

**CITY OF LEWES
BOARD OF PUBLIC WORKS
Regular Meeting Minutes
June 28, 2017**

The Wednesday, June 28, 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

In the absence of President Alfred, Vice President Preston Lee 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:

D. Preston Lee, P.E.
Jack Leshner
A. Thomas Owen
Robert J. Kennedy, III

Board Member Not Present:

C. Wendell Alfred

Ex-Officio Members Present:

Theodore Becker, Mayor
Darrin Gordon, General Manager
Michael Hoffman, Legal Counsel

Others Present:

Austin Calaman, Assistant General Manager
Kristina Keller, BPW
Ann Marie Townshend, City Manager
City Councilman Rob Morgan
Jackie Doherty, Recording Secretary
Andrew Haynie, PKS & Company, P.A.
Adrien Tyler, PKS & Company, P.A.

3. REVISIONS AND/OR DELETIONS TO THE AGENDA

Mr. Gordon requested Agenda Item #10 be removed.

4. CONSENT AGENDA

- a) Receive the General Manager Monthly Report**
- b) Receive the White Marsh Environmental Systems, Inc. Report**
- c) Receive President Report**
- d) Receive Vice President Report**
- e) Receive Secretary Report approval of Minutes May 24, 2017**
- f) Receive Treasurer Report**
- g) Receive Assistant Treasurer Report**

Mr. Kennedy questioned the issue of Art in Bloom in Otis Smith Park as mentioned in the general manager's report. On the White Marsh report for the wastewater plant, is this the normal number of membrane strands to be removed, what are the cost implications and is it reflected in the repairs and maintenance increase for this month. What supplies will the companies Ovivo and Kubota provide to the wastewater treatment system.

Mr. Gordon stated BPW was asked by Art in Bloom for help in digging the hole for an art sculpture to be placed in Otis Smith Park. There was general discussion for information about utility locations. In reference to the White Marsh report, it is not the usual number for membrane strand removal. A Spring deep cleaning with maintenance was done after White Marsh replaced Severn Trent. This cleaning has shown a great improvement in the water quality with only a 1.65% loss and the filters being good for about another year or two. The cost of the membrane repair is shown as a substantial portion in repairs and maintenance costs for this month. White Marsh is speaking to Ovivo and Kubota to check that the air compressor maintenance has been continuing according to the manufacturer's requirements.

Mr. Gordon stated there was a storm on the evening of Monday, June 19 causing an outage of the water system to two-story buildings on the morning of Tuesday, June 20. A power surge caused the dual-breaker switch on the standby generator to not hold. The initial standby operator did not respond to the fail-safe calls causing an operator error. The operator is no longer an employee of BPW after ignoring 21 calls.

ACTION: *Mr. Leshar made a motion to accept the consent agenda as presented; Mr. Owen seconded the motion, which passed unanimously.*

5. Open forum/general discussion to receive the DRAFT 2016-2017 Financial Audit Report from PKS & Company, P.A. INFORMATION/DISCUSSION/ACTION (D. Gordon, Andrew M. Haynie, CPA, CFE)

Mr. Gordon reported that the annual audit was reviewed.

Mr. Haynie stated a copy of the draft was presented to the Board after being discussed with Mr. Leshar and Mr. Gordon. There will be an unmodified audit report, with only a few formatting changes, to have the final financial statements presented next month. Questions will be taken from the public at that time.

6. Open forum/general discussion for the passing of Resolution 17-005, for the authority of the Lewes BPW to seek grants from any State agency or department. INFORMATION/DISCUSSION/ACTION (D. Gordon)

Mr. Gordon stated the reason for this resolution is to authorize the BPW General Manager to submit applications for various State utility-related grants. This is a more efficient, cost-cutting process since now a resolution needs to be presented to the Board for approval for every grant. It will be a universal allowance from the Board for BPW to seek grants submitting this resolution to the State with each application.

Mr. Hoffman stated with this resolution the Board is only authorizing a non-binding application and the submission of the application. If a grant is awarded, the Board would decide if it is accepted.

Mr. Lee questioned if this would be accepted by most organizations providing grants.

Mr. Hoffman stated this will depend on the organization and if they required something more specific. At that time, Mr. Gordon would come back before the Board.

ACTION: *Mr. Owen made a motion to accept Resolution #17-005; Mr. Leshar seconded the motion, which passed unanimously.*

Mr. Hoffman stated since the resolution information is available to the public for review, it would be the decision of the Board if the resolution needs to be read into the record.

Mr. Kennedy stated the resolution is posted to the website and was available for review before the meeting today. Hard copies need to be available to anyone without access to the internet. Since it was publicly available for review before action today, it does not need to be read into the record.

Mr. Owen stated since the resolution was available for review on the website, it does not need to be read into the record.

Mr. Hoffman stated he would recommend reading the title of the resolution into the record as a matter of general procedure.

Mr. Hoffman read the title of Resolution #17-005 into the record as follows:

A Resolution of the Board of Public Works of the City of Lewes, Delaware, authorizing the Board of Public Works General Manager to submit applications to the Delaware Office of Drinking Water, Water Infrastructure Advisory Council, The Delaware Department of Natural Resources and Environmental Control for Water, Sewer, Stormwater and other entity responsible for issuing a utility-related grant.

7. Open forum/general discussion for authority of the General Manager to sign the Highland Heights developer's agreement. INFORMATION/DISCUSSION/ACTION (D. Gordon)

Mr. Gordon stated BPW has been working on the three-entity agreement with Mr. Burton, who is the developer for Highland Heights, the City and BPW. Mr. Hoffman has also been working to protect the interests of BPW. The Board has been given a copy of the agreement but it has not been made available to the public because it is considered semi-confidential until signed. The request is to move forward by approving the document permitting Mr. Gordon to sign it when it is completed by all three parties including additional input from the City.

