

**SOMERSET COUNTY SANITARY COMMISSION
AGENDA JUNE 15, 2017
ROOM 111- SOMERSET COUNTY OFFICE COMPLEX
1:00PM**

Discussion Items

1. WQFA Public hearing follow-up.
2. MDE Application for Sewerage Permit.
3. First and Final Auditor's Report for Somerset Landing LLC.
4. Letter from Technical and Community Services RE: Smith Island Clean Water Project, Regional Infrastructure Grant.
5. MDE Penalty Settlement PS-17-2449, Receipt of Payment.
6. Davis, Bowen & Friedel Inc. Update on Mariners Road Water Line Project.

General Business

1. Approval of Invoices.
2. Approval of Sanitary Commission meeting minutes dated 5/11/17.
3. Approval of Plats.
4. Ratify Kuzzen's Settlement Agreement.
5. Approval to award bid for Mower.
6. Letter from SFMF Enterprises, RE: Courtesy Credit.
7. Approval to Update Health Insurance Policy, RE: Age limit change.
8. Approval to Release Lien on Kuzzens Inc. #13-6679.
9. Allocation Request RE: Hebron Savings Bank, Somerset Landing 61 lots.
10. Dory Matarazzo RE: Courtesy Credit of \$457.80.
11. Letter from Charles Cavanaugh RE: Reassessment of current EDU's for 8928 Sign Post Rd.

Appointments

1. Public Input.
2. 2:00 Public Hearing- Proposed Water and Sewer Rates for O&M Budget – FY 2018.
3. Closed Session to review pending legal matters.

Somerset County Sanitary Commission
Minutes of June 15, 2017

A regular meeting of the Somerset County Sanitary Commission was held on Thursday June 15, 2017 at 1:00 p.m. in Room 111 of the Somerset County Office Complex. Members present were Adam Riggin, Chairman, Charles T. Northam, Jr., Secretary-Treasurer, Ellen Bush, Vice-Chairman, Maxine Landon, member and Janet McIntyre, member. Also in attendance were Anthony Stockus, Manager, Jennie Marshall, Assistant Office Manager, Starr Mister, Office Manager, Earl Ludy, Superintendent, Josh Taylor, P.E., Davis, Bowen & Friedel, Inc., Aaron Goller, P.E. Davis, Bowen & Friedel and Richard Crumbacker, Somerset County Times. Public attendee's included Bill and Robin Ryan as well as Trent Pusey and Marguerite Carper of Hebron Savings Bank.

Mr. Riggin called the meeting to order at 1:00 p.m.

Discussion Items

Mr. Stockus followed up on a letter received from the Maryland Water Quality Financing Administration (WQFA). We ranked 20th on MDE's list for funding out of a possible 19 organizations. We have requested to be placed on a waitlist with MDE incase another project falls through.

Mr. Stockus stated that the sewerage permit for the waste water treatment plant efficiency upgrades has been waived for this project. Although we have been offered grant money, recent calculations indicated projections above initial estimates. We are working with our Engineers and MDE for additional funding to make up the gap. We will discuss more on this issue in the next Sanitary Commission meeting.

There has been a foreclosure on Somerset Landing LLC and we are listed as a party of interest on their first and final Auditor's report.

Technical and Community Services made us aware of a Rural MD prosperity investment fund grant available to municipalities. We, in partnership with Smith Island United, applied for financial aid to help bring materials and supplies to and from Smith Island.

In 2015, we received a fine from MDE for two sanitary sewer overflows. Mr. Stockus brought up the fines to Harry Hunsicker, Director of Water Management and after reviewing the issue they have settled for a lesser fine of \$800.

Mr. Goller gave an update on the Mariners Road Water Line Project: Ownership still needs to be determined to submit an application to the USDA. Their funding cycle doesn't begin until October 1, 2017, we will not know eligibility until then. 75% will be grant and 25% loan. The rate is contingent upon cost of project, current debt service and the number of people. The estimated time frame is 11 months from funding to completion (next summer) if everything is funded and moves smoothly. Mr. Riggin asked if the USDA is okay with residents owning the lines. Mr. Goller answered that they are ok with us submitting application as long as someone takes ownership. Ms. McIntyre asked if the residents have indicated that this is what they want as a group. Mr. Goller stated that in a phone poll one resident wanted a well and the others wanted Sanitary District services. He recommended that we send out a letter to all residents affected with a statement of options letting them know that it will be an all or nothing option, and also that the health department will not allow wells to be constructed if we service the area. Mr. Goller stated there are 53 properties with 33 owners. Mr. Stockus instructed Mr. Goller to proceed with the application. Mr. Ryan asked if the letter will include the estimated cost. Ms. Mister stated that there would be another public hearing before a decision is made that would include an estimate. Mr. Taylor spoke up to say that the letters should include each option with cost of each. Mr. Stockus suggested that the customer rank their preference in their response to the letters.

General Business

Invoices were presented for approval and were unanimously approved for payment as follows:

George, Miles & Buhr, LLC

- Invoice dated 5/15/17 for Professional Services – Smith Island WWTP Preliminary Design for the period 3/30/17 to 4/26/17 in the amount of \$26,366.67.

Davis, Bowen & Friedel, Inc.

- Invoice dated 5/18/17 for Professional Services – Deal Island Rd Water main Project for the period 4/1/17 to 4/28/17 in the amount of \$1,094.00.
- Invoice dated 5/26/17 for the Fairmount WWTP Decommission & Transmission Project for the period of 4/1/17 to 4/28/17 in the amount of \$4,769.50.
- Invoice dated 5/26/17 for On-Call Legal Support for the period 1/1/17 to 4/28/17 in the amount of \$375.00.
- Invoice dated 5/26/17 for General On-Call Services – Mariner’s Road Water Project-USDA Application Assistance for the period 4/1/17 to 4/28/17 in the amount of \$540.00.

