of the city council given by resolution. No permission shall be given for a well on any property where a potable water supply is available.

~~(b) *Shallow wells*. Shallow wells may be drilled into and water withdrawn from the unconfined aquifers within the limits of the city, subject to the following:~~

~~(1) All wells shall require a permit from the state department of natural resources and environmental control or other regulatory agency and the approval of the city setting forth construction details, design yield, and withdrawal rates.~~

~~(2) All wells must have the approval of the state board of health or other similar regulatory agency for their intended use.~~

~~(3) A detailed plan showing the well location, well construction, piping plan and connection details shall be submitted with the application.~~

~~(4) All wells shall be metered by an approved device and daily pumping records maintained.~~

~~(5) All water derived from shallow wells shall be used only for boiler makeup, cooling water use, and underground irrigation systems.~~

~~(6) Any revisions, changes or deviations from the original permit must be in the same manner as the original permit.~~

~~(7) There shall be no interconnection with any public water supply, nor shall the shallow well be used as a potable water supply for human consumption.~~

~~(8) Private irrigation systems shall be completely underground, with no connections or outlets that could be used for human consumption. Irrigation shall be by sprinkler heads.~~

(b) *Geothermal wells*. Wells may be drilled for the purpose of the installation of a geothermal heating and cooling system within the limits of the city, subject to the following:

(1) These wells shall not be authorized for withdrawal or injection. They will function as borings, filled with a bentonite grout, with a piping system that acts as a heat exchanger to dissipate/absorb heat from the system to the ground.

(2) There shall be no interconnection with any public water supply, nor shall the geothermal well be used as a potable water supply for human consumption.

(3) No well shall be located within any city right-of-way or utility easement without written authorization from the city manager.

ADOPTED: *

SYNOPSIS

The proposed ordinance would eliminate the allowance of new private shallow wells within the City of Dover, and adds language to clarify that geothermal wells are permitted provided they meet certain criteria.

Actions History
August 8, 2011 - Scheduled for Consideration by the Utility Committee

Draft