

**CITY OF LEWES
BOARD OF PUBLIC WORKS
Regular Meeting Minutes
July 23, 2021**

This Friday, July 23, 2021, regular meeting of the Lewes Board of Public Works was held at 10:00 A.M. in Council Chambers at City Hall and via zoom.

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

President Lee called the meeting to order at 10:00 A.M. and led the Pledge of Allegiance.

2. ROLL CALL

Board Members Present:

D. Preston Lee, P.E.
A. Thomas Owen
Richard Nichols
Thomas Panetta
Earl Webb, via zoom

Ex-Officio Members Present:

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

Others Present:

Austin Calaman, Assistant General Manager
Michael Wolgemuth, Inframark
Richard Plack, Inframark
Kimberly Stank, Zelenkofske Axelrod, LLC
Kayla DeMar, Zelenkofske Axelrod, LLC
Robert Kennedy, Ratepayer
Ann Marie Townshend, City of Lewes
Laura Oakley, BPW
Kimberly Bellere, BPW
Charles O'Donnell, GMB
Kris Keller, BPW
Suzanne Powell, BPW
Scott Koenig

3. REVISIONS AND/OR DELETIONS TO THE AGENDA

None

4. CONSENT AGENDA

President Lee stated that item “b- remove from consent agenda” is incorrect and left on from past agenda.

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

- a. Receive Vice President Report**
- b. Receive Secretary Report**
- c. Receive Treasurer Report**
- d. Receive Assistant Treasurer Report-** Mr. Nichols spoke on outreach.

“It builds on what many of the candidates on both the BPW and city council elections were requesting; better information about the two entities and with relation to BPW and the need or the benefit that would come from having more outreach to the public. And so, I made a little chart sort of building on Earl's evaluation from extensive interviews that he had while he was campaigning on the need for outputs from BPW. So, I did a graphic, kind of a chain of command, starting with voting ratepayer's, elects the board of directors. Who oversees the general management? General manager. And the general manager has the jurisdiction and the oversight of direct staff, various contractors, suppliers and vendors, wastewater treatment plant operator, and the four utility entities, if you will: the treatment plant, the electric supply, water supply, stormwater maintenance. And all of this information is written in various documents on the website or in newspaper articles, but not really well understood by the public. In consultation with Darren and Earl and some other people. The four elements, wastewater, paint, electric, water supply and storm water could be amplified by video clips, news articles, interviews and tours and demonstrations. Such that we've broken out on a piecemeal basis or a day in water supply, day and storm water management, day in BPW staff operations, ready to serve explanation, emergency preparedness. Also, the wastewater details the level of complexity, oversight, credit equitation of the operator. And words exist, but in, video or individual clips, interviews, and so on, as well as the general managers general managing report. A lot of excellent information in words which can be better presented visually, graphically. I believe. And help educate the public on what the BPW does for the city and for the public. And build a better awareness with these outputs, for the branding of BPW, how does it work? And what does our team do? So that's what I had in mind.”

President Lee questioned if Mr. Nichols is thinking the BPW would do this in-house or farm it out to a specialist? Maybe if they were going to produce some of these things, videos particularly, that it should be done professionally?

Mr. Nichols stated that it might be farmed out or worked with any of the technical schools, Sussex Tech people who are training. Mr. Nichols stated that the BPW is looking for the right resource or resources to do this. The BPW would do a simple graphic of how water treatment plant works with five different stages of the plant and on a graphic of how the process works from the inflow to the outflow into the canal. And if there's five sections, there's five different two-to-three-minute videos explaining this is what it is. Mr. Nichols continued:

“This is what this portion is, the headworks. This is what the next section is. The trains, and so on. And have them accessible in sequence or like the zooming or the streaming. So, session one, session two,

session three, and have it accessible on the website or do streaming sessions may be part of an open meeting on a presentation of what BPW does with the city for the holiday lights, Lewes and Bloom, electric car recharging stations. Things like that that internally we know about, but and it may be written someplace in a paragraph, but the visual is more powerful than the words.”

Mr. Gordon stated that he and Mr. Nichols have talked about this along with Mr. Calaman. They discussed the tour that the BPW gives to the wastewater treatment plant, break it down into those two-minute bytes from headworks and all the way through the process Mr. Gordon thought staff member, Sharon, would probably be able to do it and bring it back to the Board and if it is not quality enough that we can, you know, change.

Mr. Gordon suggests trying it in-house first, that it would probably work well. Sharon's done a great job on the Facebook and working on our webpage. And I think it fits right into that and think that would be Mr. Gordon's recommendation.

President Lee stated that the treatment plant is probably the most complicated project of all of all four.

Mr. Nichols stated that it's probably the easiest to get recognition and interest because of the controversy since the spill. It is a physical plant the people can go see, even from outside the gate, they know where it is. Mr. Nichols stated that it is an easy thing to relate to as a starting point and maybe as the model of subsequent.

