

**CITY OF LEWES
BOARD OF PUBLIC WORKS
Regular Meeting Minutes
October 24, 2018**

The Wednesday, October 24, 2018 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 Lee called the meeting to order at 4:00 P.M. and led the Pledge of Allegiance. A moment of silence was observed.

2. ROLL CALL

Board Members Present:

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

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
City Councilman Dennis Reardon
City Councilman Rob Morgan
Financial Officer Ellen Lorraine McCabe
Jackie Doherty, Recording Secretary

3. REVISIONS AND/OR DELETIONS TO THE AGENDA

None

4. CONSENT AGENDA

- a) **Receive the White Marsh Environmental Systems, Inc. Report**
- b) **Receive President Report**
- c) **Receive Vice President Report**
- d) **Receive Secretary Report approval of Minutes dated September 26, 2018**
- e) **Receive Treasurer Report**
- f) **Receive Assistant Treasurer Report**

Mr. Kennedy requested the Secretary Report (d) be removed for discussion.

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

President Lee stated the plan for the sign for Mr. Alfred is moving forward.

5. Receive the General Manager Monthly Report

Mr. Gordon reported on the following for the first six months of the fiscal year:

- ❖ Increase in commercial water revenue from the state park usage being open all year;
- ❖ Administrative costs (Line 15) actual amount is \$1,037,000, budget amount \$753,000; Nationwide replaced Great West as the defined benefits carrier; the costs for assets to be transferred and annual benefits paid total \$289,000 to Nationwide in August;
- ❖ With this payment to the pension, the pension is 100% actuarially sound;
- ❖ Operating income (Line 20) \$888,000 compared to budget is 1.92%;
- ❖ Gain and Loss of Sales (Line 25) for September increase \$90,000 represents meters taken out of inventory with old meters shown as a loss for depreciation.

Mr. Gordon stated the household hazardous waste collection for Saturday has not been canceled because of the storm and BPW employees will be there. It was not rescheduled because it is part of the police drug take-back day on Saturday.

PRESENTATIONS

6. Report on the planned electric outages. (D. Gordon)

Mr. Gordon reviewed the plans to repair the switch, why the power outage was needed, how residents were notified by mailings, BPW website, emails, CodeRED, telephone calls, Cape Gazette including their website, television, radio, Greater Lewes Community, industrial businesses and hotels were contacted. The repair was completed on day four of the outage.

Mr. Gordon requested the Board send a letter to the community thanking everyone for their patience and cooperation to be posted on the website, sent by email, and in the Cape Gazette.

OLD BUSINESS

7. Open forum/general discussion of Resolution 18-005 regarding impact fees for development of properties annexed into the City of Lewes. INFORMATION/DISCUSSION/ACTION (D. Gordon/Michael Hoffman)

Mr. Hoffman stated the Board took action on the substance of the resolution at the July meeting subject to memorializing the vote and for purposes of clarity. The intent of Resolution 18-005 is to offer an incentive in favor of annexation by deferring payment of impact fees until the certificate of occupancy is issued instead of at the time of the building permit. Mr. Hoffman reviewed the three situations when this will occur, as is stated in the resolution.

ACTION: *Mr. Owen made a motion to read Resolution 18-005 by title only to be introduced to the Board for consideration and adoption; Mr. Panetta seconded the motion, which passed unanimously.*

Mr. Hoffman read Resolution 18-005 by title only into the record.

ACTION: *Mr. Owen made a motion to approve Resolution 18-005; Mr. Panetta seconded the motion, which passed unanimously.*

**8. Open forum/general discussion of the Municipal Electric Utilities Renewable Portfolio Standard Compliance Report for the 2017-2018 program year.
INFORMATION/DISCUSSION/ACTION (D. Preston Lee)**

Mr. Gordon reviewed the 2017-2018 compliance report for wind generation, solar generation, and renewables. DEMEC is helping BPW to reach the State's requirement for 25% of electricity to be sold to come from a renewable source (must be 3½ % solar) by the year 2025. Instead of waiting until 2025 to buy 25% of our power from a renewable source, the goal has been to gradually add the renewables to be at 16% by 2017. These solar requirements have been met through the Laurel Hill Wind Farm, University of Delaware in Lewes wind generator, kilowatts from sewer plants in Milford and Seaford. There are presently 70 homes in Lewes with solar power installed. Lewes is planning to build their own community solar power source.

NEW BUSINESS

**9. Open forum/general discussion on the Lewes BPW Ethics Policy.
INFORMATION/DISCUSSION/ACTION (D. Preston Lee, Thomas Panetta)**

Mr. Panetta requested discussion of the BPW Ethics Policy and how it is implemented. Questions include financial disclosure and gifting requirements, recusal definitions, and enforcement mechanisms.

