

**CITY OF LEWES
BOARD OF PUBLIC WORKS
Workshop Meeting
February 10, 2021**

The workshop meeting of the Lewes Board of Public Works was held via Zoom on Wednesday, February 10, 2021 at 8:30 A.M.

Note:

The Workshop will open to the public in a General Session. After Item 3, it will go into a closed Executive Session. It will reopen into the public General Session at 9:00 A.M.

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

President Lee called the meeting to order at 8:30 A.M. and led the Pledge of Allegiance.

2. ROLL CALL

Board Members Present:

D. Preston Lee, P.E.
A. Thomas Owen
Robert J. Kennedy, III
Thomas Panetta
Earl Webb

Ex-Officio Members Present:

Theodore Becker, Mayor (**Mayor Becker joined the meeting for the General Session**)
Darrin Gordon, General Manager
Michael Hoffman, Legal Counsel

Assistant General Manager Austin Calaman was also present.

3. REVISIONS AND/OR DELETIONS TO THE AGENDA

None

4. EXECUTIVE SESSION

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

5. Return to Open Session at 9:00 A.M.

6. Open forum/general discussion and/or action on any items from Executive Session.

None

7. WORKSHOP

Note:

Due to time constraints, this workshop may not discuss all the potential topics listed. Topics not discussed may be addressed at a future workshop.

President Lee stated the meeting would adjourn at 12:00 Noon.

POTENTIAL TOPICS:

President Lee stated this list was written by the Board members in order of priority.

a) Review of 2020/2021 Strategic Plan Goals

Mr. Gordon reported the Sargent and Lundy Electric Study was completed, which stated the electric system is in very good shape. Regarding concerns about electric vehicles, the system would be able to handle 50% of infiltration for the next 10 years. Requests for bids, proposals, and advice on the size needed for an industrial battery have been sent out.

The new NISC billing system has been started, and additional Staff were hired. The RKL Study was completed including hiring two new employees as bookkeeper/accountant and an administrative assistant to help eliminate the need for some employees to be performing duties for multiple positions. There were 155 applications received for the administrative assistant position, and President Lee and Mr. Panetta will be doing the hiring.

Work is moving forward on Cedar Avenue to complete the sewer linings to improve water quality. The work on Pilottown Road was delayed due to COVID-19, which will cause the work to take about another year to complete. Board has reviewed a 5-year and 10-year Capital Project Plan.

The updated website has been installed. NISC provides a customer portal with communication between customers and the billing system enhanced. The two new employees will also help to improve and update the website.

The RKL Study showed changes needed in some employee salaries and these have been included in the 2021-2022 Operations and Maintenance Budget.

President Lee stated the object of the workshop meeting is to identify items that need to be added to the 2021-2022 Strategic Plan.

b) The status of the implementation of the recommendations made by RKL.

Mr. Gordon reported the RKL Study included a review of current Staffing, what areas could be strengthened, and if more employees were needed. It was determined that one employee was being overworked. A new accounting/financial employee was hired to eliminate this problem. A centralized, more consistent filing system is being adopted for electronic filing; files will be archived, locked and secured. Several employees were not being compensated correctly, and this has been addressed. An administrative assistant is also being hired.

Mr. Gordon stated the RKL recommendations will be completed by the end of this fiscal year, as was requested in their report.

c) What will be the Bookkeeper's role and responsibilities and how will proper financial oversight be assured.

Mr. Gordon provided the RKL Bookkeeping, Accounting, and Auditing Report that states the duties, responsibilities, skills and abilities. Regarding financial oversight, the NISC software requires multiple levels of approval for journal entries and accounts payable, which will require everything to be touched three times in the process.

Mr. Webb stated this is a good process and having RKL reviewing the separation of duties and the responsibilities has been helpful. The new financial person is another great level of support for this process.

Mr. Gordon stated the new auditors, Stank, Zelenkofske, and Axelrod, who did the annual audit last year and will for this year, are doing a very thorough job.

Mr. Calaman stated the new bookkeeper will begin work on Tuesday, February 16th.

d) What should the Board take into consideration when making its decisions on implementing battery storage, smart meters, solar, etc. to assure the customer's best interest.

Mr. Kennedy stated his concern was that before making a large capital commitment, we understand the costs and benefits. A cost benefit analysis is needed to show what we are receiving for the expenditure of funds, and if there is time to make a later decision. Sargent and Lundy said they would provide advice regarding the battery, smart meters, and solar fields. It also needs to be considered if this is what the customers want now or later in the future.

Mr. Gordon stated the battery, smart meters, and solar fields all need to be considered separately. We have been working with Scott Lynch of DEMEC and with AMP. AMP has installed an AMI system in Seaford and Milford, and information was received yesterday for review. The plan includes using our existing meters with an estimated cost of \$300,000 plus \$80,000 per year to maintain. There will be a presentation of three offerings with discussion at the February Board meeting.

