

**CITY OF LEWES
BOARD OF PUBLIC WORKS
Regular Meeting Minutes
September 26, 2018**

The Wednesday, September 26, 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:

Deputy Mayor Fred Beaufait for Mayor Becker
Darrin Gordon, General Manager
Michael Hoffman, Legal Counsel

Others Present:

Austin Calaman, Assistant General Manager
Kristina Keller, BPW
City Councilman Dennis Reardon
County Engineer Hans Medlarz
Jackie Doherty, Recording Secretary

3. REVISIONS AND/OR DELETIONS TO THE AGENDA

President Lee stated the order of the agenda would be changed with #16 moved to after #12.

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 dated August 29, 2018**
- f) **Receive Treasurer Report**
- g) **Receive Assistant Treasurer Report**

President Lee requested the General Manager (a) and President (c) reports be removed for discussion.

Mr. Panetta requested the White Marsh (b) and Treasurer (f) reports also be removed for discussion.

ACTION: *Mr. Leshner made a motion to approve the consent agenda with (a), (b), (c), and (f) removed for separate discussion; Mr. Kennedy seconded the motion, which passed unanimously.*

General Manager Report

Mr. Gordon stated there have been concerns about the odor at Lift Station #4. GMB and Tidewater have been consulted about ways to correct the problem. One solution may be to ask the County to put more effluent through the pipe at Gills Neck Road. This had been the plan for the Winter months and could continue for the Summer to be maintained.

Mr. Medlarz stated the Wolfe Neck Station was checked and the problem is not coming from there but from Lift Station #4. The County will participate in all improvements as per the agreement with the Board. A solution may be to add an odor control unit and pump more wastewater through. There may have been changes to the holding time when the pipes were rearranged for the Savannah Road Project.

Mr. Gordon continued stating the tax ditch has been a concern for residents and the cement pipe will be installed when the funding is available for purchase orders. DNREC provided \$65,000; \$29,000 from Senator Lopez; and \$29,000 from Representative Smyk; Another \$2,000 is needed with a request for this to come from the Board. A solution for the energy efficiency issue will be presented by DEMEC at their October meeting for Mr. Gordon to present to the Board at the October meeting.

Mr. Gordon stated there will be a system-wide power outage October 15 to October 19 from midnight to 5:00 A.M. to replace breakers. Notification will be included in bills, the City's email blast, but there is concern about advertising in the paper. The police and fire department have also been notified. BPW has received the RP3 Gold Designation Award for 2018 from APPA presented at the DEMEC meeting. The award was given for outstanding reliable, safe, and efficient service. A tribute was also sent from Governor Carney's office. Recognition was also given to Ms. Keller and Mr. Calaman for their APPA training.

President Report

President Lee stated the renamed BPW deeds will be received after the next Mayor and City Council meeting in October. The price for Mr. Alfred's sign is estimated to be between \$9,000 and \$13,000 and talks continue with the printer for a lower price.

White Marsh Report

Mr. Panetta questioned the total nitrogen being up by twice the amount from prior months.

Mr. Gordon stated he will check with White Marsh about this.

Treasurer Report

Mr. Panetta questioned the higher amount for commercial water.

Mr. Gordon stated the difference is due to increased usage at the state park. Ms. Keller stated there has been a water leak at the park and they are aware of the increase in their bill.

PRESENTATIONS

5. Current developments in the Lewes BPW service area and annexation efforts. (D. Gordon)

Mr. Gordon reviewed the following projects:

- Mitchell property on Kings Highway—93 residential EDUs; proposing 7 commercial structures;
- Zwaanendael Farm—proposing one commercial building; outside City limits and half into CPCN for electricity; request for electric and water; will meet with the City to discuss annexation; water line will run from Zwaanendael and extend into the Mitchell property;
- Brittingham property on New Road—93 EDUs; in talks with the City for annexation; currently CPCN for sewer, will seek water and electric CPCN if annexed;
- Beebe property North and South—two parcels with proposals for medical offices and assisted-living housing; have capacity to serve water, sewer, and electric;
- Groome Church on New Road—293 EDUs and within the sewer service area; not within water and electric service areas; will be meeting with the City to discuss annexation; CPCN is open;
- Admirals Chase on Gills Neck Road—24 to 26 EDUs with plans for duplexes; will meet with the City to discuss annexation; water will tie-into Showfield’s water supply; not within sewer or electric service areas;
- Smith Mansion—dividing into three parcels for heirs with no plans submitted; all within the City limits;
- Rodney Extended—plans to develop wooded area; 19 EDUs; all utilities will be provided;
- Harbor Point—plans for 69 homes; pre-annexation agreement was signed; water, sewer, and electric to be provided;
- Savannah Place—35 EDU homes for sewer tie-in; loans available for homeowners;
- Abbotts Park—19 EDUs; financing available for homeowners; re-doing water, sewer and electric;
- Savannah Road—sewer coming up Savannah Road to service the 21 homes there; some of these homes have septic systems; still in talks with Donovan Smith’s owner; very expensive project with DelDOT planning to add sidewalks in the installation area; may be possible to share the expenses for the project with DelDOT; applied for grant money;
- Front Street—January 2nd parking lot work to begin with island upgrade and lighting; changing the profile of the road in front of the parking lot; sewer connection and paving coordinating with DelDOT; waiting for information from DelDOT on the bridge work; Front Street will be closed for one week;
- Savannah Road from Front Street to Third—January 2nd new water line from intersection to Third with valve replacements;
- Showfield—providing water, sewer, electric to area within the City;
- Pilottown Road—between December and January removing 4” and 6” lines installed in 1950s; contain lead service lines to be replaced, may be causing discolored water; sewer lines to be lined;
- Highland Heights/Mariners Retreat—31 EDUs; sewer work to begin in two weeks.

Mr. Beaufait stated the annexation for the Brittingham property should be approved by Mayor and City Council at their meeting in October. A public hearing is scheduled for October 9th. Regarding the Beebe property, the parcel on Savannah Road is being considered for workforce housing and has been rezoned R-5.

Mr. Panetta questioned if increased demand for water and electric due to new developments will require another transformer.

Mr. Gordon stated an engineering firm may be needed for a study on capacity. Now the transformers are running at 65%. Consideration is needed for developing a water source at the Groome Church property.

OLD BUSINESS

6. Open forum/general discussion of the Strategic Planning Project. INFORMATION/DISCUSSION/ACTION (Robert Kennedy)

Mr. Kennedy reported he spoke with Spotts, Stevens & McCoy who will be contacting the focus group prior to the meeting scheduled for October 23, 2018. This will be an advertised meeting with the purpose being to have Spotts, Stevens & McCoy speak with customers in the focus group. There will be a questionnaire (electronic or paper) sent to all customers in early November.

Mr. Kennedy will provide everyone with the list of focus group members.

7. Open forum/general discussion for the report of a meeting held with Chesapeake Utilities representatives. INFORMATION/DISCUSSION/ACTION (D. Preston Lee)

President Lee reported he, Mr. Gordon, Mayor Becker and City Manager Ann Marie Townshend met with the Chesapeake representatives to try to coordinate with BPW to help them provide service in areas where they are restricted. There were suggestions to help with gas main installations while BPW is doing road work and for BPW to buy gas from them to provide service. Both suggestions were denied and do not seem to be willing to work with BPW. Chesapeake sent a citywide questionnaire with a positive response from beach residents. They were very successful in providing service to Pilottown Village with numbers higher than their estimates.

Mr. Beaufait questioned if BPW could go the Public Service Commission to require Chesapeake to sell the gas to BPW for providing service. BPW needs to be proactive and push forward with this issue.

Mr. Hoffman advised if the Board does want to move forward, an executive session discussion is needed to include the franchise agreement with Chesapeake signed by the City.

President Lee stated this will be an agenda item for executive session at the October meeting.

8. Open forum/general discussion on public relations efforts. INFORMATION/DISCUSSION/ACTION (A. Thomas Owen)

Mr. Owen reported he has been working on ways to improve BPW communication with customers.

Mr. Owen stated he met with Jim Sleasman of Pilottown Village HOA and discussed the BPW notice given for lead in the water; BPW needs to be proactive in giving information on lead testing; provide information on flushing lines; Mr. Sleasman to ask members of his HOA to provide BPW with email addresses to be able to send email blasts.

President Lee requested Mr. Owen provide a list of the people he is planning to see and the information he will be bringing for discussion.

**9. Open forum/general discussion on the proposed generator project.
INFORMATION/DISCUSSION/ACTION (D. Gordon)**

Mr. Gordon reported Power Secure has been consulted for a proposal regarding the power plant building for the Alevo battery proposal for the best solution to benefit BPW and residents. Some of the employees from Power Secure had worked for Alevo. They are now working on information regarding 5-megawatt, natural gas, and diesel generators. No contract or agreement have been signed and there is no commitment at this time. There have been discussions regarding the need to meet return on the investment and financing through DEMEC and AMP.

