UTILITY COMMITTEE

The Utility Committee Meeting was held on June 13, 2011 at 5:00 p.m. with Chairman Bonar presiding. Members present were Mrs. Williams, Mr. Blakeman, and Mr. Snaman. Mr. Lynn was absent.

AGENDA ADDITIONS/DELETIONS

By unanimous consent, the agenda was approved, as presented.

Dedication of Rights-of-Way and Public Infrastructure - Blue Hen Apartments

The developer of the Blue Hen Apartment Complex, Pettinaro Construction Co., Inc., has requested that all public infrastructure improvements adjacent to this project be dedicated to the City of Dover for permanent ownership and maintenance. Members were provided a list of all of the public improvements associated with this project, as well as a map showing the general location and configuration of the subject rights-of-way. Pettinaro Construction, Co., Inc. has constructed all of the improvements in accordance with City standards and specifications. After construction was completed, City staff inspected the public improvements and provided the developer with 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 related to the public infrastructure has been completed by the developer. A one (1) year Maintenance Agreement, Letter of Credit, and a Release of Liabilities will be submitted by the developer as part of the dedication process. In addition, as-built drawings of the subject improvements and rights-of-way have been submitted to the City of Dover as permanent records.

Staff recommended acceptance of dedication of rights-of-way and public infrastructure adjacent to the Blue Hen Apartment Complex, to include all referenced public improvements, as follows:

Street Infrastructure (0.3040 miles) (Construction Value = $ 240,750):

Blue Hen Boulevard	Station 0+00 to Station 11+60	1,160 l.f.
Haslet Street	Station 0+00 to Station 4+45	445 l.f.

Mr. Scott Koenig, Public Services Manager/Director of Public Works/Interim City Manager, advised members that the total construction value of the public improvements is $240,750.

In response to Mrs. Williams, Mr. Koenig stated that he is satisfied with the outcome of the improvements.

Responding to Mr. Blakeman, Mr. Koenig explained that the "rough patch," located approximately 200 feet from the stop sign was caused by a water main break during the winter. He stated that the water main existed prior to these improvements and was already dedicated to the City of Dover. Mr. Koenig indicated that the City will be completing a repair patch on that break, probably within the next 30 to 60 days, pending the approval of a street contractor. Based on his assessment of the problem, Mr. Koenig stated that the developer is not responsible for these repairs since the City's infrastructure failed after the developer completed his improvements.

Mrs. Williams moved to recommend acceptance of dedication of rights-of-way and public infrastructure adjacent to the Blue Hen Apartment Complex, to include all referenced public improvements, as detailed on the List of all Public Improvements *(Attachment #1)*. The motion was seconded by Mr. Blakeman and unanimously carried.

Universal Recycling Grants - Recycling Services Reimbursement Agreement

In June 2010, the State of Delaware passed legislation which established Universal Recycling in Delaware. This legislation requires the implementation of comprehensive residential and commercial recycling programs by municipalities and private waste haulers. It also established the Delaware Recycling Fund and the Recycling Grants and Low-Interest Program to defray the costs of implementation, with funding derived from the conversion of the former bottle deposit to a Recycling Fee on beverage containers.

In January 2011, the City of Dover submitted a series of grant applications related to the implementation of a comprehensive recycling program. In April 2011, the City of Dover was informed that Universal Recycling Grant funding will be awarded to the City, in the amount of $101,151, as follows:

1. Public Information & Education for Customers	-	$ 15,000.00
2. "Schedule Change" Flyers Reimbursement	-	$ 3,115.00
3. Curbside Recycling Container Labels (Qty. = 15,250)	-	$ 2,798.00
4. Purchase of 1,782 wheeled recycling carts	-	$ 80,238.00
		$101,151.00

Staff requested authorization to execute the reimbursement agreement and begin the work associated with the agreement. The City of Dover expended funds in FY2011 for the purchase of wheeled recycling containers, curbside recycling container labels and "Schedule Change" flyers. All of these expenses are related to the implementation of the curbside program and will be eligible for reimbursement once the agreement has been signed. These expenses are part of the funds identified in 2, 3 and 4, listed above.