Regarding solar fields, State legislation has changed the value of solar. More research is needed for plans to include community solar in the open space at wellfield; costs and help with funding.

Sargent and Lundy continue to prepare RFP for a response from contractors to return with the numbers for the Board. This will include the costs and return on the investment. The battery will help to reduce our capacity charges, which were 40% of the \$650,000 bill for this month.

Mr. Kennedy stated he is in favor of moving forward with the purchase of the battery. The presentation on solar needs to address the question of economy with scale, and how continuing with DEMEC in their solar acquisition will provide solar to us at a lower cost.

Mr. Webb stated the cost of batteries has decreased with five to six different technologies available.

President Lee spoke about the importance of BPW to consider impact on the environment.

Mr. Panetta stated the battery that was considered in the past would not have been the correct size to mitigate the outages that occurred two to three years ago. Mr. Panetta also reviewed how critical it is to have the AMI System in order to manage the utility.

Mayor Becker spoke about Governor Carney's target plan to increase solar and Green Energy.

Mr. Gordon reported BPW is on pace with the Governor's plan to be at 25% by 2025 and will continue to move forward working with DEMEC and the purchase of the battery. There are 98 residents with solar power in Lewes, and the wind turbines at the University of Delaware give us a very strong standing with renewables. Being part of DEMEC will benefit customers and BPW financially.

Mr. Panetta stated the new Shields School, and the new middle school will not be using solar energy because there are no funds budgeted, as was reported during the Planning Commission review of the projects. Also, there are no plans at the State level for the electric school bus, but the technology is increasing with several school districts in the country using the electric bus.

Mayor Becker will check into reopening the discussion since there may be excess funds available from the high school addition budget.

e) What can we be doing to minimize infiltration and inflow into our sanitary sewer system.

Mr. Gordon stated I & I is always a concern and work continues with Inframark. Mr. Gordon reviewed the January Inframark report showing the trends; precipitation events and reaction in the lift stations; inflow from manholes and how this can be improved with coating; Pump Station #10 and #14 peaks days after a rain event will need more analysis but may be caused by sump pumps; City ordinance prohibits having sump pumps connected to the sewer system; the lines will be videoed after the next rain event to identify the homes with sump pumps connected; residents to be instructed that the water can be emptied into the street and that water cannot be discharged over sidewalks.

Mayor Becker will check with the building official about informing developers when building permits are issued regarding crawlspaces. Also, which codes are enforced by the County plumbing inspectors.

f) Should we be considering rate increases in our revenue streams.

Mr. Calaman reviewed the chart showing the comparisons to Rehoboth Beach wastewater rates with Rehoboth having a 1" meter as standard and BPW is 5/8". The ready-to-serve charge is included which is higher for BPW, but the commodity charge is low. Rehoboth is the opposite with the commodity charge higher as consumption increases. Tidewater rates were also compared.

Water rates were also reviewed for the cost of 4,000 gallons for BPW \$21.08; Milton \$27.33; Rehoboth Beach \$35.76; Tidewater \$53.84. There will be a 2½% increase beginning April 1, 2021 as part of the five-year plan.

Residential electric rates were also lower when compared to the cooperative rates.

Mr. Gordon stated the UFS recommendation on stormwater rates will be received soon and small, consistent rate increases may be needed in order to continue with our capital projects.

Mr. Webb spoke about the importance of rate increases to continue with projects to insure clean water, the removal of rusty pipes, solar field, smart meters, and protection of the environment. There also needs to be a balance between the money we have and the money we spend including the \$2M purchase of the Jones property and placement of the new water tower.

Mr. Kennedy stated he supports Mr. Webb's comments, and it is important to regularly review rates to be sure costs are being recovered and rates are fair and equitable in the way we recover revenues from our customers. Rates should be evaluated every three years to see if adjustments are needed in order to make small adjustments and not major increases. Also, to be sure BPW has the revenues to provide services at the lowest cost consistent with the obligation to provide these services reliably over time. UFS needs the information in order to make the decision about the adjustments.

g) What new technologies are available for water and sewer rehabilitation to minimize the need for total main replacement.

Mr. Gordon reviewed the current projects including relining pipes on Coleman Avenue and Fourth Street by Specialty Pipe Services with the latest technology for the pipes to last 70 years. The new technology used eliminates the need to excavate and re-excavate reducing costs for road, curb, and landscaping repairs. Specialty Pipe Services has stated this will repair some cracks and beam breaks in pipes. There are projects that will still require work to be completed without this new technology that would require digging on properties and streets.

President Lee explained how there is no loss of capacity in the flow rate with the diameter of the pipe reduced by about 1/4" due to the addition of the lining.

