

MEETING AGENDA

Somerset County Sanitary District, Inc.

Somerset County Sanitary Commission – Regular Meeting

**Date: December 13, 2018
1:00 PM**

**Location: Somerset County Office Complex
Room 111 Princess Anne, MD**

PRINCESS ANNE SUBDISTRICT - INFORMATION	
1	PASE Update
2	Deal Island Road Water Main Loop Project Update
3	Princess Anne Waste Water Treatment Plant Solar Project Update
4	Princess Anne Waste Water Treatment Plant Energy Reduction Blowers Project Update
5	Princess Anne Waste Water Treatment Plant Energy Reduction Mixers Project Update
SMITH ISLAND SUBDISTRICT - INFORMATION	
1	Smith Island Clean Water Project Update
FAIRMOUNT SUBDISTRICT - INFORMATION	
1	Fairmount Decommissioning Project Contract Update
CRISFIELD SUBDISTRICT - INFORMATION	
1	Mariner's Road Water Line Update
GENERAL BUSINESS - ACTION	
1	Audit Presentation FY18
2	Approval of Invoices
3	Ratification of the following Phone Poll: <ul style="list-style-type: none">• Approval of October Invoice – Cockey, Brennan & Maloney, P.C.• Authorization to forgive charges for property on Lower Hill Rd. for The Somerset County Commissioners
4	Approval of regular and executive session minutes dated November 8, 2018
PRINCESS ANNE SUBDISTRICT - ACTION	
1	EDU Study Evaluation Approval
2	30637 Antioch Avenue - Request of Credit for past leak on Water/Sewer Bill
2:00 PUBLIC HEARING	
1	Proposed Quarterly Debt Service Rates for the 2019 Calendar year
PUBLIC INPUT	

2:45 p.m. – Closed Session – Anthony Stockus, Starr Mister, Sanitary District Attorney

The Somerset County Sanitary Commission will convene a closed session by the Authority General Provisions Article of the Annotated Code of Maryland, Subtitle 3-305 (a)(7) to consult with counsel on a legal matter; and (b)(8) to consult with staff, consultants, or other individuals about pending or potential litigation. Upon the adjournment of the closed session, the Somerset County Sanitary Commission will convene in open session and adjourn the Regular Meeting.

Somerset County Sanitary Commission
Minutes of December 13, 2018

A regular meeting of the Somerset County Sanitary Commission was held on Thursday, December 13, 2018 at 1:00 p.m. in Room 111 of the Somerset County Office Complex. Members present were Adam Riggin, Chairman, Charles Bagley, Vice-Chairman, Ellen Bush, Secretary-Treasurer, and Maxine Landon, Member. Also in attendance were Anthony Stockus, Manager, Jennie Marshall, Administrative Aide, Earl Ludy, Superintendent, Starr Mister, Office Manager, Josh Taylor, P.E., Davis Bowen & Friedel, Robin Cockey, Attorney, Cockey, Brennan and Maloney, Andy Haynie and Ashley Stern, PKS & Company, P.A. and Richard Crumbacker, Somerset County Times. Public attendees included Mr. and Mrs. Marion Mister, Wendy Thornton, Paul Thornton, Jim Eisenhart, Margaret Swensen, John Brinton, Virginia Ravizza, Dean Ravizza, Marian Williams, Dora Tilghman, Queen Allen, Johnnie Rogers, Clarence Johnson, Gale Jones, Judy McDaniel, Linwood McDaniel, Audrey Cornelius, Richard Hankerson, Carroll Smith, Gregory Lane, Richard Webb, Tim McDorman, Pat McDorman, Wayne Ward, Suzanne Payne, Pat Schrawder, Mildred Muir, Frederick Grant, Diane Lusk, Frank Lusk, Genniece Cropper, Don Gury, Cash Howard, Darnell Doane, Debbie Taylor, Josh Taylor, Linda Coleman, and Earl Sterling.

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

Ms. Mister announced the following statement regarding the Public Hearing:

We would like to make a note about today's agenda. After the public hearing, today's agenda allows the Sanitary Commission to go into closed session to discuss public comments before a decision is rendered. Once the closed session is adjourned, they will go back into open session where a decision on the rates will be made. The Commission may opt to not go into closed session and make a decision immediately following the public hearing.

