

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 (Upstairs Meeting Room), 114 East Third Street, Lewes, Delaware on Wednesday, November 19, 2014 at 7:00 PM.

Board Members Present:

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

Ex-Officio Members Present:

Fred Beaufait, Deputy Mayor
Darrin Gordon, General Manager
Glenn C. Mandalas, Legal Counsel

Others Present:

Paul Eckrich, City Manager
Rob Morgan, City of Lewes
Andrew Duffield, Duffield Engineering

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 and for the family of Jack Leshner.

2. Roll Call.

President Alfred stated that all Board members are present, as well as Deputy Mayor Fred Beaufait. Also present are Darrin Gordon, General Manager, and Legal Counsel Glenn Mandalas.

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 September*
- c) Receive President Report*
- d) Receive Vice-President Report*
- e) Receive Secretary Report*
 - 1.) Approval of Regular Minutes dated September 24, 2014.*
- f) Receive Treasurer Report*
- g) Receive Asst. Treasurer Report*

Jack Leshner motioned to approve the Consent Agenda, Tom Owen seconded, and the motion passed unanimously.

5. Open forum/general discussion of the presentation and review of the DEMEC Municipal Electric Utilities Portfolio Standard 2013/14 Compliance Year Report. (D. Gordon)

INFORMATION:

Darrin Gordon said there is a standard given by DEMEC to all the state municipalities and electric providers to reach a 25% renewable energy within their portfolios by 2025. We are on track. We are working at increasing the amount of wind and solar energy. Darrin reads the first sentence under MRPS Compliance from the report. Our goal is not to go from 0 to 25% immediately, but we are on track to accomplish the goal.

6. Open forum/general discussion of the Stormwater Master Plan prepared by Duffield Engineering. (D. Gordon)

INFORMATION:

Darrin Gordon said we have come to the conclusion of creating a Stormwater Master Plan. The most important goal was to help us to begin to prioritize and create some form of management document. Duffield Engineering started well over a year ago

to provide this. They have collected a massive amount of information and have created the document in front of you as well as put it into an Access database. Darrin reviews the process that Duffield took to create this database and provides a PowerPoint presentation to explain the database and how it is used.

DISCUSSION:

Tom Owen said the grid will show what needs to be prioritized; what needs to be done immediately and what should be done in the future.

Preston Lee said this allows us to put together maintenance plans. Some of the data still needs to be updated as well.

Darrin Gordon explains why some of the information may be inaccurate as well as the classification system. The database is a living document that will identify issues and will be updated as certain things are fixed.

Nancy Levenson asked about consideration of the water coming out of the commercial pipes in town and if it is supposed to find its way to the system. She names examples.

Darrin Gordon said this is an essential part of this project and we will be looking at it. There is a huge list and it will take time.

Tom Owen said we can identify foreign substances in the community run-off and address it and get it taken care of quickly as opposed to unnecessary maintenance.

President Alfred said we need to prioritize the most important issues first, whether that is commercial related or out on the street.

Preston Lee said once we get a good handle on the piping, the next step would be to get a good handle on the drainage ditches which was not included in this study.

There is discussion regarding the pipe under Ocean View and Darrin explains the solution that will be coming in the future.

It is agreed that Darrin Gordon and Nancy Levenson will collaborate on a letter to patrons to explain what the BPW is doing with the \$5.00 storm water charge as well as an explanation of the action plan and timing of the Stormwater Master Plan.

7. Open forum/general discussion on the Schley Avenue Property also known as the Old Power Plant and Blue House. (D. Gordon)

DISCUSSION:

Preston Lee said a meeting with the City Mayor and Council was held last month to discuss this and the outcome was that we are going to hold onto the property and the evaluation, investigation, and follow up remediation of any pollution will be done by the BPW. The BPW alone should not be getting into the economic development of the property. We should agree to have a joint committee with the City regarding economic development of that property.

Tom Owen summarized the need for a back-up property in case of an emergency.

President Alfred said at the conclusion of the meeting the Mayor and I agreed that we have occupied that building for 103 years and that any pollution that might be there was definitely caused by the BPW, so it is only fair that we assume that responsibility. I agree that we should go on record and ask the General Manager or our Attorney to write a letter to the City expressing that we would like to have that property deeded over to us and we will assume responsibility as well as to propose working together for the economic development of the property.

Fred Beaufait said to request to have it done by the end of March for the March City Council meeting.

Glenn Mandalas said the letter should be done by the General Manager.

There is discussion about what the problems are underneath the property.

