

JANUARY 30, 1974

The regular meeting of the St. Michaels Utilities Commission was held on Wednesday, January 30, 1974. All members were present.

The minutes of the December meeting were approved as read.

Mr. Kilmon reported that since the hiring of Clyde Powell as lineman, his work force is now in good shape.

J. Marion Bryan & Sons has not paid the bill for damages done to the underground distribution line at Martingham. A letter requesting payment will be sent to them.

Work is progressing at the Martingham Golf Cottages.

John T. Griffin has been reappointed by the Town Commissioners to serve on the Utilities Commission for another term of three years, beginning January 1, 1974.

There was a thorough discussion of the year-end financial statements. Also discussed was the rate of growth compared with recent years.

Motion was made by Mr. Griffin, seconded by Mr. Eglseder, and passed, that Alex J. Spencer serve as president of the Utilities Commission for 1974. Mr. Kilmon was reappointed as Manager, and Mrs. Marshall will serve as Secretary-Treasurer.

Mr. Kilmon reported that he has finished rebuilding the Church Neck line, and hopes to start on the Deep Water Point line very soon. The Miles River Yacht Club line will also need work. It is hoped that the Maritime Museum will make some improvements in their service this year.

Following a discussion about future improvements to the system, the meeting was adjourned.


Roberta H. Marshall, Secretary



FEBRUARY 27, 1974

The regular meeting of the St. Michaels Utilities Commission was held on Wednesday, February 27, 1974, with all members in attendance.

The minutes of the January meeting were read and approved.

Town Commissioners Guy Parks and Elwood Harrison appeared before the board to get an estimated date as to when the transformer bank at the old police office will be removed. This property has been given to the Fire Company, and the building will be torn down to provide more parking space. The Utilities will make every effort to have the transformers removed by the end of July.

Payment has not been received from J. Marion Bryan & Sons, and the matter will be turned over to our lawyer.

The Harbourtowne Inn golf cottages have not yet been hooked up, due to a faulty underground system on their property. St. Michaels Utilities will insist that the system be thoroughly tested to our specifications before connecting it to our lines.

Minnie Esther Parks has resigned from the office force, due to her health. She will stay until her replacement can be trained.

There have been many problems in the last month with the billing machine, and various solutions were discussed. Mrs. Marshall will get more information on this matter.

Melvin Darling will no longer work on stand-by with Mr. Kilmon. Mr. Kilmon will be paid on overtime rate equal to the foreman's wages for his stand-by hours. Darling will be raised to regular lineman's salary effective March 4, 1974.

Mr. Kilmon discussed the power situation at the Grace Street Substation, and the fact that it is now operating at full capacity. Delmarva Power and Light Company is hoping to complete their new Tilghman substation at Bozman Road in the near future, and Mr. Kilmon has been making arrangements to take over the old Tilghman substation at Grace Street at a total cost of \$370.43 per year. This will provide St. Michaels with more power until the substation at Bozman is needed. The Commissioners instructed Mr. Kilmon to request Delmarva to do everything possible to have this in effect by July 1, 1974.

There was no further business, and the meeting was adjourned.

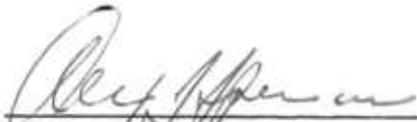

Roberta H. Marshall, Secretary

MARCH 5, 1974

On March 5, 1974, a special meeting of the St. Michaels Utilities Commission was called for the purpose of discussing the breaker leasing agreement between Delmarva Power & Light Company of Maryland and St. Michaels Utilities Commission.

The following resolution was passed unanimously:

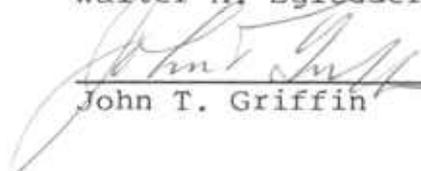
RESOLVED, that the Agreement between DELMARVA POWER & LIGHT COMPANY OF MARYLAND, on the one part, and ST. MICHAELS UTILITIES COMMISSION and THE COMMISSIONERS OF ST. MICHAELS on the other part, dated March 5, 1974, for the purpose of granting ST. MICHAELS UTILITIES COMMISSION permission to lease one breaker now located in Grace Street Substation, St. Michaels, Maryland, and designated as Breaker No. 410 is hereby accepted and approved; and the execution of said agreement in behalf of ST. MICHAELS UTILITIES COMMISSION by the members constituting said ST. MICHAELS UTILITIES COMMISSION be and the same is hereby authorized.



Alex J. Spencer, President



Walter A. Eglseider



John T. Griffin

As adopted March 5, 1974



Roberta H. Marshall, Secretary

MARCH 27, 1974

The regular meeting of the St. Michaels Utilities Commission was held on Wednesday, March 27, 1974. All members were present.

The minutes of the February meeting and the special meeting of March 5 were read and approved.

Mr. Kilmon reported that he has assessed the street lighting system in regard to removing the transformer bank at the old police office, and ordered the necessary materials to do the job.

The Martingham golf cottages are now connected to our system. Two more breaks were discovered in their underground lines, and the system is functioning all right since they were patched.

The main circuits at Martingham were tested on March 8, and the contractor is expected to have the job completed soon.

Melvin Darling is working out well at day work. The salary of Clyde Powell has been raised to scale, and Donald Larimore has also been given an increase.

Joan Downey has been hired to replace Minnie Esther Parks on the office force. Mrs. Parks will leave on March 29.

Mrs. Marshall reported that a new billing machine can be secured for a total cost of \$3,066.72. It was decided to purchase this second machine, and a letter will be written to the Town requesting permission to do so. The present machine will be sent to the shop for a complete overhaul in April.

Mr. Kilmon will get in touch with our lawyer to see what progress has been made regarding the bill to J. Marion Bryan & Sons for damages to the underground distribution lines at Martingham.

Mr. Kilmon has met with Mr. William Huyett, the engineer from Harbourtowne Inn, about additional loads that are being contemplated there. Mr. Kilmon has requested that a letter stating their intentions be sent to us as soon as possible.

There was a discussion about the \$4,000 that is being withheld by Martingham from Payment Certificate No. 8. This was broken down as \$3,000 that was withheld for payment to Burton Hastings for road repairs, and \$1,000 for work that had not yet been done. A bill will be sent to Mr. Peters.

Following a discussion of the liability for settling of underground trenches, and the accidents that could happen from them, the meeting was adjourned.


Roberta H. Marshall, Secretary

MAY 1, 1974

The regular April meeting of the St. Michaels Utilities Commission was postponed to Wednesday, May 1, 1974. All members were present.

The minutes of the last meeting were approved as read.

Permission was received from the Town Commissioners to buy a second billing machine, and the new machine was ordered. Delivery is expected in late June or early July.

J. Marion Bryan & Sons has paid the bill for damages to the underground distribution lines at Martingham.

Mrs. Marshall reported that the Town has purchased a new copy machine. The Utilities will pay their share of the purchase price.

Mr. Kilmon reported that he has not yet heard from Martingham Harbourtowne Inn regarding their plans for expansion. They will be contacted as soon as possible to ask for the letter of their intentions.

There was a discussion of the status of the Martingham job, which is due for completion soon.

Mr. Kilmon reported that the Yacht Club job can be completed as soon as he receives one more piece of equipment, which should be shipped around June 1.

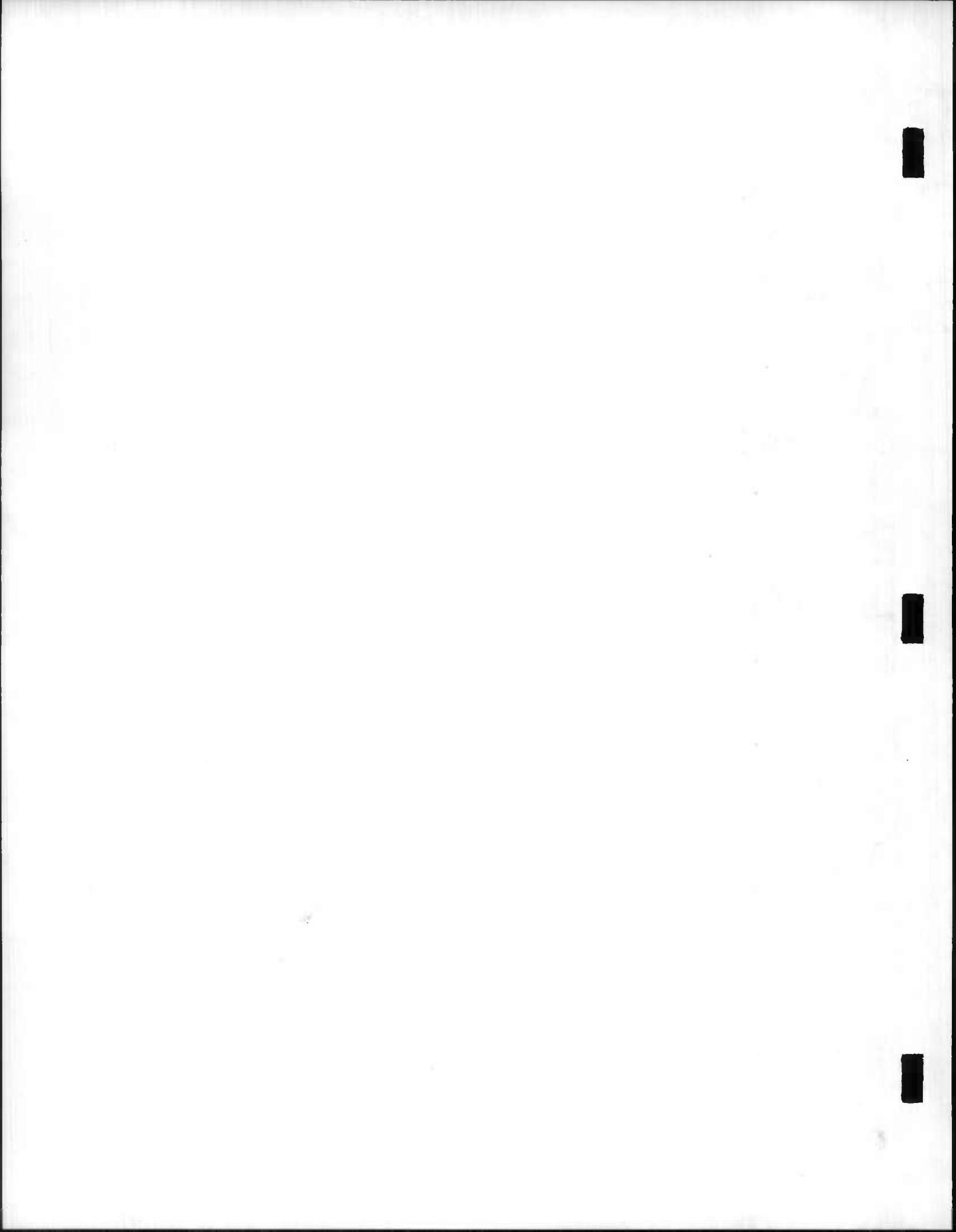
Mr. Eglseder brought to Mr. Kilmon's attention the condition of the cross-over pole at Oak Creek bridge. Mr. Kilmon assured him that the pole is all right for the time being.

There was a discussion about a possible change of location of the future Bozman substation.

Mr. Kilmon asked the Board's opinion about using Melvin Darling on night work under careful supervision. The Commissioners left this decision up to Mr. Kilmon, since they felt he was closest to the problem.

There was no further business, and the meeting was adjourned.


Roberta H. Marshall, Secretary



MAY 29, 1974

The regular meeting of the St. Michaels Utilities Commission was held Wednesday, May 29, 1974. All members were present.

The minutes of the last meeting were read and approved.

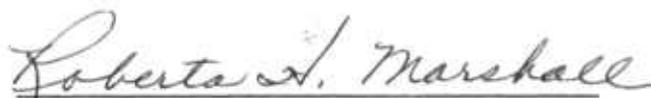
Mr. Kilmon reported that he attended the zoning meeting regarding the proposed Delmarva substation at Bozman Road, but no decision was made. The Commission is hopeful that a settlement will be made soon because of a possible overload on our Grace Street substation. St. Michaels is to take over the Tilghman substation on Grace Street as soon as Delmarva's new substation is operative.

There was considerable discussion about the underground electrical distribution system at Martingham. A meeting will be arranged with Mr. Biro, the engineer, as soon as possible. Mr. Satterfield is still awaiting delivery of a clean set of prints from Mr. Biro, so that he may show cable splices and other pertinent information. Also, the results of the cable test have not been received. There is some doubt as to whether or not some of the changes that were made should be accepted as conforming to the contract. This would include the splices in the lines.

There was a discussion about additional office space which is sorely needed by the Utilities.

During his last visit to St. Michaels, Mr. Goldstein of the Maryland Public Service Commission informed Mr. Spencer that Delmarva will soon apply to the Federal Power Commission for an increase in their rates to wholesale customers. St. Michaels will contact the Maryland Public Service Commission as soon as possible, stating that we would like to have permission to pass on to our customers any rate increase we may receive.

There was no further business, and the meeting was adjourned.


Roberta H. Marshall, Secretary



JUNE 26, 1974

The regular meeting of the St. Michaels Utilities Commission was held on Wednesday, June 26, 1974, with all members present.

The minutes of the May meeting were read and approved.

Mr. Spencer reported that Mr. Dorsey, of the Maryland Public Service Commission, has advised that we write a letter to the Federal Power Commission, asking that St. Michaels be informed immediately if Delmarva Power and Light applies for any rate increase that would affect us. A copy of the letter is to be sent to the Maryland Public Service Commission, with a letter asking permission to pass on to our customers any rate increase that might be imposed on us.

The cable test results of the Martingham underground distribution system have been found satisfactory in all respects. Mr. Biro will set up a meeting as soon as possible.

Mr. Kilmon reported that he has completely abandoned the old building next to the Fire House.

There has been no further word on the Delmarva substation site.

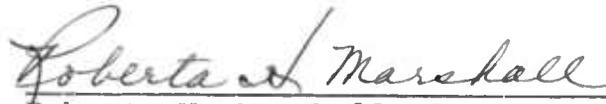
There was a discussion regarding the Utilities present financial condition.

Work on the Miles River Yacht Club line is completed, and their check has been received for their portion of the cost.

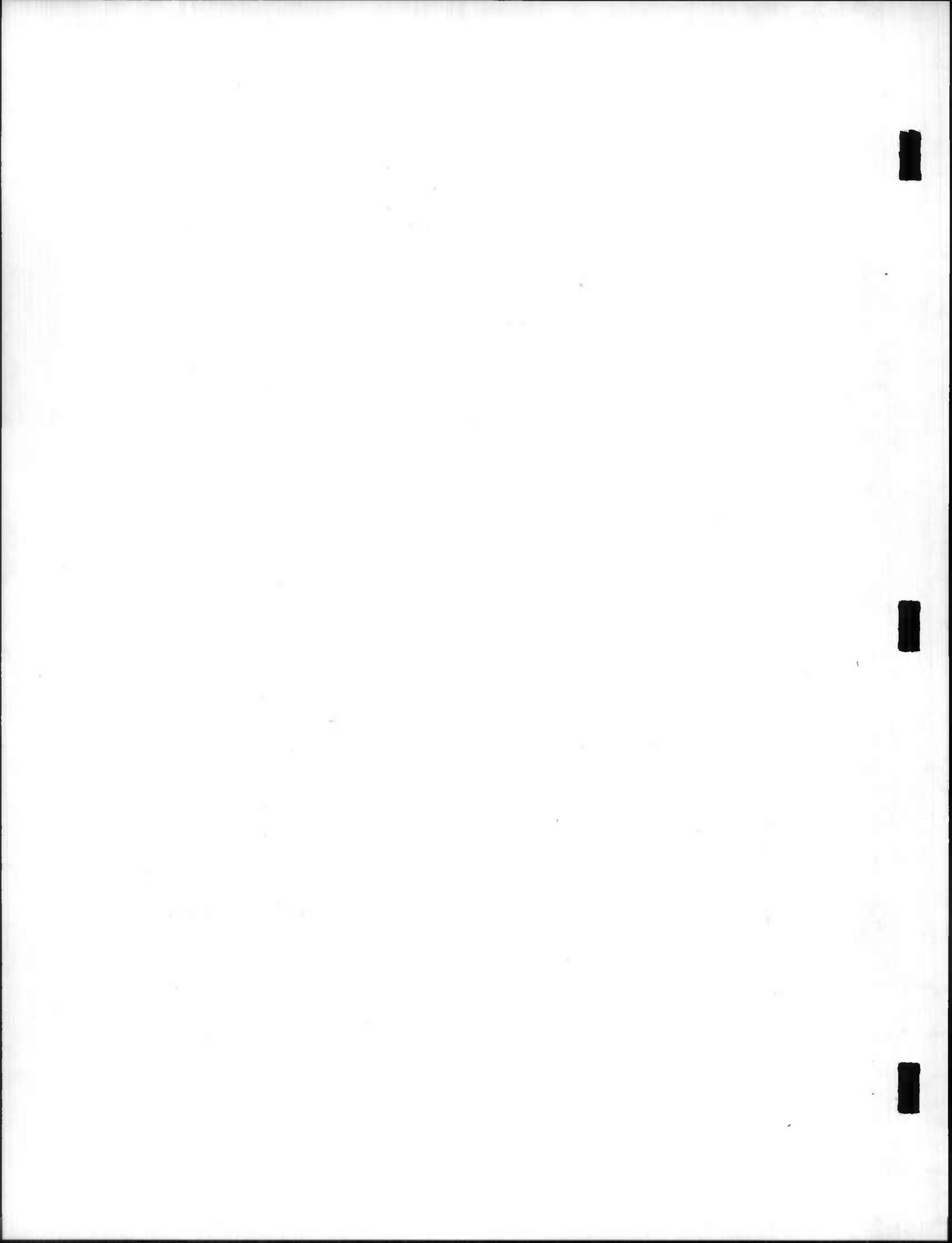
Mr. Kilmon mentioned that he will need new vehicles as soon as the Utilities can afford them.

Since the tree trimming problems have become so critical in the Traveler's Rest area, the Utilities is installing 7,000 feet of underground line in that area.

There was no further business, and the meeting adjourned at an early hour.



Roberta H. Marshall, Secretary



AUGUST 5, 1974

The July meeting of the St. Michaels Utilities Commission was postponed until Monday, August 5, 1974. All members were in attendance.

The minutes of the June meeting were read and approved.

St. Michaels Utilities has been notified by the Federal Power Commission that Delmarva Power and Light Company of Maryland has filed for an increase of 17.06% in their wholesale rates. The major portion of the meeting was devoted to a discussion about how best to compute new rates which will pass this increased cost on to our customers. Mr. Kilmon will meet with Bill Adams, Municipal Sales Representative from Delmarva, who has offered to assist us in this. St. Michaels will file under the Emergency Rate Relief clause, so that the rates will go into effect as quickly as possible after the wholesale rate is increased.

There was discussion about the Martingham underground distribution system. Mr. Satterfield has indicated to Mr. Kilmon that he may not complete the job according to the contract. Mr. Biro has been notified of this fact.

Nothing has been settled on the Delmarva substation site at Bozman.

There was a thorough review of the Utilities' financial condition.

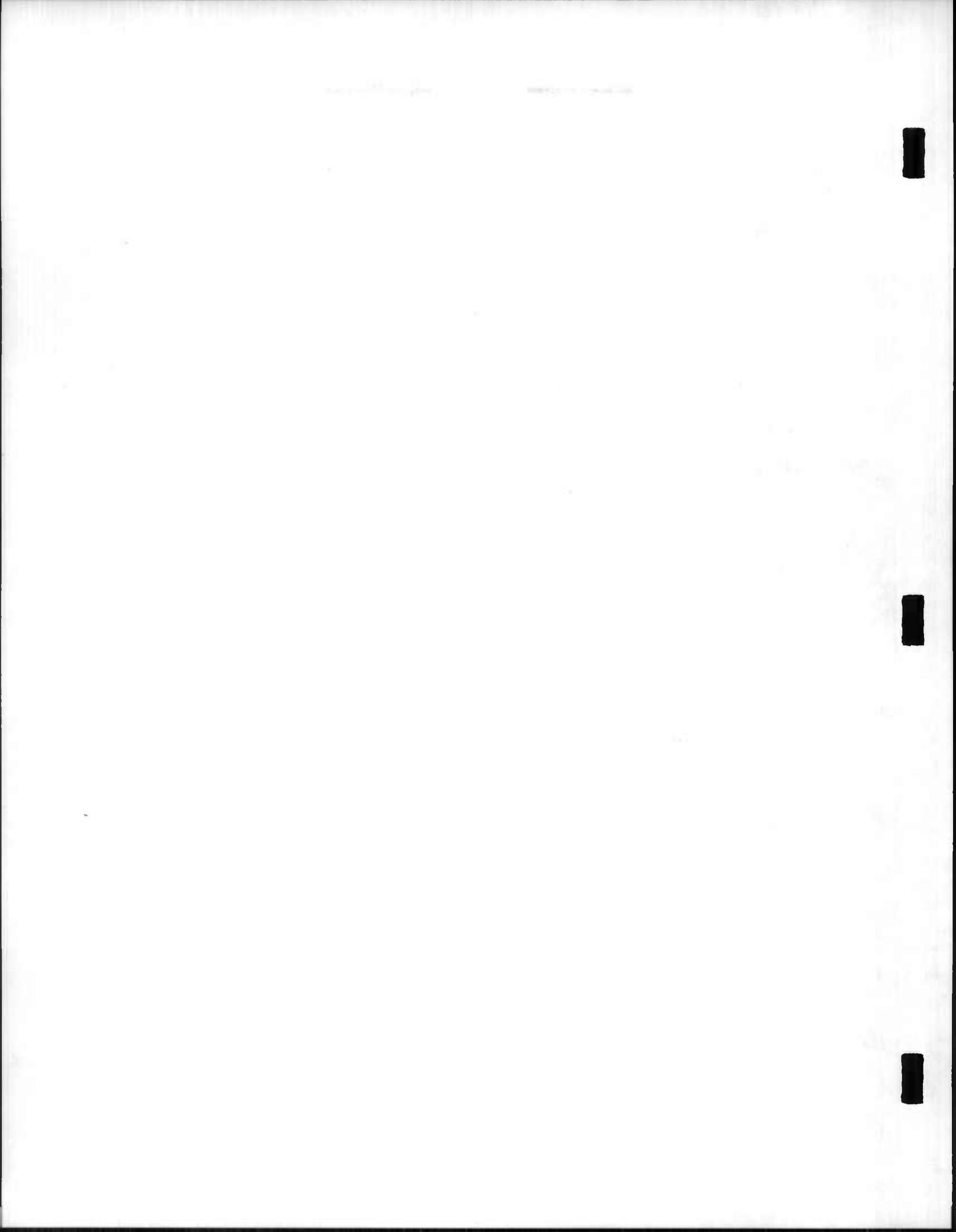
There was mention of the wages for the office personnel.

A copy of a letter to the Maryland Public Service Commission from William R. Jones of the Crab Claw was read. Mr. Jones was complaining about the fuel adjustment charge.

Mr. Kilmon reported that the first phase of the Traveler's Rest underground job has been completed, and the second phase is about 8% completed.

There was no further business, and the meeting was adjourned.


Roberta H. Marshall, Secretary



SEPTEMBER 4, 1974

The August meeting of the St. Michaels Utilities Commission was held on Wednesday, September 4, 1974. All members were present.

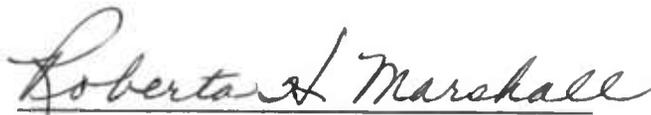
The minutes of the last meeting were approved as read.

Nothing further has been heard regarding the Delmarva Power and Light wholesale rate increase.

There was considerable discussion about the current financial statement. The Utilities is hard pressed for monies at this time. Mr. Kilmon has been instructed to add nothing at all to his inventory until this shortage in cash can be relieved. By so doing, there may be some risk involved, but it is a necessary action. Mr. Kilmon was also urged to finish any sundry jobs that may be under construction, so that they may be billed to the customers. It was decided that, on any service jobs for customers, an advance deposit will be required to cover at least the cost of materials. Mr. Kilmon will also get the customer to sign a purchase order for the work when he deems it necessary.

There was mention of the balance due from Martingham on the underground distribution system. The amount outstanding is \$4,000, but a bill is in hand from Martingham for \$3,000 for repairs to the roads. It was decided to withhold the rebates on lot hook-ups until the matter can be resolved.

There was no further business, and the meeting was adjourned.


Roberta H. Marshall, Secretary



OCTOBER 2, 1974

The September meeting of the St. Michaels Utilities Commission was held on Wednesday, October 2, 1974, with all members present.

The minutes of the last meeting were read and approved.

There was discussion on the possibilities for an alternate site for a substation near the Bozman road. St. Michaels will work with Delmarva, but whatever site is picked the agreement will be subject to the land getting proper zoning.

There has been no word from the Federal Power Commission on Delmarva's application for a wholesale rate increase.

On September 13, 1974, St. Michaels Utilities filed with the Maryland Public Service Commission to insert a Purchased Power Adjustment Clause in their tariff, to be effective November 1. The Purchased Power Adjustment Clause would automatically pass on to the customer any wholesale rate increase imposed by Delmarva. To date, nothing has been heard on this.

Mr. Kilmon brought up the matter of the bush-hogging that is needed to keep the lines clear. This can be forestalled until spring.

It was decided that Purchase Orders will be issued in triplicate from now on, in order to have an extra copy on file in the office. Since many inventory items must be on order for an extended period of time, this will give the Commissioners a better idea of future expenditures.

Following a discussion on the financial statement, the meeting was adjourned.


Roberta H. Marshall, Secretary



OCTOBER 23, 1974

The October meeting of the St. Michaels Utilities Commission was held on Wednesday, October 23, 1974. All members were present except for Mr. John Griffin.

The minutes of the last meeting were approved as read.

There was a discussion concerning our financial condition. Mr. Kilmon was instructed to continue holding the line on spending.

The Utilities' present filing with the Maryland Public Service Commission concerning our request to delete the Fuel Adjustment Clause and to substitute a Purchased Power Cost Adjustment Clause has been suspended pending further consideration by the Maryland Public Service Commission.

Mr. Satterfield's representative, Mike Hereholdt, served verbal notice he is ready to settle the contract concerning Martingham. Mr. Kilmon was instructed to make certain our requirements concerning the splices and other discrepancies in the contract are rectified before settling the contract.

Mr. Spencer will give us a report on the new Middle School which is in the planning stage next meeting.

There being no further business, the meeting was adjourned.



Franklin R. Kilmon, Acting Secretary



NOVEMBER 27, 1974

The regular meeting of the St. Michaels Utilities Commission was held on Wednesday, November 27, 1974, with all members in attendance.

The minutes of the October meeting were read and approved.

Mr. Spencer reported that preliminary work is being done at the new school, since fill dirt is being hauled in for the foundation. The building should be started next spring or next summer, but no contracts are out yet and no one knows exactly what the starting date will be.

The Commissioners reviewed the plans for the proposed addition to the Town Office building.

There was a discussion on how best to handle the emergency created by the Maryland Public Service Commission's ruling regarding the rate adjustment. This will add a considerable amount of extra work to the billing process for the next three months.

A letter has been received from the Town, stating that W. Maynard Stewart has been appointed to the Utilities Commission to serve a three year term when Walter Eglseder's term expires on December 31, 1974.

Mr. Kilmon has received a phone call from Mr. Satterfield, asking the status of the final payment for the Martingham Project. Mr. Kilmon told him to work with Mr. Biro, the engineer. The Utilities will await word from Mr. Biro that the job is completed to our specifications.

James E. Thomas, president of the Town Commissioners, has requested that the Utilities consider buying a chipper, rather than disposing of brush on the town dump. Mr. Kilmon has gotten prices on the equipment, and the cheapest that can be purchased would cost nearly \$5,000. This has been tabled until such time as the money is available.

There was a discussion regarding the impact on Utilities funds caused by possible new subdivisions to be started in our area. Also, the new school will require a considerable expenditure.

Mr. Kilmon reported on the status of the substation site in the vicinity of the Bozman road.

Following a discussion about the Utilities personnel, the meeting was adjourned.


Roberta H. Marshall, Secretary



DECEMBER 18, 1974

The regular meeting of the St. Michaels Utilities Commission was held on Wednesday, December 18, 1974. All members were present.

The minutes of the November meeting were read and approved.

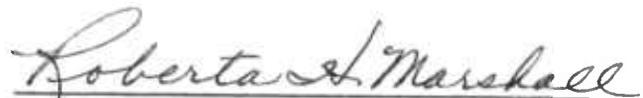
Salaries of all Utilities employees were reviewed, and the wage scale for 1975 was decided upon.

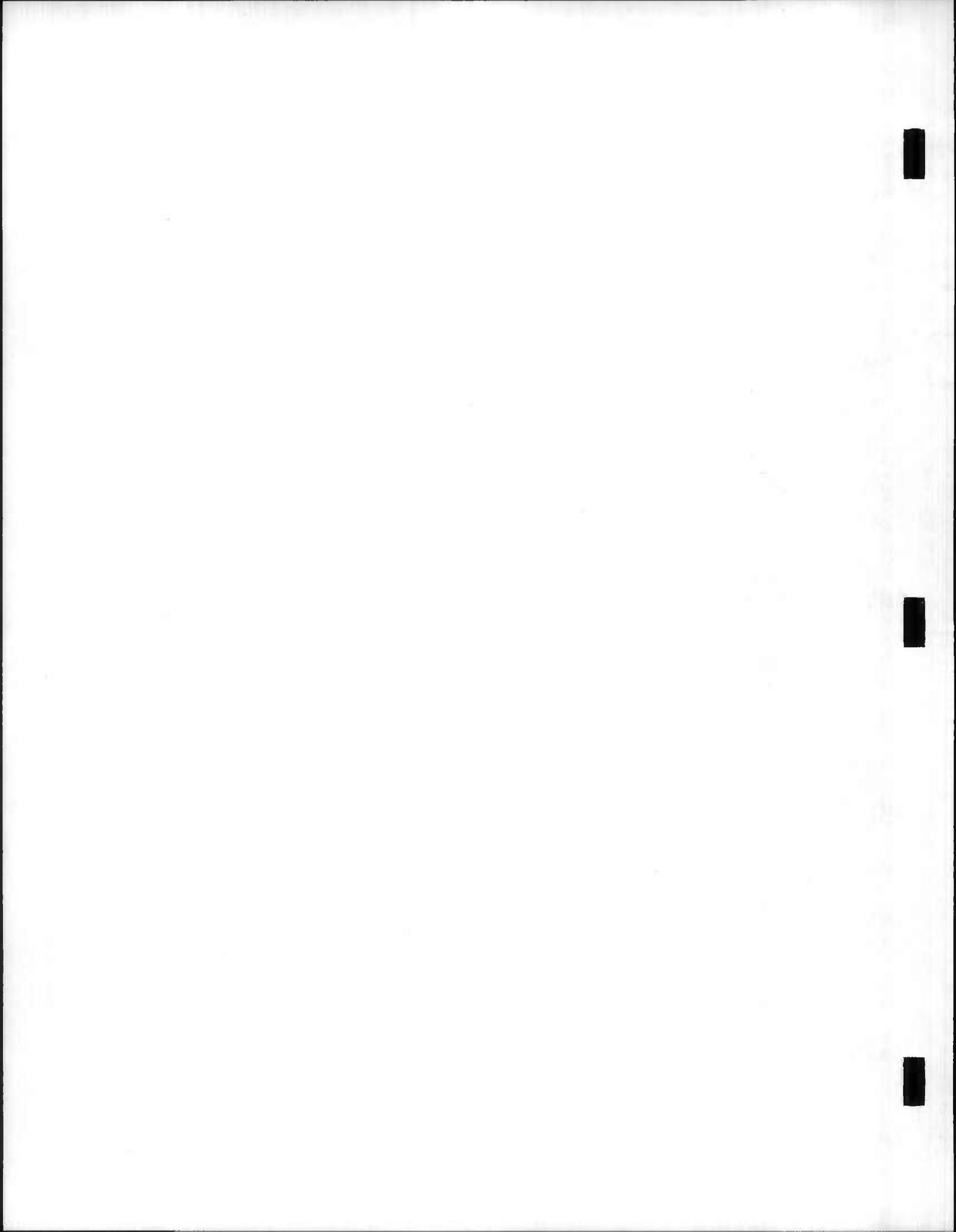
There was a discussion regarding the current financial statement, and mention of the rate increase.

Mr. Kilmon reported on the progress of the Bozman substation site.

Mr. Kilmon has had considerable difficulty in keeping the right-of-way clear on the St. Michaels Oyster Company property. Since this right-of-way provides access to our Grace Street Substation, it is imperative that it be kept clear. Mr. Kilmon has talked to our attorney regarding the matter.

There was no further business, and the meeting was adjourned at an early hour.


Roberta H. Marshall, Secretary



JANUARY 22, 1975

The regular meeting of the St. Michaels Utilities Commission was held on Wednesday, January 22, 1975. All members were present.

W. Maynard Stewart was welcomed as the new member of the Commission.

First order of business was election of officers for 1975. Motion was made by John Griffin, seconded by Maynard Stewart, and passed by general consent, that Alex J. Spencer serve as president. Mr. Kilmon was reappointed as manager, and Mrs. Marshall will again serve as secretary-treasurer.

The minutes of the December meeting were read and approved.

Mr. Kilmon reported that the right of way at the St. Michaels Oyster Company has been cleared.

There was discussion regarding the Bozman substation site. Mr. Kilmon has received a copy of the exchange agreement for his review and comments.

Mr. Kilmon informed the commissioners of the need for a planning study for the St. Michaels distribution system. This would coordinate the entire system. It was agreed that the first step would be to set up a meeting with a representative of the firm of A. C. Wood to discuss possibilities and costs for such a study. This will be done as soon as possible.

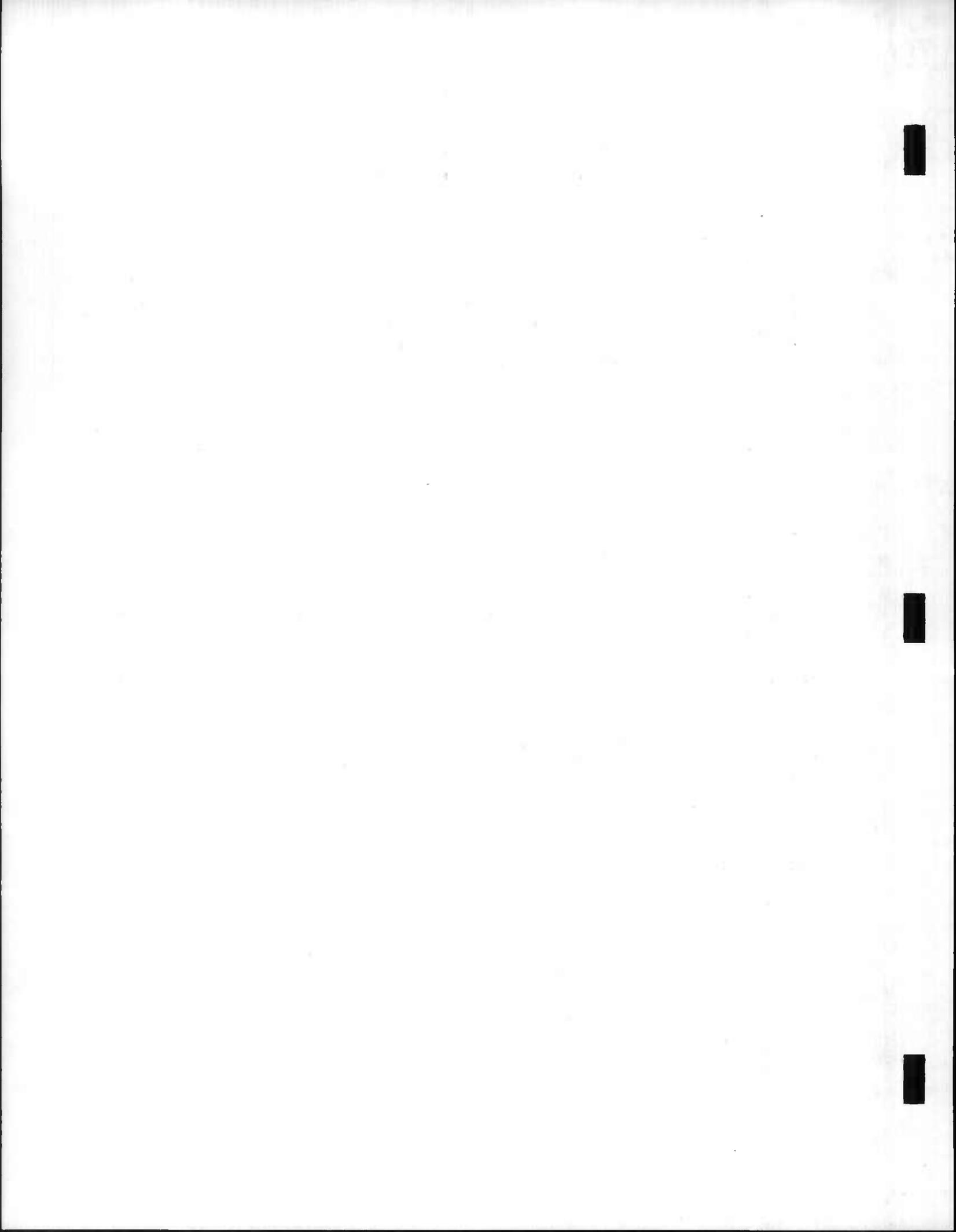
Following that meeting, the Commissioners and Mr. Kilmon plan to meet with representatives from Delmarva, to find out their future plans for serving St. Michaels and to see what help they can give us.

Any decision on the Bozman substation site will be delayed until after these two meetings are held.

The Utilities financial condition was reviewed. The costs that will be involved to connect the new sewage plant to be built by the Talbot County Sanitary District was mentioned, as well as the costs to serve the new school.

It is planned that, after the meetings with A. C. Wood and Delmarva, the Utilities Commissioners will request a meeting with the Town Commissioners to discuss capital expenditures.

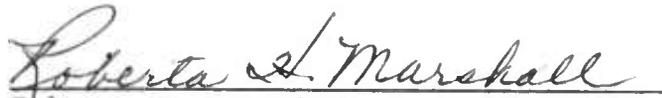
The Utilities will join the Utilities Service Protection Center of Delmarva as an associate member, at a cost of \$50 per year.

