



[Running Compilation of Board of Commissioners’
Workshop and Regular Meeting Agenda Items and
Portions of Approved Meeting Minutes Relating to
Wastewater Discharge Alternative Discussions
beginning June 16, 2008](#)

June 16, 2008

Agenda:

“Public discussion of the requirement for the City to remove its wastewater discharge from the Lewes-Rehoboth Canal, the events to date, the existing operation of the plant, the involvement of Sussex County, and possible funding sources including the State Revolving Fund.”

Minutes of the June 16, 2008 meeting regarding this agenda item:

Mayor Cooper called for public discussion of the requirement for the City to remove its wastewater discharge from the Lewes-Rehoboth Canal, the events to date, the existing operation of the plant, the involvement of Sussex County, and possible funding sources including the State Revolving Fund.

Commissioner Mills presented photographs for orientation purposes of where the wastewater treatment facilities are located with respect to the City.

Ms. Mable Granke, 1013 Scarborough Avenue Extended, asked if the level of treatment is tertiary because it is important that the level of purity in the water is recognized. Mr. Stenger said that currently it is tertiary.

Mr. Bob Stenger, Wastewater Department, presented an historical narrative of the wastewater treatment facilities. (Copy attached.) He noted that the Service area for the plant is the City of Rehoboth Beach, North Shores, Henlopen Acres and Dewey Beach. There are 11.5 full-time and three part-time employees in the Wastewater Department; and duties include operations and maintenance of the treatment plant and seven wastewater pumping stations, maintenance of approximately 20 miles of wastewater collection lines, land application of bio-solids, and electrical & maintenance support for other City departments. The plant is a high rate secondary treatment system with advanced treatment for nitrogen and phosphorous. The wastewater design flow is 3.4 Million Gallons per Day (MGD), and the

average annual flow is 1.3 MGD with a seasonal flow range of 0.6 MGD to 3.2 MGD. In the Bio-solids Program, 85 acres of farmland is leased approximately five miles south of Milford, DE where subsurface injection is provided. Approximately 2.4 million gallons of bio-solids are transported and applied per year which is approximately 170 dry tons per year. The plant was built in 1935 with a major upgrade in 1959. In 1975, there was an area-wide management plan with a proposal to treat the area from Broadkill to Indian River Inlet. In 1980, the City of Rehoboth Beach entered into an agreement to upgrade the treatment facilities. Mr. Stenger was hired in June 1986; and in 1987, the current facility was started up which replaced the original primary treatment plant. DNREC held a public hearing for a permit amendment in August 1990 to set performance based nitrogen limits and cap the total amount of nitrogen discharged annually. A feasibility assessment for biological nutrient removal was completed by Virginia Polytechnic Institute in June 1991 and was sponsored by DNREC. The recommendations from the study were for nitrogen removal and to accomplish that, the City needed an automated system to control the dissolved oxygen level. A consent order was issued in 1993, requiring nutrient reductions below 1989 levels by 1998. An upgrade for biological nutrient removal was completed in 1994 in the amount of \$250,000.00 which included the installation of variable frequency drives to control output of blowers and a programmable logic controller to manage operations. The American Littoral Society and Sierra Club filed a law suit in August 1996 against EPA for failure to establish TMDL's for water quality limited segments. In 1997, the upgrade for chemical phosphorous removal, disinfection improvements and bio-solids storage was completed in the amount of \$2,600,000 which included chemical facilities for phosphorous removal, a chlorination/dechlorination facility, and an aerated bio-solids storage tank. In July 1997, the ruling on the suit by the American Littoral Society and Sierra Club was that EPA had to establish a TMDL for the Inland Bay if DNREC failed to do so by December 1998. In August 1998, DNREC's TMDL required the systematic elimination of point sources, and the City of Rehoboth Beach objected to complete elimination. A public hearing was held on September 2, 1998 regarding total maximum daily loading, and this was formally proposed by DNREC. On September 25, 1998, the City of Rehoboth Beach filed comments to DNREC on the proposed TMDL plan, suggesting that the zero standard was impractical and not feasible; the TMDL process was rushed; and the science was questionable to support the zero discharge requirement. The final TMDL was published in the Delaware Register on December 1, 1998, and the City filed an appeal of the TMDL order with the State Environmental Appeals Board of which DNREC objected. On December 30, 1998, the City filed a complaint for relief with the Superior Court in case the Environmental Appeals Board lacked jurisdiction over the City's appeal. The Superior Court ruled that the Environmental Appeal Board had jurisdiction in February 2000, and the decision was appealed by DNREC. The Supreme Court dismissed the State's appeal in May 2000. From June 2000 through June 2002, negotiations between the City and DNREC began, to find a settlement to resolve the City's TMDL concerns and avoid litigation. At that time, the City was involved in discussions with Lewes, Sussex County and DNREC on regional solutions. On June 17, 2002, the Commissioners voted on a consent order. In August 2002, a planning study grant funded by DNREC, was received to identify the most practical alternative for disposal of treated effluent which involved the City, Sussex County and the City of Lewes. The planning grant options were rapid infiltration beds, land application, deep well injection and ocean outfall. In December 2002, a consent order was executed between the City and DNREC to resolve the TMDL issue, and a timeline was

developed to allow the City sufficient time to work through the process and finalize the alternative, funding and construction, etc. The consent order was to be triggered by the issuance of the permit, which was issued in October 2005. In December 2002, Stearns & Wheler presented its outline for a regional wastewater effluent disposal study, identified viable alternatives for Rehoboth Beach itself, Rehoboth Beach and Sussex County, and a potential regional solution. Options were evaluated, and capital and user fee costs were estimated. The draft report of the effluent disposal study was submitted in October 2004, and the permit was signed in October 2005 which triggered the consent order timeline to begin. In March 2008, the effluent disposal study was prepared by Stearns & Wheler and was to be completed for *elimination in fact*. In March 2009, the City needs to identify funding sources, and an action plan must be submitted by September 2009. By June 2010, design should be started with completion in June 2011. The project should be bid in January 2012 with construction starting in June 2012. In December 2014, the project must be complete. On November 6, 2007, a public meeting was held to give the public an opportunity to comment on the Stearns & Wheler report. Artesian Water Company, Tidewater Utilities and Sussex County were present.

Commissioner Mills reiterated that the storm drains have their own piping system which is eventually drained into the ocean or the canal, and the wastewater goes through a piping system to the sewage treatment plant which is then filtered and processed resulting in two bi-products: 1. Bio-solids. 2. Effluent. Mr. Stenger noted that there is no technology available in wastewater treatment to achieve zero nutrients.

Public Comment:

1. Mr. John Gauger, 304 Laurel Street, did not understand why Sussex County does not want to go regional and he wondered what Lewes has done, since it has opened a new plant. Mr. Stenger said that the main problem for Rehoboth is that it discharges to the inland bays. The City of Lewes discharges only about 10% of its effluent into the inland bays, and its impact is significantly less. Commissioner Kuhns said that in regard to going regional, approximately seven municipalities from the west side of Sussex County of which some own their own treatment plants, are thinking about what they want to do.
2. Mr. Leon Galitzen, 104 Newcastle Street, said that other municipalities and other countries are mixing their wastewater to the point where it is re-circulated back into the useful drinking water through mixture and processing. In the long term, it might be the only solution anyone really has. Mayor Cooper said that the groundwater has more nitrates in it than the City's discharge.
3. Mr. D. C. Kuhns, _____, and consultant to Tidewater Utilities, said the point of fact is that eight states are completely reclaiming their water and putting it back into the groundwater. The technology exists to do this, and it is inevitably the direction where this is headed.

Mayor Cooper said that before there was a TMDL process, the City was told that a lot of what the City called inadequacies would be worked out in the Pollution Control Strategies

(PCS) process; and it would take about 18 months. The PCS process was supposed to be adopted in 2001 and has yet to be adopted.

Commissioner Mills noted some of the alternative options in partnering with the County:

1. Ocean outfall.
2. Land application with Artesian Water Company for a regional solution.
3. Land application where the City would send its effluent to the County's land and let the County operate the spray irrigation.

Mayor Cooper said that this option was not available when the study came about. Commissioner Mills mentioned that the County took a vote and decided to use its own 2,100 acres for land application and not join in with the City on a regional solution. The City lost the County's partnership on regional outfall, but the City could still partner with the County if it sends the effluent to the Inland Bays facility.

Commissioner McGuinness asked if Mr. Izzo, Sussex County engineer, has forwarded any figures to the Commissioners in regard to partnering with the City with sending the effluent to the Inland Bays facility. Mayor Cooper said that the County needs to define the parameters of what would be expected with its system. Commissioner Mills thought that the County may be waiting for a Request for Proposal (RFP) and then respond to that.

Commissioner Kuhns said that one of the things which precipitated the County in making its decision or taking a vote, is the City; and the other is, as stated by Mr. Izzo, that by mid-July the County needs to make a decision on the Angola project which involves putting in a force main from Wolf Neck through Angola towards the Inland Bays facility. Commissioner Kuhns has since spoken with the County, and he thought that the County is very interested in being a part of the RFP process.

Mayor Cooper mentioned that the Clean Water Advisory Council's standard interest rate is 90% of the bond yield which can be adjusted down from there to make it more appealing if necessary, if monies can be borrowed from Council. He thought that the City is in the neighborhood of 3%, but the monies can only be used for City owned facilities. Discussion ensued as to the responsibilities of and the availability of monies from the Clean Water Advisory Council.

Commissioner Mills noted that the Stearns & Wheler report will be reviewed in detail at the July 7, 2008 Workshop Meeting.

July 7, 2008 Workshop Meeting

Agenda:

“Public discussion of the 2005 report concerning alternate wastewater discharge methods prepared by Stearns & Wheler, the criteria for assessing the various methods, the advisability of the City continuing to treat wastewater, status of the process to develop an RFP for land application alternatives from outside vendors, planning future discussions and related matters.”

Minutes of the July 7, 2008 meeting regarding this agenda item:

Mayor Cooper called for public discussion of the 2005 report concerning alternate wastewater discharge methods prepared by Stearns & Wheler, the criteria for assessing the various methods, the advisability of the City continuing to treat wastewater, status of the process to develop an RFP for land application alternatives from outside vendors, planning future discussions and related matters.

Commissioner Mills said that the objective of the study was to identify the most cost effective and technically feasible solutions for the City and a regional solution. The approach was to look at five discharge alternatives: Land application, rapid infiltration beds, deep well injection, shallow well injection and ocean outfall. The regional solution was solely ocean outfall at that time. The summary including costs for land purchase was approximately \$61,000,000 for Rehoboth alone. The cost for rapid infiltration beds including land purchase was \$53,000,000.00. The disadvantages outweighed the advantages for shallow and deep well injections. The cost was \$112,000,000.00 for the deep well injection including land acquisition. The advantages and disadvantages were equal for the ocean outfall. The proposed route of the pipe for ocean outfall would be from the wastewater treatment plant down State Road, crossing over to Columbia Avenue and then to Henlopen Avenue, and then discharging out from Deauville Beach to the ocean. The cost for Rehoboth Beach only was \$36,000,000.00, and the regional solution cost was \$66,000,000.00. The regional solution with Sussex County has been eliminated. The evaluating criteria was: Public acceptance, environmental impacts, costs etc. Sussex County's conclusion was to eliminate spray irrigation because land was not available, rapid infiltration beds, both deep and shallow well injection. The recommended alternative in the 2005 report was ocean outfall. The regional solution was also a positive, but has since been eliminated. The main changes from the 2005 report to today is that there are three alternatives which involved spray irrigation. Sussex County will not be partnering with Rehoboth in the regional ocean outfall project.

Commissioner Kuhns commented that the Commissioners need to look at all of the variables, and in looking forward, a financial advisor would be able to help on the cost side. The financial advisor working with the engineer could put together the variables as the Commissioners are moving forward into the Request for Proposal (RFP) process. More information should be obtained from the people who can provide the services or alternative solution to the City's wastewater problem.

Commissioner Mills said that one alternative presented by Artesian Water Company is that it would take the City's raw sewage.

Mayor Cooper and City Solicitor Mandalas met with Mr. Rip Copithorn of Stearns & Wheler last week, and Mr. Copithorn felt that he can have the RFP ready to put in the providers' hands by July 23, 2008. Once the information has been received from potential vendors, then this information would be incorporated in with the information that is developed by the City's engineers on ocean outfall, and what the City will get from the County. Estimated costs will be requested from contractors for ocean outfall, but there is no RFP process for it. Three companies have been contacted and are willing to assess an

estimated cost of building an outfall. The other vendors are turn-key in regard to land application.

Commissioner Coluzzi said that contractors who could potentially build an outfall solution will have information, and the City has internal information of what it takes for the City to operate the treatment plant, revenues, etc.

Mayor Cooper noted that there would be a meeting to go over any questions as the City is going forward to put together the proposal, and that would come a week after the final advertisement.

Commissioner Mills would like to see the RFP prior to it going out and follow along with the ocean outfall process as well.

Commissioner Kuhns said that the Commissioners will need projections of the City costs that will be passed onto its users. The parameters need to be set for both methods, and the Commissioners need to have an open and fair process for the people of Rehoboth.

Mayor Cooper noted that the RFP has been structured for the vendor to build the pipeline for land application, and the City would build the pipeline for ocean outfall. Commissioner Mills asked if the City would be getting a price for ocean outfall at approximately the same timeframe as a price for land application. Mayor Cooper said the costs should come in close together. A lot of time will be spent by the engineers to sort through it and adjust it for inflation.

Commissioner Coluzzi asked in regard to the option for the City to build a pipeline to the County to take part in the County's land-based application, if the City is looking at owning the pipeline. She asked if that will be similar with ocean outfall in terms of talking with vendors, etc. to build the pipeline. Mayor Cooper thought that the County would want Rehoboth to own the pipeline. Any solution which involves the County will be an estimate of what it will cost to build the pipe, etc. Discussion ensued as to the comparison of the alternatives and the timelines.

Mr. Ron Graeber from DNREC will give a presentation at the August 4, 2008 Workshop Meeting in regard to land-based application. Mr. William Ullman, College of Marine Sciences, will give a presentation at the July 21, 2008 Regular Meeting in regard to ocean outfall from a scientific perspective. Commissioner Mills will contact Mr. Peter Hanson to speak about the permitting process from a regulatory standpoint, as well as someone from the Delaware Farm Bureau to talk about the water on July 21, 2008.

Public Comment:

1. Ms. Mable Granke, 1013 Scarborough Avenue Extended – suggested that someone should be contacted who operates an ocean outfall, and Chris Basin of the Inland Bays is knowledgeable in regard to ocean outfall.

2. Mr. Brian Carbon, Artesian Water Company suggested that in regard to the RFP, Rehoboth could be the vendor and complete the process the same as other vendors for ocean outfall.
3. Mr. D.C. Kuhns, Rehoboth Avenue, and consultant for Tidewater, can provide names of three contractors who will bid on ocean outfall as a turn-key bid. He asked if the City has done forensic accounting to see whether or not money is currently being made on user fees from the wastewater treatment system or if other areas of the City are being subsidized. Commissioner Kuhns said that a financial planner can do the forensic accounting.
4. Ms. Carol Everhart, Rehoboth Beach/Dewey Beach Chamber of Commerce requested visual aids so everyone in the audience can see what is being talked out.

July 21, 2008 Regular Meeting

Agenda:

“Public discussion concerning alternate wastewater discharge methods including discussion with Dr. William Ullman of the University of Delaware, College of Marine and Earth Sciences, regarding scientific perspectives on ocean outfall and land application methods, presentation of information related to other area wastewater outfalls, planning future discussions and related matters.”

“Review the Request for Proposals (RFPs) that has been developed by the City’s engineer, Stearns & Wheler, to solicit proposals from outside vendors for the disposal of the City’s wastewater by way of land application.”

Minutes of the July 21, 2008 meeting regarding this agenda item:

Mayor Cooper called for public discussion concerning alternate wastewater discharge methods including discussion with Dr. William Ullman of the University of Delaware, College of Marine and Earth Sciences, regarding scientific perspectives on ocean outfall and land application methods, presentation of information related to other area wastewater outfalls, planning future discussion and related matters.

The following representatives were in attendance:

1. Mr. John Schneider, representative of the Watershed Assessment Section of the Division of Water Resources, was in attendance. His group was responsible for the Total Maximum Daily Load (TMDL) that is requiring the removal of the discharge in

- the Canal. Mr. Schneider's concern is about the water quality impact regardless of the direction for an alternative. He also represented Mr. Peter Hanson, Manager of Service Water Discharges Section who is responsible for the existing permit which the City has on discharge into the Canal. Mr. Hanson will be responsible for the permit if the City chooses the ocean outfall alternative.
2. Mr. Craig Shirey, Program Manager of the Fisheries Section of the Division of Fish and Wildlife. One of his responsibilities is fish kill coordinator, and he is interested in seeing the findings of the amount of nutrients found in the aquatic system.
 3. Ms. Laura Herr, Manager of the Wetlands and Subaqueous Land Section, is responsible for enforcing the State Wetland laws and the Underwater Land Farm and Subaqueous Land Act. If the City were to pursue an outfall option, in addition to the NTBS permit that would actually look at water quality issues associated with the discharge, authorization would also be needed from her office to the extent that the actual infrastructure might impact wetlands or underwater ways. To the extent that the outfall goes out into the ocean beyond the mean low water line, a public underwater way and State subaqueous land is being constructed which the State holds in trust for all citizens of Delaware. An environment and a public interest review would be looked at in addition to other reviews.
 4. Ms. Sarah Cooksey is in charge of the Delaware Coastal Management Program, and her role would be to coordinate government departments in regard to ushering the permits through.
 5. Mr. David Baker, Sussex County executive.
 6. Mr. Michael Izzo, Sussex County engineer.
 7. Mr. Rip Copithorn, Stearns & Wheeler engineer.
 8. Mr. Bob Stenger, Director of City of Rehoboth Wastewater Treatment.

Dr. William Ullman, Professor of the University of Delaware, College of Marine Studies, gave his presentation. He has spent the past 19 years studying problems of nutrients in the inland bay system, and more recently studying the activities in the watersheds. Dr. Ullman said that ocean outfall is scientifically the best solution, and it gets nutrients out of the watershed. The problem with the inland bays watershed and for all of Sussex County is that nutrients are being brought in from the outside, and those nutrients are not being exported as fast as they are being brought in. Getting nutrients out of the watershed over time will reduce the level of nutrients in the watershed, and that will be best for the inland bays. This is an opportunity for the City of Rehoboth and Sussex County to participate in taking those nutrients and pump them offshore now rather than waiting 50 years for the natural process to do that. Dr. Ullman distributed facts about Rehoboth Beach's wastewater discharge. Along with the water that comes out of the wastewater even with all of the treatments which are done, there are still trace amounts of residual nitrogen and phosphorous found in the water.

Since 2002, Rehoboth is discharging approximately 750 kilograms of phosphorous and 800 kilograms of nitrogen a year. When he looks at the issue of disposal, the problem with discharging into the inland bays is that the inland bays are not particularly well flushed and the nutrients stay around for a long time. If the wastewater is being discharged offshore, that wastewater is being diluted by water the size of the Delaware Bay from Lewes, DE to Cape

May, NJ. The outfall pipe would be located in the ebb waters and close to the flow channels of the Delaware Bay. Permits will be required, and the wastewater will need to be treated to the best possible treatment level that the City can do. Nobody will notice the discharge from ocean outfall.

