

**CITY OF LEWES
BOARD OF PUBLIC WORKS
REGULAR MEETING MINUTES
FEBRUARY 22, 2017**

The Wednesday, February 22, 2017 regular meeting of the Lewes Board of Public Works was held at 4:00 P.M. in Lewes City Hall, 114 East Third Street, Lewes, Delaware.

1. WELCOME, CALL MEETING TO ORDER AND PLEDGE OF ALLEGIANCE

President Alfred called the meeting to order at 4:00 P.M. and led the Pledge of Allegiance. A moment of silence was observed for our troops serving our country.

2. ROLL CALL

Board Members Present:

C. Wendell Alfred
Jack Leshner
A. Thomas Owen
Robert J. Kennedy, III

Board Member Not Present:

D. Preston Lee, P.E.

Ex-Officio Members Present:

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

Others Present:

Austin Calaman, Assistant General Manager
City Councilman Rob Morgan
Jackie Doherty, Recording Secretary

3. REVISIONS AND/OR DELETIONS TO THE AGENDA

None

4. CONSENT AGENDA

- a) **Receive the General Manager Monthly Report**
- b) **Receive Severn Trent Report for January 2017**
- c) **Receive President Report**
- d) **Receive Vice-President Report**
- e) **Receive Secretary Report, Approve Regular Minutes October 26, 2016, November 16, 2016, January 25, 2017, Special Meeting Minutes February 1, 2017 and February 2, 2017**
- f) **Receive Treasurer Report**

g) Receive Assistant Treasurer Report

ACTION: *Mr. Lesher made a motion to approve the consent agenda; Mr. Owen seconded the motion, which passed unanimously.*

President Alfred discussed the timeline for 2017 BPW election day May 13, 2017. Mr. Gordon stated Mr. Lee and Mr. Owen will file for candidacy.

Mayor Becker stated it is necessary to file individually with the Board of Elections, Mr. Mandalas agreed.

After discussion concerning why this has not been a requirement in the past and if this is stated in the Charter, it was agreed that Mr. Mandalas would review to report back to the Board.

5. Open forum/general discussion of the proposed Operations and Maintenance Budget for the 2017-2018 fiscal year. INFORMATION/DISCUSSION/ACTION (D. Gordon)

President Alfred stated this will be a review of the proposed budget to be voted on at the next meeting. All members present tonight have discussed the budget with Mr. Gordon.

Mr. Gordon stated this proposed revenue budget includes:

- The five-year average of consumption for water, sewer and electric with the new rates for electric and water
- The same five-year average numbers were used for sewer and stormwater consumption per household
- The new lower costs for power
- Change in revenue is plus .05%
- Increase in expenses is 1.76% to include salaries and wages based on job-performance reviews, utilities, Mr. Calaman added as assistant general manager, depreciation and amortization as prescribed by the accountant, in lieu of franchise fees
- Decreases include purchase power, professional and contractual based on Severn Trent contract, bad debt

Non-operating revenue includes:

- Increase in interest income
- Decrease in impact fees based on Highland Acres, Point Farm, Swaanendael Acres, Savannah Place
- Loss on sale of assets based on the change of water meters for automatic meter readings
- Income from invested funds

Mr. Lesher stated adding together the two specific numbers for depreciation and change in assets will represent checks that need to go into the Reserve Funds.

6. Open forum/general discussion of the proposed Capital Improvement Budget for the 2017-2018 to 2021-2022 fiscal years. INFORMATION/DISCUSSION/ACTION (D. Gordon)

Mr. Gordon reviewed some of the new and changed items including:

Water

- Mc Fee Street City Project #22 to include abandoning the old line to connect these homes to the new line
- Lead service line replacements for the next five years
- Project at the intersection of Savannah Road, Gills Neck and Pilottown Road to Freeman Bridge
- Pilottown Road, Canal front to Park and Front Streets

In reference to the lead line replacement, Mr. Kennedy questioned if lead is in the system is it coated and fine until touched. There should not be a health issue unless the pipes are disturbed due to construction.

Mr. Gordon stated this is correct. Lead and Copper Rule tests are done annually in homes with the lead lines and all requirements have been met for safe water.

Mayor Becker stated there is also an issue if the lines are left dormant for a long time. This should be a consideration for seasonal occupants.

Mr. Morgan questioned if the homeowners are aware they have lead pipes. Will they be informed when the pipes are replaced?

Mr. Gordon stated there is no way to know until the pipes are examined and is probable in homes built during the 1950s, 1960s and 1970s. Homeowners will be informed if the pipes are found to be lead and need to be replaced.

