

Open Work Session

Presentation by George, Miles & Buhr, LLC (GMB) on the Final Draft of the Wicomico County Water and Sewer Master Plan September 21, 2021

Mr. John Psota, Acting County Executive; Ms. Katherine McAllister, P.E.; and Mr. Peter Bozick, Jr., P.E., came before Council.

Mr. Psota said it is an honor to present the Council and the public with the Wicomico County Water and Sewer Master Plan and its implementation plan. He explained, the purpose of this plan is to provide central water and sewer infrastructure to County residences and address the longstanding public health and environmental degradation issues associated with existing failing onsite septic disposal systems. He said the Water and Sewer Master Plan represents a long-range strategic vision and action plan for the County to provide public water and sewer utility services to promote quality of life, environmental protection, and economic enhancement for its citizens residing outside municipalities in accordance with the County's Comprehensive Plan. He said the Wicomico County Water and Sewer Master Plan was a major undertaking and contains many details, facts, and figures pertaining to housing growth and projections, existing nutrient loadings to the Bay Watershed, and proposed the creation of ten County-sponsored water and/or sewer service districts. He said it ties together the water resource elements of not only the County Comprehensive Plan, but also attempts to facilitate and compliment the growth elements of the municipalities contained within their individual comprehensive plans. He said an Executive summary has been prepared and is included for a quick snapshot review of the Master Plan.

Mr. Psota thanked the staff at GMB for their diligent, thorough, comprehensive work on the study, and said he also wants to thank the representatives from all the cities and towns who participated in this study to include the Town of Sharptown, the Town of Mardela, the Town of Hebron, the Town of Delmar, the City of Salisbury, the City of Fruitland, the Town of Pittsville, and the Town of Willards. He said, additionally, he wants to thank Executive staff and Departments to include Planning, Zoning, and Community Development, including the technical services division; Public Works to include their civil engineers; and he also wishes to thank the Wicomico County Health Department for their assistance.

Mr. Psota said Mr. Bozick, Executive Vice President for GMB, will lead them through a PowerPoint presentation to provide a more comprehensive look at the plan for the Council and public's benefit.

Mr. Bozick thanked Council for allowing them to undertake this study and for their patience in the time it took, and for their willingness to sit back while they were crunching the numbers and not get intertwined with the work they were doing. He reported, this presentation will be around 20 minutes, and, with this PowerPoint, he would like to go through the entire presentation before any questions are raised. He said he is sure many questions will pop into Council's minds, but hopefully somewhere along this presentation they might resolve some of those questions with the rest of the presentation. He clarified, this presentation does not get into the details of this report, but there is a lot here that cuts to the bottom line, and he is going to tell them the project areas, construction costs, number of users, and expected monthly cost. He said it is really important when they talk about implementation, next steps, and roles of all the people within the County, which he will get into towards the end of the presentation.

Mr. Bozick said the "who" is the Wicomico County Government, not just the County Council. He clarified, the Council is obviously part of the government and has an important Legislative role, but it

also includes the Executive's Office, Planning and Zoning, the engineers in the Public Works Department, and the GIS group, so there is a whole grouping of County Government involved in this master plan.

Mr. Bozick said the "what" is the public central water and sewer utility services, and this gives a lot of detail on why continued reliance on on-site septic systems and continued efforts to try to repair and replace septic systems is not the selected answer in this Wicomico Water and Sewer Master Plan. He clarified, this is focused on central water and sewer, primarily sewer, secondarily water.

Mr. Bozick said the "when" is as soon as practical. He said, once this master plan is approved and they are on course to implement this master plan, they do so with a sense of urgency throughout.

