

**CITY OF LEWES
BOARD OF PUBLIC WORKS
Regular Meeting Minutes
April 25, 2018**

The Wednesday, April 25, 2018 regular meeting of the Lewes Board of Public Works was held at 4:00 P.M. in Lewes City Hall, 114 East Third Street, Lewes, Delaware.

1. WELCOME, CALL MEETING TO ORDER AND PLEDGE OF ALLEGIANCE

President Alfred called the meeting to order at 4:00 P.M. and led the Pledge of Allegiance. A moment of silence was observed for our troops serving our country.

2. ROLL CALL

Board Members Present:

C. Wendell Alfred
D. Preston Lee, P.E.
Jack Leshner
A. Thomas Owen
Robert J. Kennedy, III

Ex-Officio Members Present:

Theodore Becker, Mayor
Darrin Gordon, General Manager
Michael Hoffman, Legal Counsel

Others Present:

Austin Calaman, Assistant General Manager
Kristina Keller, BPW
Ann Marie Townshend, City Manager
City Councilman Rob Morgan
Thomas Panetta of the Lewes Planning Commission
Jackie Doherty, Recording Secretary

3. REVISIONS AND/OR DELETIONS TO THE AGENDA

No revisions or deletions were requested.

4. CONSENT AGENDA

- a) **Receive the General Manager Monthly Report**
- b) **Receive the White Marsh Environmental Systems, Inc. Report**
- c) **Receive President Report**
- d) **Receive Vice President Report**
- e) **Receive Secretary Report approval of Minutes dated March 28, 2018**
- f) **Receive Treasurer Report**
- e) **Receive Assistant Treasurer Report**

Mr. Lesher requested discussion of the Treasurer Report questioning the amounts for last year's revenue of \$14,400,000 and the current year. The amounts for kilowatts usage is up, but the revenue is down.

Mr. Gordon stated the amount BPW pays for kilowatts has been going down for the last two years. This last year it was down by 3% reducing the price of electricity to the BPW customers.

Mr. Lesher questioned the increase in commercial water consumption and the decrease in industrial water usage.

Mr. Gordon stated the commercial water increases are due to the addition of the state park being open all year and the expansion of overnight camping. The industrial decrease is due to efficiency changes by Beebe Hospital.

ACTION: *Mr. Kennedy made a motion to accept the consent agenda as presented; Mr. Lesher seconded the motion, which passed unanimously.*

**5. Open forum/general discussion of the appointment of a Board of Elections for one-year term for the Lewes BPW election May 12, 2018.
INFORMATION/DISCUSSION/ACTION (D. Gordon)**

Mr. Gordon stated the election to be held on May 12, 2018 from 8:00 A.M. to 6:00 P.M. in the BPW offices requires three people to be appointed as a Board of Elections. The request is to accept Nina Cannata, William Landon, and Joan Reader as the appointed election officials.

ACTION: *Mr. Lesher made a motion to approve Nina Cannata, William Landon, and Joan Reader as the appointed election officials; Mr. Owen seconded the motion, which passed unanimously.*

**6. Open forum/general discussion for bad debt write-off for the 2017-18 fiscal year.
INFORMATION/DISCUSSION/ACTION (D. Gordon)**

Mr. Gordon stated the request is to approve the amount of \$2635.21 as a write-off for bad debt.

ACTION: *Mr. Owen made a motion to approve the amount of \$2635.21 as a write-off for bad debt; Mr. Lee seconded the motion, which passed unanimously.*

7. Open forum/general discussion on the survey of Homeowner Associations for the benefit of strategic planning for the BPW. INFORMATION/DISCUSSION/ACTION (D. Gordon)

Mr. Gordon stated, as directed by the Board, there has been survey and outreach to the community to see what they want regarding BPW's strategic planning.

Mr. Calaman reviewed the questions asked on the survey given to the homeowner associations. The results discussed today are based on the five surveys returned of the ten mailed. Another two were received earlier today and are not included in these results.