Mr. Hoffman stated he provides new Board members with a welcome letter and copies of the Charter and the CityState Code of Conduct, which were provided to Mr. Panetta when he joined the Board. The Board does not fall under the City of Lewes Code of Conduct but is subject to the State Code of Conduct. In answer to Mr. Panetta's questions, the BPW is governed by the State Code of Conduct.

Mr. Hoffman will review the code and provide a summary of the issues to present to the Board for review.

**10. Open Forum/general discussion on the Lewes BPW Energy Efficiency efforts through the DSEU, and the DEMEC Energy Efficiency Program efforts.
INFORMATION/DISCUSSION/ACTION (D. Gordon)**

Mr. Gordon presented a flyer that will be mailed with the next customer bills. BPW is partnering with the Delaware State Energy Utility (DSEU) created to help encourage energy efficiency, and residents will be offered a home performance with Energy Star. The cost of the energy audit is \$300 with \$225 paid by BPW leaving the cost to residents being \$25. The audit will include \$200 in energy-saving products installed the same day and information to improve energy efficiency in the home.

Mr. Gordon stated any changes to the home will require the use of a participating, qualified contractor from the DSEU list. The contractor also needs to be approved and certified by the State with possible funds and rebates available to help with the cost. The benefits to BPW are a reduction in the cost for the electricity and help with capacity charges.

Mr. Gordon provided a memo addressed to the Delaware Municipal Electric Corporation (DEMEC) Board regarding the Energy Efficiency Program funding recommendation. DEMEC had a second energy efficiency company offer a different program; BPW was not interested but was charged as a member of DEMEC. The recommendation is for BPW to be refunded \$35,000 with those going forward paid for from the current \$200,000 DEMEC reserve funding.

Discussion included:

- Concerns that the \$200,000 is from assets that also belong to BPW;
- Look into the formula for capacity charge calculations;
- Participation in the first DEMEC program would not benefit Lewes; since BPW will be charged indirectly for the second company program if approved, should BPW participate;
- The DEMEC program will have separate offerings from the State DESEU program.

After discussion, the Board decided by consensus for Mr. Gordon to report to DEMEC that the recommendation for BPW to be refunded \$35,000 with those going forward paid for from the current DEMEC reserve funding is accepted.

11. Open forum/general discussion on a date for a Governance and Freedom of Information Act compliance workshop. INFORMATION/DISCUSSION/ACTION (D. Gordon)

President Lee requested since the Board continues with the strategic planning workshop meetings, this discussion be postponed until January. Everyone agreed.

12. Open forum/general discussion to set a date and time of the November/December BPW Board meeting. INFORMATION/DISCUSSION/ACTION (D. Gordon)

The November/December regular meeting is scheduled for Thursday, December 13th at 4:00 P.M. in Lewes City Hall. The strategic planning workshop meeting is scheduled for Wednesday, December 12th from 9:00 A.M. to 4:00 P.M.

13. MEETINGS ATTENDED BY BOARD MEMBERS OR STAFF

Mr. Panetta reported he attended two Lewes Planning Commission meetings; Mitigation Task Force meeting; Senator Carper infrastructure presentation; BPW focus group meeting.

Mr. Leshar reported he attended the BPW focus group meeting.

Mr. Kennedy reported he attended the BPW focus group meeting.

Mr. Owen reported he attended the Lewes Planning Commission meeting; BPW focus group meeting.

President Lee reported he attended the monthly meeting with Mayor Becker, Mr. Gordon and City Manager Ann Marie Townshend; BPW focus group meeting.

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

Mr. Panetta requested discussion of the 5G antenna locations.

President Lee stated there will be an executive session in November regarding Chesapeake Gas.

15. CALL TO THE PUBLIC

Councilman Morgan requested a discussion after the meeting regarding the pension funds as reported on the financial statements. Mr. Leshner will also review the new asset listed on the balance sheet which is a new procedure required for governmental jurisdictions.

Doug Spelman provided a handout for the Veterans Military Banner Program stating the American Legion is requesting to have banners honoring war veterans placed on the utility poles in Lewes. A sample of the banner is shown in the handout and the timeline is for the banners to be up for a few months beginning Memorial Day. The request is for BPW to do the installation of the flags on their utility poles as a donation.

16. CALL TO THE PRESS

Nick Roth of the Cape Gazette was present.

17. ADJOURNMENT

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

The meeting adjourned at 5:00 P.M.

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