President Lee stated that it is probably the most controversial, obviously, of the four. President Lee's feeling would be is to do something simpler. President Lee suggested to do the water plant before the Wastewater Treatment Plant. Make sure we get it down, because the BPW does not want to spend a lot of time and money testing it on a wastewater treatment plant that's more complicated. President Lee thinks for that reason, it should probably be as a as a trial.

Mr. Nichols agrees.

Mayor Becker stated that if the BPW is looking to put the outreach on the website and make it valuable it needs to be done right. Mayor Becker stated the city did a COVID demonstration with Merck Foods from the American Legion for employees about safety. The city did it down at the at the streets department and used Rob Waters, who does videos like this. Mayor Becker stated that Mr. Waters is a professional videographer, he's local, and very reasonable charge. Mayor Becker would be happy to provide the contact information.

President Lee questioned what kind of dollars we're this would be.

Mayor Becker stated that it sounds like this could be a great idea and getting somebody who does videography as a profession might be a good investment be better President Lee stated that Sharon could do a nice job, but she has her job to do and if we're going to do it, I'd like to have it professional.

President Lee would like to get a price.

Mr. Calaman stated that there are two parts of how to push the videos out. Mr. Calaman stated for the current website, it's a little bit harder because it's you don't have as many bells and whistles to work

from, which goes into the new website that Sharon is tackling is not nearly complete. The BPW can push it out through Facebook.

Mr. Panetta agrees with a trial project and starting with the headworks at the wastewater treatment plant because it's more photogenic.

Mr. Panetta stated that it's kind of hard for some of these things, like a video on the stormwater system, everything is buried. The water treatment plant, there is a building out there, but it doesn't have the big equipment to video.

President Lee questioned if Mr. Webb was on board with the project and Mr. Webb responded yes. Mr. Owen stated that the BPW needs to focus on PR more and getting more information to the public.

Mr. Nichols will take on this project and get the process started by getting contact from the mayor and get a budget planned.

***ACTION:** Mr. Owen motioned to received Assistant Treasurer's report. Mr. Panetta seconded, which passed unanimously.*

5. RECEIVE THE INFRAMARK WWTP REPORT– (Mike Wolgemuth, Richard Plack, Inframark)

Mr. Wolgemuth stated that Mr. Gritton has set up a meeting between Inframark, BPW, Keystone, who's the integrator, and the vendor, Hill's Electric Motors, to review the project, the Pump Replacement Controls Project. Call scheduled for Monday morning. That project's moving forward regarding the rebuild that they had work equipment, we asked for a full turnkey proposal from Sherwood Logan, the sales vendor for the band screens both 2mm and 5 mm. Sherwood Logan was out on site a couple of Fridays ago. On the ninth, Mr. Wolgemuth called and emailed the gentleman yesterday to try to get a status update and has not responded. Temporary solution that was discussed with the dewatering rule container completed. Inframark is still working some bugs out there. The initial liner was too fine. A new liner with a sort of bigger pore size was installed this week. But there are some control issues with the with the pump today. An electrician is coming out today. Moving into the filters, the last the first cleaning of the last train, train three. Mr. Wolgemuth was mistaken and putting that back online today. Some chemical cleaning was done. Train four, which replaced the first train that was cleaned and was put back into service on March 8th and will be pulled next week or two to reevaluate and see what the condition of it is. This is how quickly filters will need to pull in clean now and get back to cleaning all the other street treatments.

President Lee questioned how well this temporary fix is working. Mr. Wolgemuth that it has it has potential to be a long, short-term solution. Inframark got about two weeks, a week, and a half out of the one dumpster. There has not been time to test the bigger micron screen, so it was filled with grease.

Mr. Gordon questioned what is the new one? What is the Micron's? How big of a screen is that? Mr. Wolgemuth stated that last time that the one we had in was a 300 micron and was in error. Mr. Wolgemuth stated it was more like 130, and now they're going up to a bigger screen. Mr. Gordon questioned how much does each one of those filters cost? Mr. Wolgemuth stated a lot more. The other ones were 85 dollars apiece and the new ones are 250 dollars.

Mr. Gordon stated that this a very reasonable cost to replace every couple of weeks. President Lee questioned what it will do to the filters. Mr. Gordon stated that it will help them in the long run. Mr. Wolgemuth stated that since we took the Lifehacker offline and have been pumping the screenings into the grit auger, we are getting a lot more debris out than we had been prior. So that's a positive. Worst case scenario, we continue to do that, which is not our plan, but that it's still better than what was before. If the 250 micron doesn't work more, they will try to buy a bigger, bigger port.

President questioned if it is it too early to judge what's happening yet.

Mr. Wolgemuth stated that it is because what got through prior is still circulating a bit and within the biological trains and it would be too early to assess. Bringing the mixed liquor down will produce less fowling.

