

BOARD OF PUBLIC WORKS

Vision

The Board of Public Works exists to improve the quality of life of the customers we serve.

Mission

We are dedicated to providing our current and future customers with utility and other value added services in a safe, reliable, and economical manner consistent with sustainable growth, community involvement, and environmental stewardship.

Regular Meeting of the Board of Public Works was held in Lewes City Hall, Council Chambers, 114 East Third Street, Lewes, Delaware on Wednesday, July 25, 2012 at 7:00 p.m.

Board Members Present:

*C. Wendell Alfred
D. Preston Lee
Jack Lesher
James N. Richmann
Candace Vessella*

Ex-Officio Members Present:

*James L. Ford, III – Lewes Mayor
Fred Beaufait – Lewes City Council
Darrin Gordon – General Manager
Heidi Wagner – Asst. General Manager
Glenn C. Mandalas – Legal Counsel*

Others Present:

*Scott Chieffo – BPW Water/Wastewater Supervisor
Lori Brown – Severn Trent
Mathew Grabowski - DNREC
Russ Allen – President Lewes Historical Society
Richard Christie – Resident
John Cross – Resident
K. J. Ganghy - Resident
Linda and Bob Gibson - Residents
Harry Glembocki – Resident
Joe Hoechner – Resident
Richard Kirschner – Resident
Linda and Jerry Rathmanner - Residents
Jim Sleasman – Resident
Joe Stormer - Resident*

1. Welcome, Call Meeting to Order and Pledge of Allegiance

At 7:00 p.m., President Alfred welcomed everyone, called meeting to order and led Pledge of Allegiance. A moment of silence was observed for our troops serving our country.

2. Roll Call

President Alfred stated all Board Members, General Manager Darrin Gordon, Assistant General Manager Heidi Wagner, Mayor James Ford (late from previous appointment), and Legal Counsel Glenn Mandalas are present.

Darrin Gordon announced Scott Sheffield started Monday as the new Water/Wastewater Supervisor [his previous experience is in Pennsylvania].

3. Revisions and/or Deletions to the Agenda

President Alfred recommended pulling President and Vice President Reports.

***c) President Report:**

A power outage happened on July 16, 2012 when lightning struck near the switching box on Savannah Road. The system performed exactly as it should acting as a ground-fault circuit interrupter turning off when power became too hot. Power would have been back on sooner except staff was unable to get here quickly because traffic was so bad. Outage lasted about 55 minutes; public understood and no one complained. Staff swung into action restoring system without any damage. Staff deserves praise for services they render to the City. Darrin Gordon asked to convey thank you to staff.

New water production plant to be located at well fields. Preston Lee received final 100% drawings today and will review one last time. Everything looks good and getting very close to bid when permits are in line.

***d) Vice President Report**

Candace Vessella presented new website details. Announcement will be in this month's billing with addresses: www.lewesbpw.delaware.gov and www.ci.lewes.de.us. New website is more efficient and effective for BPW staff to

add information as needed within minutes of receipt to provide updates along with answers to questions. New events are on website such as Water Quality Report and Electric Rates; bill paying service is provided on line. ***If there is an emergency***, everyone is encouraged to ***telephone BPW*** rather than email; information or questions may be inserted with prompting to call if an emergency. Attention drawn to left-hand side of scanned photo images; everyone is asked to help identify the images because cryptic notes on back are only clues. Documents and forms [a work in progress], information papers, frequently asked questions are accessible. After reviewing, please let Board know your suggestions through website or phone calls. New information paper "What is the BPW Cash Reserve Policy" will be included in billing and added to website [Cape Gazette mentioned the cash policy; this BPW cash policy has been in existence for possibly beyond three years]. Board is continuing efforts to explain how BPW operates and uses utility funds to provide services to our customers. President Alfred informed everyone a State of Delaware consultant did new website without charge; phenomenal team effort by Candace, Heidi, Kris, and Laura is appreciated with expressed praises.

4. CONSENT AGENDA:

- a) Receive General Manager Monthly.
- b) Receive Severn Trent Report.
- c) Receive President Report.*
- d) Receive Vice-President Report.*
 1. Website Report
 2. Cash Policy Info Paper Issued.
- e) Receive Secretary Report.
 1. Approval of Regular Minutes dated June 27, 2012.
- f) Receive Treasurer Report.
- g) Receive Asst. Treasurer Report.

