

CAMDEN-WYOMING SEWER & WATER AUTHORITY
P.O. BOX 405, CAMDEN-WYOMING, DELAWARE 19934

*Minutes of the Camden-Wyoming
Sewer and Water Authority
Regular Session - Authority Meeting
Held on April 8, 2014*

Authority Members present: Mr. Jeffrey Connor
Mr. Peter Couming
Mr. Larry Daugherty, Sr.
Mr. Michael Quinn
Ms. Tracy Torres
Mr. James Winchell

**Also in attendance representing
the CWS&WA:** Mr. Harold Scott, Authority Superintendent
Mr. Soheil Gharebaghi, P.E., Authority Engineer
Ms. Tracy Warga, Esq., Asst. Authority Attorney

Public in Attendance: Meeting Attendance/Sign-in Sheet;
available at the CWS&WA Office

The Camden-Wyoming Sewer and Water Authority (CWS&WA) met at the CWS&WA Office on April 8, 2014. The meeting was called to order at 7:02 p.m. by the Chairperson, Mr. Winchell.

There were no items removed from the Consent Agenda.

Approval of the Consent Agenda:

Motion: Mr. Couming made a motion to approve the Consent Agenda, seconded by Mr. Quinn. Motion carried unanimously.

Maintenance & Operations Status (Superintendent Report):

Mr. Scott distributed the period's Operation and Maintenance Report and discussed the same. Mr. Scott reported that the Authority crews had responded to two after business-hours calls during the past period, of which one had been related to a house fire at Pharsalia.

Mr. Scott indicated that Camden-Wyoming Avenue could be resurfaced by DelDOT in the near future. Unfortunately, the Authority was not given adequate time to react to the pavement and rehabilitation projects in the Towns of Camden and Wyoming (partly because of the sporadic nature of funding for these projects) for planning underground infrastructure rehabilitation to coincide with pavement projects so as to save on surface restoration following underground work, Mr. Scott explained. However, the Authority's crews were in the process of replacing old lead joint water service pipes with new PVC pipes at as many locations as possible before the commencement of the pavement rehabilitation projects. In this regard, Mr. Scott indicated that in response to a request received from the pavement company - hired by the Town of Camden to resurface and pave certain streets - the Authority's crews had made necessary adjustments to the level of man holes, clean-outs, and valves prior to the placement of the final asphalt wearing course on the streets.

Maintenance & Operations Status (Superintendent Report, cont.):

Mr. Scott reported that two members of the Authority's field crews had attended an eight-hour training seminar on the operation, maintenance and repair of pumps that had been facilitated by a local distributor of Ebara Pumps.

On the financial front, Mr. Scott reported that the current Authority systems' balance was \$395,869, of which \$334,785 was for residential billing. The remaining balance for commercial accounts had been included in the period's report on systems' balance, Mr. Scott explained. Mr. Scott noted that commercial accounts were billed monthly while residential billing continued on a quarterly basis.

Mr. Scott indicated that accounts receivables, aging more than 180 days, totaled approximately \$59,000 and remained steady mostly because of foreclosed or abandoned homes.

Engineering Report:

Gharebaghi reported that Mr. Scott and he had met with a representative of CBI, a manufacturer of elevated water storage tanks, about the Authority's Capacity Development Project. Various styles of water tanks had been discussed, including, in addition to the traditional multi-legged type, composite Elevated Water Storage Tanks, Hydropillar Elevated Water storage, and the Water Spheroid. It was noted that a life cycle analysis would be performed for each style of water storage tank to evaluate up-front costs and periodic maintenance costs for each. This would provide additional data toward the selection of tank style process, Gharebaghi added.

Gharebaghi indicated that the American Water Works Association (AWWA) water audit - required by Delaware River Basin Commission (DRBC) - about which Gharebaghi had reported during the Authority's last Regular Meeting had been completed and submitted to DRBC. It was noted that the Authority received a score of 86 out of 100 on the manner with which it dealt with un-accounted-for-water. Copies of the Audit were available at the Authority office, Gharebaghi said.

It was reported that the Authority had received laboratory data for calendar year 2013, from the Office of Drinking Water. The data would be used to report on the quality of the Authority's drinking water. The 2013 Consumer Confidence Report (CCR), which would include relevant laboratory testing data, would be published by June 30, 2014, Gharebaghi added.

Gharebaghi reported that an Application Form for system extensions had been developed during the past period and the same had been provided to the engineering firm representing Winterberry Woods. There were no other Winterberry Woods items on which to report.

Gharebaghi discussed the principles guiding financial project management at the Authority and the unique advantages that were available to the Authority and not to other municipal or private water and sewer utility purveyors.