President Lee questioned if by next month there will be a better field.

Mr. Wolgemuth stated that the train forward by our next meeting and have a good evaluation.

Mr. Panetta stated on page six of the report, a pump station was clogged with rags and this has been an ongoing problem. Can you tell what type of ragging is in there? Is it disposable wipes?

Mr. Plack stated that it is a combination of disposable wipes along with other hygiene products that tend to get lost.

Mr. Panetta questioned if it possible to get photographs because that would be helpful for our outreach effort to educate the public on what this type of material.

Mr. Gordon questioned if it 50 percent flushable wipes and probably another 25 percent feminine products?

Mr. Plack stated that unfortunately, due to the combination that occurs, it's hard to determine. Mr. Gordon stated that the percentage this grounded up.

Mr. Owen stated that we can call anything we want to call it and can start with Handy wipes because that's a problem. Mr. Owen suggested to tell people that that's a problem, and the BPW can come back and say, it's also this.

Mr. Panetta stated that the BPW should put out a total list of what we think it is But a picture to this point says tens of thousand words. Mr. Panetta stated that the BPW has done press releases and things on the web, but some pictures of what this is actually doing will people's attention when you see these things.

Mr. Wolgemuth stated that it may be Station Four is where most of everything on the other side of the canal, plus the county is going into Station Four. Mr. Panetta agreed. Mr. Wolgemuth stated that it may be a long-term solution to put a bar screen in Station Four. Mr. Wolgemuth stated that this may be something to look into in the future.

President Lee stated that Mr. Wolgemuth mentioned the county and questioned if there is anything

particularly harmful or they are not doing anything more than we are.

Mr. Wolgemuth stated that Inframark is not sure if the county has bar screens in front of their stations, but that's something the BPW could explore.

President Lee questioned if Mr. Wolgemuth thinks the county's is worse than the BPW's.

Mr. Wolgemuth stated that he did not think so. Everything gets ground up and then it kind of intertwine stuff together.

Mr. Panetta stated on page eight, the unclogged two mm screen temporary screening pump and is that that is related to the change in the filter?

Mr. Plack stated that there are two temporary systems in place presently. One is just a small submersible, two-inch pump that supplies the washings from the screen to the grit screen, which was the first attempt at a temporary solution to recapture as much as possible. There is also have the deep-water dumpster, which is awesome.

Mr. Panetta questioned that in the long term, once we get the screens done, the headwork, rebuild the new compactors and this will go away.

Mr. Wolgemuth stated yes and that's the first the first solution going into the grit auger and is more time consuming. That's what solving its problems. It gets clogged, but it is working and better than before. Inframark is trying to get this other system online as quickly as possible.

Mr. Nichols questioned what's the best estimate that you can make on getting the headworks and everything back to normal?

Mr. Wolgemuth stated by the end of first quarter of 2022 and is a reachable goal.

Mr. Calaman stated that most of everything that's been talked about from the PISTA grit auger to the compacter, to the screens. They're all sitting and being looked at by GMB and by Sherwood Logan to make sure that they are standalone products that will work and will fit within the space. Once that's done, the BPW can move forward with the ordering but then there is lead times.

Mr. Panetta questioned what the lead times are approximately now.

Mr. Wolgemuth stated that it was 16 weeks on the first quote, and it has been four months since then. There are other aspects Inframark is experiencing long lead times, chemicals shortage across the country and drivers.

Mr. Panetta questioned if there is trouble getting hypochlorite and or chlorine products?

Mr. Wolgemuth stated not here, but in other parts of the country but the BPW does not use a lot and are not getting tanker loads.

Mr. Panetta referred to the Suez report on page fifteen. The report states that TMPs being above one

PSI, and there's a comment about no hypochlorite cleaning, but that there is a potential a small accumulation of pore fouling.

Mr. Plack stated that it's in reference to the combination based on just the data we have it doing the cleaning search back and then they spend 22 seconds online on.

President Lee questioned what this was in reference to, and Mr. Panetta stated train two and recommended doing the hypochlorite cleaning to go back through and verify all records.

Mr. Panetta referred to the Suez report as it stated the aerobic zone and dissolved oxygen was a point three four ppm. The report stated that there was also a corresponding increase of the anaerobic zone, and this was in the June 30th to July 12th range.

Mr. Wolgemuth stated that it has been discussed and possibly because of the air systems maxed out. Oxygen transfers better and colder temperatures, With increased loading and being in the summer, it is difficult at times.

Mr. Gordon stated that it has been discussed, and on the level of great concern and that it is being watched and it's OK. Mr. questioned if he was interpreting that correctly? I don't want to give anybody here the idea that the sky is falling.

Mr. Panetta stated that he was looking at it from a long-term perspective and without uttering the nasty words of climate change, Lewes seeing more and more warm weather spells there. Is this temperature related or degradation of the blowers, and it sounds like it is something we're looking into whether how to increase their capacity for the system?