Questions included:

1. Would the community be interested in smart meters. (4 yes, 1 no)
2. Would you want BPW to control any devices in the home. (1 yes, 4 no)
3. Review real-time meter readings and usage on a portal. (4 yes, 1 no)
4. Outage-management systems. (3 yes, 2 no) Depending on the costs
5. Would you be willing to pay for the smart meters. (4 yes, 1 no) Depending on the costs
6. Would the community be interested in a user-friendly customer portal and webpage (5 yes, 0 no)
7. Is BPW providing adequate information about its services (5 yes, 0 no) One comment mentioned having infrastructure updates and costs.
8. What additional information do you want to receive from BPW and the best way to communicate this information.

Most requests were for alerts of outages with estimated times; text messages; stream corridor monitoring.

9. Should BPW have a social media presence. (1 yes, 4 no)

10. How often is there discolored water.

Most discolored water was with hydrant flushing and the work on Front Street.

11. Confidence in the water supply. (5 yes, 0 no)

12. Does the association have water-quality concerns.

One request for broader water sampling, which is now in progress.

13. Does the community have stormwater issues. (4 yes, 1 no) Most were Marina Drive and the tax ditches on New Road; flooding Canary Creek bridge; Savannah Road at the wastewater treatment plant.

Mr. Calaman stated additional comments on renewable energy were impacted by the rates with 100% yes for community solar; 75% yes for alternative-energy vehicles; BPW storage facilities 75% yes; wind facilities 50% yes.

Comments continued to include:

- Clean stormwater ditches; encourage water-permeable driveways
- Work with the City on zoning issues and preserving land
- Explain the ready to serve charge; explain water pressure and impact on the water system
- Sewer discharge at the wastewater treatment plan; inform the community of water quality issues
- BPW to provide stream corridor monitoring, internet, and cable
- Provide more inspections on connections during construction to search for galvanized and lead pipes and alert owners of older properties about this issue; keep records of property repairs after construction
- Repair streets faster after construction

Mr. Gordon stated galvanized pipes have not been used since 1972. BPW continues to check the older properties for any remaining galvanized or lead connectors and pipes to be replaced. Most of the problems with the water pressure is coming from plumbing issues and pipe sizes inside the homes.

Frosty McDaniel, President of Pilottown Park Homeowner Association, stated everyone in his development is happy with BPW. The only water problem that occurs is when the lines are flushed. There is a concern about BPW having the power to turn off utilities with the use of smart meters.

Larry Edwards, President of Bay Breeze Estates Homeowner Association, stated everyone in his neighborhood is pleased with BPW. There are concerns about the senior citizen residents adapting to the new technology and being notified when water or power is being turned off. CodeRED is being promoted in the Bay Breeze Estates newsletter.

Thomas Panetta, 125 Washington Avenue, stated this is a great start with input from the homeowner associations. Are there plans to speak to the community to be included in the strategic planning. The Planning Commission had a survey online through SurveyMonkey and received about 200 responses.

President Alfred stated this was the first step in the process with plans to include input from other homeowners in the community. There have been questionnaires included in bills in the past, but no responses were ever received.

Mr. Calaman stated SurveyMonkey may be used for a future survey to the whole community when CodeRED is completed.

Mr. Gordon stated it is important to note that CodeRED will be used for emergency alert notification only and will not include advertisements or surveys.

Mayor Becker stated the Mitigation Planning Team will be having a workshop in September to include a sign-up for CodeRED.

8. Open forum/general discussion and adoption of the proposed 2018-19 to 2022-23 Capital Improvements Budget. INFORMATION/DISCUSSION/ACTION (D. Gordon)

Mr. Gordon reviewed the budget amount of \$4,190,000 for this year.

Water

There are placeholders for valve and hydrant replacements; vehicle; Beach #2 parking lot is \$100,000; Pilottown Road project (300 to 400 block) for the main abandonment is \$850,000 to include the cost for repaving since it is a State road; lead line replacements to include Pilottown Road, Third Street and Burton, Johnson Street, Kings Highway and DeVries, School Lane are being considered to be moved up to the next two years; in consideration of moving the lead line projects up, there are concerns about 'construction fatigue' and the impact on residents. Also, the State limits the number of permits for construction on State roads.