In response to Mrs. Williams, Mr. Koenig explained that the need to purchase 1,782 wheeled recycling carts was determined by calculating the estimated number of residential houses downtown and small businesses that will need carts, and the cumulative number of mobile homes in the City.

Responding to Mr. Blakeman, Mr. Koenig indicated that Section 2 - Reimbursement of Appendix A of the Recycling Services Reimbursement Agreement refers to future rounds of the grants and that this round only includes the $101,151.00 of expenses.

In response to Mr. Blakeman, Mr. Koenig stated that the dates in the contract will be pushed back.

Mr. Snaman questioned how apartment complexes would be addressed. In response, Mr. Koenig indicated that the Universal Recycling legislation provides a deadline by which recycling service must be extended to apartment complexes; however, as a hauler, the City of Dover does not pick up

individual apartment complexes. He indicated that private sector haulers will have to address ways to pick up recyclables at those facilities.

Responding to Mrs. Williams, Mr. Koenig stated that the City has not extended the curbside recycling program to Brandywine Court Condominiums. He indicated that a method for collecting curbside recyclables there will need to be developed.

Mrs. Williams suggested that Mr. Koenig contact Brandywine Court Condominiums to request that a community meeting be scheduled.

In response to Mr. Bonar, Mr. Koenig stated that the City received approximately $350,000 in donated recycling carts from the Delaware Solid Waste Authority and this reimbursable grant will cover the expense for 1,782 recycling carts. The City will have future expenses related to repairs to existing carts and the purchase of new carts. Mr. Koenig explained that the City will have to provide a regular trash container and a recycling cart to each newly constructed house at a cost of approximately $100 per house. Historically, there have been between 300 to 400 new homes constructed each year and in the next five (5) years he anticipates that between 200 to 300 new homes will be constructed per year.

Mr. Koenig stated that the recycling contract for the hauler that collects recyclables will cost the City approximately $240,000 this year and will be the major cost of the recycling program over the next five (5) years. He noted that these expenses are not reimbursable.

Mrs. Williams moved to recommend authorizing staff to execute the Recycling Services Reimbursement Agreement with Delaware Department of Natural Resources and Environmental Control (DNREC) *(Attachment #2)*. The City of Dover will be eligible for reimbursement up to $101,151.00 for work and/or services identified in the agreement. The motion was seconded by Mr. Snaman and unanimously carried.

Review of Utility Related Capital Investment Plan (CIP) (Electric and Water/Wastewater)

Members were provided a Project Tracking Report, as of April 30, 2011, for the Utility (Electric and Water/Wastewater) Related Capital Investment Plan (CIP).

At the request of Chairman Bonar, Mr. Ronald Lunt, Director of Public Utilities, reviewed the status of the Major Projects in the Utility (Electric and Water/Wastewater) Related Capital Investment Plan (CIP).

Regarding the 1.0 MG Elevated Water Storage Tank, Mr. Lunt advised members that this project has been delayed due to the new model not working properly. The Public Utilities Department has received assistance from consultants and the new engineering firm, who have greater expertise in this area. Mr. Lunt explained that the delay was also related to the Garrison Energy Center requesting a water usage study, as the department focused on helping them understand the types of water improvements that may be required for the project if it moves forward.

Mr. Lunt informed members that upon submitting application to the Delaware Department of Natural Resources and Environmental Control (DNREC) for Well 8, DNREC requested a comprehensive review of all of the City's well permits and allocations. He stated that there have been several meetings between Public Utilities and DNREC, and that DNREC has been open to their ideas. DNREC was happy to learn that the City is examining the possibility of modifying some of the current allocations to provide better protection to the ground source water.