Mr. Gordon stated did have one of the blowers go down, and so they are looking at that very thing.

Mr. Calaman stated that it feeds the trains and the BPW has five blowers that feed the trains. The BPW still has four and is ordering a backup so that we have it and we're having the one fixed and be all set.

Mr. Panetta questioned given the longer lead times we had talked about where are we at with that for stocking spare parts we have at the wastewater plant?

Mr. Wolgemuth stated that for the most part, there are spares of everything. The blower that Mr. Calaman referenced, we had redundancy and only needed four. There were five online. We have spare motors for just about every piece of equipment such as spare permeate pump for the trains. Pump stations there are spares for. There were there were five, I believe, five stations that we didn't have spares for, but they have we have two pumps in each of those polling stations, but we don't have a thermosphere sitting on the shelf. Inframark has pricing from Hills to get spares for all of those pumps, but we come back to talking about, do we want to move away from the grinder pumps or still value what we have. Inframark is still evaluating that. A lot of times with the pump stations, if we're in in an emergency, we could retrofit.

Mr. Panetta stated that Inframark brought the temporary pump in.

Mr. Wolgemuth stated the lead times now are a concern.

Mr. Gordon stated that he referred to Mr. Plack as the Hulk. Mr. Gordon gave a tour to couple of young men, probably eight years old. When you walk and it's kind of noisy and crinkly and Mr. Gordon said, *"Hey, look at the Hulk. Watch he walks on this. He showed up and the young man, he just relaxed. Everything was OK."* Mr. Gordon promised, that was a term of endearment.

Mayor Becker requested the number of participants on the zoom meeting. There were five attendees and three participants.

6. RECEIVE THE PRESIDENT'S REPORT

Mayor Becker inquired if it needed to mention of the two changes to the Audit Report.

President Lee stated that they were minor and that when the report is uploaded online, it will be corrected.

President Lee wanted to acknowledge the leaving of the BPW's general manager and how much the BPW will miss him. President Lee stated that Mr. Gordon has done an excellent job and has done everything he has been asked in a professional manner. Mr. Gordon has coordinated well with the Board. President Lee expressed his appreciation for putting together a team that is efficient and responsive and in a way that is economical. The BPW's rates are some of the lowest in the state, great reliability, and excellent safety record thanks to Mr. Gordon.

Mr. Gordon suggested to change the order of the agenda to allow Ms. Stank and Ms. DeMar to present without having to wait through the general manger's report. President Lee agreed.

PRESENTATIONS

7. RECEIVE THE ZELENKOFKSKE AXELROD, LLC ANNUAL AUDIT REPORT FOR THE 2020-2021 (Kimberly Stank, CPA, CGMA, Z&A)

Ms. Stank introduced herself and Ms. DeMar and that they will also miss Mr. Gordon. Ms. Stank continued that one of the big things that happened this year was the change to the BPW's financial system. Ms. Stank stated that she has definitely seen some improvements and the BPW is utilizing the software system. It seems to be a really a great package. As far as our audit this year, the audit went very well. Ms. Stank stated that she appreciates everybody's assistance. The audit report itself has been presented to you. The audit report is broken into some separate set sections. The first section is the independent auditors report, you have a clean opinion and unmodified opinion is the technical term for that. It is the highest assurance that we can give you that as far as the overall look of your financial statements. The next section is management discussion and analysis. Within those few pages, pages four through nine, there's a really great synopsis of what's happened to the financial statements over the last year and discusses the highs, lows, and the outlook to the future. Ms. DeMar will give you a brief discussion over the financial statements themselves.

Ms. DeMar stated that in the statement of net position, the total assets did increase. This is primarily due to a lot of the infrastructure projects and the development of your wastewater and sewer systems. The total liabilities decreased and this was mainly because of the debt payments that we made in the

normal course of your business. The unrestricted net position was 4.7 million this year. That is a decrease from last year, but it still maintains a healthy balance. When the statement of revenues and expenses and changes in net position, there was an overall increase of 3.1 million in your net position. This was caused by the fact that the revenues increased during the year, which is primarily due to changes with the pandemic. The BPW had residents seen in the town, and the BPW has a very strong customer base and collectability rates. The operating expenses stayed pretty much consistent with the prior year. This year, there was a change in the investments just due to the economic conditions in the market, which did bring that up.

Ms. Stank stated that there are footnotes as well as required supplementary information. Then we go into the government auditing standards report, which is a report over internal controls, and we did not see any deficiencies that need to be reported. So overall, great audit and we appreciate everybody's assistance with everything.