Ms. Lori Marmonte, Marine Biologist on faculty at Delaware Tech, Georgetown, DE, understood that Dr. Ullman's perception is that the water that will be discharged out of the effluent pipe will be entrained or brought into the outflow of Delaware Bay. She voiced concern that there is an eddy off the coast of Rehoboth, and the effluent would be discharged directly into it, and the proposed locations of the inshore and offshore pipes would be in the worst possible location. She also voiced concern that there has not been any discussion about viral and bacteria loading and things that cannot be addressed by the current level of treatment. This would be the ideal situation for viruses to be spread to people through water contact. Dr. Ullman said that the effluent will be entrained into all of the water of Delaware Bay. He could not address the bacterial loading.

Mr. Hoyte Decker, 214 Laurel Street, asked what the diameter of the eddy is to circumvent running the pipe further out to sea, north or south, etc., and what the mechanism would be to continue with the outflow selection. Dr. Ullman said that the eddy formed due to existence of a shoal on the western side of a channel, and he is not clear that the eddy has any effect at all.

Commissioner Barbour asked what the advantages are to the ocean environment by discharging. Dr. Ullman said that there are not enough nutrients to make a difference.

Dr. Littleton, 300 Laurel Street, requested clarification that the level of purity of what the City is currently discharging into Rehoboth Bay is not a recommendation to degrade the ocean outfall. Mayor Cooper said that there would be no effort to lessen the treatment.

Commissioner Coluzzi asked in regard to land type solutions if eventually those nutrients will flow to the bay, and if Dr. Ullman's estimate is 50 years for the nutrients to reach the inland bays. Dr. Ullman said confirmed, and he said that the nutrients will come out by riparian boundaries of streams, the coastal riparian boundaries, the inland bays where there is seepage and offshore. If spray irrigation is located closer to the inland bays, the nutrients will have a shorter time that they travel through the groundwater system. Fifty years is the median value for a smaller watershed in this area.

Ms. Linda Kauffman, 206 Laurel Street, asked in regard to spray irrigation if there is a filtering process that dilutes the nutrients in the water. Dr. Ullman said that dilution occurs in the groundwater system; and if spray irrigation is used in an area where plants are grown, harvested and shipped out of the area, the nutrients are moved out of the watershed. The downside of spray irrigation is that plants are not grown at all times of the year so there are certain times of the year when there is wastewater going through the groundwater fairly rapidly without the opportunity for plants to remove it. Riparian

boundaries also have an opportunity to take out the nutrients closer to the discharge pathway.

Mr. Joe Marmonte, Watershed Outreach Program, voiced concern that the wastewater is not being provided to farmers who may need the nutrients and that the aquifer is being replenished. Dr. Ullman said that it rains approximately 44 inches on average per year, and 12 inches makes it into the groundwater. As an example, it would take 17,800 years to run out of groundwater in the Rehoboth Bay watershed if there is no rain. In regard to nitrogen, it is better for a farmer to use the groundwater for irrigation rather than using spray irrigation. Most of the farms in Sussex County have higher levels of nitrogen in the groundwater. There is no place in Delaware where there are deficiencies in phosphorous.

Mr. Jay Lagree, 7 Prospect Street, asked if quality of the groundwater is improved when effluent is pumped into spray irrigation. Mayor Cooper said yes as it relates to nitrogen. Dr. Ullman said that the phosphorous levels would be slightly high than they have been.

Mr. Izzo mentioned that if economics justifies ocean outfall, then it is a better way to go for Rehoboth. One alternative is not better than another. Spray irrigation is a wastewater disposal operation, not a system for the farmers' needs.

Dr. Ullman referenced the Executive Summary from the Stearns & Wheler report, and he agreed with everything about ocean outfall except that the groundwater recharge is at least zero, not ambient.

Ms. Cooksey asked what the secondary cumulative impacts of the non-point sources and development, etc. would be if the ocean outfall is not capped at the existing flow. Dr. Ullman said that the ocean discharge would be a very small effluent discharge compared to any of the systems along the East Coast. He hoped that if Rehoboth would pursue ocean outfall, it would put in a pipe larger than 24 inches. In the area of the Delaware Bay where the pipe would be located, it is an area that is well flushed and well mixed.

Mr. Copithorn spoke about a study and modeling of ocean currents and circulation of treated effluent. In regard to land application, the concentration of nitrogen is diluted but it still reaches the bays, streams, etc.

Mr. Hoyte Decker asked if there are any available options to partner with Sussex County on a wastewater alternative. Commissioner Mills said that recently the County voted to not partner with Rehoboth on the regional outfall solution. The County will be using spray irrigation. The County still has an interest to work with Rehoboth because one third of their users are under Rehoboth's system. Mr. Baker noted why the County decided not to partner with Rehoboth was because of cost.

Commissioners Mills proposed that Mr. Ron Graeber attend the August 4, 2008 Workshop Meeting to talk about land application; and that a Special Workshop Meeting should be held on a Saturday in late September 2008 to further discuss these issues.

Ms. Linda Kauffman noted that the Rehoboth Beach Homeowners' Association is surveying the homeowners to give their opinion on this issue based on environment, costs, etc., and she will present the information at the next meeting. She asked at what point the City will get cost associated to the two options. Commissioner Mills thought that this issue would be addressed under the next agenda item

Mayor Cooper called for the review of the Request for Proposals (RFPs) that has been developed by the City's engineer, Stearns & Wheler, to solicit proposals from outside vendors for the disposal of the City's wastewater by way of land application.

Mayor Cooper noted that Mr. Copithorn drafted the RFP.

Mr. Copithorn said that what is trying to be accomplished is to compare ocean outfall with land application in terms of cost. In regard to land application, Tidewater Utilities and Artesian Water Company have invited the City into the process. The cost determined and submitted with the RFP would be a legally binding cost. In order to get the permitting for ocean outfall, the City needs to spend \$300,000.00 to \$500,000.00 on permit studies. The contractors will not come forward and give a committed price. This would be a design/build contract. The philosophy is to get a leap on the costs of the land application side which is the subject of this RFP, and the approach on the ocean outfall side is to send the conceptual design as it stands now to approximately four contractors. Those contractors will either offer an up-to-date cost based on their experience or for a fee, based on a cost which has documentation and their credibility behind it. It would not be a legally binding cost.

Commissioner Kuhns said that a RFP would be sent out for the land application and have a legally binding cost which they would submit vs. the ocean outfall which would include risks and ballpark figures. The permitting process will take the line share of the time between now and the City's deadline whereas the construction, from the Stearns & Wheler report, is 1.5 years. The permitting process is where all the risk is. Mr. Copithorn said that receiving a cost for land application based on this RFP would still allow the City the decision making. Commissioner Kuhns said, at some point in time because one third of the City's users are with the County and there is a regional solution, that there is only one solution from the County's perspective which would be spray irrigation. At some point in time, the County Council may decide that it will pay one third of the costs in regard to ocean outfall. Mr. Izzo said that in regard to Dewey Beach, the County will participate with Rehoboth in the ocean outfall project. Commissioner Kuhns asked if the County would consider answering the RFP. Mr. Dave Baker said that the County is not set up to provide a system in the way that contractors are capable. Currently, estimates are available with using the County's spray land. The County could do a comparison for the City.

Commissioner Mills asked if the City would want to get a set price for the third land application alternative which is to partner with the County. Mayor Cooper said that it still would be an estimate. Mr. Izzo said that the County would be needed on the current operational data to present a more detailed estimate. Commissioner Mills suggested that Mr. Copithorn should work with Mr. Izzo on a more detailed estimate.

Ms. Mable Granke, 1013 Scarborough Avenue Extended, asked in regard to the RFP if Rehoboth will have control over the wastewater system or if Rehoboth will be relinquishing control of the operations of the wastewater plant. Mayor Cooper said that currently it is structured that the City would build a pump station, and ten feet outside of the City's property the County would pick the effluent up with a pipe from there, which would be under the County's control.

Commissioner Mills asked what the timeline is for getting pricing for ocean outfall. Mr. Copithorn would make it coincide with the land application pricing timeline. Mayor Cooper said that September 17, 2008 is listed in the RFP.

Ms. Linda Kauffman asked if capital costs, maintenance, future maintenance, etc. are being looked at in the RFP. Mr. Copithorn said that the evaluation will consider the capital costs and annual costs.

Mr. Copithorn will work with Mayor Cooper in responding to the County's suggestions. Mayor Cooper will provide the final RFP to the Commissioners when it is completed.

August 4, 2008 Workshop Meeting

Agenda:

“Public discussion concerning alternative wastewater discharge methods including discussion with Mr. Ron Graeber and other representatives of DNREC regarding land application as a method of discharge, permitting and other DNREC areas of interest; planning future discussion and related matters.”

“Status of Request for Proposals (RFPs) that has been developed by the City's engineer, Stearns and Wheler, to solicit proposals from outside vendors for the disposal of the City's wastewater by way of land application.”

“Review and discuss methods for calculating the cost for various methods of disposing of the City's wastewater effluent.”

Minutes of the August 4, 2008 meeting regarding this agenda item:

Mayor Cooper called for public discussion concerning alternate wastewater discharge methods including discussion with Mr. Ron Graeber and other representatives of DNREC,

regarding land application as a method of discharge, permitting and other DNREC areas of interest, planning future discussions and related matters.

Commissioner Mills noted that the Wastewater Treatment Study by Stearns & Wheler and an Executive Summary is currently available online on the City website. Audio recordings of portions of the Mayor and Commissioners Meetings are also available online.

Governmental representatives in attendance were: Mr. Ron Graeber, Program Manager of the Large Systems Branch in the Groundwater Discharge Section within the Division of Water Resource, Mr. Mike Izzo, Sussex County Engineer, Mr. John Schneider, DNREC, Professional Ullman, University of Delaware College of Marine Science and Ms. Doris Hamilton, DNREC. Also in attendance was Mr. Bob Stenger of the Rehoboth Beach Wastewater Treatment Plant.

Mr. Ron Graeber gave his presentation and noted that the beneficial re-use of reclaimed water through spray irrigation is sensible. His group is responsible for permitting all large and community wastewater systems that have any type of land-based discharge. Spray irrigation is a sensible wastewater management option and promotes recycling and re-use in its truest form. Wastewater is re-used through a controlled application onto a vegetative land surface. The loading rate is limited so that there is no runoff, no ponding or pooling, and no percolating on the site. The water percolates through the ground into the water table. The nutrients in the reclaimed water are balanced with the needs of the crops. Wastewater has to be treated before it can be recycled and re-used. The level of wastewater treatment depends on how the water is going to be re-used. There are three levels of treatment which are identified in the Division of Water Resources' regulations: Restricted public access sites, limited public access sites and unlimited public access sites. The benefits of spray irrigation are: Promotes local recharge of the aquifer, reduces the demands on the aquifer, keeps the water in the watershed, helps to maintain open space by preserving agricultural lands, benefits the farmers by reducing overall operating costs, reduces or eliminates the need to import nutrients into the watershed, provides an alternative to surface water discharges, and helps to protect surface water quality. The primary beneficial re-use is by land application onto agricultural sites. The agricultural application provides water for irrigation, provides supplemental nitrogen and promotes fertigation. The reclaimed water is tested, and the nutrient application rates are based on the crop needs. Water re-use is available during drought restrictions, and the nutrients can be applied during crop growth. There are two types of agricultural re-use: 1. Dedicated agricultural site. The reclaimed water is applied year-round, and storage is required. The reclaimed water cannot be applied during periods when the temperature is freezing or when there is rainfall. Storage would be used at those times. All of these sites have monitoring wells around them. Buffers are established to property lines and service water to control aerosols. Public access is restricted on these dedicated sites, and secondary treatment is required. Approximately 125 to 150 acres per 1M gallons of wastewater would be required. 2. Voluntary agricultural re-use sites. The activities would be controlled by the farm manager. Almost any kind of crop can be grown. The only prohibition would be crops that are consumed raw before processing. These systems would require advanced treatment to meet tertiary treatment levels for unlimited public access. If that criteria would be met, the buffers could be reduced to the minimum

necessary to control aerosols. Public access would not be restricted because of the high level of treatment involved. This could be a process encouraged in areas under agricultural (AG) preservation. In 2005, the Department of Natural Resources and Environmental Control and the Delaware Department of Agriculture signed a memorandum of understanding, encouraging spray irrigation on lands under AG preservation provided that this is used for production of conventional crops and provided that tertiary treatment is provided. The Delaware House of Representatives passed a resolution on July 1, 2008 establishing a Spray Irrigation Preservation Task Force. The goal of this task force is the preservation of agricultural land, to preserve and improve groundwater quality and resources, and to improve the overall farming economy. This task force will be reporting to the General Assembly by early 2009. Currently, there are 24 permitted facilities in the State, and Sussex County operates three regional spray irrigation facilities within the Inland Bays basin. An additional 2,000 acres of land was recently purchased to expand its spray irrigation system. There are more than 3,000 acres of land currently permitted for spray irrigation. There are more than 200 drip irrigation systems throughout the State. In 2007, more than 650,000 pounds of nitrogen was reclaimed and more than 200,000 pounds of phosphorous to be re-used on agricultural settings. TMDL's are important, and these are sites that are still maintained under agriculture. Farming will continue with an additional benefit. In addition, the nutrients that are supplied by the wastewater are being re-used and recycled all to those farms. The nutrient rates are limited, and are applied in small quantities. The best way to control phosphorous from entering into the bays is to control or reduce erosion and runoff. When a site is converted to spray irrigation, the first that is done is to establish a vegetative buffer to help stabilize the land and significantly help to reduce the amount of phosphorous which could be lost. The buffer eliminates surface water discharges, and wastewater runoff is not allowed to enter surface waters or streams. The potential impacts from spray irrigation of reclaimed water onto the groundwater are significant improvements in groundwater quality and promote a local recharge of the aquifer. The application rates do not promote mounding which is when the water table rises, comes close to the surface, changes flow directions, etc. because a big hydraulic load is put on it. Because of the low hydraulic loading rates, that does not occur on spray irrigation sites. Rapid infiltration basins are being looked at for community wastewater disposal systems, and the hydraulic loading rate from those can be significant enough to cause mounding. The question is if spray irrigation is suitable for Rehoboth Beach. The City of Rehoboth Beach has seasonal flows and is perfect for agricultural application because farmers need the water much more in the spring and summer than in the fall and winter. The wastewater treatment plant provides a high quality effluent so the level of wastewater treatment is sufficient for meeting the unrestrictive public access criteria. There would be needs for storage of reclaimed water during a period of time when equipment is down for service, during August thunderstorms, etc. The availability of agricultural land from a standpoint of location and cost is the single most detrimental issue for spray irrigation for the City of Rehoboth Beach. Other beneficial options which could be considered: nurseries for horticultural uses, contracting to recreational areas for use of reclaimed water, offering reclaimed water to golf courses at a reduced or free price, etc. The future of reclaimed water is an option to eliminate surface water discharges, can be used for wetland restoration or wetland creation, can be experimented with production of greenhouse and ornamental vegetation use, and can be returned to residential wants as gray water re-use.

Mayor Cooper asked what is seen in the way of permit applications. He sensed that a number of rapid infiltration basin (RIB) systems going in. Mr. Graeber confirmed and noted that in residential community development settings there is a preference for rapid infiltration basins.

Commissioner Mills liked the thought of water re-use with the treated effluent being used in residences for use in toilets. He recommended that the County should take the initiative and require that future developments start to put in a third pipe system.

Commissioner Coluzzi asked in regard to wetland restoration and creation if what is trying to be done is to get the wastewater out of the wetlands and inland bay area. Mr. Graeber said that so many of the non-tidal wetlands have been lost, and that is one of the reasons why the surface waters are endangered.

Public Comment:

1. Mr. John Gauger, 304 Laurel Street, asked how the storage lagoons do not leach water back into them. Mr. Graeber said that the storage lagoons have to be lined, and monitoring wells are required around the lagoons.
2. Ms. Lorraine Zellers, 308 Stockley Street, asked in regard to spray irrigation, where the water goes if the land is barren in the winter. She also asked how long the permitting process takes. Mr. Graeber said that the farmer would be under a consent order. The monitoring wells are monitored, and it is verified that there is no discharge if that causes and exceeds drinking water standards for groundwater. By good management and having staff in the field on a regular basis, would keep those problems from occurring. The permitting process is a multi-step process which takes from 6 months to 1 ½ years.
3. Ms. Mable Granke, 1013 Scarborough Avenue Extended, asked who will have control of Rehoboth Beach's wastewater system, who will be determining the rate payment and what the plans are for alternative sites when crops are being harvested. Mr. Graeber said that storage is available and irrigation is done on other portions of the field. In spray irrigation within the same season, there is no long term accumulation of nutrients in the soil profile. The two primary nutrients of concern are nitrogen and phosphorous. Treated effluent is a balanced fertilizer. Annual soil testing is required. Phosphorous is controlled by controlling erosion and runoff by establishing vegetative buffers. No increase in phosphorous at the groundwater monitoring wells is seen.

Mayor Cooper asked what the demand is for additional water by the crops in Sussex County. Mr. Graeber said that it is dependent upon when there is rainfall and how much.

Mayor Cooper called for the status of the Request for Proposals (RFPs) that has been developed by the City's engineer, Stearns & Wheler, to solicit proposals from outside vendors for the disposal of the City's wastewater by way of land application.

Mr. Gregory Ferrese noted that the Request for Proposals will be advertised on August 5, 2008 with a mandatory pre-proposal meeting on August 19, 2008.

Mayor Cooper called for the review and discussion of methods for calculating the cost for various methods of disposing of the City's wastewater effluent.

Commissioner Mills noted that the viable options for disposing of the City's wastewater effluent are land application by spray irrigation and ocean outfall. Two vendors have expressed an interest in regard to spray irrigation. There is also an option of partnering with Sussex County in regard to spray irrigation. Mr. Mike Izzo, Sussex County Engineer, will be working with Stearns & Wheler to pinpoint a price in partnering with the County. The RFP process that will be advertised will help in pinpointing the price for the two vendors. Pricing also needs to be pinpointed for ocean outfall. Commissioner Mills has researched and identified an ocean outfall project currently being installed in Seattle, Washington, and the scale of its outfall project is \$28,000,000.00. Commissioner Mills will have an RFP for design/build in hand at the end of this week with a list of engineers and contractors that had bid on the Seattle, Washington project and ones who he had spoken with. Commissioner Mills will forward this information to Mr. Rip Copithorn of Stearns & Wheler.

Mayor Cooper said that one thing to keep in mind is if there are capital costs involved and how those costs are funded.

August 18, 2008 Regular Meeting

Agenda:

“Public discussion concerning alternate wastewater discharge methods, funding, permitting, status of Request for Proposals from outside vendors for the disposal of the City's wastewater by way of land application, other areas of interest; planning future discussions and related matters.”

Minutes of the August 18, 2008 meeting regarding this agenda item:

Mayor Cooper called for public discussion concerning alternate wastewater discharge methods, funding, permitting, status of Request for Proposals (RFP's) from outside vendors for the disposal of the City's wastewater by way of land application, other areas of interest; planning future discussions and related matters.

