

Lewes Board of Public Works
Policy Workshop Continued
November 15, 2021

The Monday, November 15, 2021, workshop of the Lewes Board of Public Works was held at 9:00 A.M. in City Hall Council Chambers.

1. WELCOME, CALL MEETING TO ORDER.

President Lee called the meeting to order at 9:00 a.m.

2. ROLL CALL

Board Members

D. Preston Lee, P.E.

A. Thomas Owen

Richard Nichols

Earl Webb

Thomas Panetta

Ex-Officio Members

Austin Calaman, general Manager

Mayor Theodore Becker

Michael Hoffman, Legal Counsel

Others

Dennis Reardon

Tim Ritzert, City Council Member

Nick Roth, Cape Gazette

Kristina Keller, BPW Office Manager

Kimberly Bellere, BPW Finance Director

Robin Davis, City of Lewes

Sharon Sexton, BPW Executive Assistant

3. REVISIONS AND/OR DELETIONS TO THE AGENDA

No revisions or deletions.

4. WORKSHOP- Continued discussion of BPW policies. INFORMATION/DISCUSSION/ACTION (Earl Webb and A. Thomas Owen)

Mr. Webb reviewed what was discussed at last workshop and stated the goal of the workshop is to create an easier way to navigate resolutions/policies. The Board reviewed active policies and began to discuss new items that may need to be a policy without getting into the details.

Schedule a review of fees for approval. Example: Charge Developer for all legal fees for change of contract

Mr. Webb stated that this item was more of a review and questioned if the Board wants to have a review of the BPW fees. Mr. Calaman stated that the BPW has already started this review and comparison of other municipalities. Mr. Calaman stated that the fees that are being looked at are ancillary fees like plumber's fees, disconnect, reconnect, trench inspections, etc. Mr. Webb stated that the city does this on a regular basis. Keep.

Lean Policy Credit Backstop

Mr. Webb stated that this may already exist, but he was unaware. Mr. Webb stated that the idea is that a developer would get a bond, that the BPW go draw down on. Mr. Hoffman stated that the BPW currently has this in the development agreements. Mr. Webb questioned if there was anywhere else this needs to be. Mr. Hoffman stated that the expectation is that when a developer is expected to bond in the amount of 150%. This is the policy that is incorporated into the agreement. Mr. Webb questioned if someone was going to build a water tower for the BPW, would a policy be needed. Mr. Hoffman stated that the reason it applies to the developers is that if they stop working then the Board can step in and complete the project. If it is a board project, then it would be a different policy. Keep.

Review of General Manager's quarterly/semiannual progress

Mr. Webb stated that the Board had agreed to requirements for a year. Mr. Webb is recommending additional reviews with the general manager. Mr. Webb stated that challenges and priorities change. President Lee states the Board says that they will do this but does not always follow through. President Lee suggested to put in the schedule to add to the agenda. Mr. Panetta requested clarification and that there is an annual review already in place. Mr. Panetta is concerned that it would be in a public setting. Mr. Hoffman stated that talking about individual qualifications and performance can be done in executive session. Keep.

Formal Policy to address sea level rise with WWTP from mitigation to plan moving the plant if needed/mitigation committee

Mr. Panetta stated that at the first Executive Committee on Resiliency, set the priorities going forward. Two items on the list were stormwater fees and rate structure and the impact of the wastewater treatment plant. Mr. Panetta commented at the meeting that both those areas of content were of BPW scope and cannot be written into city ordinance. Mr. Webb stated that he was concerned that this was happening. Mr. Panetta stated that he made it clear that BPW would be happy to discuss and add to the conversion. Mr. Webb questioned if it was not in the scope of the city, why would the city opine on the topic. Mr. Panetta stated that from a global perspective if it could alleviate flooding then it should be brought to the BPW and be considered. President Lee stated that he was told the treatment plant was not included in the goal. Mr. Panetta stated that the wastewater treatment plant comes up regularly. President Lee stated that obviously the city has an interest in the plant however the BPW is responsible for the plant. Mr. Webb stated that the bidding was tied to impervious surfaces and is not in the BPW realm. Mr. Webb stated that to keep the wastewater treatment plant safe, the BPW needs to

manage stormwater. Mr. Panetta does not believe that the BPW should be tied into that conversation. Mr. Panetta guaranteed that as a BPW representative, that nothing will be approved without coming to the Board first. Mr. Webb argued that if something is thrown to the BPW in a public session that is not in the BPW purview, will not bode well. Mr. Panetta stated that it is in our scope to make sure that it is appropriate and cost effective. Mr. Panetta questioned how to implement something that cost something more than earning. It would be worthless. Mr. Panetta stated that he made it clear that the stormwater fee is a maintenance operation fee and is not set up to be about flood control. President Lee stated that he is unsure how to avoid the wastewater treatment plant because it cannot be kept out of the conversation. President Lee stated that the city should not tell the BPW what to do but should have an interest and give input. Mr. Panetta stated the BPW needs to determine what the flood elevations are, and the proper method is whether it is to move or to harden the plant.