Water Production

There is now enough money in the operation budget for enhanced well monitoring with additional analysis and testing. Direction would be needed from the Board for installation of a monitoring well.

Mr. Kennedy stated the importance of monitoring the wells for any changes due to construction in the recharge areas. Does Staff trend the annual test results to be aware of any changes in the aquifer since it is a nonconfined aquifer and subject to receiving contaminants.

Mr. Owen stated it is important to have a serious baseline because of the construction taking place over the wellheads.

Sewer

Placeholder for DeVries Circle sewer line replacement is \$190,000; upgrade the wastewater treatment plant computer system is \$150,000; outfall pipe repair or replacement and coordinating with DelDOT plans for the railroad bridge removal.

Stormwater

Purchase of a smaller vehicle and vac trailer for use on smaller streets.

Electric

Replace the older bucket truck; replace aged conductors across the bridge on Savannah Road; \$340,000 cost for 69 KB Breaker.

Support

The State has changed the right-of-way laws giving access to communication companies and BPW has been asked to have an antenna near Cape Shores. Mr. Gordon requested BPW also pay to install additional antennas in the City at a cost of \$4,000 each and is waiting for an answer from the communication company. There is \$38,000 in the budget for a meter-reading electric vehicle.

Mayor Becker questioned if leasing the bucket truck was considered as an option to level the cash flow. Mr. Gordon stated he would check into this option.

ACTION: *Mr. Leshner made a motion to approve adoption of the proposed 2018-19 to 2022-23 Capital Improvements Budget; Mr. Lee seconded the motion, which passed unanimously.*

9. Open forum/general discussion for Resolution 18-001, Mail line extension policy. INFORMATION/DISCUSSION/ACTION (D. Gordon)

Mr. Gordon stated the purpose of Resolution 18-001 is to make it more attractive for developed areas to be served by BPW. This would be a pro-rata share cost for installing the lift station with BPW paying the remainder to be collected as other homeowners join. There would be a time limit of three years with an interest percentage added to the amount to join after the three-year period. This resolution would be the template of how to do the pro-rata share of costs.

Mr. Hoffman stated Exhibit 1 is the map the Board would adopt today. This map would be amended as Mr. Gordon and the engineer work on new areas, but the Board would always need to approve and vote for Exhibit 1 to be amended.

Mr. Gordon requested the Board vote to approve Resolution 18-001 today because of the direct impact and influence on Savannah Place within the City limits. Donovan Smith is in talks with the City about annexation and the Beebe property is also within the City limits. The calculations for the EDUs are differentiated by the type of development.

Mr. Leshner stated his concern is if the resolution can be amended because he would like to review the calculation of the EDUs to see if there would need to be changes. Also, the term 'latecomer fees' may sound offensive.

Mr. Hoffman stated Mr. Gordon and the engineer have identified and calculated the EDUs on Exhibit 1 and this would be applied for the policy when adopted by the Board. Regarding the term 'latecomer fees' being offensive, this would be a policy question for the Board and can be amended before action is taken today. This is the term found to be used in other jurisdictions.

ACTION: *Mr. Lee made a motion to have the resolution read by title only to be placed before the Board for consideration; Mr. Owen seconded the motion, which passed unanimously.*

Mr. Hoffman stated the Board has the option to move to have the resolution read in its entirety or read by title only. The motion is to have it read by title only, and this is sufficient for our purpose.

Mr. Kennedy stated having all documents to be discussed today available on the website for the public is a more efficient use of time than reading the entire resolution into the record.

Mr. Hoffman read Resolution 18-001 by title only into the record.

Mr. Kennedy stated he is in favor of the resolution. It provides the opportunity in the BPW service area to provide water and sewer services on an affordable basis and to collect the costs in a way that does not burden customers. It will benefit the environment by removing failing wells and septic systems. Also, each map should be dated for future updates. There needs to be a change in the language in Exhibit A pertaining to developed properties, undeveloped properties, and the developer being required to pay the infrastructure costs and impact fees.

