

August 7, 2008

John Bunnell, Mayor  
Town of Cecilton  
P.O. Box 317  
Cecilton, MD 21913

Frank Hill, Mayor  
Town of Chesapeake City  
P.O. Box 502  
Chesapeake City, MD 21915

Steve Vandervort, President  
Town of Charlestown  
P.O. Box 154  
Charlestown, MD 21914

Joseph Fisona, Mayor  
Town of Elkton  
P.O. Box 157  
Elkton, MD 21921

Robert McKnight, Mayor  
Town of North East  
P.O. Box 528  
North East, MD 21901

James Eberhardt, Mayor  
Town of Perryville  
P.O. Box 515  
Perryville, MD 21903

Kerri Anne Abrams, Mayor  
64 S. Main Street  
Port Deposit, MD 21904

Judith Cox, Mayor  
P.O. Box 456  
Rising Sun, MD 21911

Dear Mayors Bunnell, Hill, Fisona, McKnight, Eberhardt, Abrams, Cox and President Vandervort:

Thank you for your letter that was delivered by President Vandervort at our August 5, 2008 public meeting. Our response is as follows:

1. *It will possibly foster uncontrolled growth in the areas other than the designated growth areas.*

Response: As you know, growth is limited to the designated growth area as delineated and described in our current Comprehensive Land Use Plan and as further implemented through our zoning ordinance and subdivision regulations. The proposed franchise areas are compliant with the current plan and designated growth area. These proposed franchise areas are also compliant with the County's Master Water and Sewer Plan. By taking this action, we will reduce development pressure in the rural areas of the county by providing infrastructure where it is

needed. This will be a substantial implementation measure as contemplated in the 1990 Comprehensive plan.

*2. Rates will likely be increased to the users.*

Response: Non-users/tax payers will no longer be subsidizing the funding of the operations of systems. Since 1987, \$4.018 million from the County's General Fund has subsidized the Water and Sewer enterprise funds. Should the franchise agreements be approved, Artesian will base its rates on costs of service, as required by Maryland Public Service Commission regulation. It is important to note that rates in some of the Towns have risen dramatically in recent years due to substantial system upgrades. It is also important to note that the County would increase rates even if these systems were retained. Artesian has committed to no increase in rates for existing customers through 2010. All rate increases subsequent to that will have to be approved by the Public Service Commission and based on the cost of the service. Additionally, it should be noted that rather than spreading the costs of the systems in question over approximately 1500 users, Artesian will be able to take advantage of the economics of scale of its much larger customer base.

*3. The county is in the middle of a Comprehensive Plan revision.*

Response: This initiative has already been included in the discussions associated with the Comprehensive Plan update. It is not anticipated that the current growth areas will be expanded beyond the contemplated franchise agreement boundaries. This is a timely effort and it can be reflected in the new plan. The County will continue to control all land use decisions in the unincorporated areas of the County.

*4. Water and Wastewater is a non-competitive primary service that should be provided by county government.*

Response: Water and wastewater service should be provided by whatever entity that is able to make the investment necessary to construct, maintain and operate reliable and cost effective service. At this time, the County does not have the resources to do so. With water and wastewater infrastructure handled in this area by a regulated utility with over a century of expertise, the County can best focus its efforts and financial resources on its core functions of education, public safety and roads.

*5. Forty percent of the Board of County Commissioners will change in less than ninety days and such a major decision should not take place before the Board changes.*

Response: It should be noted that this initiative began through a public solicitation process in July, 2007. The Board of County Commissioners initiated the process and has been engaged in it to date. Obviously, subsequent to the election, sixty percent of the Board will remain to carry out this process to the execution of the definitive agreements. Further delay could adversely impact the County's ability to meet the needs and demands associated with new development and development associated with BRAC.

Thank you for your interest in Cecil County Government.

Sincerely,

The Board of County Cecil County Commissioners

---

William C. Manlove, President

---

Mark H. Guns, Vice President

---

Rebecca J. Demmler, Commissioner

---

Brian Lockhart, Commissioner

---

Wayne L. Tome, Sr., Commissioner