President Lee stated that think we've been well informed prior to this meeting, so I don't see any questions here from the board. Mr. Webb stated with the changing of the new system and with everything that was going on with Covid and everything else, the fact that these guys had this kind of success in these in this is amazing. Mr. Webb continued that he would have thought they would have been issues just because the new systems, much less COVID and everything else that was going. Congratulations to the entire BPW team and letting us know all of this. It's a fantastic track record.

Mr. Gordon stated that track record weighs heavily on Mr. Calaman. Mr. Calaman did the yeoman's job there and did exceptional, putting the team together and making it work, getting it implemented.

President Lee recommended that to those that are listening that this will be online if you want to go through in detail and open it up and read the general managers' report on pages eight and nine. That kind of summarizes what happened this past year. It's very interesting and it's very concise, but it gives you an idea of what's been going on at the BPW. If you don't look at anything else, President Lee stated that he really recommends that you read that if you're interested about how we're operating, what we're doing.

***ACTION:** Mr. Owen makes a motion to accept the audit. Mr. Nichols seconded the motion, which passed unanimously.*

NEW BUSINESS

8. OPEN FORUM/GENERAL DISCUSSION OF ASSIGNING THE BOARD OF DIRECTOR FOR THE DEMEC BOARD TO AUSTIN CALAMAN. ALTERNATE DIRECTOR TO KIMBERLY BELLERE. INFORMATION/DISCUSSION/ACTION (D. GORDON)

Mr. Gordon stated that with his exit the BPW needs to have two directors. One is the actual director that sits on the DEMEC board. DEMEC is the Delaware Municipal Electric Corporation. DEMEC is the entity that is a joint action agency with whom we have a couple of things.

Mr. Gordon stated that DEMEC helps the BPW purchase our power and they do a great job. DEMEC helps the BPW make sure that we stay inside of our requirements for the state renewable portfolio standards. They also represent us at legislature and at the legislative hall for many of our utility needs. DEMEC is a fantastic organization. Mr. Gordon recommends that you have Mr. Calaman be assigned

as the new board member, a board of director, and that Kimberly Bellere be assigned as the alternate director.

ACTION: *Mr. Panetta motions that Board approves the recommendation of DEMEC Directors as noted. Mr. Owen seconded the motion, which passed unanimously.*

9. OPEN FORUM/GENERAL DISCUSSION FOR THE SCHEDULING OF A WORKSHOP TO REVIEW AND DISCUSS BPW POLICIES AND RESOLUTIONS. INFORMATION/DISCUSSION/ACTION (T. OWEN/E. WEBB)

Mr. Webb stated:

“The reason why this is important, obviously, the board develops policies, the GM follows the policies, and then part of the annual review process with the GM and compensation is based on adherence to those policies. So clearly, policies are the foundation of the business. Having a review from that from time to time, I think makes a lot makes a lot of sense. There has been a lot of work that's been done on this. Tom Panetta created an initial file that got used, Tom Owens, and it was just the Tom and Tom thing that kind of made that happen. But the idea is, is to look through the policies. we went back to policy starting back in 1903 and kind of go through all the ones that we're kind of in. It is not a perfect document, but it is a good foundation to start with. As you look through the policies, you'll see things that we have that makes sense. There're also some examples in the file that got sent out that shows some potential things to think about. It was a wide-ranging idea from a bunch of different people on things that could possibly be put together as policy. Some good, you know, some would make the cut. Clearly, I think having a having an opportunity to sit down as a team, to look at this, to go through what we do, how we do it, where we might have gaps or holes, is an opportunity to kind of tighten that. This is probably something that happens on a fairly regular basis. The reality is, is that the policies are the DNA of the business. That's what makes sure that what we do today gets done next year and the year after that, in the year after that.”

Mr. Webb stated that he thinks having this kind of review from time to time makes sense. It will be somewhat of a clunky workshop and that there are certain things that will just go through and say, yes. And there's certain ones will have conversations on. Mr. Webb continues that he thinks it's a helpful and valuable opportunity for all of us on the board to go through that.

Mr. Owen stated that when the project was started there were 135 or 40 starting at 1905 and going through them all was interesting. They were able to basically cut out a lot of them because many of them had been superseded. Many of them, like giving a payment to the board of directors for their service. Our attorney, Michael Hoffman, said that he thought it would be a good idea to have them all the policies in one place, so one of the things it did was to make sure not just that list of policies we already had from the BPW, but go and look at the employee handbook and several different documents. What was found was there were other policies out there and, in those documents, so we incorporated those as well. The final list will be all in one place

President Lee stated that some of the resolutions were never made into policies.

Mr. Owen stated that 80% of the list are resolutions that are recommended to be looked at and to become policies.

Mr. Panetta stated that he was only responsible for the original file and Mr. Webb and Mr. Owen took on this project.

Mr. Webb stated that this workshop is important and should be done as soon as possible depending on schedule availability.

Mr. Owen stated that it will be helpful to go through and familiarize with the document that Mr. Webb has sent out.