He said the "where" includes the five project priority areas identified that they are recommending to the Council to implement central sewer systems and, in a few cases, central water systems as well. He said one area is to assist the Town of Mardela Springs and nearby areas surrounding the Town with central water and sewer. He said they are also talking about the Village of Whitehaven and Parsonsburg Village, which in geography is the location in downtown Parsonsburg extending along Old Ocean City Road in the west direction to the intersection of Walston Switch Road and nearby communities or subdivisions, such as Sierra Manor. He said they are talking about the Nanticoke-Bivalve-Tyaskin rural villages central sewer system that ties all three together. He explained, there are about 600 houses there that would be affected by that system and those are what they call rural villages. He said a village is defined in the County's Comprehensive Plan and they borrowed that terminology throughout this plan. He said they have also identified Coulbourn Mill Road Community, so they have identified what they call community service districts, and the use of the term community means a collection of subdivisions or a community of subdivisions, so that is what a community service district is. He said the naming of Coulbourn Mill Road is an identifier, so for each certain community area they took the major road that connects the various subdivisions, so when they refer to Coulbourn Mill Road Service District, they are talking about the neighborhoods of Deer Harbor, Foxchase, Trace Hollow, Jackson Road, Coulbourn Mill Village, Rustic Acres, Coulbourn Woods, and possibly including Nutters Crossing.

Mr. Bozick said the "why" is to fix the problems with failing on-site disposal systems, and in doing so, they have some fundamental ideals they are trying to achieve. He said they are going to protect public health, protect and enhance the environment, protect the economic value of real estate, and hopefully will bring certainty to the real estate market, which has an inherent economic value for the housing and construction industry. He said, within this Master Plan, it is laid out to be something that is ongoing and sustainable as a utility infrastructure into the future.

Mr. Bozick said their reasons for doing this are addressing existing failing on-site disposal systems, but they also looked at and considered what they call existing nonconforming on-site septic disposal systems. He explained, the term nonconforming means there are so many houses that they may not see sewage rising up in their backyards and have a failing system, but because of the small lot size, they do not have the ability to put in a replacement drain field because they do not have a separation distance to purify that septage through the adequate distance of unsaturated soil, so they are nonconforming, and this Master Plan addresses those people as well. He said, with the ongoing nature of this, when they put central sewers in, they will head off or prevent the future aging failing septic systems that are just going to continue to happen in the future without central sewers.

Mr. Bozick explained, this plan is an ongoing path, and in his mind there is no reason not to get started and approve this. He clarified, this is not the be all-end all, and does not tie their hands to any specific pathway, but this is going to be an ongoing path and they are going to have a situation where they have County-sponsored central water and sewer utility systems, which they do not have now. He clarified, they have built water and sewer systems and put the capital in to invest in infrastructure under Chapter 97 of the County Code under Urban Services Commission, but they have not actively operated and maintained and managed systems. He said this Master Plan takes them to the next step in that regard, and they are talking about non-urban areas, meaning they are not talking about the County going into City areas or Town areas and serving them as that would be a duplication of utility services, which would be ineffective, inefficient, and more expensive.

Mr. Bozick said overall they are looking to protect public health and making sure they have safe drinking water, and in certain areas they are going to improve swimming areas so they will not have bacterial closings. He said they are going to protect the County's water resources and meet the Watershed Implementation Plan goals, which gets to the bigger picture of the County's responsibility to remove nutrients into the Chesapeake Bay Watershed, and this plan provides that benefit in that regard.

Mr. Bozick said some of the starting points were assessing the incorporated cities and towns in the County to see what they have with their central water and sewer systems. He explained, they have eight incorporated cities and towns, two are cities and six are towns, seven of which actually have municipal water and sewer systems. He then referred to his slide showing them on the map. He said the center channel is Delmar, Salisbury and Fruitland. He said Salisbury and Fruitland are cities, and Delmar is a town, but they comprise the metro corridor and are the most urban areas in the County. He said, on the east side are Pittsville and Willards, and on the west side Hebron and Sharptown, and they met with all of these towns, and the results of those conversations are included in the Master Plan. He said they assessed where they have capacity and what some of their issues are, and they broached the subject of collaborating with the County in some type of a joint venture or partnership. He clarified, those discussions did not progress in any depth or detail primarily because, at the time, the County had not formalized their position regarding getting into the water-sewer business. He said there could be discussions in the future, but right now the bulk of all of this work is for the County to get on with the task themselves of creating, building, owning, and operating central water and sewer systems.