Mayor Becker stated that it is bigger than they could manage. Mayor Becker stated that President Lee and himself had a meeting to look for grant money to harden the plant. President Lee stated he had another meeting with Khalil and Senator Lopez asking to support BPW in asking for funding to find an appropriate solution. The Board has not discussed this formally and should look to discuss it in the December meeting.

Mr. Owen stated that these are important issues and questioned how to make it policy. Mr. Calaman stated that the creation of mitigation team would encompass these issues. Mr. Panetta stated that the city mitigation team is not looking at the different avenues and the BPW should be looking at more in depth to protect the BPW from a storm. Mr. Owen questioned if the Board should form a mitigation committee or making a policy.

President Lee stated that he does not want the moving of the plant be a keystone of the discussion but more long-range options. Mr. Panetta suggested the wording should say reducing the vulnerabilities to the wastewater treatment plant. Mr. Hoffman suggested to authorize the creation of a mitigation committee by amending the bylaws to create the committee. The committee would bring to resolutions/discussion to board. Mr. Webb confirmed a change would be needed to the bylaws. Mr. Hoffman stated that if there is a discussion needed, put a specific item on the agenda.

Mr. Panetta is concerned with the wording. Mr. Webb stated that it says the moving of the plant, if needed. President Lee also questions the wording and believes that there are other options. Mayor Becker stated that one way to eliminate concern is to replace topic title with the vulnerability of the wastewater treatment plant. President Lee stated that it will be added to the agenda of the December meeting.

Review approach/Costing and definition of the stormwater management

Mr. Webb questioned Mr. Panetta if this was something he was looking to defer to the city. Mr. Panetta stated that he pointed out that the is the BPW scope. If the city found that other cities have found a way to minimize the loss of pervious coverage, then the BPW would be open to that information. Mr. Hoffman referred to the MOU and the Board did agree to undertake a review of its stormwater management and fees in collaboration with the city. Staff is actively

working with Charlie O'Donnell who is looking into a study and is on the Board's action plan. Mr. Owen questioned if this was a policy item. Mr. Hoffman stated that it is just an action item.

Any request of the Board that does not comply completely with existing policy must be called out prior to the vote

Mr. Webb used a developer agreement as an example. If there is something in the development agreement that does not align with BPW policies, that person needs to state publicly that they are asking to do something that is outside of the policy. President Lee questioned, if the Board has never discussed before, would this be necessary. Mr. Webb stated that if it goes against the policies then a statement is needed with what and why. President Lee questioned if a policy was needed to do this. Mr. Hoffman questioned who is the "they". Mr. Webb stated that it could be anybody. Mr. Panetta clarified that this would be an exemption from a policy, that may or may not be in the best interest of the BPW, that the Board is not aware. Mr. Webb confirmed. Mr. Hoffman's concern is that he is unsure how to enforce this. The point of this exercise is to put all the policies in one place and avoid taking an action that is contrary to a board policy. Mr. Hoffman stated that what Mr. Webb is asking for puts the burden on staff. If staff does not inform the board, it undermines the Board's action. The better approach is to set as an expectation. The solution is to make it easy to understand what the policies are, which is the purpose of this effort. Mr. Panetta stated that item 14, the quarterly review of the GM would allow for more timely addressing of situation. Historically there were occurrences where the Board was not aware until after the fact. Mr. Panetta is concerned staff would continuously be looking over their shoulder and come to the Board for everything. Mr. Hoffman recommends that instead of creating that risk and putting that burden on staff and others, the better approach is to be clearer what the Board's policies are. It can also be said that it is the expectation of the Board, that if staff or anyone is aware of a policy that they inform the Board. President Lee stated that that naming policies accurately is important when looking up.

Mr. Webb stated that this could be addressed in the review with the general manager as well. Mr. Nichols questioned if this will not be a policy in any shape or form. President Lee asked if Mr. Nichols thinks it should be. Mr. Nichols stated that it is not clear how either the willful or inadvertent violation of a policy is not pertinent. Mr. Nichols questioned if this is it in the general manager's contract and is it fair that the general manager is the only one that must follow this. President Lee thinks that is the general manager's responsibility to enforce those policies that the Board establishes. Mr. Panetta stated that other staff report to the general manager and he reports to the Board. Mr. Hoffman stated that a Board policy can be overridden by the Board.