Engineering Report (cont.):

Instead of taking on large projects with construction costs in excess of \$1M, Gharebaghi noted for instance, the Authority has strategically and effectively phased projects to be more manageable by the Authority's own in-house construction crews and only supplemented by specialty sub-contractors. Among the funding mechanisms now available for sewer and water projects, the State Revolving Fund (SRF) loan program stands out because of the favorable interest rates it offers. However, when compared to the Authority's project management approach - funded entirely by the Authority's customers and impact fees paid by new comers - the SRF loan program, even when considering its low interest rates, would fail to accomplish as much with as little, Gharebaghi asserted. The implication of long term borrowing for public works projects, involving Federal and State funds, and servicing these kinds of debts, vis-a-vis the self-funded phased approaches to project management employed at the Authority were also discussed. It was noted that about one-third of total project construction costs involving SRF or other similar loans for sewer or water projects were for administrative purposes. These costs - which the Authority has minimized through effective use of its own in-house resources - include but are not limited to, costs associated with planning, engineering, construction specifications and details development costs, bidding and advertising process expenses, and construction inspection costs. Additionally, projects funded through the SRF program, for instance, are required to include provisions for the payment of prevailing wages to contractors' crews and sub-contractors for performing work, which also contributes to additional project incidental expenses.

It was suggested that the various financial management regimes that had been discussed needed to be considered. The evaluation of: 1) Low interest loans for large public works projects and servicing debt over time, and 2) Incrementally allocating funds, over time, for future projects might provide additional insight toward best management practices.

Gharebaghi indicated that explanation of the Authority's surgically businesslike financial project management strategies could provide clarification regarding the manner with which funding for the Authority's projects were reserved, allocated, and budgeted, and ultimately expended. Documents related to the Authority's financial project management modus operandi, impact fee accounts, allocated funds for projects, etc. were available for review at the Authority Office during regular business hours, Gharebaghi noted. Gharebaghi indicated that, in his opinion, the financial oversight mechanisms and financial safeguard processes that were operational throughout the Authority's systems, made it virtually impossible for mismanagement, or fraudulent activities, to benefit any individual or entity other than the Authority's customers without almost immediate discovery.

After the Engineering Report, the following matters were discussed:

Mr. Daugherty explained the Town of Camden's pavement rehabilitation project and discussed the same.

Mr. Daugherty also indicated that the matter of the Authority's "public relations" in relation to which a meeting had been held at Barclay Farms, had been well received. Mr. Couming and Ms. Torres had effectively presented the realities of the Authority's business, Mr. Daugherty remarked. In this regard, Mr. Couming also indicated that he had sensed a positive outcome from the experience.

A Laboratory for Learning

Mr. Couming discussed the educational opportunity which the Authority's Capacity Development Project had presented. Mr. Couming indicated that the Delaware Association of Professional Engineers (DAPE) had agreed to cooperate with the effort to develop a program for interested participants of science, technology, engineering and math (STEM) related studies to take advantage of the learning opportunity. Mr. Couming explained that the Authority Engineer occupied the Kent County seat at DAPE Council and, fortuitously, Many of the objectives of the Public Information Committee of DAPE - chaired by the Authority Engineer - nicely overlapped the Authority's goals.

Mr. Couming indicated that he had also been in contact with the State Education Department representatives as well as those of Caesar Rodney High School toward gaging the level of interest for the enterprise. Updated reports on this effort would be presented at future Authority Regular Meetings, Mr. Couming added.

Legal Report:

There was no legal report.

New Business: *Mr. Allis, Lexington Homes*

Following his introduction, Mr. Allis of Lexington Homes, indicated that he had previously built two houses in the Town of Wyoming. He spoke strongly against the Authority's fee structure, including sewer and water Impact Fees, and warned that, in his opinion, growth in the Towns would be adversely impacted as a direct result of the impact fees for water and sewer services. Mr. Allis and the Board continued to discuss the matter, but, no action was taken on this item.

Correspondence:

With the exception of those referenced above, there was no other correspondence.

Visitors' Comments:

There were no visitors' comments.

Adjournment:

Motion: Mr. Couming made a motion to adjourn the Regular Meeting, seconded by Ms. Torres. Motion carried unanimously.

The Regular Meeting adjourned at 8:10 p.m.

The next Regular Meeting will be held on May 13, 2014, at 7:00 p.m.

Respectfully Submitted,
CAMDEN-WYOMING SEWER & WATER AUTHORITY

Harold L. Scott, Sr.
CWS&WA Superintendent