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First and Phenomenal

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Photo by Candace Vessella.

On the night of Jan. 30, 2013, 50 miles-per-hour winds tore across the Eastern seaboard of the United States, disturbing sleepers and knocking out power service to hundreds of thousands of electricity customers. The winds took the roof off the top of the water treatment plant in Lewes, Del.

The next day, Jan. 31, utility crews from Georgia to Maine labored to restore electricity to more than 400,000 customers. But not a single customer in Lewes lost electricity that night.

Lewes Board of Public Works was lucky last fall when Hurricane Sandy made landfall. The storm appeared to be headed directly to Delaware, but it hit, with devastating effects, farther north. It was not luck, however, that kept Lewes energized on that blustery January night. The utility's commitment to reliability made a difference.

"Our reliability is phenomenal," said Darrin Gordon, general manager of the municipal electric, water and sewer utility.

Safety. Reliability. Professionalism. These words form the mantra for the Lewes Board of Public Works.

Safety of employees and customers is the utility's number 1 priority, Gordon said. Formal training programs on a monthly and quarterly basis and tailgate meetings before every project are simply part of the utility's routine.

The Lewes electric utility's service territory is about three square miles. The average age of the distribution system facilities is 13 years. The utility serves 3,200 customers—30 industrial, 200 commercial and the rest residential. About eight years ago, the utility invested heavily in its system by upgrading all conductors and poles. Instead of reacting to outages, Lewes BPW's small electric line crew of two lineworkers and one supervisor focus on preventive maintenance and tree-trimming.

Situated on the shoreline where the Atlantic Ocean meets Delaware Bay, the city of Lewes lays claim to a proud history. It was the first settlement in Delaware, which became the first state to ratify

the U.S. Constitution on Dec. 7, 1787. It was first settled in 1631 by Dutch businessmen who wanted to establish a whale oil business. The Dutch settlers called the town Zwaanendael, valley of the swans. But the whale oil business never materialized and those first settlers were killed in a massacre. Forty-nine years later, English settlers renamed the town Deale. Englishman William Penn laid claim to the territory in 1682 so he could make passage to his province, Pennsylvania. He named the town Lewes and the surrounding county Sussex, after the town and county of the same names in southeastern England.

Lewes today is a vacation spot. Many of the city's residents are seasonal dwellers who spend warm-weather months in the coastal city and migrate to tropical locations in the winter. Hotels and condominiums line the shore and accommodate summer beach-goers. Cape Henlopen State Park attracts campers, hikers, birders and is even a destination for weddings. Ferries carry cars and passengers across Delaware Bay from Lewes to Cape May, N.J. The popular Zwaanendael Museum commemorates the area's Dutch heritage. Visitors also love to tour Lightship Overfalls, a restored floating lighthouse typical of the type that was once commonplace on the Atlantic coast, but fell out of use in the 20th century. Historical homes and world-class restaurants are highlights for visitors and residents.

Residents of Lewes are highly educated and affluent. They appreciate the value of a locally owned and operated municipal utility. About three years ago, neighboring Delaware Electric Cooperative sought to buy the city's utility.

"We were quite the plum that they wanted to come and pick," said Gordon. A couple members of the five-person board were interested in exploring the possibility, but a board majority rejected the sale.

"Our board sees the value that we bring to the table for all of the utilities – how efficient we're operating and what we do," he said. "We have rates that compete with the co-op in spite of them not having to give 5 percent to anyone."

The utility pays 5 percent of its gross annual revenues to the city in the form of a payment in lieu of taxes.

Until a few years go, Lewes Board of Public Works had a staff of 18 people who ran its electric, water and sewer operations. Today, 12 full-time and two part-time employees do the same work.

"I have two linemen and one lineman supervisor in the electric department," said Gordon. "I have a meter reader who serves both water and electric. In water, I have three employees and one temporary. I have an office staff of three and an assistant general manager. Office staff members handle billing, complaints, human resources and financial management. The utility uses drive-by remote metering equipment. Assistant General Manager Heidi Wagner, an accountant by training, is overseeing implementation of new software to support utility operations.