President Lee recommends the first week of August. The workshop was set for Thursday, August 5, 2021, at 4:00 P.M in the BPW conference room.

10. OPEN FORUM/GENERAL DISCUSSION FOR 2021-22 FIRST QUARTER O&M FINANCIAL REVIEW. INFORMATION/DISCUSSION/ACTION (D. GORDON)

Mr. Gordon stated:

“To look at our year to date ending June 30th, 2021. Couple of items of attention. Kimberly Bellere has done a fantastic job and she continues to do so and points out some of the anomalies, etc. Look at our revenues, number one, line six revenues. That is up that line is made up of all of the construction that's going on and includes the fees that they pay, it where we put the escrow accounts that are going to end up taking and pulling from and paying for the additional finance fees that come from engineering, that also come from our professional services, our attorney. Line six increases. There are dollars in there from the Lewes Waterfront Reserve, Showfield, Virden, Tower Hill, Fishers Cove. Plus, and the dollar amount in there for the Lodge at Historic Lewes where we moved to pull for them.”

President Lee questioned what is the percentage of line six is not the BPW's and has to be paid out.

Mr. Gordon stated that probably 80%, a significant amount. Mr. Gordon recommends looking at line 13, expenses for contractual services.

Mr. Webb questioned if Mr. Gordon was referencing the year-to-date report. Mr. Gordon confirmed.

Mr. Gordon stated that SBI PHARMA water revenues are up 29%. A big chunk of that happens to be out of other revenues. Mr. Gordon stated that we've gone and looked at SBI PHARMA, they have been going great guns. SBO PHARMA have not slowed down in there and usage is up again from the last few. SBI PHARMA has been doing exceptional. Residential is up 14% even from last year, an extra \$20000 from there. Some of that has to do with a little bit of the incremental increase of that commodity charge, all seven cents per thousand. Usage is up again. Mr. Gordon believes there's a real residual from Covid, people are here. Mr. Gordon directed his question to the mayor: have you seen anything with your businesses? Have they been doing better in the last few months because of the numbers?

Mayor Becker stated that the biggest challenge is that restaurants are not open for lunch, for the most part. So your water consumption is probably down in the restaurants.

Mr. Gordon stated that on the commercial, it still shows it is up but is not a big number for us in there. Mr. Mr. Gordon stated same thing with sewer, and it is up significantly again. A lot of that cost comes through the other revenues. So that's solid. The BPW revenues are doing well.

Mr. Gordon stated that the water flow, for or the month of July, is almost two million gallons a day on every single day of the weekend, Saturday, Sunday, and Monday. There are a lot of people here and the warmer weather has people irrigating. The BPW is pushing a lot of water through the pipes.

Mr. Gordon stated that line 13, professional and contractual services is still high above the five-year average. However, look at what we've done on the other revenues, it kind of balances that out as well. That doesn't scare Mr. Gordon. Mr. Gordon continues that in the administrative line a check was written for two hundred and eighteen thousand dollars for our retirement contribution into our defined benefit. If you take that number out of there, it's right on budget at \$472,000.

Mr. Gordon referred to line 16, bad debt. Mr. Gordon stated that collections were not an issue, missing only \$5000. Line 22, interest and dividend income is down just a bit. Line 28 non-operating revenues are numbers that are not realized. Last year was at 1.2 million, budgeted at \$100,000, and currently at \$372,000. Mr. Gordon stated that he removes that number. This month the financials are tight, but strong on revenues. Mr. Gordon stated that this is why it was important that the rate workshop with UFS was beneficial. Mr. Gordon recommends that the Board needs to make those small rate adjustments to keep the financials solid.

Mr. Panetta questioned how much the irrigation is up since the community has not had rain in over month. Mr. Panetta suspects that residential water is going to irrigation. Mr. Gordon agreed. Mr. Calaman stated that those numbers can be pulled from the rate class and there about 800 irrigation meters. Mr. Gordon stated that those numbers could be pulled but to note that the numbers are a month behind. Mr. Gordon stated that those numbers will be amplified next month due to July weather.

Mayor Becker questioned if the decreased debt was due to delinquent services or disconnects. Mr. Gordon stated that it is not and that last year the BPW did not collect fees or penalties. Mr. Gordon continued that those delinquent accounts was small, less than \$20,000 during COVID. Mayor Becker stated that this was a state mandate. Mr. Gordon stated that the BPW went further than the timeframe the state required.

Mr. Webb stated that the BPW rates and current revenues now ties into the cash reserve policy and 5-year plan. Mr. Webb questioned what the perspective or process on how to bring these items together. Mr. Gordon stated that he will be reviewing all the projects and that there may be a wild card. Mr. Gordon suggested that the BPW have a separate capital plan. America's Recovery Act dollars have come into play and the BPW should take advantage of that by possibly moving some projects up. MR. Gordon suggest planning regular workshops for discussion and have a plan ready in the event of a quick decisions are needed.