Princess Anne-Information

Mr. Stockus stated there has been no movement in regards to the PASE project. He met with the Secretary of Environment last month to discuss the project, but has not heard back. Mr. Stockus is going to contact MaryBeth Carozza, recently appointed to the Environmental Committee since elected as Senator. Mr. Stockus spoke with her a few years ago regarding PASE; she was supportive at the time and contacted Governor Hogan regarding the Project.

Mr. Stockus stated there has been no movement since the last Commission meeting regarding the status of the Deal Island Road project. Mr. Stockus and Aaron Goller, DBF, met with the First Baptist Church in November regarding widening the existing utility easement. Mr. Stockus also addressed the drainage issues with the Church on their property in hopes of helping in anyway. This easement would prevent the Sanitary District from having to shut down Deal Island Road during some of the construction of the project.

Mr. Stockus informed the Commission that the Princess Anne Waste Water Treatment Plant Solar Project is still delayed because it is impacted by the Critical Area. This project will help with utility cost.

Mr. Stockus informed the Commission that the Princess Anne WWTP Energy Reduction Project (Blowers) is complete pending final payment invoice to M2 Construction. Modifications have been made regarding the noise problem in the lab at the PA WWTP. Mr. Ludy stated that he is pleased with the results. Mr. Stockus informed the Commission, following the accident on Rt. 13 on November 28th where a Truck struck the traffic light across from ECI, the communications of the Blowers have been disrupted. Mr. Ludy stated they are in the process of resolving the issue.

Mr. Stockus stated there has been no movement regarding the Princess Anne WWTP Energy Reduction Project (Mixers) since the last meeting, plans are being drawn and specifications are being made.

Smith Island-Information

Mr. Stockus informed the Commission while the contractor was drilling the piles for the Timber Deck the estimated depth was short from the actual depth drilled which will probably result in project cost above the amount of original bid. Mr. Stockus stated that we will know more once the project progresses.

Fairmount-Information

Mr. Taylor, DBF, updated the Commission on the Fairmount Decommissioning Project stating there has been no change since last month. He has submitted the plans to Matthew Marshall, MDE, and awaiting his approval. DBF has requested MDE allow them to advertise for bids once approved.

Crisfield-Information

Ms. Marshall informed the Board there are still five outstanding Mariner's Road Water Project Easement Release Agreements from four property owners affected by the Mariner's Road water line. Mr. Stockus contacted Doug Taylor, Somerset County Administer, asking him to inform Commissioner Randy Laird of the status of the Project.

General Business-Action

Audit Presentation FY18

Andy Haynie and Ashley Stern, PKS & Company, P.A. were in attendance at 1:15 p.m. to present the Fiscal Year 2018 audit report of the Somerset County Sanitary District, Inc. Mr. Haynie stated he and Ms. Stern have reviewed the draft of the Audit with Ms. Mister and Mr. Stockus prior to this meeting. Ms. Stern started by complimenting the staff of the Sanitary District on their knowledge and promptness with gathering the information needed by the Auditors. Ms. Stern stated the audit report is presented with an unmodified opinion, which is the highest opinion available and reviewed. Ms. Stern was pleased to report there were no material weaknesses, significant deficiencies or any non-compliance with the internal controls of the agency. Ms. Stern focused on the financial statements and Auditor's communications of the Audit presented. Ms. Stern stated the Auditors conducted the Audit consistent within the planned scope of timing. They encountered no significant difficulties in dealing with management relating to the performance of the audit. The Commission had no questions for the Auditors. On a motion by Ms. Landon and seconded by Mr. Bagley it was unanimously agreed to approve the Audit FY18 as presented. A copy of the FY 2018 Somerset County Sanitary District, Inc. Audit can be obtained on the Somerset County Website, www.somersetmd.us

On a motion by Mr. Bagley and seconded by Ms. Bush it was unanimously carried to approve the following Invoices:

Davis Bowen & Friedel, Inc.

- Invoice dated 12/04/18 for General On-Call Services for the period of 9/29/18 to 10/26/18 in the amount

of \$150.00.

