

FREQUENTLY ASKED QUESTIONS

1. Will you upload the presentations?

Yes. You can also contact the town manager for a copy of the PowerPoint presentations prepared by Sussex County Engineering and by the Town Council.

2. Do we have a good idea of the total cost to the homeowner? Is the operational cost of \$300 on top of the \$900 estimate of debt service? Are other fees involved?

The cost is based on the Town's median household income ("MHI").

Based on the data presented by the Sussex County Engineering Department, the estimate for loan servicing is \$900/year, and the cost for operations is \$300/year. The connection fee is rolled into the annual loan servicing cost estimated at \$900/year.

Other than the annual cost described in the previous paragraph, there is an additional upfront cost, estimated at \$1,500 to \$2,000 to fill-in the old septic tank/cesspool for safety purposes. The Council will continue to research the question of cost, but it is reasonable to assume the cost will vary by property.

3. What is the length of the loan period?

The length of the loan will depend on the source of the loan. USDA loan repayments are generally repaid over 40 years; other funding sources may be 20 years. We will not know the answer to this question until this process plays out. Sussex County Engineering will design the system and estimate construction costs. They will then search for funding opportunities based on their construction estimates. The County Council will then decide if it is in the best interests of the County to form a sewer district for the town.

4. Once the sewer pipeline comes down Slaughter Beach Road, has the town talked about the development of farms on Slaughter Beach Road? Has the Council discussed how to address the increased use of the beach if development occurs?

We recognize that development is occurring all around us and is a major concern for us. However, we have been told the 94-acre parcel at Argos Corner is the only parcel currently under consideration for development.

We also understand that should additional development occur, and should other communities tap into the potential Slaughter Beach sewer line, those communities will share in the construction cost and the cost to Slaughter Beach

residents will decrease. We are cognizant of potential development, but we cannot control it outside of our town boundaries.

We have also been informed that the town's sewer line cannot be sized to accommodate potential development that could occur on Slaughter Beach Road or in other areas west of town because the pipe must run under Slaughter Creek and Cedar Creek. Hydrostatic pressure would collapse an oversized pipe.

5. [Is tiny Slaughter Beach in competition with other larger communities for the \\$45 million in Sussex County ARPA funds?](#)

Yes. We also have been short-listed for State ARPA funds for infrastructure improvements.

6. [Where will the sewage treatment plant be located? Are other options under consideration such as a sewage treatment plant to be built within town limits?](#)

The County is looking at building a sewage treatment facility in Milton and Mr. Medlarz, in his presentation, indicated there is a strong possibility of that occurring. The decision of how and where to dispose of wastewater will be made at the sole discretion of the County with DNREC concurrence.

We should note that prior to accepting the Preliminary Engineering Report in 2019, USDA asked the Council if we would consider constructing a "holding tank" that would have to be pumped out. Under this scenario, the waste would have to be trucked out to another facility every day. The Council denied that suggestion because our roads are prone to flooding and because a town-owned facility would not resolve the public health issues that could occur because of a flood event.

7. [How will business owners be charged?](#)

Commercial businesses will be rated as multiple EDUs based on fixture units in accordance with County Code. At this time we don't have specific information but will research this question with the County and get that information directly to business owners.

8. [Part 6506 of Title 9 clearly states the voters shall make the determination. Why is this not happening here?](#)

We have researched this question with our town attorney and with the Sussex County Council and we understand that as a municipality, the elected officials must decide. § 6703 of Title 9 specifically addresses that area of the County governed by a municipality.

§ 6703. Sewerage and water system within city or town.

No sewerage or water system, or any part thereof, shall be constructed or maintained within the boundaries of any city or town situated in the County without the consent of such city or town, except

that transmission lines or mains may be constructed or maintained without consent. The consent shall be given only by an ordinance adopted by the council or other governing body of the city or town in question, but once given shall be irrevocable.

9. [How many cesspools are there in town? Why should homeowners with a septic tank subsidize properties with cesspools?](#)

We don't have that information because, to the best of our knowledge, that data has never been collected. The only time a cesspool is identified is when a title transfer is imminent. However, as indicated in the July 3rd presentation and reiterated in question #16, below, both systems are equally harmful to the health and safety of our citizens in a flood event.

10. [Will the County assess rental properties differently?](#)

The assessment is based on EDU ("Equivalent Dwelling Unit").

11. [Who will own the sewage system?](#)

Sussex County will design, construct, own and operate the centralized system. The Town does not have the capability to manage an undertaking of this size, scope or cost. In addition, the Town's Charter limits our borrowing capacity to three percent of the total of the assessed value of all properties. The Town's tax assessments are based entirely on the Sussex County assessments which were last updated in the mid-1970's. Because of the delay in updating assessments for almost 50 years, the Town's borrowing capacity might now approach \$40,000.

12. [Will residents get a copy of the Engineering Report?](#)

There is a link on the town website to a dropbox that contains the Preliminary Engineering Report and the Environmental Report prepared by Davis, Bowen & Friedel. The reports are too large to be either uploaded onto our website or sent through our email accounts.