Mayor Becker stated that plans must be obligated by 2024 and spent by 2026, a compressed schedule. Mr. Gordon agreed.

11. RECEIVE THE GENERAL MANAGER'S REPORT.

Mr. Gordon listed all projects and briefly discussed.

- Savannah Road Sewer Extension: BPW will be taking water and sewer across Savannah Road, at Donovan's Road so that it can serve Dutchmen's Harvest and Lodge at Historic Lewes/Senior Living. The impact fees from the new developments will help getting that portion across. Putting bid out in September, early October. The lift station will be located on the corner of Atlantic Road and Savannah Road. This will be completed in conjunction with the State Sidewalk Project. The BPW will front the money for the sidewalk project in the beginning and receive money through impact fees.

President Lee questioned if this should be added to the wish list. Mr. Gordon stated that the BPW will add all projects to wish list and find out what qualifies for the state funding program. Charlie O'Donnell, GMB, will help make contact.

Mr. Gordon stated that this is a "shovel- ready" project.

Ms. Townshend stated that a priority under guidelines on affordable housing. The issue with Dutchman's Harvest is timing.

- Savannah Sewer 16 parcels: Sixteen lots, residential and commercial on the south side of Savannah Road with the majority backing up to the high school. The sewer will be completed with a directional drill, 2" low pressure force main. The main will run from the high school property coming up from Atlantic Road and go to Henlopen Gardens manhole. This can be completed at approximately \$10.00 per foot. The owners will be responsible for installing their own heat pump and to connect into the 2" line.

Mr. Panetta questioned if the BPW would be doing multiple E1 pumps into the manifold. Mr. Gordon confirmed and is confident that these properties are all that will be on that line. GMB will be completing the permit. Mr. Calaman will be having a community meeting, no HOA, discussing the pre-annexation requirements with the city.

- Savannah Water 16 parcels: DelDot is completing the sidewalk project and the BPW has asked DelDot to drill down and touch the water main, in the front yard, and will come up and split service into 2 different meters. There are 10 actual connections. This will be bid by the contractors completing sidewalk project. The BPW will go with the bid if reasonable but may need to revisit.

President Lee questioned if this will be multiple services off one tap. Mr. Gordon confirmed and stated each customer will have their own meter and is more cost effective. Mr. Gordon stated that DelDot must go under a large communication bank. The first piece that splits is in the right-of-way. Being next to the well field, Steve Smyk has designated \$25,000 for cleaning up the wells and removing from the BPW's aquifer and will need to be a prevailing wage. Mr. Hoffman will look into this. The BPW has the ability to accept or deny DelDot's bid. ARA funding is subject to prevailing wages.

Mayor Becker stated that the rules may be changing.

Ms. Townshend stated that the US Treasury put out an updated FAQ on the 14th and specifically said that it is not subject unless a municipal project in Washington D.C.

Mayor Becker stated that it needs to be made very clear to the property owners that it is two separate projects: water and sewer.

Mr. Gordon stated that the timeline will help keeping projects separated. The sewer will start relatively quickly, and the water will start in about a year.

Mayor Becker questioned if the other side of Savannah Road was looked at. Mr. Gordon stated that it will be almost the same but will not have a sidewalk. Mr. Calaman is speaking with those homeowners.

- Donovan Smith Mobile Home Park: Mr. Hoffman can handle easement questions and will follow up at next board meeting. Easement question should be answered, 5-million-dollar loan and grant. That number may change however the state is eager to help those in the community.

Mr. Nichols questioned what the timeline is after the grant is approved. BPW would revisit and finalize any changes, bid, and annexed. Mr. Gordon estimates 4-5 months. Mayor Becker stated that the annexation report is done, and the city is ready to move forward once the easement issue is resolved.

Mr. Nichols questioned if weather will be a factor if starting at the beginning of the year. Mr. Gordon responded that he does not foresee an issue and will not stop for weather.

Mayor Becker questioned if this project includes the clean up of existing hold tanks. Mr. Gordon responded that it is Donovan Smith's responsibility. Currently, the tanks would be abandoned and filled with dirt. The BPW will stub out the main to the edge of the existing road and their responsibility to connect.

- Tower Hill Subdivision: The dirt is turning, RPR, Resident Project Representatives, are inspecting, most of stormwater is in the ground and the lift station is complete. Water and sewer infrastructure will be next. This project is on track timeline wise. The BPW is waiting on DelDot to give approved plat to take to the HOA so easement can be obtained. If the sewer is not hooked up by the time started, approval was given to pump from their holding tank to the BPW wastewater treatment plant at their cost.
- Lewes Waterfront Preserve: Contract to be executed after the city council. The requirement to put a fire system is in place. The BPW will need to rework system to make sure that is in place and then will need to be signed by the BPW Board.

