

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

The Wednesday, March 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

In the absence of President Alfred, Mr. 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
Glenn Mandalas, Legal Counsel

Others Present:

Austin Calaman, Assistant General Manager
Kristina Keller, BPW
Paul Eckrich, City Manager
City Councilman Rob Morgan
Tom West, City Planner
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 February 2017**
- c) **Receive President Report**
- d) **Receive Vice-President Report**
- e) **Receive Secretary Report, approval of Minutes dated February 22, 2017**

- f) **Receive Treasurer Report**
- g) **Receive Assistant Treasurer Report**

Mr. Kennedy requested a correction to the February 22, 2017 minutes in reference to Agenda Item #7 to delete the wording stating the motion passed unanimously.

ACTION: *Mr. Lesher made a motion to approve the consent agenda with the correction to the minutes of February 22, 2017; Mr. Owen seconded the motion, which passed unanimously.*

Mr. Gordon requested a revision to today's agenda for an executive session following the meeting for review and approval of the executive session minutes from November, 2016.

5. Open forum/general discussion for adoption of the proposed Operations and Maintenance Budget for the 2017-2018 fiscal year presented at the February 22, 2017 Regular Board meeting. INFORMATION/DISCUSSION/ACTION (D. Gordon)

Mr. Gordon stated this is a conservative budget with revenues increasing .05% by reviewing five years of consumption including the new revenue changes. Operating expenses will increase by 1.76% with the total change in net assets of \$1,155,291 for a reduction of 0.79%.

ACTION: *Mr. Owen made a motion to accept the proposed Operations and Maintenance Budget 2017-2018 fiscal year as presented; Mr. Lesher seconded the motion, which passed unanimously.*

6. Open forum/general discussion for adoption of the proposed Capital Improvement Budget for the 2017-2018 to 2021-2022 fiscal years presented at the February 22, 2017 Regular Board meeting. INFORMATION/DISCUSSION/ACTION (D. Gordon)

Mr. Gordon stated the McFee Street Project #22 was budgeted for \$92,000. The City received very high bids to micro-surface 8 streets. The estimate for the plans for McFee was \$106,000 with an increase of about \$14,000. The request is to adjust the budget amount for this increase.

Mayor Becker stated the City eliminated the micro-surface project but left the McFee project intact in anticipation of the increase being approved since it will impact the infrastructure.

Mr. Gordon provided a reserve policy report for review stating this management document helps us to define our minimum cash reserve which is now \$14M. With the capital projects completed, we would be below the capital reserve minimum which should be \$9.9M. When the capital projects are completed the next year for \$2M, the minimum reserve drops to \$8.1M.

Mr. Gordon explained how the addition of depreciation each year and the \$1M change in net assets (as shown in the budget) prevents the reserve amount falling below minimum.

Mr. Lee stated he asked Mr. Gordon to discuss the calculations further to address any concerns about why the budget shows the amount to be below the minimum cash reserve.

Mr. Gordon also discussed the project to replace the pipes under Savannah Road, Gills Neck, Freeman Highway and Pilottown Road including the parking lot at 1812 Park and Lift Station #4.

Mr. Leshar questioned since this is a budget and not a listing of signed contracts, the amounts could change up or down with the need to possibly take more from the cash reserve.

ACTION: *Mr. Leshar made a motion to approve the Capital Improvement Budget 2017-2018 to 2021-2022 as presented with the changes to the amounts for the McFee Street project; Mr. Owen seconded the motion, which passed unanimously.*

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 there has been one year of discussion including the UFS rate study presented to the public and the Board in January for approval of the rate changes as proposed. The resolution packet presented in February needed some corrections to be brought back for review tonight. There are now two resolutions: No.17-003 showing the change in water and sewer rates over the next five years and No.17-004 showing the electric increase.

Mr. Gordon stated the water rate surcharge will increase \$1 and the commodity charge 6 ½ % for an increase to the commodity charge of 11 cents per 1,000 gallons. Sewer is to increase 2% every other year starting 2018. Electric rate surcharge is to increase \$1 with the commodity charge coming down for a rate-neutral change.