Mr. Gordon explained how PJM is the governing body but does not build assets.

**10. Open forum/general discussion on the lead and copper rule reporting.
INFORMATION/DISCUSSION/ACTION (D. Gordon)**

Mr. Gordon explained the problem with recent elevated lead testing on three homes out of the ten tested and how the test is performed. The State requires BPW to provide educational information that was mailed, emailed, reported in the newspaper and on the television news. Homes built before 1988 may have lead in the pipes and fixtures and running the water for about 30 seconds will provide fresh water that is safe to drink.

Mr. Gordon provided a map showing the area where the tests were performed and where the service lines have been replaced over the last 15 to 20 years. Two of the three homes testing positive have had the service line replaced since these were not located on state roads. We are waiting for clearance from DelDOT to replace the third home service line. In discussions with Senator Carper, he stated his concern about the lead testing. Mr. Gordon explained the problems with working on state roads including being limited to the 9:30 A.M. to 2:00 P.M. for seven months out of the year timeframe and the need for funds for paving.

Mr. Gordon has asked Senator Carper:

1. Help with funding for paving on DelDOT roads;
2. Request to DelDOT for health issues to be an emergency for a road cut. This would allow the service line on the home testing positive for lead to be replaced without delay.

All requirements for the Office of Drinking Water have been met with another sample to be sent for testing in four months.

**11. Open forum/general discussion on hurricane preparation.
INFORMATION/DISCUSSION/ACTION (D. Gordon)**

Mr. Calaman reviewed a PowerPoint Presentation that was shown at the event last week to provide information to the elderly and disabled to prepare for hurricanes.

NEW BUSINESS

12. Open forum/general discussion to reduce easement size and location at the Anglers Nest development. INFORMATION/DISCUSSION/ACTION (D. Gordon)

Cam Lewis, developer for Anglers Nest, was present stating the request is to reduce lots #2 and #14 in the form of easement modification to 8-feet on both lots. A map of the property was provided for review.

Mr. Gordon stated the reduction of the easement by 2 feet on both lots that currently have 10 feet on each side of center would not harm BPW with no problems if repairs are needed. The Board can decide if this is appropriate and provide the information for an agreement between the City and BPW.

Mr. Hoffman stated the developer has an approved plan including utility and stormwater easement shown at 10-feet off center with the request for 2-foot reduction on both lots. The Board can take action to approve the reduction with further verification needed from the City and Mr. Lewis' attorney William Schwab to modify the plan. Because there is nothing stated in the Code or regulations requiring the 10-foot easement, the Board has the authority and ability to make the change.

There was discussion about concerns that the pipe is located in the center line of the easement.

Mr. Lewis agreed to provide a survey to confirm that the pipe is located in the center of the easement.

ACTION: *Mr. Kennedy made a motion to approve the request to reduce the easement from 10 feet to 8 feet in Lots #2 and #14 with the condition that the General Manager will verify that the location of the pipes does not present a problem; Mr. Owen seconded the motion.*

Mr. Hoffman stated this is only to the extent that the Board is the beneficiary and there are other steps that need to be verified.

The motion passed unanimously.

Discussion moved to Agenda Item #16.

**13. Open forum/general discussion/consideration of Resolution 18-006 concerning approval of loans for the Savannah Place sewer and paving project.
INFORMATION/DISCUSSION/ACTION (D. Gordon)**

Mr. Hoffman stated the resolution was prepared and reviewed by bond counsel. Mr. Hoffman's review for substance showed it to be procedurally accurate. Included is a resolution from Mayor City Council dated September 10, 2018 consenting to the Board's approval of the loans consistent with the Charter.

The resolution will authorize the borrowing of \$2,315,000 from DNREC; execution and delivery of the loan agreement in addition to the pledge of revenues to secure the loan.

ACTION: *Mr. Kennedy made a motion to read Resolution 18-006 by title only to be introduced to the Board for consideration and adoption; Mr. Leshar seconded the motion, which passed unanimously.*

Mr. Hoffman read Resolution 18-006 by title only into the record.

ACTION: *Mr. Owen made a motion to approve Resolution 18-006; Mr. Panetta seconded the motion, which passed unanimously.*

14. Open forum/general discussion/consideration of Resolution 18-007 concerning approval of loans for the Abbotts Park water and sewer project. INFORMATION/DISCUSSION/ACTION (D. Gordon)

Mr. Gordon stated the bids have not gone out for Abbotts Park because one item regarding the Office of Drinking Water needs to be completed.

Mr. Hoffman stated the resolution is to authorize the execution of the loan and the pledging of revenues to secure the loan.

