

August 7, 2008

Jeff Coale
160 Rock Springs Road
Conowingo, MD 21918

Dear Mr. Coale:

The following represents responses to questions that were raised by you and some members of your staff at the August 5, 2008 Board meeting. The responses are affiliated with the proposed franchise agreements between the Board and Artesian Water Wastewater, Inc. that were introduced at the meeting:

1. *Why didn't all the Commissioners attend the tours of the County owned Water/Wastewater facilities?*

Response: Commissioners Manlove and Demmler attended the DPW tours. Commissioners Lockhart, Guns and Tome didn't because of scheduling issues, but would be interested in doing so in the future. They have visited some facilities, but not all of them.

2. *How many Commissioners attended the Artesian tour?*

Response: All five Commissioners attended the Artesian tour or portions of it.

3. *Why isn't this being delayed until after the election? Should it be put on referendum and let the voters decide?*

Response: It should be noted that that this initiative began through a public solicitation process in July, 2007. The Board 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, if they so choose. Further delay could adversely impact the County's ability to meet the needs and demands associated with new development and development associated with BRAC.

Who was the county's technical advisor through this process?

Response: There was an initial evaluation committee that carried over through the negotiations process. Those individuals were Scott Flanigan, Director of Public Works; Eric Sennstrom, Director of Planning and Zoning; Alfred Wein, County Administrator; Vernon Thompson, Economic Development; Craig Whiteford, Budget Manager; Brice Foxwell, George, Miles and Buhr; Larry Haislip, Miles and Stockbridge; Dave Pyle, Purchasing Agent and Commissioner Brian Lockhart.

3. *Do Directors of Economic Development and Planning and Zoning support this initiative?*

Response: Yes

4. *Does Artesian have equipment and employees to operate systems?*

Response: Artesian already has licensed operators in Maryland and they are currently operating the Carpenter's Point and Mountain Hill water systems. As of August 1, 2008, Artesian owns the Mountain Hill system. They also have licensed Wastewater operators capable of operating in Maryland. Also, existing County employees will be able to move to Artesian for employment. Artesian, upon final execution of agreements, will be contractually obligated to provide adequate service as laid out in the agreement.

5. *Does Artesian require hookups?*

Response: Artesian does not require hook up when lines are adjacent to existing homes with existing individual wells and septic systems.

6. *Will the County be reimbursed for capital projects that have recently been started or completed for existing County Water/Wastewater facilities associated with these agreements?*

Response: These details will be negotiated through the definitive agreements involving the terms of the transfers.

7. *What happens in drought situations?*

Response: Artesian has 5mgd excess supply capacity to meet demand in Cecil County. Artesian also intends to develop its own sources and the County will also continue to explore water sources to augment their sources.

8. *Why hasn't a County wide Authority been established?*

Response: This was attempted several years ago but did not get the support of the Municipalities within the growth corridor.

We would like to thank you and your employees for addressing us and asking these questions. For now, I hope that we have adequately responded to your questions.

Sincerely,

The Cecil County Board of Commissioners

William C. Manlove, President

Mark H. Guns, Vice President

Rebecca J. Demmler, Commissioner

Brian Lockhart, Commissioner

Wayne L. Tome, Sr., Commissioner

Cc: Will Owens
Ron Penhollow
Mike Weaver
Jim Zell
Alan Fitzgerald
Beth Hamilton