

# 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, September 24, 2014 at 12:00 PM.**

#### Board Members Present:

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

#### Board Members Not Present:

*Jack Lesher*

#### Ex-Officio Members Present:

*Theodore Becker, Mayor*  
*Darrin Gordon, General Manager*  
*Glenn C. Mandalas, Legal Counsel*

#### Others Present:

*Kristina Keller, BPW*  
*Dennis Reardon, City Council*  
*Bonnie Osler, City Council*  
*Paul Eckrich, City Manager*

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

At 12:00 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 Jack Lesher is absent. All other 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.**

Item 7 will be removed from the agenda and added to next month's agenda due to Jack Lesher's absence.

#### **4. Consent Agenda**

- a) Receive the General Manager Monthly Report
- b) Receive Severn Trent Report for August
- c) Receive President Report
- d) Receive Vice-President Report
- e) Receive Secretary Report
  - 1.) Approval of Regular Minutes dated August 27, 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 of the Household Hazardous Waste Collection of September 20, 2014. (D. Gordon, D. Preston Lee, P.E.)**

**INFORMATION:**

Darrin Gordon showed pictures and said the collection held on September 20<sup>th</sup> was very successful. 150 plus people came through the collection site. Delaware Solid Waste will be picking up the bill for the collection. There is very little cost to the BPW. The costs include 2 printed banners for \$288.00 which are reusable. We sent out a postcard notice to our customers which cost about \$1,300.00 for the mailing. President Alfred, Preston Lee, and myself worked that day plus one employee who was on call. This will be a semi-annual event.

**DISCUSSION:**

**Mayor Becker** asked if there are plans to expand to include electronics.

**Preston Lee** said because there were some TV's and electronics brought, we would have to talk to Delaware Solid Waste because it is probably a different hauler because it goes to a different location.

**President Alfred** said it was very successful and people were appreciative. We were also able to educate people about disposing of latex paint.

**Darrin Gordon** reads a letter of thanks from a customer to the BPW providing this services.

**6. Open forum/general discussion of the BPW receiving the 2013 Delaware Department of Health and Social Services Water Fluoridation Award. (D. Gordon)**

**INFORMATION:**

**Darrin Gordon** said this award is for having fluoride in our water. We have been putting fluoride in the water since 1963. State law says that anyone who has been putting it in since 1965 must continue to do so. Fluoride is great for dental health and oral health. You can find people who say how horrible it is as well as people who say how wonderful it is.

**7. Open forum/general discussion BPW financial statement presentation and benchmarking. (Jack Leshner)**

Due to Jack Leshner's absence, this item will be removed and added to next month's agenda.

**8. Open forum/general discussion of a new proposal by Beebe Hospital to put a combined cycle generator on their campus. (D. Gordon)**

**INFORMATION:**

**Darrin Gordon** said a CHP plant is a very efficient generator that runs on natural gas. It captures the heat from the exhaust and use it to help fire steam and other heating needs in a facility. Beebe Hospital came to the BPW a year ago to partner with us on this. We went through all the due diligence including getting DEMEC involved and going over the numbers and we came to the conclusion that the cost per kilowatt hour was greater than our existing services. We thought the issue was put to bed. I was invited to a hospital neighbor meeting and they gave a presentation. They have applied through the state for a grant to put a 1 megawatt generator on their campus. I call that "behind the meter". In other words, the BPW will still serve the hospital but this generator is behind their meter so we don't see it or get the effects of it. The 1 megawatt generator will equal approximately 65% of their load. Their annual electric costs are at \$1.6 million. They estimate this generator will reduce their electric bill by approximately \$400K per year. As an industrial customer, they hit at least 500 kilowatts for at least 15 minutes in a one month period. There is a charge for their 2 meters which is \$222.00. They have a commodity charge for every single kilowatt of power that we serve them we have to buy the power and get it to them. The industrial rate is the commodity charge plus line loss. There is a percent of power that we lose to heat and to the ambient air. That percent is added because of their high volume. Industrial customers also have a demand charge. Whatever their peak is, we hold that demand charge for twelve months. I have contacted David Downes, with David Downes Engineering, to take a look at the impact of Beebe installing this generator on the BPW system. The University did something similar, so we have had customers put things behind the meter before. Part of the MOU we had with the University is that there would be no impact to our residential customers. After discussing this with Glenn Mandalas, we believe we have other remedies available because we cannot tell them no.

**Glenn Mandalas** said under Title 26, there is an interconnectivity agreement. If someone is covered under your CPCN and they want to do a self-generation type program like Beebe is proposing, there is an interconnectivity agreement that allows you as a Board through Darrin to regulate their application. As I see it, there are a lot of tools in the code for regulating that user. You can't say no, but you have a lot of control as to how they implement this if they decide to move forward with it.