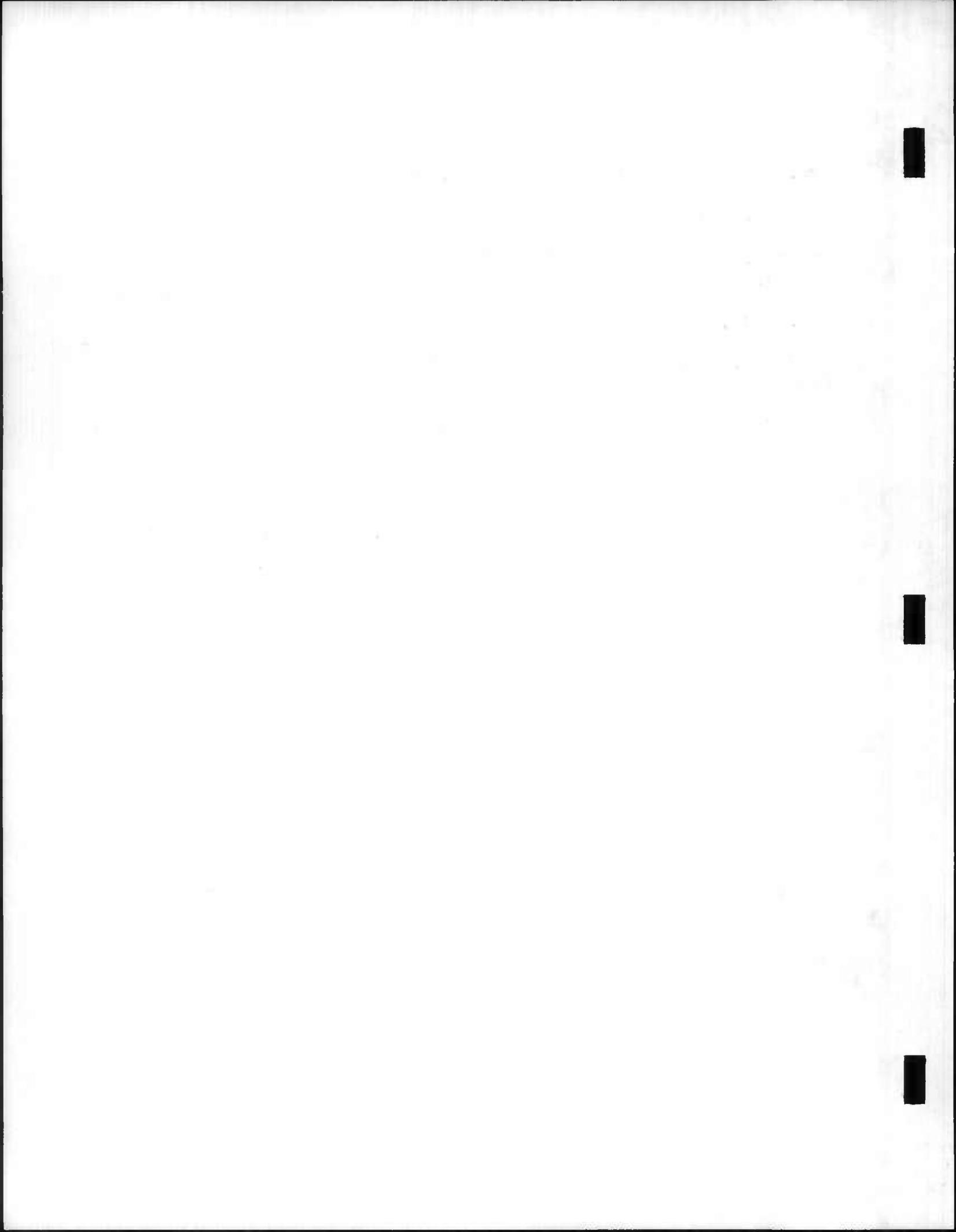


The need for bush hogging the underbrush was brought up by Mr. Kilmon. Due to lack of funds, this will be put off again.

Mr. Satterfield has been in contact with Mr. Kilmon regarding the final payment for the Martingham Subdivision distribution system. This payment will not be made until the job is completed to St. Michaels' specifications. The bonding company was notified that the job was only 85% complete. A letter will be written to Mr. Biro, notifying him that St. Michaels will not release Biro & Associates or the bonding company until the job meets our specifications. Mr. Biro will be told not to sign a release without our express instructions.

There was no further business, and the meeting was adjourned.


Roberta H. Marshall, Secretary



FEBRUARY 26, 1975

All members were present at the regular meeting of the St. Michaels Utilities Commission which was held on Wednesday, February 26, 1975.

The minutes of the January meeting were read and approved.

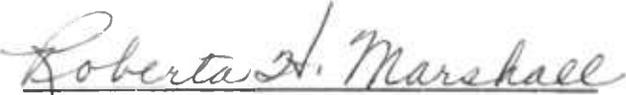
St. Michaels Utilities has been able to get the needed agreement from Delmarva Power and Light in the way of square footage, and as a result will enter into an agreement with them to exchange our land for use of the land in future years, with an annual rental equal only to the amount of real estate taxes they pay on only the land that we use. This agreement will make it possible for the two utilities to use the same zoned substation site, and still be in compliance with the new Talbot County comprehensive zoning plan.

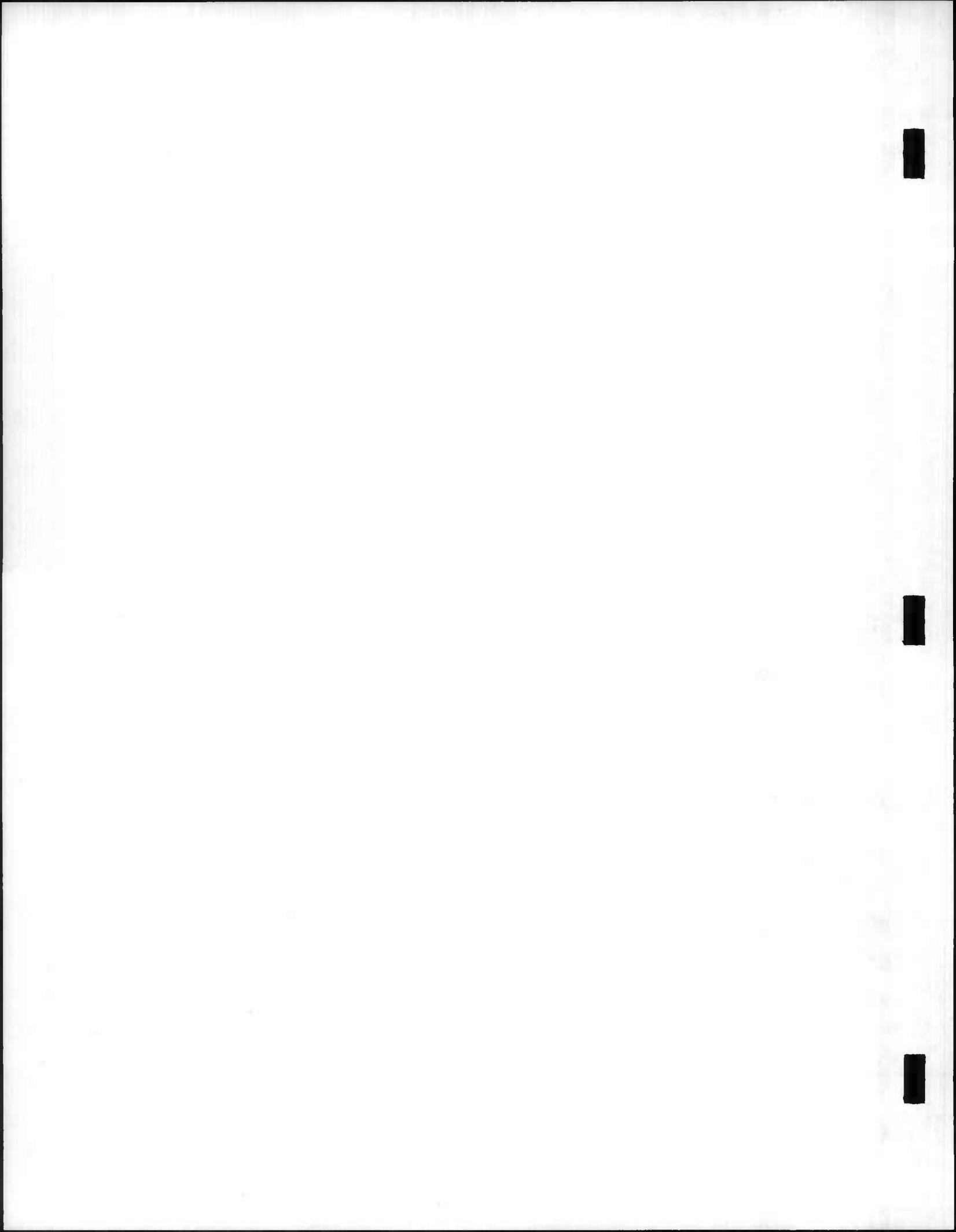
It is expected that a meeting will be held with William Trach, of Biro & Associates, to discuss the remaining work to be done by Satterfield & Ryan before settlement can be made for the Martingham distribution system.

The need for bush hogging under the main feeder lines was again discussed. Mr. Kilmon will talk to Allen Bryan to get his opinion on how long this work can be delayed.

The Hopkins Neck line was discussed. There has been a delay in finishing this job in front of the Springs property. Mr. Kilmon will work with Mr. VanDeVisser of the State Highway Administration to see if the matter can be resolved.

Following a discussion of the various types of substation that can be used today, the meeting was adjourned.


Roberta H. Marshall, Secretary



APRIL 7, 1975

The regular March meeting of the St. Michaels Utilities Commission was postponed to Monday, April 7, 1975. All members were present.

Mrs. Maye Soulsman appeared before the board to complain about the manner in which a maple tree on her property was trimmed. Mr. Kilmon told her he realized the beauty and the value of the tree, but the lines must be kept clear in order to avoid outages. Mr. Soulsman will get in touch with Mr. Kilmon when their pine tree needs trimming.

The minutes of the last meeting were read and approved.

An agreement of exchange for the Bozman substation site has been signed by Delmarva Power and Light, St. Michaels Utilities, and Pelczar Land Company, Inc.

On the advice of our engineering firm, Joseph E. Biro and Associates, a check in the amount of \$2,933.32 has been sent to Satterfield & Ryan, in settlement of the Martingham underground distribution contract.

Mrs. Marshall reported that the billing machine that was purchased in September is finally working in a satisfactory manner, and requested that the Commissioners OK payment for it. A letter will accompany the check, stating the reason for the delay in payment, and requesting that the guarantee period be prolonged.

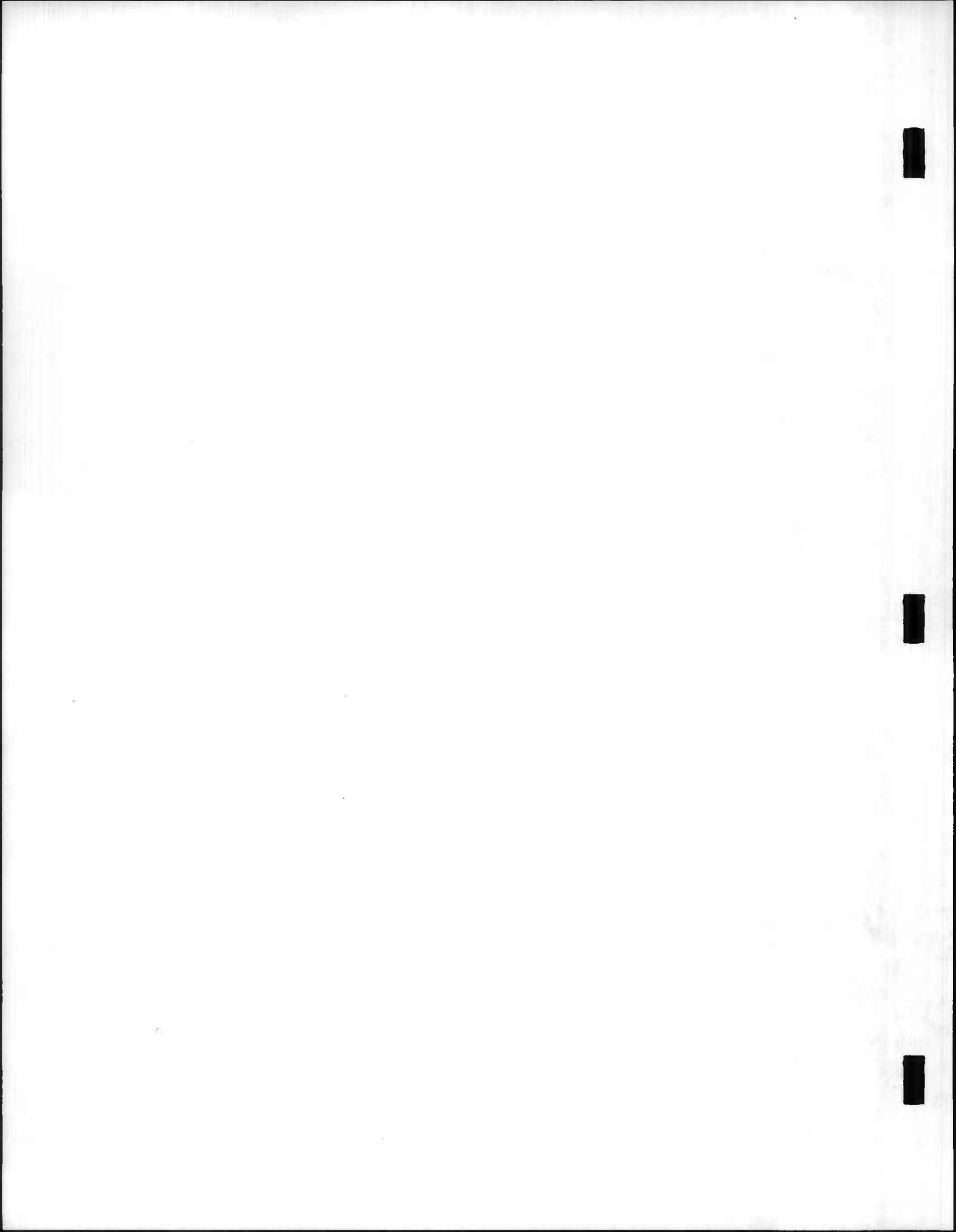
There was a discussion about the financial standing of the Utilities. Since a meeting with the Town Commissioners has not been held for some time, it was felt it would be advisable to invite them to attend our next regular meeting. In this manner, they can be brought up to date on our needs for capital expenditures and future plans, etc.

There was a discussion of the Hopkins Neck Line, with particular reference to the portion in front of the Springs property. This portion was the first to go off during the heavy winds of April 3. Mr. Kilmon has talked to Mr. VanDeVisser of the State Highway Administration, and will write a letter to Mrs. Springs to try to settle the matter.

Mr. Kilmon reported to the Commissioners that a new aerial for the office radio will cost in the neighborhood of \$2,300. The town will pay \$150 toward the cost, so the police aerial can also be installed.

Following a discussion on the cut-off practices for the Utilities, which are governed by Maryland Public Service Commission rules, the meeting was adjourned.


Roberta H. Marshall, Secretary



APRIL 23, 1975

The regular meeting of the St. Michaels Utilities Commission was held on Wednesday, April 23, 1975, with all members present.

The minutes of the last meeting were approved as read.

No further word has been received on the settlement with Satterfield & Ryan.

Mr. Kilmon is hopeful that a meeting with Mrs. Springs and Mr. VanDeVisser can be held soon. If a satisfactory arrangement cannot be worked out, the line will be placed along the State right-of-way.

Mr. Kilmon has been in contact with our lawyer regarding the Thomas Lednum account.

A new typewriter will be purchased to replace the old Underwood that is completely worn out, and has been fully depreciated for years.

Motion was made by Ray Kilmon, seconded by Maynard Stewart, and passed, to raise the salaries of the Commissioners from \$15.00 to \$25.00 per month.

It is hoped that the Town Commissioners will attend the next regular meeting of the Utilities on May 28, 1975.

There was no further business, and the meeting was adjourned.


Roberta H. Marshall, Secretary



MAY 28, 1975

The Town Commissioners attended the regular meeting of the St. Michaels Utilities Commission on Wednesday, May 28, 1975. Due to the remodeling of the town office building, the meeting was held at Maryland National Bank. All members of both boards were present.

Mr. Spencer opened the meeting by mentioning some of the current problems faced by the Utilities: capital expenditures that are needed, the increasing costs to connect new customers, and increased costs for all phases of the operation. He explained that the Utilities has been able to have the \$25,000 payment to Maryland National Bank waived for this year, and this has eased the cash situation somewhat, at least for the present time. However, he stressed that the Utilities does not have much money for the town, and there is none in sight.

During the past ten years, the Utilities has averaged over \$30,000 a year in total contributions to the town. This includes electricity, interest payments on the town's loan at Maryland National, sewer bonds and interest payments, and actual cash turned over. The Utilities Commission feels that they will be able to continue these things. Mr. Spencer said that the Utilities will pay the full amount of the loan at Maryland National Bank, including the approximately \$85,000 that was borrowed for use by the town.

Mr. Spencer remarked that there should be extra cash available at such time as the town goes with the county sewer system, since the sewer bonds would no longer have to be paid.

Mr. Spencer also noted the new type rate which St. Michaels has on file with the Maryland Public Service Commission, and explained how the present Fuel Adjustment clause causes us to lose money.

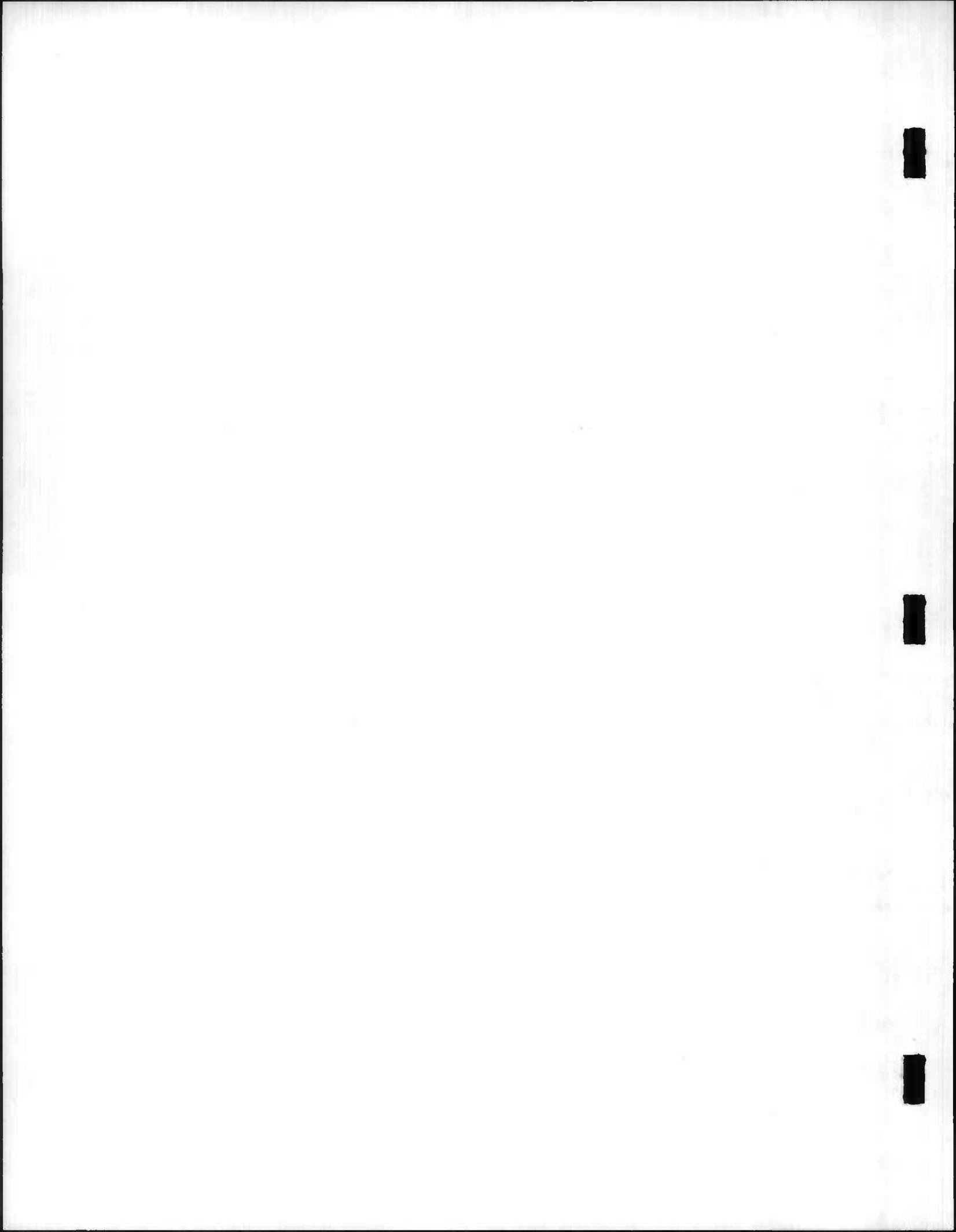
There was a thorough explanation of the financial and statistical statements that were distributed, as well as schedules of necessary capital expenditures.

In closing, Mr. Spencer stated that the St. Michaels system is in better shape than it has ever been.

The general feeling was expressed that the joint meeting had been beneficial to all who were present.

Following the departure of the Town Commissioners, the minutes of the April meeting were read and approved.

Mr. Kilmon discussed the need for the new feeder to tie the Bloomfield substation into the St. Michaels substation, and the manner in which he plans to carry out the job. This will allow the



new school and the county sewer system to be added to the substation at Grace Street.

Mr. Kilmon is trying to meet with Pete Tyler regarding the Utilities' use of a chipper if Mr. Tyler decides to buy one. It is hoped that an advantageous agreement can be worked out.

Although his current has not been turned back on, Thomas Lednum has been making small payments on his account.

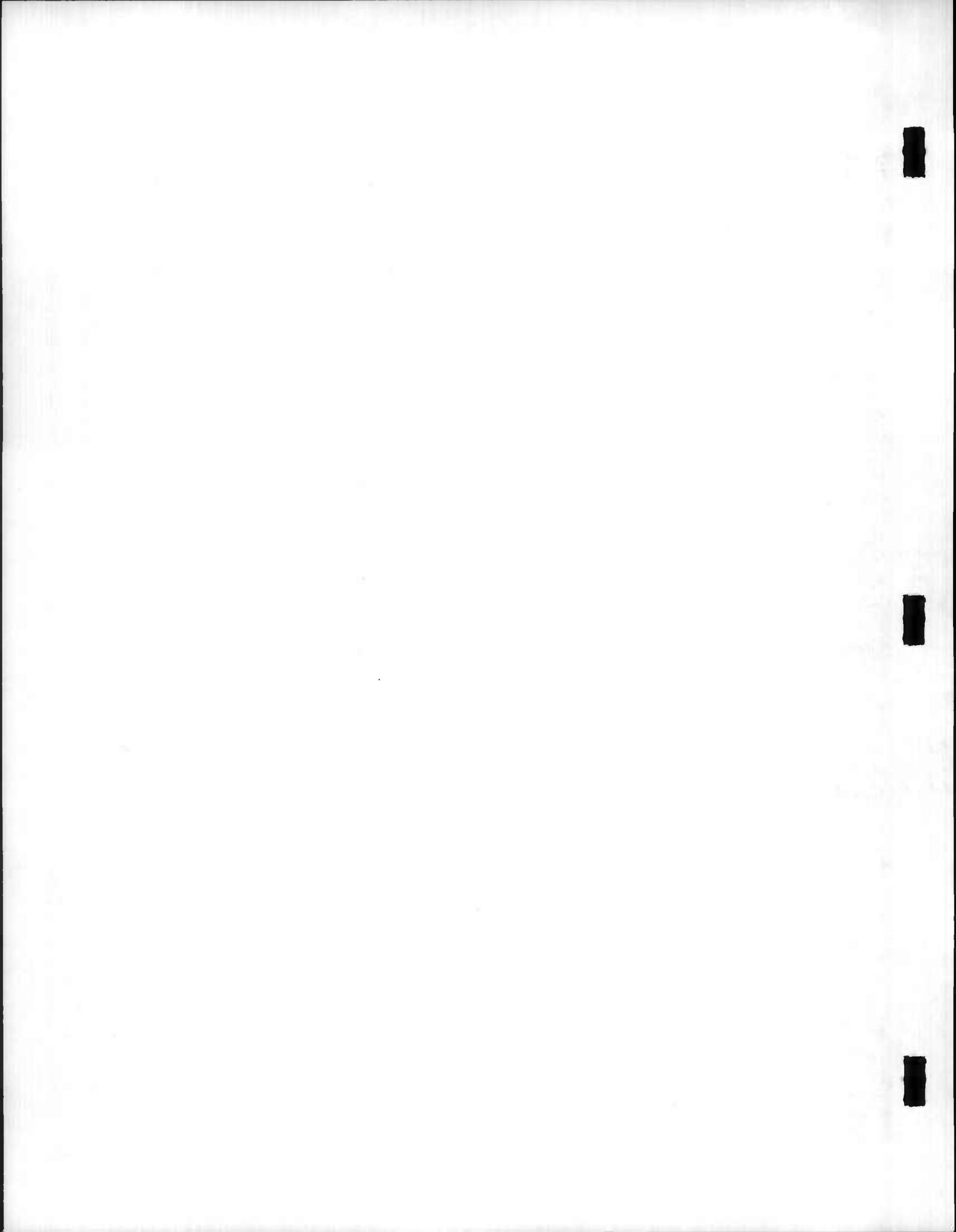
Mr. Kilmon brought up the matter of the need for tree trimming on Mr. Peterson's line in Rigby Lot.

It was announced that there will be a hearing of the Talbot County Board of Appeals at the Court House on June 9, in relation to a special exception for the Delmarva substation near Bozman Road.

There has still been no word on a definite starting date for the new school.

There was no further business, and the meeting was adjourned.


Roberta H. Marshall, Secretary



ST. MICHAELS UTILITIES COMMISSION
COMPARISON OF REVENUE AND EXPENSE
1974 with 1973

	1974		1973	
	Amount	¢ per KWH	Amount	¢ per KWH
<u>REVENUES</u>				
Residential Sales	\$559,119.72	2.2739	\$428,466.26	1.7047
Commercial & Industrial Sales	338,242.45	1.3756	271,672.86	1.0809
Public Street Lighting	5,634.70	.0229	3,556.24	.0141
Other Sales	7,540.05	.0307	5,415.74	.0215
Forfeited Discounts	4,894.86	.0199	4,053.52	.0161
Misc. Service Revenues	3,937.18	.0160	3,465.76	.0138
Misc. Nonoperating Income	3,768.17	.0153	5,388.44	.0214
<u>TOTAL REVENUES</u>	<u>\$923,137.13</u>	<u>3.7543</u>	<u>\$722,018.82</u>	<u>2.8725</u>
<u>EXPENSES</u>				
Taxes Other Than Income	\$ 5,058.11	.0206	\$ 3,971.75	.0158
Interest on Customer Deposits	87.42	.0004	61.73	.0002
Interest on Advance	4,174.91	.0170	5,449.38	.0217
Purchased Power	684,009.65	2.7819	454,868.50	1.8098
Line & Station Supplies	1,438.54	.0059	2,132.27	.0085
Customer Installation Expense	431.35	.0017	629.19	.0025
Misc. Distribution Expense	2,905.92	.0118	2,267.77	.0090
Rent: Shop & Office	7,215.00	.0293	7,215.00	.0287
Maintenance:				
Structures & Improvements	554.48	.0022	913.81	.0036
Distribution Lines	28,840.74	.1173	39,256.22	.1562
Street Lights	1,056.23	.0043	715.15	.0028
Meters	671.26	.0027	1,331.71	.0053
Misc. Distribution Plant	33.11	.0001	185.95	.0007
Meter Reading	4,322.98	.0176	3,205.48	.0128
Accounting & Collecting	13,860.37	.0564	12,497.60	.0497
Customer Supplies & Expense	6,597.31	.0268	6,970.58	.0277
Uncollectable Accounts	452.02	.0018	60.04	.0002
Administrative & General Sal.	12,527.60	.0510	12,470.40	.0496
Office Supplies & Expense	2,983.08	.0121	2,211.80	.0088
Outside Services Employed	1,200.00	.0049	1,672.50	.0067
Property Insurance	1,256.00	.0051	338.00	.0013
Injuries & Damages	2,884.00	.0117	2,069.00	.0082
Employee Pensions & Benefits	5,489.10	.0223	5,774.72	.0230
Regulatory Commission Exp.	2,459.38	.0100	2,584.05	.0103
Misc. General Expense	51.00	.0002	47.00	.0002
Total	<u>\$790,559.56</u>	<u>3.2151</u>	<u>\$568,899.60</u>	<u>2.2633</u>
Depreciation Expense	38,766.22	.1577	34,839.10	.1386
Interest Accrued	370.64	.0015	267.75	.0011
<u>TOTAL EXPENSES</u>	<u>\$829,696.42</u>	<u>3.3743</u>	<u>\$604,006.45</u>	<u>2.4030</u>
<u>NET PROFIT</u>	<u>\$ 93,440.71</u>	<u>.3800</u>	<u>\$118,012.37</u>	<u>.4695</u>
KWH PURCHASED	25,994,400		26,630,400	
KWH SOLD	24,582,954		25,133,446	



ST. MICHAELS UTILITIES COMMISSION
COMPARISON: 1974 with 1973

<u>KWH PURCHASED</u>	<u>1974</u>	<u>1973</u>
	25,994,400	26,630,400
Average Cost Per Kilowatthour	\$.0263	\$.0171
Average Billing Demand	4265 KW	4267 KW
Peak Summer Demand	5520 KW (July)	5616 KW (August)
Peak Winter Demand	5664 KW (Jan & Feb)	5808 KW (January)
 <u>KWH SOLD</u>		
Comm. of St. Michaels	478,369	498,556
Town Customers	7,362,664	8,314,263
Rural Customers	16,741,921	16,320,627
<u>TOTAL KWH SOLD</u>	<u>24,582,954</u>	<u>25,133,446</u>
 <u>AVERAGE LINE LOSS</u>		
	<u>5.4%</u>	<u>5.6%</u>
 <u>PROFIT PER KWH SOLD</u>		
Sales	\$.0375	\$.0287
Expenses	.0337	.0240
Net Profit	<u>\$.0038</u>	<u>\$.0047</u>

<u>NUMBER OF CUSTOMERS</u>	<u>1974</u>		<u>1973</u>	
	as of <u>12/31/74</u>	avg. used per month	as of <u>12/31/73</u>	avg. used per month
<u>Town</u>				
Domestic	486	354	491	369
All Electric	54	1462	45	1623
Comm. & Ind.	<u>123</u>	2978	<u>124</u>	3748
	663		<u>660</u>	
<u>Rural</u>				
Domestic	945	531	943	560
All Electric	269	1950	252	2167
Comm. & Ind.	<u>179</u>	2199	<u>175</u>	2091
	1393		<u>1370</u>	
 <u>TOTAL CUSTOMERS</u>	 <u>2,056</u>		 <u>2,030</u>	

<u>KWH SOLD' (BY RATE)</u>	<u>KWH</u>	<u>Average Sale Price</u>	<u>KWH</u>	<u>Average Sale Price</u>
Domestic	15,001,283	\$.0373	14,769,361	\$.0290
Commercial & Ind.	9,103,302	\$.0372	9,865,529	\$.0275
Town of St. Michaels	478,369	\$.0275	498,556	\$.0180
	<u>24,582,954</u>		<u>25,133,446</u>	



ST. MICHAELS UTILITIES COMMISSION
COMPARISON OF STATISTICS

NUMBER OF CUSTOMERS

1974	2,056	1% increase	26 new customers
1973	2,030	5% "	94 " "
1972	1,936	3% "	55 " "
1971	1,881	2% "	40 " "
1970	1,841	2% "	38 " "

ALL ELECTRIC CUSTOMERS

1974	323	9% increase	26 new customers
1973	297	41% "	87 " "
1972	210	28% "	46 " "
1971	164	39% "	46 " "
1970	118	28% "	26 " "

KWH SOLD

1974	24,582,954	
1973	25,133,446	
1972	22,814,397	
1971	18,884,727	
1970	17,154,765	(does not include sales to Choptank)

INCREASE IN PROPERTY ACCOUNTS

1974	\$120,416	
1973	\$244,100	(Construction in Progress - none)
1972	\$ 66,600	(Construction in Progress - \$110,000)
1971	\$138,400	(Construction in Progress - \$ 7,300)
1970	\$ 77,400	



COMPANION OF TEN YEAR PERIOD: 1965 thru 1974

ST. MICHAELS UTILITIES COMMISSION

YEAR	KWH SOLD	% OF INCREASE OVER PREV. YEAR	NET PROFIT	ELECTRICITY	PAID TO TOWN CASH	TOTAL
1965	9,783,950	13.5	\$ 49,930.01	\$ 3,577.80	\$ 21,700.90	\$ 25,278.70
1966	11,465,109	17.2	45,669.50	3,623.03	15,811.87	19,434.90
1967	12,624,751	10.1	61,407.27	3,618.32	24,811.66	28,429.98
1968	14,802,092	17.2	57,484.84	4,540.27	28,796.58	33,336.85
1969	17,507,040	18.3	57,738.57	5,025.00	16,454.73	21,479.73
*1970	17,884,665	2.2	67,856.83	4,666.36	17,025.55	19,291.31
1971	18,884,727	5.6	98,519.88	5,849.85	16,090.57	21,940.42
1972	22,814,397	20.8	120,169.95	6,854.59	28,027.87	34,882.46
1973	25,133,446	10.2	118,012.37	9,015.65	17,020.95	26,036.60
**1974	24,582,954	(2.2)	93,440.71	13,207.73	16,797.13	30,004.86
Total	175,483,131		\$770,229.93	\$59,978.60	\$202,537.81	\$260,115.81

Notes

* Choptank Electric was dropped as a wholesale customer on 4/30/70, and this is why there was no noticeable increase in KWH sold in 1970.

** 1974 sales decrease was due to customers' cutting back for fuel shortage.



ST. MICHAEL'S UTILITIES COMMISSION

SUMMARY OF MONIES AVAILABLE

HOUSED

YEAR	PROFIT	BORROWED	CUST. CONT.	INCREASE IN PROP. ACCTS.	PD. ON LOAN	PD. TO TOWN	BALANCE
1965	\$ 49,930.01	-	-	\$ 32,712.39	-	\$ 25,278.70	\$(8,061.08
1966	45,669.50	-	-	35,126.66	-	19,434.90	(8,892.00
1967	61,407.27	-	-	47,332.74	-	28,429.98	(14,355.45
1968	57,484.84	-	-	46,627.65	-	33,336.85	(22,479.66
1969	57,738.57	\$ 40,000.00	-	76,391.15	\$ 5,333.32	21,479.73	(5,465.62
1970	67,856.83	65,667.00	\$ 4,760.00	88,482.32	15,998.47	19,291.31	14,511.73
1971	98,519.88	70,000.00	13,758.60	134,635.88	5,332.00	21,940.42	20,370.18
1972	120,169.95	-	107,714.29	176,529.92	25,000.00	34,882.46	(8,528.14
1973	118,012.37	-	63,369.73	126,936.70	25,000.00	26,036.60	3,408.80
1974	93,440.71	-	25,302.85	120,416.46	25,000.00	30,004.86	(56,677.76
Total	\$770,229.93	\$175,667.00	\$214,905.47	\$885,191.87	\$101,663.79	\$260,115.81	\$(86,169.07

Note: The balance on the note at Maryland National Bank is \$159,000, of which \$85,000 was borrowed for Town use. Theoretically, at least half of the amount paid on the loan could be called a contribution to the Town since the Town is not making any payments.

BREAKDOWN ON AMOUNTS PAID TO THE TOWN

YEAR	ELECTRICITY	SEWER BONDS	INTEREST ON TOWN'S LOAN	CASH	TOTAL	% OF PROFIT
1965	\$ 3,577.80	\$ 12,184.00	-	\$ 9,516.90	\$ 25,278.70	50.6
1966	3,623.03	12,024.00	-	3,787.87	19,434.90	42.6
1967	3,618.32	11,864.00	-	12,947.66	28,429.98	46.3
1968	4,540.27	12,688.00	-	16,108.58	33,336.85	58.0
1969	5,025.00	12,496.00	-	3,958.73	21,479.73	37.2
1970	4,666.36	12,304.00	\$ 2,320.95	-	19,291.31	28.4
1971	5,849.85	12,112.00	3,978.57	-	21,940.42	22.3
1972	6,854.59	11,920.00	4,320.96	11,786.91	34,882.46	29.0
1973	9,015.65	12,712.00	4,308.95	-	26,036.60	22.1
1974	13,207.73	12,488.00	4,309.13	-	30,004.86	32.1
Totals	\$59,978.60	\$122,792.00	\$19,238.56	\$58,106.65	\$260,115.81	33.8%



ST. MICHAELS UTILITIES COMMISSION

VEHICLES OWNED, AND CURRENT USAGE:

- 1965 International, dump truck. Used for hauling brush, etc.
- ** 1965 Ford, 3/4 ton pickup, equipped with 1961 aerial ladder. Used for routine maintenance, new line construction, and trouble shooting.
- 1966 Dodge truck, equipped with 1942 digger. Puts down anchors, digs holes for poles, etc. Parts for digger are now unavailable.
- ** 1966 Chevrolet line truck. Purchased (used) from Choptank Electric in 1971
- ** 1968 International truck with aerial bucket. Used for maintenance of high voltage lines and tree trimming.
- ** 1970 Ford, 1 ton pickup, with tool compartments and aerial ladder. Used for line construction and line maintenance.
- ** 1970 Ford Clubwagon. Used for meter reading and by Ray Kilmon on Utilities business.
- 1966 Chance Hotline tool trailer
- 1966 Homemade trailer, for hauling poles.

** These vehicles are equipped with radios.



ST. MICHAELS UTILITIES COMMISSION

PROJECTS TO BE STARTED AND COMPLETED THIS YEAR

Transportation:

One new aerial bucket truck needed \$27,000.00

New Feeder to Tie Bloomfield Substation
into St. Michaels Substation:

Work has begun. Need additional funds
to complete \$18,000.00
(Needed immediately)

Estimate 30 New Customers:

Cost to connect \$45,000.00

Line Transformers \$12,000.00

Overhead Conductors \$11,000.00

Poles, Towers, Fixtures \$10,000.00

Meters \$ 4,500.00

Services \$ 5,500.00

LINE MAINTENANCE NEEDED THIS YEAR

Line Maintenance \$40,000.00

Tree Trimming Maintenance (need badly) \$ 8,000.00

Bush Hogging (scheduled, Sept. or Oct.) ... \$ 1,500.00

ESTIMATED TRANSPORTATION EXPENSE THIS YEAR

Maintenance \$ 7,200.00

Gasoline \$ 3,900.00



ST. MICHAELS UTILITIES COMMISSION

IMMEDIATE FUTURE CAPITAL EXPENDITURES

- | | |
|---|-------------|
| 1. One truck to be replaced | \$18,000.00 |
| 2. New St. Michaels Middle School (est.) | \$12,000.00 |
| 3. Talbot County Central Sewage System,
(est.) | \$ 8,000.00 |

NOT IMMEDIATE FUTURE CAPITAL EXPENDITURES

- | | |
|--|-------------|
| 1. New proposed Porter's Pride Substation,
to serve northern portion St. Michaels
to Claiborne | \$90,000.00 |
|--|-------------|



JUNE 26, 1975

The regular meeting of the St. Michaels Utilities Commission was held on Thursday, June 26, 1975. Those present were Mr. Spencer, Mr. Stewart, Mr. Kilmon, and Mrs. Marshall.

The minutes of the last meeting were approved as read.

Mr. Kilmon attended the zoning hearing for the Delmarva substation near Bozman Road, but a decision is not expected for thirty days.