In regard to the US 13 East Sanitary Sewer Interceptor, Mr. Lunt stated that the project is substantially complete with only a few punch list items remaining and he expects to close out the contract within the next month or month and one-half.

Mr. Lunt stated that construction has begun on Bayard Avenue and work began on the alley east of Bayard Avenue earlier in the day. The contract for the jack and bore has been issued and work should begin underneath Loockerman Street within the next month.

Regarding Phase II of the water project on the East side of North State Street, Mr. Lunt noted that the project was delayed in order to reallocate the funds to the Route 13 Water Main project.

Mr. Lunt reported that the Route 13 Water Main project has begun and reminded members that it requires night work and road lane closures.

Referring to the Remote Control and Monitor Wells project, Mr. Lunt reminded members of the master station failure at the water treatment plant and that funds were reallocated to this project. He reported that the master station was delivered within the last month and has been functionally installed.

Mr. Lunt stated that the FY 2010 Inflow/Infiltration Removal (I & I) project is part of the Division Street project and that some of the mains in the area west of Governors Avenue and north of Division Street have been completed. Division Street is scheduled to be closed with complete detour beginning the evening of July 9, 2011 for one (1) week. He informed members that Mrs. Kay Dietz-Sass, Public Affairs Coordinator, is handling all public notification for this project. Mr. Lunt reported that the Delaware Department of Transportation (DelDOT) has worked with the City on this project and will detour truck traffic to Route 13 via Scarborough Road. Although they do not typically detour traffic into other construction zones, such as the Route 13 Water Main project, they will allow the City to complete this work with only a one-lane restriction shut down. He commended DelDOT for accommodating the City in regard to this project and noted that the relationship between the City and DelDOT has improved as a result of quarterly meetings.

Mr. Lunt informed members that bids for the Fox Hall Pump Station and Heatherfield Force Main Rerouting projects will be considered for award by Council later in the evening.

In regard to the Tar Ditch Interceptor Upgrade, Mr. Lunt advised members that there are several issues related to this project. It was discovered that the current sewer line, in the Tar Ditch east of State Street, is misaligned and that both sections will need to be replaced. While researching this

problem, staff learned that there are no current easements recorded for this sewer line. Mr. Lunt stated that staff has met with the homeowners to discuss options for this project and indicated that they have not been receptive to the project, especially the requirement for the removal of one (1) large tree, but have come up with options that staff is in the process of evaluating. He noted that the City's options for moving the line are limited because there is a storm sewer main located next to the sanitary sewer and there is not a lot of extra elevation drop between the first and last manholes.

In response to Mr. Bonar, Mr. Lunt indicated that staff will need to meet with the homeowners again to determine if they will grant easements and to explore different options.

Responding to Mrs. Williams, Mr. Lunt supposed that the misalignment was the result of incorrect installation of the sewer line and stated that the engineer estimated that the line was installed in the early 1960s or earlier.

Mr. Lunt stated that the Various Pump Motor Replacement project was part of a grant that was received from the State within the last two (2) years. He noted that the pump motors were replaced in one (1) well and in two (2) different pump stations and this project is now complete.

Mr. Lunt reminded members that the Miscellaneous Distribution System Upgrade project is a place holder for possible water main breaks that may require an expensive repair.

Regarding the Wellhead Redevelopment project, Mr. Lunt noted that it is an active project that will be completed this fiscal year and the budgeted funds will be expended.

Mr. Lunt stated that the design work related to the water quality projects for Columbia Avenue, Ross Street, William Street, and West Street (W. Alley) is partially complete; however, due to funding issues, these projects have been delayed until FY 2012.

Mr. Lunt reported that the FY 2012 Inflow/Infiltration (I & I) Removal will be completed in conjunction with the Division Street project. There are two (2) different contractors for the main relining and the I & I projects for the manholes, so staff has coordinated the contractors to complete Division Street first and then the contractor for the I & I will seal the other remaining manholes.

