

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 May 13, 2014*

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

**Also in attendance representing
the CWS&WA:** Mr. Harold Scott, Authority Superintendent
Mr. Soheil Gharebaghi, P.E., Authority Engineer

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 May 13, 2014. The meeting was called to order at 7:00 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. Connor. 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 were in the process of replacing old water service lateral pipes in advance of the commencement of the pavement rehabilitation at Camden Wyoming Avenue, anticipated starting after the end of the current school year.

Mr. Scott indicated that sewer and water connection inspections had been conducted at Walgreens, at CR Plaza, and at the Greens at Wyoming. Regarding the Greens at Wyoming, Mr. Scott noted that the Authority Engineer and field personnel had met with the project contractor toward completion of punch list items in connection with the development's water distribution and sanitary sewer collection systems.

With respect to the Authority's finances, Mr. Scott noted that after the end of six months of the Authority's current fiscal year, the Authority's budgeted income and expenses had been 51% and 52% for the sewer fund and 51% and 49% for the water fund, respectively.

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

Mr. Scott indicated that the First National Bank of Wyoming would be closing its Dover branch and discussed the implications of WSFS buying the First National Bank of Wyoming. The Authority would have approximately \$2M in combined assets if WSFS bought First National Bank of Wyoming, Mr. Scott noted. Mr. Scott indicated that the Authority was in the process of seeking guidance from both institutions toward securing the necessary insurance to protect the Authority's investments.

Mr. Scott reported that the Authority's balances for water and sewer operations were \$60,651 and \$123,419, respectively. Approximately, \$211,800 had been collected since the last billing, Mr. Scott added. Mr. Scott indicated that more than 500 late notices had been sent to customers with past due accounts. Mr. Scott indicated that accounts receivables, aging more than 180 days, had totaled approximately \$64,000, more than 90 days about \$11,000 and current about \$65,000.

Mr. Scott thanked Mr. Couming for referring Weaver Construction for the installation of a new metal roof for the building at the Upper King Road property. The Weaver Construction price for the removal of two layers of asphalt shingles and the installation of a new metal roof was \$18,000, Mr. Scott added. Mr. Scott noted that the funds to cover roof repairs and installation of a new metal roof would be from Impact Fee accounts that had been budgeted for property acquisition for the Source Water and Storage Capacity Project. Responding to a question from Mr. Daugherty regarding the roofing contract, Mr. Scott explained the details of the proposed work and indicated that the Authority had another price quote from Diamond State Pole Buildings. However, the scope of work, including the removal of old shingles and damaged roof sheeting repairs, which had been recommended by Weaver Construction, were preferable to the scope of work proposed by Diamond State, Mr. Scott added.

Engineering Report:

Gharebaghi reported that he had attended a pre-bid meeting at the Town of Milford for the Town's 750,000 gallon elevated water storage tank project toward better understanding of the Authority's Capacity Development Project by learning from the experiences of other municipal water utilities with similar projects in Central Delaware. Gharebaghi indicated that in an email alert to water utilities, the American Water Works Association (AWWA) had advised that congressional action was anticipated regarding agreement on Water Resources Bill and Water Resources Reform and Development Act (WRRDA) pertaining to infrastructure financing. According to AWWA, Gharebaghi continued, "High quality water and wastewater systems are essential to public health, business and quality of life. AWWA and others have documented that water and wastewater infrastructure in North America is aging and that many communities must significantly increase their levels of investment in its repair and rehabilitation to protect public health and safety and to maintain environmental standards. AWWA believes that public is best served by water and wastewater systems that are self-sustaining through rates and other local charges. In 2005 the United States invested \$84 billion to build, operate and maintain water and wastewater infrastructure, with more than 95% of those funds representing state and local monies without federal assistance or subsidies, according to the US conference of mayors.

