

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, June 25, 2014 at 7:00 PM.

Board Members

C. Wendell Alfred
D. Preston Lee, P.E.
Jack Lesher
A. Thomas Owen
Nancy Levenson

Ex-Officio Members

Theodore Becker, Mayor
Darrin Gordon, General Manager
Glenn C. Mandalas, Legal Counsel
Heidi Wagner, Assistant General Manager

Others Present:

Andrew M. Haynie, CPA, CFE, PKS & Co.
Bill Cowan, 27 Devries Circle
Richard Bryan, 25 Devries Circle

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

At 7:00 PM, President Alfred welcomed everyone, called the 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 that all Board members, Darrin Gordon, General Manager, Assistant General Manager Heidi Wagner, Mayor James Ford, and Legal Counsel Glenn Mandalas are present.

3. Revisions and/or Deletions to the Agenda.

No revisions and/or deletions.

4. Consent Agenda

- a) Receive the General Manager Monthly Report*
- b) Receive Severn Trent Report*
- c) Receive President Report*
- d) Receive Vice-President Report*
- e) Receive Secretary Report*
1.) Approval of Regular Minutes dated May 20, 2014.
- f) Receive Treasurer Report*
- g) Receive Asst. Treasurer Report*

Preston Lee motioned to approve the Consent Agenda, Tom Owen seconded, and the motion passed unanimously.

5. Open forum/general discussion in receiving the preliminary report of the BPW financial audit. (D. Gordon, A. Haynie, PKS)

INFORMATION:

Andy Haynie said a preliminary draft was presented earlier this evening. The financial statements are still not complete. They are still some allocations that need to be done, but we are close to having all the entries. With the new software conversion, there are still some things that were posted to the wrong location. We are happy with where we are at this point and do not expect any major changes. The final report will be formally presented next month. Right now the BPW is in the black. The cash flow looked good for the year and here were no major concerns with the operations. With the audit process I believe we have ironed

out all the issues we had with the new accounting software and we are comfortable that most of that is being done correctly assuming the procedures are being followed starting for your next fiscal year.

Darrin Gordon asked Mr. Haney if he would describe the BPW as financially strapped, referencing rumors.

Andy Haynie said as the auditor I can make statements about the numbers. The BPW had a healthy cash flow again this year. You had operating income at the end of the year similar to the prior year. We always look at the income, specifically from operations, realizing there are other things involved in your bottom line such as debt payments, interest related to debt, and debt you have given to others. Your cash position and investment position are both in very good shape, and have actually increased over the prior year.

Preston Lee asked Mr. Haney if the BPW is dependent on new connections to our system to stay solvent.

Andy Haynie said no.

Tom Owen asked Mr. Haney if the issues with the new accounting software are well organized now.

Andy Haynie said from what I can see, I believe as the first of the year, the major issues have been cleaned up for the most part. As I have relayed, my goal was to get the audit finished and the audit adjustments posted and my expectation would be as your auditor to start receiving a monthly package and making decisions on a monthly basis by August. My experience is with a major software change, it is at least a good year before you are up and operating as efficiently as you were previously.

Jack Leshner proposed at the next meeting to prepare some ratios and formulas to help answer Mr. Gordon's concerns and to have a handout available for anyone who would like one.

6. Open forum/general discussion of the agreement between the BPW and the City of Lewes, allowing the City use of the Schley Avenue "Blue House" property for a parking lot. (D. Gordon)

INFORMATION:

Darrin Gordon said at the last City Council meeting the City Council presented the attached Memorandum of Understanding. They passed it unanimously. They built a parking lot on the "Blue House" property on Schley Avenue. The memo of understanding says that the BPW has the right to do something different with that property for the next five years. If the BPW takes back the property, we will reimburse them pro-grata. The agreement can be renewed after five years. The City or the BPW can terminate the agreement at any time.

Mayor Becker said this came about as a request from the residents in that area. We created satellite parking available at no charge to encourage people who work downtown to park there.