DNREC representatives in attendance were: Mr. John Schneider, Ms. Sarah Cooksey, Mr. Ron Graeber and Mr. Greg Pope. Speakers were: Ms. Heather Sheridan, Director of Environmental Services for Sussex County Engineering Department and Mr. Loran George, District Manager, South Coastal Wastewater Facility in Sussex County. Also in attendance was Mr. Bob Stenger of the Rehoboth Beach Wastewater Treatment Plant.

Commissioner Mills noted that the Wastewater Treatment Study by Stearns & Wheler is currently online on the City website. Audio recordings of portions of the Mayor and Commissioners Meetings are also available online.

Ms. Heather Sheridan, Director of Environmental Services for Sussex County. The South Coastal Wastewater Facility started processing in 1976, and the outfall was constructed in 1977. The outfall is a 30 inch steel extending offshore approximately 1.25 miles between Middlesex and Sea Colony. Most of the pipe is buried with seven offshore manholes. The pipe transitions to a 24 inch Y-pipe with forty (40) 4-inch diffuser ports. The insurance is approximately \$84,000.00 per year. An outside engineering firm is usually contracted in the amount of \$3,000.00 to check the cathodic protection once a year. According to the discharge permit, the system is to be robotically inspected within the five-year timeframe. An underwater diving team is hired to check out the system. In fiscal year 2007, TMJ Marine of New Jersey did an inspection, videotaped the inspection and checked all the manholes. It was found that 20 bonding wires for cathodic protection were broken off, which were repaired. In previous years, there have not been any problems. The cathodic protection consists of a steel pipe with concrete and zinc protection. The system is hydraulically designed for 22M gallons per day. Currently, the output is approximately 4.5M gallons per day in the summer. The Town of Selbyville also discharges approximately 2M gallons per day, and it pays a percentage of the maintenance cost per year. The lifetime of the outfall may be approximately 40 years. This is the only ocean discharging facility in the State of Delaware, and there are three spray irrigation plants in Sussex County.

Commissioner Coluzzi had heard that spray irrigation is applied only when it is needed, and there is a large storage tank to hold the effluent discharge. She asked if there is improvement in crop yield because of spray irrigation. Ms. Sheridan confirmed that there is a requirement for 60 days storage based on the design of the plant. Wolf Neck has a 68M gallon pond to store it. Spraying is done on loblolly pines, plants, etc. and having water on the plants is beneficial vs. having no water on the plants. There are nutrients, but sometimes farmers may have to supplement it.

Commissioner McGuinness asked if there will be viral and bacterial loads with the ocean outfall. Ms. Sheridan said that testing for bacteria is done, and there has never been a problem at Blue Water Beach.

Commissioner Dennis Barbour asked if there is a screening for bacteria before the effluent is discharged, and if any studies have been done on the issue of antibiotics and effluent. Ms. Sheridan said that the South Coastal facility has an activated sludge process similar to what Rehoboth has at its treatment plant. The nutrients are broken down, and chlorine is added. It is rare that there are any upsets. She did not know of any studies that have been done in regard to the issue of antibiotics and effluent.

Commissioner Mills asked if any environmental studies have been done before 1977 and since then to compare water quality. Ms. Sheridan did not know.

Ms. Linda Kauffman, 206 Laurel Street asked if it is standard for outfalls to extend 1.25 miles offshore, and she asked how often the underwater diving typically takes place and what the contract was for it. Ms. Sheridan thought that it is based on studies depending on the shoreline, shoals mixing, etc. The permit is for five years, and the contract was in the amount of \$65,000.00.

Ms. Nancy Meadows, 506 Newcastle Street, asked which system is cheapest to build and operate in over a 20-year period. Ms. Sheridan said that spraying plants is cheaper depending on the cost of the land and the actual building of the treatment plant for spraying plants or lagoons. The outfall is very expensive. The operating costs at Wolf Neck and South Coastal are approximately the same for the operations and maintenance cost per gallon treated.

Commissioner Kuhns asked where the South Coastal plant is located, and if the pipe was located over City land, County land, etc. Ms. Sheridan said that the plant is located 2.5 miles inland from Bethany, and the 30 inch pipe is located approximately five feet underground and is approximately four miles long. Easements were needed for private property. She will forward the construction process information and the plans which show the pipe, to the Commissioners.

Ms. Linda Kauffman asked, based on today's dollars, if it would cost approximately \$1,000,000.00 every ten years for maintenance. Ms. Sheridan agreed.

Mr. John Schneider, DNREC, said that there is no plant in the State of Delaware or nationally that he knows of which treats for pharmaceuticals. Some plants accidentally treat pharmaceutical, personal care products, etc. breakdowns. There is a reason to be concerned but that is across the board no matter what the disposal method is. The US Geological Survey has laboratory capabilities for testing, and some work has been done in Pennsylvania.

Commissioner Mills had spoken with Mr. Charles Freeland, Department Manager of Ocean City in regard to its ocean outfall. Ocean City discharges approximately 4,000 feet out into the ocean using a 30 inch concrete pipe which was installed in 1968. The pipe was completely buried under the ocean floor at that time, and by the 1990's, it was complete exposed. In 1996-97, rehabilitation costing \$1,600,000.00 was done to cover the exposed concrete pipe with stone and concrete matting and new breakaway diffusers were installed. Annual inspections are performed. The concrete pipe is expected to have a life expectancy of another 8-10 years, which would be 50 years since installation in 1968.

Commissioner Mills has received comments on the Request for Proposal (RFP) from Mr. Ron Graeber of DNREC. Those comments have been forwarded to Stearns & Wheler. At the September 2, 2008 Workshop Meeting, representatives from DNREC will be present to speak on the permitting process. Commissioner Mills has received a design/build RFP from North County, Washington, and a copy will be forwarded to Stearns & Wheler.

Mayor Cooper noted that the RFP was advertised last week, and there is a mandatory pre-proposal meeting in the Commissioners Room on August 19, 2008 at 9:00 a.m. Mr. Rip

Copithorn of Stearns & Wheler will be conducting the meeting. The Clean Water Advisory Council has a brief item on its agenda, and the meeting will be held at the Rusty Rudder, Dewey Beach on August 20, 2008. Mr. Greg Pope will be giving a presentation to update the Clean Water Advisory Council on the results of this meeting and keep it abreast of the progress for a solution.

September 2, 2008 Workshop Meeting

Agenda:

“Public discussion concerning alternate wastewater discharge methods, funding, permitting, including a presentation and discussion with representatives of DNREC concerning permitting issues, status of Request for Proposals (RFP’s) from outside vendors for the disposal of the City’s wastewater by way of land application, other areas of interest; planning future discussions and related matters.”

Minutes of the September 2, 2008 meeting regarding this agenda item:

Mayor Cooper called for public discussion concerning alternate wastewater discharge methods, funding, permitting, including a presentation and discussion with representatives of DNREC concerning permitting issues, status of Request for Proposals (RFP’s) from outside vendors for the disposal of the City’s wastewater by way of land application, other areas of interest; planning future discussions and related matters.

Commissioner Mills noted that the Wastewater Treatment Study by Stearns & Wheler and an Executive Summary is currently available online on the City website. Audio recordings of portions of the Mayor and Commissioners Meetings are also available online.

DNREC representatives in attendance were: Ms. Sarah Cooksey, Mr. Ron Graeber, Mr. Greg Pope, Ms. Laura Herr, Mr. Terry Deputy, Mr. Peder Hanson and Mr. John Schneider. Also in attendance was Mr. Mike Izzo of the Sussex County Engineering Department.

Mr. Peder Hanson, Environmental Program Manager for the Surface Water Discharging Section in the Division of Water Resources at DNREC, said that his section is responsible for issuing NTDS permits. The difficult portion of the ocean outfall permitting will be permitting the outfall itself. The permits necessary to construct the pipeline, involve engineering in making sure that the pipeline will be able to discharge in a manner in which it will meet water quality standards. The limits part of the permit, are expected not to be any different than those currently with the wastewater treatment plant. In regard to the issuance of the final MDPES permit, the location of the discharge will be the only thing that will change. It is not expected that there would be nutrient limits until the end of the NTDS permit for ocean outfall. DNREC will be holding the City to the same level of treatment that it currently has, but the City will not have a nutrient permit.

Ms. Linda Kauffman, Laurel Street asked if there is federal permitting that is required for ocean outfall, and who would get involved with that permitting. Mr. Hanson said that federal permitting is required, and the federal agencies that are in charge of issuing permits would be involved.

Ms. Laura Herr, Manager of the Wetlands and Subaqueous Lands Section in the Division of Water Resources, said that the two permits or authorizations that the City is mostly likely to need would be a Subaqueous Lands Permit and possibly a Wetlands Permit, although it is unlikely that a State Wetlands Permit would be required. A Subaqueous Lands Permit is required when someone proposes to place fill or structures in, on, over or under subaqueous lands which are the underwater lands whether they are tidal or non-tidal. The City would need some type of authorization pursuant to the Subaqueous Lands Act. In regard to the Wetlands Act and the alignment of the ocean outfall, it is not as likely that an authorization would be needed. The State does regulate the tidal wetlands, and those are depicted on a set of maps that are based on aerial photography. That is how the jurisdictions are determined. The aerial photography has a line which is superimposed on the map which shows where the State jurisdiction is. The only activities that would not require authorization, are activities that include directional boring under a non-tidal stream or ditch, or directional boring under a State regulated well without affecting that well. A Subaqueous Lands Permit would be required even if crossing under a tidal waterway. The same application would cover the Wetlands and Subaqueous Lands authorizations. A complete application would include the application form and a narrative that would address all of the regulatory considerations. In addition, it would include the engineering and design drawings for the project. Once the application is received, the process is to do a preliminary review to determine if the application is complete. When the application is complete, a public notice is published in two newspapers. The public notice period is 20 days to allow for public comment. Any public comment is provided to the applicant for response. During the public notice period, the Department can also receive requests for a public hearing. A public hearing can also be held if the Secretary deems that it is in the public interest to do so. In the process where there is no public hearing and public comments have been received, an evaluation is done with coordination from other experts within the Department and a decision is made. In the event of a public hearing, the Hearing Officer will publish a second public notice, and additional testimony from the public can be entered into the record. As a result, a Hearing Officer's report is submitted to the Secretary who then makes the ultimate decision about the project.

Mr. D.C. Kuhns, Rehoboth Avenue, asked if DNREC will require studies under an environmental impact report for land-based applications or ocean outfall. Ms. Herr said that all the considerations would need to be addressed regardless whether it would be ocean outfall. In regard to the regulatory considerations, public use impacts are included as well as environmental considerations. Studies will potentially be required. The water quality aspect is looked at under environmental considerations. The Department first looks to see that the applicant's objectives can be realized by avoiding impacts to waters or wetlands; for unavoidable impacts, that the project has been designed to minimize the scope of those impacts; and finally, for any avoidable impacts, there is

some mitigation or compensation proposed to offset those losses. Water quality, effects on shellfish, beds on finfish, etc. are looked at under the environmental considerations. Impact to surface or ground water hydrology is looked at for spray irrigation. The first step is to figure out where the State regulated waters and wetlands are, once an alternative is chosen.

Mr. Kuhns asked if there has ever been an environmental study done on ocean outfalls in Delaware. Mr. Hanson said that one was done for the South Coastal outfall.

Ms. Herr said that the Army Corp of Engineers has jurisdiction under Section 10 of the Rivers and Harbors Act of 1899, and is involved in the review of an individual permit which would be required for the ocean outfall. She was not sure if the Army Corp of Engineers is involved with spray irrigation, depending upon whether any site modification would be necessary. The Army Corp of Engineers would be involved if there is filling of ditches that contains wetlands. DNREC coordinates very closely with the Army Corp of Engineers. A permit processing meeting is held at DNREC on the third Thursday of every month. Any prospective applicant can come, at the conceptual stage, to present a project and receive informal feedback from the Army Corp of Engineers, EPA, DNREC, etc. The Army Corp of Engineers' permitting process consists of only construction. Ms. Herr was not sure if there is a permitting process for EPA. Mr. John Schneider said that the MDPES program is delegated from EPA, and it will be involved as DNREC issues the NTDS permit.

Mayor Cooper asked if the City holds any subaqueous lands permits. Ms. Herr said that the City holds a permit for the stormwater outfalls.

Mr. Ron Graeber, Program Manager of Large Systems Branch and Groundwater Discharges Section, gave his presentation in regard to the steps for permitting wastewater spray irrigation. These steps are found in the Guidance and Regulations Governing the Land Treatment of Waste, and these regulations are available on the Division of Water Resources website. The permitting process for spray irrigation consists of: 1. Letter of Intent is submitted which identifies the potential applicant, where the spray irrigation site might be, and details on the design flow rate. 2. Submittal of a Site Selection Evaluation Report which provides information on the soil on the site. 3. Submittal of the Design Development Report which contains detailed information on the site including scaled drawings with two foot elevations; detailed Soil Investigation Report that will identify the depth of the seasonal high water table; conductivity tests performed to determine the rate at which water can permeate through the soils and what kind of hydraulic loading the site can accommodate; detailed hydraulic evaluations performed to determine if mounding is going to impact the groundwater flow or flow of the water table; details of the wastewater treatment facility; vegetative management plan which details the nitrogen and the nutrient loading for that site on a month-to-month basis. 4. After the approval of the Design Development Report, plans and specifications are submitted which need to be detailed blueprints of biddable quality, and will be compared against the Design Development Report. 5. After approval of the plans and specifications, the Application can be submitted which provides zoning documentation. 6. The public notice will be drafted and will be advertised in two newspapers with a public comment period of 15 days. A public hearing will be held if a meritorious request is made.

The applicant is responsible for paying the cost of the advertisement. 7. A Trust Indenture or a Certificate of Public Needs and Convenience is provided by the Public Service Commission. A Trust Indenture is not required for a municipality or political subdivision. It is an agreement between the developer and a political organization such as a county or municipality, and DNREC which provides a fall-back in the event that the utility will go bankrupt. The Public Service Commission requires all wastewater utilities that will be serving more than 50 people to obtain a CPCN for that area. 8. After the public notification period, a permit will be drafted. Quite often, there will be a schedule of compliance in the permit that has dates for specific activities to be accomplished, and there may be some negotiation about those dates. 9. Following those negotiations, a final permit is issued and sent to the facility owner. 10. Construction can be initiated and begun. During construction and before the system is put in operation, a Plan of Operations Management must be provided to the Department and approved before the applicant can commence spray irrigation at the design flows. 11. After the system construction is completed, a startup inspection will be performed to verify that the system is constructed as designed, verify that all components are properly operating. 12. After verification, a Certificate of Completion of Construction is issued. 14. Operating at design flow can begin, and sampling requirements are initiated.

Commissioner Mills said that the City's alternatives for land application are to go through a vendor or to partner with the County, and he asked what the City's involvement would be in going through the process. Mr. Graeber said that the permit would be issued to the utility that would be managing the site. The utility would have a contract with the City, and DNREC would not be part of the contract between the utility and the City. DNREC's permit would be with the utility.

Ms. Sarah Cooksey is in charge of the Coastal Zone Management Program at DNREC and is with the Division of Soil and Water Conservation. The main objective of Coastal Zone Management is to protect and develop, and where possible restore and enhance the resources of the nation's coasts. This program encouraged States to voluntarily develop plans on managing their resources. Delaware's coastal zone involves the entire state. The most important regulatory program is federal consistency which requires that federal activities which have reasonably foreseeable coastal effects much comply with the Coastal Zone Management Program policies. Regarding the federal activities, a lot of work is done with the Army Corp of Engineers, U.S. Coast Guard, EPA, Federal Energy Regulatory Commission (FERC), Department of Interior, Minerals Management Service and Federal Aviation Administration (FAA). The National Oceanic & Atmospheric Administration (NOAA) in the Department of Commerce is a federal partner. The process consists of: 1. Applicant must submit a Statement of Consistency. 2. Applicant must submit an Analysis of Effects. 3. Public comment period similar to the Wetlands and Subaqueous Lands Section. 4. Specific timelines for review. 5. A decision is required in 180 days. The Coastal Zone Management Program will be involved if ocean outfall is decided on as the wastewater alternative and may be involved if federal funding is required. The Army Corp of Engineers will require an individual permit for that.

Commissioner Mills asked what is involved with the timeline for getting permits in regard to DNREC. Ms. Cooksey said that her program has an internal deadline of 90

days once the completed application is received. She expected that it will take 180 days for the ocean outfall. Any appeal is forwarded to the Department of Commerce. Mr. Hanson said that after the public hearing in regard to the MDPES portion of the permitting process, it would be approximately six to nine months. Any permit that the Department issues is appealed by either party to the Environmental Appeals Board. If there is a meritorious request for a hearing, a public hearing will be held. The Secretary can also schedule a hearing if it is in the interest of the public. A tentative determination is required during the public notice period. Commissioner Mills asked if December 31, 2014 is a firm date for the mandate that the City stop discharging into the Canal. Mr. Hanson said there is a provision in the consent decree that the deadline could be extended for an equivalent amount of time if there are issues which are outside of the City's control. Commissioner Mills asked if the permitting process could be started for ocean outfall, while the City is waiting for an analysis of whether it will pursue ocean outfall or land application. Ms. Herr thought that this would be wise to start the process. Commissioner Mills asked if there is a possibility that the City could upgrade the wastewater treatment facility to continue to discharge into the Canal. Mr. Schneider said that the waste load allocation for nitrogen and phosphorous is zero which is a regulation by the State to implement water quality standards.

Ms. Linda Kauffman, 206 Laurel Street, asked when the citizens will know which wastewater alternative will be decided upon and the criteria used to make that decision. Mayor Cooper said that once the RFP's and the information from the engineer in regard to ocean outfall have been received, the engineer will prepare a document. The decision will be based on everything in that document.

Mr. Mike Izzo of Sussex County said that whatever decision is made, the Commissioners needs to make it in consideration of the funding guidelines and funding cycles of the State Revolving Fund. Mr. Terry Deputy of DNREC said that the City will be informed of deadlines. He or Mr. Greg Pope of DNREC will be at all the City's meetings on this issue. Mayor Cooper voiced concern that there may be no money in the State Revolving Fund for this project. Mr. Deputy said that the interest rate on last loan which closed at market rates was 3.9%.

Ms. Kauffman asked why there is no RFP for ocean outfall. Mayor Cooper said that the Commissioners must go through part of the permit process and know what the terms are of the permit in order to give the design builders the parameters under which they would be designing and building. The engineers will go out to three contractors who are versed in ocean construction and would be bidders on this project. Discussion ensued regarding the design build process.

Mayor Cooper said that September 5, 2008 is the cutoff date for questions and clarifications. He spoke with Mr. Rip Copithorn of Stearns & Wheler, and as of last week there were no inquiries. The RFP's are due back on September 24, 2008. Mayor Cooper hoped to have the estimates from the ocean outfall contractors at the same time. It will be necessary for Mr. Copithorn to pull all of the information together into one document to be ready by mid-October 2008. Commissioner Mills said that the RFP

documents for land based application and the ocean outfall documents should be opened concurrently or revealed to the public concurrently.

Ms. Mable Granke, 1013 Scarborough Avenue, commented that with the ocean outfall alternative, the City would have control of the system; and with spray irrigation, the City would not have control once the effluent leaves the plant and would not have control with what the vendor could do in the future in terms of increasing costs. Mr. Izzo said that the County does not have an escalating rate, it is a flat rate.