Sewer

- Lift Station #4 to Savannah Road and Canal is the sewer part of the project
- Watermain replacement renewal for five years
- Water distribution upgrade
- Tie-in main to Zwaanendael Acres
- Hydrant replacement
- Key Valve replacement at 8 to 12 per year
- Sewer main grouting and lining
- Bryant house at DeVries Circle 12” pipe to 8” pipe replaced
- Manhole replacements
- Zwaanendael Acres, Savannah Place and Donovan’s may need an additional pressure line to the manhole at the hospital

Electric

- Electric car station with a second paid for by a Lewes citizen, one location at Canalfront Park and one at the City’s parking lot—further discussion needed about the parking lot location
- Tesla or Universal Station
- Material-handling truck to replace current truck for use with a fiber system
- Savannah Road aerial crossing
- Wellfield solar installation

- Cape Shores transformer replacement and corrosion proofing
- Building improvements at Schley Avenue and generator relocation
- Underground projects at Pilottown Village
- Renewables behind meter
- 69 KV Breaker/Metering Delmarva Connection

Water Production

- Increased monitoring—Village Center double-check
- Wellfield maintenance
- Security fences

Stormwater

- Stormwater Master Plan Actions
- Catch basin renewal
- Savannah Road and Canal
- DeVries and Railroad/trail
- Pipe replacement
- Outfall valve replacement

Wastewater Treatment Plant

- Drying bed expansion
- Microfilter Zenon replacement
- Outfall pipe repair

Mr. Owen requested that the price of replacement with upgraded filters, when needed, be added to the budget. Because these filters handle 30% more capacity, it would be less expensive to add upgraded filters than to build a new plant.

President Alfred stated the budget changes can be added after an analysis is completed.

Support

- High speed fiber
- Server replacement
- SAP upgrade to Windows 10
- General Manager vehicle
- GIS Mapping System

Mr. Gordon stated, in reference to the Reserve Funds, we should be able to sustain the \$15 million total budget for the next five years while staying above the minimum reserve.

Future Projects

- Citywide valve sectoring to complete 50 valves at one time if state grants are available
- Sanitary sewer I&I and the problems with sump pumps, seeking a matching state grant
- 6” waterline—beach parking lot #1 and #2 abandonment
- Shipcarpenter/Park Avenue system upgrade-capacity increase

- Kings Highway system at Third Street to Washington
- Paper Streets upgrades

President Alfred stated Mr. Kennedy's suggestion to consider the purchase of a camera should be reviewed. This would help with the costs and time waiting for Caswell Plumbing to use their camera. Mr. Gordon said he will research prices.

Mr. Mandalas stated the Department of Elections should be called to check if the BPW elections are considered municipal elections. President Alfred requested Mr. Mandalas make the call to see what steps need to be followed.

7. Open forum/general discussion of proposed resolutions on establishing fees and rates for the Electric, Water and Sewer Utility services within areas served by the Board of Public Works. INFORMATION/DISCUSSION/ACTION (D. Gordon)

Mr. Gordon stated Resolutions No.17-003, No.17-004, No.17-005 represent what was voted on for the rate increases and changes for the next five years.

Resolution No.17-003 shows the rate increases in water for April 2017, 2018, 2019, 2020, 2021 and the ready-to-serve changes for the first year.

Resolution No.17-004 shows the sewer rate changes for every other year starting in 2018.

Resolution No.17-005 shows the change in rate for the surcharge and the reduction in the electric charge for the rate-neutral change including residential, commercial, small business and industrial.

ACTION: *Mr. Owen made a motion to accept Mr. Gordon's recommendation to ratify Resolutions No.17-003, No.17-004, No.17-005 as were read into evidence at the February 2, 2017 meeting; Mr. Leshar seconded the motion, ~~which passed unanimously.~~*

After further discussion about the attachments being repeated in No.17-004, it was decided to table this agenda item until the next meeting for review of the changes.

Mr. Owen withdrew his motion, Mr. Leshar withdrew his second.

8. Open forum/general discussion on the 3rd Quarter financial review. INFORMATION/DISCUSSION/ACTION (D. Gordon)

Mr. Gordon stated the revenues are up from budget by 2 to 7%; most of the changes have been due to the weather; revenues from electric and purchase power costs have been consistent. An anomaly is other revenue and represents DelDOT reimbursement of \$220,000 for work on the poles completed last year. Administrative costs are about \$20,000 less than last year; operating income is consistent at 7%; change in net assets represents impact fees paid by the County for the interconnect; bad debt budget shows a positive amount of \$224 at the 3rd quarter and at the end of the year will be \$19,176 to the positive. The \$19,176 represents the excess of bad debt recoveries from customers above the bad debt write offs.

9. MEETINGS ATTENDED BY BOARD MEMBERS OR STAFF

Mr. Owen attended the Planning Commission meeting to introduce the new City Planner.
Mr. Kennedy attended the Pre-annexation Committee meeting working to recommend changes to the Charter to present to Mayor and City Council.

10. BOARD OR STAFF REQUESTS FOR AGENDA ITEM(S)

Mr. Kennedy requested an update about the retitle of property owned by the BPW.

Mr. Mandalas stated the Charter allows BPW to own property co-owned with the City. He will review the information about the wording of the deeds to report back to the Board.

11. CALL TO THE PUBLIC

None

12. CALL TO THE PRESS

None

13. ADJOURNMENT

President Alfred adjourned the meeting at 5:30 P.M.

Respectfully submitted,
Jackie Doherty, Recording Secretary
Lewes Board of Public Works