James Richmann motioned to approve the Consent Agenda, Preston Lee seconded, and motion carried unanimously.

OLD BUSINESS

5. Open forum/general discussion from the Chesapeake Utility Meeting of July 19, 2012 with D. Preston Lee and Darrin Gordon. (D. P. Lee, D. Gordon)

INFORMATION:

Preston Lee followed up on Chesapeake Utility's progress with providing natural gas to the community. He met with a CU staff member who is planning the distribution system throughout the City to discuss synergies between BPW and CU and the measures happening to help both Lewes and CU. Initial conversation involved BPW putting two water mains under the canal in next year or so. Confirmation made CU also intends to put mains under the canal therefore work done at the same time would save money.

Shane Breakie, CU Director of Natural Gas Services, and Charles Russell, CU Engineering and Compliance Manager met with Darrin Gordon and me to discuss: (1) potential with the canal, (2) sharing costs with coordination of meter readings, (3) BPW's 5-Yr. Capital Plan given to them to organize our road and pipe work, (4) CU's seriousness about providing service quickly to the City since not moving very fast with no plan and no census taken in Lewes, (5) suggestion made for them to put together questionnaire for Lewes residents with distribution through BPW billing, (6) CU was asked about BPW providing the service by buying wholesale but no interest. Effort is to provide better service to Lewes customers/residents because BPW receives nothing directly.

Currently, Board is asked to decide whether to continue negotiations or discussions with CU with possibility of a contract at some point for legal purposes.

DISCUSSION:

President Alfred discussed this information with Darrin Gordon; BPW working on a Lewes survey with CU would show good faith as a start. Candace Vessella remembers CU has made a commitment to survey citizens of Lewes so giving them assistance by inserting in BPW bills is an effective way to begin. Jack Leshner asked Darrin Gordon about his concerns; Darrin responded BPW is being very careful about investing money and adding a piece of paper into billings is not an expense but an effort to help customers. Glenn Mandalas was involved in negotiations of franchise agreement; distribution of natural gas to residential users and not just commercial users was important to the Mayor and City Council so BPW's and the City's involvement with CU's actions and direction will only help Lewes residential users receive natural gas more quickly. There are some restrictions based upon the PSC as far as what communities and when and how CU proceeds. James Richmann is in favor and will help in any he can. Since CU was offered help involving no costs to BPW, the General Manager has authority to determine contents without a Board vote.

ACTION:

President Alfred agreed with everyone's support for Darrin Gordon to proceed as discussed. Several customers on the main lines to the hospital were offered an opportunity to hook up and accepted the offer.

NEW BUSINESS

6. Presentation to the Lewes Historical Society. (C. Vessella, C. W. Alfred)

Candace Vessella made presentation to Russ Allen, President of Lewes Historical Society, of images of original photographs with scanned versions for safekeeping and for use as they see fit. These images are now on BPW's new website. If possible, the Historical Society's help with identification will be appreciated.

7. Presentation from Severn Trent Services on the results of the State Compliance Sampling & Inspection and the Severn Trent Annual Report. (L. Brown, D. Gordon)

INFORMATION:

Darrin Gordon discusses highlights of the two reports followed by Lori Brown's comments. Annually, BPW receives ST report covering their efforts for previous year. Also, DNREC does an annual review "Compliance Sampling and Inspection" explaining how well BPW is doing its job.

Letter dated July 3, 2012 is the conclusion of the "Compliance Sampling and Inspection" report:

- Inspection held on June 26, 2012. Housekeeping and plant operations were very good. Data handling and traceability were found very acceptable. All data and reports requested were produced in a timely manner. All calibration documentations were produced and found to be up to date. Laboratory reports, reagents, instrumentation, and methods found to be within NPDES requirements.
- The Annual Review and Management Approval are to be documented; they found even though Annual Report was done, there was no documentation. [This indicates a negative; review is not perfect, but very close.]
- There were also concerns with some drums. Second page of letter under Note indicates "...immediately within the week on July 2 DNREC received a phone call stating all concerns were taken care of in a timely manner. On behalf of Glenn Davis, myself [Nicole Smith] and State of Delaware DNREC, I thank you for this very prompt and efficient response to a potential hazard and for your dedication to this program for the protection of our surface waters. The prompt actions of you and your staff, Severn Trent Environmental Services, and Lewes BPW are recognized and appreciated." This was a time I was not in the office so Heidi Wagner and Lori Brown were very proactive and the report is exceptional.