September 15, 2008 Regular Meeting

Agenda:

“Public discussion concerning alternate wastewater discharge methods, funding, permitting, including a discussion with a representative of Stearns & Wheler, the City’s consulting engineer, status of Request for Proposals from outside vendors for the disposal of the City’s wastewater by way of land application, other areas of interest; planning future discussions and related matters.”

Minutes of the September 15, 2008 meeting regarding this agenda item:

Mayor Cooper called for public discussion concerning alternate wastewater discharge methods, funding, permitting, including a discussion with a representative of Stearns & Wheler, the City’s consulting engineer, status of Request for Proposals (RFP’s) from outside vendors for the disposal of the City’s wastewater by way of land application, other areas of interest; planning future discussions and related matters.

DNREC representatives in attendance were: Mr. John Schneider, Mr. Ron Graeber, Mr. Fred Pope and Ms. Sarah Cooksey. Also, in attendance was Mr. Michael Izzo, Sussex County Engineering Department.

Commissioner Mills noted that the Wastewater Treatment Study by Stearns & Wheler is currently online on the City website. Audio recordings of portions of the Mayor and Commissioners Meetings are also available online.

Mr. Rip Copithorn of Stearns & Wheler provided a brief update in regard to the Request For Proposal (RFP) to consider land application and getting additional costs on ocean outfall. He focused on some of the background and what has transpired with the ocean outfall and what might be the next step if ocean outfall is selected as an alternative. The RFP was issued to invite utility service providers to respond and offer their services in taking either the treated or the untreated wastewater from the City of Rehoboth Beach. The deadline to submit proposals was September 25, 2008. Questions that were received, deserve consideration. The answers to those questions will be addressed by an addendum. At the same time, Stearns & Wheler is working with ocean outfall contractors. The intent is for

those contractors to provide a cost for building the conceptual outfall. Land applications will be compared to an ocean outfall. The location of the proposed ocean outfall, if it is built, is based on previous studies and mixing studies. Ways of optimizing the design were looked at. The location alternatives were based on what was suggested in the Le Cato studies, and it was suggested that 6,000 feet offshore would be a good distance. The dilution would require the understanding of the currents in the Delaware Bay at different depths, seasons, etc. A mixing model was developed by the University of Delaware with velocities and currents. An opportunity was taken in using the model to optimize the design of the diffuser. The structural aspects of building the outfall were looked at, and Stearns & Wheler worked with various ocean outfall contractors in developing a cross-section which shows how the 24 inch pipe would be buried approximately five feet below the sea bed. The trench would be deeper than that, and the pipe would be laid and backfilled with structural backfill. Ballast rock and armor rock would be placed on top to weight it down and for structural protection. The length of pipe from the shore to the end of the outfall would be 6,000 feet, and the diffuser would extend beyond 6,000 feet. In pursuing ocean outfall, a site study should be done. He presented the proposed route for the piping from the treatment plant to Deauville Beach. Federal and State agencies will be watching this project very closely, and this will be subjected to strict reviews and approvals. There will be a number of regulations which will be imposed. The Corp of Engineers will have a clearinghouse responsibility for this project. The first step would be to file nationwide and individual permits.

An environmental assessment comes into play at that point. Cost issues will be looked at also. Environmental impact assessments and studies will be done. EPA has the National Permit Discharge Systems of which the City of Rehoboth Beach Wastewater Treatment Plant currently has a permit, and the Beach Protection Act. The US Fish and Wildlife will look at endangered species. DNREC administers the NTDS permit. The Environmental Recreational Ecological Sense of waters regulation will not permit any backsliding. Saltwater Conservation will be looking at sediment erosion control, etc. The Corp of Engineers will require a study of the number of environmental impacts, etc. The potential impact of the ocean outfall on water quality and public health needs to be determined. The impacts on the wastewater treatment plant for either ocean outfall are that the filtering would need to be upgraded and a pump station would be needed. In regard to spray irrigation, the plant at its best performance meets the groundwater standard, but additional upgrades may be required if the groundwater standard changes. The ultimate deadline is December 2014 to be in compliance.

Commissioner McGuinness said that the pump station needs to be upgraded regardless of what option the City goes with.

Ms. Linda Kauffman asked a series of questions. 1. Has the City determined what criteria could be used in selecting ocean outfall vs. spray irrigation? Mr. Copithorn said that cost is part of it. The City will at least know the basis of the costs for construction. Cost is not the only issue. There are also environmental issues. The parameters have not been addressed to date. When the Commissioners prepare costs, Ms. Kauffman assumed that there will be a list of engineering fees, capital costs, annual operation and maintenance costs, engineering costs, project administration, legal and fiscal costs; and those same costs would be evaluated based on the City's engineering costs, operating costs, maintenance costs. Mr.

Copithorn confirmed and said that each one will be a line item. 2. Is the ocean outfall pipe encased in concrete? Mr. Copithorn said that it is not, and encasing the pipe in concrete is very rigid construction. The pipe diameter is very large, and the advantage would be that the pipe is flexible and corrosion resistant. 3. When will the criteria and matrix be established? Mr. Copithorn was anticipating it would be once the proposals and costs have been received. 4. Is it an unfair advantage to the people with ocean outfall that they already know what the competitor is? Mr. Copithorn said that the land application people compete against land application. The ocean outfall people are not submitting a bid. A contract will not be offered based on their costs. The City and citizens will be in charge in making the decision for an alternative.

Ms. Dottie Cirelli, Newcastle Street asked how the pipe would be laid in the street for the ocean outfall project. Mr. Copithorn said that the pipe would be laid in the right-of-ways, and there would be a narrow cut. The contractors would be required to close up the excavation and to put temporary paving over it or to put metal sheets over it. There would be no long term construction.

Commissioner Zellers asked how long after permitting would the actual construction take for ocean outfall. Mr. Copithorn said that it would be one winter season.

Mr. Walter Brittingham, 123 Henlopen Avenue, said that the State representatives explicitly explained that several different permitting parts can go forward at the same time, but one part does not go after the other.

Commissioner Mills said that the RFP's for land application are due on September 25, 2008. The Commissioner would like to get pricing for ocean outfall at the same time. A third option was to price out partnering with the County on land application. Mr. Mike Izzo said that there are no additional funds. He would have to present a cost proposal to the County Council on September 24, 2008. Mr. Izzo will forward the proposal to Commissioner Mills and Mayor Cooper for discussion.

Commissioner Mills will tentatively schedule a Special Workshop Meeting to be held on November 1, 2008 from 8:30 a.m. – 12:30 p.m. with DNREC, Sussex County, Mr. Copithorn, etc. He would like to be a member of the evaluation team.

Commissioner Coluzzi suggested that it should be a summary type presentation to put on the City website for people to have an understanding of this issue.

Commissioner Kuhns said that it is important to show the presentation physically to as many people as possible.

Mr. Rip Copithorn will forward a matrix of issues and a place to start to Mayor Cooper. Commissioner Kuhns suggested this issue should be discussed at the November 3, 2008 Workshop Meeting.

Ms. Linda Kauffman said that the Rehoboth Beach Homeowners' Association had received 50 responses to a survey of the residents on this issue. She read the percentages of the responses.

October 6, 2008 Workshop Meeting

Agenda:

“Public discussion concerning alternate wastewater discharge methods, funding, permitting, including a discussion with a representative of the Delaware Public Service Commission concerning its authority and the regulation of privately owned utilities, status of Request for Proposals (RFP's) from outside vendors for the disposal of the City's wastewater by way of land application, other areas of interest; planning future discussions and related matters.”

Minutes of the October 6, 2008 meeting regarding this agenda item:

Mayor Cooper called for public discussion concerning alternate wastewater discharge methods, funding, permitting, including a discussion with a representative of the Delaware Public Service Commission concerning its authority and the regulation of privately owned utilities, status of Request for Proposals (RFP's) from outside vendors for the disposal of the City's wastewater by way of land application, other areas of interest; planning future discussions and related matters.

DNREC representatives in attendance were: Mr. Terry Deputy, Ms. Sarah Cooksey, Mr. Greg Pope and Mr. John Schneider.

Mr. Dave Bonar, Government Services Administrator for the Public Service Commission gave his presentation. Approximately three years ago, the Delaware General Assembly sought to give the Public Service Commission regulatory authority over privately held wastewater treatment facilities in the State of Delaware. The Commission was charged with regulating costs and setting rates for privately held wastewater treatment facilities which would include facilities that handle 50 or more houses in the State of Delaware. It is designed for companies such as Artesian Water Company and Tidewater Utilities, and others that are currently expanding their wastewater treatment facilities. He understood the problems that the Commissioners are facing as elected officials, and also the problems the Commission faces as a regulatory agency in seeing that the City Commissioners are served properly and see that the City Commissioners have the proper information by which they can make decisions on which avenue to take.

Commissioner Stan Mills had forwarded an outline and questions of what the City Commissioners are reviewing in regard to wastewater alternatives.

Mr. Kevin Nielson, Regulator Policy Administrator and Chief Engineer for the Public Service Commission, is familiar with wastewater treatment, and he designed the rules and regulations by which the Public Service Commission operates. If the City continues to own the wastewater collection system and uses another vendor as to the treatment, then the Commission would not regulate the rates on them so long as the City's administration maintains those rates. If the City continues to collect and treat sewage and the vendor is only receiving it, the Commissioner would not regulate the rates. It is customary that the Commission does not become involved if the customer is a municipality, but if a customer is a customer directly with Artesian or Tidewater, etc., then the Commission would regulate rates, but if The customer of the utilities would be involved, no the municipalities. If the City sells the treatment facility to the vendor, the Commission would be involved, and the vendor would need to come before the Commission for rate changes.

Commissioner Paul Kuhns said with the position that the City currently has, in looking forward the City would probably never sell the facility itself. Artesian and Tidewater, etc. do not set the fees. The City sets the fees, and there would be a contract. Mr. Bonar said that the question is whether the City wants to maintain the control it will have over the rates. If the City is sending out bills, it has regulatory authority over the rates.

Mr. Nielson said that the Commission has expertise in setting rates. Mayor Cooper asked as a public service issue whether it be wastewater or electric, etc., if the Commission gets involved with the engineering side of it. Mr. Nielson said that the Commission would involve an engineer if customers are experiencing problems with their service, etc. Generally the operation is left up to the municipality or vendor, so if money is needed to be spent on the operation, it is left to the municipality or the vendor, and they are permitted to make a return on their investment. Mr. Bonar said that the returns range from between 6.5% to 11%.

Mayor Cooper asked in regard to the filing of a rate case if it is expensive and reimbursable. Mr. Nielson said that reimbursement can be asked for in regard to the next case. Mr. Bonar said that the consumer pays for every utility issue. The utility user pays the cost because the Commission bills the company, and the company in turn bills the consumer for any regulatory proceeding that takes place. The Commission is funded by gross receipts on the utilities' regulated gross sales. Every complaint that results in a request by the Commission to regulate a utility is paid by the rate payer and ultimately the customer. The Commission consists of staff which examines, audits and reviews the proposed action of the regulatory utility. The staff makes recommendations to a hearing examiner. The hearing examiner writes the final report to the Commission incorporating the committee's, utility's and consultant's testimonies. The hearing examiner makes a recommendation to the Commission which votes in a public forum whether it supports the staff's or utility's side of the matter.

Mr. Nielson explained the procedure for getting out of the wastewater business and turning it over to a contractor. The City of Rehoboth has a service area; and under the Certificate of Public Convenience and Necessity (CPCN) rules, the City would need to relinquish that which would allow the private utility to obtain a CPCN for that area. The current rates would probably be reviewed. The City could relinquish the CPCN for the area within the municipal boundaries. Mr. Bonar said that part of the problem would be with the Dewey Beach, North Shores and Henlopen Acres areas, in negotiating a contract. Mr.

Nielson said that if the City decides to sell its facilities, there may not be an issue. Mayor Cooper, as he has understood the legislation and the law, is that the City could only invite the utility to serve in the areas within the City's boundaries. Dewey Beach, Henlopen Acres and North Shores would be a huge issue because he thought that the utility could serve those areas unless it has a CPCN.

Mr. John Schneider said that the CPCN gives the utility the right to serve a geographic area. They have properties that are certified. The CPCN is where the utility's customers are located. The treatment area of facilities may not need a CPCN even though it is part of the system because it is not serving customers in that specific location.

Ms. Sarah Cooksey asked where the Commission has approved a traditional system which is a community with wastewater treatment and spray irrigation. Mr. Nielson said there is a development and treatment at Milton, DE. Of the CPCN's, there are approximately 24 or more sites. Mayor Cooper commented that a developer who wants to develop his property approaches the Commission and asks them to come in to provide that service. DNREC has primary jurisdiction on treatment facilities and the Commission holds the purse strings. Ms. Cooksey asked if the customers can opt out. Mr. Nielson said that with wastewater, there is no provision. In a municipality, the customers do not have control of that, but once there is a CPCN the landowners have to sign for that. Once the CPCN is there, it runs with the land.

Mr. Greg Pope asked that with the Town of Milton privatizing its facilities, if it no longer bills the residents. Mr. Nielson thought that is what Milton is doing.

Ms. Mable Granke, 1013 Scarborough Avenue Extended asked if the County needs a CPCN for its facilities. Mr. Nielson said that the County must provide the Commission with its service territories. After that, if the County expands its service territories, it has to provide notice to the Commission. Mayor Cooper said that the Commission does not regulate the municipalities or the counties, but it needs to know where they service. Mr. Bonar said that the municipalities in the State of Delaware are required to notify the Commission if they expand their boundaries. Ms. Granke said that if the City is considering partnering with the County, then the City and the County would control the situation. Mr. Nielson concurred.

Commissioner Mills noted that a public workshop will be held on November 1, 2008 from 9:00 a.m. to 12:00 p.m. in the Fire Hall to give the public an additional opportunity to meet the speakers, hear presentations and allow for more questions and answers. He proposed that a mailing should be sent out to the property owners and residents in the City. Questions, concerns and comments can be forwarded to wastewater@cityofrehoboth.com, and those will be compiled and forwarded to the Commissioners. Commissioner Mills would like to work with City Manager Gregory Ferrese on approving the language for the mailing and sending it out, and then do a formal invitation to finalize all of the speakers. The consensus of the Commissioners was to move forward with the mailings and invitations. The deadline has changed from September 24, 2008 to October 9, 2008 at 1:30 p.m. in regard to the Request For Proposal (RFP).

The Commissioners have not discussed what happens after the deadline for the RFP: 1. Evaluation team needs to be set, and Commissioner Mills would like to be on the team. 2. Oral presentations and discussions of

all of these procedures that the Commissioners have not set a timeline for. 3. Status on costing out the ocean outfall and costing out partnering with the County. Bids are due for the land application on October 9, 2008 at 1:30 p.m. Mayor Cooper had discussed this issue with City Solicitor Glenn Mandalas, and they have not arrived at a proposal. Much of this hinges on what is received. He did not see this as something that is a traditional bid, and this will be more complex. City Solicitor Mandalas said the point is that until the Commissioners see what comes in, it is difficult to anticipate how it gets evaluated; and he suggested waiting until October 9, 2008 to see.

Mayor Cooper will set up an evaluation team, but he wants to see if there is actually something to evaluate.

October 20, 2008 Regular Meeting

Agenda:

“Public discussion concerning alternate wastewater discharge methods, funding, permitting, including presentations by representatives of DNREC: Jennifer Volk – “Regulatory Basis for the Elimination of the City’s Discharge”, Maria Sadler – “Coastal Construction Permitting Requirements” and Sergio Huerta, MD – “Pharmaceuticals and Other Emerging Contaminants”, status of Request for Proposals from outside vendors for the disposal of the City’s wastewater by way of land application, other areas of interest; planning future discussions and related matters.”

Minutes of the October 20, 2008 meeting regarding this agenda item:

Mayor Cooper called for public discussion concerning alternate wastewater discharge methods, funding, permitting, including presentations by representatives of DNREC: Jennifer Volk – “Regulatory Basis for the Elimination of the City’s Discharge”, Maria Sadler – “Coastal Construction Permitting Requirements” and Sergio Huerta, MD – “Pharmaceuticals and Other Emerging Contaminants”, status of Request for Proposals (RFP’s) from outside vendors for the disposal of the City’s wastewater by way of land application, other areas of interest; planning future discussions and related matters.

Commissioner Mills noted that the Wastewater Treatment Study by Stearns & Wheler is currently online on the City website. Audio recordings of portions of the Mayor and Commissioners Meetings are also available online. Recently the wastewater@cityofrehoboth.com email address was established for this topic. A Workshop Meeting will be held on November 1, 2008 at the Fire Department from 8:30 a.m. – 12:30 p.m. A mailing was sent to the property owners in the City regarding the wastewater workshop and communications.

DNREC representatives in attendance were: Mr. John Schneider, Mr. Greg Pope, Ms. Maria Sadler and Ms. Jennifer Volk, Department of Environmental Resources. Mr. Huerta was not in attendance.

Speakers were: Ms. Jennifer Volk, Ms. Maria Sadler.

Also in attendance was Mr. Bob Stenger of the Rehoboth Beach Wastewater Treatment Plant.

Ms. Jennifer Volk, Department of Natural Resources and Environmental Controls Watershed Assessment Section, noted that her department working on testing the water quality in the State. The Clean Water Act is a federal act which requires each state to submit a Watershed Assessment Report and a list of waters not meeting standards to the Environmental Protection Agency (EPA) every two years. Water quality standards have two components: 1. Designated uses. 2. Water quality criteria. Too many nutrients in the water such as nitrogen and phosphorous, offsets the balance between photosynthesis and respiration so that there is too little dissolved oxygen in the water. Whenever there are impaired waterways, a Total Maximum Daily Load (TMDL) must be developed which is the maximum amount of a pollutant which can enter the water and still meet the set standards. $TMDL = WLA$ (waste load allocation from point sources) + LA (load allocation from non-point sources) + MOS (margin of safety). Based on TMDL modeling data from 1988-1990, the sources of pollution to the Inland Bays Watershed regarding nitrogen are 78% from atmospheric deposition, 16% from non-point sources and 6% from point sources; and the sources of pollution regarding phosphorous are 69% atmospheric deposition, 31% non-point sources and 0% from point sources. Because of all of these sources of pollution, TMDL's were developed in the Inland Bays Watershed in 1998 for the Rehoboth and Indian River Bays, and Indian River and in 2005 for the Little Assawoman Bay and all the streams and rivers that join into the bigger bodies of water. Both sets of regulations say that all the point sources must be eliminated and large reductions in the non-point sources. In regard to point sources, pollution control strategy consists of systematic elimination and water quality trading available as an option. The three point source facilities remaining are the Lewes Wastewater Treatment Plant, Millsboro Wastewater Treatment Plant and Rehoboth Beach Wastewater Treatment Plant. When looking at all the point sources in the Inland Bays Basin as a whole, an 83% reduction needed for nitrogen and 89% reduction needed for phosphorous has been achieved, but the three remaining facilities will need to be looked at to see how their discharges will be handled. There has been significant progress in regard to the non-point sources, and most of the reductions have come from agriculture and wastewater practices. While all of the alternative disposal options for the Rehoboth facility are expensive, the pros and cons of each option must be considered because a point source should not be turned into a non-point source. PCS regulations were signed by the Secretary of the Department of Natural Resources and will be in effect November 11, 2008. The pollution control strategy as a whole includes voluntary and regulatory components. The regulatory components specifically look at how to establish a buffer as land use changes, how to better treat stormwater from new developments, and how to improve the maintenance and performance of on-site wastewater treatment systems or septic systems. The establishment of a buffer will be required for all new major subdivisions, and all new activities will require a site or major subdivision plant. A 100 foot buffer will be required in all primary waters, and a 60 foot buffer will be required in all secondary waters. The buffers can be reduced if the new development plan is combined with advanced stormwater options,

and there is a management plan. The buffers will exist in community open space and will be the responsibility of homeowners associations to manage them. Pollution reduction actions for stormwater include vegetated stormwater collection areas, and preserving and creating forested areas. The pollution control strategy also calls for improved maintenance and performance of septic systems. The performance standards will vary depending on the size of the system, where it is located, and how old the system is. Any properties located within 1,000 feet of tidal waters and tidal wetlands will be required to have advanced treatment of the septic systems within 60 days after the regulations are published.