ACTION: *Mr. Owen made a motion to read Resolution 18-007 by title only to be introduced to the Board for consideration and adoption; Mr. Leshar seconded the motion, which passed unanimously.*

Mr. Hoffman read Resolution 18-007 by title only into the record.

ACTION: *Mr. Leshar made a motion to approve Resolution 18-007; Mr. Kennedy seconded the motion, which passed unanimously.*

15. Open forum/general discussion/consideration to accept the Certificate of Conditional Acceptance for the Showfield phases 2 and 3 and release of performance assurance minus 10% for maintenance bond. INFORMATION/DISCUSSION/ACTION (D. Gordon)

Mr. Gordon stated now that phases 2 and 3 construction is complete regarding water, homes are being built. The recommendation of GMB is to release the letter of credit minus 10%.

Mr. Hoffman stated the conditional acceptance is based on final inspection and acceptance. This is conditional acceptance because once all the infrastructure is in place, there is a final inspection with documentation officially turned over to the Board.

ACTION: *Mr. Kennedy made a motion to approve release of the bond; Mr. Owen seconded the motion, which passed unanimously.*

16. Open forum/general discussion/consideration of coordination with the County on sewer projects. INFORMATION/DISCUSSION/ACTION (D. Gordon)

Mr. Gordon stated discussion today with Mr. Medlarz will include the request for the state park to have sewer service and water treatment plant capacity.

Mr. Medlarz reviewed the following:

- 100,000 gallons a day from the County through the water treatment plant for the last six months with no issues;
- Amendment in March to agreement included to expand the New Road/Old Orchard Road arrangement to no longer be restrictive to specific parcels to receive service from the County or BPW; this will help eliminate the need for a new contract with every parcel;
- Request to buy more capacity now with the agreement given to the Board and Mr. Hoffman today; softening of the 'Handshake Agreement';
- Continue with the current flow until agreement is approved; paid \$100,000 impact fee for the 300,000 gallons per day;
- County Staff had concerns there would be a downstream bottleneck at Old Orchard Road; amendment to state costs for improvements would be shared;
- County has an agreement with Rehoboth Beach stating they have the opportunity to share in capital infrastructure in capital improvement projects beyond the percentages;
- County is interested in seasonal flow; language from the Rehoboth agreement will be sent to the Board to consider inclusion in the BPW agreement.

Mr. Gordon stated he sees no problems with capacity for the new flow amounts.

Mr. Hoffman stated he will need to review the agreement document before making a recommendation to the Board. Changes are needed to definitions that refer to the old framework.

Mr. Owen stated he is in favor of the agreement because this is an economical use of the infrastructure.

Mr. Medlarz spoke regarding sewer service being provided to the park stating the County is involved because the Division of Parks and Recreation has ownership of land in Wolfe Neck. The County only owns 100 acres and a new lease agreement is being negotiated. The County offered service to the park if the system could be connected directly to the County system. This was denied because the State preferred connection to BPW. The County made another offer to serve and provide significant improvements to the park with pumping from 10:00 P.M. to 6:00 A.M. only. This is not the preferred option for the County, and the question is if BPW wants to service the entire park sewer system. The County would prefer the park to be a BPW direct customer. The State wants to be out of the sewer business and to transfer waste through the BPW system.

17. MEETINGS ATTENDED BY BOARD MEMBERS OR STAFF

Mr. Owen reported he met with Mr. Sleasman of the Pilottown Village HOA; September 19th DEMEC meeting.

Mr. Kennedy reported on September 7th he attended the Abbotts Park meeting; September 12th attended a Chamber mixer; September 19th DEMEC meeting.

Mr. Leshar reported he attended the DEMEC presentation PJM 101 meeting.

Mr. Panetta reported he attended the PJM 101 training program; Mitigation Task Force meeting; Association of Coastal Towns meeting.

President Lee reported he attended the Mayor and City Council meeting; tax ditch and Mariners Retreat construction progress meeting; meeting with Senator Carper; Chesapeake Utility meeting; DEMEC; meet monthly with Mr. Gordon, City Manager Ann Marie Townshend, and Mayor Becker; met with City Councilman Dennis Reardon.

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

President Lee stated the October meeting will include executive session regarding Chesapeake Utility. Mr. Panetta requested an update on the MS4 Pilot Project.

19. CALL TO THE PUBLIC

None

20. CALL TO THE PRESS

Nick Roth of the Cape Gazette was present.

21. ADJOURNMENT

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

The meeting adjourned at 6:20 P.M.

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