Mr. Bozick said they looked at what they call the unincorporated rural villages and communities, which are growth areas without public water and sewer. He clarified, this was the bulk of their effort in this report, and this is where they did the deep dive into existing houses, and these areas were identified as growth areas from the Wicomico County Comprehensive Plan. He explained, when people make the general statement that they want sewer throughout the County, this is what that looks like because this complies with the County Comprehensive Plan, so these are the growth areas. He said the cities and towns are omitted in this plan, and all of the areas on this slide that are in color are unincorporated, except for Mardela. He said, looking at the areas in between, that is the area they think should be reserved for the Wicomico Health Department and individual on-site septic disposal systems, and he will talk about some of the numbers and the impacts as they get further along. He said they have identified eight rural villages, five community areas, and Mardela as areas where they envision installation of central sewer and, in some cases, central water. He said there are 12 potential water-sewer County utility districts. He clarified, Mr. Psota was correct when he said it is on the plate for the County government to build 10 out of the 12 districts. He said there is one area on the east side of Delmar that

is identified in the County Comprehensive Plan as town transition zoning, but, on the other hand, the Town of Delmar's Comprehensive Plan does not have that area identified in their growth plans, so there is some conflict there. He said they identified this because it is in the County Comprehensive Plan, and there are not a lot of houses there right now. He said there is one subdivision, so there is really no basis for the County to go in and establish a district because there is nobody there to use it. He said, if this remains in the County Comprehensive Plan as a town transition zone and development occurs, that infrastructure would be built by developers, not from the County. He said, in the goals and objectives of the masterplan, it is set up that, when the infrastructure is built, it gets turned over to the County who then takes over ownership, operation and maintenance. He said, likewise, the second area that fits in that category is an area they call east Wicomico and this area is the land between Pittsville and Willards. He said it has been noted in the Comprehensive Plan as a potential growth area, and they want developers to put in central sewers. He said it was envisioned that the developments in that area might get annexed to Pittsville or Willards, but it is similar to the east Delmar area in that there are not enough houses there right now for the County to go in and build sewers because there is nobody to use it and pay for it. He clarified, in the future, growth in that area would need to build the infrastructure, but the guideline of this master sewer plan is that the County would take over ownership and operation. He said, when they talked to Pittsville and Willards, there are a number of variables in terms of capacity of their plants to actually take sewage from these areas, and the amount of discharge allowed by the State of Maryland, so there are limitations to how much sewage they can treat and discharge.

Mr. Bozick said the bottom line is there are ten potential water and sewer County utility districts, and in this report, they are recommending five of them, which he has listed. He said they got down to five districts and applied what they call their mission statement, and a lot of effort was put into that and it gets detailed and complicated. He said the concept in this slide he wants Council to recognize are the three ovals that represent three competing factors. He said there is the water and sewer infrastructure, which is the engineering and technological component, and is what the best technology is, etc. He said another important part is what they call the governing entity. He said Chapter 5 of this report is specifically on management and government, and this is an important part that probably would justify another meeting with the Council to get into more detail on the governing entity. He said the bottom line they recommend is that the County create a water division underneath the Public Works Department to begin the process to handle water and sewer utility infrastructure. He clarified, they have to create a governmental unit within the County Government to carry forward with this, but they want to learn a little bit more about it to understand why they are not recommending they privatize and go to a private company, or that they create a regional authority, and why at this point they are not recommending they create a water department that is on par with the Sheriff's Department or the Board of Education. He clarified, that may sound like a stretch, but they will show them the magnitude of what they are building and undertaking in that they are talking about \$200 million dollars of infrastructure, which is only going to increase in value, so at some point that unit of government within the County is managing multiple hundreds of millions of dollars of infrastructure and may deserve a department. He said the financial management part crosses a lot of boundaries – the grant funding, the bottom line user costs, borrowing, and financing, so all of those factors. He said the whole effort in this master plan is always trying to get what he calls the sweet spot. He clarified, they want to marry up the technology, the managing entity, and the finances to get the most overlap, and all the recommendations are with the goal of trying to get the best. He said they will be able to pick apart some of the issues with technology, management, or finances, but ultimately they are trying to accomplish the best balance.