Annual Report from Severn Trent: notes everything accomplished in the facilities

- Everything accomplished in the facilities while maintaining the system and in exceptional order is detailed.
- An industry concern with an outside contractor maintaining a system is they do minimum to get by and the asset declines over time. At end of contract, asset is worn out. This is not the case. ST is taking care of plant as if it was their own and I am very happy and proud with what they do.
- Another essential detail in report is Safety; they are very conscientious about Safety for BPW and ST.

Lori Brown: Thanked everyone for the opportunity to supervise the plant. She loves the work and staff is absolutely wonderful. Next week, everyone is being honored at the facility with a 5-year award for continuous compliance with our permit from DNREC; award called "Clean Water Partnership."

DISCUSSION:

- a. Preston Lee said report is short and sweet while hitting all the major points with needed information. Questioned why it takes until July to receive report for 2011 and asked to receive quicker for this year. **Lori Brown responded she took reins in March and after reviewing contract information found this report was due;** with help of a co-worker finished report. Currently collecting information for next report and should be ready by end of Jan 2013.
- b. Preston Lee referenced one of the last items in report about budgeting the ultra-filtration units and cassettes in the Capital Plan because it represents a large item even though GE has had in place for ten years without problems. Lori Brown said a stringent program is followed using preventive maintenance to take good care of the cassettes while ensuring integrity of the cassettes throughout the processes. Item is simply a reminder since it has a very large ticket price. Zenon recommends not adding one cassette to a train but adding the three cassettes for each train; do not put a brand new cassette in with two older ones. Preston Lee asked Lori Brown to keep Board informed of possible needs.
- c. President Alfred told everyone replacement of all 12 cassettes would cost \$1.4 million

8. Open forum/general discussion on the renewal of the HMS Insurance Associates comprehensive insurance coverage. (C. W. Alfred, D. Gordon)

INFORMATION:

President Alfred and renewal process was successful with a savings of \$60,267. HMS, insurance broker, went to ten different carriers on BPW's behalf with ten rejections because some companies work with specialties or don't want to deal with municipalities. Premium summary for worker's comp and commercial package covering all the property is \$142,066. As in past, they did a consistent review of program and coverages to ensure zero gaps. We are proud HMS handles our business and again tested the market; their service is incredible as requests and needs are handled instantly. President Alfred recommended acceptance of renewal premium at \$142,066.

ACTION:

James Richmann motioned acceptance of \$142,066 renewal insurance coverage, Jack Leshner seconded and motion carried unanimously.

9. Open forum/general discussion on the streetlight tariff. (D. Gordon)

INFORMATION:

Darrin Gordon said for last year working through the City BPW received an energy grant working through the State. Part of grant was used to put in energy-efficient LED streetlights to save money as shown in spreadsheet handout. City has 860 streetlights and 155 new LED lights have been installed [32 200W LED's; 65 150W; 31 100W; 27 70W]. Main locations are down Savannah Road south and Kings Highway for a savings of approximately 9.21%. City charged for the electric bill therefore proposal is to reduce current electric rate of \$0.1303 by 9.21% to new rate of \$0.1183. City

pays approximately \$6,000-\$7,000 a month depending on seasons and new rate equates to about \$600/month savings.

DISCUSSION:

Metering the street lights would be an astronomical expense.

Total expense to replace the 155 lights was \$122,000 or about \$700/each. Return on investment is about 17 years; lights are advertised to last about 25 years and industry says more like 15 years. Replacement of all lights may not be best decision. Elaine Pease thinks more grant money is available to purchase a few more lights.