Chairman Littleton asked if the City as a municipality or the owner of the land is required to maintain buffer zones. Ms. Volk said that the City or would be required to maintain buffer zones if it owns the land. Buffer zones are only required when land is developed in a new subdivision or commercial development, and a water feature is located on the Department of Natural Resources' map. Mayor Cooper noted that the majority of the City is not located in the Inland Bays Watershed.

Ms. Maria Sadler, Division of Soil and Water Conservation, Beach Preservation Section and Shoreline Clean Water Management Section, discussed what the permitting requirements would be for the construction of the pipeline going out into the ocean for the wastewater outfall structure. The regulations governing beach protection and the use of beaches are the regulations which require that the City, etc. would obtain permits prior to any construction, and the authorization for those regulations and the Beach Preservation Act which is located in Title 7, Chapter 68 of the Delaware Code. Under those regulations, a permit is required from the Division prior to any construction of a structure or facility in any beach, sea or development line. The definition of beach is the area which extends from the mean high water line of the Atlantic Ocean landward 1,000 feet and seaward 2,500 feet. If the ocean outfall were chosen as the alternative, the structure would be located at Deauville Beach. A permit would be required from the Army Corps of Engineers and the Division of Water Resources Wetlands Section for the outfall pipe extending 6,000 feet into the ocean. Under the regulations governing beach protection and the use of beaches, Sections 4.03 and 4.04 would be addressed regarding the construction of the pipeline. In regard to the procedures for processing the application for the structure, the public is involved in the process. Public notices are advertised in a newspaper locally and of statewide publication, and the public is given 15 days to comment. Notices are also mailed to adjacent property owners. The application is available for public inspection. At the end of 20 days if no comments have been received and the plans have been reviewed, the approval could be issued. If there is a hearing request or there are many comments, then the hearing would be scheduled and advertised. After the hearing would be held, a report would be issued by the hearing officer; and then a decision is made on the application. Specific information that would be reviewed during the application process or comments received by the Division, would be the effect of the proposed construction on the shoreline, beach erosion, flooding, any potential damage to the property in which the pipeline would be constructed such as leveling the dune, the effects on adjacent properties, any design modifications that would need to be made in order to mitigate impact of the proposed construction, and any other factors that the Division determines relevant to the application. The City may want to contact the Army Corps of

Engineers regarding the project because the area of Deauville Beach is in the taper section for the nourishment project.

Mr. Hoyte Decker, Laurel Street, asked if the content of the hearing officer's report is a summary or a decision. Ms. Sadler said that the hearing officer would make a decision with at least his legal opinion on whatever issue is brought up in the hearing. Mr. John Schneider, DNREC, said that the hearing officer makes a recommendation to the secretary.

Mr. D.C. Kuhns, Rehoboth Avenue asked if the ocean outfall is direct drilled to the exit in the ocean, will this project still come under Ms. Sadler's purview. Ms. Sadler said that it would if the outfall falls within the area defined as beach and is within the 1,000 feet or 2,500 feet. If the direct drilling would enter the ground Lambert [sic] [should be "landward" – Stan Mills] of the DNREC building line, then something may be done with a letter of approval.

Mayor Cooper said that all of the DNREC permits with subaqueous lands could probably go forward at once with one hearing where all of these issues would be talked about at one time. Ms. Sadler recommended this procedure to be done.

Commissioner Mills asked what DNREC considers as a buffer zone. Ms. Volk said that the regulations does not have any specific requirements for vegetation. Basically, it would be a no mow zone. A foot path or walk path can be a certain percentage of impervious surface, but the buffer would need to be wider to compensate for that impervious surface.

Mayor Cooper said that the RFP's for outside vendors to propose to the City to accept its wastewater either in a treated or untreated fashion and dispose of it, were due on October 8, 2008. The City received one submission from Artesian Resources. It is clear that the RFP is not responsive to the request, and it does not set out the information necessary to make a decision. There is no information on user fees. What Artesian Resources is proposing is a three-way project between Artesian, Sussex County and the City of Rehoboth Beach which the County would be heavily involved in. It is proposed that the City build a force main to the Wolf Neck treatment facility, and all of its raw waste would go there. In exchange, the County would build a force main from its main pump station on Route 1 to the Artesian facility, northwest of Milton, DE. The County would divert some of all of its flow to the facility in exchange. Mayor Cooper was in attendance at a meeting which was held on October 14, 2008 between the County and Artesian. It was stated in the Artesian proposal that the cost would be at least \$48,000,000.00 for the City to send its untreated waste to Artesian. Artesian is not willing to spend that money. This is an estimate of costs, not a proposal. The alternative that Artesian is suggesting would cost \$45,000,000.00 which \$15,000,000.00 would be absorbed by Artesian, and the County and the City would absorb \$30,000,000.00 as part of the project. The City would be dealing with the County and not directly with Artesian; and without the County, there is no proposal.

Commissioner Mills voiced concern that he was not notified about the October 14, 2008 meeting and was not provided a copy of the proposal.

Mr. Hoyte Decker, Laurel Street asked if the proposal suggested an arrangement that would involve the County. He also asked if the meeting with the County officials and Artesian had to do with this response to the RFP. Mr. Decker voiced concern that he has a right to access the RFP, and the public has the right to be involved in that sort of meeting or at least be present at the meeting. Mayor Cooper said that Artesian had approached the County prior to the submission of the RFP. Artesian thought that there is an opportunity to service the needs of the City and to service the County's needs in regard to expansion and future growth. Artesian knowing that it had to involve the County, approached the County for the County to look at this as an alternative not only to the City but also for the County's future needs in the West Rehoboth sewer district. Discussion ensued as to public involvement in meetings.

Mr. George Phillips of Artesian, said that his company held a meeting with Sussex County Council during the last month. At that meeting, Artesian provided an outline of its proposal and discussed the fact that it felt that a cooperative effort between the County, Rehoboth and Artesian was the right direction in moving forward. Sussex County Council directed the County engineer to meet with representatives of Artesian and asked them to invite representatives of the City to be there. There were public meetings with Sussex County.

Commissioner Kuhns asked if the Commissioners will not do any more proposals and automatically proceed with the ocean outfall. Mayor Cooper said no and the County wants to move fairly quickly through this proposal from Artesian. He has talked to the County on several occasions about going to the Inland Bays facility, and has gotten no direct answer. It is Mayor Cooper's intention to forward a letter to the County in the next few days in regard to this issue. His sense is that the County is doing nothing in regard to an estimate to move forward with Rehoboth partnering with the County at the Inland Bays facility. Verbally, there have been no commitments. Commissioner Kuhns said that if there is some fashion for Rehoboth to build a pipe to Wolf Neck and have the County build a long pipe to where Artesian's property is, it might be financially feasible relative to the County's original proposal. He hoped that this could be expanded with the County and Artesian because the \$45,000,000.00 could be divided three ways.

Commissioner Mills said that Mr. Mike Izzo was asked to figure out pricing for the partnership with the County and the City, and he asked if Mr. Izzo should complete his estimate. Commissioner Kuhns concurred that the estimate should be completed. The Commissioners are still waiting for the ocean outfall cost estimates and the County/Rehoboth partnership estimate. From what the County put on the table in the past in regard to spray irrigation, that partnership seemed expensive; but if a different scenario with the Wolf Neck facility is done involving the County, Rehoboth and Artesian, it seems from a monetary perspective that it is financially attractive.

Commissioner Mills asked what the status is with the cost estimates from Mr. Rip Copithorn in regard to ocean outfall. Mayor Cooper said that Mr. Copithorn has one cost estimate and expects another by the middle of next week. The prices that Mr. Copithorn is working on with contractors is only the outfall portion, and they are looking at it not only from what it would cost to construct the outfall but to give their input as to cost saving ways to construct it that might be different than has been proposed. There would also be an estimate of what it would cost in regard to the force main and getting it to the outfall, the pump station and pumping the effluent to the ocean, etc. Mr. Copithorn will prepare a report, and it will be possible for the Commissioners to have the report by October 31, 2008.

November 3, 2008 Workshop Meeting

Agenda:

“Public discussion concerning alternate wastewater discharge methods, funding, permitting, status of Request for Proposals (RFP’s) from outside vendors for the disposal of the City’s wastewater by way of land application, other areas of interest; planning future discussions and related matters.”

Minutes of the November 3, 2008 meeting regarding this agenda item:

Mayor Cooper called for public discussion concerning alternate wastewater discharge methods, funding, permitting, status of Request for Proposals (RFP’s) from outside vendors for the disposal of the City’s wastewater by way of land application, other areas of interest; planning future discussions and related matters.

Commissioner Stan Mills reported that the Wastewater Workshop was held on November 1, 2008 in the Fire Hall. Local officials in attendance included: Senator Bunting; Mr. Dave Baker and Mr. Mike Izzo, Sussex County; ten DNREC representatives; a representative from the University of Delaware, College of Marian and Earth Studies; Mr. Bob Stenger; and a representative from Stearns & Wheler. Discussion involved a reiteration of prior presentations which had been held at the Commissioners’ meetings. The Spray Irrigation Task Force which is a State appointed committee to promote and facilitate water reuse by farmers and to encourage municipalities to send effluent to the farmers. Representative Greg Hastings is the chair of that committee, and a report will be due on January 15, 2009 regarding spray irrigation use by farmers. Mr. Bob Stickels of the Clean Water Advisory Council (CWAC) had emphasized the need for the City Commissioners to seek funding through the State Department of Economic Development. Commissioner Mills, City Manager Gregory Ferrese and Mayor Cooper attended a meeting with Sussex County and Artesian Water Company on October 30, 2008 regarding a proposal for the City to partner with the County and Artesian Water Company. Mr. Izzo was also in attendance.

Mayor Cooper said that the County is the center point in the proposal, but if the County's terms are too restrictive and there is no interest in the proposal, this alternative may not be done.

Commissioner Paul Kuhns was in attendance at the Wastewater Workshop. At some point in the near future, the Commissioners will need to make a decision on which alternative is going to be used. Currently, there is no other alternative, outside of ocean outfall, unless the County, Artesian Water Company and the City agree to something. If the ocean outfall alternative is chosen and is up and running in two years, the lowest cost to the City is approximately \$15,000,000.00 if the Artesian/County partnership works. Mr. Rip Copithorn of Stearns & Wheeler had projected \$30,000,000.00. A referendum should be considered to increase the City's borrowing limitations. Once all of the information has been received regarding the ocean outfall estimates, the Commissioners should ask for specifics to be able to go to State funding in regard to loans. This project would be a high priority program for the State, but the City will still need to borrow monies and will probably qualify for low interest loans. In March 2009, the City should know where the funding will be coming from.

Mayor Cooper referred to the Charter and the borrowing of money. What is traditionally and what is contemplated by the City Charter is that the Commissioners would put forward a project with estimated costs and the amount of money to be borrowed, and then it will go to referendum. He would certainly want to go to referendum to get the voters of the City to approve the borrowing of monies. Of the \$30,000,000.00 to \$35,000,000.00, the County would be responsible for approximately 40% of the cost.

Commissioner Kuhns said that the Commissioners need to start talking out how to raise the money and pay for the project. This would be a perfect time to bring in the City's financial advisor. Mayor Cooper said that if the Clean Water Advisory Council can make the money available, the process would cost less and would be more straight forward than to go out on the bond market to get the City rated and pay those various fee amounts.

Commissioner Kathy McGuinness asked when the Commissioners will be ready to present a plan to the Clean Water Council. Mayor Cooper said that when he and City Manager Gregory Ferrese had initiated the consent order, it was negotiated for two years to study the issue and establish an alternative. Once the Commissioners determine there is a viable solution, then time will be needed to see if it is affordable. The Commissioners need to decide on an alternative when they have enough information, and move forward on it.

Commissioner Pat Coluzzi did not think there should be any future speakers. Currently the Commissioners have to wait on the County regarding the partnership with Artesian, and a deadline needs to be set in regard to how long to wait on the County, for the spray irrigation option. If it is not an option, there is no point in talking more about spray irrigation. She was not sure having additional speakers until the Commissioners know what the County is going to do is worth the time.

Mayor Cooper said that if the County staff feels the Artesian proposal would be that there is going to be a \$45,000,000.00 project to take the City's waste in West Rehoboth to the

Wolf Neck plant, the County would in turn build a pipeline from its pump station on Route 1 near the Exxon Station outside of Lewes to Milton. Artesian would put \$15,000,000.00 in the total project. The County staff has indicated that it feels there is nothing in the first round to benefit the County i.e. West Rehoboth; and its expense would be entirely upon the City of Rehoboth Beach which would be \$30,000,000.00. Artesian is planning a 2,000,000 gallon per day capacity for the City/County which would be a minimum, and it would be at \$6.84 per 1,000 due to Artesian each year whether the waste is sent as much to there or not. The view of the County staff is that this would be the responsibility of the City until the County would be in a position to need the capacity. Mayor Cooper sensed that from talking with Mr. Dave Baker and Mr. Mike Izzo of Sussex County is the County feels to develop those costs, they need engineering work done by its consultants. There is no money on the County side to do that so the City may have to fund the it. Mr. Baker had received a quote for the engineering work, but no copy of the proposal has been forwarded to the City.

Commissioner Mills thought that the only options are to either partner with the County or ocean outfall. Commissioner Mills recommended that he and Mayor Cooper talk to Sussex County Council. Mayor Cooper had written a letter to be forwarded to the Council.

November 17, 2008 Regular Meeting

Agenda:

“Public discussion concerning alternate wastewater discharge methods, funding, permitting, other areas of interest; planning future discussions and related matters.”

Minutes of the November 17, 2008 meeting regarding this agenda item:

Mayor Cooper called for public discussion concerning alternate wastewater discharge methods, funding, permitting, other areas of interest; planning future discussions and related matters.

Mayor Cooper said the Commissioners have agreed that there will not be any presentations unless something comes up.

Commissioner Mills said that Mr. Rip Copithorn of Stearns & Wheler will be presenting the costs in regard to the outfall before the end of the year 2008.

Commissioner Coluzzi noted that on November 3, 2008, a letter was sent to Mr. Finley Jones, President of Sussex County Council regarding the partnership with the City and the County to allow the City to send effluent to the Inland Bays facility. Mayor Cooper mentioned that the County needs to decide what the parameters. The County Engineer will be meeting with the County Administrator on November 18, 2008 in regard to what the

County will recommend. The County staff recommended that the Council should address the letter.

Commissioner Mills said that a Clean Water Advisory Committee Meeting was held this morning, and Mr. Terry Deputy, Finance Director with DNREC was present. Mr. Deputy is willing to speak to the Commissioners about funding availability through the Clean Water Advisory Council. Commissioner Mills requested that this presentation should be placed on the agenda for a future meeting.

December 1, 2008 Workshop Meeting

Agenda:

“Public discussion concerning alternate wastewater discharge methods, funding, permitting, other areas of interest; planning future discussions and related matters.”

Minutes of the December 1, 2008 meeting regarding this agenda item:

Mayor Cooper called for public discussion concerning alternate wastewater discharge methods, funding, permitting, other areas of interest; planning future discussions and related matters.

Commissioner Stan Mills noted that Mr. Terry Deputy of DNREC has agreed to give a presentation on funding and funding options at the December 15, 2008 Regular Meeting. The County is in the process of asking for a planning grant to cost out a partnership with it and sending the City’s effluent to one of the County’s treatment plants.

Mayor Cooper has not received a response from Mr. Finley Jones, Sussex County regarding the partnership with the City and the County. Mayor Cooper has spoken with Mr. Mike Izzo, County Engineer, regarding the partnership and costs. Mayor Cooper said that the County has had conversations with the State in getting a grant to fund the County’s portion, and he thought that the City’s portion should be funded if a grant is being sought.

Commissioner Mills noted that the partnership issue has been placed on the agenda for the Clean Water Advisory Council meeting to be held on December 17, 2008. He had spoken with Mr. Izzo about a cost benefit analysis regarding raw sewage vs. treated sewage. Additional conversations with Mr. Izzo might be appropriate. It has been indicated that planning grants are available.

Mayor Cooper had heard secondhand information that the State would be willing to front the money with the idea that there would be a project at some point; and at that point, the planning money would be received with no interest.

Commissioner Mills said that the vendors' Request For Proposal (RFP) has not been received to date for the ocean outfall alternative. Mayor Cooper said that Mr. Rip Copithorn is ready at anytime with the pricing for all plant upgrades, new pumping stations, ocean outfall, etc.

Commissioner Paul Kuhns suggested that Mr. Copithorn be present at the December 15, 2008 Regular Meeting to give a presentation in regard to pricing the ocean outfall.

December 15, 2008 Regular Meeting

Agenda:

“Public discussion concerning alternate wastewater discharge methods, funding, permitting, other areas of interest; a presentation on funding options by Mr. Terry Deputy of DNREC; planning future discussions and related matters.”

Minutes of the December 15, 2008 meeting regarding this agenda item:

Mayor Cooper called for public discussion concerning alternate wastewater discharge methods, funding, permitting, other areas of interest; a presentation on funding options by Mr. Terry Deputy of DNREC; planning future discussions and related matters.