George, Miles & Buhr, LLC

- Invoice dated 11/19/18 for Smith Island Construction Phase Services for the period of 9/27/18 to 10/31/18 in the amount of \$2,238.31.
- Invoice dated 11/19/18 for Smith Island WWTP Final Design for the period of 9/27/18 to 10/31/18 in the amount of \$3,634.88.

M2 Construction

- Contractor's Application for Payment number 7 (Final Payment) dated 12/12/18 for the period ending 9/14/18 in the amount of \$54,706.20.

Miller's Land Services, Inc.

- Invoice dated 12/04/18 for various jobs in the amount of \$7,350.00.

Cockey, Brennan & Maloney, P.C.

- Invoice dated 12/05/18 for Professional Services for the month of November in the amount of \$2,500.00 if paid by 12/18/18, a discount from total due of \$2,700.00.

On a motion by Ms. Bush and seconded by Ms. Landon it was unanimously approved to ratify the following Phone Polls:

Authorization to pay invoice

- Authorization to pay invoice to Cockey, Brennan & Maloney, P.C. in the amount of \$1,750.00, a reduction from total due of \$1,950.00 if paid by 11/22/18.

Tax Sale Property

- Approval to forgive charges on property assumed by the Somerset County Commissioners at Tax Sale – Lot on Lower Hill Road in the amount of \$77.17 for Front Foot Assessment.

Approval of Minutes

The Sanitary Commission regular and executive session minutes dated 11/08/18 were previously distributed. On a motion by Mr. Bagley and seconded by Ms. Bush it was unanimously carried to approve the regular and executive minutes dated 11/08/18.

Approval of EDU Study Evaluation

Davis, Bowen & Friedel, Inc. prepared a Princess Anne Sub-District EDU Evaluation Study for the SCSD. The Sanitary District is preparing to phase out the existing front foot assessment method for annual water and sewer utility debt service costs. The front foot assessment method is an antiquated system which has potential

to disproportionately charge users for water and sewer infrastructure. The Sanitary District desires to implement an equivalent dwelling unit (EDU) based annual water and sewer utility debt service. An EDU based system appropriately charges users based upon historical or anticipated water usage. This method allows for the billings of future or planned users to be determined based upon flow estimations. This evaluation intends to review existing users in the Princess Anne and Westover Sub-districts. The Study will review all users in the Princess Anne Sub-district including business, residential, multifamily, and apartment users. For future and planned users, this evaluation will propose methods for estimating water usage. Ms. Landon made a motion to approve the Princess Anne Sub-District EDU Evaluation for the Somerset County Sanitary District as presented. Mr. Bagley seconded the motion, the Commission unanimously agreed upon the motion.

Princess Anne-Action

Mr. Damen, Alec Enterprises LLC, is requesting a credit for various leaks that he had repaired during the quarters of March, June and September 2018. Mr. Damen was unaware of our leak policy which only allows a credit if the leak statement is received by the SCSD office before the next billing cycle. On a motion by Ms. Bush and seconded by Mr. Bagley, it was unanimously agreed to give a one-time courtesy leak credit for all three quarters affected by the repaired leaks.

2:00 Public Hearing

Mr. Riggin called the Public Hearing to order at 2:07 p.m.

Ms. Mister announced the following statement:

We would like to make a note about today's agenda. After the public hearing, today's agenda allows the Sanitary Commission to go into closed session to discuss public comments before a decision is rendered. Once the closed session is adjourned, they will go back into open session where a decision on the rates will be made. The Commission may opt to not go into closed session and make a decision immediately following the public hearing.

Ms. Mister read the following proposed Debt Service rate Ad aloud which ran in the County Times on November 28, 2018 and December.

Somerset County Sanitary Commission Public Hearing 2:00 P.M. • December 13, 2018

A public hearing will be held on December 13, 2018 at 2:00 P.M. in Room 111 of the Somerset County Complex Building, 11916 Somerset Ave. Princess Anne, MD for the purpose of establishing the quarterly debt service rates for the 2019 calendar year. Written comments may be mailed to P.O. Box 326, Princess Anne, MD 21853.