Mr. Hoffman stated Exhibit A and the resolution are before the Board for adoption today as is. Action can be taken on the resolution today with an amendment presented at a later date containing the language changes requested to Exhibit A.

ACTION: *Mr. Kennedy made a motion to adopt Resolution 18-001 as presented; Mr. Owen seconded the motion, which passed unanimously.*

10. Open forum/general discussion of the results of discussion with Dawn Lund regarding a proposed sewer rate design study. INFORMATION/DISCUSSION/ACTION (D. Gordon)

Mr. Gordon stated, as directed by the Board, he spoke to Dawn Lund of Utility Financial Solutions who did the rate study in 2016. The question for Ms. Lund was whether to look at the sewer rates as they are or to have a Winter average usage to remove the 80% to give as an average.

Mr. Gordon reviewed his discussion with Ms. Lund:

- Ms. Lund stated she feels the 80% was reviewed and is adequate
- This change will raise the price for some residents with subsidizing for others
- This is a seasonal community with 40% having zero usage in Winter
- Ms. Lund will do the rate study if requested, but the rates set in the last study should continue for five years

Mr. Owen stated he is concerned about the impact on permanent residents and the cost of the review by Ms. Lund.

President Alfred stated this is year two in a five-year rate study. It would be better to wait to review the terms in three years rather than spend the money for another study at this time.

Mr. Kennedy stated he disagrees with Ms. Lund and feels two years under a flawed rate study is too long. There is a refinement that can be made to the wastewater tariff. Ms. Lund did not present a study that would document that 80% would be better than 40% or any other number. This is an opportunity to modify the schedule to make it fair to everyone.

Mr. Kennedy continued stating the revenue stream of the utility and residents who are not here during the Winter are not hurt by having a revised domestic gallonage and capping it. The revision to the rate structure will provide savings to the customer and the utility. The rate study should not be that costly because only the specific numbers to be calculated are needed. Regarding the rental properties, is the water usage of a seasonal rental property any different from a residential property occupied all year. Since all rental properties are identified, the usage patterns could be reviewed to see if these are in a different category. These questions could be reviewed by a rate engineer without waiting another three years for the answers.

Mr. Kennedy continued stating the benefits of the new rate methodology would include savings for customers because there would be no need for an irrigation tariff, the \$4.00 per month customer charge, or the higher water price for irrigation since it would be billed at the domestic rate. There would be savings to the utility because there would be no need for meter reading or investment in meters in the future for irrigation purposes. The need is for an evolution of the existing rate structure to make it fair for those using more water outside than inside who are being charged sewer when this service is not being received.

President Alfred stated Mr. Gordon has completed what the Board has directed, and Ms. Lund concluded BPW is in good shape at this time.

Mr. Leshar said he would first like to see what information is available to the Staff attending the American Water Works Association meeting and to also speak further with Ms. Lund.

11. Open forum/general discussion to give update on Alevo and Highland Acres tax ditch project. INFORMATION/DISCUSSION/ACTION (D. Gordon)

Mr. Owen stated this was discussed at the March 28, 2018 Board meeting and included some inaccurate facts. BPW is involved with the tax ditch as a consultant only; this tax ditch belongs to DNREC with their engineers for installation. The discussion began with an email from a private citizen who stated the tax ditch was being improperly installed and BPW would need to repair it or water would flow uphill. The pipe is being installed by DNREC with monitoring by Mr. Gordon who has stated it is going in the right direction.

Mr. Gordon stated there is a representative onsite from GMB Engineering, Mark Wiggins, who assures BPW that the tax ditch is being properly installed as designed. The contractor is being paid by the developer of Highland Acres with no funds from BPW, DNREC or the Soil Conservation District. BPW will be responsible to provide the pipe maintenance cleaning beginning one year after it is installed and running with no charges to anyone.

In reference to Alevo, Mr. Owen said Alevo painted part of the BPW building, installed a new roof and some plantings, cleaned the building, and paid about \$40,000 in rent with some rent still owed.