Mr. Terry Deputy gave his presentation and provided information on funding options. He is with the Department of Natural Resources and Environmental Control Division of Water Resources Financial Assistance Branch. The purpose of this presentation was to provide the City with an overview of the Delaware Water Pollution Control Revolving Loan Fund (WPCRLF); to provide an overview of possible wastewater user rates and other cost variables taken from the Stearns & Wheler Report; and to be a resource to the City once a wastewater disposal option is selected. Mr. Deputy provided an overview of the Clean Water State Revolving Fund. In 1987, Federal grant assistance for construction of wastewater facilities was replaced with a revolving loan fund program. Communities are required to repay wastewater infrastructure loans, thereby providing a source of funds for future loans. In 1990, the Delaware Water Pollution Control Revolving Loan Fund program was created. The Clean Water Advisory Council is charged with evaluating, establishing and recommending strategies, plans and procedures to ensure the long term provision of adequate wastewater facilities in Delaware. Mr. Deputy presented an overview of the complete process of the Delaware Water Pollution Control Revolving Load Funding. Each year with DNREC a new funding cycle starts with the solicitations of notices of intent. With the 2010 notice of intent, the City needs to resubmit its proposed wastewater project. A project priority list and development intended use plan are prepared. The project priority list is a

ranking of projects based on water quality criteria and the readiness to proceed. The City of Rehoboth project will probably be the No. 1 ranked project. An intended use plan is prepared based on the projects and available funding which is presented to the Clean Water Advisory Council at a public hearing, and is submitted to the Environmental Protection Agency. Applications are solicited from the project priority list. The timeline from the notice of intent to the project priority list is approximately eight months. The Application is received from the City, and a financial/engineering review is done. The engineering documents are approved, and an environmental determination is issued. A loan analysis with recommendations is prepared. The financial recommendation is presented to the City before it is presented to the Clean Water Advisory Council for approval. A binding commitment is entered into with the City which details the scope of the project, loan assistance and timing. The project plans and specifications are submitted to DNREC for approval. The project is authorized to be bid. The City holds a pre-bid meeting, bid opening and bidder selection. The bid documents are reviewed and approved. Significant cost changes are reviewed. The City closes the loan agreement with DNREC and awards the project contract. The City is on a loan disbursement schedule and holds a preconstruction conference. Project construction begins, and the City begins loan disbursement requests. Disbursements are reviewed and payment is authorized. The City notifies DNREC of the project completion, and DNREC conducts the final inspection. The initiation of operation date is established, and the City begins the loan repayment. After one year, the City certifies the performance of the project. Mr. Deputy presented a hypothetical annual cost per user.

Mayor Cooper said that there are four political subdivisions for which a median household income is going to be available - City of Rehoboth Beach, Town of Henlopen Acres, Town of Dewey Beach and Sussex County. Mr. Deputy said that DNREC will take a look at how those subdivisions will contribute to the project, the EDU's for residential, the median household income for each of those communities. Averaging may have to be done to get to a reasonable number that is acceptable to everybody involved. The purpose of Mr. Deputy's office is to provide the best financing possible. Mayor Cooper said that the interest rate is critical, and he was concerned about how to plan to be able to lock in at a good interest rate. Mr. Deputy said that the rate is locked in 10 days prior to the loan closing and is based on 90% of the municipal bond yield. The standard of 1.5% for median household income is an existing standard. His office plans to address affordability at the next Clean Water Advisory Council meeting. The user rates in the State will be looked at in detail, and recommendations will be made to the Clean Water Advisory Council. Mr. Deputy will have a determination in February 2009.

Commissioner Coluzzi said that a portion of the loan could be a four-year loan as opposed to 20 years. Mr. Deputy said that the USDA has loan assistance. This portion of the loan will help to reduce the costs to the users of the project. USDA monies are paid at the end of the project. Interim financing may be needed or the entire project may be funded through the State Revolving Fund; and have the USDA buy out a portion of the loan at the end of the project.

Ms. Linda Kauffman, Laurel Street, asked if the potential loan amount is for 100% or if there are matching City funds. Mr. Deputy said that the loan amount through the State

Revolving Fund can be for 100% financing, and the life of the loan can be extended to 30 years if needed. The life of the USDA loan goes to 40 years. Ms. Kauffman asked how the communities' needs are ranked. Mr. Deputy said that the ranking is based on water quality data and readiness to proceed.

Commissioner Barbour asked in regard to median household income, if the households that are not full-time residents are excluded from calculating the interest rate. Mr. Deputy noted that all household incomes according to the census are included in the calculations.

Mr. Mike Izzo of Sussex County said that project costs are eligible. Mr. Deputy said that all costs associated with the project are eligible for funding. An invoice for incurred costs can be submitted at the loan closing, and a check will be forwarded to the City for those costs.

Mayor Cooper said that for the City to get permits, it will need to front money before being reimbursed over the life of the loan. Mr. Deputy said that a short term planning and design loan for initial planning design is the only money that can be gotten once it is approved. Mayor Cooper asked if there is an origination fee. Mr. Deputy said that there are no origination fees, but there are lawyers' fees which are approximately \$2,000.00.

Ms. Kauffman asked if there is a requirement that a funding plan needs to be put forth before March 2009. Commissioner Mills said that in Mr. Rip Copithorn's presentation at the first workshop had that timeline for funding sources to be lined up.

DNREC and Sussex County representatives in attendance were: Mr. John Schneider of DNREC and Mr. Mike Izzo of Sussex County.

Commissioner Mills gave a presentation. He had met with Mr. Mike Izzo prior to the meeting in regard to the alternatives which have been studied in the past and present. The

Commissioners' objective is the selection of alternate discharge because there is a deadline of December 30, 2014 on the consent order. Four alternatives have been identified for consideration through discussions with the City, County and DNREC. They are: Land application, rapid infiltration beds, subsurface injection and ocean outfall. Rapid infiltration beds have been eliminated from consideration. Shallow and deep well injections were rejected. Spray irrigation onto land purchased/owned by the City was rejected. Stearns & Wheler is developing estimates regarding ocean outfall.

The option of spray irrigation via a vendor was eliminated. Spray irrigation via partnering with Sussex County and sending the City's raw waste or treated wastewater to County facilities for spray irrigation is currently being addressed by seeking funding the Clean Water Advisory Council to perform engineering and costing analyses. Spray irrigation via three-way partnership with outside vendor, Sussex County and the City is under consideration. Ocean outfall via sending raw waste or treated wastewater to the South Coastal facility was an option that had been looked in 1990. Commissioner Mills asked what other alternatives

had been considered in the past, and if any alternatives have been overlooked. Mayor Cooper said that he had participated in a study by Professor Gallagher regarding wetlands and lands around the Lewes treatment plant. Commissioner Mills identified viable alternatives as of today as ocean outfall, land application by Sussex County, and possibly land application by an outside vendor. The next steps are to pursue pricing of each alternative, determine user fees, identify funding, and debate the merits of each alternative. Commissioner Mills had spoken with Mr. Deputy at the last Clean Water Advisory Council meeting and had asked for a planning grant. A grant is available, but in terms of applying for the grant, it has been postponed until February 2009. Commissioner Mills thought that perhaps the Clean Water Advisory Council would accommodate Mr. Deputy, Mr. Izzo and himself to have a January 2009 meeting to consider the grant. Mayor Cooper did not want to wait until February 2009. Commissioner Mills suggested that City Manager Gregory Ferrese enter into a contract with the County to hire an engineering firm to get that underway at the City's cost.

Mr. Izzo said the estimate for the engineers to form the scope of work at a cost of \$38,000, consulting fees for the City at \$15,000 which would total \$53,000; and DNREC will fund 50% of the costs. Mayor Cooper said there was no problem in moving forward with this.

Mr. Deputy indicated that the planning grant will be on the agenda until December 17, 2008. Mr. Izzo had provided the scope of work on December 12, 2008, and the City has asked for additional work. He asked if there can be an agreement to be satisfied with a grant of \$26,500.00, the cost of the study being possibly more than \$53,000, and splitting the difference. Mayor Cooper was pleased with Mr. Deputy and DNREC's offer, but he was concerned with being locked into a scope of work that he did not think was complete.

January 5, 2009 Workshop Meeting

Agenda:

“Public discussion concerning alternate wastewater discharge methods, funding, permitting, other areas of interest; planning future discussions and related matters.”

Minutes of the January 5, 2008 meeting regarding this agenda item:

Mayor Cooper called for public discussion concerning alternate wastewater discharge methods, funding, permitting, other areas of interest; planning future discussions and related matters.

Commissioner Stan Mills mentioned that the Commissioners are still waiting for cost analyses, and he wondered what progress has been made on the ocean outfall costing and on talking about a partnership with the County. Commissioner Kuhns had referred to a letter, dated December 19, 2008, from Mr. Dave Baker, Sussex County, to the Mayor and Commissioners asking for input in doing an evaluation study. Mayor Cooper has spoken with Mr. Baker and is trying to set a meeting with the County's and the City's engineers to discuss the scope of work. Mayor Cooper would like to understand, before the Commissioners approve the scope of work, why the County is proposing that the flow would be equalized. When the County made its presentation to the Wastewater Council, the alternative of the City sending its raw waste to the Inland Bays facility is \$40,000,000.00 more than the ocean outfall. It would be helpful to understand how to get the cost down. Commissioner Mills said that the Commissioners have the preliminary scope for the City and the County, so it is a matter of meeting with them to get it finalized. He would like to be included in the meeting. The scope needs to be finalized before the submittal can be finalized for a planning grant. The Wastewater Council meets on January 21, 2009. Mayor Cooper said Mr. Terry Deputy had indicated that he would ask to have a meeting.

Mayor Cooper had asked the County if it is willing, wanting or able to partner with the City and take the City's waste to the Inland Bays facility. In the meantime, the County had applied for a grant from the Wastewater Council which would be a 50% grant that would need to be matched by an equal amount, to hire a consultant. In this case, it would be a combined effort between the County's consultant and the City's consultant to look at what would be involved with that and the costs. The County came up with a scope of work, and it is proposing that the City would send the County equalized flow which would require that the City would maintain tankage and the headworks at the plant. This would result in a substantial cost and would not be desirable from the City's standpoint. The Wastewater Council could approve this on January 21, 2009. Mayor Cooper said that in regard to ocean outfall, Mr. Rip Copithor of Stearns & Wheler had assured him the report is being drafted with cost estimate.

Commissioner Mills had put a call into former Representative Greg Hastings who is the Chair of the State Authorized Spray Irrigation Task Force. The report is due January 15, 2009. He wanted to see if the Task Force was on its timeline. If so, he suggested presented the report at the next meeting.

January 20, 2009 Regular Meeting

Agenda:

“Public discussion concerning alternate wastewater discharge methods, funding, permitting, other areas of interest; planning future discussions and related matters.”

Minutes of the January 20, 2009 meeting regarding this agenda item:

Mayor Cooper called for public discussion concerning alternate wastewater discharge methods, funding, permitting, other areas of interest; planning future discussions and related matters.

Mayor Cooper reported that on January 7, 2009, a meeting was held between the City and the County. Mayor Cooper, Commissioner Mills, Mr. Rip Copithorn, Mr. Ferrese, County Engineer and County Administrator were present. The County Engineer had put together a scope of work which is adequate and was forwarded to the Clean Water Advisory Council by the middle of last week for a meeting to be held on January 21, 2009. When the scope of work was expanded, the pricing has increased. Hopefully the Clean Water Advisory Council will approve the grant on January 21, 2009 which would be 50% of the cost. The contract will need to be approved by County Council with its engineering firm to do its part of it before the scope of work can be started.

Commissioner Mills has contacted former Representative Greg Hastings on the Spray Irrigation Task Force and is still waiting on a response to present the report to the Commissioners. The report was due out on January 15, 2009, and Commissioner Mills will find out what the status is of the report.

Ms. Linda Kauffman, President of the Homeowners' Association, presented questions to be conveyed to the Commissioners for answers to update its members. She asked if the City will consider going out for RFP or bid again to get specific costs for either the ocean outfall or spray irrigation, or both; and if not, why not. Mayor Cooper said that the Commissioners are asked to take a position that has not been advertised on the agenda. It is not something that is factual which can be responded to because there would have to be a changed circumstance for the Commissioners to consider that. Ms. Kauffman said that there might have been flawed pieces in the process. She noted that the costs to provide the RFP were hefty because of engineering studies that would have had to have been done similar to the argument that was given for the engineering studies that would have had to have been done for ocean outfall that the City chose not to do because of the costs. Ms. Kauffman asked if cost is going to be a factor that is to be considered, then how is the cost derived; and if it is not by RFP, then what is needed to get to the spray irrigation costs. Mayor Cooper said that the City went out for an RFP and received no real response. As part of the bid process, none of the firms wrote a letter and said that this is unfair or that the City needs to pay them to develop the RFP because there are costs associated with it. Ms. Kauffman asked if there was any analyses as to why the Commissioners did not get any responses and if that could be corrected to get a better response. Mayor Cooper said no, and he has his own reasons.

Ms. Kauffman asked how a cost estimate is gotten for spray irrigation so it can be compared to a cost estimate for ocean outfall. Mayor Cooper said that this was done in the original report. The City can own and operate the spray facility which was looked at in the report which could be revisited if desired. He is hoping soon to get the engineer's final report on the detailed costing of ocean outfall. Ms. Kauffman asked if there is an estimate for spray irrigation. Mayor Cooper said that the City is going to develop it with the County. Ms. Kauffman asked if the Commissioners have considered a referendum on the issue of

which method should be used and letting citizens decide which method potentially could be used by looking at a referendum. Mayor Cooper said that a referendum would be needed to decide what the referendum question was because there will be lots of arguments around both sides. Ms. Kauffman noted that the Homeowners' Association Board supports the beginning to add a surcharge on to water and sewer rates over a four or five year period. The reasons are to build up an escrow and to begin to get people acclimated to the costs over a period of time. The Board will be taking action and supporting one method or another, and when that meeting is scheduled the Commissioners will be invited to attend.

February 2, 2009 Workshop Meeting

Agenda:

“Public discussion concerning alternate wastewater discharge methods, funding, permitting, other areas of interest; planning future discussions and related matters.”

Minutes of the February 2, 2009 meeting regarding this agenda item:

Mayor Cooper called for public discussion concerning alternate wastewater discharge methods, funding, permitting, other areas of interest; planning future discussions and related matters.

Mayor Cooper reported that a final schedule of work was put together for the study to look at partnering with the County. The cost increased to approximately \$74,000.00. Commissioner Mills, Mr. Gregory Ferrese and Mayor Cooper had attended the Clean Water Advisory Council Meeting which was held in Dover, DE. It was passed by the Council when presented by Mr. Terry Deputy. On January 27, 2009, the County Council approved the contract. The Clean Water Advisory Council will then recommend to the Secretary of the Department of Natural Resources for approval. A kick-off meeting will be held on February 5, 2009 with the County engineers, and the City engineer will be present.

February 17, 2009 Regular Meeting

Agenda:

“Public discussion concerning alternate wastewater discharge methods, funding, permitting, other areas of interest; planning future discussions and related matters.”

Minutes of the February 17, 2009 meeting regarding this agenda item:

Mayor Cooper called for public discussion concerning alternate wastewater discharge methods, funding, permitting, other areas of interest; planning future discussions and related matters.

Mayor Cooper said that since the last meeting, the County was going to approve a contract with its consultant to look at the joint disposal of the City's wastewater with the County. On January 10, 2009, there was a kick-off meeting that the County held with its engineers, and Commissioner Mills, Mr. Gregory Ferrese, Mayor Cooper, Mr. Rip Copithorn of Stearns & Wheler were in attendance. Mayor Cooper has since forwarded information he has to the County's consultant regarding the City's treatment plant. The next meeting will be held on March 6, 2009.

Commissioner Mills noted that the report would be completed sometime in April 2009 regarding sending raw or treated wastewater to a County facility. After that evaluation, there will be estimated user fees for the different options.

Mayor Cooper entered all of the sewer billings for a year to calculate an average bill. The State uses a figure of 240 gallons per day per EDU. Multiplying what the City's rates are would result in approximately \$494.00. Mayor Cooper calculated an average of \$325.00 for actual sewer billings. In the third quarter of the year, 52% of the year-round of the total is used. The average customer would use approximately 25,000 gallons in that quarter, but only 4,000 gallons in the first quarter of the year. The number of accounts which had no usage in the first quarter of the year was substantial. No usage is balanced out with high summer usage.

Commissioner Mills noted that the State appointed Spray Irrigation Task Force's report was due January 15, 2009, and he will forward this report to the Commissioners upon receipt.

March 2, 2009 Workshop Meeting

Agenda:

“Public discussion concerning alternate wastewater discharge methods, funding, permitting, other areas of interest; planning future discussions and related matters.”

Minutes of the March 2, 2009 meeting regarding this agenda item:

This meeting was cancelled because of a snow storm and was not rescheduled.

March 16, 2009 Regular Meeting

Agenda:

“Public discussion concerning alternate wastewater discharge methods, funding, permitting, other areas of interest; planning future discussions and related matters.”

Minutes of the March 16, 2009 meeting regarding this agenda item:

Mayor Cooper called for public discussion concerning alternate wastewater discharge methods, funding, permitting, other areas of interest; planning future discussions and related matters.

Mayor Cooper reported that a meeting was held with the County in Georgetown, DE on March 6, 2009 about the joint study. Commissioner Mills, Mr. Ferrese, Mayor Cooper and Mr. Rip Copithorn of Stearns & Wheler were in attendance. There was discussion of the issues involved and what would need to be done on the City's and County's ends to make that happen. Copies of a report regarding the ocean outfall costs were distributed today from Stearns & Wheler to the Commissioners and the County. The cost for ocean outfall was approximately \$35,000,000.00 which includes the entire construction, pumping station, pipes, etc. Data has been supplied that includes operational costs. The average bill is approximately \$325.00 per year, and the costs will be approximately 110% increase with the assumption that it would only be 20 years of financing with 4.4% interest. The text of the report will be placed on the City website. The Commissioners will review the report and advise Mayor Cooper about Mr. Copithorn going over the report at a future meeting.

Commissioner Mills reported that a study is being done in partnership between the City and Sussex County where the County would take either the City's raw sewage or its treated wastewater. The timeline for the first presentation to the County Council is April 21, 2009. A presentation might possibly be scheduled for the May 2009 Workshop Meeting. Mayor Cooper said that the County has a lot of work to do with a costing model that would work for it.

Mr. Timothy Spies, 53 Columbia Avenue, asked if the County is partnering with a public utility such as Artesian Water Company or Tidewater; or if the County is doing this on its own. Mayor Cooper said that the County is not partnering with a public utility.

April 3, 2009 Workshop Meeting

Agenda:

“Public discussion concerning alternate wastewater discharge methods, funding, permitting, other areas of interest; planning future discussions and related matters.”

Minutes of the April 3, 2009 meeting regarding this agenda item:

Mayor Cooper called for public discussion concerning alternate wastewater discharge methods, funding, permitting, other areas of interest; planning future discussions and related matters.

Mayor Cooper reported that on April 1, 2009, the County held a meeting with its engineers. The County was shocked with the total size of the scope of what could be looked at in regard to the City partnering with County. The scope will be retooled. The engineers are committed to having it take a minimal amount of time, and they had originally hoped to present the scope to the County Council on April 21, 2009. Prior to the last meeting of the Mayor and Commissioners, the report was handed out from Stearns & Wheler regarding the cost for ocean outfall.

Commissioner Kuhns asked if Mr. Rip Copithorn of Stearns & Wheler and a speaker from the County could be present at the next Workshop Meeting regarding their findings in regard to an alternate wastewater discharge method and costs. Mayor Cooper thought that Mr. Copithorn could be present. Mayor Cooper suggested that the ocean outfall be incorporated with the findings from the County. If there is an opportunity for next Workshop Meeting, it will be placed on the agenda.

Commissioner Mills noted that no feedback from the State appointed Spray Irrigation Task Force has been received to date.

April 17, 2009 Regular Meeting

Agenda:

“Public discussion concerning alternate wastewater discharge methods, funding, permitting, other areas of interest; planning future discussions and related matters.”

Minutes of the April 17, 2009 meeting regarding this agenda item:

Mayor Cooper called for public discussion concerning alternate wastewater discharge methods, funding, permitting, other areas of interest; planning future discussions and related matters.