Mr. Lunt informed members that the SCADA Technical Equipment Upgrade is an annual upgrade of all obsolete Remote Terminal Units (RTU) and lift stations and that this project has been completed for FY 2011.

Referring to the vehicles and equipment project noted on Line 23 of Page 5 of the Project Tracking Report, Mr. Lunt reported that all vehicles and equipment have been ordered and this project is complete.

In response to Mr. Blakeman, Mr. Lunt stated that the Walker Road Overhead Conversion was cancelled because the price was too high for the water part and would have required funds for too many years. It was Mr. Lunt's opinion that there was no need to bury the electric if the water would not be completed simultaneously.

Mr. Lunt reported that the City's electric line relocation for the Wyoming Mill Road Realignment is complete.

Mr. Lunt explained that the funds from the Walker Road Overhead Conversion were reallocated to accelerate a new project for substation switches, 69kV Substation Switch Replacement, because two (2) or three (3) of the switches in North Street burned up. He indicated that all of the new switches have been ordered for the North Street substation and, next year, this project is scheduled to be completed under one (1) outage, utilizing the Potential Transformers (PT), Current Transformers (CT) and arresters which have been ordered under separate projects.

Mr. Lunt indicated that the CIPs regarding the plant are included in the PACE/NAES Report and would best be discussed with the next item on the agenda.

By unanimous consent, the committee recommended acceptance of the Utility Related Capital Investment Plan (CIP) (Electric and Water/Wastewater) Report.

PACE/NAES Report *(March and April)*

The PACE/NAES Monthly Reports for March and April 2011 were 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. Ronald Lunt, Director of Public Utilities, reviewed the PACE/NAES monthly report for April 2011. He reported that the City's cost-of-service continued to remain below budget and that sales were a couple thousand megawatt hours over projection, which is based on weather normalized loads.

For the benefit of the new members, Mr. Lunt called attention to the charts contained throughout the PACE/NAES monthly report for April 2011. He informed members that the budget and actual amounts depicted on these charts for July through December 2010 are identical because, during the semiannual adjustment, in January 2011, the projections in the budget were reset to reflect the actual amounts.

In response to Mr. Bonar, Mr. Lunt indicated that Units 1, 2, and 3 ran during the last two (2) weeks for an approximate total of seven (7) hours. He also explained that a scheduled run for Unit 3 was cancelled and staff is working with PJM to receive compensation for fuel expenses for the near run time.

Responding to Mrs. Williams' questions regarding the shelf life of Units 1 and 2, Mr. Lunt stated that these units have exceeded the shelf life. He explained that the veins where the steam enters into the turbine are showing heavy wear and the only way to repair or fix them is to pull the units apart. It will now need to be determined whether it would be more economically advantageous to pull the units apart or continue to operate safely until they fail.

In response to Mr. Bonar, Mr. Lunt requested the opportunity for The Energy Authority (TEA) to provide guidance regarding this matter before it comes before the committee again.

Mr. Lunt reported that although Units 1 and 2 have exceeded the shelf life, they are 17 megawatt units so it does not take a lot of time to make a return on the investment.

Referring to Page 5, Wholesale Cost-of-Service Summary (Projected), Mr. Blakeman requested clarification regarding the solar plant. Mr. Lunt explained that in this monthly report, the solar plant was rolled into the cost-of-service instead of listed as with solar and without solar because staff had a firm idea of when it was going to come online.

Mr. Lunt informed members that the cost-of-service summary also includes the total Solar Renewable Energy Credits (SREC) and decisions will need to be made as to whether the City holds them, banks them, etc. He stated that, theoretically, the City could sell them, at least for the first year or two, until City Renewable Portfolio Supply Standards (RPS Standards) are developed which is required by January 2014.

Responding to Mrs. Williams, Mr. Lunt stated that Delmarva Power also has excess credits. He explained that there is a market for selling the SRECs, although the price has decreased.