There was discussion about the large amount of money in Accounts Receivable.

Mr. Kilmon reported that the cable has been ordered for the new feeder to tie the Bloomfield substation into the St. Michaels substation.

Mr. Peterson has written the Public Service Commission requesting a copy of their rules. There has been no further word from him regarding the tree trimming on his property.

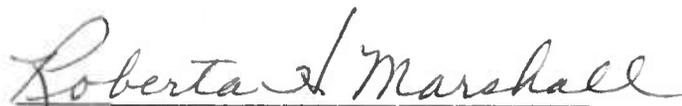
Mr. Tyler has still not been available for a meeting with Mr. Kilmon concerning the use of a chipper.

Bids for the new St. Michaels Middle and Elementary School will be out in July. The school system will buy the existing equipment at the school, and furnish the new equipment. Current will be primary metered.

There was a discussion about the need for tree trimming, which is becoming critical. Mr. Kilmon will get a price quote from Asplundh, in hopes that it can be done in the fall.

Mr. Kilmon has gotten a quote of \$27,500 on a bucket truck that would be suitable for Utilities work.

There was no further business, and the meeting was adjourned.


Roberta H. Marshall, Secretary



JULY 23, 1975

St. Michaels Utilities Commissioners met for their regular meeting on Wednesday, July 23, 1975. All members were present.

The minutes of the June meeting were read and approved.

Delmarva Power and Light Company has received a favorable ruling from the Zoning Appeals Board for their substation site near the Bozman road.

Approximately half the cable needed for the Bloomfield Substation tie-in has been received. The balance is scheduled for shipment on July 28.

The need for tree trimming was thoroughly discussed. Mr. Kilmon explained that he will concentrate on the main feeders, the high work, and the sections that are hard to get to. Our own crews will work on the rest when they can.

Mr. Kilmon noted that he has been trying to get right-of-ways to get the lines underground which feed the properties of Dr. Bain, the Schucks, and Mr. Scofield. This would alleviate a large tree problem in that area.

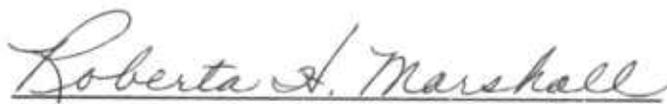
The new St. Michaels Middle and Elementary School has been put out for bids.

Mr. Kilmon has been contacted by the Public Service Commission, regarding our practices on tree trimming. They have received a complaint from Mr. Peterson.

The Public Service Commission also received a complaint from Paul Barnes, electrical contractor.

There was a discussion regarding the Utilities' need for a bucket truck. Safety factors that are necessary, the size truck and unit needed, and various makes and models were noted. Mr. Kilmon was instructed to get some firm bids, in hopes that the truck can be ordered in the fall.

There was no further business, and the meeting was adjourned.


Roberta H. Marshall, Secretary



SEPTEMBER 3, 1975

The August meeting of the St. Michaels Utilities Commission was held on Wednesday, September 3, 1975. All members were present.

The minutes of the July meeting were approved as read.

All the cable needed for the Bloomfield Substation tie-in is now on hand.

Mr. Kilmon reported that the estimated cost for all the tree trimming needed is \$37,600. Approximate cost for trimming the main feeders only was estimated at \$24,190. Approximate cost for the bush hogging that must be done is \$3,339.84. It was realized that it is impossible for the Utilities to do the tree trimming and also purchase a new bucket truck, due to the cash situation.

There was a discussion about possible solutions to this problem. It was noted that as soon as the new truck can be purchased, it would be more economical to hire an additional man or two and use our own bucket truck for tree trimming. This would also involve renting or purchasing a chipper.

Mr. Kilmon stressed that the bush hogging cannot be put off any longer, and also that there are some very bad tree situations on the lines. It was decided to have the bush hogging done now, and also to do some of the most urgent tree trimming, up to a limit of \$10,000 total. Mr. Kilmon will watch the crews very carefully to be sure that the most possible work is done for the least cost.

Bids have been received on the bucket truck. Low bid on the truck was from Elliott Equipment Company, in the amount of \$7,200. The total cost of the equipment, including the truck, will be \$31,442.75. Delivery can be made on the truck by November, and the installation of the aerial equipment will take sixty to ninety days after the truck is delivered. It was decided to request permission from the Town Commissioners to purchase this as soon as possible.

There was a discussion about the overdue bills for electricity at Martingham. Mr. Kilmon was instructed to take steps to collect the money as soon as possible.

The Public Service Commission has granted the new rate application, effective with service rendered on August 13, 1975. Under the new Purchased Power Cost Adjustment Clause, there will be very little time each month to prepare the rate schedules. It was decided that the Utilities will try to lease a machine that will do the calculations and rate charts.



Mr. Kilmon brought up the question of the Utilities' sick-leave policy. George Daffin has been out sick for five weeks. Mr. Kilmon was instructed to tell Mr. Daffin that two of the five weeks will be considered vacation time.

Mr. Kilmon requested permission to hire another man at a salary of approximately \$100 per week. It was decided that this would be a good idea, since there will be so much tree trimming work to be done. Also, the man could be used to read meters, and do other non-skilled work.

There was no further business, and the meeting was adjourned.


Roberta H. Marshall, Secretary



SEPTEMBER 24, 1975

The regular meeting of the St. Michaels Utilities Commission was held on Wednesday, September 24, 1975. Those members present were Mr. Spencer, Mr. Stewart, Mr. Kilmon, and Mrs. Marshall.

Mr. Peter C. Philip appeared before the board to request the Commissioners to connect his sub-division near Royal Oak to an existing pole line that is owned by Mr. Homer Sieder. Mr. Philip previously applied to the Public Service Commission to see if they would make St. Michaels connect him to the line, but the Public Service Commission ruled that the decision is strictly ours to make. Mr. Spencer explained that although the line is owned by Mr. Sieder, St. Michaels Utilities could be held liable for any outages on the line if more customers are hooked on. St. Michaels Utilities is not able to take on the financial responsibility and the risk at this time. Also, this would not comply with the Maryland law on sub-divisions, which states that the line must be underground and owned and maintained by the power company. It was the decision of the Commissioners that we cannot take over Mr. Sieder's line, and there is no choice except to run the line according to the underground rules of the Maryland Public Service Commission.

Following Mr. Philip's departure, the minutes of the last meeting were read and approved.

A letter has been received from the Town Commissioners, granting permission to buy the bucket truck provided that provisions are made to furnish the town the money that has customarily been given to pay on the sewer bonds. Since the purchase of the truck is an absolute necessity, it will be ordered. The Utilities has every intention to pay the sewer bonds and the principal and interest of the Utilities' loan. Mr. Kilmon was instructed to keep the inventory down to bare essentials, and other costs will be kept as low as possible.

The underground line at Tred Avon Manor has been delayed because a right of way could not be gotten from Dr. Callum Bain. Since the materials are already on hand for this project, Mr. Kilmon will proceed with the job as soon as the right of way is received. If the line is not completed before winter, a storm could cause those customers to be without power for a lengthy period.

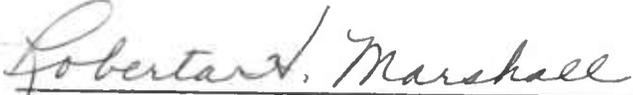
The materials necessary for hooking up the new St. Michaels Middle and Elementary School will be ordered, with delivery to be made in the late spring.



Mrs. Marshall reported that the new Purchased Power Cost Adjustment is being used in the current town billing, and the rate charts were done on time by using the Monroe machine. This machine will be leased on a monthly basis.

A letter has been received from Edward Higgins, of Ocean Cove Seafood, protesting the price he was charged for used poles. Mr. Kilmon was instructed to write to Mr. Higgins and remind him that the price was quoted to him at the time he purchased the poles, and that this was the usual price that is charged. (see correction)

There was no further business, and the meeting was adjourned.


Roberta H. Marshall, Secretary

Correction: It was also mentioned that Mr. Higgins could replace the poles with poles of the same quality, if he should care to do so.

10/22/75: *RHM*



OCTOBER 22, 1975

All members were present at the regular meeting of the St. Michaels Utilities Commission held on Wednesday, October 22, 1975.

The minutes of the September meeting were read and corrected.

Mr. Kilmon reported that Mr. Peterson is having his trees trimmed.

The right of way has been received from Dr. Callum Bain. Work is proceeding with building the feeder in the Hopkins Neck area. Mr. Kilmon is still meeting with some opposition from the residents of that area, but the poles are where they should be according to law. The poles are on the State right of way, and St. Michaels has the right to use it. Mr. Kilmon was instructed to be firm, but polite.

Asplundh Tree Company started work on the lines on October 21, and Mr. Kilmon reported that they are making good progress. He was reminded to keep close supervision on the job, in order to get the greatest amount done for the money. The most seriously needed sections will be done first.

There was a discussion about the progress of the construction of the St. Michaels Middle and Elementary School.

Mention was made of the two restaurants that have closed in St. Michaels, but since both accounts are covered by meter deposits we should not have to worry about collecting their accounts.

It was decided to talk to the Fire Department about their proposed new building.

There was no further business, and the meeting was adjourned.


Roberta H. Marshall, Secretary



NOVEMBER 26, 1975

The regular meeting of the St. Michaels Utilities Commission was held on Wednesday, November 26, 1975. Those members present were Mr. Spencer, Mr. Stewart, Mr. Kilmon, and Mrs. Marshall.

The minutes of the last meeting were read and approved.

Mr. Spencer has talked to Mr. Hurley regarding the new building for the St. Michaels Volunteer Fire Company. Mr. Kilmon is supposed to receive a letter from them regarding their power needs, as soon as they have made the final plans.

A total of \$3,217.41 has been paid to Asplundh for tree trimming to date. All the bush-hogging has been completed, and a lot of the heavy trimming. It is hoped that the crew can start in the Miles River Neck area the first of December.

A letter has been received from the Town Commissioners, asking the Utilities to buy a chipper. Mr. Kilmon has checked on the cost, and a chipper that would be suitable for the Utilities' needs will cost \$5,995, delivered. (This same model cost \$4,681 in November of 1974.) Mr. Spencer suggested that Delmarva might be able to purchase one for us at a lower cost, since they buy in quantity. Mr. Kilmon will look into this.

There followed a discussion of the cash situation, which is very critical. Delivery on the new truck is set for December 20, and the aerial unit should be installed by late January. The purchase of this new bucket truck is an absolute necessity, since the safety of the men is involved. With the extra cost of the chipper at this time, the tree trimming may have to be deferred until much later. Mr. Kilmon stated that the Miles River Neck area would be especially hard hit in case of snow this winter, unless that section is trimmed.

It was decided to ask for a meeting with the Town Commissioners sometime during the week beginning December 15, in order to try to come to some solution. The new Fire Company building can also be discussed at that time.

Mr. Kilmon was instructed to stress the importance of safety to the men.

There was a discussion about the overhead lines across the Oak Creek bridge, and the possibility of eventually getting them under the bridge.

Donald Hunley was hired as a lineman on November 17, 1975, and is working out very well.



Mr. Spencer brought up the condition of the roof of Delmarva's section of the Ed Morris oyster house, which houses the substation.

On a motion by Mr. Stewart, duly passed, bonuses will be paid to the employees, using the same formula as in the past two years.

Mrs. Marshall reported that the auditor from the Maryland Public Service Commission has checked to see that the Purchased Power Cost Adjustment Clause is being handled properly. All figures used to determine the power adjustment cost factor are reported to the Public Service Commission each month, and may not be used until they are checked and permission is received from the Commission. There is an actual audit every three months.

Mr. Kilmon mentioned that he has had great difficulty in buying replacement bulbs for the Christmas decorations that are used in the town, and had to buy some of them at retail rates. His suppliers told him that they may not have any at all next year.

There was no further business, and the meeting was adjourned.


Roberta H. Marshall, Secretary



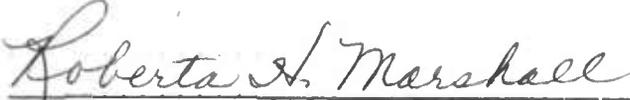
December 29, 1975

The regular meeting of the St. Michaels Utilities Commission was held on Monday, December 29, 1975, at Martingham Inn. All members were present.

A dinner was given in honor of Alex J. Spencer, who will leave the board after eighteen years of service.

A short business meeting followed the dinner, and the minutes of the November meeting were approved. The growth of St. Michaels Utilities during Mr. Spencer's term as Commissioner was discussed.

Mr. Ivan Thamert has been appointed as the new commissioner.



Roberta H. Marshall, Secretary



JANUARY 21, 1976

The regular meeting of the St. Michaels Utilities Commission was held on Wednesday, January 21, 1976. All members were present. Town Commissioners James E. Thomas and Melvin Lebowitz attended the meeting.

First order of business was election of officers for 1976. Motion was made by W. Maynard Stewart, seconded by Ivan Thamert, and passed, that John T. Griffin serve as president. Mr. Kilmon was reappointed as Manager, and Mrs. Marshall was again named Secretary-Treasurer. Mr. Griffin made additional appointments as follows:

Foreman	John L. Voshell
Assistant Foreman	L. Clyde Powell, Jr.
Attorney	Thomas J. Keating, IV.

Mr. Griffin welcomed Mr. Ivan Thamert as the new member of the commission.

The minutes of the December meeting were read and approved.

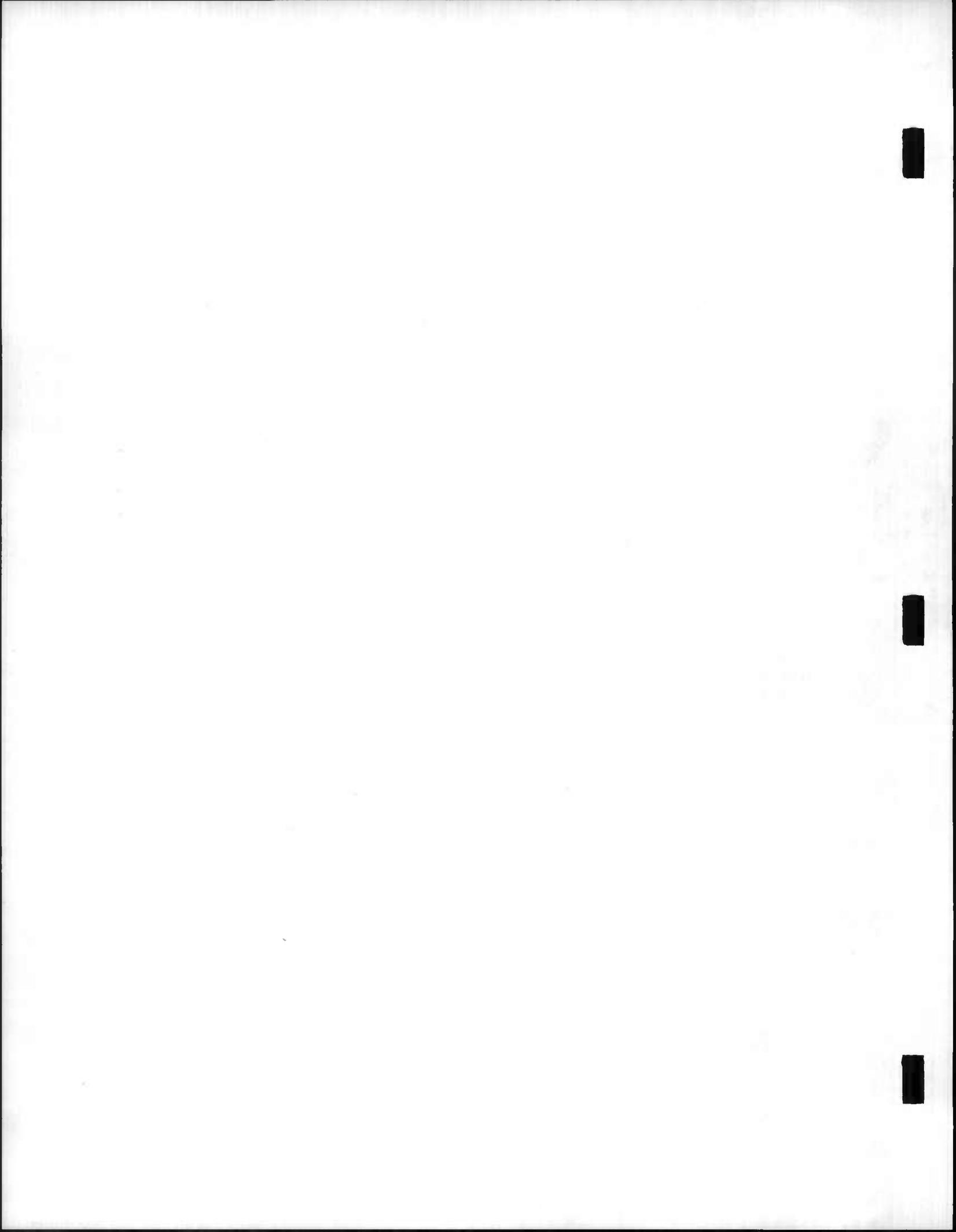
Mr. Kilmon has received the information regarding the power needs of the St. Michaels Fire Department building, and has made the necessary plans to serve the building with one meter. It is now up to the Town Commissioners to decide if they will limit the amount of electricity that will be furnished without charge to the Fire Company. The Utilities will write a letter recommending that the town set a limit of up to \$50 for any one month, plus the usage of the carnival. Mention was made that the fire house consumption for this past month has jumped to 4,600 kwh. Usage for the two previous months was 1,100 kwh in November and 2,050 kwh in December. The town is presently absorbing these bills at cost, which is approximately 3.1 cents per kwh.

The tree trimming was stopped on January 16, 1976.

The new truck has been delivered to Pennsylvania for installation of the aerial equipment, and is due to be completed for our use in March.

Mr. Stewart mentioned to the Town Commissioners that the Utilities will probably have to ask the Town for authorization to borrow money to pay for the truck. He stressed the fact that the safety of the men is involved.

Mr. Lebowitz noted the need for a chipper. Mr. Kilmon reported that a chipper can be rented from Lawrence Stewart at a cost of \$60 per day, plus gas, oil, and maintenance costs. It



was agreed that this could be very expensive. A letter will be written to the Town Commissioners, requesting that the town purchase a chipper for the use of the Utilities and the Town. The Utilities will maintain the equipment.

Sylvia Daubach has been hired to replace Joan Downey in the office. Mrs. Marshall reported that she is very pleased with her work.

Mr. Kilmon reported on the progress of the transfer of the Bozman substation property. Papers will have to be drawn up in the name of John T. Griffin as president of the Commission. A copy of these minutes will be submitted to Mr. Keating for his records.

A report on the safety inspection was received from Great American Insurance Companies, suggesting that rules regarding the use of hard hats and other safety equipment be placed on the shop bulletin board. A letter was written in September of 1973, for use on the bulletin board, and a copy will be sent to the insurance company. A new letter will be written, updating the names of the commissioners, and posted in the shop.

Mr. Griffin asked about an Excess of Liability policy for the Utilities, and this will be looked into.

There was a discussion about the outstanding bills, and also discussion about the accounts receivable.

There was no further business, and the meeting was adjourned.



Roberta H. Marshall, Secretary



FEBRUARY 25, 1976

All members were present at the regular meeting of the St. Michaels Utilities Commission which was held on Wednesday, February 25, 1976.

The minutes of the January meeting were approved as read.

Financial statements for the month of January and final statements for 1975 were distributed and discussed. There was a question as to whether it would be possible to earn interest on the Reserve Account for Indebtedness. Mr. Griffin will contact Maryland National Bank on this matter.

The transfer of the Bozman substation site is nearing completion. A check for \$250 was sent to cover St. Michaels' share of the realtor's fees. St. Michaels will have a 99-year renewable lease on the land, and each year will pay our portion of the charges for property tax on the land only.

A reply has been received from the Town Commissioners regarding the chipper. The Utilities was instructed to purchase the chipper, at a cost of \$5,995, and have it billed to the Town. The Town will own 25% of the piece of equipment, and the Utilities will own 75%. The Utilities will repay the Town at the rate of \$60 per month until their portion of \$4,498.75 is paid. The Utilities will maintain the chipper. This was agreeable to the Utilities Commissioners, and Mr. Kilmon was instructed to notify the Town that he will place the order.

The Town Commissioners have tabled their decision on the billing for the fire company electricity for further study. The Utilities hopes that a decision will be made soon.

Mr. Kilmon reported that the order for the truck was lost, and it is now due to arrive in Pennsylvania by March 15, 1976. Installation of the aerial unit will be completed ninety days after the truck is received. Although there has been increases in prices of both the truck and the aerial unit, the price will remain as quoted.

There have been few outages on the lines this winter.

Mr. Kilmon reported that, in an effort to cut his stock on hand, he has sold one large unit from his inventory, and will probably be able to sell a little more.

Delmarva Power and Light Company has filed with the Federal Power Commission for a 12% increase in their wholesale rates. St. Michaels has joined with the cooperatives to fight this increase, placing a limit of \$3,000 on our contribution toward the



legal fees. The increase that was put into effect in October of 1974 has still not been ruled on by the Federal Power Commission.

There was considerable discussion of future expansion of the St. Michaels system, with a view of the best possible way to grow at the least possible cost. It may be advisable to hire an engineering firm to survey the situation. Mr. Kilmon is expecting a written report from Delmarva by March 3, detailing their future plans for serving St. Michaels. Any decision on the matter will be postponed until Delmarva's report is received and reviewed.

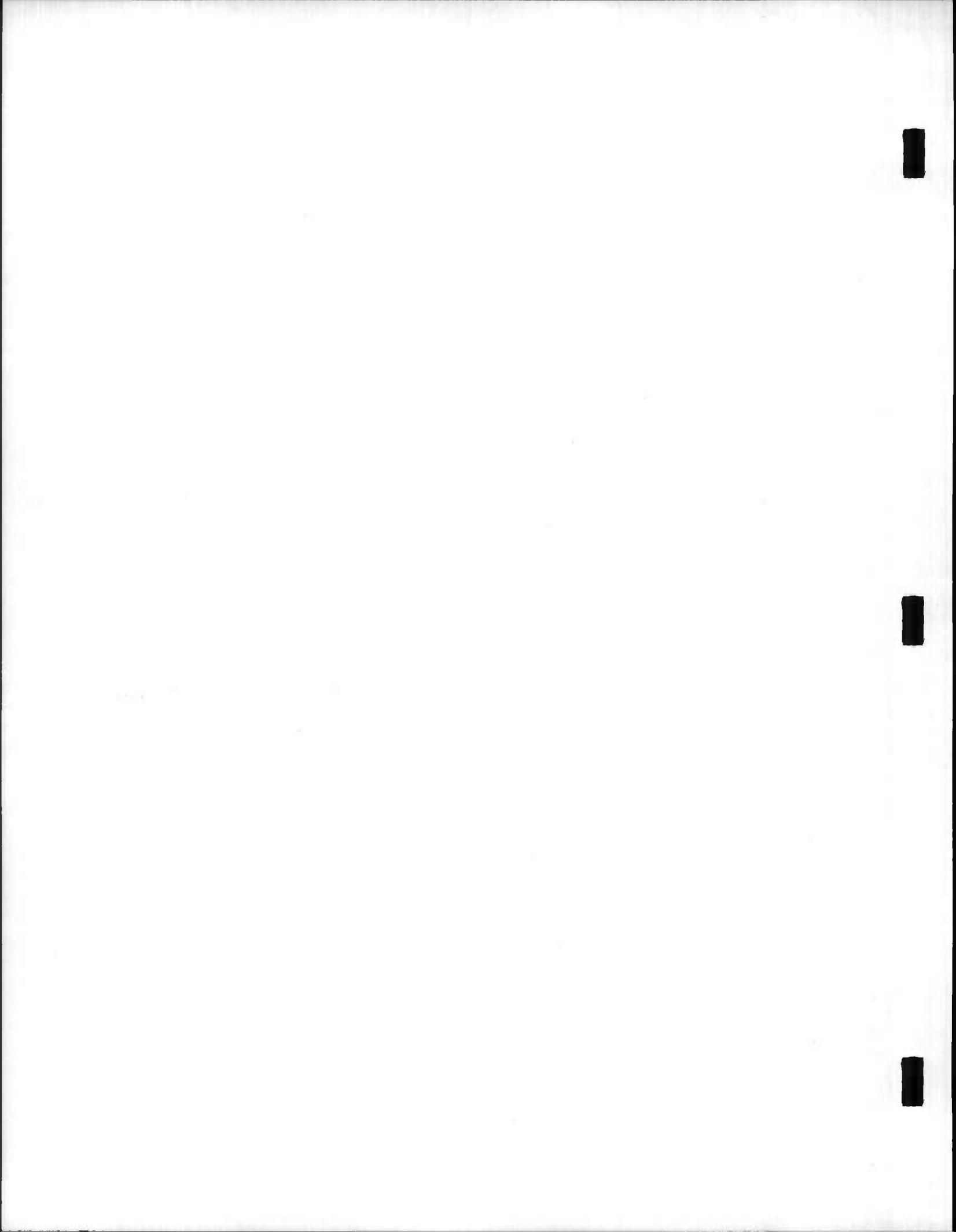
Sylvia Daubach was given an increase in salary of \$10 per week.

Mr. Kilmon was given permission to purchase an underground fault locator, at a total cost of \$800. This equipment will enable him to find breaks in underground lines of up to 600 volts.

Motion was made by Maynard Stewart, seconded by Ivan Thamert, and duly passed that whenever a decision is needed from the commissioners between meetings that it be a majority. All the commissioners should be contacted if at all possible, but at least two of them must be contacted.

Following a discussion about the Martingham accounts, the meeting was adjourned.


Roberta H. Marshall, Secretary



MARCH 24, 1976

The regular meeting of the St. Michaels Utilities Commission was held on Wednesday, March 24, 1976. All members were present.

The minutes of the February meeting were read and approved.

Mr. Kilmon reported that he is filing for a special exemption for a building permit for a substation on the Bozman Substation site.

The chipper has been ordered, and should be delivered within a week or so.

Mr. Kilmon has been notified that the truck has been built, and is on the way to Pennsylvania for installation of the aerial unit.

The Town Commissioners have informed Mr. Kilmon that the billing for the Fire Company will be handled differently in the future. The Town will make a lump sum contribution to the Fire Company for electricity, and the Fire Company will be billed direct, at cost. The Utilities Commissioners agreed to the Town's proposal, and beginning with the bill dated July 1, 1976, the bill will be sent to the Fire Company.

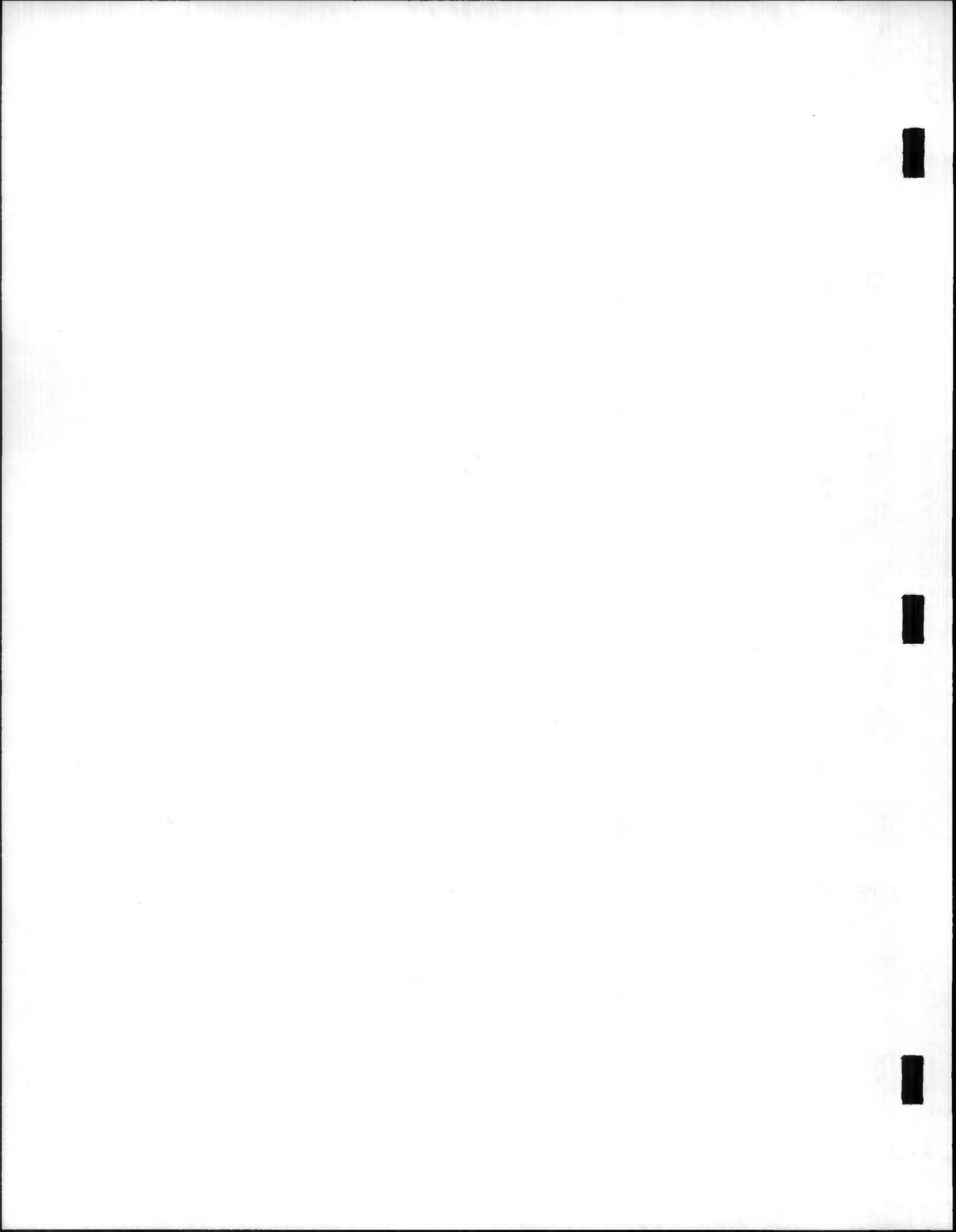
Mr. Kilmon reported that a high voltage underground line that serves several homes in Martingham was cut by Ernest Dyott & Sons, plumbing contractor.

With the arrival of the new bucket truck and the chipper, the Utilities Shop will not be large enough to house all the vehicles. Mr. Kilmon will request that the Town enlarge the building, even if there must be an increase in the rent.

There was a discussion about the decrease in the percentage of profit over the past few years. Although the power adjustment clause will take care of any increase in the cost of power from Delmarva, it does not cover the increase in operating costs. The Commissioners will look into the possibility of filing for a rate increase.

Sid Peters, of Martingham, has mentioned to Mr. Kilmon that they are planning to expand soon, and will need current in parts of the subdivision that were not included in the original plans for their system.

Mr. Kilmon read a letter that he has received from Delmarva, concerning their plans for serving St. Michaels in the future. As soon as their new substation at Bozman Road is completed in the



fall of 1976, the Tilghman Substation at Grace Street will be turned over to St. Michaels. This will feed customers from the north end of St. Michaels to Claiborne, including the Church Neck area. Also noted in the letter were changes that St. Michaels must make.

Mr. Kilmon emphasized that the Commissioners must start planning for the new Bozman substation in 1977, so that it will be in operation by the fall of 1978. Estimated cost of the substation is \$65,000.

There was no further business, and the meeting was adjourned.

Roberta H. Marshall
Roberta H. Marshall, Secretary



APRIL 27, 1976

All members were present at the regular meeting of the St. Michaels Utilities Commission held on Tuesday, April 27, 1976.

The minutes of the March meeting were approved as read.

Mr. Kilmon reported that both the chipper and the new bucket truck have been delivered, and both are in use.

The current financial statements were thoroughly reviewed and discussed. It was decided that the Town Commissioners will be contacted to request permission to borrow \$25,000 for a six month period, in order to pay for the aerial unit.

Mr. Kilmon presented the Commissioners with copies of the plans for the proposed shop extension, and they were discussed.

The current status of the Martingham accounts was reviewed, and a copy of the agreement made by Martingham officials and the Utilities Commissioners accompanies these minutes.

Mr. Kilmon has been advised that the Utilities wait until the Delmarva substation at Bozman is completed before making formal application for the zoning permit for the St. Michaels substation. Installation of the fence will not be started until the zoning permit is at hand.

There was mention of the direct billing to the Fire Company, which will begin with the bill dated July 1, 1976.

The need of additional fence at the shop was noted, since the building that was owned by Vernis Chester has been torn down.

Mr. Kilmon asked the Commissioners for their views about hiring another man, if a qualified man should apply for a job. At the time it was decided to purchase the new bucket truck and the chipper the Commissioners had recognized that this would probably be necessary, and a special meeting will be held if a qualified man becomes available.

There was a discussion about the possibilities of applying for a rate increase, and it was decided that this will have to be tabled until a future time.

There was no further business, and the meeting was adjourned.


Roberta H. Marshall, Secretary

ST. MICHAELS UTILITIES COMMISSION

ST. MICHAELS, MARYLAND 21663

April 5, 1976

Mr. S. R. Peters, President
Martingham Inn, Inc.
P. O. Box 670
St. Michaels, Maryland 21663

Dear Mr. Peters:

To confirm our thinking of the meeting between yourself and other officials of Martingham Inn and the St. Michaels Utilities Commission, I submit the following:

1. A Special "One Time" Agreement between Martingham Inn, Inc., and the St. Michaels Utilities Commission was formulated and adopted in that arrearages in the amount of Five Thousand Seven Hundred Sixty-Eight and 73/100 Dollars (\$5,768.73) was to be set aside and payments of ten percent (10%) of that amount starting this date are to be made in addition to all current billings by the 25th of each month hereafter.
2. As further evidence of good faith, Mr. Peters, as President of Martingham Inn and his various corporations volunteered and the St. Michaels Utilities Commission agreed that all rebates due Martingham Inn, Inc. and others be applied to any arrearages until the St. Michaels Utilities security is satisfactory in balance.
3. All records will be maintained at the offices of the St. Michaels Utilities Commission and will be open to any authorized official of Martingham Inn, Inc.

Attest:

Robert H. Marshall
Robert H. Marshall, Secretary

ST. MICHAELS UTILITIES COMMISSION

John T. Griffin
John T. Griffin, President

Attest:

Nancy Sumner

MARTINGHAM INN, INC.

Sid R. Peters
Sid R. Peters, President

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MAY 26, 1976

The regular meeting of the St. Michaels Utilities Commission was held on Wednesday, May 26, 1976, with Mr. Stewart, Mr. Thamert, Mr. Kilmon and Mrs. Marshall in attendance. In the absence of Mr. Griffin, Mr. Stewart conducted the meeting.

The minutes of the April meeting were read and approved.

The current financial statements were reviewed and discussed.

Mr. Kilmon reported that he has hired Paul Schutz as a second class lineman, and he will report to work on June 1. Mr. Schutz worked for the Utilities previously, and therefore has had considerable experience.

A letter has been received from the Town Commissioners, denying the request for an addition to the Utilities shop and warehouse. The Commissioners explained that they are presently making plans to remodel their various warehouses, and hope to do something in their planning that will help the Utilities situation.

The leasing agreement for the Bozman substation site has not yet been received.

Mr. Kilmon reported that payment has not been received from Ernest Dyott and Sons, for damages to the underground line at Martingham. It was decided to contact our lawyer about the bill if payment is not received by June 1.

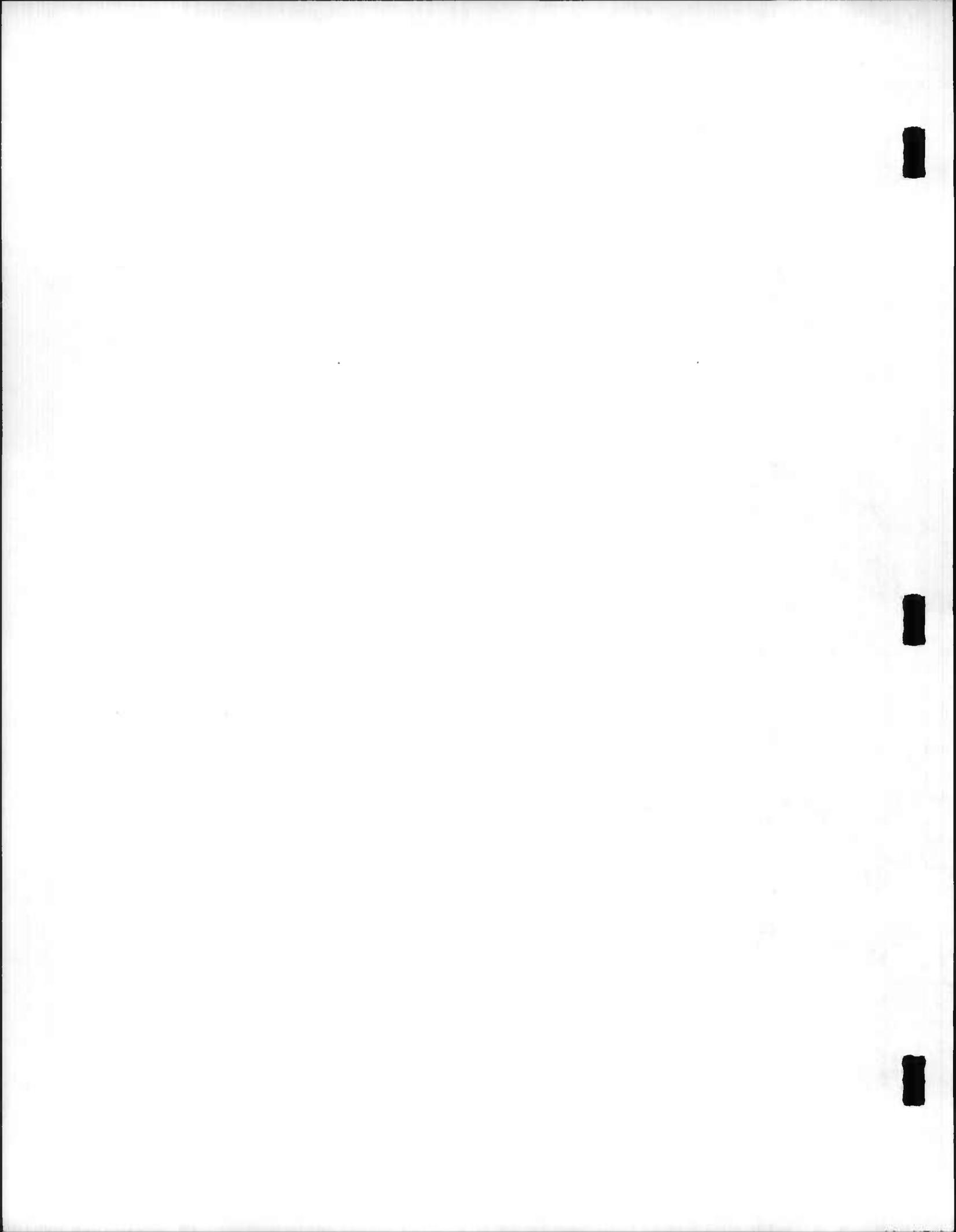
It was decided to request a meeting with the Town Commissioners as soon as is convenient after the new commissioners take office. A tentative date of Thursday, June 10, was set up. It was felt that this meeting was needed in order to keep the Town Commissioners aware of the Utilities needs and long range plans.