Fred Beaufait said there will need to be a public hearing on this city as there is a process the City has to go through when disposing of a property. Suggest getting the letter to the City by their December meeting.

ACTION:

Tom Owen motioned to request that the General Manager to write a letter to the City of Lewes to request them to turn over the Schley Avenue property to the BPW, Preston Lee seconded, and the motion passed unanimously.

8. Open forum/general discussion of the BPW financial review to date. (D. Gordon)

INFORMATION:

Darrin Gordon reviewed the second quarter financial report.

1. Total operating revenues. This compared to budget. Electric is down 7%, water is down 4%, sewer is down 6%, and storm water is up 4%. Overall, we are down 6% in revenue. This is a weather-driven change due to the mild weather in the second quarter.
2. Operating expenses. Every single number is below budget except for repairs and maintenance. Several valves on Kings Highway needed repairs and maintenance. The sewer is up 30% and the storm water is up as well. The difference in purchase power is down by 2%. There is a difference of 8% in our operating income.
3. Impact Fees. They are up compared to budget. We have growth and are continuing to sell hookups.
4. Change in Net Assets. There is a difference of \$79K.

The bottom line is that we are healthy and doing well and working our plan.

Rob Morgan, City of Lewes:

Regarding the line for "in lieu of franchise fees", I assume those fees are paid to the City? I see they are 6% down from budget.

Darrin Gordon said we are on target with the City. We make two annual payments that covers that cost. It's just a timing issue. The City is not missing a penny.

9. Open forum/general discussion for the review of the 2014/15 Capital projects. (D. Gordon)

INFORMATION:

Darrin Gordon said this is the six month review of the Capital Budget. I will be requesting that we accept this Capital Budget because I have added some dollars due to some projects that are coming up that we did not know about six months ago. An "x" marks items that are completed (Darrin reviews them). The new project is the Savannah Abandonment/Re-Sectoring and the request is for \$800K. This new project is combined with the Canal Crossing Project and the bid is \$1.127M. The next new item is the Bay Avenue/Angler's Road project. The City is planning to resurface this road and the water lines need to be replaced on Bay View and some storm water work needs to be done on Angler's Road. I increased the Sewer Main Replacement and Renewal by \$30K. Darrin reviews all the projects and all the changes and possible changes within the budget regarding these projects.

ACTION:

Jack Leshner motioned to accept the changes made on the 2014/2015 Capital Projects presented by the General Manager, seconded by Tom Owen, and the motion passed unanimously.

10. Open forum/general discussion for the review and acceptance of the qualified bidder for the Savannah Place line abandonment/Canal Crossing project. (D. Gordon)

INFORMATION:

Darrin Gordon said on November 12th we had the bid open for the project to take the six inch line out of service on Savannah Road. I believe it is a serious problem to our water quality. We just tied a twelve inch line into our transmission line and our engineers are assuring us that it will improve fire flows and reliability. We had three bidders. Two of the high bids came within \$30,000.00 of each other; one at \$1.85 million and one at \$1.82 million. GMB's estimate was \$1.1 million. The low bid came from Mid-Atlantic Dismantlement Corp. in Dover at \$998,075.00. We have visited them and spoken with their owners. GMB has written a letter to us to endorse them. GMB is really responsible for Savannah Road and URS is responsible for Canal Crossing. It is my recommendation that we approve this low bid. Regarding the timing, we want to make sure that we are done by early June because that is when DELDOT is going to resurface the road. We must keep this commitment. They will be put on a timing schedule and if they fall behind we have ability to remedy that with the bonds we have available.

DISCUSSION:

Andrew from GMB confirms the good reputation of Mid-Atlantic Dismantlement Corp and that they are well qualified company. There is discussion about penalty and award clauses in the contract.

ACTION:

Preston Lee motioned to accept the bid as presented by the General Manager for Mid-Atlantic Dismantlement Corp. for the amount of \$998,075.00, seconded by Nancy Levenson, and the motion pass unanimously.

11. Meetings Attended by Board Members or Staff.

Tom Owen attended the SCAT Meeting.

Preston Lee attended the City Council Meeting.

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

Jack Leshner requested for the January meeting relating to the BPW's goal of paying off a \$6 million bond issue. Educate the Board so that when it comes time to support this you will have a clear understanding of what it will do to the BPW cash flow. Financial Ratios/Benchmarks.

13. Call to the Public.

No questions or comments.

13. Call to the Press.

No questions or comments.

14. Adjournment.

President Alfred adjourned the meeting at 8:25 PM.

Respectfully Submitted,
Stephanie Moyer