A sign-in sheet will be provided to those wishing to comment during the public hearing. All persons wishing to comment will be required to speak at the podium and will be allotted 2 minutes of time.

Residential/Business	Princess Anne Sub District	Smith Island Sub District	Fairmount Sub District	Crisfield Sub District	Westover Sub District
Water Mains Rate per EDU	\$3.20	n/a	\$3.20	\$3.20	n/a
Water Shared Facilities Rate per EDU	\$20.30		\$20.30	\$20.30	
Water Mains Developer Surcharge per EDU	\$1.40		n/a	n/a	
Total Quarterly Water Rate	\$24.90	n/a	\$23.50	\$23.50	n/a
Sewer Mains Rate per EDU	\$23.19	\$23.19	\$23.19	\$23.19	\$23.19
Sewer Shared Facilities per EDU	\$5.06	\$5.06	\$5.06	n/a	\$5.06
Sewer Mains Developer Surcharge per EDU	\$2.10	n/a	n/a	n/a	n/a
Total Quarterly Sewer Rate	\$30.35	\$28.25	\$28.25	\$23.19	\$28.25

Adam Riggin, Chairman • Charles Bagley, Vice Chairman • Ellen Bush, Secretary-Treasurer • D. Maxine Landon, Member

The following notice was posted and read aloud regarding the Public Hearing:

All residents attending the Public Hearing need to sign in. If you wish to speak during the Public Hearing, please check the box on the sign in sheet.

At 2:00pm, anyone who signed in to speak will be called up to the podium one at a time.

Please state:

- Your name
- Property location
- District (Princess Anne, Smith Island, Crisfield, Fairmount or Westover).

Each person will be allotted 2 minutes to speak.

After your 2 minutes has concluded, we will call the next person on the list. Please be respectful of your 2-minute limit to make sure everyone has an opportunity to speak.

The floor was open to comments from the public.

- Mr. Greg Lane, Princess Anne, stated the amount of Front Footage to EDU rate increase is too much at one time.
- Mr. Richard Webb, Princess Anne, agrees with Mr. Lane. Mr. Webb believes the increase should be over time.
- Mr. Wayne Ward, Princess Anne, stated he does not understand why the District is switching from Front Foot Assessment to EDU. He does not feel it's fair to pay for other District's debt.
- Suzanne Payne, Crisfield, has three properties and does not feel she should be charged for the two properties that are not hooked in to the water and sewer system. She felt the low-income families will not be able to afford this quarterly EDU bill. She contacted Senator-Elect, Mary Beth Carozza, whom sent a representative in attendance at the meeting.
- Frank Lusk, Fairmount, primary concern is for the Elderly whom budgets are already strained. He believes this method is not justifiable and that the District needs to do another systematic analysis.
- Genniece Cropper, Princess Anne, stated she calculated a 178% increase. She asked the Commission to take a second look because the increase is too much.
- Darnell Doane, Princess Anne, questioned when a property goes to Tax Sale does the Sanitary District notified the owner? Mr. Doan stated that he never received a notice on two properties that were sold in the Tax Sale. He has since redeemed these properties from the Treasurer's Office..
- Wendy Thornton, Landlord in Princess Anne, stated she has sixteen rental properties. She stated that the increase is too much and should be gradually increased over time.
- Paul Thornton, Landlord in Princess Anne, stated that the Sanitary District is very pleasant to work with. He suggested we look for alternatives to help with the debt before increasing the rates to the residents.
- Margaret Swensen, Fairmount, stated that Somerset County is the poorest County in Maryland with residents on fixed incomes who cannot afford this EDU bill.
- Dean Ravizza, Princess Anne, stated this increase is a stab in the back.
- Johnnie Rogers, Westover, does not feel she should have to pay for EDU sewer if not hooked in.
- Gale Jones, Landlord and resident of Princess Anne, questioned why such an increase in the rate. She also stated the Sanitary District should look into other options.
- Judy McDaniel, Princess Anne, stated she does not feel she should be charged for a property she is uncertain can be developed. She also suggested the Sanitary District rethink this increase.