President Lee questioned how much the fire suppression system impact the system design. Mr. Gordon estimates that it could be up to 30%, depending on the type of

system. Mr. Panetta stated that 30% is high. With a new system should be much less. Mr. Gordon stated that he is unaware how tight the system is for 89 homes. GMB is looking into this.

Mr. Owen questioned if the owner and developer accepted this change. Mr. Gordon stated yes.

Mr. Gordon stated that if not completed within timeframe, developer can obtain water themselves and part of the contract.

Mr. Webb questioned if the BPW has adequate project management resources. Mr. Gordon stated that the BPW relies heavily on the engineers. There is a mechanism to recover those cost in the contracts and planning. Mr. Panetta stated that until there is a full functioning staff, these resources such as GMB are to supplement.

- Coleman and 24th: Well needs to be developed. There are issues with the state and hydrological study. GMB is involved and includes the treatment facility.
- State Park: Contract is ready to be signed and the BPW is seeking a loan from the state.
- Water Main Assessment: The BPW is not looking to getting into the project right now and will move slower. Half of Cedar would need to be shut off. October is a realistic timeframe. Manholes on Cedar will be lined.
- Pilottown Road Sewer: Construction should resume in October and run through May.
- Lewes Dairy: Moving Forward.
- Lodge at Historic Lewes: Moving Forward.
- Dutchmen's Harvest: Moving Forward.
- Harbor Point: Failed the first and second walkthrough. George & Lynch has worked on the project and should be good. Water and Sewer. Valve boxes were out of the ground in front yards and clean outs half under concrete.
- Mariner's Retreat: Randy Burton has not kept up with his contract to keep an escrow in place. The BPW will be suing at the end of the 30 days that were extended to him. Ms. Townshend clarified that it is the Old Towne Ventures, LLC not Mr. Burton personally.
- Fisher's Cove: Coming up
- Old Towne Ventures at Whites Pond: Coming up
- Virden Subdivision: Coming up

- Elevated storage tank: Mr. O'Donnell has been asked to take a look at this project and move up. President Lee is concerned about the size of the tank and would like a second opinion. Mayor Becker stated that the 10% growth over next five years needs to be factored in.
- Wastewater Treatment Plant: Elevation Certification
- Wastewater Treatment Plant Headworks: Mr. Calaman will meet with those at the plant and review capital cost plan. Requested maintenance plan.
- Electric Conditions: Mr. Tattpan runs the plant for SPI PHARMA will look at every motor, electric boxes, and all maintenance and produce a plan. Inframark does not have an electrician. Review Inframark contract in reference to responsibility for electrical work. Mr. Hoffman stated at the end of the year of Inframark's contract, it will be reviewed for reconciliation.
- Battery at Schley: The project will be going out for bid shortly. President Lee requested the bid packet for the battery storage project.
- GIS: August Board Meeting
- AMI: August Board Meeting
- DEMEC: Community Solar to be discussed
- Handbook: August Board Meeting
- Finance Committee: Mr. Webb will be spearheading this project. Developed with Treasurer and the Board's direction. August Board Meeting. Mr. Gordon recommended putting in writing the purpose and guidelines of the committee.
- Schley Avenue Mater Plan: Part of the MOU with the city and will be coming up.
- Canal Crossing: Mr. Gordon considered project for ARA money. Water department.
- EQ tank at wastewater Treatment Plant: Mr. Gordon considered project for ARA money.
- King's Highway: Mr. Gordon considered project for ARA money. Water and sewer.
- Merle Avenue: Working with the city. Mr. Gordon considered project for ARA money. Water and sewer. Mr. Panetta questioned if the BPW would be responsible for the street if the water and sewer was completed. Confirmed. Ms. Townshend will look into if the ARA money would contribute to the street as well.
- EV: How to deal with EV moving forward? Mayor Becker stated that the community is seeing more electric cars and only four charging stations in the city. Mr. Gordon

questioned if there is any permitting on the city side. The BPW has not had anyone come in to change their transformers and are using trickle charges. Mayor Becker questioned if more EV stations are needed in public parking. Mr. Panetta stated that with AMI, there will be greater visibility. Consider adding a parking fee. Mr. Panetta said that the concern would be the parking spot turnover. Mayor Becker stated that it would depend on structure.

- Sea level rise mitigation: The BPW is waiting on the wastewater treatment plant survey. Is it eligible for the APA money? Mr. Panetta stated that legislation is going to support projects that target climate change.

Mr. Gordon thanked everyone and stated that it has been a pleasure. President Lee concurred and that he will be missed.

12. EXECUTIVE SESSION

None

13. CALL TO THE PUBLIC

None

14. CALL TO THE PRESS

None

15. ADJOURNMENT

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

The meeting adjourned at 12:00 P.M.

Respectfully submitted,
Sharon Sexton, Administrative Assistant
Lewes Board of Public Works