Kenneth Patton will receive a pay increase of 25 cents per hour, starting May 31, 1976.

There was no further business, and the meeting was adjourned.



Roberta H. Marshall, Secretary



JUNE 23, 1976

The regular meeting of the St. Michaels Utilities Commission was held on Wednesday, June 23, 1976, with all members present.

The minutes of the May meeting were approved as read.

Payment has been received from the insurance company of Ernest L. Dyott and Sons.

Word has been received from the Town Clerk that the Town Commissioners will discuss a date for the joint meeting at their meeting in July.

Legal work for the leasing agreement for the Bozman Substation site is still not completed.

The current financial statement was reviewed. Mr. Kilmon was reminded to keep inventory items as low as possible.

There was a discussion about the Martingham sale.

Current office procedures were mentioned. Mrs. Marshall reported that there have been many problems with the billing machines recently. The Utilities' sales have risen to the point where it can be seen that a different method of billing will be necessary in the not too distant future.

Mr. Kilmon reported that the fire house job is completed, and the hookup for the Longfellow Restaurant will be completed within a day or two.

Jackson Fusee is getting ready to expand their facility on Route 33, and will require additional power from the Utilities. Considerable work will have to be done to meet their needs. Since most of the materials necessary for the job are on hand, and the cost for a heavier line would cost only in the neighborhood of \$2,600 more, Mr. Kilmon was instructed to rebuild the line between the Bloomfield Substation to the intersection so that it will satisfy that entire area for some years to come.

There was no further business, and the meeting was adjourned.


Roberta H. Marshall, Secretary



JULY 28, 1976

The Town Commissioners attended the regular meeting of the St. Michaels Utilities Commission on Wednesday, July 28, 1976. Those present from the Town Board were Guy Parks, Helen Plummer, Melvin Lebowitz, and George Wales. All members of the Utilities Commission were in attendance.

A complete report containing statements on the Utilities financial condition, a ten-year summary of monies collected and how used, a comparison of statistics in the last ten years, and estimated future capital expenditures was distributed. The report also contained a summary of the net cost to the Utilities for the Martingham Subdivision, and the monies received from the sale of electricity to them. The report was thoroughly explained by Mr. Griffin, and discussed by those present. (A copy of the report is included in these minutes.)

Mr. Griffin reported that although there is an unpaid balance in the amount of approximately \$13,000 on the Martingham accounts, the Utilities is holding approximately \$28,000 in monies that should be paid back in rebates as the lots are built on at Martingham, and Mr. Peters has pledged this money as collateral against any unpaid balances.

There was discussion about the uses being made of the old bucket truck, and whether it is safe for the use being made of it. Mr. Kilmon reported that it is perfectly safe for the things it is being used for.

Mention was made of the debt to Maryland National Bank, and the Town's portion of it. Mr. Wales questioned the reason for the short working funds, and it was explained that until recent years all capital improvements were made from working capital. Also, the Utilities has not had a rate increase since 1973, but only a pass-through of the increased cost of the purchased power.

Mr. Parks expressed the opinion that the Utilities has done a very good job in getting the system in shape, and recalled the condition of the plant when Mr. Kilmon became manager.

Mr. Lebowitz spoke of the orderly fashion in which the Utilities shop-warehouse is kept. Mr. Thamert remarked that, with the job Mr. Kilmon is doing, he did not think it was fair for the Utilities to have to keep things outside, and the extension on the shop should be built if it is at all possible. After further discussion, Mr. Griffin said that the Utilities will resubmit the request in the proper manner.

Following the departure of the Town Council, the minutes of the June meeting were read and approved.



Mr. Kilmon reported that he has from five to seven more days of work to complete the line to Jackson Fusee.

There was discussion of the current financial status of the Utilities. It was noted that all bills are current at the present time, but a shortage of working funds is likely in July due to the expected high cost of the power bill. Mr. Kilmon was instructed to keep spending down as much as possible, but he explained that the Utilities is experiencing more commercial activity than normal, and it is costing more money.

The leasing agreement with Delmarva for the Bozman substation site is still being worked on by the lawyers.

There was further discussion about the addition to the Shop-Warehouse. It was decided to make a formal request to ask for the authority to go ahead with plans for the building.

The rebates on the Martingham Subdivision were again brought to the floor. The Commissioners emphasized that no further rebates will be made until such time as the debt owed for electricity used at Martingham is paid in full. A copy of the letter containing Mr. Peter's pledge of the rebates as security is included with the minutes of the April 27, 1976, meeting.

Mr. Kilmon reported that he is getting quite a few applications for service to new subdivisions in the area.

Mr. Homer Seider, president of the Fire Company, has contacted Mr. Kilmon about removing the three-phase power pole that is in the parking lot at the Fire House. Since the old Fire House has been torn down, the pole is in a very vulnerable position, and a great deal of damage would be caused if it should be hit by a vehicle. Mr. Kilmon said it is impossible to eliminate the pole, and suggested that an island be built around it to protect it. The Commissioners will look further into the matter, and agreed that it should be resolved as quickly as possible.

The next regular meeting will be held on Tuesday, August 24, rather than the usual Wednesday meeting night.

There was no further business, and the meeting was adjourned.


Roberta H. Marshall, Secretary



ST. MICHAELS UTILITIES COMMISSION

ST. MICHAELS, MARYLAND 21663

June 30, 1976

The Commissioners of St. Michaels

Subject: General Report of The St. Michaels Utilities Commission

The report consists of two sections:

1. A brief ten year summary of monies collected and how used, ten year comparison of growth, plus estimated future capital expenditures and list of vehicles owned and usage.
2. Detailed report on Martingham Development.

While no report can cover all subjects, this can be considered accurate with a small degree of tolerance.

Respectfully submitted,



John T. Griffin, President

ST. MICHAELS UTILITIES COMMISSION

BALANCE SHEET

JUNE 30, 1976

	<u>ASSETS</u>		
	<u>1/1/76</u>	<u>6/30/76</u>	Increase Decrease*
<u>CURRENT ASSETS</u>			
Cash	\$ 1,836.13	\$ 4,325.75	\$ 2,489.62
Reserve Account	39,767.11	37,224.81	2,542.30*
Accts. Rec. - Customers	58,385.20	56,702.23	1,682.97*
Accts. Rec. - Sundry	7,768.59	7,741.02	27.57*
Materials & Supplies	124,182.76	121,152.07	3,030.69*
Accts. Rec. - Employees	968.84	2,316.43	1,347.59
Accts. Rec. - Town	---	---	---
<u>TOTAL CURRENT ASSETS</u>	<u>\$ 232,908.63</u>	<u>\$ 229,462.31</u>	<u>\$ 3,446.32*</u>
<u>PROPERTY ACCOUNTS</u>			
Land & Land Right of Ways	\$ 2,532.85	\$ 2,809.85	\$ 277.00
Substation Equipment	80,542.44	80,542.44	---
Poles, Towers, Fixtures	224,378.05	237,886.66	13,508.61
Overhead Conductors	263,893.81	276,434.38	12,540.57
Underground Conduit	14,362.50	14,362.50	---
Underground Conductors	255,188.31	272,976.26	17,787.95
Line Transformers	273,287.98	279,527.90	6,239.92
Services	121,171.85	129,628.53	8,456.68
Meters	87,894.82	93,572.17	5,677.35
Leased Property, Cust. Prem.	3,076.91	3,127.34	50.43
Municipal Street Lighting	32,879.38	33,297.99	418.61
Structures & Improvements	2,701.15	2,712.60	11.45
Office Furniture & Equipment	14,684.06	14,684.06	---
Transportation Equipment	44,886.08	76,465.83	31,579.75
Tools & Working Equipment	7,246.08	8,494.80	1,248.72
Laboratory Equipment	1,872.98	1,872.98	---
Power Operated Equipment	---	4,496.25	4,496.25
Communication Equipment	8,523.70	8,523.70	---
<u>TOTAL PROPERTY ACCOUNTS</u>	<u>\$1,439,122.95</u>	<u>\$1,541,416.24</u>	<u>\$102,293.29</u>
<u>OTHER ASSETS</u>			
Organization	\$ 2,550.22	\$ 2,550.22	---
Franchises	105.50	105.50	---
<u>TOTAL OTHER ASSETS</u>	<u>\$ 2,655.72</u>	<u>\$ 2,655.72</u>	<u>---</u>
 <u>TOTAL ASSETS</u>	 <u>\$1,674,687.30</u>	 <u>\$1,773,534.27</u>	 <u>\$ 98,846.97</u>

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ST. MICHAELS UTILITIES COMMISSION

BALANCE SHEET

JUNE 30, 1976

	<u>LIABILITIES</u>		
	<u>1/1/76</u>	<u>6/30/76</u>	Increase Decrease*
<u>CURRENT LIABILITIES</u>			
Accounts Payable	\$ 8,248.14	\$ 4,115.74	\$ 4,132.40*
Accounts Payable, Chipper	---	4,376.25	4,376.25
Accounts Payable, Aerial Unit	---	20,833.33	20,833.33
Customer Deposits	10,856.33	27,916.33	17,060.00
Interest Accrued	450.98	292.26	158.72*
<u>TOTAL CURRENT LIABILITIES</u>	<u>\$ 19,555.45</u>	<u>\$ 57,533.91</u>	<u>\$ 37,978.46</u>
<u>ACCOUNTS PAYABLE: TOWN</u>	<u>\$ 74,003.21</u>	<u>\$ 49,003.21</u>	<u>\$ 25,000.00*</u>
<u>RESERVES</u>			
Accumulated Depreciation	\$ 421,074.45	\$ 436,944.60	\$ 15,870.15
<u>CUSTOMER ADVANCES FOR CONSTRUCTION</u>			
	\$ 150,693.25	\$ 149,486.75	\$ 1,206.50*
<u>INVESTMENTS</u>			
<u>CONTRIBUTIONS, AID OF CONSTRUCTION</u>	<u>\$ 114,707.01</u>	<u>\$ 134,793.00</u>	<u>\$ 20,085.99</u>
Unappropriated Surplus	\$ 894,653.93	\$ 894,653.93	---
Appropriated Surplus	---	(19,365.06)	\$ 19,365.06*
Profit to Date	---	70,483.93	70,483.93
<u>TOTAL</u>	<u>\$ 894,653.93</u>	<u>\$ 945,772.80</u>	<u>\$ 51,118.87</u>
<u>TOTAL LIABILITIES AND INVESTMENTS</u>			
<u>INVESTMENTS</u>	<u>\$1,674,687.30</u>	<u>\$1,773,534.27</u>	<u>\$ 98,846.97</u>



ST. MICHAELS UTILITIES COMMISSION
COMPARISON OF REVENUE AND EXPENSE
SIX MONTH PERIODS: 1976, 1971, 1966

	<u>6/30/76</u>	<u>6/30/71</u>	<u>6/30/66</u>
<u>REVENUES</u>			
Residential Sales	\$387,093.05	\$143,027.30	\$ 75,363.82
Commercial & Industrial Sales	227,316.01	73,030.67	43,680.74
Public Street Lighting	3,467.52	1,133.72	766.95
Sales for Resale (Choptank)	4,---	---	10,355.70
Other Sales	4,153.66	1,515.28	1,049.40
Forfeited Discounts	2,640.21	1,075.90	924.87
Misc. Service Revenues	2,162.40	1,230.44	---
Misc. Nonoperating Income	3,908.01	1,195.61	6.70
<u>TOTAL REVENUES</u>	<u>\$630,740.86</u>	<u>\$222,208.92</u>	<u>\$132,148.18</u>
<u>EXPENSES</u>			
Taxes Other Than Income	\$ 3,245.13	\$ 1,654.90	\$ 946.95
Interest On Customer Deposits	41.85	19.58	8.58
Other Interest	1,780.20	2,274.80	---
Purchased Power	474,977.46	123,246.60	69,765.60
Line & Station Supplies	2,435.76	678.99	102.78
Customer Installation Expense	270.25	(239.16)	---
Misc. Distribution Expense	1,887.50	850.90	470.35
Rent: Shop & Office	3,600.00	3,600.00	1,800.00
Maintenance:			
Distribution Lines	16,347.35	16,187.32	9,340.97
Street Lights	558.64	601.07	204.45
Meters	225.92	579.22	202.95
Misc. Distribution Plant	104.09	6.75	133.14
Meter Reading	2,356.38	1,645.72	1,643.55
Accounting & Collecting	8,560.11	4,336.10	3,306.47
Customer Supplies & Expense	5,431.49	2,282.68	1,168.53
Uncollectable Accounts	174.19	147.41	117.61
Administrative & General Salaries ..	5,830.00	4,517.50	2,494.11
Office Supplies & Expense	1,980.91	971.37	356.73
Outside Services Employed	100.00	---	100.00
Property Insurance	---	207.00	157.85
Injuries & Damages	266.00	1,148.00	355.88
Employee Pensions & Benefits	5,533.29	2,358.02	3,034.45
Regulatory Commission Expense	1,349.86	366.58	1,469.58
Misc. General Expense	50.00	---	---
Total	<u>\$537,106.38</u>	<u>\$167,441.35</u>	<u>\$ 97,180.53</u>
Depreciation Expense	22,858.29	12,244.38	6,686.08
Interest Accrued	292.26	115.70	128.22
<u>TOTAL EXPENSE</u>	<u>\$560,256.93</u>	<u>\$179,801.43</u>	<u>\$103,994.83</u>
<u>NET PROFIT, SIX MONTH PERIOD</u>	<u>\$ 70,483.93</u>	<u>\$ 42,407.49</u>	<u>\$ 28,153.35</u>
KWH PURCHASED, SIX MONTH PERIOD	14,944,800	9,820,800	5,904,000
KWH SOLD, SIX MONTH PERIOD	14,200,333	8,961,521	5,379,503
LINE LOSS	5.0%	8.7%	8.9%
AVG. COST OF POWER PURCHASED	3.18¢ per KWH	1.25¢ per KWH	1.18¢ per KWH
VALUE OF PROPERTY ACCOUNTS	\$1,541,416	\$824,491	\$464,160
NET PROFIT PER KWH SOLD	\$.0050	\$.0047	\$.0052

STATE OF TEXAS
COUNTY OF DALLAS

THIS DEED WAS FORWARDED TO THE
COUNTY CLERK FOR RECORDING
ON THE 15th DAY OF MARCH 1904

WITNESSED MY HAND AND SEAL
THIS 15th DAY OF MARCH 1904



ST. MICHAELS UTILITIES COMMISSION
COMPARISON OF REVENUE AND EXPENSE
1975 with 1974

	1975		1974	
	Amount	¢ per KWH*	Amount	¢ per KWH*
REVENUES				
Residential Sales	\$ 701,211.85	2.5668	\$ 559,119.72	2.2739
Commercial & Ind. Sales	448,132.61	1.6405	338,242.45	1.3756
Public Street Lighting	6,749.87	.0247	5,634.70	.0229
Other Sales	9,552.45	.0350	7,540.05	.0307
Forfeited Discounts	5,965.46	.0218	4,894.86	.0199
Misc. Service Revenues	4,222.59	.0155	3,937.18	.0160
Misc. Nonoperating Income	4,020.73	.0147	3,768.17	.0153
TOTAL REVENUES	<u>\$1,179,855.56</u>	<u>1.3190</u>	<u>\$923,137.13</u>	<u>3.7543</u>
EXPENSES				
Taxes Other Than Income	\$ 5,535.95	.0203	\$ 5,058.11	.0206
Interest on Customer Deposits	105.50	.0004	87.42	.0004
Interest on Advance	3,751.44	.0137	4,174.91	.0170
Purchased Power	890,123.01	3.2584	684,009.65	2.7819
Line & Station Supplies	1,530.41	.0056	1,438.54	.0059
Customer Installation Expense	762.17	.0028	431.35	.0017
Misc. Distribution Expense	3,680.35	.0135	2,905.92	.0118
Rent: Shop & Office	7,215.00	.0264	7,215.00	.0293
Maintenance:				
Structures & Improvements	---	----	554.48	.0022
Distribution Lines	40,734.29	.1491	28,840.74	.1173
Street Lights	1,490.09	.0055	1,056.23	.0043
Meters	666.94	.0024	671.26	.0027
Misc. Distribution Plant	493.79	.0018	33.11	.0001
Meter Reading	3,793.13	.0139	4,322.98	.0176
Accounting & Collecting	16,585.37	.0607	13,860.37	.0564
Customer Supplies & Expense	5,397.23	.0197	6,597.31	.0268
Uncollectable Accounts	366.04	.0013	452.02	.0018
Adm. & General Salaries	12,927.52	.0473	12,527.60	.0510
Office Supplies & Expense	2,756.67	.0101	2,983.08	.0121
Outside Services Employed	2,160.00	.0079	1,200.00	.0049
Property Insurance	947.00	.0035	1,256.00	.0051
Injuries & Damages	4,722.00	.0173	2,884.00	.0117
Employee Pensions & Benefits	8,637.02	.0316	5,489.10	.0223
Regulatory Commission Expense	1,136.86	.0042	2,459.38	.0100
Misc. General Expense	101.00	.0004	51.00	.0002
TOTAL	<u>\$1,015,618.78</u>	<u>3.7178</u>	<u>\$790,559.56</u>	<u>3.2151</u>
Depreciation Expense	43,165.02	.1580	38,766.22	.1577
Interest Accrued	450.98	.0017	370.64	.0015
TOTAL EXPENSE	<u>\$1,059,234.78</u>	<u>3.8775</u>	<u>\$829,696.42</u>	<u>3.3743</u>
NET PROFIT	<u>\$ 120,620.78</u>	<u>.4415</u>	<u>\$ 93,440.71</u>	<u>.3800</u>
PURCHASED	28,797,600		25,994,400	
SOLD	27,317,600		24,582,954	

*All costs listed above are per KWH SOLD.



1975

1975

15

ST. MICHAELS UTILITIES COMMISSION
COMPARISON: 1975 with 1974

	1975	1974
<u>KWH PURCHASED</u>	28,797,600	25,994,400
Average Cost per KWH	\$.0309	\$.0263
Average Billing Demand	4617 KW	4265 KW
Peak Summer Demand	6204 (August)	5520 (July)
Peak Winter Demand	6914 (December)	5664 (Jan. & Feb.)

<u>KWH SOLD</u>		
Comm. of St. Michaels	515,037	478,369
Customers in Town	7,775,662	7,362,664
Rural Customers	19,026,901	16,741,921
<u>TOTAL KWH SOLD</u>	<u>27,317,600</u>	<u>24,582,954</u>

<u>AVERAGE LINE LOSS</u>	<u>5.1%</u>	<u>5.4%</u>
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<u>PROFIT PER KWH SOLD</u>		
Sales	\$.0432	\$.0375
Expenses	.0388	.0337
Net Profit	<u>\$.0044</u>	<u>\$.0038</u>

NUMBER OF CUSTOMERS

	1975		1974	
	as of 12/31/75	avg. used per month	as of 12/31/74	avg. used per month
<u>Town</u>				
Domestic	483	362	486	354
All Electric	57	1,395	54	1,462
Comm. & Ind.	<u>123</u>	<u>3,381</u>	<u>123</u>	<u>2,978</u>
	<u>663</u>		<u>663</u>	
<u>Rural</u>				
Domestic	950	553	945	531
All Electric	301	1,972	269	1,950
Comm. & Ind.	<u>177</u>	<u>2,811</u>	<u>179</u>	<u>2,199</u>
	<u>1,428</u>		<u>1,393</u>	
<u>TOTAL CUSTOMERS</u>	<u>2,091</u>		<u>2,056</u>	

KWH SOLD (BY RATE)

	KWH	Average Sale Price	KWH	Average Sale Price
Domestic	16,098,497	\$.0436	15,001,283	\$.0373
Comm. & Ind.	10,704,066	\$.0419	9,103,302	\$.0372
Town of St. Michaels	515,037	\$.0317	478,369	\$.0275
	<u>27,317,600</u>		<u>24,582,954</u>	



1954



1954

ST. MICHAELS UTILITIES COMMISSION
COMPARISON OF STATISTICS

NUMBER OF CUSTOMERS

1975	2,091	2% increase	35 new customers
1974	2,056	1% "	26 " "
1973	2,030	5% "	94 " "
1972	1,936	3% "	55 " "
1971	1,881	2% "	40 " "

ALL ELECTRIC CUSTOMERS

1975	358	11% increase	35 new customers
1974	323	9% "	26 " "
1973	297	41% "	87 " "
1972	210	28% "	46 " "
1971	164	39% "	46 " "

KWH SOLD

1975	27,317,600	
1974	24,582,954	(decrease due to energy shortage)
1973	25,133,446	
1972	22,814,397	
1971	18,884,727	

INCREASE IN PROPERTY ACCOUNTS

1975	\$137,704	
1974	\$120,416	
1973	\$244,100	
1972	\$ 66,600	(Construction in Progress: \$110,000)
1971	\$138,400	(Construction in Progress: \$ 7,300)

100



100



COMPARISON OF TEN YEAR PERIOD: 1966 thru 1975

YEAR	KWH SOLD	% OF INCREASE OVER PREVIOUS YEAR	NET PROFIT	PAID TO TOWN		
				ELECTRICITY	CASH	TOTAL
1966	11,465,109	17.2	\$ 45,669.50	\$ 3,623.03	\$ 15,811.87	\$ 19,434.90
1967	12,624,751	10.1	61,407.27	3,618.32	24,811.66	28,429.98
1968	14,802,092	17.2	57,484.84	4,540.27	28,796.58	33,336.85
1969	17,507,040	18.3	57,738.57	5,025.00	16,454.73	21,479.73
*1970	117,884,665	2.2	67,856.83	4,666.36	14,624.95	19,291.31
1971	18,884,727	5.6	98,519.88	5,849.85	16,090.57	21,940.42
1972	22,814,397	20.8	120,169.95	6,854.59	28,027.87	34,882.46
1973	25,133,446	10.2	118,012.37	9,015.65	17,020.95	26,036.60
**1974	24,582,954	(2.2)	93,440.71	13,207.73	16,797.13	30,004.86
1975	27,317,600	11.1	120,620.78	16,340.51	16,572.98	32,913.49
Total	<u>193,016,781</u>		<u>\$840,920.70</u>	<u>\$72,741.31</u>	<u>\$195,009.29</u>	<u>\$267,750.60</u>

Notes

* Choptank Electric was dropped as a wholesale customer on 4/30/70, and this is why there was no noticeable increase in KWH sold in 1970.

** 1974 sales decrease was due to customers' cutting back for fuel shortage.

BYE CENTRAL

MADE IN U.S.A.

Edmond J. Galt

ST. MICHAEL'S UTILITIES COMMISSION

SUMMARY OF MONIES AVAILABLE AND HOW USED

YEAR	<u>PROFIT</u>	<u>BORROWED</u>	<u>CUST. CONT.</u>	<u>INCREASE IN PROP. ACCTS.</u>	<u>PD. ON LOAN</u>	<u>PD. TO TOWN</u>	<u>BALANCE</u>
1966	\$ 45,669.50	-	-	\$ 35,126.66	-	\$ 19,434.90	\$ (8,892.06)
1967	61,407.27	-	-	47,332.74	-	28,429.98	(14,355.45)
1968	57,484.84	-	-	46,627.65	-	33,336.85	(22,479.66)
1969	57,738.57	\$ 40,000.00	-	76,391.15	\$ 5,333.32	21,479.73	(5,465.63)
1970	67,856.83	65,667.00	\$ 4,760.00	88,482.32	15,998.47	19,291.31	14,511.73
1971	98,519.88	70,000.00	13,758.60	134,635.88	5,332.00	21,940.42	20,370.18
1972	120,169.95	-	107,714.29	176,529.92	25,000.00	34,882.46	(8,528.14)
1973	118,012.37	-	63,369.73	126,936.70	25,000.00	26,036.60	3,408.80
1974	93,440.71	-	25,302.85	120,416.46	25,000.00	30,004.86	(56,677.76)
1975	120,620.78	-	50,494.79	137,704.18	-	32,913.49	497.90
Total	\$840,920.70	\$175,667.00	\$265,400.26	\$990,183.66	\$101,663.79	\$267,750.60	\$ (77,610.09)

Note: The balance on the note at Maryland National Bank is now \$134,000, of which \$85,000 was borrowed for Town use.

BREAKDOWN ON AMOUNTS PAID TO THE TOWN

<u>YEAR</u>	<u>ELECTRICITY</u>	<u>SEWER BONDS</u>	<u>INTEREST ON TOWN'S LOAN</u>	<u>CASH</u>	<u>TOTAL</u>	<u>% OF PROFIT</u>
1966	\$ 3,623.03	\$ 12,024.00	-	\$ 3,787.87	\$ 19,434.90	42.6
1967	3,618.32	11,864.00	-	12,947.66	28,429.98	46.3
1968	4,540.27	12,688.00	-	16,108.58	33,336.85	58.0
1969	5,025.00	12,496.00	-	3,958.73	21,479.73	37.2
1970	4,666.36	12,304.00	\$ 2,320.95	-	19,291.31	28.4
1971	5,849.85	12,112.00	3,978.57	-	21,940.42	22.3
1972	6,854.59	11,920.00	4,320.96	11,786.91	34,882.46	29.0
1973	9,015.65	12,712.00	4,308.95	-	26,036.60	22.1
1974	13,207.73	12,488.00	4,309.13	-	30,004.86	32.1
1975	16,340.51	12,264.00	4,308.98	-	32,913.49	27.3
<u>Totals</u>	<u>\$ 72,741.31</u>	<u>\$122,872.00</u>	<u>\$23,547.54</u>	<u>\$48,589.75</u>	<u>\$267,750.60</u>	<u>31.8</u>

Above amounts do not include \$7,200 per year paid for rent, or the cost of fuel for the office.

Concrete Journal

MADE IN USA

PAID CEMENT

ST. MICHAELS UTILITIES COMMISSION

VEHICLES OWNED, AND CURRENT USAGE

- 1965 International, dump truck. Used for hauling brush, etc.
- **1965 Ford, 3/4 ton pickup, equipped with 1961 aerial ladder. Used for routine maintenance, new line construction, and trouble shooting.
- 1966 Dodge truck, equipped with 1942 digger. Puts down anchors, digs holes for poles, etc. Parts for digger are now unavailable.
- **1966 Chevrolet line truck. Purchased (used) from Choptank Electric in 1971. Equipped with 1954 digger and tool body.
- **1968 International truck with aerial bucket. Used for maintenance of high voltage lines and tree trimming.
- **1970 Ford, 1 ton pickup, with tool compartments and aerial ladder. Used for line construction and line maintenance.
- **1970 Ford Clubwagon. Used for meter reading and by Ray Kilmon on Utilities business.
- 1976 International truck with aerial bucket. Used for maintenance of high voltage lines and tree trimming.
- 1966 Chance Hotline tool trailer
- 1966 Homemade trailer, for hauling poles.

** These vehicles are equipped with radios.

Note: 1966 Chevrolet line truck with 1954 digger body needs replacing.
Cost today: \$26,000.00.

Please note the age of our equipment. It is primarily depreciated.

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ST. MICHAELS UTILITIES COMMISSION

FUTURE CAPITAL EXPENDITURES

Immediate: 1976-1977

1. New School estimate	\$ 7,000.00
* 2. Talbot County Sewer System	8,000.00
3. Two sets 31 PH 600 A Load break switches needed at Grace Street Substation	<u>6,000.00</u>
	\$21,000.00

*All efforts will be made to obtain this in the expected grant.

Intermediate Planning

- * 1. Porters Pride Substation \$75,000.00

Efforts are being made to either obtain a Grant for this, and co-operation of the Town Commissioners will be required in this instance, or the possibility of a Lease arrangement is being explored. If these arrangements fail, monies will have to be obtained from conventional sources.

2. Separate sheet shows eighteen month projection of estimated expenditures.

Note: It is felt that all expenditures can be covered out of current revenues with the exception of the Porters Pride Substation with the continued support of the Town Commissioners.

UNITED STATES DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

WASCO COUNTY, OREGON

WASCO, OREGON

WASCO COUNTY, OREGON

WASCO COUNTY, OREGON

WASCO COUNTY, OREGON

WASCO COUNTY, OREGON

ST. MICHAELS UTILITIES COMMISSION

EIGHTEEN MONTH PROJECTION THROUGH JUNE 30, 1978

PROJECTS TO BE STARTED AND COMPLETED, NEXT 18 MONTHS

Transportation:

One new line truck needed \$26,000.00

New Feeder to tie Bloomfield Substation into
St. Michaels Substation:

Work has begun. Need additional funds to
complete \$ 9,000.00

Estimate 30 New Customers:

Cost to connect \$60,000.00

Line Transformers \$26,000.00

Overhead Conductors \$27,000.00

Poles, Towers, Fixtures \$30,500.00

Meters \$10,500.00

Services \$28,000.00

LINE MAINTENANCE NEEDED

Line Maintenance \$60,000.00

Tree Trimming Maintenance \$ 8,000.00

Bush Hogging \$ 3,500.00

ESTIMATED TRANSPORTATION EXPENSE

Maintenance \$10,800.00

Gasoline \$ 7,000.00

Notes:

- a. Am getting considerable new commercial construction. This increases our costs.
- b. If building increases, cost to connect new customers could increase.
- c. Extension on shop warehouse to house two vehicles:
plus materials \$17,000.00

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MADE IN U.S.A.

SAFETY CONTAINER

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GENERAL RECOMMENDATIONS:

1. That the Utilities Commission continue to operate as a separate entity which will continue to show huge dividends.
2. That the Utilities Commission continually upgrade its systems. (It is considered tops in this area.)
3. That all rolling stock be replaced and upgraded as soon as the bond debt is absorbed by the sewerage system.
4. That the present Pension Plan be improved with the employer paying most of the cost.
 - A. Details will be presented before May 1st, 1977 anniversary.
5. That a concerted effort be made to obtain more Federal Grants and other monies.
6. That when practical, property at the end of Gloria Avenue be returned to St. Lukes Methodist Church for the sum they were paid for it.
7. That Federal Grants be explored to underground entire existing system over 10 year period.
8. That employee benefits and compensation be monitored and improved annually.

Original Bond

MADE IN U.S.A.

FOR CONTRACT

MARTINGHAM

Engine Bond

MADE IN U.S.A.

100% CONTENT

1957

Small Enigma

MADE IN U.S.A.

100% COTTON

TOTAL COST TO ST. MICHAELS UTILITIES COMMISSION

MARTINGHAM, INC. SUBDIVISION

Engineering Fees:

R. W. Beck & Associates	\$ 4,000.00	
Joseph Biro & Associates	<u>9,870.07</u>	\$ 13,870.07

Contract Cost for System:

Satterfield & Ryan	\$120,712.12	
Circuit Court for Satterfield & Ryan	<u>6,301.00</u>	127,013.12

Costs Outside of Contract:

Main Breaker - Fuse Revisions	\$ 480.00	
Fault Indicators	460.00	
Dummy Fuses in 600A T-Tap Sw.	540.00	
Services for lots - Items omitted by Satterfield & Ryan	6,900.00	
Services to Condominiums	6,000.00	
Service to Harbourtown Inn Complex	16,000.00	
Service to Other Commercial Properties	1,175.00	
Transformers (Includes Private)	11,650.00	
Meters (Includes Private)	<u>2,650.00</u>	45,855.00

TOTAL COST FOR SUBDIVISION \$186,738.19

Amounts Paid by Martingham:

In Installments	\$152,666.75	
Less Rebates for Lots	<u>3,155.00</u>	149,511.75

Non-Refundable for Hotel Complex	9,500.00	
Non-Refundable for Pro Shop and Pool	<u>310.40</u>	

TOTAL PAID BY MARTINGHAM, INC. 159,322.15

NET COST TO ST. MICHAELS UTILITIES \$ 27,416.04

Amount Billed to Martingham since beginning:

3,672,752 kwh \$141,384.35

Above figures do not include any current used by private individuals, either for private homes or condominiums.

Original of [unclear]

AUGUST 24, 1976

All members of the St. Michaels Utilities Commission were present at their regular meeting held on Tuesday, August 24, 1976.

The minutes of the July meeting were read and approved.

Mr. Kilmon reported that the line to Easton has been completed, and the transformer for Jackson Fusee has arrived. Installation of the transformer is expected to take approximately one week.

There was discussion about the three-phase power pole that is in the parking lot at the Fire House. Mr. Kilmon reported that he has received word from the Town Clerk that the Utilities' letter to the Town Commissioners regarding a protective island has been tabled. Alternate methods to do away with the pole were mentioned. Mr. Kilmon will look into costs and alternatives, and report to the Commissioners as soon as possible.

The lease agreement with Delmarva for the Bozman substation site has been received.

There was a review of the current financial statements.

Mr. Kilmon's letter to the Town Commissioners regarding the addition to the shop-warehouse was also tabled.

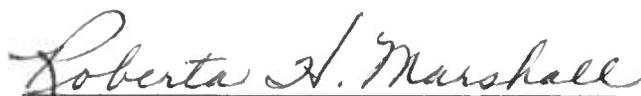
Although money is not available for a line truck at this time, Mr. Kilmon reported that he has checked on prices. A new 1975 model line truck, with the latest equipment, was quoted at \$26,310. These trucks also can be leased for the amount of \$1,300 per month. A used 1973 model, with the same capabilities, would cost \$21,450.

There was mention about the size of various commercial bills that are sent out.

Mr. Kilmon reported that it is hoped that St. Michaels will be able to take over the old Tilghman Substation at Grace Street by September 22. He will order the switches necessary for the transfer.

There was a discussion about the amount of vacation time that is given employees. It was decided to increase vacation time to three weeks after five years of service.

There was no further business, and the meeting was adjourned.


Roberta H. Marshall, Secretary



SEPTEMBER 23, 1976

The regular meeting of the St. Michaels Utilities Commission was held on Thursday, September 23, 1976. All members were in attendance.

The minutes of the August meeting were read and approved.

Mr. Kilmon reported that the work at Jackson Fusee Company is scheduled for completion by October 2.

A decision about the way to deal with the problem of the three-phase power pole at the Fire Company is still pending.

Delmarva Power and Light Company connected their new Bozman substation on September 22. Mr. Kilmon expects that St. Michaels can complete the work necessary to take over the old Tilghman substation by October 1, provided there are no problems. With the takeover of the extra capacity at Grace Street, there is a possibility that the need for the St. Michaels substation at Bozman will be delayed for a short time.

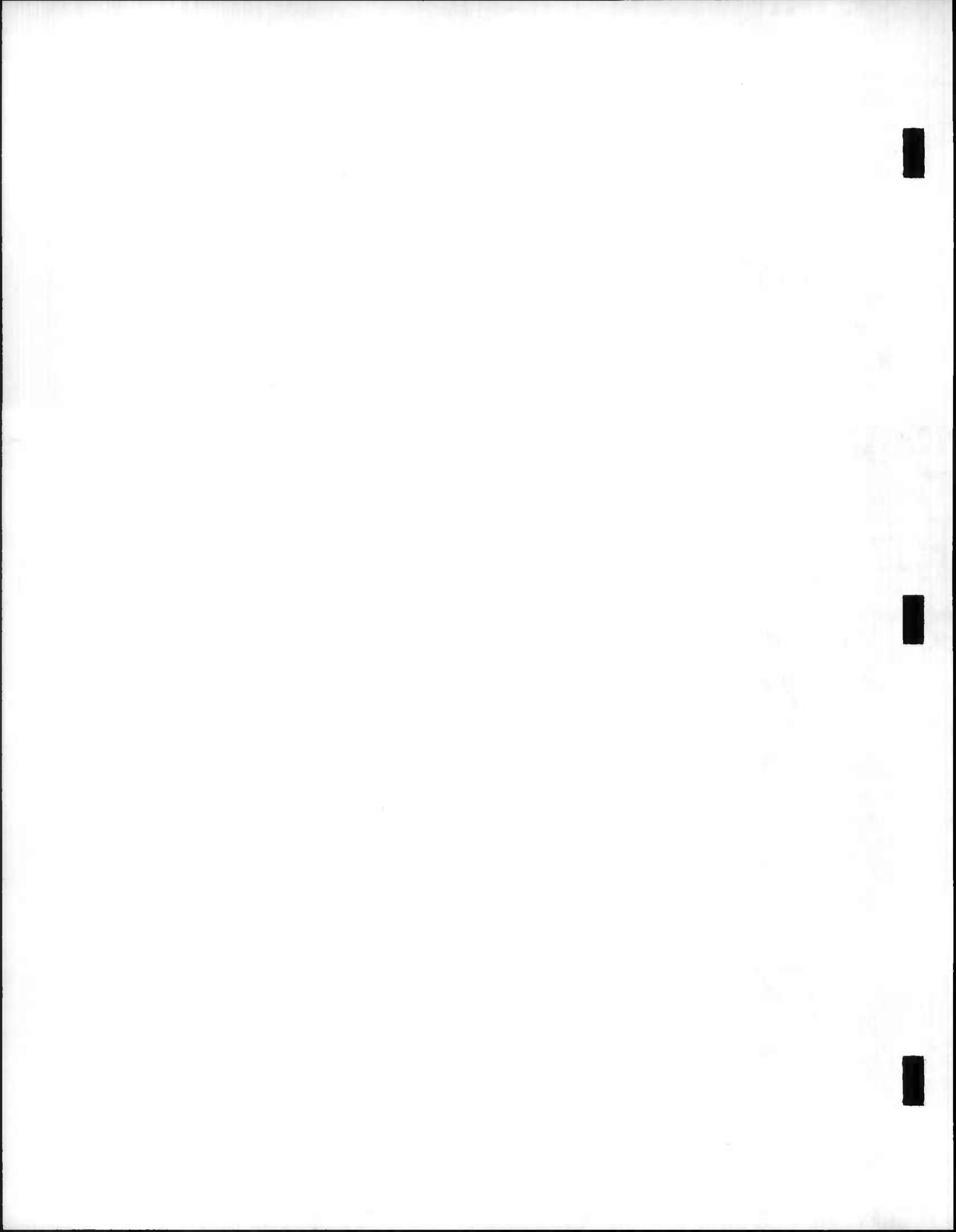
An inquiry for information has been received from Dun & Bradstreet. It will be ignored.

Requests for donations for the United Fund and Cystic Fibrosis Foundation were received. The Commissioners feel that we are in no position to donate monies, since the Utilities is part of the Town of St. Michaels and therefore dealing with taxpayers' money. However, since a donation has been sent to United Fund for many years, a check for \$25 will be sent to them.

Mrs. Marshall reminded the Commissioners that the term of John T. Griffin will expire on December 31, and it is necessary for the Utilities to notify the Town Commissioners in time for them to appoint a new commissioner.

There was a discussion about the financial condition of the Commission, and the shortage of working funds due to the large portion of profits that are already committed. Mr. Griffin will write a letter to Maryland National Bank to see if there is some way the loan there can be renegotiated to make the payment lower. With a lower payment, there should still be money left over to maintain necessary equipment.

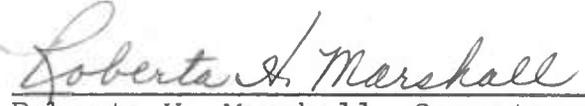
Mr. Kilmon brought up the problems of the many hitch-hikers on the roads. A notice will be posted on the bulletin board at the shop, stating that hitch-hikers shall not be picked up. Signs will be posted on all the trucks to that effect.



