

**Aberdeen Council Work Session
July 20, 2009**

Present: Mayor Bennett, Council President Hiob, Councilwoman Elliott, Councilman Kupferman, and Councilwoman Young

Absent: None

Also Present: City of Aberdeen

Douglas Miller, City Manager

Matthew Lapinsky, Director of Public Works

Randy Rudy, Chief of Police

Monica Correll, City Clerk

Doris Manner, Recording Secretary

Harford County Government

David Craig, County Executive

Joel Caudill, Deputy Director of Public Works

Margaret Hartka, Senior Assistant County Attorney

Jacqueline Ludwig, Chief Engineer

The meeting was called to order by Mayor Bennett in the Council Chambers at 4:30 p.m.

1. 6th Amendment

Mr. Miller stated that the 6th Amendment is the City of Aberdeen and Harford County Water Agreement. The requirement is for waste water capacity and TMDL (Total Maximum Daily Loading). The immediate need is for BRAC with a time frame of 5 – 8 years, the median need is 12 – 15 years, and the long term need is for the City of Aberdeen at the time of build-out. At the beginning of the discussions with Harford County, the time frame was 12 – 15 years. Now, due to BRAC, the time frame is shorter. The main water source in Harford County is from Abingdon which provides 10,000,000 gallons per day (gpd). Water is also obtained from Baltimore City. After the 10,000,000 gpd capacity has been reached, there is no additional source of water currently available. The “Big Inch” capacity has been reduced to 54,000,000 gpd.

County Executive Craig said Harford County has been working with the City since the beginning of his term. An agreement has been reached with the City on the amount of water required and the cost.

Mr. Miller noted that the Abingdon facility has been expanded from 10,000,000 to 20,000,000 gpd. Aberdeen needs 900,000 gpd. However, due to constraints, only 300,000 gpd can be made available from Harford County for BRAC. This is the reason for the 6th Amendment. The 300,000 gpd will cost slightly over \$5 M when the Abingdon Plant comes on line. There is a possibility of drawing 50,000 gallons before the Plant is up and running. The median need of 600,000 gallons will be available when an additional raw water source is identified at the Abingdon Plant. Once this source is identified, the City has 730 days to

purchase the remaining 600,000 gallons. The Bulk Water Rate will be \$2.40 as stated in the 6th Amendment.

Mayor Bennett thanked Mr. Miller and County Executive Craig for their work on this issue for the City.

Councilwoman Elliott asked where the \$5 M would come from. Mr. Miller said the City would obtain a loan from the State Infrastructure Loan Program to utilize the State AAA Bond Rating. Councilwoman Elliott asked if this would be one loan. Mr. Miller replied that there would be two loans.

Councilman Kupferman asked if the loan could be available within 2 months. Mr. Miller indicated that the City can borrow smaller amounts to pay debt service through connection fees.

Councilwoman Elliott mentioned the \$16.80 per gallon amount plus other charges and asked if there is any idea of the additional fees involved? Ms. Ludwig said the usage rates were determined through legislation. These rates include rate per gallon, meter rates, and the cost to customers to purchase water. Mr. Miller noted that there is a Susquehanna rate charge on the water also.

Council President Hiob noted that the Council received the 6th Amendment Draft on Friday. He asked if Mayor Bennett is happy with the draft. Mayor Bennett said he was.

Council President Hiob questioned the advantage of the added 300,000 gpd. Mr. Lapinsky stated that this would help the City because its wells have been downgraded and it would allow the City to rest the wells. Council President Hiob said wells function on ground water and most do not have to be rested. Mr. Lapinsky noted that the well capacity has been reduced by 50% over the years and the yield continues to decline. He added that the City has lost 2 wells, and as a result, wells must be redrilled. The downgrade was justified.

Councilman Kupferman asked if there would be EDUs (Equivalent Dwelling Unit) from COPT and the City. Mr. Miller replied that COPT was in the 5th Amendment and does not apply to this. EDUs from the City would come from a historical drawdown. Councilman Kupferman questioned who determines where the EDUs go. Mr. Miller stated that the City's Water Allocation Policy will set the guidelines.

Councilwoman Elliott asked how all projects on record now would be served. Mr. Miller said they would be served with the 300,000 gallons. BRAC requirements will also be satisfied, plus a few additional years.

Council President Hiob asked the status of the Water Allocation Policy. Mr. Miller noted that the City Attorney has finished the draft and submitted it to the Staff for their review. He expected it to be brought to Council by August/September time frame.

Councilwoman Elliott asked if there were any other options. Mr. Miller reiterated that this is the best option to meet immediate needs.

Council President Hiob asked if usage is billed on a monthly basis. Mr. Miller said this is the case for large users. Council President Hiob asked if paragraph 6 on page 7 was necessary. Mr. Miller indicated that it was because it goes into the WRE (Water Reserve Element) Development Area.

Councilman Kupferman noted that 17 areas were approved since 1991 in the Comprehensive Plan. County Executive Craig would have liked to have had a map to show the boundaries, but the City keeps growing and the areas are designated by the State. Councilman Kupferman realizes that the County had problems with growth areas; he asked if there were any changes in this situation. County Executive Craig replied that the County does not make these decisions, the State decides. Ms. Ludwig indicated that the Water and Sewer Master Plan must be reviewed for consistency then MDE must give its approval.

Council President Hiob questioned Page 8 (g) of the 6th Amendment. Mr. Lapinsky said the City does not have enough water in the air and will need added towers. One of which will be for Presbyterian Home.

Councilwoman Elliott asked if the County furnished water to other municipalities and does the cost vary. Ms. Ludwig said water is allocated to Bel Air and Havre de Grace. The water is always obtained from Baltimore City at the rate of 8,000,000 gpd since 1994.