Darrin Gordon asked to approve the new electric rate for the City. Glenn Mandalas asked to see some documentation when questioned about being a tariff rate. No problem with implementing the rate now and present a resolution for ratification at next month's meeting.

ACTION:

James Richmann motioned the BPW reduce the City of Lewes electric street lighting rate by 9.21% effective immediately contingent on documentation at next Board meeting of a formal proposal for tariff adjustment on this rate, Candace Vessella seconded, and motion carried unanimously.

10. Presentation/general discussion on the partnering with DNREC Division of Watershed Stewardship, Drainage Program on aligning the Highland Acres Tax Ditch easements with corresponding Lewes BPW storm drain. (D. Gordon, M. Grabowski)

INFORMATION:

Darrin Gordon started by stating the purpose of this partnering with DNREC provides no gain or change to BPW.

Introductions: Matt Grabowski, DNREC, helped initiate this effort; Joe Stormer, PTV, is tax ditch representative.

Map Graphics Presentation:

- One tax ditch in Lewes. Pink line shows Highland Acres Tax Ditch. Yellow lines are easements part of tax ditch.
- Next graphic shows catch basins and storm sewer piping network owned by BPW. Extent of the right-of-way and the tax ditch boundary are in yellow.
- Next, blow-up of area. Top is Harbor Health Care then Canary then 80-ft. easement from top of bank of old tax ditch. Another way is another 80-ft. easement owned and held by tax ditch. Homes are inside the ditch easement and are completely covered by that easement.
- Before PTV was constructed, that is where the water went; that ditch was there. PTV was built and those easements never changed. BPW lines shown in the new construction feeding into the pond.
- Two prongs in tax ditch: Prong A comes somewhat around Canary. Prong B has phragmites in back of homes causing problems for Joe Stormer but is not part of tonight's discussion. There are three more prongs.
- Picture of Prong A with green dots indicating BPW catchment basins and Stormwater. BPW has an easement going over the top of this Stormwater system.
- Both DNREC and BPW are proposing allowing that easement be moved and shrunk as indicated which is all that is being proposed; BPW will still be SW utility responsible for keeping maintained, cleaned, opened and operable.
- The tax ditch will swing its easement over the top of our easement and then clear area up for homes involved.\

DISCUSSION:

- Matt Grabowski, DNRC, added the 20-ft. wide easement existing over the storm drain; proposal is to match with the tax ditch. Ours is on top of Rollins property at the wooded section. Before ditch was relocated, it drained Joe Stormer's property. Now, the Stormwater draining system the City of Lewes maintains drains the property to some degree. We want to put the tax ditch easement over the City's easement to allow Joe's group to provide help with draining if City failed to maintain.
- Darrin Gordon said this proposal is really a 3-way agreement (1) BPW allowing tax ditch to put easement over the top of our existing easement (2) then Tax Ditch agrees on moving and where (3) owners of homes.
- Going back to first statement about not affecting BPW in any way, Darrin Gordon asked the Board approve for signatures and then give to DNREC or Homeowner's Association for signatures. Attorney has reviewed the agreement. There is nothing in there harmful to BPW or change intent of what has been done. Glenn Mandalas agreed the partnering does nothing to change the rights or responsibilities of the BPW; this is more about the tax ditch being aligned with where the water is being driven and directed rather than the old tax ditch which is no longer in the area where the water flows. The property owners have rights as well and the agreement will actually help solve the problems.

ACTION:

James Richmann motioned to approve draft agreement between DNREC, the Tax Ditch, respective property owners, and BPW regarding the alignment of Tax Ditch with the BPW Stormwater easement and Preston Lee seconded.

DISCUSSION:

James Richmann said it is the mission of BPW to improve the quality of life of the citizens of Lewes. If I were sitting there as a property owner, I might not be able to sell my house if title search came up with the easement underneath it. Matt Grabowski said pre-existing structures in the right-of-way prior to 2008 Tax Ditch Law [need to look up?] are grandfathered in and they would get a clear title to sell their house.

James Richmann replied it just makes common sense.

Glenn Mandalas said in addition even if the law changed in 2008 to recognize these situations, a title search company could have questions. This avoids potential buyer/seller questions in the future even if resolved ultimately it is one more step to avoid problems.

