

**MINUTES OF THE MEETING OF THE
CITY OF SEAFORD MAYOR AND COUNCIL**

May 11, 2010

7:00PM

Mayor Edward H. Butler, Jr., called the Regular Meeting to order with the following present: Councilwoman Grace S. Peterson, Councilwoman Pat A. Jones, and Councilman J. Rhea Shannon and Councilman William G. Bennett. Dolores J. Slatcher, City Manager, Charles Anderson, Assistant City Manager, and Rick Garner, Director of Power were also present.

Councilwoman Jones offered the opening prayer and Mayor Butler led those present in the Pledge of Allegiance.

Mayor Butler solicited changes to the agenda. City Manager Slatcher stated that there was a change; the addition of Pat McCullar to present information on a second generator at the Beasley Power Plant, and for him to address the RPS regulations being discussed by the legislators and to delete the previously posted Executive Session for personnel. Councilman Shannon made a motion to accept the agenda as presented with the changes; Councilman Bennett seconded the motion; motion so passed with all present voting in favor.

Mayor Butler called for a motion to approve the Minutes of the Regular Meeting of April 27, 2010. Councilwoman Peterson made the motion to approve the minutes of April 27, 2010. Councilwoman Jones seconded the motion. The motion so passed with all present voting in favor.

New Business # 1- City Manager Slatcher presented New Business #1, City Manager Slatcher presented New Business #1, Mr. Pat McCullar, President of DEMEC to present information on adding the second generator at the Beasley Power Plant owned by DEMEC and speak on the RPS regulations being discussed by the legislators. Mrs. Slatcher introduced Mr. McCullar and Kimberly Schlichting who were present from DEMEC; she also stated that Mr. Rick Garner, Director of Power was also present, she then asked Mr. McCullar to come forward. Mr. McCullar explained that DEMEC is a joint action agency and municipal electric company who is responsible for providing electric supply and services to nine municipal members. The project includes an expansion of existing Beasley Power Station located in Smyrna, Delaware. This will include adding a second combustion turbine generator that will have a natural gas primary and an ultra low-sulfur oil backup. The estimated cost of this project is \$34 million. There are currently two options under consideration for this project. They include a GE LM6000 Combustion Turbine which matches unit #1 with a 45 MW addition with a cost of \$34,000,000 (\$756/kw) and a Rolls Royce Trent Combustion Turbine which is similar technology with a higher output that includes a 55 MW addition and a cost of \$36,000,000 (\$654/kw). The impact that this project will have on the total power supply cost will be a debt service cost increase of \$2.50/MWH and a capacity costs decrease of \$3.00/MWH with a total supply cost decrease of \$0.50/MWH. He explained that a second unit is needed due to the growing demand in Delaware, peaking generation enables and supports intermittent renewable resources and electric reliability must be assured. Mr. McCullar explained that natural gas is the cleanest fuel-burning technology that is currently out there. He explained that the next steps include participating members approve the power purchase agreements with DEMEC, DEMEC making financing commitments and then the construction starting. To date, it has a target commercial operational date of June 1, 2012. City Manager Slatcher explained that the infrastructure was built for a second unit. This will allow the ability to purchase at reduced rates; and it is currently a good time to look into this project while cost of construction is lower. This will also create jobs in the area. It was asked how many acres the City of Dover put away for the solar project. Mr. McCullar stated that it is approximately 120 acres.

Mr. McCullar then discussed the RPS regulations being discussed by the legislators. He explained that the Governor wants to use the proposed Renewable Portfolio Standards (RPS) revisions as a stimulation of the state economy by encouraging the growth of a "green jobs" sector. This addition encourages longer-term renewable energy contracts by extending the RPS goals from 20% in 2019 to 30% in 2029, encourages Domestic Renewable Energy over external sources and requires 15 year or longer contracts from sources within Delaware, if available. This looks at eliminating the Municipal and Cooperative alternatives compliance language currently in the RPS law. This would set the RPS goals the same for all utilities in Delaware. The utilities would be required to meet

annual targets which escalate from 2% to 20% in 2019 and 29% by 2019. For the solar provisions, the administration wants to discourage solar from "going large" and support small-scale solar installer businesses, this would set project percentages by kW sizes. Mr. McCullar explained that discussions are still going on with Administration at this time. Most DEMEC members generally favor keeping the RPS requirements as they are currently. He also stated that regardless, Municipalities demand to retain local control over decisions into the future. The Delaware Electric Cooperative does not support the proposed changes as presented. He will keep the City of Seaford informed as these discussions continue.