Municipal & Financial Services Group

- Invoices for Professional Services – Financial Planning for the Somerset County Sanitary District and Advisory Committee:
 - Dated 4/6/17 for the month of March in the amount of \$13,497.
 - Dated 5/3/17 for the month of April in the amount of \$8,035.
 - Dated 6/2/17 for the month of May in the amount of \$12,826.

Cockey, Brennan & Maloney, P.C.

- Invoice dated 6/7/17 for legal services for the period 4/27/17 to 6/2/17. The total due is \$7,500 which was reduced from \$7,890 if payment is received by 6/15/17.

The Sanitary Commission minutes dated 5/11/17 were previously distributed. On a motion by Ms. Landon and seconded by Ms. Bush it was unanimously carried to approve the minutes as written.

Mr. Stockus presented a site plan for the new Dollar General Store in Westover. Mr. Taylor and Mr. Ludy reviewed the site plan and discussed where the cleanouts would be located. On a motion by Ms. Bush and seconded by Mr. Northam it was unanimously approved. Mr. Stockus stated that when he receives the hard copy he will bring to the Sanitary Commission to ratify.

On May 23, 2017, the Sanitary Commission met with Kuzzens representatives, Kent Shoemaker, CEO, and the Somerset County Commissioners. A settlement was agreed upon during this meeting. The agreement consisted of the following:

1. Kuzzens agreed to dismiss the lawsuit against the Sanitary District effective immediately.
2. Kuzzens agreed to pay \$200,000 immediately.
3. Kuzzens agreed to pay \$50,000 for their 2018 Debt Service.
4. Kuzzens agreed to call a meeting with the Somerset County Commissioners and Sanitary District if they are not in agreement with their 2019 Debt Service bill.

5. The Sanitary District agreed to write off any amounts owed on Debt Service over the amount of \$200,000 for the 2017 and prior years.
6. The Sanitary District agreed to remove all liens attached to the Labor Camp property.
7. The Sanitary District agreed to restore sewer service to the property as soon as possible.

Mr. Northam made a motion and Ms. Landon seconded to ratify the Kuzzens Settlement Agreement that was previously approved.

Mr. Ludy spoke of the 14 bids received for the primary mower for the WWTP and recommended the Cub Cadet for best value and warranty. On a motion by Mr. Northam and seconded by Ms. McIntyre it was unanimously carried to authorize the bid recommended by Mr. Ludy.

Mr. Stockus gave a summary on the courtesy credit request from SFMF Enterprises. The Commission decided to take no action because the meter was on and water was consumed and treated

Mr. Stockus presented a resolution to correct the age limit on our Health insurance policy from age 67 to 65. Motioned by Ms. Bush and seconded by Mr. Northam the commission unanimously agreed to adopt the resolution.

An agreement to release the lien against Kuzzens was presented. On a motion by Ms. McIntyre and seconded by Ms. Bush it was unanimously carried to authorize Mr. Riggins to sign the release.

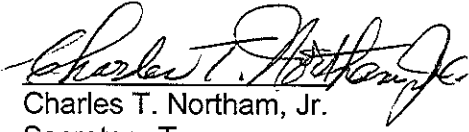
Trent Pusey and Marguerite Carper of Hebron Savings Bank requested 61 allocations for lots they purchased on Somerset Landing through a foreclosure. They plan to develop these lots within the next 12 months. They currently have 23 lots under contract and verbal agreements for 10 lots to be developed by individual contractors. On a motion by Mr. Northam, and seconded by Ms. Bush, it was unanimously carried to approve the allocation request. .

Dory Matarazzo sent in a letter requesting a courtesy credit in the amount of \$457.80 on 4026 Tyler Road. Last year the Sanitary Commission told Ms. Matarazzo that if she foreclosed on this property within a year, they would waive the sewer fees in the amount of \$5,015.39. Since then she has accrued additional interest. Ms. Landon made a motion to waive the fees associated with the account and Ms. Bush seconded the motion. The commission unanimously agreed to credit back the charges in the amount of \$457.80.

Charles Cavanaugh sent a letter requesting us to reassess the current EDU's for 8928 Sign Post Rd. He feels that they are too high for the usage. Ms. McIntyre asked how the EDU's were calculated. Mr. Stockus explained that DB&F performed the study when Westover sewer was put in; at that time the building was an old school and is now the behavior health building. Mr. Taylor stated how the EDU's are determined. Ms. McIntyre was also curious how we will proceed now to determine their EDU's since the building is now used for a different purpose than it was when the study was completed. Mr. Stockus explained that we have already looked at their average flows and determined that the maximum EDU's they have used is 6. He recommended that we decrease the EDU's billed from 13 to 6. Mr. Northam motioned to change the EDU's, Ms. Landon seconded his motion. The board unanimously agreed to change the EDU's billed.

Mr. Stockus stated that the Public Hearing scheduled for today must be postponed due to the fact that it was not advertised in the paper for 2 consecutive weeks. The newspaper admitted fault for the error. Ms. McIntyre suggested that we subscribe to the paper so we can promptly realize if something like this was to happen again.

On a motion by Mr. Northam and seconded by Ms. Landon it was unanimously carried to go into closed session to review pending legal matters at 2:06 p.m.

A handwritten signature in black ink, appearing to read "Charles T. Northam, Jr.", written in a cursive style.

Charles T. Northam, Jr.
Secretary-Treasurer
CTN/jlm