Preston Lee said it could save time and money and thanked Matt for bringing this situation to BPW's attention and working so well with Darrin.

Jack Leshner said his concern is what the pluses are for the homeowners who have this easement on their property. **Darrin Gordon** responded the BPW easement is there causing restrictions of not being able to build permanent structures on top of the easement but it does not further restrict. It is mostly a housekeeping concern and will help DNREC and homeowners in my opinion.

Jim Sleasman, PTV, said talked with Darrin and understands part of project is putting a large holding catch basin on the side of Canary Creek so the water going to Prong A from the Tax Ditch will go into the storm drain.

Darrin Gordon responded that is correct. Right at the corner where Harbor Healthcare is there is an 8-in. line coming from the collector at the tax ditch and puts it into our existing system. Plan is to go from an 8-in to the full 23-in. which is the size of our existing system.

Glenn Mandalas said once document is in place, that would be the next step.

Jim Sleasman said all the pipe drains on the pond now are coming off the street into our grass lots, etc. and there is quite a large bare earth tax ditch that developed at some point and there is usually a lot of dirt coming down with a storm. With a larger opening there, the water is going to come into Prong A and move down the pipe installed too high that runs along Canary Drive. I am concerned the agreement was done prior to the addition of this type of tax ditch feeding in to our pond. I want to talk to you at some point about this becoming more of a problem than anticipated and how we are going to address digging out and stopping silt.

Darrin Gordon answered Joe Stormer needs to be involved because the tax ditch has every right to have that water go through. DNREC and the tax ditch have every right to run the water through there and my job is to keep the pipes open. Matt, Joe, you and I need to discuss all the issues.

President Alfred confirmed Mr. Sleasman will meet with Darrin Gordon and Mike Grabowski to resolve appropriate issues.

Joe Stormer, tax ditch representative, said he just received documents and did not have a lot of input. Wants to hold up until more information is available because he has concerns of lawsuits and the City's responsibilities.

Document does not need to be signed to have it executed but all the signatures will need to be obtained.

President Alfred suggested tabling until further information is developed because of everyone's legitimate concerns.

Glenn Mandalas said he has thoughts whether BPW would indemnify or hold harmless the tax ditch but will share at another time and in a more appropriate forum. I tend to think there is a lot of work to be done on this before owners will all sign so I do not think you would be acting prematurely to go ahead and approve. Only reason I say that is again this does nothing to your rights as a board of public works. If at some point something is worked out and the document needs to be amended and you need to approve a different version that is appropriate as well. On the other hand, if you think it will ease tensions that were expressed, there is no harm with tabling it certainly.

ACTION:

James Richmann moved to table the motion and Jack Leshner seconded. Preston Lee opposed. Motion carried. President Alfred told everyone Tax Ditch proposal has been tabled for further discussions with the citizens as more work needs to be done.

11. Meetings attended by Board Members or Staff.

Preston Lee attended July 9, 2012 City Council Meeting, July 10, 2012 Bay Avenue Progress Meeting, attended a July 12, 2012 meeting with URS to review my comments on the design of the water plant, and on July 19, 2012 met with Chesapeake Utilities.

Candace Vessella attended a Planning Commission Meeting on July 18, 2012.

12. Board or Staff Requests for Agenda Item(s).

- a. Streetlight Tariff Proposal or City of Lewes Electric Rate Reduction by 9.21%.
- b. Darrin Gordon asked to put a possible update on the water plant with Preston Lee to keep public informed.

13. Call to the Public

Jim Sleasman added CU has given PTV and Bay Breeze questionnaires and 100 or more have been submitted so it is frustrating waiting for them to get their act together. Preston Lee knew they handed out questionnaires to some Civic Associations but not to individual homeowners. They don't seem to have a Master Plan. Discussion followed on City's agreement with CU. Glenn Mandalas suggested going to Public Service Commission's website where tariffs are posted with different utility providers within the state; not the City's agreement with CU but the tariff with PSC creates some of the restrictions on when CU can go in.

14. Call to the Press

No questions or comments.

15. Adjournment

Meeting adjourned at 8:12 p.m. No executive session.

Recorded by: Rosemary Shannon