

**Utility Commission**  
**June 4, 2018**

The regular scheduled meeting of the Delmar Utility Commission was called to order by Vice Mayor Pase. In attendance were Commission Members Dickerson and Dewald, Council Member Smith, Deputy Mayor Unsell, Town Manager Bynum-King and Clerk of Council Fisher.

Guests: Delmar, DE Mayor Michael Houlihan and Gambhirsinh Chudasama.

**Approval of Minutes**

Council Member Smith made a motion to approve the May, 2018 minutes as circulated. Deputy Mayor Unsell seconded the motion which passed with 5 ayes and 0 absent.

**Unfinished Business**

Update- Grove St. Water Main Upgrade

Town Manager Bynum-King said that according to Town's Engineer Aaron Goller the project is going out for bid next Wednesday. We had been waiting on getting the approval from DelDot since the project entails boring underneath Bi-State Blvd, which is a state maintained road.

Bill Diakos- Permission to connect to Town's utility services for fire protection at the out-of-town rates

Mr. Diakos was not present, however the Town Manager stated that she did a follow-up with Town Engineer Josh Taylor about the location of water and sewer mains along Old Stage Road. It was determined that both the water and sewer mains are located along Old Stage Road and run along the front of Mr. Diakos' property. Also as a follow-up to Utility Commission Member Dickerson's inquiry about assessing user fees for fire protection only. She did an inquiry and several of the municipalities in the surrounding area do not assess a user fee for fire protection utility use.

Commission Member Dickerson said that his concern is that of liability. He said with the fire hydrants, there is not a special fee because they serve many people. With a fire protection sprinkler system, it protects just one company or business. Since the chance of being sued is a possibility, the Town should be able to collect some money. The Town Manager said that Mr. Diakos has contacted her as he is still considering a few other options for his property, therefore his original intent may have changed slightly. It is not necessary for the Commission to make a decision this evening. The Commission tabled the item until next month.

Traveler's Motel- Delmar, MD- Request for utility services at the out-of-town rate

Town Manager Bynum-King said that based on the inquiry from Mr. Hitech, she consulted with Town Engineer Josh Taylor regarding the location of the utilities in the area of the motel. He gave basic information based on the plans he had on hand. He stated without the asbuilts he couldn't be 100% sure, but based on the information he had, it appeared that there is a 8" water main and gravity sewer main located on the south side of the Hardees/Doughboy's establishment. In order for the engineer to provide a cost estimate for connecting to the mains, it would involve a more in-depth assessment.

The Town Manager stated that since the utilities are available, the question is whether to annex the property or serve it at the out of town rate. She said that no one has approached the Maryland side for the possibility of annexation. There may be some challenges with the annexation of the motel since it is not a traditional motel. They offer extended stay and some people have identified the motel as their place of residency. She said if the Motel property owners do present a petition for annexation it would mean that they would have to comply with the Town's ordinances and zoning requirements, which could pose a problem. She further stated that annexation cannot be achieved, the only option the property owners would have is to pursue permission to connect to the Town's water and sewer services at the put of town rates.

The Town Manager said that in the past, the Utility Commission has granted services at the out of town rate when annexation was not feasible contingent on the property is annexed when it is achievable. This is not the case for the Motel because it is located next to Hardee's which is within the Town's corporate limits. This is a critical issue for inability to meet state requirements. The County directed them to contact the Town for assistance.

Mr. Chudasama, one of the business partners of the Motel, stated that there are 13 units which for the last 2 years has had a 60-70% occupancy.

Commission Member Dickerson said that he had no objection offering the Motel services at the out of town rate. He said if the Motel would annex into Town later that would be better.

Commission Member Dewald wanted to ensure that the owners of the Motel were aware that they are responsible for all costs associated with the connections. Town Manager Bynum-King said that the owners of the Motel are aware that they are responsible for the costs associated with connecting to the Town's systems.

