

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, August 27, 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:

Douglas Spelman, 121 Samantha Drive
Mel Link, 117 Samantha Drive
Rob Morgan, City Council
Paul Eckrich, City Manager

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 Becker, 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 for July
- c) Receive President Report
- d) Receive Vice-President Report
- e) Receive Secretary Report
 - 1.) Approval of Regular Minutes dated July 23, 2014.
- f) Receive Treasurer Report
- g) Receive Asst. Treasurer Report

Darrin Gordon requested that the General Manager's report be removed from the Consent Agenda for an item to be discussed. There is a letter that has been prepared for the State of Delaware Department of Technology and Information. Connex Technology came and spoke to Darrin and President Alfred to talk about a possible grant from the State to help put in wireless internet services to the Lewes area proper. They were seeking support to take to the Governor. The letter has been drafted, and since this a Consent Agenda, the Board is requested to look at it. It simply says that it is a good idea for the area and Sussex County, but is not a commitment. This letter has been requested by September 1, 2014. Discussion ensues about why this falls under the General Manager's Report under the Consent Agenda, that this only indicates that the BPW is interested to hear more, and this letter indicates does not offer exclusivity to this company, and the reasons that this could be good for the City of Lewes, and how this involves the BPW. No motion is necessary.

Tom Owen motioned to approve the Consent Agenda as presented, Nancy Levenson seconded, and the motion passed unanimously.

5. Open forum/general discussion of the first quarter financials for the 2014-2015 fiscal year. (D. Gordon, J. Leshner)
INFORMATION:

Darrin Gordon reviews the first quarter financials and discusses the following items:

1. Line 1A are the utilities that the BPW has spent (the BPW is a customer to itself). Line 1B is the new BPW Contra Account. We do not write a check to ourselves but the amount has been accounted for. PKS wanted this and it makes the BPW more transparent.
2. Line 2A are the wages, salaries, and benefits and indicates that we are 26% below. Line 2B is the administrative line and is up 27%. This difference indicates the amount of money that we put into retiree benefits, and PKS has requested that we move it from 2A to 2B.
3. This is the repairs and maintenance. We have had a significant increase in repairs and maintenance due to osprey and squirrels. There has been about a \$30,000.00 increase in expenses. Sewer costs have also increased. We can improve this as we invest in improving our systems.
4. This is the change in net assets. At the end of the first quarter, we are about 9% below budget. I believe we are secure and sound.

DISCUSSION:

Jack Leshner asks Darrin to comment on the “Last Year” column.

Darrin Gordon said those numbers are askew, but will be on target in about seven months. Darrin explains why.

Mayor Becker suggests another term for “administrative”, or have “administrative” defined.

6. Open forum/general discussion of the agreement to extend the financial audit services for PKS Inc. until March 31, 2019. (D. Gordon)

INFORMATION:

Darrin Gordon said that we have a proposal from PKS. This is not a legal agreement, and we have the ability to fire them at any time.

DISCUSSION:

There is agreement among President Alfred, Darrin Gordon, and the Board that PKS is very reasonable priced, responsive, accessible, and helpful, especially through the Blue Ocean conversion.

Nancy Levenson asks why this is a five year agreement versus a three year agreement, and how do we get out of it.

Jack Leshner explains that before they begin their service for each auditable year, we sign an engagement letter. We could simply say we will not sign.

Glenn Mandalas believes the City Charter says the auditors serve a one year term. This is more a memorandum of understanding.

It is agreed to add language to the agreement saying that this isn't anything more than a memorandum of understanding as to fees so long as the BPW chooses to engage PKS each year.

ACTION:

Jack Leshner motioned to authorize the General Manager to work with Glenn Mandalas to add the agreed upon language to the PKS agreement, Tom Owen seconded, and the motion pass unanimously.