Candace Vessella, left, is vice president of the Lewes Board of Public Works. General Manager Darrin Gordon moved to Lewes from Safford, Ariz., four years ago. Photo by Melissa Grimes-Guy.

The utility's governing board has five elected members. Mayor James L. Ford III is an ex officio, non-voting member. The elected board members are deeply involved in the utility's operations. Gordon admits the utility's approach is not by-the-books.

"My president is very involved in insurance, so he helps there. Our vice president is a professional communicator who worked in Washington, D.C., as a lobbyist. I use her regularly to put out white papers and to communicate concerns. She's phenomenal. I have a treasurer who is a CPA and had his own accounting firm. I've got a secretary who is a professional civil engineer who helps me review plans for the water and wastewater systems. And I've got another gentleman who is also in government and finance. He is the assistant treasurer and he's in the Pentagon helping cut budgets over there. It's a very professional, very educated group and I use them and abuse them regularly," he said with a grin.



Members of the Lewes utility board are very hands-on in utility operations. Board Vice President Candace Vessella, right, is an expert in

communications. Assistant General Manager Heidi Wagner is an accountant by training. **Photo by Melissa Grimes-Guy.**

Board members are not compensated for their board work. They serve staggered two-year terms. The board's active role in utility operations supports Gordon's goal of making the Lewes utility an employer of choice. "My staff is phenomenal," he said. "My goal is to make us the best utility. We will pay people well. We want people to want to work here."

Lewes BPW's success is bolstered heavily by its membership in the state municipal joint action agency, Delaware Municipal Electric Corp. Since 2012, Lewes has been a full-requirements wholesale power customer of the agency. For several years prior, the city-owned utility purchased power from Constellation Energy. DEMEC brings more to the table than power supply; it is also an advocate in the state Legislature and before state and federal regulators for Lewes and eight other municipal electric utilities in the state. DEMEC is coordinating its members' efforts to comply with a state renewable portfolio standard that requires the utilities to meet 25 percent of power needs from renewable resources by 2025.



C. Wendell Alfred, left, is president of the Lewes Board of Public Works. Other board members are Vice President Candace Vessella, Secretary Pres Lee, Treasurer Jack Lesh and Assistant Treasurer James Richmann. **Photos courtesy of Lewes BPW.**

Lewes is a big contributor to the renewable energy effort. The city has the highest per-capita installation of solar energy in the state, said Gordon. More than 40 homeowners have installed solar photovoltaic panels on their roofs and have net-metering agreements with Lewes BPW. The utility also has an interconnection agreement with the University of Delaware's College of Marine Studies for a 1.5-megawatt wind turbine.

Energy efficiency is evident throughout the Lewes BPW system. The utility's eight-year-old wastewater treatment plant uses microfiltration and is equipped with variable frequency drive motors. A new water treatment plant, due to begin operating later this year, will replace a 70-year-old plant and bring major new efficiencies. The office building that houses the Board of Public Works, the Lewes Police Department and other city administrative offices is three years old and is equipped with efficient T-8 lighting and motion-detector light switches. New LED streetlights installed by the utility in recent years brought the city's streetlighting bill down by 9.2 percent.

Gordon moved to Lewes from his native Arizona four years ago. His former boss, Ken Mecham left the municipal electric utility in Safford, Ariz., in 2005 to manage Lewes BPW. When Mecham needed a new assistant general manager in 2009, he persuaded Gordon to move east and join his team. Gordon was named general manager of the Lewes utility in 2011, after Mecham retired.

He's not looking back. He loves his new home and believes his utility is well positioned to succeed in the coming decades. The biggest challenge the 112-year-old utility faces is maintaining and building on its established efficiency. The biggest threats to Lewes BPW, he said, lie outside the city. The

electric utility industry as a whole is too reliant on natural gas, he said. Coal and nuclear resources must be part of the supply portfolio, along with renewables. Environmental regulations pose a big threat.

“We want to be good stewards of the environment, yet we’ve got to provide energy,” he said.
“People still want to be warm at night.”