- Linwood McDaniel, Princess Anne, stated the Developers who are not paying their bills should be the ones penalized not the private residents who are paying their bills.
- Earl Sterling, Landlord in Crisfield, stated that he was told the Front Foot Assessment were 30 year loans that would expired after the term.
- Howard Cash, Princess Anne, stated the water and sewer charges are constantly going up and question who decided to bill quarterly instead of annually.

Ms. Starr Mister thanked everyone for their input. She stated that the Sanitary District has been preparing the EDU method since 2015 and the District does not take any action lightly. She stated the Front Foot method was not working to pay the debt anymore. The Sanitary Commission went before the Somerset County Commission Board with plans to bill the Sanitary Residents by EDU however, the County Commissioners told the Sanitary Commission to hire consultants to recommend a strategy for billing Debt Service. The consultants recommended starting an Advisory Committee made up of residents of Somerset County. The Advisory Committee meetings were mentioned in the County Times and were held in several different locations in the County. After much deliberation, The Advisory Committee agreed that the EDU method was the most feasible method to bill for Debt Service. Ms. Mister stated that the Sanitary District works hard to apply and receive grant money. Ms. Mister informed the attendees of the Low-Income Water Customer Assistance Programs Act of 2018, which if passed will help establish 32 programs nationwide for low-income residents to receive aid in paying their drinking water bills and wastewater utility bills.

Ms. Wendy Thornton asked the Commission if and how much will the EDU bills increase in 2020. Mr. Stockus explained that in setting the rates, we have a category known as “allowance for doubtful accounts” considers unpaid accounts. Mr. Stockus explained that the Sanitary District has two Wastewater Treatment Plants that need upgrading on Smith Island and Fairmount as well as a new Water Line needed on Crisfield Lane that the residents of those areas will not be able to afford unless we go to a unified rate. In response to the question regarding paying an EDU for vacant lots, Mr. Stockus stated that we must follow the Annotated Code of Maryland, which states that we must charge Debt Service to any property that is assessable to the Sanitary District’s water and sewer lines.

Mr. Bagley stated that the Sanitary District is a user-friendly office that is willing to work with people if needed on an individual basis.

Mr. Riggin informed the attendees that the Commission will be going into closed session to discuss the Public Hearing.

A motion was made by Ms. Bush and seconded by Mr. Bagley to go from open to closed session at 3:25 p.m.

Closed Session Summary Report December 13, 2018

The Somerset County Sanitary Commission met in a closed session by the authority of the General Provisions Article of the Annotated Code of Maryland, Subtitle 3-305(a)(7) to consult with counsel on a legal matter; and (b)(8) to consult with staff, consultants, or other individuals about pending or potential litigation. Upon the adjournment of the closed session, the Somerset County Sanitary Commission went back into open session and adjourned the Regular Meeting.

Topics discussed in Closed Session include:

- Discussion of Public Hearing – Adam Riggin, Charles Bagley, Ellen Bush, Maxine Landon, Anthony

Stockus, Robin Cockey, Josh Taylor, Jennie Marshall, Starr Mister and Earl Ludy.

On a motion by Ms. Landon and seconded by Mr. Bagley it was unanimously agreed to go from closed to open session at 3:36 p.m.

Upon return from executive session, Mr. Riggin thanked the public for staying while the Commission discussed their decision in closed session. Mr. Riggin stated that the purpose of the Public Hearing was to discuss and make a decision on the rates of Debt Service. Mr. Riggin explained how the unified rate will work in regards to the debt as a whole.

On a motion by Mr. Bagley and seconded by Ms. Landon it was unanimously carried to approve the Annual Debt Service rates as advertised for Calendar year 2019.

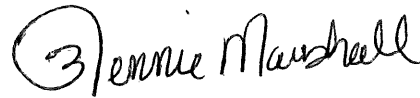
On a motion by Ms. Landon and seconded by Mr. Bagley it was unanimously carried to adjourn the meeting at 3:45 p.m.

Approved by:

Respectfully Submitted:



Ellen Bush
Secretary-Treasurer
Somerset County Sanitary Commission



Jennie Marshall
Administrative Aide
Somerset County Sanitary District