ACTION: *Mr. Owen made a motion to approve Resolution No.17-003 as presented; Mr. Kennedy seconded the motion, which passed unanimously.*

ACTION: *Mr. Owen made a motion to approve Resolution No.17-004 as presented; Mr. Leshar seconded the motion, which passed unanimously.*

8. Open forum/general discussion on release of Bond/Letter of Credit to Jack Lingo Asset Management for completion of Phase I of the Showfield development. INFORMATION/DISCUSSION/ACTION (D. Gordon)

Mr. Gordon stated Phase I to provide water service has been completed. The \$308,528 letter-of-credit received to cover any issues with the construction being completed was to be returned after inspection was completed, punch-list approved and all required as-built received.

Mr. Gordon stated since all requirements have been met, his recommendation is to approve the release of the letter-of-credit back to Jack Lingo Asset Management.

ACTION: *Mr. Leshar made a motion to approve the release of the letter-of-credit; Mr. Kennedy seconded the motion, which passed unanimously.*

9. Open forum/general discussion of new formula presented by DNREC for the Lewes Nutrient Trade requirements. INFORMATION/DISCUSSION (D. Gordon)

Mr. Gordon explained the requirements for calculation of the amount of manure removal needed for the City to achieve the required offset for its discharge of nutrients into the Lewes/Rehoboth Canal.

Mr. Gordon stated in 2009 the amount of chicken manure moved equaled 5 pounds of credits. The State called recently to report this was an error. The 358 tons of manure were moved at a cost of \$3,500 which was thought to be enough for 80 years of credit but is only good for about another 18 months. The recommended plan is for another 358 tons to be moved to be enough for 10 years.

Mr. Kennedy stated we are still discharging below the permit maximum limit of nitrogen with no violation of permit limits established by DNREC. Why has it taken the State almost 8 years to report this error in calculation. It would be better now to move forward with Mr. Gordon's recommendation for periodic manure to be moved according to the new calculations.

10. Open forum/general discussion to provide for the Lewes BPW office to be open Saturday, April 22, 2017 between the hours 9:00 A.M. and 12:00 Noon for Voter Registration and Absentee Voting, if there is an election on May 13, 2017. INFORMATION/DISCUSSION (D. Gordon)

Mr. Gordon stated there will possibly be an election with Mr. Lee and Mr. Owen running for office at this time. Per our Charter, we will need an open Saturday for voter registration if anyone else files as a candidate. We will not be open if there is no election and will know by April 7, 2017.

ACTION: *Mr. Owen made a motion to approve the office opening for voter registration and absentee voting on Saturday, April 22, 2017 if needed; Mr. Kennedy seconded the motion, which passed unanimously.*

11. Open forum/general discussion of the April 29th Household Hazardous Waste collection day in concert with the National Prescription Drug Take-Back Day sponsored by the City of Lewes. INFORMATION/DISCUSSION/ACTION (D. Gordon)

Mr. Lee stated Delaware Solid Waste Authority will be removing whatever is collected including electronics.

Mayor Becker stated Walgreen's now has a drug drop-off service available 365 days of the year.

Mr. Gordon stated there was consideration to include a shredding service.

12. MEETINGS ATTENDED BY BOARD MEMBERS OR STAFF

Mr. Lee, Mr. Owen, Mr. Kennedy and Mr. Leshner attended today's Board of Ethics and Governance Training Workshop and executive session meeting.

Mr. Kennedy attended the Pre-annexation Committee meeting on March 14th as a resident.

Mr. Lee attended the March meeting of Mayor and City Council.

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

Mr. Kennedy requested Mr. Gordon report to the Board about modifying the website to include the meeting materials provided to the Board be made available to the public for review.

Mr. Mandalas stated this would not be a problem since all documents are public record. Only the topics for executive sessions would not be posted.

14. CALL TO THE PUBLIC

None

15. CALL TO THE PRESS

Nick Roth of the Cape Gazette was present.

16. ADJOURNMENT

ACTION: *Mr. Leshner made a motion to adjourn to executive session for review of executive session minutes of November, 2016 and coming out of executive session to approve these minutes; Mr. Owen seconded the motion, which passed unanimously.*

The meeting adjourned at 4:45 P.M.

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