Mr. Bozick said, in this master plan, they recommend the incorporated cities and towns have flexibility to expand their infrastructure within their municipal comprehensive plan to serve a number of these failing onsite disposal systems that are in close proximity. He said this master plan identified approximately 6,000 systems that they think would be best served through municipalities.

Mr. Bozick said the second recommendation is for Council to begin the Legislative process in order to provide water and sewer infrastructure to the five districts identified. He clarified, by Legislative process, he means passing amendments to the water and sewer Comprehensive Plan and to the priority funding area maps to get State approval so these areas are subject to Maryland State funding. He said there are tier maps that have to be amended a little bit to be in line with the Maryland Department of Planning.

Mr. Bozick said his next slide shows some of the detailed numbers they have come up with where they are looking for the County to start the process to implement these five service districts. He said each one will take on a life of its own in terms of timing and funding, and getting it built and becoming operational. He said these are not necessarily in priority order, but as they go through the different Legislative processes and find out where they stand with funding and some of the technical issues about where the disposal goes, some of these will be easier and quicker to implement than others. He said, when it comes time to establishing actual service district boundaries and getting those approved, some will take longer than others. He said, of these five systems, they have a table that says initial users, which shows how many customers they are looking at collecting. He said Mardela has 322, and there are 36 houses in Whitehaven. He said, in total, it is about 2,500 houses they are talking about the County serving with a sewer utility system. He said this has always been daunting, but he goes back to 1974 when he started in this business, and these are no more daunting today than they were 50 years ago.

Mr. Bozick said the major portion of these are primarily funded with grants, which means the State and federal government provide incentives based partially on public health concerns, so their incentives are based on environmental protection concerns. He said, lastly, there are programs that spur economic development, and they do not want to sink everybody by putting sewers in, so those are the sources they need to tap for funding. He said they have made some assumptions where they hopefully can get grant money and, in so doing, it gets their monthly cost in the general range of approaching \$100 a month. He said, in total, this is over \$200 million of capital infrastructure with all efforts made on the financial side to bring grants into it, and this suggests they could get it down to \$80 million that would be paid for through loans or bond funds. He clarified, these numbers are based on many assumptions.

Mr. Bozick said this is a three-part effort – a management component, a financial component, and a technological component. He said, on the management side, it affects the Council and the Executive, and also affects Planning and Zoning. He said they are seeking to get this master plan approved and pass enabling Legislation, which is getting Planning and Zoning to present amendments to the Council for the County Water and Sewer Plan for each individual district. He clarified, the Council may modify those, but that step needs to be taken. He said they need to get these eligible for priority funding from the State of Maryland, and then create and fund a water division within County government. He said the financial side is applying for grants and loan funds, and federal funding comes through the State of Maryland. He said USDA is one federal funding source, and some of their money is guided by economic principles, and a lot of their money is guided by public health principles. He said they have also identified the American Rescue Plan Act (ARPA), and a lot of their funding is guided by economic development principles.

Mr. Bozick said, on the technological side, the challenge will be getting approval from the State and the environmental community to have safe locations to discharge the treated wastewater. He said some goes into rivers and some goes into the ground, but they have to go through that process. He said step two is prioritizing the projects, begin staffing a water division, and going through the process of creating sewer service districts and presenting them with preliminary costs. He said they may or may not have to go through referendums on every single one of these sewer districts.