Councilman Kupferman referred to the fact that the County can go from 200,000 million gallons per day (mgd) to 300,000 mgd from the City of Baltimore. Ms. Ludwig said the County is very optimistic this increase will take place. However, no specific date has been set.

Councilwoman Elliott referred to an article on water in Baltimore City. Mr. Miller said the article was on a water main failure, not water availability. Ms. Ludwig mentioned that Abingdon has a gravity feed for supply and is not totally dependent on utilities.

Councilman Kupferman said 64 – 65 EDUs per year would be needed to pay debt service on the \$5 M. Mr. Miller agreed.

Council President Hiob said \$10,886,000 could be paid to the County by June 2011. Mr. Miller indicated that there was a rate on CIP (Capital Improvement Project) at a 6% interest per year. Council President Hiob asked what happens if it is not needed. Ms. Ludwig said the County would have no problem. Council President Hiob wanted to know if there is a Buy Back Clause because this water should be an interim source until other water is available and then it should be sold back to the County at market rate. He asked if Havre de Grace has a Buy Back Clause; Ms. Ludwig said they did. He feels the Council should look at the best scenario for the City. Ms. Ludwig said Amendment 3 has a Buy Back Clause. Mr. Caudill noted that at the time Amendment 3 was drafted, the City was looking at a water plant possibility. The decisions being made now are being based on a long term

water supply to the City. He mentioned that Havre de Grace has excess capacity. County Executive Craig noted that Havre de Grace has 2 water plants.

Councilman Kupferman stated that Aberdeen partnered with APG for water and sewer and he asked if they were included in this decision. Ms. Ludwig said they were not. He also mentioned that the Council received this draft on Friday. The City had a water study done a few years ago including building a new plant. He feels the Council should discuss this option before a decision is made.

Council President Hiob would have liked a meeting with CNA in July. Mayor Bennett asked what this request would accomplish because this option meets needs for short and long term development. What would be the reason to hold up progress? Council President Hiob said the Council has not looked at all options and a few weeks delay is not a "big deal". Mayor Bennett stated that options have been discussed with and by the Council. This is the best option for the City's needs in the short term, median term, and long term. Construction would take at least 2 years and cost approximately \$20 M. This is the best option for the City and its residents.

Councilwoman Elliott asked who did the negotiations. Mayor Bennett said he, along with Councilwoman Young, Mr. Miller, and County Executive Craig. Councilwoman Elliott also wanted additional time to review the agreement.

Council President Hiob noted that no decision would be made today. What is the next step? Mr. Miller said a vote must be taken in a public session and no public hearing is needed.

Mayor Bennett said the project is ready to begin and \$5 M will be recouped in connection fees.

Councilwoman Young asked that the date be checked when the next cycle would begin with the State. She is aware of previous studies and supports this project. The others are not economically feasible.

Councilman Kupferman asked when the increase from 30,000,000 to 40,000,000 gallons would take place. Mr. Caudill said by the year 2050. Ms. Ludwig feels this will help with long range plans because little water will be available until the next expansion which is 40,000,000 mgd in 2025. The 6th Amendment is directed at an intermediate need. House Bill 1141 is for long term demands. There will be 300,000 gallons available now, in 2011 the minimum purchase increases and can be sold if it is not used.

Councilman Kupferman asked if supplemental wells are available if a new plant is built. The election is in November and by the time this plan is in force, November 2011, BRAC will be here. The fast track is for the City to have its own water supply other options can be considered. A meeting with CNA should be set up. If another meeting is set up, Mayor Bennett wants a different firm involved because earlier documents are not accurate. There are ethics and integrity questions on the CNA report.

Council President Hiob mentioned that City employees were also involved. Mr. Miller said Maryland Environmental Service (MES) revealed the options and could be used for this meeting. Mr. Lapinsky recommended Herbert, Rowland & Grubic, Inc. (HRG) who did the COPT study. Council President Hiob said the HRG report had discrepancies.

Councilman Kupferman said Art Helton's name was left off the name of attendees who attended the Swan Harbor meeting and he is sure he gave a perspective. Councilman Kupferman said he did not attend the meeting and would like to have another perspective on the plan. He does not want to get locked in. There is going to be an election and the philosophy of the Council may change. They may want to annex.

Mayor Bennett said that different issues and viewpoints determined the decision and what each plan would do for the City and how it would affect the City and its Citizens.

County Executive Craig said the agreement calls for 900,000 gallons of water; however, up to 3,000,000 could be obtained. To give a perspective how long a water plant takes to build; he became County Executive in 2005, the plant will not be finished until 2011, and they have been working on it very quickly. The County Executive and Harford County Staff left the meeting after wishing all good luck with the decision.

Council President Hiob said 1,500,000 gallons are for City use and 1,500,000 gallons as a backup for APG.

Councilwoman Young asked if the State mandates a backup for Deer Creek water to which the City Manager affirmed that this was case after 2002.

Councilman Kupferman asked if a meeting could be set up with an independent source. Mr. Miller said he will set up a meeting with MES and whoever else is interested.

Councilwoman Elliott wants another opinion from experts on capacity. Mr. Miller said MDE (Maryland Department of the Environment) has told us our capacity as part of our groundwater withdrawal allocation. The MDE permit to pull water out of the ground is our constraint. This had been reduced by 200,000 gallons per day at the last 7-9 year renewal cycle.

Mayor Bennett asked that a MES meeting be scheduled in a public session. He thanked County Executive Craig, his Staff, and Mr. Lapinsky who delayed his vacation to attend today's meeting.

Councilwoman Elliott asked for 2 or 3 parking spaces in front of the Aberdeen Room Museum. Mr. Miller and Chief Rudy will look into this situation.

The meeting was adjourned at 5:49 p.m.