Mr. Kilmon will attend a staff hearing at the Federal Power Commission about the Delmarva rate cases on September 24. It is hoped that this can be settled soon.

It was decided that the liability policy with Selected Risks will not be renewed, since the Utilities can get additional coverage, plus excess liability coverage, if the policy is combined with the Town's. This will also result in a lower cost to the Utilities.

There was no further business, and the meeting was adjourned.



Roberta H. Marshall, Secretary



OCTOBER 27, 1976

The regular meeting of the St. Michaels Utilities Commission was held on Wednesday, October 27, 1976. Those present were Mr. Stewart, Mr. Thamert, Mr. Kilmon, and Mrs. Marshall. In the absence of Mr. Griffin, Mr. Stewart conducted the meeting.

The minutes of the last meeting were approved as read.

Mrs. Marshall reported that the letter asking for renegotiation of the loan was written to Maryland National Bank, but they have delayed their reply until they receive a copy of the auditor's report. The report was delivered to them today, and it is hoped their reply will be forthcoming.

Mr. Kilmon was present for the Federal Power Commission staff hearing on Delmarva's rate cases on September 24, but it was postponed until November 3, 1976. If a settlement is not reached at that time, the matter could go before the court in January.

There was a thorough discussion about the three-phase power pole in the parking lot at the Fire House. Mr. Kilmon stressed that it would be most difficult to move the pole so that it is safe. No suitable way can be found to eliminate the pole, at a cost that is reasonable. Although it was agreed that going underground would look much better, the cost would be more than the Utilities can afford. Mr. Kilmon estimated that the cost of the wire and conduit alone would be approximately \$1,800.00, not including the cost of moving the transformer, security lights, street lights, signal circuits, and the changes for the eight customers who are served from the pole. Added to this is the fact that the pole and wires that are there now are practically new, and would have to be discarded. Mr. Kilmon noted that the Fire Company is expecting to face another expansion in ten years or so, and at that time the pole could be moved more conveniently and economically. The Commissioners are very aware of the dangerous condition that exists now, and another letter will be written to the Town Commissioners explaining the seriousness of the situation, and stressing the safety factor of an island around the pole.

Mrs. Marshall will notify the Town Clerk regarding the expiration of John Griffin's appointment on December 31, 1976.

Work at the substation on Grace Street has been completed, and St. Michaels now has two 5,000 KW substations at that location. This has doubled the capacity in St. Michaels, and there is now a standby in case of failure. Mr. Kilmon reported that our men have been checked out on the operation of the substation, and will be able to maintain service, rather than having to wait for Delmarva service crews to make repairs. With the addition of the new substation, the Utilities' substation requirements and capacity are in good shape for the time being.

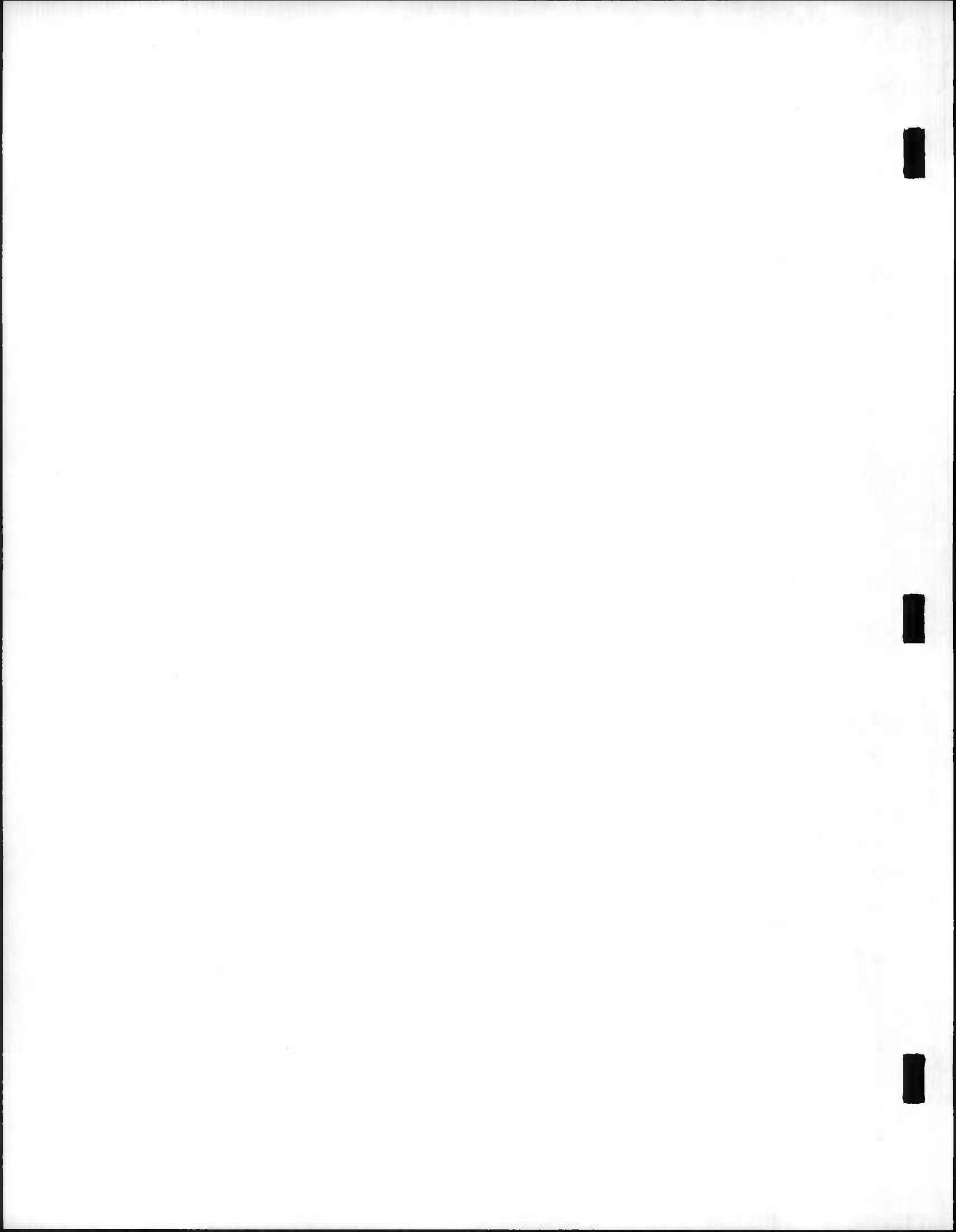


The new service to Jackson Fusee Company has been connected. There is now a 3/phase 4-wire power line all the way to the Easton By-Pass with an approximate 2,000 KW capacity for industrial or residential growth.

The Town Commissioners have denied the request for an addition to the shop-warehouse, and will give priority to other town buildings. The request will be re-submitted in 1977, in time to be considered in next year's budget.

Following a lengthy discussion about the present rates and possible ways to change the power adjustment cost, the meeting was adjourned.


Roberta H. Marshall, Secretary



NOVEMBER 24, 1976

All members were present at the regular meeting of the St. Michaels Utilities Commission, held on Wednesday, November 24, 1976.

The minutes of the October meeting were read and approved.

Mr. Griffin reported that he has received a verbal reply from Maryland National Bank, and they have carefully scrutinized the financial position of St. Michaels. They have suggested that the payment schedule on the loan be left as it is, and short term money be applied for if needed. A written reply to our letter will follow.

A barrier has been placed around the pole at the Fire House, to protect it until such time as something more permanent can be done.

There was a discussion concerning the financial statements.

At the staff hearing held at the Federal Power Commission on November 3, an agreement was reached by Delmarva and the parties involved to settle for approximately 50 percent of the increase Delmarva had requested. The settlement must still be approved by the Federal Power Commission, and their decision should be announced by November 30. St. Michaels' rates will go down a good bit as soon as the case is settled, but by just how much is unknown at this time. Also, the matter of the rebate is still in question.

The schedule of the bonuses for 1976 was presented, and it was decided to pay bonuses in the same manner that has been used for the past three years.

A check for \$10 will be sent for Christmas Seals.

The salary schedule was presented to the Commissioners, and they will meet later in the month to discuss it.

Mr. Kilmon reported that he has been phasing out the low-voltage lines in Claiborne, and with the exception of Mrs. Burling's property, all the lines in Claiborne are now 12,000 volts. Some of the low-voltage equipment that was removed from Claiborne can be used in the Town of St. Michaels.

The line to the proposed Talbot County Sewer System has been completed, and there will be ample power to the site when it is needed.

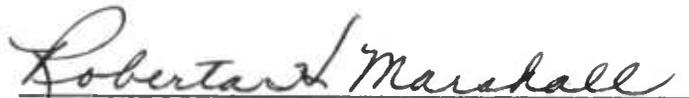


All work at the High School and Middle School complex has been completed. The entire complex will be on one meter.

Mr. Kilmon reported that the line truck is in very bad condition, and he will take it out of service as soon as he thinks it necessary for the safety of the men. Possible methods of paying for a new truck were discussed, and Mr. Kilmon was instructed to get a firm price quote on a new one, in case there is some way the truck can be replaced.

There was mention of possible subdivisions to be built near St. Michaels.

There was no further business, and the meeting was adjourned.


Roberta H. Marshall, Secretary



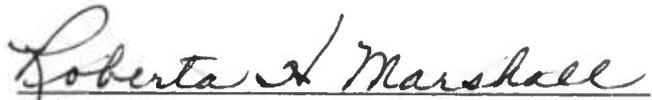
DECEMBER 8, 1976

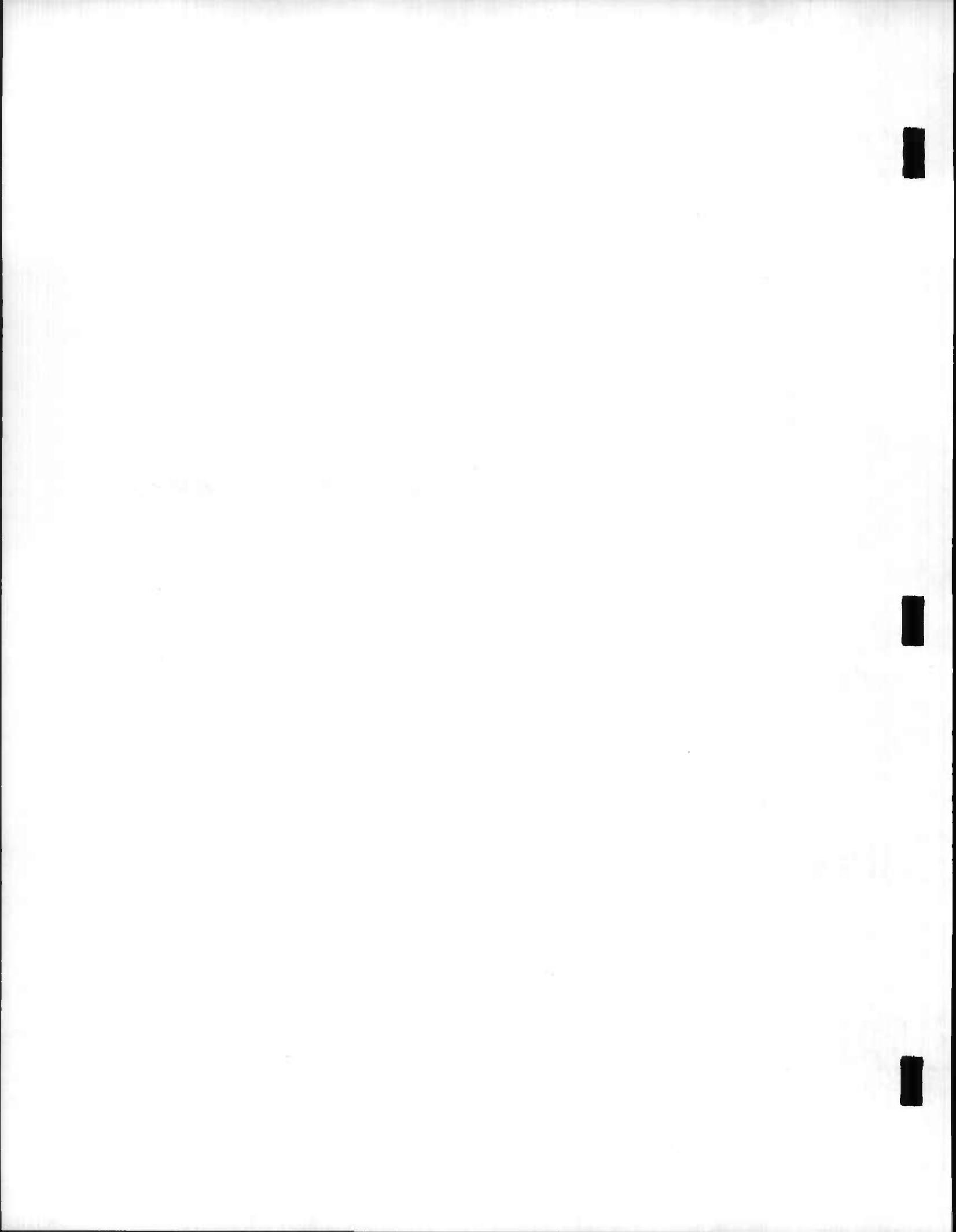
A special meeting of the St. Michaels Utilities Commission was held on December 8, 1976. Those present were Mr. Griffin, Mr. Stewart, Mr. Kilmon, and Mrs. Marshall.

Purpose of the meeting was to discuss the scarcity of cash funds, due to the high power bill received for November.

It was decided that part of the December receipts would be used to pay the necessary bills.

Following a short discussion on the Delmarva rate cases, the meeting was adjourned.


Roberta H. Marshall, Secretary



DECEMBER 29, 1976

The regular meeting of the St. Michaels Utilities Commission was held on Wednesday, December 29, 1976, with all members present.

The minutes of the November meeting and the special December meeting were read and approved.

The letter from Maryland National Bank concerning the loan has not been received.

The Federal Power Commission has not yet approved the Delmarva rate case settlement.

Mr. Thamert mentioned that he submitted his letter of resignation to the Town Commissioners in December, and will be leaving the Utilities Commission as soon as his replacement is appointed.

The financial statements were reviewed, and the problem of the lack of working capital was discussed. A special meeting will be called in early January, after the power bill from Delmarva is received, to try to find a solution to the problem.

The Town of St. Michaels is trying to get a Federal grant, and Mr. Griffin noted that there is a possibility that the Utilities can get as much as \$100,000 from the grant. There will be a public meeting concerning the grant in January; Mr. Kilmon and Mr. Stewart will attend.

Mr. Kilmon reported that he has gotten a firm price on a new line truck, but the matter was tabled until such time as the money is available. Mr. Kilmon will keep the quote updated.

It was noted that the bill for the school complex for this month was nearly \$10,000, even though the school is not yet in use.

Maryland Public Service Commission approval has been received on the gross rate change.

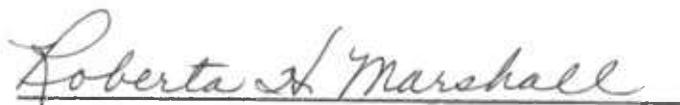
In compliance with Maryland P.S.C. Order No. 61848, Case 6785, Mr. Kilmon has submitted a rough draft of a customer pamphlet for their approval. This pamphlet, when approved and printed, will be sent to all customers in our service.

Mr. Kilmon and Mrs. Marshall thanked the Commissioners, for themselves and the employees, for the bonuses and the new pay scale.



As a token of appreciation for his many hours of hard work and dedication to the Commission, a brief-case was presented to Mr. Griffin, who is leaving the board after serving since August of 1968.

There was no further business, and the meeting was adjourned.


Roberta H. Marshall
Roberta H. Marshall, Secretary



JANUARY 26, 1977

The regular meeting of the St. Michaels Utilities Commission was held on Wednesday, January 26, 1977. Those present were Mr. Stewart, Mr. Thamert, Walter Eglseider, who was recently re-appointed to the board, Mr. Kilmon, and Mrs. Marshall. Town Commissioner Melvin Lebowitz also attended the meeting for a short time.

First order of business was election of officers for 1977. Motion was made by Maynard Stewart, seconded by Ivan Thamert, and duly passed, that Walter Eglseider serve as President of the board. Motion was made by Mr. Stewart, seconded by Mr. Thamert, and duly passed, that Franklin R. Kilmon be appointed as Manager and Roberta H. Marshall as Secretary-Treasurer. Thomas J. Keating, IV., was named to continue serving as the Utilities' attorney.

It was the feeling of the board that the position of Foreman is not part of the organizational structure of the Utilities, and as of this meeting is included in the manager's sphere of responsibility, rather than directly under the board.

Mr. Lebowitz stated that the relationship between the Town Commissioners and the Utilities is at a high level, and all are anxious to work with the Utilities. Mr. Eglseider replied that the Utilities Commission realizes that their final responsibility is to the Town, and that the Utilities' legal and structural responsibilities are equal to the Town, but the safety of the employees will be placed at a high level. A full meeting with the Town Commissioners will be requested in two months or so.

After the departure of Mr. Lebowitz, the minutes of the December meeting were read and approved.

There was a general discussion of the scheduled meeting on February 2, 1977, between Delmarva, the cooperatives, and the municipalities. It is the continued desire of the Commissioners to participate at a settlement figure that is agreeable to all the municipalities.

A letter concerning the payment to Maryland National Bank has been received from the Town. A copy of the letter is included in these minutes.

Mr. Thamert's letter of resignation has been withdrawn.

Mr. Kilmon reported that he has done nothing further on the purchase of the new line truck. This was tabled indefinitely, possibly until the March meeting.



The pamphlet which was sent to the Public Service Commission for their approval was explained.

The possibility of putting part of the Power Adjustment charge into the base rate has been tabled until such time as the rates are settled.

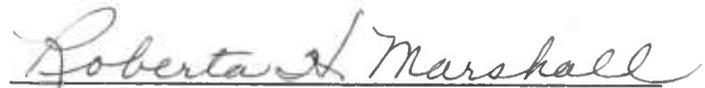
There will be a meeting before the Public Service Commission in March, regarding line losses for utilities throughout the state. It is essential that St. Michaels be represented at that meeting.

Mr. Kilmon and Mr. Stewart attended a meeting at Harrington, Delaware, which was held to make Delmarva's customers aware of their generating capabilities in the next ten years. By the end of that period, Delmarva plans to phase out the use of oil to generate electricity, and use coal and nuclear fuels almost totally. They also look for a 35 percent increase in cost of power by 1980.

The high consumption of electricity by the school complex was brought to the attention of the Commissioners.

Mr. Kilmon noted that he is cutting back on expenditures wherever possible. He presented a graph which showed the peak demands in power for the past ten years.

Following a review of the financial statements and bills on hand, the meeting was adjourned.


Roberta H. Marshall, Secretary

Commissioners of St. Michaels

ST. MICHAELS, MARYLAND 21663

January 12, 1977

745-9535

SETTLED 1670-80
INCORPORATED 1804

Mr. W. Maynard Stewart
St. Michaels Utilities Commission
St. Michaels, Maryland 21663

Dear Mr. Stewart:

Your letter of January 11th, addressed and delivered to Mr. Parks, was discussed in Executive Session last evening.

The Commissioners have asked me to advise you that the town will be responsible for the annual payment of \$25,000 to the Maryland National Bank which will be due in May. They hope that this will relieve your situation at this time.

Very truly yours,

Mary R. Wright

Mary R. Wright
Town Clerk

cc:
Ray Kilmon



FEBRUARY 23, 1977

All members were present at the regular meeting of the St. Michaels Utilities Commission, held on February 23, 1977.

The minutes of the January meeting were read and approved.

There was a discussion about the Delmarva rate cases. Final figures on the amount of the rebate will not be available until there is a ruling by the Federal Power Commission. Mr. Kilmon will write a letter to the Maryland Public Service Commission, requesting approval of a method to get the rebate back to St. Michaels customers.

The meeting at the Public Service Commission on line losses has been postponed until April.

There was a discussion about the question of purchasing a used computer for billing from Delmarva's Chestertown office. Due to a misunderstanding by Delmarva, the commissioners have decided against the purchase. At present, the Utilities has the capacity to bill satisfactorily, but the equipment is gradually wearing out, and similar machines are no longer being built. This problem will have to be faced in the near future.

Mr. Kilmon reported that he will not have to do anything more at the school complex until the old school is torn down.

He asked the commissioners if they would be interested in looking at a used line truck from Seaboard Rental & Sales. The Commissioners indicated their interest, and he will have the truck brought here for their inspection, hopefully before the next meeting. Approximate price of the truck is \$21,000. It is a 1973 model.

Mr. Kilmon also voiced his opinion that there will be an increase in building activity on St. Michaels lines in the very near future. He has been approached recently for new lines to new homes and small subdivisions. If there is an increase in building, this could affect St. Michaels expenditures considerably.

There was a preliminary discussion of the present financial structure of the Utilities. Mr. Eglseider presented estimates of revenues and recurring costs, and will continue along these lines so that a more accurate report can be made.

After a report on the Bloomfield Substation Tie-In, motion was made by Mr. Stewart, seconded by Mr. Thamert, and passed, to authorize Mr. Kilmon to complete the job at an approximate added expenditure of \$6,500. Mr. Kilmon was instructed to spread these expenses over as long a period of time as possible.

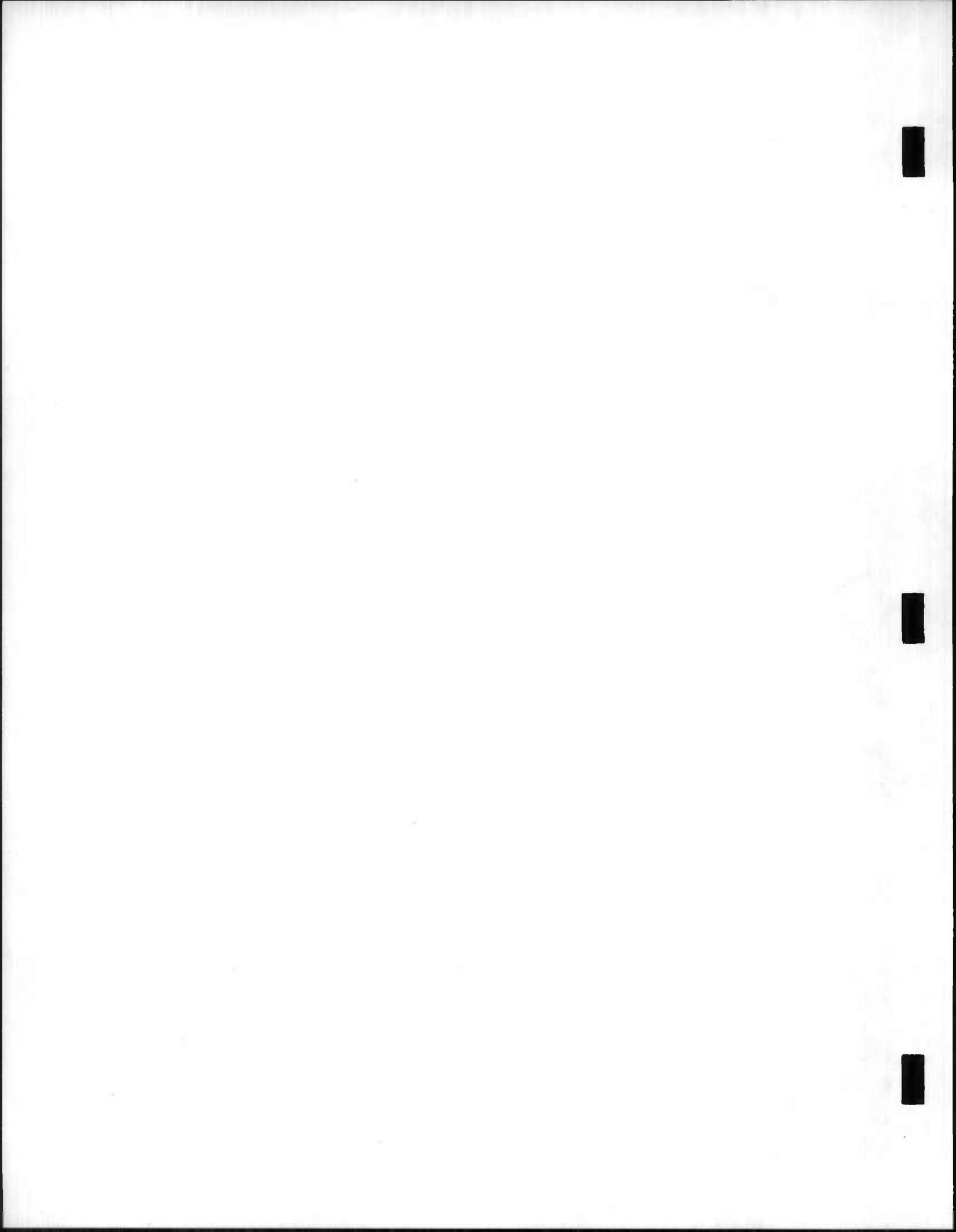


Mr. Eglseder reported that Thomas Keating is still pursuing the matter of Sid Peters and Martingham.

There was mention of the fact that without overtime pay, Mr. Kilmon's salary for 1977 will be basically the same as for 1976. Motion was made by Mr. Stewart, seconded by Mr. Thamert, and passed, to increase Mr. Kilmon's salary to make up for this oversight. Payment will be retroactive to January 1, 1977.

There was no further business, and the meeting was adjourned.


Roberta H. Marshall, Secretary



MARCH 23, 1977

The regular meeting of the St. Michaels Utilities Commission was held on March 23, 1977. All members were present.

The minutes of the February meeting were approved as read.

Mr. Kilmon reported that the meter at the Middle School has been disconnected, leaving the entire school complex on one meter.

Completion of the Bloomfield Substation Tie-In is scheduled between March 29 and June 29. For the safety of the men, the load will be transferred to the Grace Street substation while the work is being done. This can only be done during the low-usage months of April, May, and June.

There was nothing to report on the used line truck.

Permission has been received from the Public Service Commission to distribute the rebates as requested. There was considerable discussion about various aspects of the rebate, but it was agreed that details would have to be worked out after the amount of the rebate is firm. Discussion was tabled until that time.

Mr. Kilmon reported that there has been a mechanical failure at the Bloomfield substation, which has been in operation since July of 1969. Repairs must be made, and he will have it done as economically as possible.

Delmarva has asked for an easement through the Town's property at the St. Michaels Sanitary Land-Fill near Rolles Range. The necessary agreement has been sent to the Town's attorney, Michael Hickson. Mr. Kilmon recommended to the Commissioners that they request the Town Commissioners to keep that land if at all possible, since it is an ideal location for a future substation.

Mr. Stewart brought up the problem of what would happen if the manager or secretary-treasurer would be away from work for an extended period of time. It was the general opinion of those present that this problem will have to be faced if it arises.

Sid Peters has been served with a summons, and has until April 19 to answer and raise a defense. The Commissioners will make a decision about suit after that date.

There was a discussion about the amount of the demand charge on the power bill for February. If this high charge cannot be controlled, it might be advisable to try to allocate the charges to those customers concerned. This would not be a rate increase, but rather a redistribution of charges. This attitude toward charges has recently been discussed at national levels.



Mr. Kilmon reported that he has been faced with an abnormally high growth rate this month.

Following a brief discussion of the present financial situation, the meeting was adjourned.


Roberta H. Marshall, Secretary

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ST. MICHAELS UTILITIES COMMISSION

ST. MICHAELS, MARYLAND 21663

March 25, 1977

Mr. Guy Parks, President
Commissioners of St. Michaels
St. Michaels, Maryland 21663

Dear Mr. Parks:

Please refer to the attached copy of a letter to Mr. Hickson concerning a Right of Way Agreement. A portion of the letter relates to the future power supply of the Utilities system.

The Utilities Commission concurs with the recommendations as stated by Mr. Kilmon. Long range projections related to future power requirements must include consideration of acceptable access to the Delmarva transmission circuits. Site location for a substation will be a major cost factor to be considered by future Utility Commissioners.

The Utilities Commission requests that the area in question be limited in its immediate use. It is also requested that consideration be given by the Town Commissioners to a commitment for long range restriction or reservation for future Utility needs.

Respectfully,

ST. MICHAELS UTILITIES COMMISSION

Walter A. Eglseder, President

WAE/m
enc.

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APRIL 27, 1977

All members of the St. Michaels Utilities Commission were present at their regular meeting held on April 27, 1977.

The minutes of the last meeting were approved as read.

Mr. Eglseder reported that there are no new developments on the Sid Peters matter at this time.

There has been no reply from the Town regarding the possible future substation site at the Rolles Range Landfill or the Utilities' financial situation.

The current financial statements were reviewed.

Mr. Kilmon reported that he has ordered \$6,050 in materials this month for rebuilding the Miles River line. He will need approximately \$3,000 more in materials to work on it through the end of this year.

New underground services are being built in Miles River Neck, Hopkins Neck, and the Mount Pleasant area.

There was a discussion about the line across the Miles River, and about new developments in the St. Michaels area.

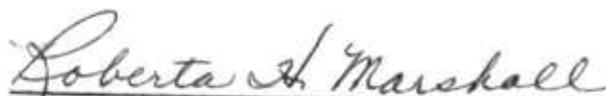
Mr. Kilmon has looked at a used line truck in Richmond that can be purchased for \$18,400 with our old line truck as trade-in. It is a 1973 model, with all the safety features that are needed. It is felt that this truck would be suitable for St. Michaels Utilities. The Commissioners are taking under advisement the purchase of the truck, plus other expenditures for the year.

The rebate situation is still pending.

It is hoped that the repair work at the Bloomfield substation will be completed on Saturday, April 30.

Ann Powell has been hired to replace Sylvia Daubach, who has left to take a part-time job.

There was no further business, and the meeting was adjourned.



Roberta H. Marshall, Secretary



MAY 25, 1977

The regular meeting of the St. Michaels Utilities Commission was held on Wednesday, May 25, 1977, with all members present.

The minutes of the April meeting were read and approved.

A letter has been received from Mr. Keating, the Commission's attorney, stating that judgements have been entered in St. Michaels' favor against Sid Peters and Martingham, Inc. Mr. Keating will await instructions from the Commission before further pursuing the matter.

Since there was some uncertainty about the exact location of the right of way requested by Delmarva at the Rolles Range Landfill site, the Town Commissioners requested that it be surveyed and staked. Mr. Kilmon reported that he has met with Commissioner Lebo-witz at the site. It is hoped that the landfill site will not be forgotten as a possible future substation site for St. Michaels.

The settlement of the rate cases and the rebate question is still awaiting approval of the Federal Power Commission.

Repairs to the Bloomfield substation are completed.

Mr. Kilmon reported that he has completed over 2,000 feet of the Miles River line this month. Work was started this week on Route 33, and hopefully will continue nearly full time for the next four or five weeks in an effort to beat the June 29 deadline.

There was a discussion of the necessity for a rate study. Motion was made by Mr. Eglseider, seconded by Mr. Stewart, and duly passed, to arrange a preliminary meeting with the engineers to establish a base for a rate study at the commissioner's convenience. Mr. Kilmon was instructed to try to set up a meeting on Wednesday, June 1, in the evening.

There was a discussion about alternative methods of doing the trenching for underground systems.

Mr. Kilmon reported that John L. Voshell, L. Clyde Powell, and Paul C. Schutz have successfully completed CPR courses. A letter of commendation will be sent to these men. Donald M. Hunley also attended some of the classes, and will complete the course soon.

There was a discussion about bushhogging the lines, which will soon be necessary.

Following a discussion of necessary large expenditures for inventory items for the balance of the year, the meeting was adjourned.



Roberta H. Marshall, Secretary



SPECIAL MEETING, 6/1/77

Walter Eglseder, Maynard Stewart, Ivan Thamert

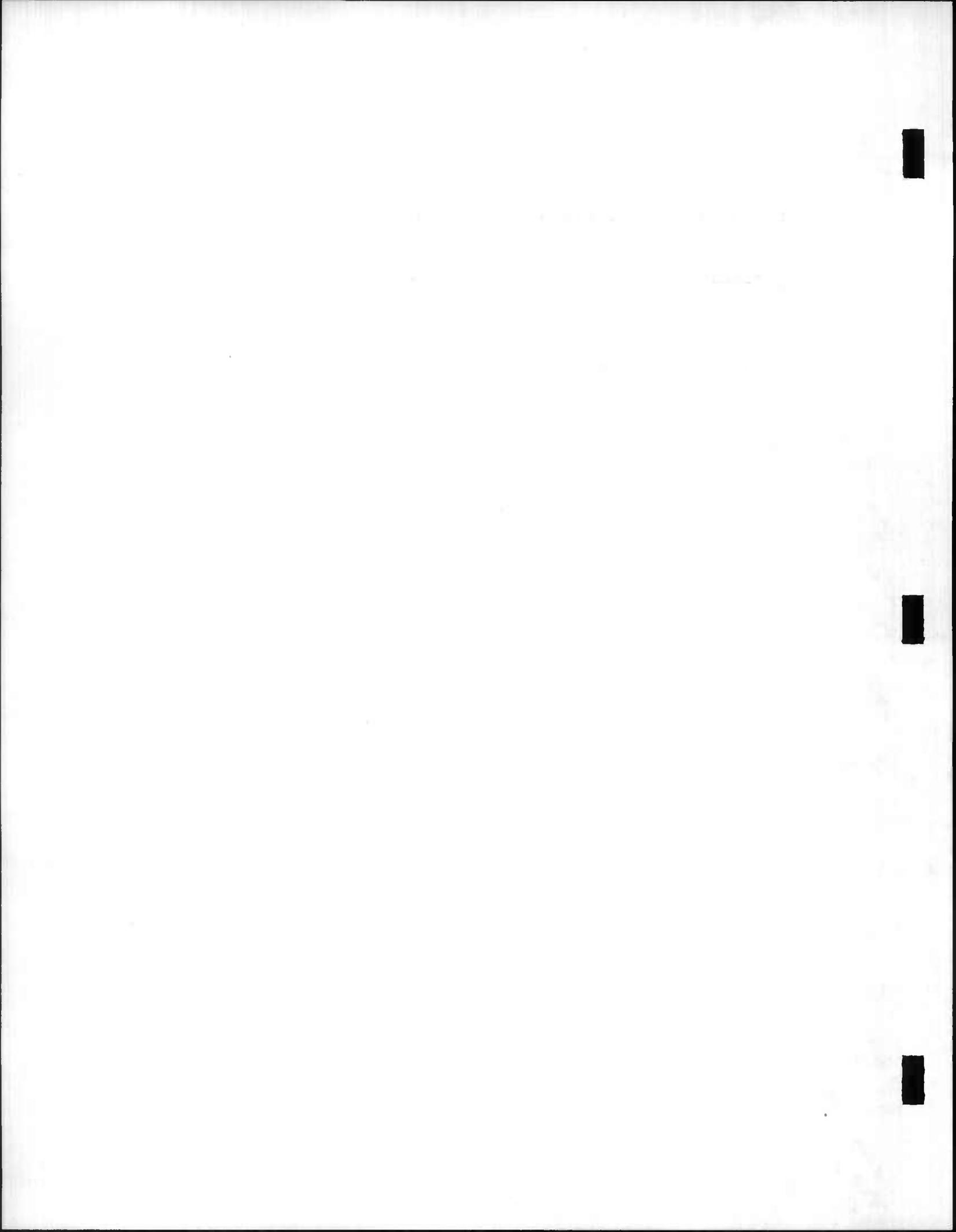
Discussion:

Downes Associates (Vernon Downes and R. Owens)

Preliminary review of capabilities of Downes as related to the performance of a rate study.

General acceptance of their presentation qualified by a request for a letter of certification.

WAG
6/23/77



SPECIAL MEETING, 6/17/77

Walter Eglseder, Maynard Stewart, Ivan Thamert

Discussion:

- (1) Lenske decision to close his business operations and the resulting impact on underground installation.

- (a) Prices as acquired by Ray relative to rental purchase of ditching equipment:

Total for tractor & trailer \$28,764.90

14 payments @ \$2,010 per month

15th month \$ 624.90

Then will be ours.

Delivery: 3 - 5 days

Have one in stock in Virginia plant

Cash price with 5% discount: \$23,438.40

- (2) Letters and information from Downes Associates concerning qualifications for a rate study. Agreement was reached that additional verification would be desirable. It was decided that an effort would be made to have this information available for the regular meeting.

General agreement was reached that taking into consideration the overall needs of the system both present and predicted, a rate study is to be given first priority.

If a decision is reached to utilize the services of Downes Associates, an attempt will be made to incorporate the rebate structure into the first part of the study.

WAG
6/23/77



TELEPHONE CONVERSATION 6/22/77: Tom Keating

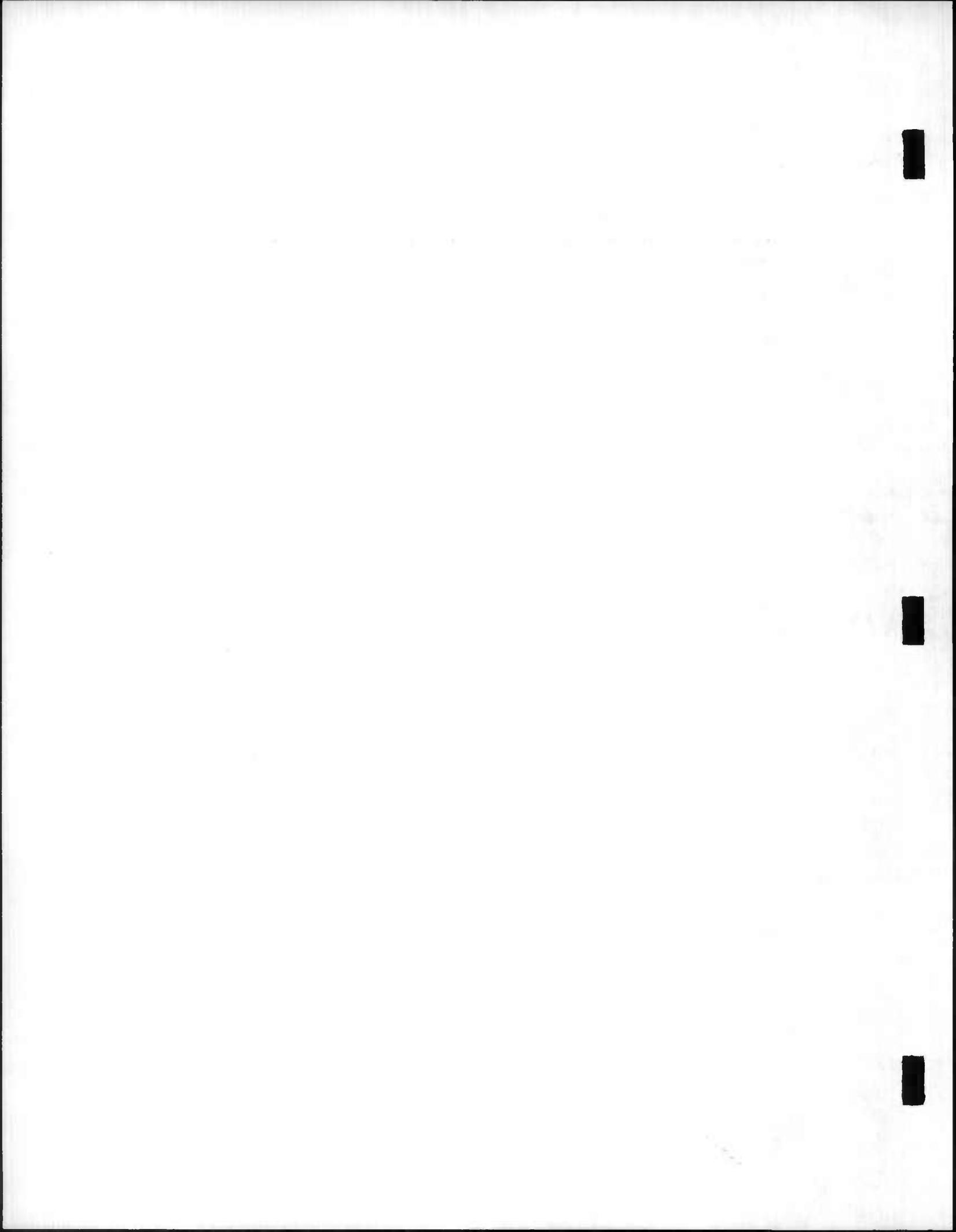
Re: Sid Peters

No assets in Maryland or anyplace else. Being sued in Pennsylvania for violation of Security Laws. Recommend we stand by for developments. Don't spend additional funds at this time.