Mr. Bozick said lastly, they begin the process of execution, and the management function falls a lot on the County Executive's Office, but there is also a Legislative component in terms of adopting a rate system policy under management. He said the required actions by the County Council, first and foremost, are approving this master plan as soon as practical, make amendments to the Water and Sewer Comprehensive Plan, make revisions to the priority funding areas so they are eligible for State funding and can receive grants, and somewhere along the line vote to officially create this unit of government within the County government to have a water division; revisit and revise tier maps, and approve the utility management structure that the County Executive needs to carry out. He said they are suggesting there is going to be a water division under Public Works, so approve funding and budget for a water division starting in fiscal year 2023, which starts next July, which means they envision that the Council will be deep into budgeting discussion in February, March, and April on what this means and where the money is going to come from. He said, with that in place, they turn over authority to the County Executive for his role in implementation for the parts he is responsible and accountable for.

Mr. Holloway said he noticed a lot of emphasis on Mardela. He said back in the 70s and 80s the State stepped in to basically require Pittsville and Willards to install central water and sewer. He then asked why Mardela has never had to do that, to which Mr. Bozick responded, he is not exactly sure. He said, at that time, it was under the Failing Septic System Laws and Programs in affect in the State of Maryland and it was shortly after the EPA was created. He said Maryland piggybacked on EPA and it was their intent to provide central sewers in these small towns. He said, where they identified these towns that had a high percentage of failing systems, the State ordered them to put in central sewers to correct a public health problem and pollution problem. He said the carrot that the State had with help from EPA is that they would pay for 87.5 percent of all "eligible" costs, so their feeling was they were bringing that amount of money to the table and they forced the towns to implement that, so that is what the towns did. Mr. Holloway asked if the State did not see the need for Mardela to do it, to which Mr. Bozick responded, he does not know whether maybe the failing septic systems were not as severe in Mardela. He suggested maybe pulling records from the Health Department to find out where that stood. Mr. Holloway said he knows it is on the top of the list now, to which Mr. Bozick responded, it is. He said it is an older community, the houses are older, the septic tanks are aging, and the lots are small. He said they know Mardela has tried a couple of times throughout the years, and they got some funding from USDA and put the cost estimates together, but they looked at it and said they could not afford it and could not get enough traction. He said every town at that time said they could not afford it; Willards said they could not afford it, Pittsville said they could not afford it, so this has been going on for decades. Mr. Holloway asked, if the County went through the motions to do this, and then they incorporated, would Wicomico County lose the authority over it, to which Mr. Bozick responded, the town of Mardela is incorporated, as they have a Council and a Charter. He said, with this master plan, this is the County going to them to try to help them put in a system, the reason being that the County wants to also serve Athol Road and some of the neighborhoods around the town, and also Mardela High School. Mr.

Holloway asked if this will be a collaborative effort between Mardela and the County, to which Mr. Bozick responded, yes. He clarified, at this point, the town has not taken an official position whether they are going to accept the County's help or oppose it, but this master plan is the starting point, and they think it is a good plan, so they do not think it will be too challenging for the town to do it on their own. He said, if they can then incorporate the high school, the benefit to the County is they would have a treatment plant and surface water discharge permit, so they have a basis and loading going into the Nanticoke River watershed to use a discharge permit, so in some senses it is easier to create this district and make it a win-win for everybody. He said, at this particular location, they think they will probably need to install a central water system. He said, because these towns are incorporated, once the system is in place, the town will have some say in terms of what they approve and development, which will then have a fairly big impact on the water-sewer utility system. He said, with all the areas outside Mardela, if they put a central water-sewer system in, there are no mechanisms in any of those areas to putting in restaurants or convenience stores, etc. He said all of that is controlled by County Planning and Zoning.

Mr. Holloway said the area they have the most concern about right now is the Chesapeake Heights area, but Mr. Bozick did not have that in his plans. He then asked if the idea is that it would be serviced by the City of Salisbury, to which Mr. Bozick responded, yes. Mr. Holloway further asked, what about Mt. Hermon Road, to which Mr. Bozick responded, the areas inside the Bypass along Mt. Hermon Road were considered urban sewer areas and would be served by the City of Salisbury. He said outside of the Bypass and, in particular, the unique situation where they get to Kilbirnie and Mt. Hermon Manor, which is in the Airport area, they have failing septic systems; however, they are not in the growth area for the County Comprehensive Plan, so they are not looking to expand growth in those areas. He said they have learned from experience with putting water to the Airport when they had to go through this process with the State to get this qualified as a priority funding area in order to get State funding, and in doing so, the States says this is a denied access line, so the State is actively pursuing planning policies where they do not want to see growth in those areas. He said, for that reason, it is not in the Comprehensive Plan and it is not in the Master Water and Sewer Plan as a service district.