Mayor Cooper reported that a meeting is scheduled with the County on April 30, 2009. No information has been received from the County to date in regard to a proposed partnership discharge system, but information on this matter may be received before the County’s upcoming meeting. As reported at the Mayor and Commissioners Workshop Meeting on April 3, 2009, Mayor Cooper thought that the County had done a good job with the technical aspects of a joint partnership system and what the present capacities are and

ultimate capacities would be at the County's two wastewater treatment plants. When the consultants presented the capital costs with all that is proposed, it was a shock. The County wanted to review what needed to be done right away and in the near future, and postpone some aspects of the proposed project. It is basically up to the County to decide what it would be willing to go forward with. The year 2015 is when the City would be online, and many things need to happen before 2015.

Commissioner Mills requested clarification as to whether more time would be needed for an analysis of the user fees after the report is received from the County, or the user fees would be known simultaneously with when the report is received. He thought that it would be the former. Mayor Cooper said that as long as the report is presented correctly, it should not take too much to plug that into the City's user fees. For the most part, it all is a function of what is the total cost to the City vis-à-vis of what the cost is today. Mayor Cooper thought that when the County has all the capital costs instilled, it will have work to do to come up with a financial model in the sense of the City's share in something which has already been built and that the County wants to be compensated for that, the land that might be used, what kind of compensation the County wants for the Inland Bays, etc. Commissioner Mills hoped that by June 2009, the Commissioners should be discussing all of the alternatives. Correspondence was received from WSI International at www.wsi-llc.com, who is interested in the alternate wastewater program with regard to water reuse technologies. The report from the State's Spray Irrigation Task Force which was due January 15, 2009, has not been completed to date.

May 1, 2009 Workshop Meeting

Agenda:

“Public discussion concerning alternate wastewater discharge methods, funding, permitting, other areas of interest; planning future discussions and related matters.”

Minutes of the May 1, 2009 meeting regarding this agenda item:

Mayor Cooper called for public discussion concerning alternate wastewater discharge methods, funding, permitting, other areas of interest; planning future discussions and related matters.

Mayor Cooper reported that the meeting with the County regarding the study on Rehoboth sending treated or raw sewage to a County facility for discharge was postponed from April 30, 2009 to May 4, 2009.

Commissioner Mills has received the undated Spray Irrigation Task Force Report. Once the report has been verified that it is the final version, he will forward it to the Commissioners for their review. The report will be placed on the City website. Commissioner Mills recommended that Mr. Rip Copithorn of Stearns & Wheler be in attendance at the May 15, 2009 Regular Meeting, and Mr. Copithorn and County

representatives be in attendance at the June 19, 2009 Regular Meeting to discuss the partnership report regarding the City sending treated or raw sewage to the County facility.

May 15, 2009 Regular Meeting

Agenda:

“Presentation by Rip Copithorn of Stearns & Wheler on their report dated March 2009 regarding the cost to construct an ocean outfall to replace the City’s Canal discharge of its treated wastewater effluent and public discussion concerning alternate wastewater discharge methods, funding, permitting, other areas of interest; planning future discussions and related matters.”

Minutes of the May 15, 2009 meeting regarding this agenda item:

Mayor Cooper called for the presentation by Mr. Rip Copithorn of Stearns & Wheler on their report dated March 2009 regarding the cost to construct an ocean outfall to replace the City’s Canal discharge of its treated wastewater effluent and public discussion concerning alternate wastewater discharge methods, funding, permitting, other areas of interest; planning future discussions and related matters.

Mr. John Schneider of DNREC was in attendance at the meeting. The March 2009 report is currently available on the City website.

Mr. Rip Copithorn of Stearns & Wheler presented an update on Ocean Outfall Alternative. He has been working with the City on what is a parallel path that the City is exploring, and that is looking at land application for disposal of treated wastewater and ocean outfall as wastewater alternatives. Mr. Copithorn’s presentation this evening is on ocean outfall. He had talked to marine contractors to define the cost estimates to further determine a user charge. The location of the outfall would include a new pump station at the wastewater treatment plant to pump the treated effluent along a proposed route. The force main would run from the wastewater treatment plant along State Road crossing over Rehoboth Avenue and along Henlopen Avenue to the beach entrance. The report is very detailed as to how the outfall may be built. There are several different construction techniques which could be used to build the outfall. A more conventional approach would be to excavate the street to build the force main. Directional drilling was also looked at where burrowing underground would occur. Directional drilling also has advantages in terms of environmental impact. The two types of pipe material looked at were: concrete encased steel pipe which has been typically used for outfall and high density polyethylene pipe (HDPE) which is more prevalent. The advantage to the HDPE pipe is that it is corrosion resistant. When the HDPE pipe is full, it is buoyant. In using the conventional trenching-type construction technology, an eight foot deep section would be dredged out. The bedding material would be barged in and applied from the bottom. The pipe would be laid and would

be backfilled from a barge. The ballast rock and armor rock would be laid on top to protect the pipe from turbulence in the ocean and any movement above from a possible anchor. When the pipe is floated out over the trench, concrete collars are required to sink the HDPE pipe. A screw anchor could be added to the sides of the concrete collar which would be burrowed into the sea bed to further stabilize the pipe. The diffuser is located at the end of the outfall pipe and is a series of ports that are designed to inject treated effluent so it quickly disperses and mixes with the sea water. The construction techniques for conventional excavation are establishing a construction area at the shore; establishing a pipe spooling area; installing sheet piling through the surf zone; excavating; dredging to the diffuser; laying the bedding material; pulling the pipe and welding sections; backfilling and installing the armor pipe; installing the diffuser; removing the sheet piling and restoring the area. Divers would install the diffusers onto the structure. The construction techniques for horizontal direction drilling (HDD) are establishing a construction area behind the dunes in the parking area; establishing a pipe spooling area; drilling a pilot hole the length of the outfall and reaming to a larger diameter; pushing the pipe from shore side and welding sections; dredging for the diffuser section; installing the diffuser using divers and restoring the area. Mr. Copithorn was not sure if directional drilling can be done. The soil boring geo-technical information is positive which indicates that directional drilling can be done. Actual borings at the specific site would need to be done. A few additional upgrades would be recommended or required for the wastewater treatment plant. They include a new effluent filter, pump station and motor control center improvements. The original engineer's estimate for the cost of the outfall and the diffuser is \$25,900,000.00. Estimates were received from Weeks Marine from the New Orleans area and Worley Parsons based in Australia. The average cost for HDPE pipe, excavation and buried pipe is \$19,700,000.00. The average cost for HDPE pipe, directional drilling and boring is \$18,400,000.00. The cost for the wastewater treatment plant is \$3,700,000.00, and the pump station and force main is \$3,900,000.00. The total capital cost is \$27,300,000.00, and the project cost is \$34,600,000.00. It is anticipated that the annual interest rate from the Delaware Water Pollution Control Revolving Loan Fund would be 4.4% for a 20-year term. The costs would be shared by the different service districts who would Rehoboth Beach, Dewey Beach, Henlopen Acres and North Shores. The average daily use per resident is 150 gallons per day, and the typical annual charge is \$325.00. The proposed user charge for Rehoboth Beach is \$680.00. If the City decides to go with an outfall, there are a number of permitting issues to go through from Federal and State agencies. The Federal agencies would involve the US Corps of Engineers (USCOE), Environmental Protection Agency (EPA), US Fish & Wildlife and US Marine Fisheries. The State agencies would involve DNREC, Coastal Zone Management, Delaware State Historic Preservation, and Soil & Water Conservation. The environmental impact assessment requires baseline studies, water quality impacts, public health impacts and dilution modeling. A timeline was provided to show the date of the permit on October 5, 2005 through to the date to be in compliance, December 14, 2014. Mr. Copithorn expected a minimum of three years for the permitting process to occur, and construction could be done in one season. The alternative study was completed in August 2005. Baseline studies can be done along with geotechnical studies. A decision is needed in the near future. Discussion ensued as to whether some ocean outfalls are being removed in other parts of the country.

Commissioner Mills commented that none of the pipes are surface mounted anywhere. The staging area at Deauville Beach will be restricted to the parking lot area. Mayor Cooper said that if a space could be found which is cost effective and is not too imposing, that location would be used.

Mr. Copithorn said that an alignment study should be done for the location of the forced main from the wastewater treatment plant to the beach area. The disturbance during construction to bury the pipe along the street is temporary.

Commissioner Mills asked if a wastewater district could be clarified. Mayor Cooper noted that in regard to the wastewater district, there is a different rate schedule for the Rehoboth Beach, Dewey Beach, Henlopen Acres and North Shores customers. The City customers pay what is billed by the City. After the City of Lewes and the City of Rehoboth Beach split from the partnership with the County, the two entities had to agree that they would plan for the area around them. The U.S. EPA said that it was not going to accept any solution which did not include sewerage east of the canal. The City had to take that over. The City contracted with the County on behalf of Dewey Beach, and there was a separate contract for Henlopen Acres where the City takes the cost of the plant on an annualized basis and they pay on a quarterly basis based on an estimate of the cost. The County pays their proportionate share plus a 15% override for overhead and billing costs. The City collects the actual costs of operating the wastewater treatment plant on a proportional basis from the County on behalf of Dewey Beach and Henlopen Acres. At the time when this plan was in design, the City had some wastewater from 21 Ocean Drive in the area of that immediate vicinity. North Shores had paid double the in-town rate, but the County would not accept it if the rest of it did not get sewered. The capital costs were paid upfront less the grant money. The City contracted to sewer the rest of it. The contract with the North Shores Board of Governors said that the City collects the cost of operation, and the City would get a 50% override on that. The City's auditors, in view of the contract years ago, made the decision that with capital costs, the City would only recover in the form of depreciation. When the City spent approximately \$3,000,000.00 to do the upgrades to get the nutrients down which added to the cost of the plant, it added to the depreciation; and the City recovered it through the depreciation.

Commissioner Kuhns said that the cost estimates in the 2004 report were approximately \$35,000,000.00, and today they are approximately \$35,000,000.00. In the 2004 report, the dollar amounts were put into the 2012 dollars, so the costs would be approximately \$40,000,000.00. A small amount of that money will go to engineering fees, but the construction is when the City starts paying. In the 2004 chart and the chart from today, there are inconsistencies. The annual costs in 2004 were \$5,300,000.00, and today it is \$4,500,000.00. In 2004, the interest on an annual basis was \$1,750,000.00 at 4%, and now the interest is \$800,000.00 at 4.4%. Commissioner Kuhns thought that the interest on 4.4% will be more annually than what it is now. He questioned the figures presented. In the 2004 report, there are additional O&M costs for the wastewater treatment plant at approximately \$400,000.00 per year. The costs were not listed in the current chart. Mr. Copithorn said that the \$400,000.00 is excluded because those costs were discretionary and did not have to be budgeted for. He will review whether that figure was per year or not. In 2004 report,

the typical user rate would go up 223%, and today, it is being said that it will go up 110%. Mr. Copithorn said that the estimate is \$680.00 based on the current cost estimate vs. \$977.00 from 2004. Mayor Cooper thought that the 2004 report was flawed in the sense that the revenues were looked at for the wastewater treatment plant as opposed to the expenses. There is a \$1,200,000.00 in revenue, but there is only \$800,000.00 in costs associated with the City. The City is already \$400,000.00 towards its goal, then the cost is increased to Dewey Beach and Henlopen Acres but reduces it to the City. The City has bonds on the elevated storage tanks which will be up in three years; and the principle and interest on those are approximately \$380,000.00 per year.

Commissioner Kuhns has heard from representatives of DelDOT that when a street is torn up, it has to be replaced with curbs. He suggested that this matter should be looked into and the costs associated with doing this. Commissioner Kuhns was concerned with the possibility of the County not partnering with the City for ocean outfall which may result in losing approximately 40% in revenue. Mr. Copithorn said that the costs are independent. If Sussex County were to partner in a regional outfall, it would need to build a pump station. Commissioner Mills said that the City last met with the County and consulting engineers on May 4, 2009 in regard to its report on sending treated effluent or raw sewage to a County facility for disposal. The next meeting will held on June 1, 2009.

Mr. Paul Lovett, 510 Rehoboth Avenue asked if directional drilling is used under the City. He also asked if there is a possibility to go down the Canal so it is not so intrusive on the City. There is room between Henlopen Acres and North Shores which is almost clear of obstructions. Mr. Copithorn that it possible to use directional drilling for the force main. A study could be done in regard to where the pipe would be located.

Mr. Copithorn said that when this is resolved with the County, that is when the ocean outfall vs. land application comparison can be made. Commissioner Mills had suggested that Mr. Copithorn and the County representatives should be present for that meeting.

June 5, 2009 Workshop Meeting

Agenda:

“Public discussion concerning alternate wastewater discharge methods, funding, permitting, other areas of interest; planning future discussions and related matters. “

Minutes of the June 5, 2009 meeting regarding this agenda item:

Mayor Cooper called for public discussion concerning alternate wastewater discharge methods, funding, permitting, other areas of interest; planning future discussions and related matters.

Mayor Cooper, City Manager Gregory Ferrese and Commissioner Mills attended a meeting with the County yesterday at which time the County gave them a financial model for at least part of what is being looked at.

Commissioner Mills said that the Clean Water Advisory Council (CWAC) had a planning workshop this past week. Mayor Cooper, Mr. Ferrese and Commissioner Mills also were in attendance at the meeting. Mr. Joe Corrato, the new Chair would like the CWAC promote water reuse. He would like to re-evaluate all the criteria for assessing wastewater treatment plants before they ask for monies. That conversation will be continue. Commissioner Mills has received the Irrigation Preservation Task Force Final Report which is not dated. He has asked for a list of names of the members. Commissioner Mills would like to post this report on the City website under Ongoing Business. The report refers to spray irrigation and water reuse, and the desire by farmers to use it.

June 19, 2009 Regular Meeting

Agenda:

“Public discussion concerning alternate wastewater discharge methods, funding, permitting, introduction of the report of the Irrigation Preservation Task Force that was established by the Delaware General Assembly, other areas of interest, planning future discussions, and related matters.”

Minutes of the June 19, 2009 meeting regarding this agenda item:

Mayor Cooper called for public discussion concerning alternate wastewater discharge methods, funding, permitting, introduction of the report of the Irrigation Preservation Task Force that was established by the Delaware General Assembly, other areas of interest; planning future discussions and related matters.

Commissioner Mills noted that the next meeting with the County is scheduled for July 8, 2009. A copy of the final report and recommendations from the Irrigation Preservation Task Force was forwarded to the Commissioners. The report was dated May 8, 2009. The membership of the Task Force is identified in House Concurrent Resolution No. 67. Commissioner Mills will forward the final list of actual members to the Commissioners. The General Assembly created the Task Force specifically to locate water re-use for the agricultural industry. The Task Force findings were that the wastewater facility can pipe water to a farm and the farmer can use that water for irrigation. The other scenario is that the wastewater facility would lease the land from the farmer and allow him to farm it. It is

mandated how gallons per day or pay week have to be put on the farmland. In the end of the report, the Task Force evaluates and defines advantages and disadvantages for spray irrigation. The Task Force recommends that the State of Delaware explore ways to provide incentives including utilizing existing funding sources that are available to any wastewater entity that will cease discharging effluent into surface waters and instead divert reclaimed wastewater to farmers' fields. This is not something for the City of Rehoboth to react on and is aimed at a statewide program to advocate this type of program to the different counties.

July 6, 2009 Workshop Meeting

Agenda:

“Public discussion concerning alternate wastewater discharge methods, funding, permitting, other areas of interest, planning future discussions, and related matters.”

Minutes of the July 6, 2009 meeting regarding this agenda item:

Mayor Cooper called for public discussion concerning alternate wastewater discharge methods, funding, permitting, other areas of interest; planning future discussions and related matters.

Mayor Cooper noted that a meeting is scheduled with the County on July 9, 2009.

Commissioner Mills said that this meeting will be in regard to the study undertaken by an engineering consultant to analyze a partnership between the City and the County in taking Rehoboth's raw sewage or treated effluent and disposing of it by land application at a County facility. The onus is on the County to finalize the report and for the Commissioners to analyze it, and for the County Council to weigh in on it too.

July 17, 2009 Regular Meeting

Agenda:

“Public discussion concerning alternate wastewater discharge methods, funding, permitting, other areas of interest, planning future discussions, and related matters.”

Minutes of the July 17, 2009 meeting regarding this agenda item:

Mayor Cooper called for public discussion concerning alternate wastewater discharge methods, funding, permitting, other areas of interest planning future discussions and related matters.

Commissioner Mills said that the Commissioners are waiting for the engineering study regarding partnering with the County to analyze taking the City's raw sewage or treated effluent and sending it for disposal on a County land application or spray irrigation site. Mayor Cooper, Mr. Gregory Ferrese and Commissioner Mills last met with the County and consulting engineers on July 8, 2009. The next meeting to be held with the County and consulting engineers is scheduled for August 11, 2009; and it is anticipated that the report will be received and finalized that this meeting. At the Clean Water Advisory Council meeting which will be held on August 18, 2009, the County will give its presentation on the report. On August 18, 2009 at 3:00 p.m., the County Council will be given the same presentation. Commissioner Mills and possibly Mayor Cooper would like to await a response from County Council to know what its position is before bringing it back before the Commissioners. Mayor Cooper said that the report would be final except for comments, and there may be some changes afterward. Commissioner Mills said that they will have a week to do the final revisions before the public hears the presentation.

August 7, 2009 Workshop Meeting

Agenda:

“Public discussion concerning alternate wastewater discharge methods, funding, permitting, other areas of interest, planning future discussions, and related matters.”

Minutes of the August 7, 2009 meeting regarding this agenda item:

Mayor Cooper called for public discussion concerning alternate wastewater discharge methods, funding, permitting, other areas of interest; planning future discussions and related matters.

Mayor Cooper was not aware of any new developments since the last meeting. A meeting with the County is scheduled for August 11, 2009, but no preliminary information has been received to date. The County Council meeting is scheduled for August 18, 2009 to present the findings of the prior meeting. The Clean Water Advisory Council (CWAC) meeting will be held on August 19, 2009.

August 21, 2009 Regular Meeting

Agenda:

“Public discussion concerning alternate wastewater discharge methods, funding, permitting, other areas of interest, planning future discussions, and related matters.”

Minutes of the August 21, 2009 meeting regarding this agenda item:

Mayor Cooper called for public discussion concerning alternate wastewater discharge methods, funding, permitting, other areas of interest planning future discussions and related matters.

Mayor Cooper reported that a meeting was held with the consulting engineers, the County, and representatives of the City. The outline of the presentation regarding the report on a joint project with the County was put together, and the County's engineers and the County along with assistance from Mayor Cooper made that presentation to the County Council on August 18, 2009 and to the Clean Water Advisory Council on August 19, 2009 in Dover, DE. The County's engineers were asked to issue the report as quickly as possible. Mayor Cooper thought that at some point the Commissioners need to have the presentation, and they need to begin to pull this matter to a conclusion and make a decision. The County Council intends to put this subject back on its agenda for the September 15, 2009 meeting to discuss and possibly make a decision. At the next Workshop Meeting, the Commissioners should discuss how to pull this to a conclusion, what information to present, etc.