Re: Rate Study

Willing to act as legal counsel. Has some background - Stockton, etc. - but if it looks complicated would suggest or recommend a more qualified lawyer.

WAG
6/23/77



JUNE 22, 1977

All members were present at the regular meeting of the St. Michaels Utilities Commission, held on Wednesday, June 22, 1977.

The minutes of the May meeting were read and approved.

Mr. Eglseder gave a brief summary of the Commissioners' meeting with Downes Associates, and their meeting of June 17. It was felt that additional information is needed before a decision can be made. Mr. Kilmon will contact another consultant to meet with the board.

Regarding Sid Peters and Martingham, Mr. Keating has recommended that the Commission let the matter stand at this time. It was so decided.

The Utilities will not purchase trenching equipment at this time, and will continue working with Frank Lenske.

There was discussion regarding the condition of the line truck. It was agreed that the truck will only be used on de-energized lines until it is repaired or replaced. Mr. Kilmon will immediately take the truck to Salisbury to see if it can be repaired, and will also put a ten-day hold on the used truck that he looked at earlier this year. A letter will be written to the Town Commissioners, requesting them to authorize a loan for a new truck.

Mr. Kilmon reported that he met with David Boehm, Planner for Talbot County, and Mr. Lebowitz at the landfill site to go over the right of ways needed by St. Michaels. It is thought there will be enough room to do what the county wishes as well as what St. Michaels desires. Mr. Boehm will deliver a plat to Mr. Kilmon after the survey.

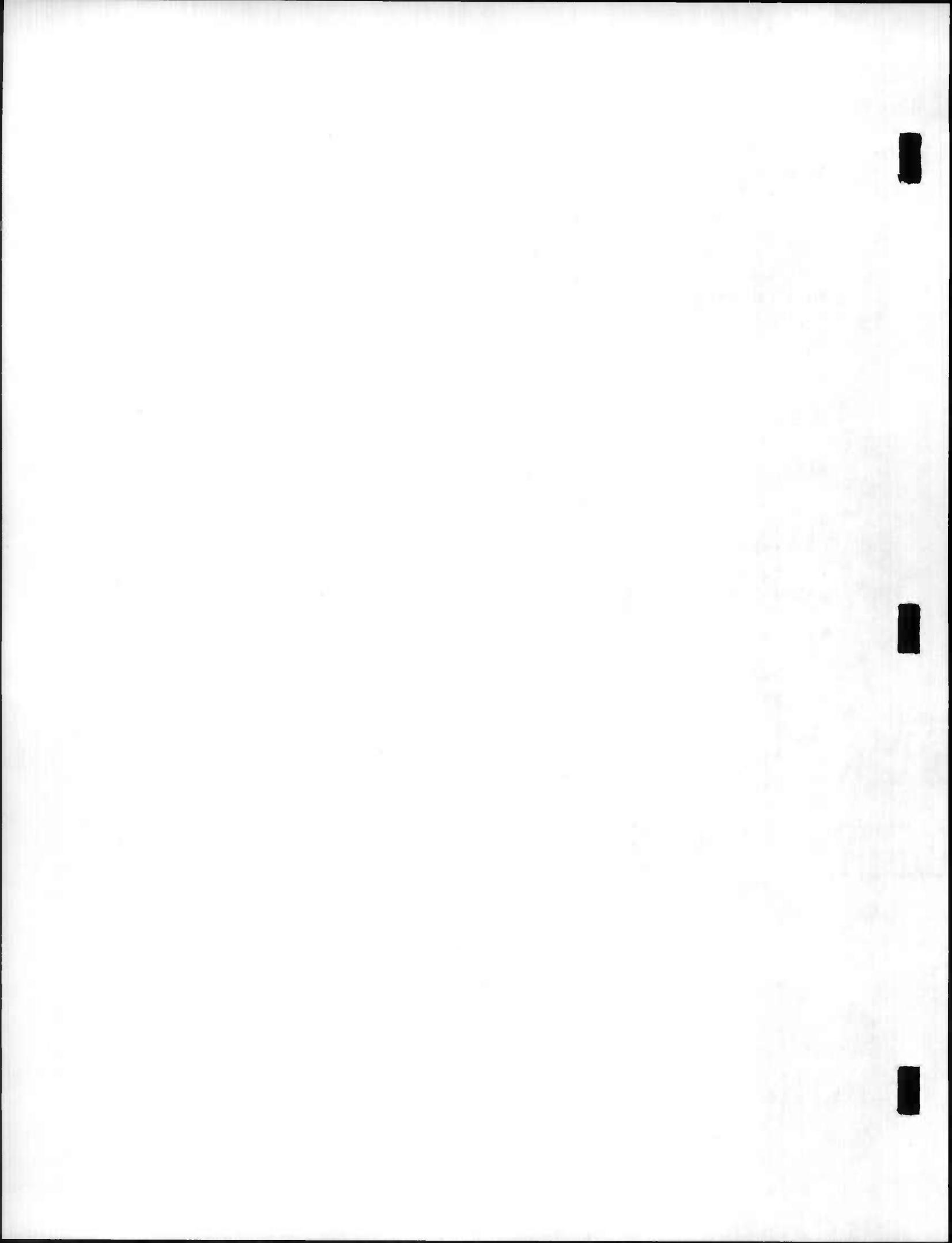
Mr. Kilmon assured the Commissioners that there is enough load availability for the new sanitary plant and the new school complex.

The Commissioners requested that Mr. Kilmon let them know as soon as possible about the truck.

There was no further business, and the meeting was adjourned.



Roberta H. Marshall, Secretary



ST. MICHAELS UTILITIES COMMISSION

ST. MICHAELS, MARYLAND 21663

June 24, 1977

Commissioners of St. Michaels
St. Michaels, Maryland 21663

Dear Commissioners:

The St. Michaels Utilities Commission has an immediate need to replace the line truck.

We have an estimated price of \$21,000 for a used truck that will meet our needs.

Will you please authorize a loan to cover the cost of this purchase.

Sincerely,

ST. MICHAELS UTILITIES COMMISSION

Walter A. Eglseider

Walter A. Eglseider, President

WAE/m

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SPECIAL MEETING, JUNE 28, 1977

Those present were Walter Eglseider, Maynard Stewart, Ivan Thamert, Ray Kilmon, and Roberta Marshall.

Purpose of the meeting was to meet with John Gillet, representative of Whitman, Requardt and Associates, concerning the possibility of a rate study.

The rate study would be broken into two phases:

Phase One would include reviews of PSC reports, property records, annual audits and other fiscal data, and adjustments for known changes in the test year. From this information, an estimated rate base and revenue requirements would be developed, and a report made to the Commission.

Phase Two would include the actual preparation of a rate case, in the event that Phase One showed that an increase in rates is called for.

Mr. Gillet estimated that work on the project could be started in August, and it would take approximately four weeks to complete Phase One. Charges would be by the hour, with an estimated cost of between \$4,000 and \$5,000. Bills would be sent monthly. Both phases could be completed in twelve to fourteen weeks total, at a cost of approximately \$10,000.

Mr. Gillet stated that a rough estimate of whether a rate increase is justified can be made in a matter of a few days, with a minimum of additional information from the Utilities.

It was the unanimous decision of the Commission to go ahead with this rough analysis.

No word has been received from the Town Commissioners regarding the request for the line truck. A telephone call to Mr. Parks indicated that they will not make any decision until July 12.



Roberta H. Marshall, Secretary



JULY 27, 1977

The regular meeting of the St. Michaels Utilities Commission was held on July 27, 1977, with all members present.

The minutes of the June meeting and the special meeting were read and approved.

Mr. Kilmon presented a letter from Meadows Hydraulics, who reviewed the condition of No. 3 line truck. A copy of the letter is attached to these minutes.

Permission has been granted by the Town Commissioners to purchase the used line truck from Seaboard Rental and Sales, Inc. Mr. Eglseider has contacted Maryland National Bank and received a verbal committment from them to extend the existing loan. The anticipated contract of sale is not yet on hand, but as soon as it arrives the commissioners will hold a special meeting to review it.

A letter has been received from the firm of Whitman, Requardt and Associates with respect to the proposed rate changes. The communication indicated that St. Michaels is not in a position to seek a rate increase at this time. However, they did propose to meet unofficially with the PSC staff to discuss the situation. This was approved by the board. A copy of the Whitman, Requardt letter is on file in the office.

A letter was received from Thomas Keating, attorney for the Utilities Commission, relative to the new Sunshine Law as it applies to the Utilities Commission. It is the opinion of the Utilities Commissioners that, as they are a subordinate body of the Town of St. Michaels, the Sunshine Law does not pertain to their operation. The Commissioners would appreciate clarification by the Town Commissioners as to this aspect of their operation. They are not elected, but are appointed, and are strictly governed by rules and regulations of the Maryland Public Service Commission and the Federal Power Commission. Mr. Keating's letter and information is on file in the office. The Commissioners will review the material presented by Mr. Keating and reply to him at a later date.

There was a discussion of the present financial position, and expected expenditures for the balance of the year. Mrs. Marshall informed the board that the group hospitalization cost is expected to increase by nearly 20% on August 1. Also, as of January 1, 1978, all municipalities will be liable for unemployment insurance payments.

Mr. Kilmon announced that the rebate check from Delmarva Power and Light will be delivered to him on July 28, and it will be in the amount of \$277,847.32. The check will be deposited in Maryland



National Bank, with an option of same day withdrawal, until such time as the checking account is set up and individual rebates are calculated.

Mr. Kilmon reminded the Commissioners that he will have to have some bushhogging done this fall. He will get prices from various companies who can do the job. Mr. Stewart asked if he could use defoliating poison for this job. Mr. Kilmon explained that a license is needed to use the poison, and that there are very stringent rules on the use of it. In view of the fact that it also looks terrible and produces bad customer relations, the idea was dropped.

There was no further business, and the meeting was adjourned.

Roberta H. Marshall
Roberta H. Marshall, Secretary





MEADOWS HYDRAULICS SALES & SERVICE, INC.

CLEMWOOD STREET • SALISBURY, MARYLAND 21801 • (301) 742-3411

June 23, 1977

Mr. Ray Kilmon
St. Michael Utilities
St. Michael, Md.

Dear Ray:

I have visually inspected Truck #3 and discussed it's operation with Mr. Clyde Powell. Without a disassembly inspection to determine worn parts and areas not visible to the eye, it would be impractical to estimate what it would cost to put this truck into safe working condition. Another area in question, which involves \$750.00 to \$1,000 and possibly more, is whether or not you want to repair the bent frame.

My opinion is, if you intend to spend any money to speak of and keep the truck indefinitely, it would be best to remove the body and derrick, straighten and reinforce frame, replace body, and then start repairing or replacing the derrick parts and related components. From what is visible to the eye, not including the truck frame, you could spend \$2,000 to \$3,000 easily.

Ray, when you take into consideration the pump, the derrick cylinder, the lower main control valve, the lock valves, and check valves to meet OSHA, workmen's compensation, and safety standards, and the items mentioned like the truck frame and derrick, you could spend \$5,000 plus.

I don't know if this answers your questions or not, but if I can be of any help, please call.

Respectfully submitted,



J. Thomas Meadows
President

JTM/nhm

MEADOWS & GRADY'S BATH & GROOMING

1234 Main Street, New York, N.Y.

January 15, 1954

Mr. J. Edgar Hoover
Federal Bureau of Investigation
Washington, D.C.

I have recently been advised by your office that you are interested in the activities of the "Black Legion" in the New York area. This is the same organization which is active in the New York area and is known as the "Black Legion" in other parts of the country. It is a very active organization and is known for its violent activities. It is a very active organization and is known for its violent activities.

The "Black Legion" is a very active organization and is known for its violent activities. It is a very active organization and is known for its violent activities. It is a very active organization and is known for its violent activities. It is a very active organization and is known for its violent activities.

The "Black Legion" is a very active organization and is known for its violent activities. It is a very active organization and is known for its violent activities. It is a very active organization and is known for its violent activities. It is a very active organization and is known for its violent activities.

I have been advised by your office that you are interested in the activities of the "Black Legion" in the New York area. This is the same organization which is active in the New York area and is known as the "Black Legion" in other parts of the country.

Very truly yours,
Meadows & Grady

MEADOWS & GRADY



MEADOWS & GRADY

AUGUST 24, 1977

All members were present at the regular meeting of the St. Michaels Utilities Commission, held on Wednesday, August 24, 1977.

The minutes of the July meeting were approved as read.

There has been no word from the Town Commissioners regarding the Sunshine Law.

Expected delivery date for the line truck is August 31. The payment schedule will be worked out on delivery of the truck. Mr. Kilmon reported that the old truck is stripped and ready for the trade-in.

Mr. Kilmon has taken no action on the bushhogging project at this time.

Mr. Kilmon reported that Kenneth Patton is out of the hospital and recuperating at home following his accident on August 16. The Commissioners voted unanimously to continue Mr. Patton at his regular pay scale until the matter of compensation has been clarified.

A call was received from Mr. Adler of Talbot Bank in Easton, offering to accept payments for St. Michaels Utilities providing the Utilities has an account with them where payments can be deposited. No action will be taken at this time.

A letter has been received from Dr. R. C. Thompson, asking if he is still acting as compensation physician for the Utilities. Since the Utilities has never had a specific compensation physician as such, there will be no response to his letter.

Mr. Kilmon reported that he has received the plat for the Rolles Range Landfill site from Mr. Boehm. The Utilities has a right of way of 200 feet, running parallel with the Delmarva right of way, as shown on the plat.

Mr. Kilmon informed the Commissioners that there has been a large amount of new construction since the last meeting, probably the greatest activity at any time in the last eighteen months. This will of course affect the expected expenditures for the year.

The balance of the meeting was devoted to a discussion of the rebates, and the following decisions were made.

1. Interest paid by Maryland National Bank on the amount deposited will be included in the rebates to customers. The bank will be notified that the money will be transferred on November 15, 1977, and asked to compute the amount of interest that will be received so that it can be included.



2. Costs to date and estimated costs were reviewed, and a project number was assigned. After consultation with the auditor, an estimated cost for expenses was assigned to the project, subject to further review.

3. Checks for active accounts will be written for any rebate of \$1 or more. Amounts of less than \$1 will be credited to the account. In cases where an account is closed, smaller checks will be written.

4. Checks for accounts still showing a balance, but that have been turned off for non-payment and are now inactive, will be made out to Cash and credited to those accounts. Any balance left over will be sent to the customer.

5. Checks for closed accounts, that have been written off to bad debts, will be made to Cash and credited to Uncollectable Accounts. Any balance left over will be sent to the customer.

6. Checks will be made payable to the same name that the account is in.

7. In case a customer brings a check back that is made payable to someone who has died, and the estate has been settled, only the signature of the personal representative will be accepted to issue a new check. Mr. Eglseider will check further into this matter as soon as he can get in touch with Mr. Keating, the Utilities' attorney.

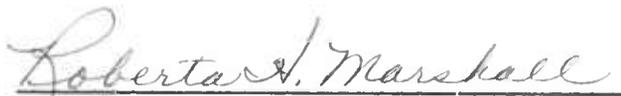
8. Checks will be mailed to the last known address of the customer. If returned by the Post Office, they will be filed alphabetically for customer pickup. They will be held for one year from the date of return, and at that time will be returned to the general fund, under Federal Power Commission guidelines.

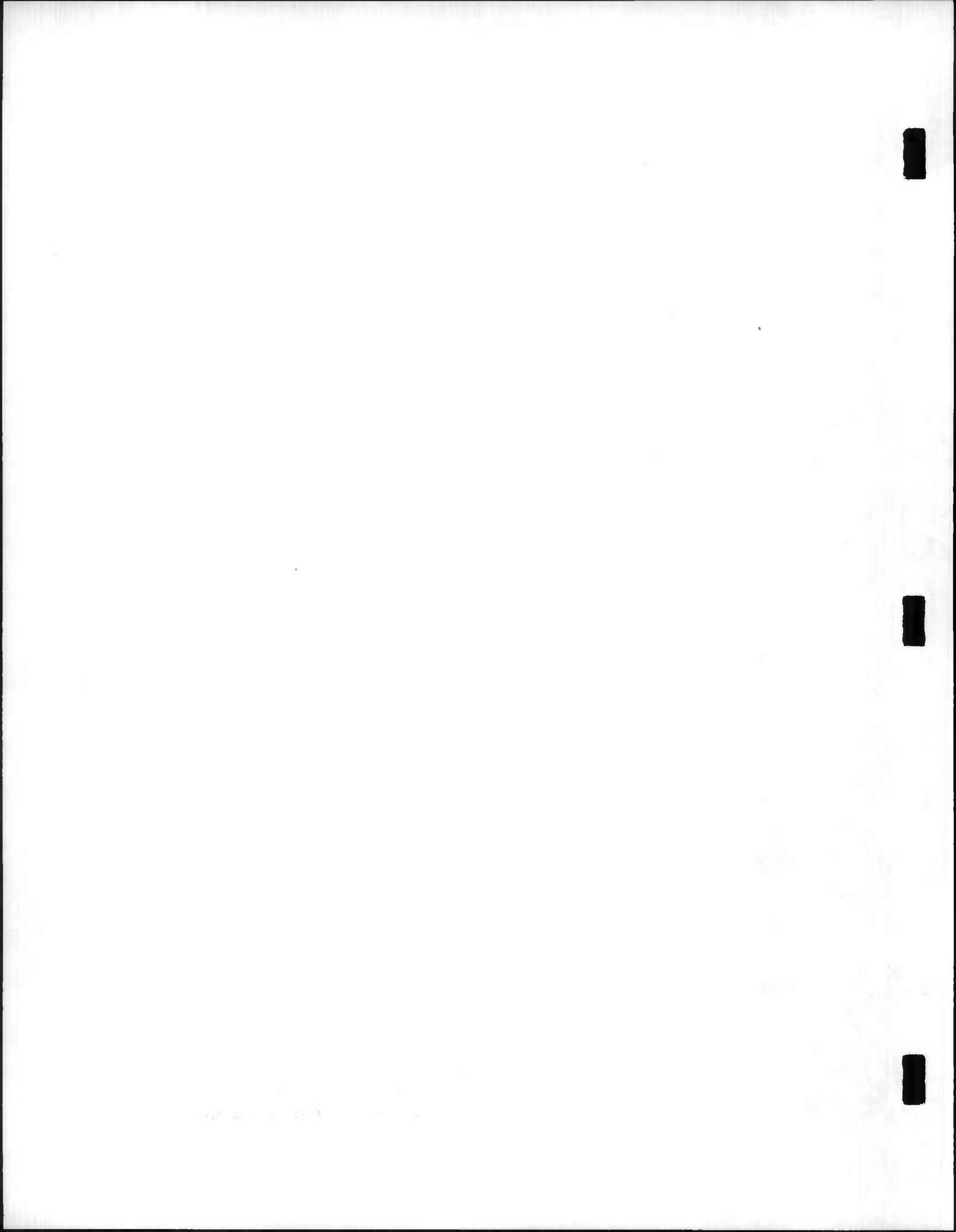
9. A cover letter to accompany the check was felt to be un-necessary.

10. Information to appear on the check will be the KWH total, account number, and total amount of money.

11. Checks will be dated November 16, for mailing on that date or later.

Following these decisions, the meeting was adjourned.


Roberta H. Marshall, Secretary



SPECIAL MEETING: / 8/30/77, 4:00 P.M., TOWN OFFICE

Present: W. Maynard Stewart, Ivan Thamert, Walter Eglseider

Subject: Discussion of rebate structure, resulting from comments of Henry Leonard, Faw Casson auditor. As expressed during meeting and phone conversations with H. Leonard, guidelines from Maryland Public Service Commission were required to use as a base for proper distribution of cost. As decided by Stewart, Thamert and Eglseider, contact of the Maryland P.S.C. would be viewed as last resort policy. Walter Eglseider to contact Faw, Casson's T. Everngam to explore the matter with him.

Note: Tom Everngam contacted 8/31/77. After discussion, agreement was reached that any cost that the St. Michaels Utilities could specifically validate as an expense resulting from the rebate involvement could be charged against the refund and be deducted from the refund, prior to distribution to the customers.

Note: R. Marshall instructed 8/31/77 to proceed with an accumulation of cost. Included to be legal fees, salaries direct and F.I.C.A. Salaries Administrative on a pro rata basis, direct cost of miscellaneous material items, direct cost of miscellaneous rebateable personnel expense.

Expense to date to be used as a basis for estimate of labor cost to conclusion. In order to protect the St. Michaels Utilities from a second rebate sequence owing to over-estimation of expenses, the estimated labor expense is to be reduced by 5% after calculation.



SEPTEMBER 28, 1977

The regular meeting of the St. Michaels Utilities Commission was held on Wednesday, September 28, 1977, with all members present.

The minutes of the August meeting and the special meeting of August 30 were read and approved.

The line truck has been delivered, and Mr. Kilmon requested that it be paid for as soon as possible.

Mr. Eglseder reported that he has contacted Tom Keating, the Utilities' attorney, about the rebate question. Following discussion, a few changes were made in the decisions made at the August meeting. The complete set of guidelines is attached to these minutes.

Mr. Kilmon reported that the increase in building activity is continuing.

There was considerable discussion about the current financial position. Following a motion by Mr. Eglseder, it was voted unanimously to pay for the line truck out of general funds, and to delay borrowing on the line of credit at Maryland National until it becomes necessary.

Mr. Kilmon informed the Commissioners that a radio is needed for the new line truck. He was instructed to get prices and bring the matter up at the next meeting.

Construction of the waste water treatment plant is progressing, and Mr. Kilmon stated that they are expected to have a 200 KW demand at first, and to level off at over 300 KW demand in about a year.

Mr. Kilmon also spoke of the expansion at the Calhoun M.E.B.A. Engineering School in Kirkham. He expects that the Utilities will have a probable expenditure of \$5,000 to serve the new facilities.

Paul Schutz has given his notice, and will leave the Utilities work force on October 7.

A request for a donation to the United Fund was received. It was the decision of the Board that no contribution will be made this year.

Mr. Eglseder asked that the wage structure be presented to the Commissioners in October, so it may be reviewed for action in November.

Kenneth Patton is still under doctor's care. The Utilities will supplement his workmen's compensation checks so that he will continue to receive full salary.

Following a discussion on the need for another lineman, the meeting was adjourned.


Roberta H. Marshall, Secretary



GUIDELINES: ST. MICHAELS UTILITIES COMMISSION REBATES

1. Checks for active accounts will be written for any rebate of \$1 or more. Amounts of less than \$1 will be credited to the account. In cases where an account is closed, smaller checks will be written.
2. Checks for accounts still showing a balance, but that have been turned off for any reason and are now inactive, will be made out to Cash and credited to those accounts. Any balance left over will be sent to the customer.
3. Checks for closed accounts that have been written off to bad debts, will be made to Cash and credited to Uncollectable Accounts. Any balance left over will be sent to the customer.
4. Checks will be made payable to the same name that the account is in.
5. Checks of questionable nature may be returned to the office to be held for a reasonable period of time, so that they may be resolved by the Utilities attorney.
6. Checks will be mailed to the last known address of the customer. If returned by the Post Office, they will be filed alphabetically for customer pickup. They will be held for such period as is necessary before being turned over to the State as unclaimed property. Depending on the number of these checks, further effort may be necessary.
7. A cover letter to accompany the checks is not felt to be necessary.
8. Information to appear on the check will be the KWH total, account number, and total amount of money.
9. Checks will be dated November 16, for mailing on that date or later.



OCTOBER 19, 1977 /

All members were present at the regular meeting of the St. Michaels Utilities Commission, held on Wednesday, October 19, 1977.

The minutes of the September meeting were read and approved.

Mr. Kilmon reported that Kenneth Brown has started the bush-hogging, at a contract price of \$2,266.

A bid in the amount of \$1,413 has been received from Talbot Communications for the truck radio, installed. Mr. Kilmon was instructed to get two more bids.

A check has been received from Seaboard Rental and Sales for minor repairs that were made on the new line truck.

Kenneth Patton reported back to work on October 17. Mr. Kilmon has placed an ad in the Star Democrat for a lineman, but as yet has had no applicants.

It was decided that the unpaid September 30 statements will be held until the October 31 pay date.

To comply with a new Public Service Commission ruling, St. Michaels must hold a public hearing on Purchased Power Cost Adjustment charges once in every six months. The first such hearing will be held on Wednesday, December 14, at 10:00 a.m.

It was decided that further publicity on the rebate checks will not be needed at the time the checks are mailed.

Burroughs Corporation is in the process of informing their customers that they will no longer carry maintenance contracts on their mechanical machines. The commissioners agreed that the time to convert to another method of billing is fast approaching. With this in mind, Mr. Heinmuller, of Monroe in Easton, will be invited to attend the November meeting.

The current pay scale was presented to the commissioners for review. Mr. Kilmon will supply further information to them in a short time.

Mr. Stewart's term of office will expire on December 31, 1977.

There was no further business, and the meeting was adjourned.


Roberta H. Marshall, Secretary



NOVEMBER 23, 1977

All members were present at the regular meeting of the St. Michaels Utilities Commission, which was held on Wednesday, November 23, 1977.

The minutes of the October meeting were approved as read.

The rebates were mailed on November 16, and were very well accepted. Mrs. Marshall reported that a few of them have been returned, and will be handled as was previously decided. The commissioners voiced a vote of thanks to the office personnel for doing a good job on the rebates.

Kenneth Brown has completed the bushhogging, at the contract price.

Mr. Kilmon presented two more bids on a new radio, but any decision on the matter was postponed for thirty days.

The financial statements were discussed. It was decided to transfer \$7,000 from the regular account to the reserve account.

There was discussion about the proposed new Miles River bridge, and the expenditures involved to replace the cable serving the customers on the other side. Motion was made by Mr. Eglseider, seconded by Mr. Stewart, and passed unanimously to authorize Mr. Kilmon to proceed with the preliminary investigations relative to the power line crossing of the new Miles River bridge.

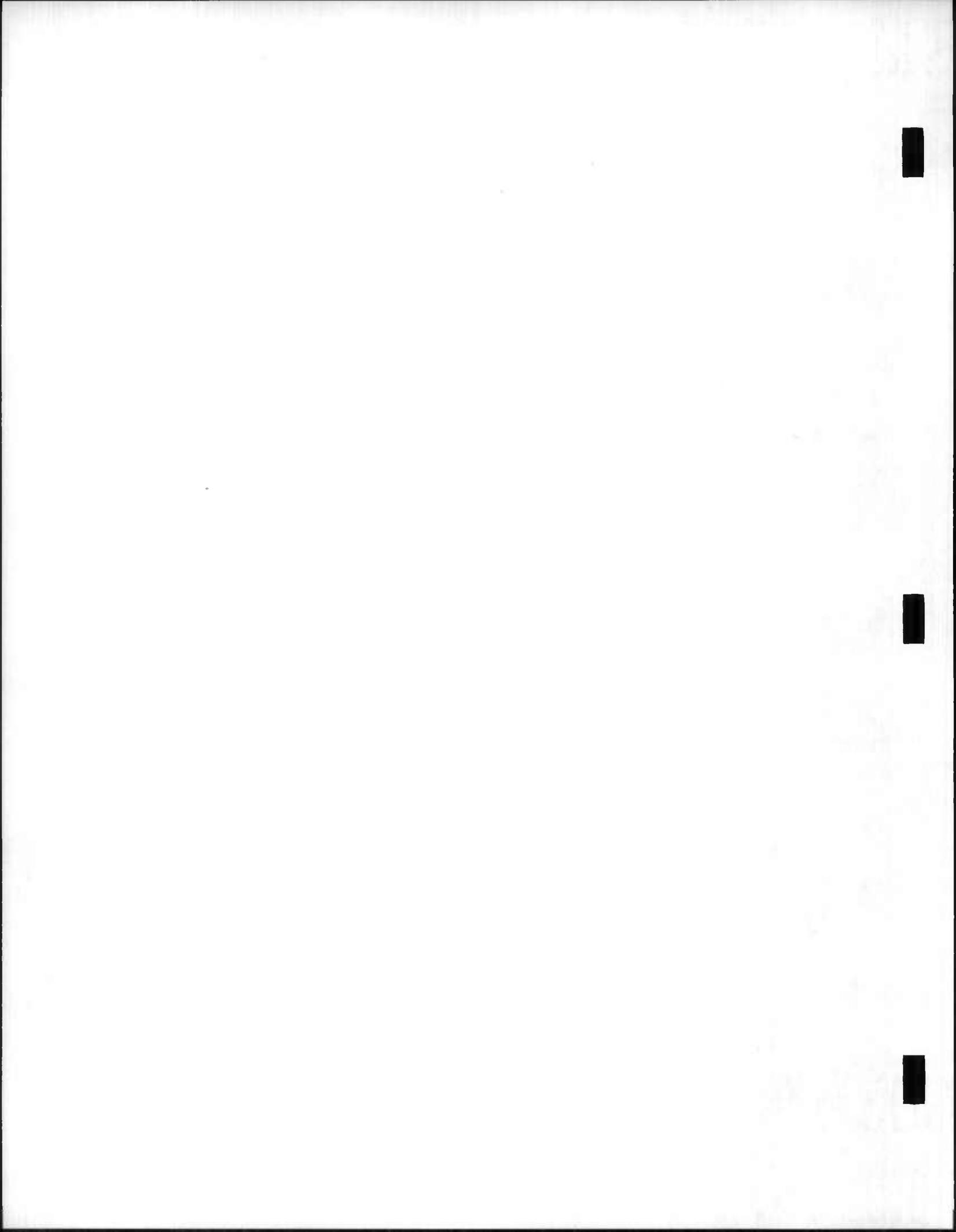
Time of the public hearing on Purchased Power Cost Adjustment charges, to be held on December 14, 1977, has been changed to 2:00 p.m., to accommodate members of the Public Service Commission who are coming from Baltimore.

The customer handbook, which was printed by order of the Public Service Commission, will be mailed by the end of November.

Mr. Kilmon spoke of the growth at Calhoun M.E.B.A. School, and said the expansion is greater than was anticipated. Construction is expected to start soon, and will take about a year. By that time, there will be about 20% more load on the Bloomfield Substation.

The Commissioners met with Mr. Heinmuller regarding a new method of billing on November 14. He will get in touch with the office personnel shortly with more details.

Mr. Kilmon has had no calls on his ad for another lineman.



There was discussion about the unemployment taxes which will have to be paid on municipal employees starting January 1, 1978. It was the opinion of the Utilities board that it would be more logical to pay on a percentage basis, rather than paying when and if there is a claim. In this way, the charges could be foreseen in advance and included in the budget.

It was voted to pay bonuses to the employees, using the same formula that has been used for the past four years.

Following the presentation of the salary schedule for 1978, the meeting was adjourned.


Roberta H. Marshall, Secretary



DECEMBER 28, 1977

The regular meeting of the St. Michaels Utilities Commission was held on Wednesday, December 28, 1977. Those members present were Mr. Eglseider, Mr. Thamert, Mr. Kilmon, and Mrs. Marshall. Fred Mowbray, who will replace Mr. Stewart as commissioner in 1978, attended the meeting as a spectator.

The minutes of the last meeting were read and approved.

Mr. Eglseider reported that he attended the December meeting of the St. Michaels Town Commissioners, and they elected to go on the formula basis for unemployment compensation taxes. Since the payrolls will be combined for filing, the Utilities will do the same.

Mr. Eglseider, Mr. Stewart, Mr. Thamert, and Mr. Kilmon held a short meeting on December 9 to rediscuss the salary scales, since the question of equity on the scale increases had been raised. All action at the December 9 meeting was deferred. It was the decision of the Commissioners that Mr. Kilmon, as manager, can give consideration to any inequities that occur, and can give a merit increase to an employee, based on his judgement and the potential of the employee.

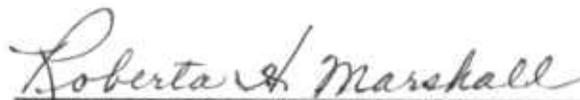
A decision on the new radio has again been postponed.

It was moved and seconded, and passed, that Thomas Keating be retained as the Utilities' legal counsel for 1978.

Mr. Kilmon requested that the Commissioners allow him to get prices on a high voltage underground fault locator. Mr. Kilmon was authorized to purchase the fault locator, but the order will be predicated with the Commissioners being up-dated on the prices.

Mr. Kilmon announced that he has made formal application to the State Highway Administration to allow the duct for power lines to be included in the design for the new Miles River bridge. Mrs. Marshall has been instructed to proceed with an analysis of usage of customers across the bridge.

There was no further business, and the meeting was adjourned.



Roberta H. Marshall, Secretary



JANUARY 30, 1978

All members were present at the meeting of the St. Michaels Utilities Commission, held on Monday, January 30, 1978.

First order of business was election of officers for 1978. Motion was made by Ivan Thamert, seconded by Fred Mowbray, and duly passed that Walter Eglseider serve as President of the Board. It was moved, seconded, and passed that Franklin R. Kilmon be appointed Manager, and Roberta H. Marshall be appointed Secretary-Treasurer.

Mr. Eglseider welcomed Fred Mowbray as the new member of the Commission.

The minutes of the December meeting were approved as read.

Mr. Kilmon reported that he can purchase a high voltage underground fault locator, complete, for a price of \$4,275. A letter will be written to the Town Commissioners, requesting permission to purchase the equipment.

Discussion on the purchase of the new radio was tabled to another meeting.

The Town Commissioners will be contacted with a request to allow the Utilities to enter into a five-year lease agreement for a Monroe billing machine.

Mr. Kilmon has received a letter from the Design Engineer of the State Highway Administration, explaining that the new Miles River bridge is only in the preliminary planning stage, and that St. Michaels Utilities will be contacted when further planning takes place. The letter is attached to these minutes.

It was decided not to place an ad in the 1978 Miles River Yacht Club yearbook.

Mr. Kilmon has arranged a meeting with representatives from Delmarva on Wednesday, February 1, in the Town meeting room. Topic for discussion will be the future growth of St. Michaels and the plans Delmarva is making to provide adequate service.

Mr. Kilmon reported that he attended a meeting with Delmarva management in Wilmington on January 25, pertaining to future production and costs of electricity. Delmarva plans to hold another meeting on this subject in the near future.



There was a discussion of the Purchased Power Cost Adjustment charges.

There was a brief discussion of the proposed annexation of Perry Cabin Farm.

Following a review of the financial statements, the meeting was adjourned.

Roberta H. Marshall

Roberta H. Marshall, Secretary





Maryland Department of Transportation

State Highway Administration

Hermann K. Intemann
Secretary

Bernard M. Evans
Administrator

January 4, 1978

Subject: Contract No. T 262-001-271
Bridge on Md. 370 over
Miles River
Talbot County

Mr. Franklin R. Kilmon, Manager
St. Michaels Utilities Commission
St. Michaels, Maryland 21663

Dear Mr. Kilmon:

Your letter of December 22, 1977 to District Engineer J. M. Wright, pertaining to possible inclusion of a proposed conduit duct system on the captioned bridge for the St. Michaels Utilities Commission has been referred to this Bureau for implementation.

To date, work on this project is only in the preliminary planning stage, however, when detail design plans are developed, we will study such a system and contact you further.

Yours very truly,

A handwritten signature in cursive script, appearing to read 'ES Freedman'.

Earle S. Freedman, Chief
Bureau of Bridge Design

ESF:GAW:do

cc: Mr. J. M. Wright
Mr. R. M. Rushworth

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FEBRUARY 22, 1978

The regular meeting of the St. Michaels Utilities Commission was held on Wednesday, February 22, 1978. All members were present.

Mr. and Mrs. Ted Allen appeared before the commission to complain about charges they received under the seasonal rate. Motion was made by Mr. Eglseider, seconded by Mr. Thamert, and duly passed to negate the charges on Mr. Allen's account, since there was a misunderstanding.

The minutes of the last meeting were read and approved.

Approval has been received from the Town Commissioners for the request to purchase the high voltage fault locator and the lease/purchase of a billing machine.

There was a discussion about the money that would be saved by paying cash or taking a two-year lease on the billing machine, rather than a five-year lease. It was voted to notify Monroe in writing that the machine will be purchased. A decision will be made later whether to pay cash or take a two-year lease.

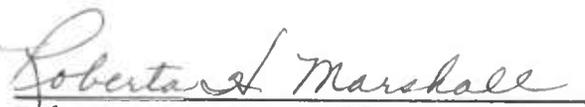
Motion was made by Mr. Thamert, seconded by Mr. Mowbray, and duly passed, to replace the van that was used for meter reading and Mr. Kilmon's use. A letter will be written to the Town Commissioners advising them of the emergency need. Mr. Kilmon will contact several dealers in the area for prices, advising them of the specifications required.

Based on a comparison of comparable positions, it was voted to correct Mr. Kilmon's salary, effective January 1, 1978.

The order for the high voltage fault locator will be placed.

Estimates for expenses for the coming year were presented, and this will be fully examined at the March meeting.

There was no further business, and the meeting was adjourned.



Roberta H. Marshall, Secretary



MARCH 22, 1978

All members were present at the regular meeting of the St. Michaels Utilities Commission, held on Wednesday, March 22, 1978.

The minutes of the February meeting were approved as read.

It was decided to postpone the review of projected 1978 expenditures until a special meeting can be held later in the month.

Mr. Kilmon discussed the advantages of putting part of the Purchased Power Adjustment Costs into the basic rates. Motion was made by Mr. Eglseider, seconded, and duly passed, to authorize Mr. Kilmon to explore the possibilities of transferring part of these charges into the basic rate structure.

The new billing machine has been ordered, and preliminary discussions for programming it will be held before the end of March.

Authorization was received from the Town Commissioners to replace the old van, and a new one has been purchased.

There was discussion about the advisability of another meeting with Whitman, Requardt and Associates, concerning the possibility of a rate study. A decision will be reached at the next meeting whether or not to meet with them.

Following a short review of the financial statements, the meeting was adjourned.



Roberta H. Marshall, Secretary



APRIL 5, 1978

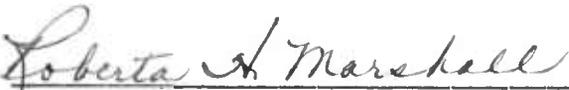
A special meeting of the St. Michaels Utilities Commission was held on April 5, 1978. All members were present.