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

INFORMATION:

Darrin Gordon said that we are trying to add to the City Code what services the BPW provides for sewer service. **Darrin** summarizes past discussions, including what the BPW is currently responsible for, and last month's discussion regarding adding to the responsibility of the BPW by including the services lines from the main to the property line. The Board asked for costs for this additional responsibility. An estimate from Christiana Excavating Company to repair from the main to the property line, including a clean-out, would cost approximately \$6,550.00. An estimate from Harry Caswell, Inc. varied from \$5,500.00 to \$7,500.00 for a standard Lewis road. For a state road, the cost of those repairs goes up to as much to \$18,000.00. **Darrin** estimated that the BPW would be responsible for approximately four to five of these per year, totaling \$20,000.00 to \$100,000.00 each year in costs. Initially, there would also be the cost of equipment which would total about \$20,000.00. Item E has also been added which reads: “renovations over \$4,000.00 and that add additional plumbing fixtures will require renewal of all terracotta or non-plastic piping from the main to the property line with the addition of a clean-out at the property line at the owner's expense.”

DISCUSSION:

Discussion ensues regarding Item E and the \$4,000.00 threshold, whether it should be higher or lower, or if a number needs to be included at all, and if the additional plumbing should be the trigger. There is also discussion about new plumbing fixtures versus new plumbing connections, and what would trigger a permit, and how this impacts the language in Item E.

There is a question from the public asking if the costs to the customer would be similar to the bid costs. Darrin answers that he believes they would be similar.

It is agreed that revisions will be made to the policy draft for action at next month's meeting.

8. Open forum/general discussion of the proposed Household Hazardous Waste community drop-off sponsored by the Lewes BPW. (D. Gordon)

Preston Lee said that both DNREC and Delaware Solid Waste have signed off this. The first collection will be September 20, 2014 between 9:00 AM and 1:00 PM. Although this is meant for BPW customers, it must be open to the general public since Delaware Solid Waste will be picking it up. We will follow Delaware Solid Waste guidelines as far as what is accepted, and individuals will have a form to fill out.

9. Open forum/general discussion for the approval of the "Annexation and Utility Service Agreement" with Old Orchard Ventures, LLC and the BPW. (D. Gordon)

INFORMATION:

Darrin Gordon said we have been working with Old Orchard that is putting together a subdivision called Oyster Cove. It consists of about 22 townhomes. They are in our CPCN (Certificate of Public Convenience and Necessity), which means we have the right to serve them sewer. They will be putting in a sewer lift. This is a subdivision outside the City limits, which means they have to sign a pre-annexation agreement according to our resolution. We have received their pre-annexation agreement, and they will become annexed when the City of Lewes grows to them and they become contiguous and they touch it. The other part of the agreement says that if anyone else happens to tie on to that sewer line the developer of Oyster Cove will get some payback for that. The BPW will still get our impact fees. Darrin recommends approval of this agreement, at which point it will be passed along to the City to accept.

ACTION:

Preston Lee motioned to accept the Annexation and Utility Service Agreement with Old Orchard Ventures, Jack Leshner seconded, and motion passed unanimously.

10. Open forum/general discussion of setting the time and location for the September Board meeting to coincide with the DEMEC Annual Meeting September 24th, 2014 at 4:00 PM in Dover, DE.

President Alfred said in the past we have held the Board Meeting earlier in the day to allow the Board Members to attend the DEMEC meeting. It is agreed the Board Meeting will be held at 12:00 PM on September 24, 2014. No action is necessary.

11. Meetings Attended by Board Members or Staff.

Nancy Levenson met with the State Office that oversees the website with two BPW staff members.

Jack Leshner attended the Annexation Committee meeting and the City Planning Commission.

Tom Owen met with Darrin Gordon regarding Blue Ocean.

Preston Lee attended the City Council meeting and the Highland Acres Annexation meeting.

President Alfred noted that all Board members attended the FOYA presentation. Also, President Alfred, Darrin Gordon, the Mayor and City Manager meet every month.

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

Jack Leshner requested "Time with the Treasurer" to be on next month's agenda.

13. Call to the Public.

No questions or comments.

14. Call to the Press.

No questions or comments.

14. Adjournment.

President Alfred adjourned the meeting at 8:08 PM.

Respectfully Submitted,
Stephanie Moyer