Mr. Holloway clarified, his concern was not about growth, but folks who already live there, to which Mr. Bozick responded, it is solving an existing problem. He said, in that context, they do not have a specific recommendation in the report right now, but when they talk about an ongoing path forward in the implementation of this plan, when the County has these resources, he thinks that is the time they can go back and reassess and figure out whether the County can serve that area. He said one of the solutions in that area might be that every single house gets an advanced treatment unit. He clarified, that is not as desirable as central sewers, but maybe that is a solution in the long run in terms of capital costs and the cost of ongoing operation and maintenance, and that type of problem area from a public health and environmental point of view hopefully can be readdressed with the implementation of this plan.

Mr. Holloway said Mr. Bozick went from Parsonsburg to Walston Switch Road and said anything inside the Bypass is a growth area, so anything from the Bypass to the Walston Switch area has been left out, which is pretty dense, and there are a lot of issues in there, to which Mr. Bozick responded, that is an excellent observation. He said there is some ambiguity in this report regarding that area and it is not clearly defined. He said, generally, when looking at the City of Salisbury's Comprehensive Plan, it is beyond the City of Salisbury's Comprehensive Plan as an annexed area, and they are not allowed to annex any area that is not within their Comprehensive Plan. He said, at the same token, the City has sewer to Wor-Wic, Choptank, the Tri-County Council building, and Beaver Run School, so it is a unique

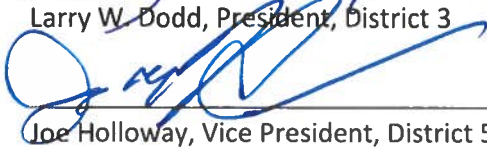
combination where they have some City infrastructure, but they do not have any sense of whether the City wants to serve those areas or whether the County is going to serve those area. He clarified, the best technical solution is not to have overlap or duplication of services. He said, in theory, they could say the County could just pick up all of those areas, but a limitation in that regard is, if the County picks that up, they may not have a place to discharge it. He said right now they are looking at the watershed that flows to the Wicomico River, not the watershed that flows to the Pocomoke River. He said they have some creeks and streams in those areas, and those are potential discharge locations, and that treated wastewater will flow in the direction of Wicomico County through the City of Salisbury. He said Mr. Holloway makes an excellent point and it is an excellent trouble area. He said, when they decide to implement the Parsonsburg Village System and they go to Walston Switch Road, that question needs to come up because, if it is time to keep going closer to the Bypass, they keep going. He said the technical ability to get a discharge permit may ultimately be the line in the sand on how far they can go, and there may be some things happening on the City side that may lean in that direction.

Mr. Cannon suggested they hold a work session if everyone is available in two weeks, to which Mr. Dodd responded, that is exactly what he was going to say. He said there are 286 pages in this draft, and if everyone is agreeable, he would like everyone to hold their questions and have another work session.

There was no further discussion.



Larry W. Dodd, President, District 3



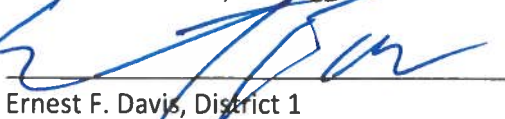
Joe Holloway, Vice President, District 5



John T. Cannon, At-Large

absent

William R. McCain, At-Large



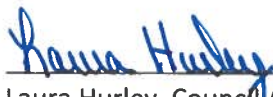
Ernest F. Davis, District 1



Nicole Acle, District 2



Josh Hastings, District 4



Laura Hurley, Council Administrator