Purpose of the meeting was to discuss the pending wholesale rate increase.

Mr. Kilmon reported that Delmarva presented information on the rate increase at a meeting held in Harrington on March 28. Another meeting is scheduled for April 21, at which time a decision must be made by the various utilities affected whether to settle with Delmarva out of court or to fight the case before the Federal Energy Commission. If an agreement is not reached, Delmarva will file formally before the Commission on June 1, 1978.

The inequity of the pending rate increase was discussed. Although the increase to St. Michaels would be approximately 30%, the increase for the cooperatives would be in the neighborhood of 9%. The board agreed that it is their obligation to St. Michaels customers to resist the increase.

Motion was made, seconded, and passed unanimously to authorize Mr. Kilmon to contact engineering consultant Wally Duncan with respect to the anticipated rate increase by Delmarva and to review the financial involvement of St. Michaels Utilities Commission in a preliminary study, with the initial participation limited to \$3,000.



Roberta H. Marshall, Secretary



APRIL 25, 1978

The regular meeting of the St. Michaels Utilities Commission was held on April 25, 1978. All members were present.

The minutes of the March meeting and the special April 5th meeting were read and approved.

Mr. Eglseder announced that he has resigned from the Board, effective June 1, due to personal reasons. At the request of the other two commissioners, Mr. Eglseder will continue as president until that time.

Mr. Kilmon reported on the progress of the Delmarva rate increase proceedings. He attended a meeting in Dover on April 20 with the proposed intervenors and Wallace L. Duncan, of the firm of Duncan, Brown, Weinberg, and Palmer. A representative from Associated Regulatory Consultants, Inc., a rate engineering firm, was also present. These firms represented the Delaware companies in the last Delmarva rate cases. Mr. Kilmon announced that Centerville has decided not to participate in the present case, and the Town of Berlin was not represented at the meeting, although they have not announced whether they will join the intervenors or not. Costs of legal and engineering fees will be shared on a pro-rata basis, and if St. Michaels decides to join the group our share could be as high as approximately ten percent. Mr. Kilmon is expecting a cost figure to be sent to him in the near future, and this will be sent to the Utilities Commissioners at that time.

Delmarva met with the proposed intervenors in Wilmington on April 21, but an agreement could not be reached. Another meeting will be held, probably on May 19. Delmarva will file the case with the Federal Energy Commission on June 1, if an agreement is not reached by that time.

It was decided that a decision concerning hiring Whitman, Requardt and Associates be postponed until such time as it can be seen how the rates will be increased. At that time they will be contacted about St. Michaels' rate structure.

It is also needless at this time to look further into the possibility of putting part of the Purchased Power Adjustment Cost into the basic rate structure.

Mrs. Marshall announced that the programming of the Monroe billing machine is proceeding on schedule.

Mr. Kilmon reported that there is great activity in new construction at the present time. The Gull Wing Villa houses at Martingham are going according to schedule.



The balance of the meeting was devoted to a discussion of proposed expenditures for the balance of 1978. A letter will be written to the Town Commissioners, asking them to clarify their position with respect to the \$25,000 payment to Maryland National Bank.

There was no further business, and the meeting was adjourned.

Roberta H. Marshall

Roberta H. Marshall, Secretary

1941



MAY 4, 1978

A special meeting of the St. Michaels Utilities Commission was held on the above date. Fred Mowbray, Ivan Thamert, and Ray Kilmon were present.

The subject of the meeting was the personnel problems being experienced by the Utilities Commission. A recent heavy turnover of personnel has created a serious manpower shortage which could become critical in the event of a storm or other disaster causing widespread power outages.

The Commissioners therefore authorized Mr. Kilmon to take whatever action necessary to obtain qualified personnel, such as advertisements in local and out of state media, etc.

There being no further business, the board adjourned.



Ivan Thamert, Acting Secretary



MAY 24, 1978

St. Michaels Utilities Commissioners held their regular meeting on Wednesday, May 24, 1978. Those members present were Mr. Eglseider, Mr. Mowbray, Mr. Kilmon, and Mrs. Marshall. Ivan Thamert has resigned from the board, effective May 11, 1978.

The minutes of the last meeting and the special meeting, held on May 4, were approved as read.

Mr. Kilmon reported that he attended a meeting with Delmarva and the intervenors on the proposed rate increase on May 19. Since the situation was not resolved, Delmarva will file with the Federal Energy Commission for higher rates on June 1, 1978. Due to the projected cost, the Commissioners instructed Mr. Kilmon to advise the Delaware municipalities that St. Michaels has decided not to participate at this time. The decision will be reviewed with respect to anticipated costs at a later date, and the board may consider intervention at a future time. Although Delmarva will file formally on June 1, the interested parties intend to hold another meeting in June to try to settle the case out of court.

Mr. Kilmon reported that he has hired two new men, and his work force is again stabilized.

In response to the Utilities' request, the Town of St. Michaels paid 55 percent of the \$25,000 payment to Maryland National Bank, and the Utilities paid 45 percent.

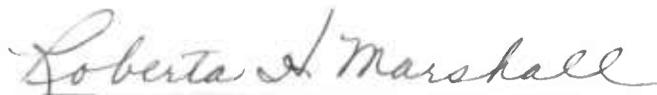
Programming of the Monroe billing machine is proceeding, and the presentation of the program will soon be ready for the approval of the Commissioners.

The first pumping station for the Talbot County Waste Water Treatment Plant has been connected to the lines.

The Martingham rebate structure was discussed with relation to Sid R. Peters. Mr. Eglseider will contact Tom Keating, the Utilities' legal adviser, to review the future of the rebate structure as it applies to that account.

A check has been written for the \$10,352 sewer bond and interest payment. The Commissioners agreed that this money will be put back into the reserve account from current funds at the end of May if it is at all possible.

Following a short review of the current financial situation, the meeting was adjourned.



Roberta H. Marshall, Secretary



MEMORANDUM: TELEPHONE DISCUSSION OF ST. MICHAELS UTILITIES

COMMISSION VS. MARTINGHAM. TOM KEATING, WALTER EGLSEDER - 5/25/78

Question: Status of rebate agreement when transfer of ownership is considered.

Statement of T. Keating: He has no direct knowledge of the schedule of assets that was involved in the bankruptcy proceedings vs. Maryland National Bank.

If the rebate agreement was not listed as an asset at that time, then there is no remaining legal obligation on St. Michaels Utilities Commission.

Consulting advice of T. Keating: The St. Michaels Utilities Commission should continue its present policy of application of the rebate money to reduce the Sid Peters indebtedness. Upon satisfaction of that debt the St. Michaels Utilities Commission should discontinue refund of the rebate money.

Secondary Opinion, Tom Keating: The issue at best is questionable. If there is to be a challenge, the St. Michaels Utilities Commission should let a second party originate the challenge. The St. Michaels Utilities Commission should take no first step action in the matter.

Walter A. Eglseder

Walter A. Eglseder

5/25/78



JUNE 28, 1978

The regular meeting of the St. Michaels Utilities Commission was held on Wednesday, June 28, 1978. Those members present were Mr. Mowbray, Alex J. Spencer, who has been appointed to the Board to replace Mr. Eglseider, Mr. Kilmon, and Mrs. Marshall. There has been no word from the Town Commissioners about a replacement for Ivan Thamert.

In order to bring Mr. Spencer up to date with the current operation of the Utilities, there was a brief discussion about present and future plans.

After his nomination by Mr. Mowbray, Mr. Spencer agreed to serve as president of the commission for the remainder of the year.

The minutes of the last meeting were approved as read.

Mr. Eglseider's report of his telephone conversation with the Utilities' legal adviser about the rebate structure was also read. Mr. Spencer will investigate this matter further with Mr. Keating.

The secretary reported that Monroe is on schedule with programming the new billing machine.

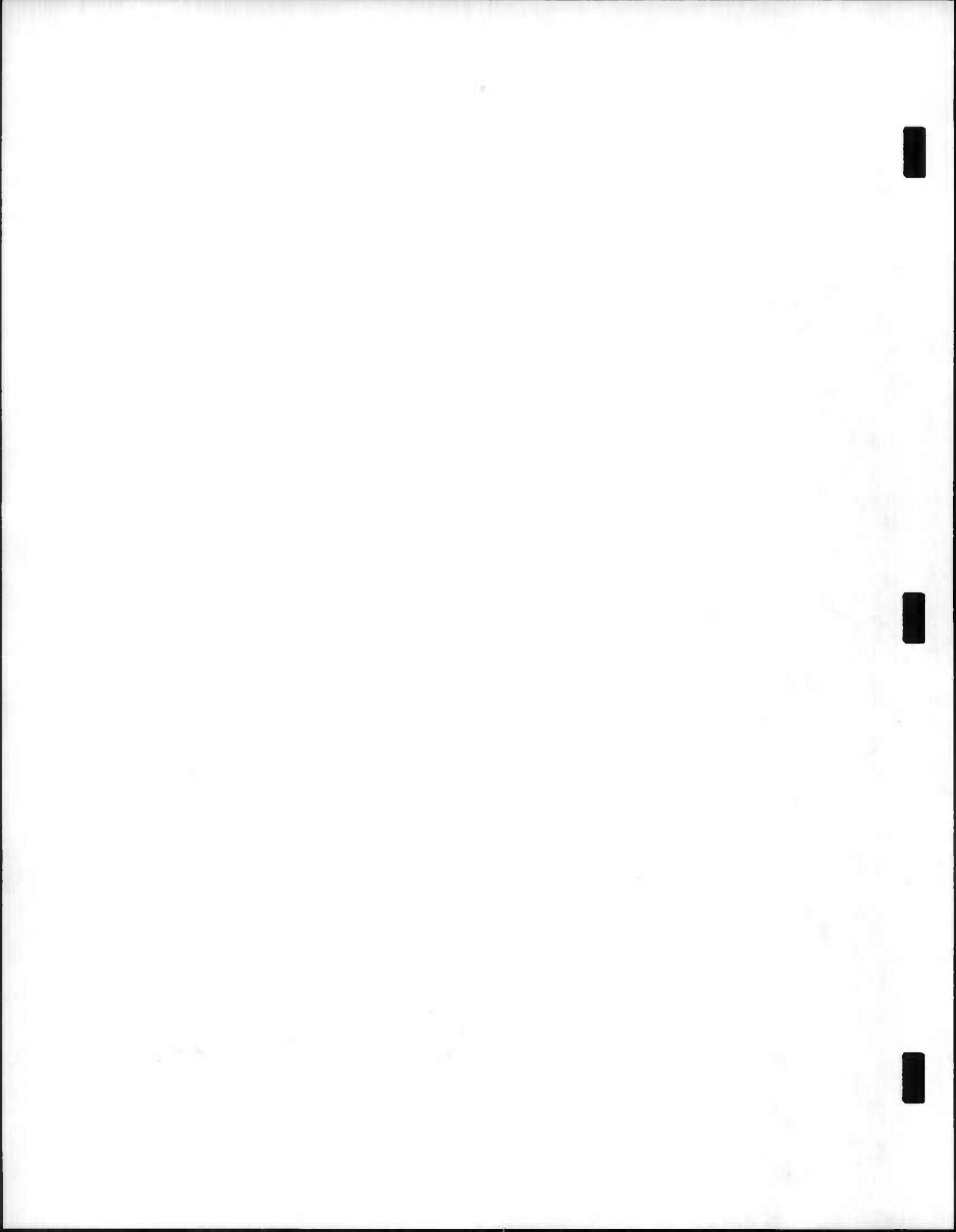
Mr. Kilmon attended a meeting with Delmarva and the intervenors on June 16, but no agreement was reached about the rate increase. Another meeting is scheduled tentatively for August. Delmarva filed formally before the Federal Energy Commission on June 1, but there will be no increase in wholesale rates until the first of October.

There was discussion about the current labor force, and Mr. Kilmon reported that Paul Schutz will return to the Utilities on July 5.

Mrs. Marshall requested that the Commissioners set up a regular time each week to sign checks. Mr. Mowbray has agreed to stop in the office on a regular basis, and Mr. Spencer will be available also.

Following further discussion about the pending rate increase, and its effect on the Utilities, the meeting was adjourned.


Roberta H. Marshall, Secretary



JULY 26, 1978

All members were present at the regular meeting of the St. Michaels Utilities Commission, held on Wednesday, July 26, 1978.

The minutes of the June meeting were read and approved.

The secretary explained that the June financial statements would be issued later, due to the fact that the books cannot be closed until the itemized bill for the retirement plan is received.

There will be no further attempts for an out-of-court settlement with Delmarva until late August. The Federal Energy Commission has ruled that the increase in rates cannot be put into effect until December 1, 1978.

Mr. Kilmon distributed preliminary information for enlargement of the Bloomfield Substation. He will meet with Delmarva engineers in late August to see about the land needed, the best capacity for the substation, etc.

There was discussion about the growth of Calhoun MEBA Engineering School, which has forced the enlargement of the Bloomfield Substation.

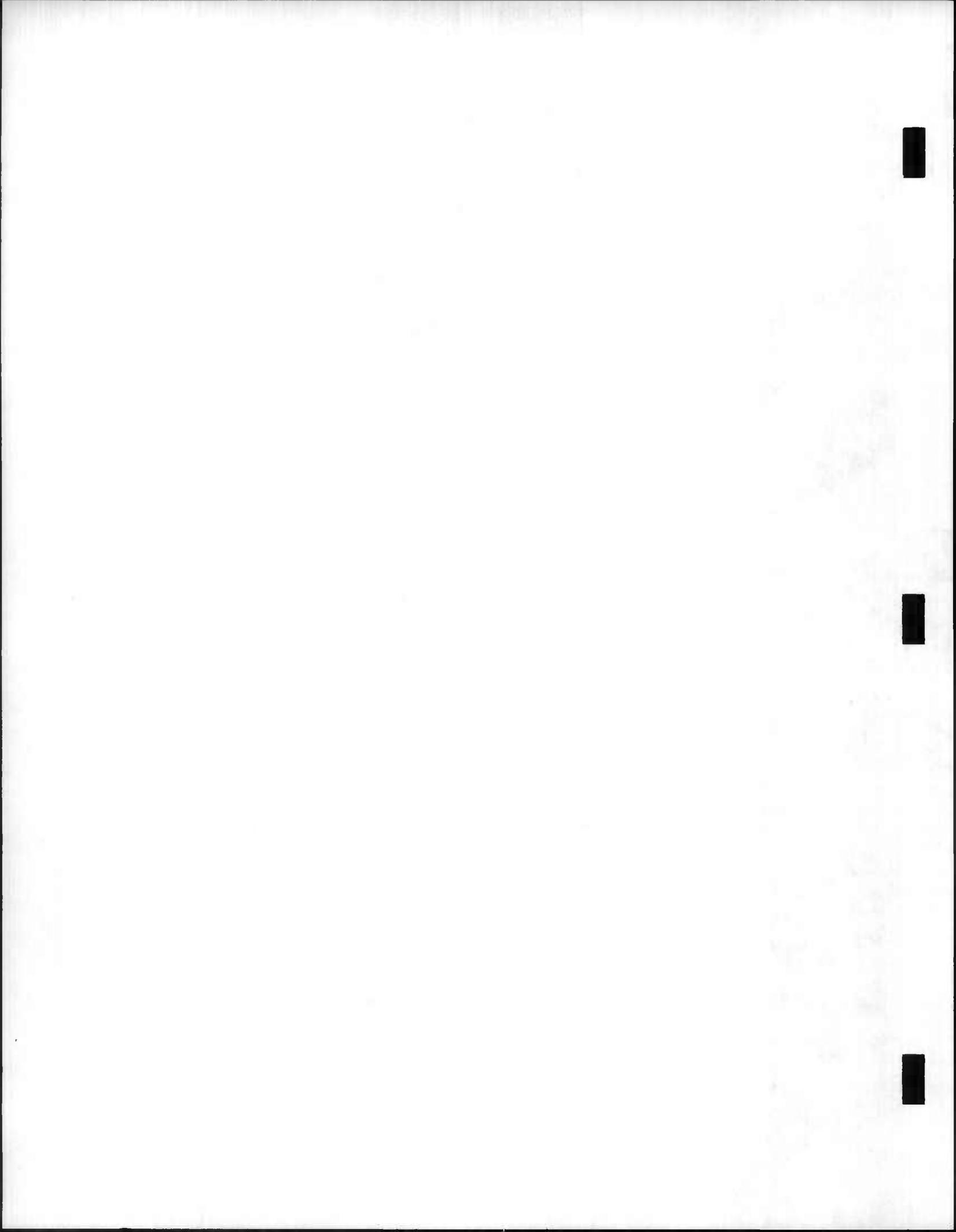
Mr. Kilmon pointed out the necessity of beefing up the main feeder lines to Miles River Neck. It was decided that he will do the minimum work necessary and hold costs as low as possible until such time as the road is widened and the new Miles River Bridge is under construction.

Mr. Kilmon assured the Commissioners that he will keep them fully informed on all major issues, and not commit the Utilities to anything until a decision is made by the Board.

Following a discussion of the recent rapid growth in Martingham, the meeting was adjourned.



Roberta H. Marshall, Secretary



Bloomfield Sub. - STATION

6-30-78

LOAD FORECAST

Cap. OF Sub. - 3,750 / 4200 KVA

DATE

METERED DEMAND

JAN/FEB. - 1978

2274 - KW

FORECAST:

JAN/FEB. - 1979 Growth - 10% 2501 - KW

JAN/FEB. - 1980 Growth - 10% 2751 - KW

JAN/FEB. - 1980 MEBA - COLLEGE 1529 - KW

TOTAL LOAD (DEMAND) ON LINE BY 1-31-80 4,280 - KW

NOTE:

MEBA = EXISTING DEMAND

330 - KW

MEBA = ADDITIONAL DEMAND

1529 - KW

TOTAL = Ph. I Bldg. Program = Compl. DATE Aug/SEPT. - 1979 -- 1859 KW

PHASE II Bldg. Program = 8 YRS. - 1987 -- ADDITIONAL 1300 KW

RECOMMEND: NEW SUB. - STA. CAP. 10,000 KW

COMPLETION PRIOR JAN. - 1981 PER. F.R. KILMER 6-30-78

Since DelMarva is charging transmission to 69 KV - Their responsibility is to replace existing Sub. Station. Request DelMarva to increase Cap. to 10,000 KW. We will pay cost difference of installed Sub. - Station Capacity.



AUGUST 30, 1978

The regular meeting of the St. Michaels Utilities Commission was held on Wednesday, August 30, 1978. All members were present.

The minutes of the July meeting were approved as read.

It was reported that there may be some delay in the completion date of work at Calhoun MEBA School. Mr. Kilmon stated that he has all the materials on hand to complete the Utilities' portion of the job, and hopes to have that finished by October.

Mr. Kilmon informed the Commissioners that his meeting with Delmarva engineers regarding the Bloomfield Substation has been postponed until September. It was felt that it would be wise to seek the advice of an independent engineer before committing the Utilities to Delmarva's specifications.

Mr. Kilmon reported that a major portion of the work in Miles River Neck is completed.

Kenneth Brown has been contacted to begin bushhogging various lines on October 2. Utilities personnel will be scheduled to begin tree trimming operations in the fall. There was discussion about the economical operation of the chipper.

Mr. Spencer reported that the Town Commissioners have requested a meeting with the Utilities Commissioners as soon as possible.

There was no further business, and the meeting was adjourned.



Roberta H. Marshall, Secretary



SEPTEMBER 27, 1978

The regular meeting of the St. Michaels Utilities Commission was held on September 27, 1978. Those present were Mr. Spencer, Mr. Mowbray, William A. Morse, Mr. Kilmon, and Mrs. Marshall. Mr. Morse has been appointed to the Board to fill the unexpired term of Ivan Thamert.

The minutes of the August meeting were approved as read.

Mr. Spencer reported that the Commissioners had met with the Town Commissioners, and Utilities profits and monies turned over to the Town were discussed.

There was a discussion about the current rate of return of the Utilities.

The secretary asked the Commissioners to consider the purchase or lease of a postal meter, for use with the new billing machine. Decision was tabled until after the machine is in operation.

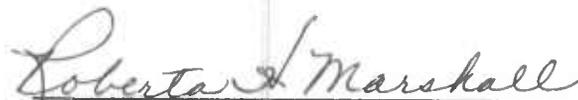
The lease on the Monroe Programmable Calculator has been completed, and the machine will be purchased at a cost of \$227.90.

Mr. Kilmon brought the Commissioners up to date on his preliminary planning for the Bloomfield Substation. He met with Delmarva engineers, and is now in the process of getting cost figures for increasing the size of the substation, if it is decided that a change is advisable at this time. Although the present substation should be adequate for the next seven years, it may prove more economical for St. Michaels to change it now, while some of the costs would be absorbed by Delmarva when they change their equipment. Mr. Kilmon expects to have the cost figures in a month or two.

There was discussion of the Miles River Neck line, and the submarine cable under the Miles River Bridge. Mr. Kilmon explained emergency procedures he would use in case the cable was damaged.

Motion was made, seconded, and passed with one opposing vote to donate \$100 to the United Fund.

Following instructions to Mr. Kilmon to keep inventory costs down as much as possible, the meeting was adjourned.



Roberta H. Marshall, Secretary



OCTOBER 26, 1978

All members were present at the regular meeting of the St. Michaels Utilities Commission, held on Thursday, October 26, 1978.

The minutes of the last meeting were read and approved.

The secretary reported that the new billing machine is expected to be delivered soon.

The Bloomfield Substation project is still under study.

There was considerable discussion about the growth of St. Michaels' entire system, and the resulting cost to the Utilities. The subdivision at Watkins Farm on the edge of town will be started soon.

John B. Gillett and Eugene C. Smith, of the engineering firm of Whitman, Requardt and Associates, met with the Commission. After a short study of St. Michaels' financial statements, they presented a preliminary view of the Utilities' financial status, and their opinion on the rate of return. They explained that the major difference between St. Michaels and many other utilities is that St. Michaels is putting the cash flow back into assets, rather than borrowing monies to pay for them. The engineers will summarize their opinions in a letter to the commissioners, and asked that they be sent a projected budget for 1979.

Mr. Kilmon noted that the People's Counsel is already requesting the Public Service Commission to rule that Utilities be directed that they cannot disconnect customers' services for non-payment during the winter months. This situation caused a decrease in cash flow last year, and is expected to do so again. Mr. Gillett asked if the commission had considered charging interest on past-due accounts. Mr. Kilmon will look further into the matter, to see if this would be permissible under Public Service Commission rules.

A letter has been received from Delmarva regarding our interest in ownership-participation in a 400—600 megowatt coal-fired generating station at Vienna, Maryland. St. Michaels' share of the cost on the 400 MW station would be 1.6 million dollars, and on the 600 MW station it would be 2.4 million. It was unanimously decided that St. Michaels would not pursue any interest in this proposed generating plant.

There was no further business, and the meeting was adjourned.



Roberta H. Marshall, Secretary



NOVEMBER 22, 1978

The regular meeting of the St. Michaels Utilities Commission was held on Wednesday, November 22, 1978. All members were present.

The minutes of the October meeting were approved as read.

There was a review of the current financial statements. It was the opinion of the commissioners that the Utilities should turn over as much cash as possible to the Town at the end of the year.

There was discussion about the new sewer system.

Mrs. Marshall reported that the new billing machine has been delivered, and presented a sample bill for the commissioners to see. The machine will be checked out thoroughly in the next few weeks, and put into operation with the December 30 billing.

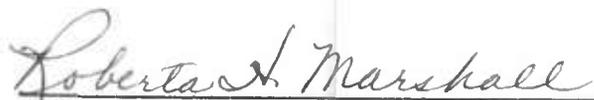
Bonus and current pay schedules were presented to the commissioners for their discussion to be held sometime in the next week.

Mr. Kilmon stated that he has no new information on the plans for the Watkins property subdivision. The commissioners discussed their concern about high costs for street lighting, etc., if the Town annexes the property. They will request a short meeting with Town Commissioners in order to discuss the matter further.

The Public Service Commission will hold a public hearing on Power Adjustment rates in the Town meeting room at 2 p.m. on Wednesday, December 13, 1978.

There has been no further action relating to the Bloomfield Substation change.

There was no further business, and the meeting was adjourned.



Roberta H. Marshall, Secretary



DECEMBER 28, 1978

St. Michaels Utilities Commissioners held their regular meeting on December 28, 1978. All members were present.

The minutes of the last meeting were approved as read.

Mr. Spencer reported that it was not convenient for the Utilities and Town Commissioners to meet about the costs for the Watkins property subdivision, but he has discussed the matter with the Town Clerk and the information has been passed on to the Town's lawyer.

The financial statements were reviewed and thoroughly discussed. The commissioners feel strongly that more cash should be turned over to the Town, and to this end will cut costs to the bare minimum until the cash flow is up. It was pointed out that the system has grown enormously over the past few years, and all available cash monies have gone into capital assets. Mr. Kilmon mentioned that he has connected sixty-four new homes in the past year, most of them since July, and all of them with underground services. Mr. Kilmon was instructed to keep his inventory as low as possible, and purchase orders will be OK'd by the commissioners before any orders for inventory items are placed.

The Town Commissioners have instituted a bonus plan for their employees, and suggested that the plan should apply to Utilities personnel as well. This would consist of ten percent of the weekly salary for the first year, twenty percent for the second year, and thirty percent for the third year and thereafter. The Commissioners will take a serious look at this plan.

There was mention of the estimated December and January power bills, which are expected to be much higher due to the Delmarva wholesale rate increase.

William A. Morse has been appointed to a full three-year term as a member of the Board.

A letter has been received from the Town Commissioners, advising that they will furnish electricity at cost to Upper Shore Aging in the old Frederick Douglass school building.

Mr. Kilmon informed the commissioners that he would like them to consider putting part of the Purchased Power Cost Adjustment into the basic rate structure. This has been suggested by the Public Service Commission.

A projected budget will be sent to Whitman, Requardt in the near future.

There was no further business, and the meeting was adjourned.

Roberta A. Marshall

Roberta H. Marshall, Secretary



JANUARY 25, 1979

The regular meeting of the St. Michaels Utilities Commission was held on Thursday, January 25, 1979. Those members present were Mr. Mowbray, Mr. Morse, Mr. Kilmon, and Mrs. Marshall.

The minutes of the December meeting were read and approved.

Mr. Kilmon informed the commissioners that the Purchased Power Cost Adjustment charges on the January bills will be much higher than the base rate in many cases, and asked permission to proceed with the necessary work to transfer part of the Power Adjustment into the base rate. He was told to go ahead with this, and will report back to the commissioners before filing.

Financial statements and year-end statistics were distributed.

Mr. Kilmon asked the Commissioners to clarify their order on the approval of purchase orders. He explained that on contract jobs he has no choice except to order the materials, most of which the customer pays for in advance. The commissioners explained that their order was meant to cover running inventory items, and not short-term items that must be purchased for a specific purpose.

There was a short discussion about the feeder line from St. Michaels to the Bloomfield substation.

Mr. Kilmon reported that the Bloomfield substation network will be up to the capacity to take care of the new construction at Calhoon MEBA School in the next week or so. Additional costs will be approximately \$500.

There are two more stages of construction at the Wastewater Treatment Plant, the first of which will be started in a week. Additional cost for this is approximately \$600.

Mr. Kilmon distributed copies of a letter from Thomas Keating, the Utilities legal advisor, concerning proper procedures manuals for line crewmen and supervisors. Motion was made by Mr. Morse, duly seconded and passed unanimously, that the resolution as drafted by Mr. Keating be adopted as presented. Mr. Kilmon was instructed to work closely with Mr. Keating on this matter.

The regular meeting night for the Commission was changed to the fourth Thursday in the month.

There was no further business, and the meeting was adjourned.


Roberta H. Marshall, Secretary



FEBRUARY 22, 1979

All members were present at the regular meeting of the St. Michaels Utilities Commission, held on February 22, 1979.

The minutes of the January meeting were approved as read.

Motion was made by Mr. Morse, seconded by Mr. Mowbray, and duly passed, that Alex J. Spencer serve as President of the Commission for 1979. Franklin R. Kilmon was named Manager, and Roberta H. Marshall was appointed Secretary-Treasurer.

Financial statements for January were presented, and, in the discussion that followed, the effects on the accounts receivable from the PSC order to prevent cut-offs for nonpayment were noted.

Mr. Kilmon reported that he has distributed the letter concerning proper procedures to all employees, and is continuing to work with Mr. Keating on the safety manuals.

There was considerable discussion about the recent snow storm, and Mr. Kilmon stated that there was not a single outage on St. Michaels lines. This was very fortunate, since Gloria Avenue was not plowed for a long time after the snow stopped, and the trucks could not have gotten out until at least twenty-four hours after the storm was over. Town Commissioners will be requested to give the Utilities top priority on snow removal in the future. Since it was impossible to read the town meters, readings were estimated except for the larger consumers.

Mr. Kilmon is still working on transferring a portion of the Purchased Power Adjustment Cost into the base rate, and expects to have some figures available soon. There was mention of the adverse effects of the increased cost of the PPAC on St. Michaels' customers. David Mann, of Morgan, Lewis & Bockius, has offered to look into the Delmarva rate case at no charge, except for actual expenses. (Minutes corrected. See below.)

There is now a twenty-week delivery date on some inventory items, and Mr. Kilmon asked the commissioners for their views on the problem. He was told to order only such items that are absolutely necessary, with the alternative that emergency items could be borrowed or bought on a short term basis if needed, rather than having a great deal of cash tied up in inventory.

Following the distribution of a bulletin from American Public Power Association regarding municipally owned electric utilities, the meeting was adjourned.



Roberta H. Marshall, Secretary

Minutes were corrected to read "except for actual expenses" at the March 22, 1979, meeting.



ST. MICHAELS UTILITIES COMMISSION

ST. MICHAELS. MARYLAND 21663

NOTICE

TO: ALL UTILITIES COMMISSION PERSONNEL

FROM: ST. MICHAELS UTILITIES COMMISSION

RE: UNAUTHORIZED USE AND ACCESS

For insurance and other reasons, we hereby remind you of the standing policy of the St. Michaels Utilities Commission, that persons not employed by the Commission are not to be allowed to drive or ride in the Commission's vehicles, or to be allowed in, on or about any of the warehouses, outdoor storage facilities, offices, substations, or transmission and/or distribution facilities owned or operated by the Commission, or to be allowed to use or operate any of the tools, machinery or equipment owned by the Commission.

Any employee of the Commission who becomes aware of any violation of this order is requested to report such violation to the Manager of the Utility, or, if he is not available, to the President of the Commission, for immediate corrective action. Your cooperation in the administration and enforcement of this regulation is appreciated.

ST. MICHAELS UTILITIES COMMISSION

BY

Franklin R. Kilmon

Franklin R. Kilmon, Manager

Received by: _____
Name

Date: _____



MARCH 22, 1979

The regular meeting of the St. Michaels Utilities Commission was held on Thursday, March 22, 1979, with all members present.

The minutes of the February meeting were read and corrected.

In order to try to get immediate relief for St. Michaels customers, Mr. Spencer, Mr. Kilmon and Mr. Mann met with Delmarva officials about the rate case. No agreement could be reached.

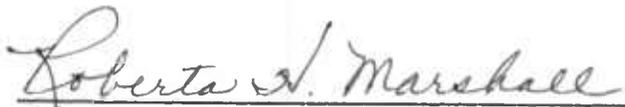
There was discussion about the PSC moratorium on cut-offs, and the hardships it has caused customers now that they must pay their arrears by April 2 or face possible discontinuance of service. Mr. Morse suggested that St. Michaels lobby for removal of the sales tax from electric bills. Mr. Spencer will contact Delegate Horne to this effect. It was agreed that removal of the sales tax would be a great help to the low-income customers.

Mr. Kilmon reported that the APPA Safety Manual was approved by Mr. Keating, and copies have been distributed to all employees.

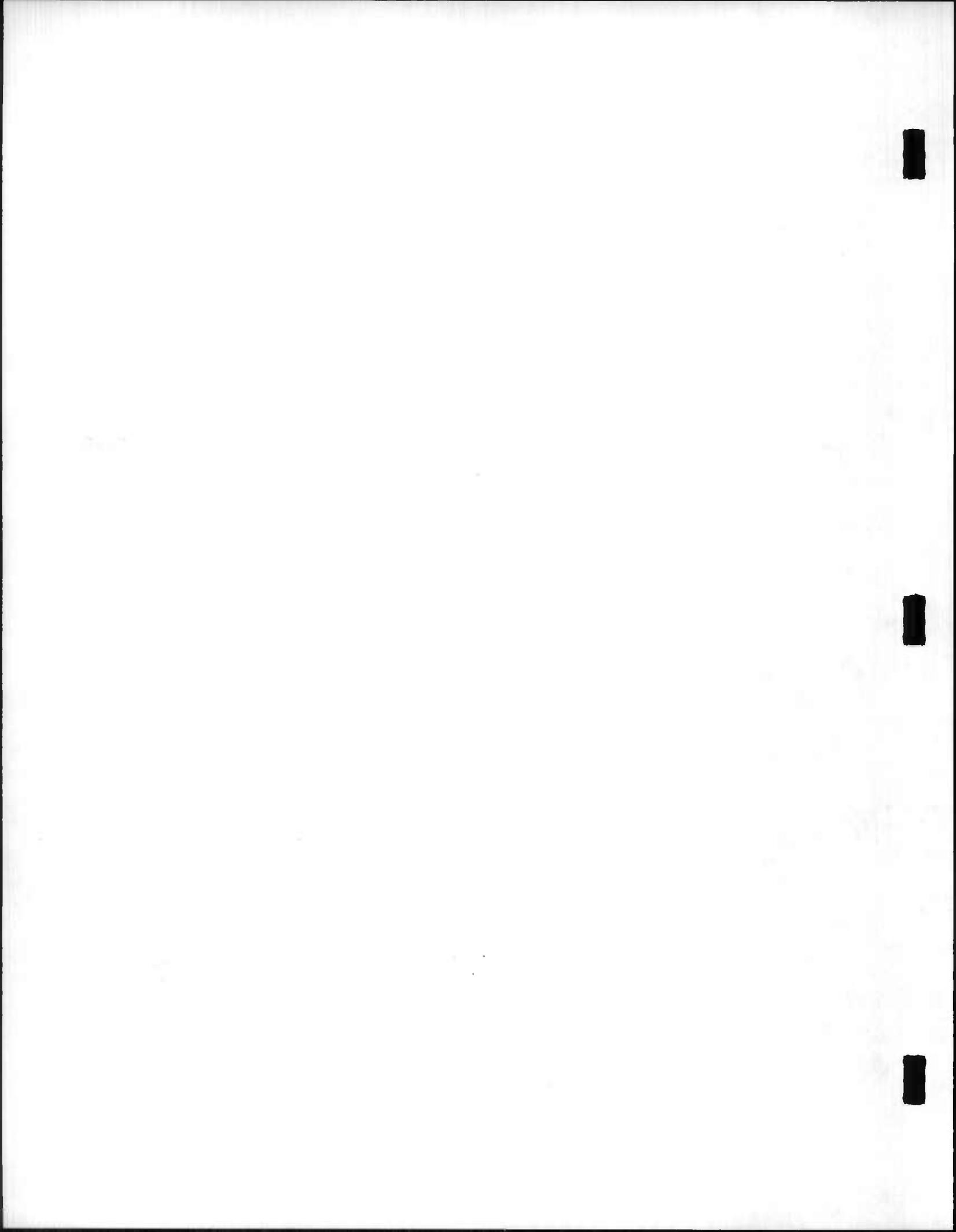
It was noted that the February power bill from Delmarva was so large that it could not all be paid at one time. The final installment was mailed on March 21, 1979.

Mr. Kilmon reported that there are now forty-eight homes under construction on St. Michaels lines, and he must have materials at a cost of \$12,000 to \$15,000 to meet the demand of the new construction. He is facing an eight to twelve week delivery date on most stock items. He was told to keep the inventory to a bare minimum, but if the material ordered is to be used quickly, and is for a special purpose, to use his own judgement about ordering it.

There was no further business, and the meeting was adjourned.



Roberta H. Marshall, Secretary



APRIL 24, 1979

A special meeting with the Town Commissioners was held on April 24, 1979. All members of both boards were present.

Mr. Spencer reported the increased problems with cash flow that the Utilities have experienced since the December price increase in wholesale electricity by Delmarva. He explained the lag in billing time, and informed the Commissioners that the power bill had to be paid in two installments for the month of February.

Mr. Spencer informed the Commissioners that St. Michaels and all other Maryland towns have now settled with Delmarva, since Delmarva has agreed to put the reduced rates into effect as soon as they receive permission from the Federal Energy Commission, rather than wait a possible four years or longer until the entire rate case is settled. It is hoped that the FEC will rule before the fall, so that the rates will be reduced before the next heating season.

There was discussion about the overall financial picture of the Utilities. Necessary capital outlay was mentioned, due to the fact that the Utilities is still in a growth bind. Everyone agreed that St. Michaels' distribution system is in good shape.

Mr. Spencer informed the Commission that the money for the sewer bonds will be paid by the Utilities when it is due.

The \$25,000 payment at Maryland National Bank is due in May, and the Utilities will pay as much as possible toward that. Mr. Spencer expressed his opinion that a satisfactory arrangement can probably be made with the bank regarding the remainder.

Mr. Parks, president of the Town Commissioners, thanked the Utilities Commissioners for their time, and stated his wish that the group could meet on a regular basis.


Roberta H. Marshall
Roberta H. Marshall, Secretary



APRIL 26, 1979

The regular meeting of the St. Michaels Utilities Commission was held on Thursday, April 26, 1979. Members present were Mr. Spencer, Mr. Mowbray, Mr. Kilmon, and Mrs. Marshall.

The minutes of the March meeting and the special meeting with the Town Commissioners on April 24 were read and approved.

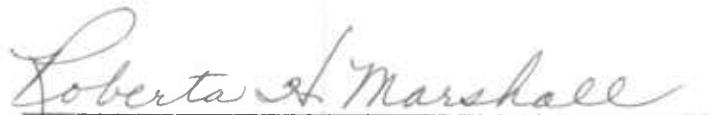
Mr. Kilmon reported that most of the money that was outstanding on accounts receivable due to the Public Service Commission moratorium on disconnects has been collected. There are still three places that are off.

The Public Service Commission has tabled St. Michaels' request to put part of the Purchased Power Adjustment Cost into the base rates until the new law exempting electricity from sales tax goes into effect.

The financial statements and list of current bills on hand were reviewed. Mr. Kilmon assured the Commissioners that he is only making necessary purchases.

The work on the Wastewater Treatment Plant is expected to be completed before the May meeting.

There was no further business, and the meeting was adjourned at an early hour.



Roberta H. Marshall, Secretary



JUNE 4, 1979

The regular April meeting of the St. Michaels Utilities Commission was held on Monday, June 4, 1979. All members were present.

The minutes of the last meeting were read and approved.

There was considerable discussion about the delay in completing the work at the Wastewater II Treatment Plant. Mr. Kilmon reported that he is scheduled to meet with the engineers at the site on June 5. He will be ready to turn on the power as soon as he has received a letter from the Whitman, Requardt engineers certifying that the work has been done according to specifications.

There was mention of the problems involved with trenching for underground lines. The Commissioners requested that Mr. Kilmon be as careful as possible in regards to backfilling.