Mr. Hoffman stated this is an ongoing matter including working with the City regarding Alevo's obligations. Discussions continue with Lewes City Solicitor Glenn Mandalas. A notice of breach drafted in conjunction with the City was sent to Alevo a few months ago. The lease agreement has both the City and BPW listed as the landlords per the Charter. BPW is aware of the matter and is working on the next steps to take. He and Mr. Mandalas are available to discuss any concerns.

Mr. Kennedy questioned the status of retitling BPW properties. Mr. Hoffman stated this is an ongoing matter with no additional information to report at this time. Mr. Kennedy stated Mr. Mandalas was directed to complete the work to then be presented to Mr. Hoffman and the Board. Mr. Hoffman stated Mr. Mandalas was working on the matter before he took over as counsel for BPW. He stated he is now researching the issue with Mr. Mandalas to provide options for BPW and the City.

**12. Open forum/general discussion to report on current project review.
INFORMATION/DISCUSSION/ACTION (D. Gordon)**

Mr. Gordon reported the following:

- Front Street should be completed for this phase on Friday; the paving will be temporary until January 2019 when the project continues at the manhole near the Inn
- New waterline from Savannah Road at the bridge to the intersection at Third Street; improvements to the island at 1812 parking lot; sidewalks to be finished on both sides in the next two weeks
- Gills Neck Road is complete including the paving
- Replacing the 69 KB breaker on Savannah Road metering station
- With the approval of Resolution 18-001 will have a firm estimated cost for Savannah Place
- Waiting for engineering to be completed for Donovan Smith to move forward with estimated cost
- Abbotts Park renewed water and sewer; all lines in the park are located under the homes; State has agreed to funding and grant money for work in the park

**13. Open forum/general discussion of the April 28th Household Hazardous Waste and Electronics Equipment Collection and Drug Take Back Day.
INFORMATION/DISCUSSION/ACTION (D. Gordon)**

Mr. Gordon stated the hours will be from 10:00 A.M. to 2:00 P.M to take place at the BPW Schley Avenue location.

14. MEETINGS ATTENDED BY BOARD MEMBERS OR STAFF

Mr. Lee reported he has attended the construction progress meetings.

Mr. Owen reported he attended the Lewes Planning Commission meeting.

Mr. Leshner reported he attended the SCAT meeting on April 4th and the luncheon held by the City for volunteers on April 24th.

Mr. Kennedy reported he also attended the April 4th SCAT meeting; Tidewater meeting regarding service territory clarification; BPW roundtable meeting.

15. BOARD OR STAFF REQUESTS FOR AGENDA ITEM(S)

None

16. CALL TO THE PUBLIC

City Councilman Rob Morgan had a question regarding the email from a private citizen Mr. Owen referred to during his discussion of the tax ditch for Agenda Item #11.

Mr. Owen stated the email, which he has not seen, was received by City Councilman Dennis Reardon who spoke of it during the BPW March 28th meeting. Mr. Reardon said the email stated the pipe in the tax ditch was installed improperly and the water would flow uphill.

Mr. Morgan stated he was concerned the email being referenced as not being based on fact was his newsletter. Being present for the meeting, the discussion stated BPW was more than a consultant for the tax ditch, and it was acknowledged by the Board's management that BPW had taken over the responsibility of supervision.

Mr. Owen stated it was not Mr. Morgan's newsletter, but the email received by Mr. Reardon that was referenced. The discussion during the March 28th meeting was that BPW would check into this because Mr. Gordon was not present today. Mr. Calaman also stated additional information and investigation would be needed. The email Mr. Reardon received was not factual.

17. CALL TO THE PRESS

None

18. EXECUTIVE SESSION

ACTION: *Mr. Lee made a motion to adjourn to executive session; Mr. Owen seconded the motion, which passed unanimously.*

19. RETURN TO OPEN SESSION

20. OPEN FORUM/GENERAL DISCUSSION AND /OR ACTION ON ANY ITEM FROM THE EXECUTIVE SESSION

21. ADJOURNMENT

The meeting adjourned at 6:00 P.M.

Respectfully submitted,
Jackie Doherty, Recording Secretary
Lewes Board of Public Works