

BOARD OF GARRETT COUNTY COMMISSIONERS
ADMINISTRATIVE SESSION
July 14, 2011

IN ATTENDANCE

Chairman Gregan T. Crawford
Commissioner Robert G. Gatto
Commissioner James M. Raley

County Administrator R. Lamont Pagenhardt

1. Mr. Pagenhardt reviewed a number of other administrative matters with the Board of County Commissioners.
2. The Board of County Commissioners conducted a session to discuss the McHenry Water System as it pertains to the service area, connection to water system and connection charge, service and usage charges, and debt reduction. A summary of these areas of discussion is attached to these administrative session minutes. In attendance for this session was Linda Lindsey, Director, Department of Public Utilities and Jeff Broadwater, Assistant Director, Department of Public Utilities. Gorman Getty, County Attorney, participated via telephone.

The Board also directed Mr. Pagenhardt and Ms. Lindsey to have the Department of Public Utilities send direct mailings to all property owners when connection to public water and/or sewer service within a specific sanitary district will be required. This notification will be policy for all other public notices in all departments which Mr. Pagenhardt will convey to all departments and offices under the jurisdiction and authority of the Board of County Commissioners.

3. The Board of County Commissioners met with Brian Bowers, Purchasing Director to discuss the following matters. Mr. Getty also participated via telephone.
 - a) Kings Run Refuse Site Expansion. Mr. Bowers explained the intent of the bid award General Carpentry Services Contract. The County solicited bids for general carpentry services on August 19, 2010. The purpose of the bid was to award a contract to a licensed general contractor to provide carpentry services for County owned facilities on an as needed basis. The County received three (3) bids from Daystar Builders, Colossal Contractors and Thomas & Thomas Construction. On August 23, 2010, the prior Board approved the contract award to Thomas & Thomas Construction based on a labor rate of \$28.00 per hour and a 12% mark-up on materials. Copies of the related bid and contract documents are attached for your reference. As the need arises for general carpentry work, Thomas & Thomas is contacted to provide an estimate on the project based on the above rates. The nature of the carpentry work, size of the project and other factors are considerations before utilizing this contract. Although a formal written quote has not been received to date (only a total estimated cost of \$17,450 via email from Thomas) for the Kings Run Site Attendant Building, this is the process which would be followed for this project. The County also has contracts for plumbing and electrical services on an as needed basis.

- b) Letter of opinion from Merging Technologies. Mr. Bowers provided accurate historical information that clarified certain points in the letter.
- 4. Ms. Lindsey and Mr. Broadwater briefed and followed up on questions relative to Camp Deep Creek and a request for public water and sewer. See attachment.
- 5. The Board of County Commissioners discussed the disposition of Bloomington Elementary School. Mr. Pagenhardt had spoken with Bloomington Volunteer Fire Department at which time the Department had expressed interest in assuming ownership of the property. The Department has invited the Board and Mr. Pagenhardt to a meeting on July 25 to further confer about this matter.

Attest:

By Order of the Board,

R. Lamont Pagenhardt,
County Administrator

Gregan T. Crawford, Chairman
Board of County Commissioners

Date

ADMINISTRATIVE SESSION

July 14, 2011

Attachments

#2 – McHenry Water System

Service Area, Connection to Water System and Connection Charge, Service and Usage Charges, and Debt Retirement

The Garrett County Sanitary District, Inc. / Garrett County Department of Public Utilities is governed by Title 9, Subtitle 6 of the Environment Article of the Annotated Code of Maryland. Prior to 2003, the District was under the authority of the Garrett County Sanitary Commission. In 2003, the Board of County Commissioners of Garrett County, Maryland dissolved the five-member Sanitary Commission and created the Department of Public Utilities as a County department. The Board governs the affairs of the District/Department.

Service Area

Title 9-647 provides provisions for considering proposed service areas. The governing body may create or change a service if they find that the creation or change is necessary for the existing and future health, safety, and welfare of the public in general, and if it is feasible financially and from an engineering standpoint.

Original Creation:

In accordance with Title 9-648, on February 12, 2001, the Garrett County Sanitary Commission adopted a Resolution proposing creation of the McHenry Water Service District. The Sanitary Commission submitted their Resolution to the governing body of the County, and on April 3, 2001, the Board of County Commissioners held a public hearing to consider creation of the proposed service district. The Code requires that notice of the public hearing be published in a newspaper of general circulation in the county. The notice was published in The Republican newspaper on March 22, and March 29, 2001.