Part-time help will be hired to replace Eleanora Cummings, who is expected to be out on sick leave for about six weeks.

There has been no word from the Public Service Commission on the filing to put part of the Power Adjustment Cost into the base rates.

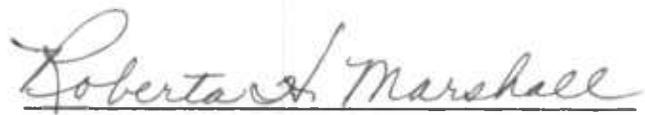
The semi-annual public hearing on Power Adjustment charges will be held in the town meeting room on Wednesday, June 13, at 2:00 p.m.

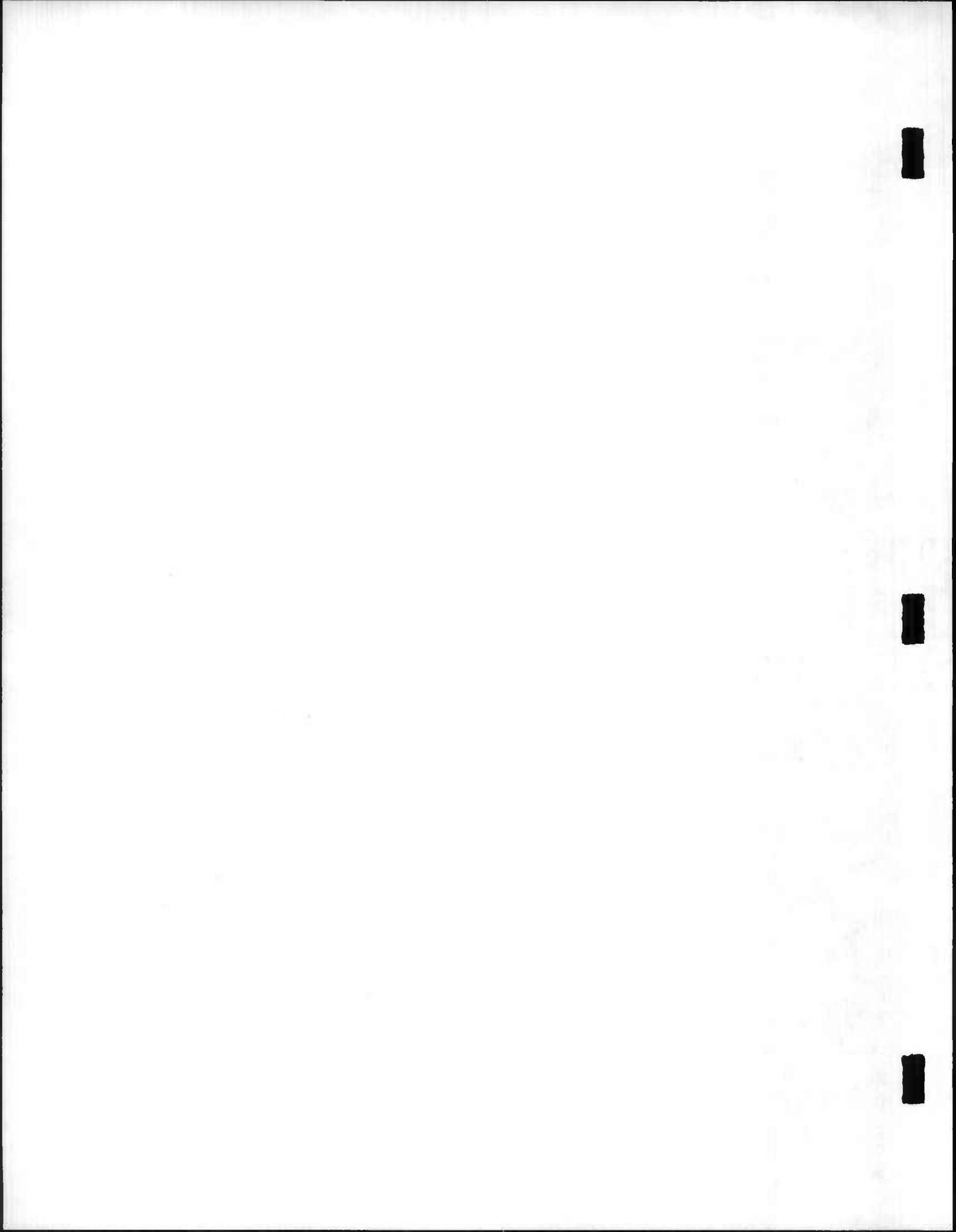
There was discussion about the present financial statements. A check has been given to the Town Clerk in the amount of \$10,224 to pay sewer bonds and interest. Other checks totalling \$20,000 were turned over to apply to the loan at Maryland National Bank.

It was decided that regular statements will be issued to the Town Commissioners on a semi-annual basis, showing the amount of power used by the Town and its cost, any payments made on indebtedness, and other pertinent information. Mr. Morse and Mrs. Marshall will work together on a simple format for this.

There was mention of the chipper, and the amount of work it is used for.

Following a discussion about the rules and policies of the Utilities regarding underground lines for subdivisions, the meeting was adjourned.


Roberta H. Marshall, Secretary



JUNE 25, 1979

The regular meeting of the St. Michaels Utilities Commission was held on Monday, June 25, 1979. Members present were Mr. Mowbray, Mr. Morse, Mr. Kilmon, and Mrs. Marshall. In the absence of Mr. Spencer, who is in the hospital, Mr. Mowbray conducted the meeting.

The minutes of the last meeting were approved as read.

Mr. Kilmon reported that he attended the meeting on June 5 regarding the Wastewater II Treatment Plant. He is still awaiting certification from Whitman, Requardt on the power line equipment. The system is expected to be operational on September 1, 1979.

Notice has been received from the Public Service Commission that they will hold an administrative meeting on June 27, regarding St. Michaels' filing to put part of the Purchased Power Adjustment Cost into the base rate. This is to be effective July 1, 1979.

The semi-annual Public Hearing on Power Adjustment Costs, held on June 13, went satisfactorily, with quite a few customers in attendance.

Mr. Morse reported that the special report for the Town Commissioners will be ready for presentation with the June 30 financial statements.

On reviewing the current statements, it was noted that the cash flow is better. Funds will be transferred to the Reserve Savings Account at Mrs. Marshall's discretion.

Mr. Kilmon is working closely with Michael Hickson, attorney for the Town, on rights of way and construction restrictions for Delmarva Power and Light for their new 69,000 volt line to their Bozman substation.

There are 73 new homes under construction on St. Michaels' lines at the present time.

The new Customer Handbooks have been mailed, along with the required notification to residential customers regarding sales tax exemption.

There was a discussion of the labor situation. Eleanora Cummings has been put on leave of absence as of June 29. Her insurance will continue to be paid by the Utilities until such time as she returns to work or her employment is terminated.



Motion was made by Mr. Morse, duly seconded and passed, that the Utilities Commission look into the cost of a long-term disability insurance program.

There was no further business, and the meeting was adjourned.

Roberta H. Marshall

Roberta H. Marshall, Secretary



AUGUST 7, 1979

The July meeting of the St. Michaels Utilities Commission was held on Tuesday, August 7, 1979. Members present were Mr. Mowbray, Mr. Morse, Mr. Kilmon, and Mrs. Marshall. In the absence of Mr. Spencer, the meeting was conducted by Mr. Mowbray.

The minutes of the June meeting were approved as read.

John T. Griffin Insurance Agency and the Maryland Municipal League are both looking into the cost of long-term disability insurance for employees.

Mr. Morse will have the report for the Town Commissioners ready soon.

There was a discussion about the current financial status of the Utilities. It was decided to pay all outstanding bills as soon as possible.

Mr. Kilmon reported that the Wastewater II Treatment Plant has been connected with the proper power. All sewer bills are now being paid by the County or the contractor, and are expected to be totally billed to the County by October 1.

The Public Service Commission approved St. Michaels' request to change the Purchased Power Cost Adjustment base on June 27, to be effective July 1, 1979. Bills are now being sent out using the new rates. New rate schedules will be printed in the very near future.

Motion was made by Mr. Mowbray, seconded by Mr. Morse, and duly passed to give the employees on St. Michaels lines a credit of \$7.25 each month on their electric bills, rather than billing them at a reduced rate as has been done for the past 25 years or so. This practice was originally started as an incentive for employees to live in or near the town, and thus be more readily available in case of emergency.

Mr. Kilmon attended a meeting of the Peach Bottom Atomic Power Exchange, of which St. Michaels is a member.

Samples of the rights of way for both substations have been received from Mr. Hickson, and are now in the hands of Delmarva, awaiting their agreement.

There was discussion about the capacity of the Bloomfield Substation, and Delmarva's plans for its enlargement. Mr. Kilmon was instructed to write a letter to Delmarva, requesting a bottom figure regarding our costs involved in increasing the capacity.



The report received from Whitman, Requardt, advising on the finances of the Utilities, was reviewed.

There was a discussion about the need to improve the Miles River Neck line from the bridge to Ingleton, and the problems involved with the State's construction of a new bridge and possibly widening the roads. Mr. Kilmon was instructed to get prices on the cost of the improvement, to be used as a guideline for future consideration.

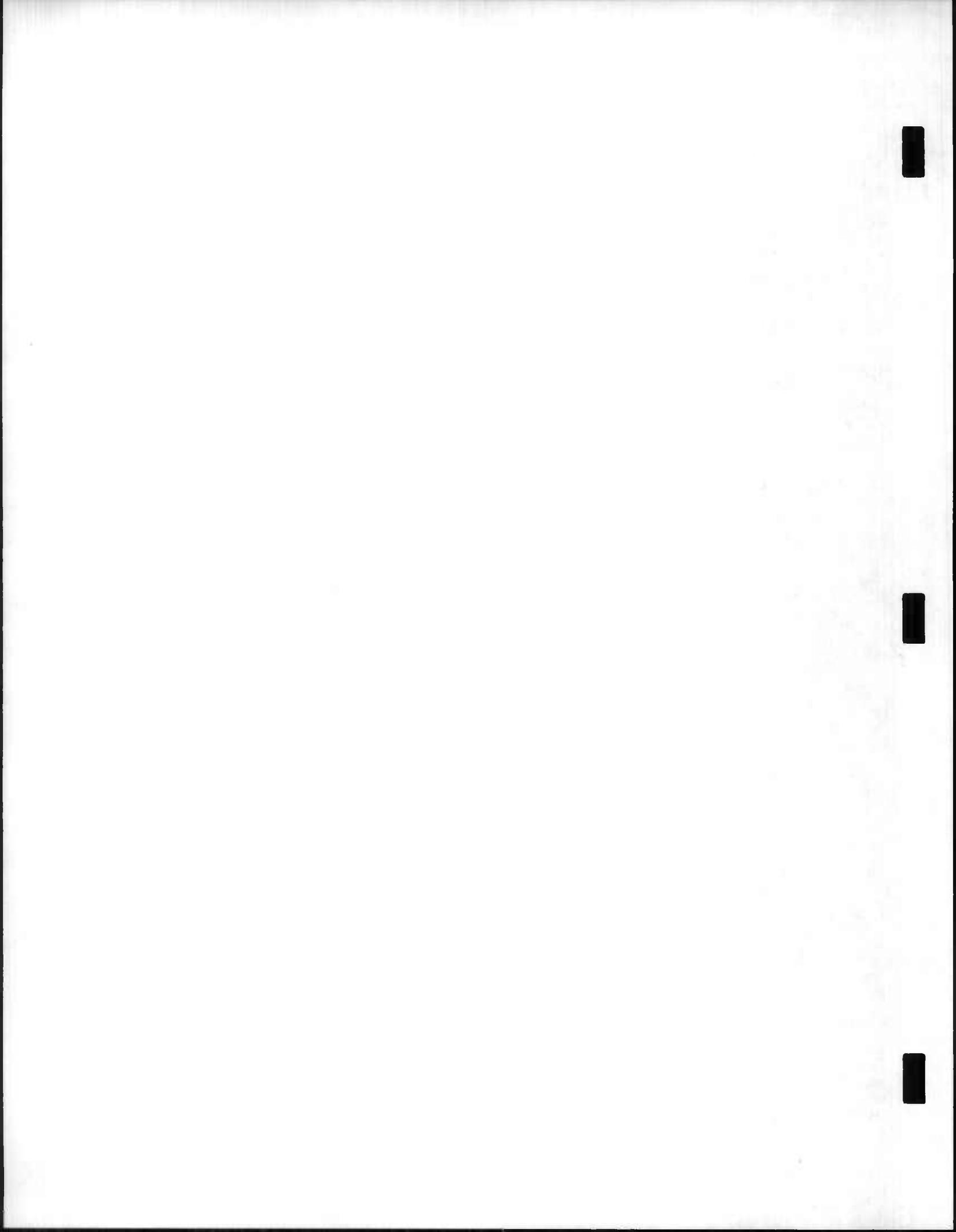
The need for a full time office employee with a background in accounting and clerical work was brought to the attention of the Board.

Mr. Morse will arrange a meeting with Dr. Wroth, Mr. Bergen, and Mr. Kilmon in the near future to talk about an underground line to the Wroth/Bergen properties.

There was no further business, and the meeting was adjourned.

Roberta H. Marshall

Roberta H. Marshall, Secretary



AUGUST 23, 1979

The regular meeting of the St. Michaels Utilities Commission was held on Thursday, August 23, 1979, with Mr. Spencer, Mr. Mowbray, Mr. Kilmon, and Mrs. Marshall in attendance.

The minutes of the last meeting were read and approved.

There was discussion of customer reaction to the change in billing for the base rate and purchased power cost adjustment. It was pointed out that the September bills will have a high power adjustment charge, due to the high bill from Delmarva for August.

Mr. Kilmon reported that except for one or two large building projects, construction is generally down.

The Utilities has been notified that Thomas Keating is leaving the law firm of Miller, Wheeler, Thompson & Thompson to go into his own private firm. Motion was made, seconded, and duly passed to continue using Mr. Keating as the Utilities attorney.

There was a discussion about the current cash flow. It is hoped that the Utilities will be able to turn over cash monies to the Town by the end of this year.

Mr. Kilmon reported that he has not yet received a reply from Delmarva regarding St. Michaels' costs on the Bloomfield Substation. He expects a reply before the next meeting.

The underground line for Dr. Wroth and Mr. Bergen will be started as soon as easements are received from John Shaw.

Prices are not all in for the improvement on the line to Ingleton, but are expected soon.

The underground system at Calhoon MEBA School was connected on August 14, and all existing lines are being transferred to the new system.

Mr. Kilmon reported that the Town is going to resurface Gloria Avenue, and requested permission to get the contractor to patch and re-seal the shop driveway and employee parking apron at the same time, at a cost of \$700. This was approved by the Board.

Because of the bookkeeping system, it was voted to go back to the old method of billing employees rather than the standard credit approved at the July meeting. The difference in costs to the Utilities is practically nil.



Mr. Kilmon pointed out the need for tree trimming and bush-hogging in the fall, and requested funds to do this. He was told to get prices for future consideration, and also to consider using part-time labor and do the trimming ourselves.

There was no further business, and the meeting was adjourned.

Roberta H. Marshall

Roberta H. Marshall, Secretary



OCTOBER 1, 1979

All members were present at the regular September meeting of the St. Michaels Utilities Commission, held on Monday, October 1, 1979.

The minutes of the last meeting were approved as read.

Mr. Kilmon reported that the men are trimming trees on the days they can. He has hired another man, and hopes to make do.

The Public Service Commission policies for cutting off delinquent customers in the coming winter were discussed.

A request for a donation was received from the United Fund. It was voted, with Mr. Mowbray abstaining, to give the same amount as last year.

A quote on the price of disability insurance for employees has been received from Washington National Insurance. Mr. Morse has received a quote from John T. Griffin Insurance for comparison.

Mr. Kilmon reported that all existing lines at the Calhoon M.E.B.A. School have been transferred; the Wastewater II Treatment Plant is completed, and all sewer accounts are now being paid by the County.

The Gloria Avenue driveway and employee parking apron have been resurfaced.

The Town Commissioners have requested the Board to look at the Frederick Douglass School, with an eye for future usage. The Utilities Commissioners will meet on October 2 for this purpose.

Prices from Delmarva for the Bloomfield Substation changes have not yet been received.

Kenneth Brown has quoted a price of approximately \$3,000 for bushhogging. Mr. Kilmon reported that prices for tree trimming are now approximately \$1100 per week for a two-man crew. The Commissioners took no action on this.

The current audit reports from Faw, Casson & Company were received and reviewed, and there was discussion about the current financial status. It was decided that a regular amount of funds will be put aside each month so that a cash payment can be made to the Town.

The rates for large commercial customers were brought to the attention of the Board.



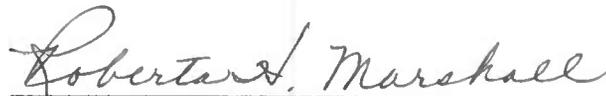
The contractor for Upper Shore Aging has applied for current. Mr. Kilmon reported that the approximate cost to the Utilities will be \$8,000 for the twenty-four All Electric homes and the center building.

Mr. Kilmon contacted Thomas Keating in regard to his services as attorney for the Utilities. However, Mr. Keating recommended that the Utilities stay with Miller, Wheeler, Thompson & Thompson since they are set up to furnish complete legal services. It was decided that Miller, Wheeler, Thompson & Thompson will continue to represent the St. Michaels Utilities Commission.

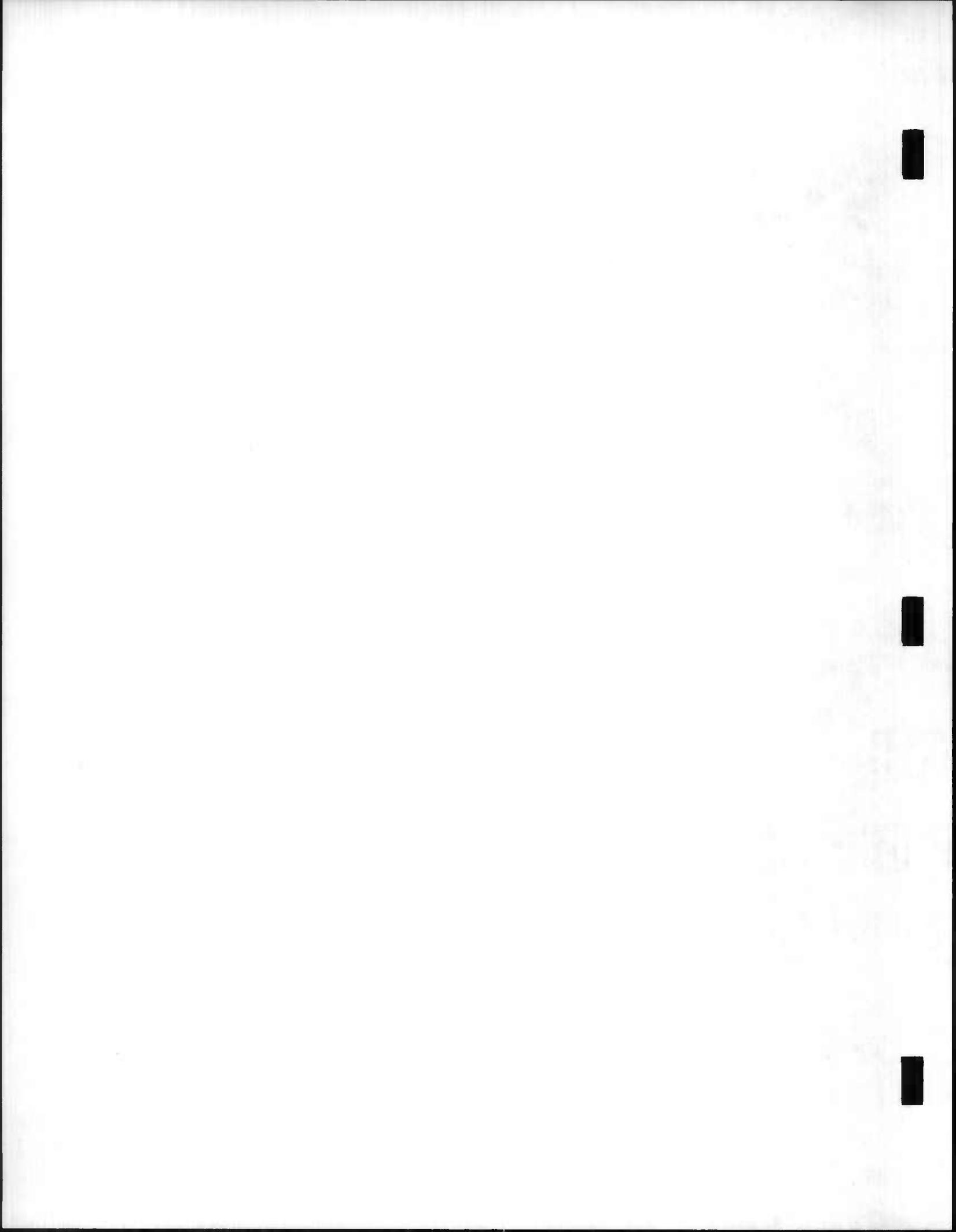
It was decided to install a radio receiver in the home of Mr. Kilmon, at a cost of \$262.45, so that he can communicate with the men who are on trouble calls. It is felt that this will save a good deal of extra overtime pay.

Mr. Kilmon reported that he is having trouble with a G. E. electronic vacuum switch at the Bloomfield Substation, and parts are no longer being made for it. It was suggested that he contact Baltimore Gas & Electric, and possibly other large companies, who may have the needed parts in stock.

There was no further business, and the meeting was adjourned.



Roberta H. Marshall, Secretary



NOVEMBER 7, 1979

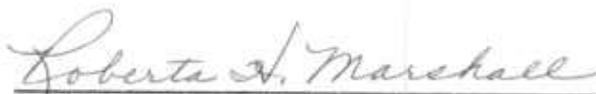
The October meeting of the St. Michaels Utilities Commission was held on Wednesday, November 7, 1979. Those members present were Mr. Spencer, Mr. Mowbray, Mr. Morse, and Mrs. Marshall.

The minutes of the last meeting were read and approved.

The current financial statements were reviewed and discussed. A letter has been written to the Federal Energy Regulatory Commission, requesting a ruling on the Delmarva rate case as soon as possible. This would give relief to St. Michaels' customers before the heavy winter usage, as well as reduce the wholesale power bills from Delmarva.

A special meeting was held on October 22, 1979, with representatives of Associated Regulatory Consultants, Inc., to re-evaluate the Utilities current rate structure. All Commission members were present at the meeting.

Following a short discussion about bonuses for the employees, the meeting was adjourned.



Roberta H. Marshall, Secretary



A Special Meeting of the St. Michaels Utility Commission was held on November 9, 1979. Those present were Alex Spencer, Chairman, William A. Morse, Fred Mowbray and Franklin R. Kilmon, Manager.

Mr. Kilmon reported on the M.E.B.A. situation, stating that a greatly fluctuating use of electricity, by the school, could penalize the entire system, but he has been communicating with M.E.B.A. officials and no serious problems are anticipated at this time.

The Commission then discussed the Christmas Bonus situation. Mr. Kilmon was advised by the Commission that the Town Commissioners of St. Michaels had advised the Utility Commission to adopt a bonus plan similar to the formula used by the Town of St. Michaels. The Commission advised Mr. KILMON that the Commissioners had adopted a new formula during the Spring of 1979 and had adjusted the employees wages to compensate for bonus losses under the new formula. Mr. Kilmon stated that he would explain the new bonus formula to the employees of the St. Michaels Utilities Commission. Mr. Spencer stated that he would, in addition, would write a letter to the employees, to further explain the new bonus formula.

It was moved, seconded, and passed that Kenneth Patton's status be upgraded and placed in the same pay-grade as Paul Schutz, to be effective immediately.

Mr. Kilmon raised the question, should the line employees be allowed to take utility vehicles home with them on duty nights. It was moved, seconded, and passed, by the Commission, that employees should not be permitted to take utility vehicles to their homes, when on duty or not on duty.

Meeting adjourned 9:00 P.M.


Fred M. Mowbray
Acting Secretary

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Very faint text at the bottom of the page, possibly a signature or date.

DECEMBER 20, 1979

The regular meeting of the St. Michaels Utilities Commission was held on Thursday, December 20, 1979. All members were present.

The minutes of the last two meetings were approved as read.

The Utilities Commissioners and the Town Commissioners held a joint meeting on Tuesday, December 4, 1979.

Mr. Spencer questioned Mr. Kilmon about the use of the Commission's vehicles, since the price of gasoline is so high and there is a shortage of fuel. Mr. Kilmon assured the board that he is doing everything possible to conserve fuel.

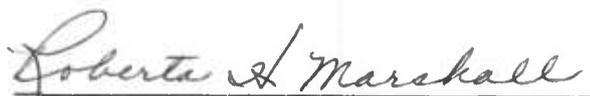
Mr. Kilmon presented a report on the cost to upgrade the Bloomfield Substation. He also presented a letter from Delmarva which stated Delmarva's proposals for the Bloomfield Substation. Copies of these are attached to these minutes. Motion was made by Mr. Mowbray, seconded by Mr. Morse, and passed unanimously, to go the no-cost route and to accept Delmarva's offer on the substation to be moved to Porter's Pride, as stated in their letter of November 12, 1979. A fence and a cement pad for the transformer will be needed in the future.

The wholesale rate case before the Federal Power Commission has been settled, and a rebate check in the amount of \$80,703.64 has been received from Delmarva. Mrs. Marshall reported that the kilowatt-hour consumption of each customer has been computed, and she will begin figuring the amounts as soon as all the expenses are in. It is hoped that the rebates can be credited to the bills by the end of March.

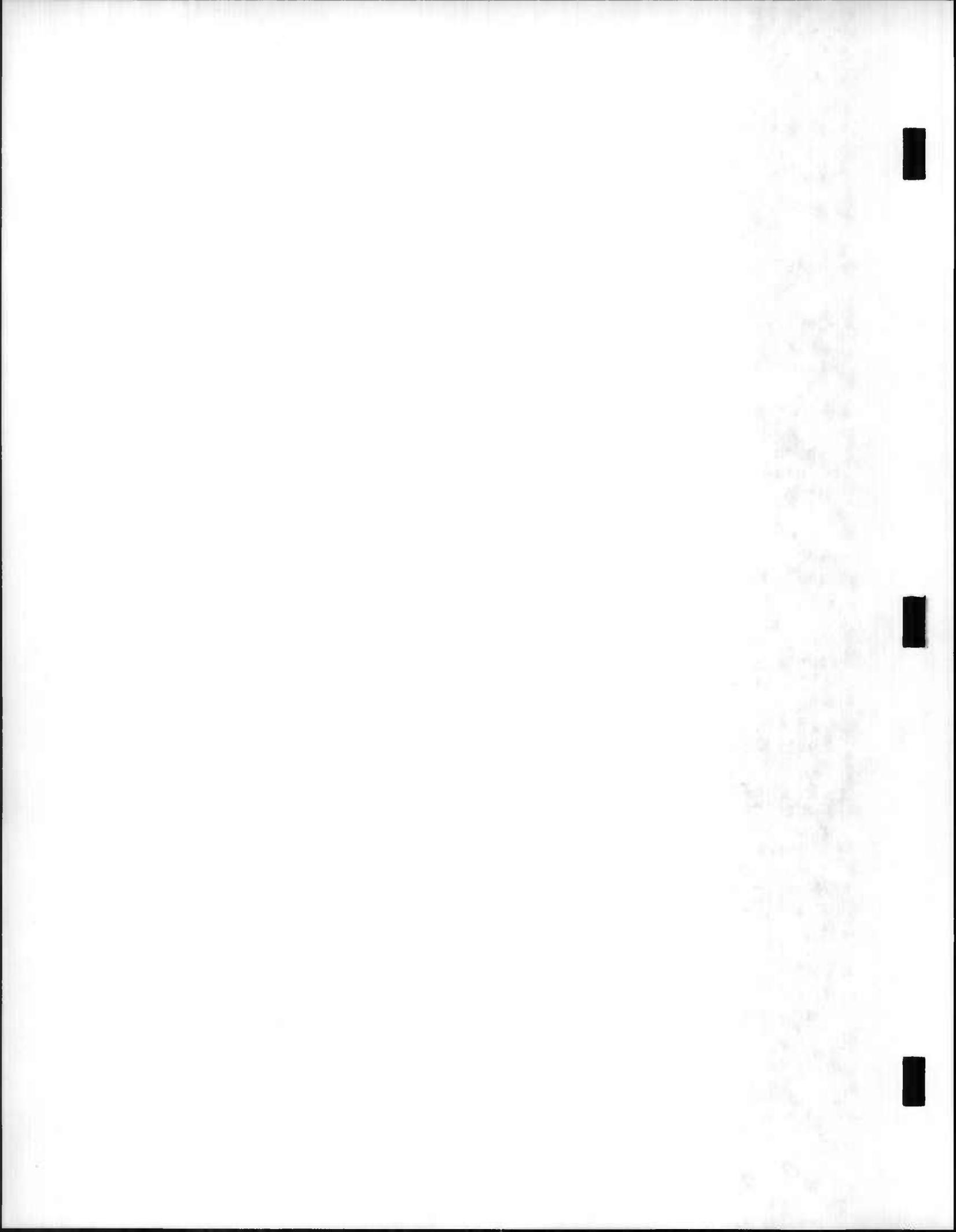
The required information was sent to Associated Regulatory Consultants near the end of November, but no report has been received from them yet.

Delmarva has applied to the Zoning Board for a special exception to upgrade their lines from Easton to the Bozman Substation and to enlarge it. After considerable discussion, it was decided that Mr. Spencer will look into the matter further and report back to the Commissioners.

Following the presentation of the pay scale for the Commissioners' information, the meeting was adjourned.



Roberta H. Marshall, Secretary



St. Michaels Cost To Upgrade 11-12-79
Bloomfield Sub-Station

A. 1- 5,000 KVA / 6250 KVA 3-phase — \$31,468.00
transformer with necessary extras.

B. 69-KV-Incoming Structure — \$21,000.00
Bill Of Materials

C. Additional Items necessary to complete — \$45,000.00
above application.

1. Install Cement as required to support Apparatus.
2. Install Power transformer.
3. Construct 69KV Incoming Structure
4. Re-arrange incoming circuit.
5. Rental of Portable Sub-Station to maintain service.

Total = App. Cost at 1979 Price level \$100,000.00



Delmarva Power

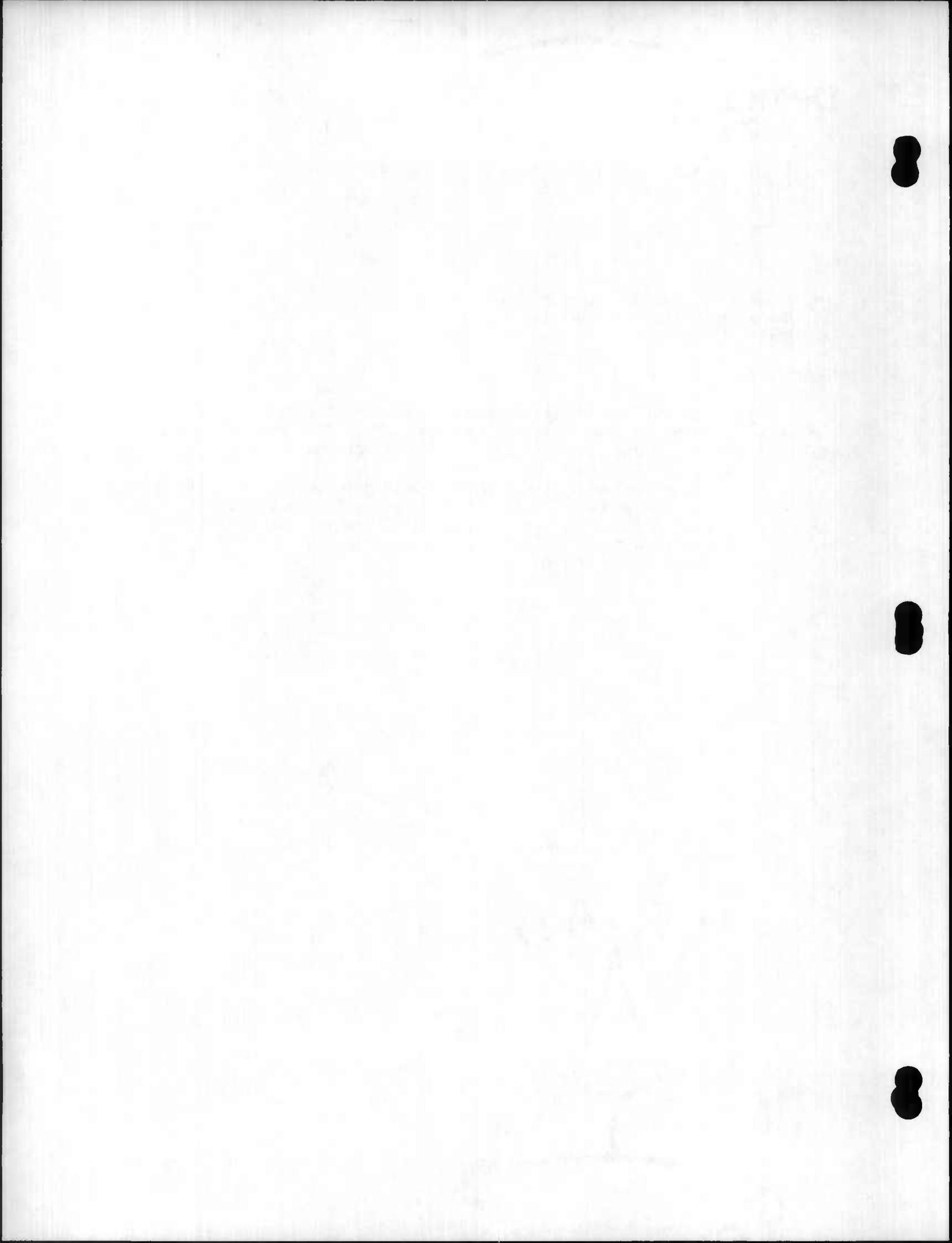
November 12, 1979

Mr. Franklin R. Kilmon, Manager
St. Michaels Utilities Commission
St. Michaels, Maryland 21663

Dear Ray:

To finalize our many discussions on Delmarva's conversion of its Easton - St. Michaels transmission line from 25KV to 69KV and Delmarva's obligation at St. Michaels Bloomfield Station, I confirm the following:

1. Delmarva plans to construct a new 69KV transmission line and a new 25KV circuit from Easton to Bozman, Maryland. Subject to final permits, construction should be finalized and circuits energized at respective voltages May/June, 1980.
2. Delmarva plans to convert its existing 10MVA/25/12KV "Grace Street" Substation to a 20MVA/69/12KV station by Nov/Dec, 1980. The proposed bank will be 3 - 6667KVA 69/12KV single phase transformers with a spare readily available.
3. Delmarva proposes to leave St. Michaels "Bloomfield" Substation on the new 25KV circuit until 1982.
4. In 1982, Delmarva proposes to install for St. Michaels, at no cost to St. Michaels, a 69KV high-side structure necessary to contain a transformer rated at 5,000 6250KVA-69/12KV. The high-side protection will be three (3) single phase 69KV fuses. The existing transformer pad will be expanded to hold the proposed new 69KV transformer.
5. Delmarva proposes to swap, at no additional cost to St. Michaels, one (1) 5,000/6250 KVA 69/12KV transformer for St. Michaels 3750KVA 25/12KV transformer. Delmarva will install and energize the 69/12KV transformer. The then 3750KVA 25/12KV Delmarva Power owned transformer will be moved to a safe location in St. Michaels "Bloomfield" Substation.



6. Delmarva proposed to sell to St. Michaels the 3750 KVA 25/12KV transformer at now going (junk scrap) price of \$2.65 per KVA. The selling price being \$9,937.50.
7. St. Michaels must relocate the 3750KVA 25/12KV transformer from the Bloomfield location to their proposed "Porters Pride" Substation.
8. Delmava will assist St. Michaels in determining the size and location of the transformer pad needed to hold the 3750KVA 25/12KV transformer at the Porters Pride location. This assistance should be coordinated with your proposed project engineer and will be at no cost to St. Michaels.

Looking forward to coordinating this project which will be beneficial to both parties:

Sincerely,



William L. Adams
Supervisor
Resale Services

WLA/mak

cc: Elwood Thompson
H. P. Hoen, III
W. G. Longest

Wilson Howard
Carl Doughten
Robert Rainear
Charles Marchyshyn

DECEMBER 27, 1979

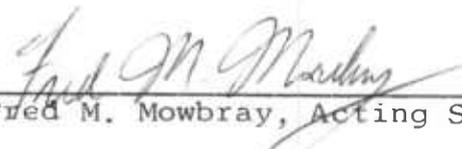
A special meeting of the St. Michaels Utilities Commission was held on December 27, 1979, at 2:30 P.M. Those present were Alex Spencer, Chairman, William A Morse, and Fred Mowbray.

Mr. Spencer reported that he had talked to Mr. David Mann, who advised that the interest earned from the rebate money should be paid to the customers.

A discussion of the wage scales of the Commission's employees and the following salary schedule was presented:

<u>Employee</u>	<u>Present Wage</u>	<u>New Wage Rate</u>	<u>Increase</u>
D. Hall	\$ 3.00 per hr.	\$ 3.25 per hr.	\$.25 per hr.
A. Powell	\$120.00 per wk.	\$132.00 per wk.	\$12.00 per wk.
R. Marshall	\$190.00 per wk.	\$210.00 per wk.	\$20.00 per wk.
J. Voshell	\$ 7.90 per hr.	\$ 8.52 per hr.	\$.62 per hr.
P. Schutz	\$ 6.70 per hr.	\$ 7.22 per hr.	\$.52 per hr.
K. Patton	\$ 6.70 per hr.	\$ 7.22 per hr.	\$.52 per hr.
E. Fisher	\$ 4.00 per hr.	\$ 4.30 per hr.	\$.30 per hr.
R. Kilmon	\$470.00 per wk.	\$470.00 per wk.	\$.00

Motion made and seconded to accept new wage rates. Motion approved by all three commissioners. New wage scale to become effective for first pay period in January, 1980.


Fred M. Mowbray, Acting Secretary



SPECIAL MEETING ST. MICHAELS UTILITIES COMMISSION

A special meeting of the St. Michaels Utilities Commission was held on December 28, 1979 at 2:00 P.M. Those present were Alex Spencer, Fred Mowbray and Ray Kilmon.

Mr. KILMON presented a clarification of the D. P. & L. construction of a 69 kv transmission line from the Easton sub-station to the Bozman sub-station. Mr. Kilmon explained that the Oak Creek crossing is of most interest to the St. Michaels Utility Commission, as D. P. & L. is planing to construct a new crossing, leaving our lines on the existing poles and installing their lines on the new crossing. As it now stands, no provisions for the St. Michaels Utility Commission lines will be provided on the new crossing.

Mr. Spencer stated that he will contact officials of D. P. & L. and attempt to obtain provisions for the attachment of St. Michaels Utilities Commission lines on the new crossing. If the officials of D. P. & L. are not agreeable, then the members of the St. Michaels Utilities Commission will have to attend the Talbot County Zoning hearing as an objector

Fred Mowbray
Fred Mowbray
Acting Secretary