Referring to the Capital Improvement Projects (CIP) for the Plant, beginning on Page 36, Mr. Lunt reported that the power plant conducted the Spring Outage and he is not aware of any related problems.

By unanimous consent, the committee recommended acceptance of the PACE/NAES Reports for March and April 2011.

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

Mrs. Ann Marie Townshend, Director of Planning and Community Development, updated members on the status of the National Pollution Discharge Elimination System (NPDES) Municipal Separate Storm Sewer Systems (MS4) Permit.

Mrs. Townshend explained that the City of Dover Municipal Separate Storm Sewer System (MS4) is the system of pipes that conveys water from the streets to surface water, stormwater ponds, and other infrastructure. The City's MS4 is regulated under a permit through the Delaware Department of Natural Resources and Environmental Control (DNREC) as part of the Clean Water Act and DNREC's authority to hold the permit is delegated from the US Environmental Protection Agency (EPA). She stated that the City's permit began in 2003, expired in 2008, and has been administratively extended through DNREC. Mrs. Townshend reported that there are a number of issues with the permit, and the program in general, throughout the State of Delaware. Several municipal and county governments in New Castle County have experienced difficulty renewing their permits through the EPA. Mrs. Townshend indicated that she had hoped that the City would be under a new permit by now; however, DNREC has made it clear that it may take a year or more. She stated that DNREC has continued to provide the City with actions to take, in order to maintain the administrative extension. Previously, the City received a notice of violation for not completing several conditions of the permit and Mrs. Townshend reported that the violation was cleared in

November 2010. She informed members that a report was submitted to DNREC listing the items that were not on the previous notice of violation and had not been completed. DNREC has indicated that the City should expect to receive another notice of violation, which is intended to allow the City to maintain the administrative extension until the beginning of 2012. Mrs. Townshend hoped that by that time the City will complete all actions for the permit that was initiated in 2003 and those items that have been added during the administrative extension.

In response to Mrs. Williams, Mrs. Townshend stated that the City did not deliberately provide DNREC with the information in order to foster an administrative extension. She explained that the City has been working with DNREC for the past two (2) years but that there were a number of reasons for the City becoming non-compliant. Mrs. Townshend stated that there was a period of time, under previous managers at DNREC, that DNREC was not focused on the program or interacting proactively with the municipal governments that are regulated under the program. Additionally, the City was not adequately staffed and problems related to brown water diverted staff from spending a lot of time on the program. She stated that DNREC has kept the City under a notice of violation to prevent the EPA from taking over the permit.

Responding to Mrs. Williams, Mrs. Townshend informed members that, at this time, the City is in sync with DNREC and staff is working to complete all actions associated with the permit. She stated that staff has been actively working to develop a number of brochures, a few of which have been completed during the past few months and several that should be completed later this summer and early fall. She also indicated that the City is required to develop and utilize a survey to measure the effectiveness of the City's stormwater program and that staff will be working with students in the Wesley College Environmental Studies Program to develop a survey to be administered every two (2) years to monitor changes.

Furthermore, Mrs. Townshend stated that, through the permit, staff has placed medallions on storm drains throughout the City and is expected under DNREC to install at least 50 medallions per year. She noted that undergraduate students in the Wesley College Environmental Studies Program are also being utilized to organize volunteer efforts to complete this.

Mrs. Townshend informed members that Mr. Mark Nowak, GIS Coordinator, and Mr. Scott Koenig, Public Services Manager/Director of Public Works, have been working diligently on the GIS mapping of the storm sewer system and this will probably continue to be an ongoing project in perpetuity.

Mrs. Townshend stated that through meeting with DNREC it is understood that the City will be required to complete yearly dry weather inspections of 33 stormwater pipe outlets to determine if water is coming out during dry weather, which would indicated some type of input into the system that is not stormwater.