ACTION:

Tom Owen motioned for President Alfred to authorize the executed Memorandum of Agreement with the City of Lewes, Jack Leshner seconded, and the motion passed unanimously.

7. Open forum/general discussion of proposed changes and additions to the City of Lewes Code clarifying utility connections and services (D. Gordon)

INFORMATION:

Darrin Gordon said in the City Code we have Chapter 191 which reads "Water and Sewer Connections". The water connections are defined, but the sewer connections are not. Regarding the sewer our policy is that we take care of the mains and it is the customer's responsibility for the connection to the main all the way to the residence, business, or industry. But that has not been defined. We have created a proposed City Code amendment in which the sewer services pipes is defined in A, B, C, D (with exception), and E. This is a written definition and clarification of what we currently require and what we are currently doing. Glenn Mandalas has provided a draft ordinance for the City to accept into the City Code. I request approval for this amendment from the Board to send this to the City for their approval to be inserted into the City Code.

DISCUSSION:

There is discussion about what is normal for municipalities overall for water and sewer connections. It is agreed that that the Board will take more time to look over the amendment and hold the motion until next month's meeting. It is suggested that this be publicized as a clarification and not a change in policy. Mayor Becker also mentions adding to the proposal a note about streets being repaired to an existing road standard.

8. Open forum/general discussion of Senate Bill 226 requiring municipal electric customer bills show the green energy tax. (D. Gordon)

Darrin Gordon said that this item can be dropped. Per Pat McCullough, no action is needed at this time as it is unlikely that this bill will be moving forward this session. Darrin asks the Board to write letters to the representatives indicating that they are not for this bill. It is very costly to make changes to billing.

9. Open forum/general discussion of a possible planned outage to the Lewes BPW electric system for maintenance work performed at the BPW metering station on Savannah Road. (D. Gordon)

INFORMATION:

Darrin Gordon shows pictures of the metering station. It is the weakest link in the system, partially due to age plus other things. Darrin explains what exactly needs to be repaired and/or replaced by Delmarva. Darrin has asked them to push the repairs off until after July 4th and requested they do it on a week night at 12:00 or 1:00 AM. We are working towards not having an outage at all. There is an 80% chance of not having an outage by using the jumpers. There is also a breaker that needs to be repaired by the BPW that is included in the Capital Budget in three years. Darrin will be coming to the Board to ask for the money to repair it after the Delmarva repairs are done.

President Alfred said we should notify anyone who could be affected by this from a business standpoint such as businesses, the fire department, hotels, etc. It should be publicized in the paper as well.

10. Meetings Attended by Board Members or Staff.

Preston Lee attended the APPA (American Public Power Association) Conference and gave a brief overview. Darrin Gordon also attended the conference and added some comments as well.

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

President Alfred said that December 3, 2014 is the date chosen for the November/December 2014 Board meeting.

12. Call to the Public.

Bill Cowan, 27 Devries Circle:

I have a question about storm water. I am being charged \$5.00 per month. I have a ditch behind my house. The ditch is a mess and it is getting deeper. The prisoners used to clean it out. Darrin sent a couple guys to help, but ten days later I had to pay \$150 to get it cleaned out. This ditch is on my property, but it is your storm water that is going through it. The ditch needs attention.

Richard Bryan, 25 Devries Circle:

I would like to echo what Mr. Cowan said. I have lived there for fourteen years. I feel like I maintain the ditch on my part of the property. I look at this storm water charge and wonder what I am getting for it. The prisoners have stopped coming. About a year ago a band-aid was put on a PVC line but that is a mess. I know it doesn't meet today's standards for storm water, but I think it can be managed by today's standards.

13. Call to the Press.

No questions or comments.

14. Adjournment.

Nancy Levenson motioned to adjourn to Executive Session at 7:51 PM, Tom Owen seconded, and the motion passed unanimously.

An Executive Session was held to consult with an Attorney on Contract negotiations.

Respectfully Submitted,
Stephanie Moyer