13. [Would it be wise to send out a simple yes/no questionnaire to take the temperature of the town?](#)

The Council will take that recommendation under advisement.

14. [If the grant/loan is for 20 or 40 years how can the payment be the same cost of \\$900/year.](#)

The funding issue is somewhat complicated and because the system has not been designed, it is impossible to give absolute answers.

If the town should qualify for loans or grants awarded and administered by the U.S. Department of Agriculture, Rural Development office, the repayment amount is based on One and one-half percent (1-1/5%) of the Town's Median Household Income (MHI). The Sussex County Engineering Department advised

that we should base our estimate of annual costs on Sussex County's MHI of \$60,000. ($\$60,000 \times 1.5\% = \$900/\text{year}$ for loan servicing).

Please keep in mind, the operative word in the above paragraph is "Loan". There are also "Grants" available. Should the town qualify only for "loans" the repayment cost is estimated at \$900 per household per year. Should the town qualify for grants, the County will "buy-down" the annual loan-servicing cost to residents.

There are other loans/grants that we might qualify for, but if the County must go to the commercial marketplace for a loan, interest rates are at historic lows.

To understand the USDA program, we have inserted information from their website (following this paragraph).

USDA RURAL DEVELOPMENT

This program provides funding for clean and reliable drinking water systems, sanitary sewage disposal, sanitary solid waste disposal, and storm water drainage to households and businesses in eligible rural areas.

This program assists qualified applicants who are not otherwise able to obtain commercial credit on reasonable terms. Eligible applicants include:

- *Most state and local governmental entities*

What kinds of funding are available?

- *Long-term, low-interest loans*
- *If funds are available, a grant may be combined with a loan if necessary to keep user costs reasonable.*

What is the loan term and rate?

The loan term is up to a 40-year payback period, based on the useful life of the facilities financed with a fixed interest rate. The interest rate is based on the need for the project and the median household income of the area to be served.

Why does USDA Rural Development do this?

This program helps very small, financially distressed rural communities extend and improve water and waste treatment facilities that serve local households and businesses. Good practices can save tax dollars, improve the natural environment, and help manufacturers and businesses to locate or expand operations.

15. How long will it be before a system is installed?

The current estimate is 3 to 6 years. That means that even if this goes forward no one will pay a dime until the system is complete. The timeline was provided by the County Engineer.

16. If our system is appropriately maintained, why should we be forced to replace it?

The following information is quoted directly from Preparing for Tomorrow's High Tide – Recommendations for Adapting to Sea Level Rise in Delaware, Delaware Sea Level Rise Advisory Committee, July 2012.

“Recommendation 2.5: Facilitate the connection of individual septic systems to community wastewater treatment system with excess capacity when human safety and welfare are at risk”.

“Potential Economic Impact: Concerning the economy, the failure of septic systems is a major challenge that property owners exposed to sea level rise will have to address. If this issue is not remedied, a home is rendered uninhabitable, and the property loses its value. In most cases, the property cannot be sold for other uses due to the level of development that has already altered the land (Maryland DNR, 2008) ... Failing septic systems may also force local governments to install costly central sewer systems for coastal communities”.

“Potential Social Impact: The changed functionality of septic tanks and disposal fields may impact the health and safety of communities that are exposed to untreated or partially treated waste. Sea level rise may cause some properties in coastal towns that rely on septic systems to become uninhabitable due to sewage backups. Microbial populations from septic waste that is able to enter the surface water may exceed the U.S. Environmental Protection Agency’s body contact standards, abruptly halting recreational use of beaches, lakes, and streams and possibly contaminating groundwater supplies.”

“Potential Environmental Impact: The presence of groundwater levels near the surface will affect the integrity of on-site septic disposal systems. Saturated ground conditions impair the soil’s ability to infiltrate and filter sewage effluents. Sea level rise will decrease the soil filtration process allowing for additional contaminants to enter water resources.”

The following sentence is quoted directly from the Davis, Bowen & Friedel, Inc., 2019 Preliminary Engineering Report prepared for the Town of Slaughter Beach.

“Given the increased likelihood of backups due to inundation from flooding and the direct impact on human safety and welfare as well as adverse

environmental impacts to the surrounding area due to raw wastewater spills, this project is justified”.

“Being a coastal town, many of the property elevations in Slaughter Beach are at or less than 5 feet above sea level. Rise in the sea level will raise the water table in the Town and will expand the floodplain ...”

“Given the reduction of sewage contamination by converting to wastewater collection as opposed to septic tanks and cesspools, the improvements will help to preserve the quality of these sensitive areas. This will also decrease the risk of contaminating the nearby habitats of conservation concern such as the Prime Hook Wildlife Refuge”.

17. Will we have representation on a Sewer Council that might exist? Will it be mandated that septic and cesspools be removed?

