

BOARD OF COMMISSIONERS

FOR SOMERSET COUNTY

OCTOBER 13, 2015

**SPECIAL SESSION**

At 2:45 P.M., a motion was made by Commissioner Boston, seconded by Commissioner Fisher, and carried 4-0 to open in Special Session. Commissioner President Randy Laird, Commissioner Craig N. Mathies, Sr., County Administrator-Clerk Ralph D. Taylor and Executive Secretary Shannon Evans were also present. Commissioner Rex Simpkins was not present at this time.

Mr. Taylor invited Mr. Tony Stockus, General Manager of Somerset County Sanitary District, Inc., to come before the Board to discuss the EDU/FFA Billing Method. Mr. Stockus began by noting that the options being presented today are for Princess Anne accounts only due to the amount of debt associated with the North Princess Anne area. The Westover, Crisfield and Fairmount users were excluded from this billing equation and will remain unchanged.

Commissioner Simpkins joined the meeting at this time.

Mr. Stockus continued by explaining the types of revenue received by the Somerset County Sanitary District noting that the revenue generated from the Front Foot Assessment and EDU billing is restricted funds. This revenue may only be used for the repayment of debt for each subdistrict. Mr. Stockus provided the Board with a Summary of Capital Improvement Debt by Subdistrict, a Summary of Amounts Due to Other Accounts and a Comprehensive Project List for their review.

Next, Mr. Stockus invited Mr. Robin Cockey and Ms. Heather Konyar, both of Cockey, Brennan and Maloney, P.C., before the Board to discuss the status of the current legal situation facing Somerset County Sanitary District due to the Debt Service billing.

Commissioner Simpkins inquired on the time frame of the next legal resolution to the current lawsuit facing the Sanitary District. Mr. Cockey advised that he believes that the Appeal to the Declaratory Judgement will not be upheld and it will possibly be resolved in the next four to six months.

Commissioner Simpkins left the meeting at this time.

Mr. Cockey continued by noting that other developers have brought on more litigation with the same argument as the current lawsuit but he believed that once the current lawsuit is laid to rest the others will follow. Mr. Cockey advised that billing based on the Front Foot Assessment method is prone to litigation and this method has been abandoned by most of Maryland.

Mr. Cockey also explained that converting the billing method to the EDU method is simply changing a unit of measurement. He noted that the EDU method is easier to defend in court due to the fact that it is fairer to its users.

President Laird asked Mr. Cockey if billing by two different methods as proposed would open the Sanitary District up to future lawsuits. Mr. Cockey answered that any such lawsuit brought before the court would not be well founded.

Commissioner Mathies expressed his concern for the users in his district that cannot afford any increase to their bills.

Mr. Stockus continued by explaining that in previous years, the Sanitary District has attempted to increase the rate for the North Princess Anne subdistrict, however in doing so it would have made the Shelter Group Project undoable. This forced the Sanitary District to borrow money from the County to cover this debt.

Commissioner Boston questioned the apartment buildings listed on the Princess Anne comparison estimates provided by the Sanitary District. He inquired as to the disparity between certain accounts noting that some were increasing significantly and some were decreasing significantly. Mr. Taylor clarified that this was due to the fact that the debt in certain areas has been paid down resulting in a higher increase while other areas have new debt which will be spread over the whole subdistrict resulting in a decrease to their bill.

Commissioner Fisher inquired whether the EDU method will allow for different rates in an area. Mr. Cockey answered that different rates would be allowed.

President Laird asked what the average Front Foot Assessment bill is currently. Ms. Starr Mister, Office Manager for Somerset County Sanitary District, Inc., answered with an estimation of \$150 annually.

Mr. Stockus noted that they have explored the option of different rates for commercial and apartment buildings.

The Board requested more time to review this information and asked the Sanitary District to explore the option of graduated rates for different users.

President Laird invited those in the audience wishing to speak to come forward.

Commissioner Simpkins returned to the meeting at this time.

Rev. Charles Bagley of Westover, MD, was now before the Board. Mr. Bagley explained that he is currently billed by the EDU method for sewer service and does not mind paying his fair share of the debt. He also noted that he would like the Sanitary District to consider bringing water service to his area. Mr. Bagley continued by explaining the health concerns that face his family due to the condition of his well water.

President Laird advised that Rev. Bagley should take the request to the Sanitary Commission for review.

Mr. Paul Thornton of 26458 Bateau Ln., Princess Anne, MD, was now before the Board. Mr. Thornton inquired as to how this change to the EDU method would affect his multifamily housing units located throughout the County. Mr. Stockus answered that the projected rate is \$210 annually for those with water and sewer service available. Mr. Thornton also questioned if there was any funding available to assist with the cost of adding additional meters to these properties. Mr. Stockus advised that adding additional meters to his properties would be at Mr. Thornton's expense.

At 3:40 p.m., with no further public comment, a motion was made by Commissioner Boston, seconded by Commissioner Fisher, and carried unanimously to adjourn Special Session and resume Closed Session by Authority of State Government Article of the Annotated Code of Maryland, Section 10-508 (a)(3) to consider the acquisition of real property for a public purpose and matters directly related thereto and Section 10-508 (a)(1)(i) the appointment, employment, assignment, promotion, discipline, demotion, compensation, removal, resignation, performance evaluation of appointees, employees, or officials over whom it has jurisdiction.

Respectfully Submitted:

*Shannon L. Evans*

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Executive Secretary

Approved By:

*Randy Laird*

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For Somerset County