**DISCUSSION:**

**Preston Lee** asked if we can find out what the bottom line impact is to our rate payers and require that they make that up.

**Glenn Mandalas** said he does not know the answer to that and would need to look into this.

Discussion continues about the effect of this to the rate payers and what precedent it might set. There is a question about why we can't say no because they are under our CPCN. There is a question about where they are in the process and Mayor Becker talks about their grant application. This is a much better back up system for their electrical system and hospitals around the country are doing this.

**Darrin Gordon** said the only communication they have had with me was at the neighbor's meeting.

**Mayor Becker** said they estimate that they will be able to provide 55% to 60% of their average daily load. They also estimate that they will be able to use the recaptured thermal energy to generate at least 90% of their thermal needs. That is the driving force. The generator will fit in an existing structure on their property. A big question is how the size of the new nursing school increase their demand. It may offset. This is not designed to meet their total needs. There was concern about noise at the neighbor's meeting and they said that at 30 feet, it will be 65 decibels, which is basically ambient noise level, and they think it will be even less noticeable being enclosed inside a building. This was not in the hospital's budget this year, so they have to figure out how to pay for it, but the possible 30% grant makes it very tempting.

**Glenn Mandalas** said if they move forward with this there is going to have to be some type of City approval process.

**Darrin Gordon** said I have an optimistic look at our rates as they are established right now to handle the peak things that are going on behind the issue. Our rates are honest and straight forward which allows us to be able to serve this.

**Nancy Levenson** suggested that the City and BPW should ask for a long term comprehensive plan from Beebe Hospital regarding their future plans.

**Mayor Becker** said he has asked for that and at the time it was not quite finished. The hospital is undergoing a huge amount of growth, especially in the last seven months. Approval by the hospital board is dependent upon the grant.

**Preston Lee** said we should at least send a letter to whoever is reviewing this application saying we have concerns and we are looking into it and to request for them to put a hold on it until we conduct our investigation.

**Glenn Mandalas** said we can send the letter, and it looks as if there are a few things that they will need to be in compliance of in order to move forward. We should send a letter incorporating these provisions to make sure they know we are aware of them.

**Mayor Becker** suggested that the BPW copy the President of Beebe on the letter due to our longstanding relationship with them.

Concerns are expressed regarding building a power generation facility in downtown Lewes and taking the responsibility of the operation and safety of power generation from the BPW to a private industrial user. It is agreed that Darrin Gordon and Glenn Mandalas will compose the letter discussed to be sent as soon as possible.

#### **9. Open forum/general discussion for the approval of proposed code change defining the responsibilities of the wastewater collection department. (D. Gordon)**

##### **INFORMATION:**

**Darrin Gordon** said this Resolution 014-?. This is the resolution that defines what our sewer service requirements are.

Currently we have a procedure in that we maintain the main, and anything outside that main is the responsibility of the customer who is on that main and anyone who has access to it including their laterals. This resolution says the BPW will now be responsible from the main to the property line. There has also been language added in Section E that addresses people who are undergoing additions to their homes. It says, "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 shall be required at the owner's expense for any renovations that require a City Building Permit and increase capacity." I believe this clarifies the intent and that it is somewhat vague enough that if there are any grey areas, I, as the General Manager, have the right to make a decision as to what is fair. Also, under Section A, it talks about new construction. Nancy Levenson has asked if there is a better definition for new construction.

##### **DISCUSSION:**

**Nancy Levenson** said that new construction can be argued a million different ways. I think it needs to be very clear regarding new construction versus renovation.

Discussion continues about this issue.

**Glenn Mandalas** suggested passing it as it to City Council, with a notation that you have a concern about new construction.

**Preston Lee** said regarding Paragraph E, to change the wording to "other non-plastic piping to PVC piping". Also notes a grammar mistake.

It is agreed to change the wording to, "removal of all non-PVC piping to PVC piping."

##### **ACTION:**

Nancy Levenson motioned to approve the proposed code change with revisions discussed, Preston Lee seconded, and motion passed unanimously.

#### **10. Meetings Attended by Board Members or Staff.**

**Preston Lee** attended the City Council meeting and the Hazardous Waste Collection.

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

No requests.

#### **12. Call to the Public.**

No questions or comments.

**13. Call to the Press.**

No questions or comments.

**14. Adjournment.**

Tom Owen motioned to adjourn the meeting at 12:51PM and to move into Executive Session to discuss potential litigation and to receive advice from Legal Counsel relating to employee termination. Motion passed unanimously.

Respectfully Submitted,  
Stephanie Moyer