After finding that the proposed creation of the McHenry Water Service District was necessary for the existing and future health, safety, and welfare of the residents of the service area and feasible from an engineering standpoint, and after considering the views expressed at the public hearing, the Board approved the creation of the service district by a Resolution dated April 17, 2001.

The water system was initially constructed by a private developer to serve the Villages of Wisp Condominiums. In 1987, the developer conveyed the water system to the Sanitary District. The system was later expanded to serve other commercial properties in the area. By creation of the McHenry Water Service District, the system could be further expanded to serve the public in general and loans and bonds could be issued to fund system improvements.

Amendment of the Service Area Boundaries:

On December 7, 2010, the Board held a public hearing to amend the boundaries of the McHenry Water Service Area to include the following areas: Sandy View Court, Winding Estates Drive, Grand Estates Drive, Quite Quail Way, Golf Drive, Ruffed Grouse Lane, Sandy Shores Road, Fern Loop, Wisp Mountain Road, Fantasy Lane, Barbara's Way, Susan's Way, Marsh Hill Road, Pysell Road, Deep Creek Drive, Gravelly Run Road, Ridgeview Valley Development, Sweet Rewards Development, a portion of Mosser Road, Garrett County Airport property and the McHenry Business & Technology Park. The Notice of the public hearing was advertised in The Republican

newspaper on November 24, and December 2, 2010. The Board approved the boundary amendment on December 7, 2010 by Resolution.

System Improvements

Numerous improvements have been made to the McHenry Water System including: development of new well water sources, installation of water lines and appurtenances, construction of a new water treatment plant and 500,000 gallon water storage tank on Gravelly Run Road, new controls for the Pysell Road Water Booster Station, rehabilitation of the Villages of Wisp water storage tank, and improvements to the Villages of Wisp Water Treatment Plant and well pumps. The cost of the improvements, including administrative, engineering, hydrology services, construction, lands and right-of-ways, and interest is approximately 2.8 million dollars.

On Saturday, March 19, 2011 at 11:00 a.m., the Board held a public hearing at Garrett College to present the system improvements and associated costs. Notice of the hearing was published in The Republican newspaper on March 3, 10, and 17, 2011 and the Notice also was posted on the County's website.

On May 20, 2011, letters were sent to owners of property located within the McHenry Water Service Area notifying them that the Department of Public Utilities had recently completed constructing improvements to the water system, that their property is located within the service area boundaries, and that they must connect to the system. The letter further explained the current construction contract being performed to install service taps for all properties not already connected, and that a letter would follow after completion of that contract notifying them that the tap was installed and ready for connection. Connection and usage fees were also outlined in the letter.

Connection to the Water System and Connection Charge

The provisions of Title 9-661, Connection to system, states in part:

"Connection of abutting property. – When construction on the water line is complete, the sanitary commission shall notify each abutting property owner of the completion."

"Action of property owner. – On receipt of the notice of completion, and by a time set by the sanitary commission, each owner of abutting property shall: (1) Pay the connection charge determined under this section; and (2) Make appropriate connections of the plumbing system on the property to the connector constructed by the sanitary commission."

Therefore, connection to the water system is mandatory.

The section also provides that the sanitary commission shall determine a connection charge that is at least equal to the actual cost of constructing the connector, and that if the connection charge collected is more than the cost of the connection made, excess revenues shall be kept in a special fund to be used for repairs, replacement and extraordinary expenses of the water system.

Service and Usage Charges

Title 9-662 provides that the District may charge each owner of parcels serviced by or connected to the system a minimum charge and a usage charge. Minimum charges shall be based on the size of the meter serving the property and usage charges are based on meter readings.

Due to the McHenry area having several properties that are improved by townhouses/condominiums, apartment buildings, and/or mobile/manufactured home parks, the Board is considering a change to the current service and usage charge system to establish a fee structure for multi-residential properties that are served by one water meter so that the charge system is uniform for all connections to the water system. A public hearing to present

the proposed change to the connection and usage charge policy will be held Tuesday, July 19, 2011 at 5:30 p.m. in Room 209 of the Courthouse in Oakland, Maryland.

Debt Retirement

The method established for repayment of bonds and loans issued for improvements to the water system is by a property tax commonly referred to as an "Ad Valorem Tax". Each year the principal and interest due on the debt is determined and the total valuation of all taxable property, improved and unimproved, in the service area is certified. The tax rate per \$100 of assessed valuation is then computed and approved by the Board.

An Ad Valorem Tax for the McHenry Water System was first established for the taxing year of 2002-2003 at a rate of \$0.05 per \$100 of assessed valuation. Based on the current debt, the rate for taxing year 2011 – 2012 is \$0.04 per \$100 of assessed valuation.