Existing septic tanks must be abandoned in accordance with State regulation. Drain fields will be abandoned in place. Mound Systems can remain in place or can be removed. Please refer to the response to question #2.

18. Why can't we delay the decision?

One thing we know historically, is that if the system would have been put in 10 years ago, it would have cost substantially less. The other issue with timing is that there is significant funding for infrastructure improvements available now. These funds may not be available in the near-term future.

19. Has a central sewer district for other coastal communities been discussed?

The Council will discuss this issue with the Sussex County Engineering Department.

20. With a five-year planning period, are there any short-term financial options or available grants for people who have a failing system. Has the Council considered laying down fiber and other utilities as a sewer line is being constructed?

Once a sewer district is legally created, all properties within the boundary can obtain a “near term central sewer service letter” from the County. This letter allows DNREC to issue reduced cost new as well as repair permit for the on-site wastewater disposal systems up to and including holding tanks.

The Council has already begun discussions with Artesian Water for upgrades to our water infrastructure and will continue outreach to other public utilities should we determine it is in the best interests of the town to move forward. We have not had discussions with other utility providers at this time.

21. What, if any, funds are available for residents who do not have the financial resources to cover existing system removal?

Sussex County offers financial assistance for Sanitary Sewer/Water bills (up to \$200.00 per year), System Connection Charges and assistance for failing septic systems (up to \$2,500.00) for qualified homeowners.

Eligibility is based in part on the Federal Department of Housing and Urban Development (HUD) CDBG low-income levels shown below*.

<u>Family Size</u>	<u>Income Level</u>
1	42,100
2	48,100
3	54,100
4	60,100
5	64,950
6	69,750
7	74,550
8	79,350

In addition, applicants must meet the following criteria:

1. Applicant must be the homeowner and full-time resident of the home.
2. Property located in unincorporated Sussex County or County sewer district.
3. Liquid assets (cash, stocks, bonds, savings, etc.) and Real Estate must be less than \$15,000.
4. Must be current on tax and sewer bills (Sussex County Clean-Hands Ordinance).
5. Funding is available on a first-come, first-served basis, if approved.
6. Sussex County Billing Division will accept applications to determine eligibility.

22. Do you anticipate that if the sewer plan is adopted that it would be optional to each owner or mandatory?

The following information is contained in the presentation prepared by the Sussex County Engineering Department for the Slaughter Beach Town Council.

- Assessments begin when the sewer district infrastructure system becomes operational.

- System connection is mandatory by County & State codes for all homes and/or businesses.
- Service charge billing begins when a home or business is connected or at the mandatory connection deadline.
- Vacant lots will pay an assessment fee of one equivalent dwelling unit.
- Property Tax “exempt” properties are also exempt from sewer assessments.
- Financial assistance is available to qualified homeowners.
- A single-family residence is one equivalent dwelling unit (EDU).
- A commercial business will be rated as multiple EDUs based on fixture units in accordance with County Code.

23. What would be the estimated costs to each homeowner/property owner to hookup and maintain the service?

Estimated Annual Service Charge:

\$300/year per Equivalent Dwelling Unit; billed quarterly to connected customers (subject to change during the annual budget process).

Estimated Annual Assessment Charge:

\$900/year per Equivalent Dwelling Unit (fixed for the term of the financing)

System Connection Charge:

\$0.00 for homes existing at the time of substantial completion. The one-time System Connection Charge (SCC) fee will be included in the financing. Any future connection will be charged the SCC fee in effect at that time. FY2022 Budget set the SCC at \$6,600.

Estimated Annual Charge:

\$300 (service charge) + \$900 (assessment fee) = \$1,200

Estimated One-time Private Connection Expenses:

Plumbing costs, including septic abandonment, range from \$1500 - \$2000 based on the complexity. This range includes a \$100 Permit Fee to Sussex County.

* Federal funding guidelines set the affordability of the total annual charge @ 1.5% of Median Household Income as reported in the latest available Sussex County wide Census Data.

24. When will the Minutes of the June 14th meeting be posted? Will the slides be posted to the website?

The minutes of the June 14th meeting will be posted after approval of the Town Council at the July 12th meeting. The PowerPoint presentations are on the town website under “wastewater”.

25. Are the cost estimates in the 2019 engineering study the estimates Council will work with, or will the numbers increase?

The Sussex County Engineering Department will revise the study prepared by Davis, Bowen & Friedel, Inc. That study is no longer valid because the infrastructure is always evolving as new sewer and water lines are constructed. In addition, the study did not take into consideration the potential grant funds that now exist. Finally, the Median Home Income has increased substantially since the Preliminary Engineering Study was completed.

26. We want to know if our double lot would be assessed one or two EDU (“Equivalent Dwelling Unit”)? If our property receives two EDUs, we will likely have to pay multiple loan servicing (\$900/year) and operations (\$300/year) fees. Both lots are covered in our single property deed.

Assessment flows through the deed regardless of the number of underlying lots. So in the case of the property owner with one deed who posed the question, it is one assessment and subsequently one service charge.