Mr. Webb questioned if it is possible to have a coalition to bring prices down and work with other cities in the area such as Milton, Rehoboth, Seaford to create cost buying power.

Mr. Gordon stated this is happening now with the Delaware Real Water Association regarding use of another new technology called Ground Penetrating Radar Locator to help locate pipes from the 1920s not listed on the maps. There are some homes on Bay Avenue that need water pipes relined, which is more complicated than relining sewer lines requiring a separate water line be built on top of the ground to serve the entire line. If this can now be completed in eight hours, the second line would not need to be built. Contracts will state the materials used to coat the water and sewer lines are safe, approved products. The coating is also stamped with the name and date for identification.

Mr. Gordon reviewed the process for managing disposal of the material removed from the pipes since there is no collection system attached. The GMB Study will help identify which pipes are cast iron in order to prevent these pipes from being destroyed during the cleaning process. Most of the 6" and 8" lines are surrounded by 1/2" of steel.

h) Should we be considering programs such as appreciation events to engage and improve our public image.

Mr. Kennedy stated several years ago there was an event for the public to tour the Wastewater Treatment Plant, BPW provides a banner for Public Power Week annually, and there have been other programs that are available on the website. Information has been sent in bills to inform about energy savings through Efficiency Smart. These events should continue with the addition of having customers come in to see how to navigate the portal for BPW to have a better interaction when COVID-19 restrictions are lifted.

Mr. Gordon suggested having an outdoor event before the elections on May 8th to provide information on how to register to vote.

Mr. Owen stated meetings may be scheduled with the HOAs to discuss issues each may have. This will also depend on COVID-19 restrictions.

i) What can we do with the cable and telephone utilities using our poles to remove unsightly and potential safety issues with their abandoned wires and equipment. Should we update our pole attachment charges.

Mr. Panetta stated there is concern about safety hazards caused by existing abandoned telephone and cable lines on sidewalks. The short-term solution is for BPW to cut the lines at the top but for the long-term solution, Verizon and AT&T need to be accountable for these abandoned lines.

President Lee said he spoke to legal counsel Michael Hoffman who stated he will check into what responsibility the cable companies have in removing these lines. The utility companies have not been cooperative in the past. There is a utility line that runs across the street on Cedar Avenue wrapped around the supporting wire that is ready to fall.

Mr. Gordon requested a list of the locations to have these removed by BPW.

Mayor Becker stated the public can help by calling their cable company to ask for the lines to be removed.

Mr. Gordon stated there is no pole attachment agreement with Verizon but there is a tank lease agreement for \$33,000 per year. The tank lease with Verizon and AT&T will be due in 2022 and 2024 and have been sent to Mr. Hoffman for review. Verizon has stated they do not want to continue with the current tank lease because it increases 4% per year. They were advised, after review by the Board, that these charges will not be reduced.

Mr. Panetta said the utilities will need to continue with the tank lease in addition to installation of the 5G poles for good overall coverage.

Mr. Kennedy asked if there is more flexibility with the original pole attachment agreements vs. the pole attachment agreement for 5G for negotiating fee increases.

Mr. Gordon said there is the same amount of control in our service areas and in a right-of-way. He has not been approached by anyone regarding 5G on BPW poles or the installation of new poles.

j) What should we do with properties that are in our service territory but not receiving services, such as the properties on New Road.

Mayor Becker spoke about some of the other properties considered for annexation on Kings Drive in Zwaanendael Farms, 10 houses on Savannah Road, and on Donovan's Road.

Mr. Kennedy said at the previous discussion, GMB presented a map and analysis of the properties outside the incorporated area of Lewes within the BPW service area. The conclusion was that if all properties were annexed, BPW has adequate capacity to serve electric, water, and wastewater. Has there been any change in the analysis?

Mr. Gordon stated we are now at 65% capacity for electric at the major transformers on Schley Avenue and are in excellent shape, but the ability to expand electric beyond the CPCN is limited. Sewer: the capacity at the treatment plant is able to serve all areas designated as our CPCN. Water: 85% strong in our existing structure including the well being developed on New Road. Admiral's Chase is outside the City and being served but cannot be annexed because they are not contiguous. A list of the properties outside the City and within the service area was provided for review.

Mayor Becker stated Council has discussed the properties listed to develop a plan of incentives to include New Road, and the cost for providing service needs to be considered. It would be helpful if the City and BPW could work together before any other services are expanded. Council will continue to review the list to decide what incentives will be offered. There are residents on Hoornkill who want annexation and others who do not due to concerns about the cost.

k) Review the list of all present written BPW policies for potential in-depth discussion at a future workshop.

President Lee stated Mr. Gordon has provided all previous resolutions dating back to the beginning of BPW. Mr. Hoffman agreed the best way to proceed is to review all the resolutions to decide which should be policies and if they still apply.

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

The meeting adjourned at 11:00 A.M.

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