Engineering Report (cont.):

The US Department of Commerce Bureau of Economic Analysis estimates that for every dollar spent on water infrastructure about \$2.62 is generated in the private economy and for every job added in the water workplace, about 3.68 jobs are added to the national economy. While local rates and charges are the key to maintain water infrastructure, the US government can play an important role in facilitating increased local spending on this infrastructure by lowering the cost of capital for water and wastewater projects. Almost 70% of American communities use bonds to finance local infrastructure. They pay billions of dollars in interest costs each year. Lowering the cost of borrowing for infrastructure projects represents an important way to leverage local funding and help America rebuild its aging water infrastructure. Simply put, lowering the cost of capital can offer significant cost savings to the utility and its customers. For example, lowering the cost of borrowing by 2.5% on a 30-year loan can reduce total project cost by more than 26%. In this way, low-interest financing has the same effect as making a grant to cover part of the project's costs - except that the financing will be repaid to the federal government and will not add to the long-term deficit. The savings for local borrowers can significantly accelerate water infrastructure investment by making it more affordable for utilities and their customers."

Gharebaghi indicated that the anticipated congressional action will pave the way for the creation of a Water Finance and Innovation Authority, a pilot program. Therefore, the actual impact of the federal government's consideration on this matter would be unlikely to reach water utilities, such as CWS&WA, within the next decade or more, he added. However, Gharebaghi said AWWA made a compelling argument regarding America's aging water and sewer infrastructure and the financing of these projects. Currently, in Delaware, a State Revolving Fund (SRF) loan program provided low-interest-rate loans for public works projects and low-interest federal loans were also available through the US Department of Agriculture, Gharebaghi added. Gharebaghi recommended serious consideration of the notion of borrowing approximately \$2M, anticipated being spent on the Authority's Capacity Development Project, and instead, creating an Infrastructure Investment Fund (IIF), endowed with the \$2M not spent on the Capacity Development Project. This fund could then become available to address the Authority's aging infrastructure estimated to cost more than \$8M (\$5.5M for water and \$2.5M for sewer systems improvements, in 2014 Dollars). Gharebaghi indicated that the IIF could be created, endowed and operated with the least possible financial impact on the Authority customers, for the cost of borrowing the initial \$2M, which has been, historically, the lowest in years. Gharebaghi requested the consent of the Board to formally explore financing options for the Capacity Development Project and the proposed establishment of an Infrastructure Investment Fund. It was the consensus of the Board to authorize the exploration and for Gharebaghi to provide updated reports to the Board on his findings.

Gharebaghi indicated that the State of Delaware had been awarded \$3,733,000 for State Homeland Security Grant Program (SHSGP) for FY 2014, of which \$933,250 had been allocated for law enforcement, \$186,650 for management and administration, leaving \$2,613,000 for use by State and Local Disciplines for projects that improve terrorism preparedness and other hazards that pose the greatest threat to the security of the US.

Engineering Report (cont.):

Gharebaghi indicated that, on behalf of the Authority, he had expressed an interest, through Delaware Rural Water Association (DRWA), in applying for a grant to cover the costs of installing security cameras at the Authority's various facilities. The cost of security cameras and their installation had been estimated at \$35,000, Gharebaghi added.

A Laboratory for Learning

Regarding the proposed Laboratory for Learning Program on which he had reported during the Authority's last Regular Meeting, Mr. Couming indicated that Caesar Rodney High School had identified six students who had expressed interest in participating in the program. Efforts would continue toward enrolling a minimum of 12 students to participate in the program, Mr. Couming said. Updated reports on this matter would be provided at future Regular Meetings, Mr. Couming added.

Legal Report:

There was no legal report.

Old Business: *Winterberry Woods*

With regard to the proposed Winterberry Woods, there were no new developments on which to report.

Correspondence:

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

Visitors' Comments:

Mr. McFann asked about the reasons for low storm sewer inlets and catch basins in connection with the Town of Camden's pavement rehabilitation project. Mr. Daugherty indicated that questions and concerns about the Town's pavement rehabilitation project needed to be brought up at the Town of Camden's Mayor and Council Meetings.

Adjournment:

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

The Regular Meeting adjourned at 7:44 p.m.

The next Regular Meeting will be held on June 10, 2014, at 7:00 p.m.

Respectfully Submitted,
CAMDEN-WYOMING SEWER & WATER AUTHORITY

Harold L. Scott, Sr.
CWS&WA Superintendent