#4 – Camp Deep Creek

In response to the inquiry from Camp Deep Creek regarding public water and sewer service, Linda Lindsey, Director, Department of Public Utilities offered the following:

I was first contacted by Chip Smith, realtor for the Lattanzi's in June 2007 regarding water and sewer service for the Camp. I provided Mr. Smith with a copy of the map reflecting the Deep Creek Lake Sewer Service Area boundaries and informed him that the Camp is outside of the service area along with being outside of the Deep Creek Drainage Basin. The Camp is located in the Bear Creek Drainage Basin. I further informed him that it is the County's intent to utilize the capacity in the Deep Creek Lake Sewer System for properties located within the Deep Creek Drainage Basin.

In February 2008 I received a telephone call from Jody Lattanzi regarding water and sewer service. She informed me that she had spoken to John Nelson and that he told her that the property was designated as "Suburban Residential". She questioned the pending extension of water and sewer to the McHenry Business Park. I told her that plans were not finalized to date and that once the alignment was designed, I would contact her with the information.

I spoke to her again on May 1, 2008 and explained that the preliminary design of extension of water and sewer service to the McHenry Business Park would not follow Bumble Bee Road past their property, that their property was outside of the Deep Creek Drainage Basin and that capacity in the Deep Creek Sewer System is allocated to properties within the drainage basin. I gathered from our conversation that their realtor lead them to believe that water and sewer service would extended to the property. I informed her of my previous email to Mr. Smith and that it was never implied that service could or would definitely be extended. I questioned if she had contacted Steve Sherrard at Environmental Health regarding upgrading their septic system. She said yes and that Environmental Health had just approved them for a sand mound system to allow expansion of the Camp facilities.

On May 2, 2008 I received an email from Jody Lattanzi containing questions that her husband had regarding facilities being proposed for the McHenry Business Park. They were lead to believe when they purchased the Camp that they would be allowed to connect to the system being constructed in the Park. I explained again that ownership of the White Face Farm was being transferred from the Sanitary District to the County for development of the McHenry Business Park, and that water and sewer service is proposed to connect to the current system at Garrett College, cross Bumble Bee Road to a private easement area that connects to the business park property at the southern boundary which allows for gravity flow of wastewater from the property to one main pump station. I further explained that the Garrett County Airport currently has public water and sewer service from utilities installed along Pysell Road not Bumble Bee Road.

On May 23, 2008, John, Steve and I met with Mr. & Mrs. Lattanzi at Environmental Health's office and explained septic perks, land designation and water and sewer service. The Lattanzi's wanted their land designation changed to Employment Center in the hopes it would further their request for extension of services. They forwarded a letter to John requesting inclusion of their property in the Employment Center category. John informed them by letter dated June 18, 2008 that their comments would be reviewed by the Planning Commission and the Commissioners during the decision making process of adopting the new Comprehensive Plan, and that the issue of extension of water and sewer facilities would not be resolved by including their property in the Employment Center category.

The Camp's property designation did not change in the new plan. The "Suburban Residential" definition contained in the Comp Plan is:

Suburban Residential (SR) areas are intended to accommodate medium density residential development, with lot sizes of at least 20,000 square feet for properties with public water and sewer service (larger lot sizes if served by on-site wells and wastewater systems). Approximately 4,748 acres are in the SR category, equivalent to slightly more than one percent of the County. SR areas are located in several areas of the County, outside of many of the incorporated towns and some of the rural villages. No areas within the Deep Creek Watershed are in the SR category, although the area east of Garrett College, north and south of Mosser Road (in the Bear Creek watershed) is designated SR.

As you can see, various departments have addressed this issue numerous times. Water and sewer service was extended to the Business Park in order to allow for economic development of the property. The water and sewer facilities located on that property were designed to accommodate flows from the Business Park only and do not account for other connections. The Deep Creek Camp property is located outside of the water and sewer service area boundaries. If connections were allowed, the connection point would have to be where the facilities are currently located on Bumble Bee Road which is approximately 1,800 feet from their property. Extension of the facilities would be the property owner's full responsibility. Both service area boundaries would have to be amended and all properties located between the current boundary and the Camp's property would have to agree to be included. Please note that there is currently debt on the McHenry Water Service Area and that all properties added to the service area would be subject to the ad valorem tax. Also, extending sewer service to the Camp would not be consistent with County policy regarding utilizing the capacity in the system for properties located in the Deep Creek Watershed. We have to remember that areas in the Southern portion of the Deep Creek Watershed are in need of public sewer service in order to address failing and/or inadequate septic systems.