In response to Mr. Bonar, Mrs. Townshend stated that DNREC has not yet provided the criteria for performing these inspections; therefore, the definition of dry weather is not known at this time. Mr. Koenig clarified that although it depends on the system, he believed that DNREC will want the

City to perform summer inspections of all outfalls to determine if there are additional inputs into the system during the driest conditions available. He also informed members that this requirement is not prescriptive in the legislation.

Responding to Mr. Bonar, Mrs. Townshend stated that DNREC will be satisfied by the City's annual report stating that the inspection of 33 outlets has been completed.

In response to Mrs. Williams, Mrs. Townshend explained that if illicit discharges are found during the inspections, staff will have to discover where they are entering the system and address the problem.

Responding to Mrs. Williams, Mrs. Townshend stated that having a sanitary sewer system or a greywater system connected to the stormwater system, residents not properly disposing of waste when working on their cars, and vendors pouring grease down storm drains during events held on The Green would be examples of illicit discharge.

Mrs. Townshend informed members that employees are expected to attend training as part of the MS4 permit. She stated that, last September, 47 employees from the Public Works, Planning, Inspections, and Public Utilities departments attended a BlueCard Training Class, which provided a general overview of stormwater management. In addition, Mrs. Townshend indicated that Mr. Michael Albert, Planner II, and she attended the Certified Construction Reviewer class in March 2011 and both are now certified. She stated that, in conjunction with DNREC, she will develop additional training for City staff and noted that training for identifying an illicit discharge could be incorporated into safety training.

Mrs. Townshend explained that while the City is responsible for the permit, stormwater management review authority is held by the Kent Conservation District; therefore, the City is required to enter into an administrative memorandum of understanding with the Kent Conservation District. She stated that staff presented a draft memorandum of understanding to the Kent Conservation District, has not received a response, and will follow up.

Mrs. Townshend informed members that the City is required to submit an annual report to DNREC, and in the next annual report DNREC will want a budgetary report of funds spent to comply with the requirements of the permit.

Additionally, Mrs. Townshend stated that an internal, staff-level stormwater committee will be developed and meet on a routine basis.

In response to Mrs. Williams' question regarding the City's costs for this program, Mrs. Townshend stated that there are no costs to the City associated with this program, at this time, because it was a strategic item that was cut from the budget. She explained that staff is working to incorporate the program into other department functions in order to track the expenses.

Mrs. Townshend reviewed the resources that are being utilized to accomplish the tasks associated with the MS4 permit. She emphasized the importance of Dr. Bruce Allison, Chair of the Environmental Studies program at Wesley College, who has provided student volunteers and offered limited funds for the program. Mrs. Townshend stated that, as a result of the assistance provided by Dr. Allison as well as that of the watershed coordinators that are shared by the City and DNREC, there has been no need to hire a consultant. She also explained that staff has researched possible grant applications; unfortunately, several applicable grants were discovered too late for the City to apply. Additionally, Mrs. Townshend mentioned that it may be possible to obtain funds through DNREC as long as the City provides staff, as is being done for the Silver Lake Revitalization Project.

Mrs. Townshend reiterated that staff is working diligently on completing the tasks associated with the permit because she does not want the City to receive administrative penalties (fines) from DNREC or be turned over to the EPA for enforcement.

Mr. Bonar requested that Mr. Koenig ensure that members are advised, well in advance, of any foreseen requests regarding infrastructure replacements that will be required, particularly if it appears that the City is in peril.

Mr. Bonar also requested that staff be more proactive in finding available grants, as it is still early in the City and State fiscal year.

Committee action not required.

By unanimous consent, the meeting adjourned at 5:54 p.m.

Respectfully submitted,

David L. Bonar
Chairman

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Attachment

Attachment #1 - Recycling Services Reimbursement Agreement (Contract #11-URG025) between the Delaware Department of Natural Resources and Environmental Control (DNREC) and the City of Dover