Commissioner Mills had prepared a timeline regarding moving forward on this issue, and he distributed it to the Commissioners. At the Sussex County Council Meeting, it was indicated that a vote would likely be entertained to give the County engineer direction. The timeline reflected the Board of Commissioners, Sussex County Council and Clean Water Advisory Council meetings from September 4, 2009 to December 16, 2009. The County presentation could come before the Commissioners at the Workshop Meeting on September 4, 2009. At the September 15, 2009 Sussex County Council Meeting, Sussex County could potentially vote on either eliminating one option or prioritizing several options and moving forward. If not, the Council could potentially meet anytime thereafter. The CWAC will be meeting on September 16, 2009, and one of its agenda items is to meet with DNREC and discuss water reuse. At the September 18, 2009 Board of Commissioners Regular Meeting, Mr. Rip Copithorn of Stearns & Wheler could provide a presentation on the amendment of the March 9, 2009 report. Commissioner Mills would like to look forward and alert the public that this subject is coming to a conclusion soon. He would also like to elicit responses from the public, and possibly set a public hearing date or dates as early as October or November 2009.

Mayor Cooper said that the City should move independently of the Sussex County Council and CWAC. The City should take its own destiny in its hands and decide on this matter. Mr. Rip Copithorn could give a presentation at the same time as the County presentation on September 4, 2009. The City was forced by the TMDL to removed its

discharge from the Canal. If not for nitrogen or phosphorous, the City could continue to pump into the Canal. The City is under a court order at this time because it basically put itself under a court order. The TMDL was issued in 1998, and the City immediately filed an appeal to it in the court and the Environmental Appeals Board. The State moved to keep the City from going to the Environmental Appeals Board, and the court struck that down so the City never did go before the Board. The City then began to negotiate the timeline, etc. In the end, the City along with the County agreed to a consent order in 2002 or 2003. City Solicitor Glenn Mandalas said that it would be a monumental task to get this thing turned around. The City would probably be fighting up to the day of compliance. Mayor Cooper did not think that the bay will be noticeably different; but at least, Rehoboth will not be to blame. Many of the scientists and the people from the State have said that the bays are not flushed very well. If the bays are better flushed, the City may not be in this circumstance. It is not a matter that the wastewater is all that bad, it is just that the wastewater does not get flushed out in a timely fashion. Rehoboth Bay is the best of the three bays with Indian River Bay being the worst because of the more intense farming and chicken operations along it.

Commissioner Kuhns agreed that the Commissioners need to have an opportunity to vote on this, and the only way to do this is by having all the information. He asked if any thought has been given to a referendum to approve the vote of the Commissioners so that the people in the City can weigh in. Commissioner Kuhns referred to the Charter in that the Commissioners may in their sole discretion elect to adopt an ordinance subject to a referendum. In such an event, the Commissioners shall at the same time such ordinance is adopted, pass the resolution subjecting such ordinance to a referendum. Commissioner Mills clarified to go beyond a public hearing where people would voice their opinions, and have a more formalized vote process. Commissioner Kuhns said that after the public hearing when the information is out in the public, the Commissioners can make their decision; and then have the people in the City make their decision.

Commissioner Barbour was troubled with that suggestion because there are two issues: 1. Science. 2. Economics. Ultimately, it is the responsibility of the Commissioners to decide which is best for the City. Commissioner Kuhns said that because this is a controversial subject and the City is a tourist industry city within a tourist industry county, the property owners and residents in the City need to weigh in on this subject. Once all the information is on the table, it will be easy for the community to make a decision as well as easy for the Commissioners to make a decision.

Mayor Cooper said that the City has an obligation to inform the citizens. A synopsis should be given to the people with enough information to make an informed decision. This should go out as part of a mailing with a ballot.

Ms. Joyce Lussier, 99 Henlopen Avenue, said that this will be a tough decision, and she would have to trust the Commissioners in making a decision. She would have a problem with voting in a referendum, and she thought the decision should be left up to the Commissioners.

Mr. Paul Lovett, 510 Rehoboth Avenue, said because this will be costly, that possibly a presentation could be done by those people who originally thought a wastewater alternative should happen. The rationale might need to be redeveloped.

Commissioner Barbour said that the Commissioners need a simple way of explaining this subject to the public. A clean history needs to be developed, and it should be put on the City website. The people should be given a broad outline of this subject. Commissioner Mills would be willing to work with Mayor Cooper in putting together a presentation.

Ms. Cindy Lovett, 510 Rehoboth Avenue, asked if anyone has looked to see if there is a new technology to clean out more nutrients to get the nitrogen and phosphorous to zero. Mayor Cooper said that the effluent has to be at zero. Commissioner Mills said that water can be discharged into any body of water if the nitrogen and phosphorous are at zero, but the technology is non-existent today to do that.

Mayor Cooper will talk with Mr. Rip Copithorn and the County in regard to presentations for the Workshop Meeting on September 4, 2009.

September 4, 2009 Workshop Meeting

Agenda:

“Public discussion concerning alternate wastewater discharge methods, including presentation of the results of the joint study with Sussex County to investigate the feasibility of a joint City/County land application project, input from the City’s engineers, Stearns & Wheler, funding, permitting, other areas of interest; planning future discussions and related matters.”

Minutes of the September 4, 2009 meeting regarding this agenda item:

Mayor Cooper called for public discussion concerning alternate wastewater discharge methods, including presentation of the results of the joint study with Sussex County to investigate the feasibility of a joint City/County land application project, input from the City’s engineers, Stearns & Wheler, funding, permitting, other areas of interest; planning future discussions and related matters.

Mr. Dave Baker, County Administrator, Mr. Dennis Hasson with the County’s engineering firm, Mr. Rip Copithorn, the City’s engineer with Stearns & Wheler, Mr. Bob Stenger, Rehoboth Beach Wastewater Treatment Plant Superintendent, Mr. Greg Pope of DNREC and Ms. Jule Gibbons, County engineer were in attendance at the meeting.

Mr. Dave Baker noted that Mr. Hasson’s presentation was given on August 19, 2009 to the State of Delaware Clean Water Advisory Council and on August 18, 2009 to Sussex County Council. This presentation is a summary of work done to date on the joint study funded by the State of Delaware, City of Rehoboth Beach and Sussex County. This

presentation also reflects what the Clean Water Advisory Council heard and what Sussex County Council heard in August 2009.

Mr. Dennis Hasson said that the purpose of “A Regional Planning Report To Assess The Joint Sussex County And The City of Rehoboth Land Application Project” was to look at the feasibility of the City of Rehoboth participating in a land application project with Sussex County and comparing that to work which was previously done with respect to ocean outfall. The planning period looked at was from the present to 2030. Design flows consisted of West Rehoboth expansion flows which contribute 4.4 million gallons per day (MGD), Inland Bays service area flows contribute 2.9MGD and the Rehoboth Beach flows which include Dewey Beach, Henlopen Acres and North Shores contribute 2.5MGD. In 2030, the treatment and disposal capacity needed is 9.8MGD. The north coastal planning area is defined by the inland bays to the south, Atlantic Ocean to the east, the bay to the north and Route 24 to the west. In this planning area, there are both existing and proposed sanitary sewer districts. The County operates West Rehoboth, the Long Neck area and Oak Orchard which are existing sanitary sewer districts. Currently, construction is soon to start in the Angola planning area. Central to the planning area are three major wastewater treatment facilities: Wolf Neck in the West Rehoboth area which is a lagoon treatment land application plant, City of Rehoboth Beach which is a nutrient removal wastewater plant located within the City limits, and Inland Bays land application plant which is a Sussex County owned and operated facility. Raw wastewater alternatives which were looked at are: 1. City of Rehoboth discontinuing the operation of its wastewater treatment plan and sending raw wastewater to the Wolf Neck facility for treatment and disposal; and what could not be treated there, would be sent to the County’s Inland Bays regional wastewater facility. 2. City of Rehoboth discontinuing the operation of its wastewater treatment plan and sending raw wastewater to the Wolf Neck facility; and the excess capacity which could not be treated there, would be sent west to a treatment site owned and operated by a private wastewater provider. Treated effluent options which were looked at are: 1. City of Rehoboth continuing the operation of its wastewater treatment plant and sending treated effluent to the Wolf Neck facility for disposal; and the excess capacity would be sent to the County’s Inland Bays regional wastewater facility. 2. City of Rehoboth continuing the operation of its wastewater treatment plant and sending treated effluent to the Wolf Neck facility for disposal; and the excess capacity would be sent west to a treatment site owned and operated by a private wastewater provider. 3. Because of this being a separate treatment and disposal option, the City and the County would go their separate ways. The City of Rehoboth, instead of participating in the joint land application project, would send its flow to the ocean outfall, and then the County would send what it cannot treat at Wolf Neck south to the Inland Bays facility. Mr. Hasson presented capital costs for the various alternatives. In summary, projects involving land application are more beneficial to Sussex County, and the project involving ocean outfall is more beneficial to the City of Rehoboth. The most expensive alternative regarding user rate impacts would be treatment provided by the private service provider followed by joint land application. The least expensive alternative would be the County continuing to pump to the Inland Bays facility, and the City’s ocean outfall project. The origin of the figures for the private provider scenario came from the County meeting with private providers who gave a preliminary agreement based

on bulk rate for wastewater treatment. The bulk rate was used to calculate the cost from the private provider.

Commissioner Mills said that a Request For Proposal (RFP) was not done, and private providers did not give prices specific to this. The private provider gave the County a price approximately one year ago, and it used their old figures. The County needs to expand regardless of what the City does. Alternative 4 was not a part of the study. It referred back to something which was presented approximately one year ago.

Mr. Baker noted that in June 2008, the County Council voted to go with the spray irrigation option for the County's expansion. At the last County Council meeting on August 25, 2009, Mr. Mike Izzo was asked to give a summary of all of the different projects which the County engineering department was working on. The consensus at this meeting was not to change the County's position to go with the spray irrigation option. No matter what the City of Rehoboth Beach decides, the County is involved to a certain extent because Dewey Beach and Henlopen Acres are served by the City. In terms of growth in the West Rehoboth area, the County Council's position at this time is to agree with the position of June 2008.

Commissioner Mills reviewed the timeline. On August 18, 2009, a presentation was made to County Council. At that time, the Council indicated that this topic would be placed on the agenda for the September 15, 2009 meeting. Prior to September 15, 2009, the Council discussed its position. Mr. Baker spoke with the President of the County Council; and at this point in time, this topic is not planned to be on the agenda for the September 15, 2009 meeting. Commissioner Mills suggested that the Commissioners look at the City's timeline without the County's input, and discuss a timeline in moving forward at the next Board of Commissioners' meeting.

Mayor Cooper thought that the City needs to make decisions and provide feedback to others. A letter, dated February 17, 2009, from Mr. Baker to Mayor Cooper had been distributed to the Commissioners prior to the meeting regarding the idea of a RFP for a private land application option requesting the City to share 50% of the cost of it. The City has not acted on this request. It would be helpful to Mr. Baker if the Commissioners would give an answer to him so he could decide to go forward with the RFP even if the City elects not to. Mayor Cooper's position was that the City went out to RFP with considerable costs and received one response, but it was not an offer; and there was no point in giving the information which was contained in the contract that the one provider offered to the County. Commissioner Mills' response was that the City does not want to participate in the County's process, but reasons should be given that the City was not satisfied with the process.

Commissioner Kuhns asked if Alternate 4 is out of the picture. Mr. Baker said that in regard to Alternate 4, the Council's primary concern is cost. From the County's standpoint, there is an additional cost of approximately \$11,000,000.00 for the County. At the August 25, 2009 meeting, there was concern of what the least costly alternative is for the residents. Mr. Baker added that a change where Dewey Beach, Henlopen Acres and North Shores

would not contract to the City for wastewater treatment would not be an impossibility for Dewey Beach, but it would be costly for the County to transfer wastewater to the Wolf Neck or the Inland Bays treatment plants. A change for Henlopen Acres would not be feasible. Mayor Cooper said that if the City participates in something the County is going to do, it will lower the County's costs. If the County was to participate in something the City is going to do, it will lower the City's costs. Commissioner Kuhns said that in regard to Alternate 3, the County would share in 40% of the \$35,000,000.00 of the cost which would be approximately \$22,000,000.00 for the City of Rehoboth Beach. Mr. Baker said that Dewey Beach and Henlopen Acres would pay their share. Mayor Cooper noted that the capital costs of \$35,000,000.00 are expressed as the Rehoboth Beach Wastewater Treatment Plant. The annual costs are expressed for the residents of the City which does not include Dewey Beach and Henlopen Acres.

Mr. Hanson said that the intent for the draft report, "A Regional Planning Report To Assess The Joint Sussex County And The City of Rehoboth Land Application Project" is that it will be finalized. Mayor Cooper said that he would like for the Commissioners to have a final document before a decision is made.

Mr. Rip Copithorn of Stearns & Wheler, commented that the City worked closely with the County in reconciling the numbers in the report. There is confidence in the numbers regarding land application. In terms of the timeline, 2014 is the deadline; but there is no need to panic.

Mr. Greg Pope reiterated the timeline. In January 2010, projects will be solicited for the fiscal year 2011 budget. Projects are ranked on environmental benefit and readiness to proceed. This project has been the highest ranking project as far as environmental benefit for the last five years, but it has not been ready to proceed.

Mayor Cooper said that it is important to get the final report in order to move forward in making a decision. Commissioner Mills said that at the next meeting, he would have a better idea of when the report will be finalized. The next step after that would be the Commissioners' discussion and a public hearing.

Commissioner Coluzzi said that the Commissioners need to have everything together before January 2010 so the application can be made for funding.

September 18, 2009 Regular Meeting

Agenda:

"Public discussion concerning the process and timeline for deciding which of the two identified disposal alternatives – a joint Sussex County/City of Rehoboth land application project and an ocean outfall – the City will pursue for disposal of its treated wastewater, including funding, permitting, other areas of interest, planning future discussions and related matters."

Minutes of the September 18, 2009 meeting regarding this agenda item:

Mayor Cooper called for public discussion concerning the process and timeline for deciding which of the two identified disposal alternatives – a joint Sussex County/City of Rehoboth land application project and an ocean outfall – the City will pursue for disposal of its treated wastewater, including funding, permitting, other areas of interest, planning future discussions and related matters.

Mr. John Schneider, Division of Watershed Assessment with DNREC, was in attendance at the meeting.

Mayor Cooper said that Sussex County and its engineer need to polish up its report, “A Regional Planning Report To Assess The Joint Sussex County And The City of Rehoboth Land Application Project” which was presented at the September 4, 2009 Mayor and Commissioners Workshop Meeting, and forward it to the Commissioners. Tonight, he hoped to have a plan to arrive at a decision and a process before the end of 2009.

Commissioner Mills would like to wait for the County to release supporting data upon which it based its joint report. He talked with Mr. Dave Baker today who had indicated that it may take three weeks to get that done. Once the supporting data is improved, the County wants to present it to County Council. Commissioner Mills, Mayor Cooper and Mr. Ferrese were in attendance at a board meeting at the Inland Bays facility today where Mr. Mike Izzo gave the same presentation which had been presented to the Commissioners. Commissioner Mills would like to have the supporting data available to the public. At the September 9, 2009 Workshop Meeting, Mr. Greg Pope of the Financial Assistance Branch of DNREC, had reminded the Commissioners of the process for funding through the Clean Water Advisory Council (CWAC). Commissioner Mills followed up with Mr. Pope in a telephone conversation and conveyed the process in more detail: 1. File for a Notice of Intent. The deadline is January 31, 2010. The Notice of Intent needs to define which route will be taken – ocean outfall or spray irrigation. 2. CWAC uses current ranking criteria, and it ranks the projects deemed as eligible. In past years, the City has always received top priority. 3. Municipality will be notified in March or April 2010 that it is eligible, and application would be submitted in May 2010. The ranking criteria could possibly be changed which may jeopardize the City’s top ranking. Commissioner Mills mentioned that the College of Marine Ocean & Environment held a seminar in June 2009 intended for government officials and the public. Ms. Mable Granke, 1013 Scarborough Avenue Extended, and Commissioner Mills attended that seminar. He recently met with someone in the Dean’s Office who indicated that its next workshop is intended to evaluate environmental impacts of wastewater treatment options and offshore energy. The College would like to offer its services to set up a panel for educational outreach and to focus on science based information. The seminar could be set up in November or December 2009 if anyone is interested in attending. Commissioner Mills thought that the City needs to be independent of the County with the wastewater alternative. He would prefer that a public hearing should be held in December 2009, but the Commissioners should wait to have the actual vote until January 2010.

Mayor Cooper preferred that the public hearing should be held in November 2009 with a presentation of approximately 15-20 minutes of the history of the process and issues to date, and then allow the public to speak.

Commissioner Barbour said it is important that the Commissioners try to clarify the issues for the public.

Commissioner Bill Sargent thought that more discussion is needed of what some of the environmental issues are for ocean outfall and land application. The Commissioners could make the decision for the specific alternative method in the next month. A document could be created that lays out the Commissioners' rationale of the decision. This document would be presented to the public. It is the responsibility of the Commissioners to filter the data and make a clear statement to the public of why the Commissioners believe that a specific direction is right for Rehoboth, and defend that decision. Commissioner Barbour agreed.

Commissioner McGuinness preferred to have key people from the College of Marine Studies, etc. to make presentations, and then let the people speak. She recommended to schedule a structured public hearing and allow for two hours of input. Easels could also be provided with basic information.

Commissioner Coluzzi did not think that the public would want the Commissioners to make a decision without its input. It is important to have a very structured public hearing releasing some information for people to look at and ask questions.

Commissioner Barbour requested that Mayor Cooper take the structuring of the public hearing under advisement and make a recommendation as to how it will be handled. Mayor Cooper did not think that any of the Commissioners should be presenters at the public hearing. The engineers need to be a part of the public hearing and should be present.

Mr. John Schneider said that as a result of some meetings which occurred this week, a strong preference for the spray irrigation method is emerging in the department at DNREC and CWAC. The direction the CWAC wants to go in is to reuse all wastewater in the State. Mayor Cooper and the Commissioners would be willing to look at the scientific data that land application is better than ocean outfall.

Ms. Mable Granke, 1003 Scarborough Avenue Extended voiced concern that there is a great deal of propaganda about spray irrigation in terms of how beneficial it is for the farmers. The reason this point source was declared that it had to come out of the Canal was because of the inland bays. Science needs to go to the proof of how spray irrigation or ocean outfall benefits the inland bays. Mayor Cooper noted there are environmental issues, and the sites that would be used would need to be looked at along with the existing permits, etc.

October 2, 2009 Workshop Meeting

Agenda:

“Public discussion concerning alternate wastewater discharge methods, including the public hearing scheduled for November 7, 2009, funding, permitting, other areas of interest, planning future discussions, and related matters.”

Minutes of the October 2, 2009 workshop regarding this agenda item:

Not yet approved/available.

October 16, 2009 Regular Meeting

Agenda:

“Public discussion concerning alternate wastewater discharge methods, including the Public Hearing scheduled for November 7, 2009, funding, permitting, other areas of interest, planning future discussions, and related matters. “

Minutes of the October 16, 2009 meeting regarding this agenda item:

Not yet approved/available.

Agendas and minutes compiled by Commissioner Stan Mills
Last updated, October 29, 2009

***Also see city web site www.cityofrehoboth.com for handouts
and presentations distributed during these meetings.***