Mr. Hoffman stated the version provided today is not the latest and contains some empty spaces that have since been filled-in. One change was to the section on the tax ditch improvements identifying the specific DNREC-approved plan. Also, the money is to be placed in escrow within five days of execution of the document to cover the costs of the improvements. According to the developer, the name is changed to Mariner's Retreat. The draft was also reviewed with Glenn Mandalas on behalf of the City, now it is to be reviewed by the Board, it will then be reviewed and approved by Mayor and City Council. When approved by both entities, it will be signed and recorded. It is more appropriate for the Board to vote first since this is predominately BPW infrastructure; but since it does involve the City, they need to review and approve also.

ACTION: *Mr. Leshner made a motion to approve the request subject to City approval; Mr. Owen seconded the motion, which passed unanimously.*

8. Open forum/general discussion of the Green Energy Fund. INFORMATION/DISCUSSION (D. Gordon)

Mr. Gordon stated this is a review of what started in 2008 when the State required money be placed in the fund for every kilowatt sold to be held by DEMEC. The money is then distributed back into the community. BPW began with three funds: 1) Renewable Energy Fund; 2) Energy Efficiency Fund; 3) Demand Reduction Fund, and all have been used since the start.

Mr. Gordon explained that the Renewable Energy Fund has been used for the installation of home solar into the community, but because the demand for solar was so high, people being added to receive money from the Green Energy Fund grant had to be stopped about six years ago. Everyone who applied will be paid by 2047 with about \$5,500 in the fund.

The Energy Efficiency Fund was used to replace cobra-head lights with LED lights about one year ago and the kilowatt savings has been reimbursed to the City. An infrared camera was purchased for about \$18,000 to be used to view the whole electrical system helping to prevent outages.

The Demand Reduction Fund will help with the reimbursement for the installation of the car stations. Consideration is needed with further research for the use of solar at the wellfield.

9. Open forum/general discussion and update of the Savannah Place, Donovan Smith MHP and Swaanendael Acres project. INFORMATION/DISCUSSION (D. Gordon)

Mr. Gordon stated a public meeting was held on June 8, 2017 with the residents of Savannah Place, Donovan Smith MHP and Swaanendael Acres to discuss providing an entire sewer system to Savannah Place. The project will be combined with providing a lift station for the sewage coming from Donovan Smith MHP currently taken by truck from their holding tanks. The State is considering funding through an SRF loan. If there is grant money available through the State, confidential income surveys will be submitted by the residents of Savannah Place and Donovan Smith MHP to the State. The deadline date for submitting the information is 45 days from June 8th. The next date is 60 days from the June 8th meeting for residents of Swaanendael Acres to decide if they want to be in the project which will require annexation. There was also discussion about BPW securing the loan from each resident by a lien on their property if it is not paid in full. If each of the three communities participate in the project, it will lower the costs for each resident. An evaluation of the project costs was provided for review.

Mr. Hoffman explained that once BPW assesses the utility-related charge, it is an automatic lien by law and the Board is not taking an extra step. There are options for agreements with the homeowner that the Board would not execute on the lien if monthly payments are being made. If the property is to be sold, the Board can decide on a case-by-case basis to determine the agreement with the buyer.

Mr. Gordon stated he has only received 15 income statements and 51% is needed to apply for the grant.

Mayor Becker agreed stating the decision to place a lien is a requirement by law and not a Board decision but decisions in the future can be discussed.

Mayor Becker also discussed the issue of Swaanendael Acres residents not wanting to be in the project is because half of the grounds are high enough that the septic systems are working but there are problems with the other half. Also, the State repaved their roads last year.

10. ~~DELETED~~: Open forum/general discussion of transfer of the defined benefits plan from Empower Retirement to Nationwide/UBS. INFORMATION/DISCUSSION/ACTION (D. Gordon)

11. MEETINGS ATTENDED BY BOARD MEMBERS OR STAFF

Mr. Kennedy stated he attended the Pre-annexation Committee meeting with the general discussion to coordinate with Kent and Sussex Counties for agreements regarding zoning to attract developers to come into the City; Lift Station #4 meeting.

Mr. Leshar stated he attended the SCAT meeting with discussion on human trafficking; DEMEC meeting in Dover on June 8th; joint BPW meeting with Mayor and City Council on June 27th; meetings with auditors.

Mr. Owen stated he attended the American Public Power Association annual convention in Orlando; Lewes Planning Commission June meeting; joint BPW meeting June 27th with Mayor and City Council.

Mr. Lee stated he also attended the APPA Conference.

Mr. Lee spoke about the APPA Conference that most of the workshop and breakout sessions he attended were about leveling the demand curve; smart meters; low costs of solar-generated power; electric vehicles and battery storage when not being used; battery-storage facilities; smart-grid systems; demand for solar sites by some major tech companies, Walgreens and Walmart.

Mr. Lee stated BPW needs a strategic plan about how to implement priorities, fiber installation, smart-grid systems, electric vehicles.

12. BOARD OF STAFF REQUESTS FOR AGENDA ITEM(S)

None

13. CALL TO THE PUBLIC

None

14. CALL TO THE PRESS

Nick Roth of the Cape Gazette was present.

15. EXECUTIVE SESSIONS

ACTION: *Mr. Owen made a motion to adjourn to executive session; Mr. Kennedy seconded the motion, which passed unanimously.*

16. ADJOURNMENT

The meeting adjourned at 5:00 P.M.

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