New Business # 2 – City Manager Slatcher presented New Business #2, Request for approval construction phase services with George, Miles and Buhr for the Shoreline Stabilization project. City Manager Slatcher stated that George, Miles and Buhr have submitted a cost estimate of \$10,000 to perform a limited scope of services for the project. The money will be paid for with funds from the State Revolving Loan that was initiated with the Retirement Lift Station. Councilwoman Peterson made a motion to approve the construction phase services contract with George, Miles and Buhr for the Shoreline Stabilization project for the estimated fee of \$10,000 and to be paid for with funds from the State Revolving Loan initiated with the Retirement Living Lift Station. Councilman Bennett seconded the motion; motion so passed with all present voting in favor.

New Business #3 – City Manager Slatcher presented New Business #3, Present for approval from Delaware Teen Challenge to remove a section of "No Parking" on Third and North Streets. She stated that a request was received from Bob Carey, Director of Delmarva Teen Challenge to evaluate the no parking zones near the intersection of Third and North Streets. Mr. Carey expressed concern regarding the minimal on street parking currently permitted in this area. A committee review board was put together consisting of Charles Anderson, Assistant City Manager, Lt. Jamison and Berley Mears, Director of Public Works. The committee went out and did a site visit and recommend to eliminate the existing no parking zone on the east side of North Street between Third Street and Liberty Street – approximately 130 feet. This will require the existing yellow curb to be painted white. Councilman Bennett made a motion to approve the recommendation from the committee review of the request from Delaware Teen Challenge of approximately 130 feet of no parking on North Street between Third Street and Liberty Street. Councilwoman Peterson seconded the motion; motion so passed with all present voting in favor.

New Business # 4 – City Manager Slatcher presented New Business #4, Present for approval the appointment of records officer and authorized agents for FY2011. The recommendation from staff is to appoint Tracy Torbert as the Records Officer and Dolores Slatcher, Trisha Newcomer and June Merritt as authorized agents. Councilwoman Jones made a motion to appoint Tracy Torbert as the Records Officer and Dolores Slatcher, Trisha Newcomer and June Merritt as authorized agents for the City of Seaford with the Delaware Public Archives for FY2011. Councilman Shannon seconded the motion; motion so passed with all present voting in favor.

New Business # 5 – City Manager Slatcher presented New Business #5, Reminder of Public Hearing on May 18th @ 7:00 p.m. in the Seaford Volunteer Fire Department Banquet Hall for the purpose of public input on the potential purchase of the former Seaford Golf and Country Club.

New Business #6 - City Manager Slatcher presented New Business #6, Request to set June 8, 2010 for Tax Appeal Hearing between the hours of 7:00 p.m. and 8:00 p.m. in Council Chambers. Councilwoman Peterson made a motion to set Real Estate Tax Appeal Hearing for Tuesday, June 8, 2010 between the hours of 7:00 p.m. and 8:00 p.m. Councilwoman Jones seconded the motion; motion so passed with all present voting in favor.

Reminder of Meetings

- DLLG Local Official's Day at Legislative Hall May 13th @ 12:30 p.m.
- Site visit to Bridgeville Wastewater Spray Irrigation, May 12th @ 3:00 p.m.
- Clarence Street Church of God's Community Day, May 15th from 10 a.m. to 6 p.m.
- Soroptimist 60th Anniversary Celebration, May 21st @ 6:00 p.m. @ Seaford Library

COMMITTEE REPORTS

Mayor Butler stated that he attended the Sussex County Prayer breakfast this morning and Councilwoman Jones did a great job with her prayer this morning.

Councilwoman Peterson – Clean-Up Week is currently underway and there is less out this year than prior years.

Councilwoman Jones – Scott is doing irrigation work and repairing leaks. He had a new hire start yesterday, Gary Andrews. Tammi reported that softball is starting and has 22 teams, men's basketball is wrapping up with 15 teams and volleyball is ending this week. Tickets are currently on sale for the Yankees/Orioles game.

Councilman Shannon – The Police department is very active and doing well.

Councilman Bennett – The electric department is doing routine maintenance, working on measuring for the induction street lights in Westview and has started work on the Belle Ayre phase 1 project. The fire department has been busy and everything is running smoothly.

With no further comments, Mayor Butler called for a motion to adjourn the Regular Meeting of Mayor and Council. Councilman Bennett so moved. Councilwoman Jones seconded the motion and the motion so carried with all present voting in favor. Mayor Butler closed the Regular Meeting at 7:47 p.m.

Dolores Slatcher, City Manager

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