Commission Member Dickerson made a motion to allow the Travelers' Motel located at 9461 Ocean Highway, Delmar, MD, to hook up to the Town's utility services at the out of town rates and bear all the responsibility for the costs associated with the connection. Council Member Smith seconded the motion which passed with 5 ayes and 0 absent.

### **New Business**

Town Manager Bynum-King informed the Utility Commission that over the weekend, there was an issue with the chlorine booster at the water treatment plant. They had to contact outside skilled services to make the repairs. The lines for the chlorine booster had to be cleared and are working as they should. With all the heavy rains and all the water flowing through our mains, the pumps at the Pine Street Pump Station clogged with debris and caused the pumps to shut down the system. We did not experience any spills because the wet well at the Pine Street Pump Station was large enough to contain all the extra flows. The Town contacted the contractor who did the upgrade to come back and assess the issues, and it was determined that the impellers on the pumps needed to be replaced and the waste basket was bent. The contractor made the necessary repairs and the pump station is back on line and working well.

Town Manager Bynum-King informed the Utility Commission that the Town has the opportunity to partner with the State of Delaware and Sussex County with the cost of extending water and

sewer services to areas identified as Highway Regional located to the north of Yorkshire Estates. The Utility Commission had included funds FY18 budget to extend water and sewer to the Perdue site. For reasons beyond our control, the Perdue project did not occur in the anticipated time frame. During this year, we have taken a more comprehensive study of the US 13 Corridor and the future economic growth area in the Highway Regional zoning class. We have been approached by other commercial businesses interested in coming to Delmar locating along US 13. Partnering with the state and county will allow the Town the ability to serve up to 100 EDU's for commercial use. Town Manager Bynum-King informed the Commission that she was aware the FY 19 budget was set, however, this opportunity just came available to the Town. She is asking for consideration to reallocate funds in the FY 19 budget to be used as a cost share on the infrastructure project.

Mayor Houlihan stated that this opportunity happened after the budget was already approved. Representative Dukes and Sussex County Councilman Arlette asked the Town about possible funding. He stated that he and Town Manager Bynum-King testified at a Bond Bill Committee hearing in Dover two weeks ago. Last week we had a meeting with representatives from Sussex County discussing future funding strategies for economic growth for Delmar. Town Engineer Josh Taylor designed plans for the water and sewer services to extend to all 6 parcels. If there are any residential properties along Stage Road that experience failing wells and/or septic, the Town would be in a position to service them through annexation. The Town has had inquiries about these parcels on Rt. 13 and if there was infrastructure already in place. If the infrastructure was already in place, the inquiries might become more serious. In the discussion of funding, Mayor Houlihan said that the Town of Delmar would have to bring some money to the table to be able to get funding. He is asking the Utility Commission if some monies could be reallocated to this area. He is asking for no more than \$125,000. He said that he and the Town Manager will be going to a meeting with the county tomorrow for further discussions.

Town Manager Bynum-King said that the driving factor in bringing the state and county partnership to us is the job creation factor. It is a highway regional area, flanked by Routes 13 and 54 along with Stage Road and Iron Mill Road. We also have the ability to extend our water and sewer mains down Stage Road without going onto the Rt. 13 corridor. The total estimated cost of the project is \$467,000. Mayor Houlihan said that picture is bigger than just Perdue. The economic development has less of an impact on our services than residential.

Town Manager Bynum-King said that on the west side of Rt. 13, the Nanticoke Business Park is coming. The developer has paid to extend that line but it is on private land. The water and main along Old Stage Road is in the public right of way that is why we are willing to contribute to the partnership to get this project completed.

Council Member Smith made a motion to earmark up to \$125,000 for the water and sewer main project along Stage Road to the Highway Regional Zoning District. Commission Member Dewald seconded the motion which passed with 4 ayes and Commission Member Dickerson abstaining. Mayor Houlihan thanked the Utility Commission.

**Adjournment**

Commission Member Dewald made a motion for adjournment which was seconded by Deputy Mayor Unsell. The motion passed with 5 ayes and 0 absent.

Submitted by:

Cindy Fisher  
Clerk of Council