In a policy document, it is the that an expectation of the Board that any request can be brought to the Board. Mr. Nichols stated that staying silent could cause a violation of a policy. President Lee stated that if an action was intentional, then there could be repercussions. Mr. Hoffman stated that the policy is a policy, and no one has the ability to discount the policy. Mr. Nichols questioned if a policy is needed or the BPW will continue business as usual. Mr. Hoffman recommends is to continue consolidating and tightening up the bylaws.

Mr. Webb questioned Mr. Calaman if there was ever a situation where expectation outside the lines were becoming factual in a developer's mind. Is the BPW at risk? Mr. Calaman stated that

is always approved by the Board and any change of the scope is approved by the Board. Mr. Panetta stated that the Board would have the input of the solicitor, general manager, and engineer.

Business requirement for grinder pumps

Mr. Webb questioned that if rags are found to be coming from a specific business, can we require that they install a grinder pump? Mr. Owen is concerned with grinder pumps after reading that they are causing trouble and the Board needs to look at grinder pumps in general. President Lee stated that grinder pumps are small and may not be as effective at larger facilities. Mr. Webb stated that it is a high probability that improper stuff is coming into those pipes at places such as nursing homes and hospitals. Does the BPW have the authority to make sure it gets mitigated. Mr. Panetta stated that this is more of an engineer review issue and will be based on a case-by-case basis. Mr. Panetta agrees with Mr. Owen that grinder pumps are just transferring the problem further down the line. President Lee stated that he believes that the BPW can take action now. Mr. Webb questioned if the Board has that ability. Mr. Hoffman stated that he needs to research if the Board can take an action against an individual. President Lee stated that the Board can set standards of what can go in the sewer. President Lee questions what the BPW can do to enforce those requirements. Mr. Panetta stated that there are requirements for grease traps for commercial establishments. Mayor Becker stated that there is help from the health board. Mr. Hoffman stated there are different stages and research is needed. Mayor Becker stated that on a separate topic, the BPW has caused customers to disconnect their drain spouts from the stormwater management system. Mr. Hoffman stated that this is a state requirement and the BPW is bound to follow it.

Annual surveys of customers/ staff. Review results in session with action plans

Mr. Webb stated that he believes that the voices of the customers and staff are important. Mr. Webb would like a policy with an annual review and surveys. Mr. Webb stated that there would be follow up with a plan of action with customers and employees. President Lee and Mr. Owen likes the idea. Mr. Calaman stated that the expectation is that staff would conduct the customer survey and the Board or general manager would conduct employee survey. Mr. Calaman questioned if both should be outsourced. President Lee stated that it can be worked out later. Consensus to create a policy.

Reviews and conducts financial analysis not less than three years by service: Wastewater, Electric, Water, Stormwater

President Lee questioned if this was like the analysis that Dawn Lund is doing now. Mr. Webb stated that the amount of inflation seen this year and last is scary. The pricing that Board thought was good but no longer good. President Lee stated that he thinks there should be a review but not sure how in depth it needs to be. Mr. Panetta thinks three years is a long time. Mr. Webb agrees that there should be an option to review sooner. Mr. Panetta stated that even if a review was done today, the Board would not know where the BPW is because of the market. Mayor Becker suggested to phrase it less than every three years. Mr. Calaman stated with Kim Bellere, Finance Director the BPW, may have the capability to recreate a similar review in house. The Board agrees the review to be conducted less than every three years.

Prior to taking over assets from a development et al the Board requires that the asset be brought to top code prior to BPW taking on the asset.

Mr. Webb stated that Board needs to understand what they are getting before taking over an asset. Mr. Webb suggest that the BPW goes out and does an analysis. Mr. Calaman stated that with projects chances are that GMB does a walk-through 9.9 times out of 10. Mr. Webb stated that this stemmed from talking to customers about roads and annexation into the city where. The analogy is that the roads were in bad shape, customer decides to annex into city to repair those roads. Mr. Webb does not want to get caught in that situation. Mr. Panetta stated that BPW intrinsically does that but does not have a policy and new developments have a punch list. The BPW sits on the annexation committee, and it is part of the review. Mr. Webb is asking for a policy to reinforce that we have done in the past and obtain a review. President Lee stated that the BPW should understand what the customer flow is, what the BPW is getting and is the commonsense thing to do.

Have a board member attend monthly city council sessions.

Mr. Calaman stated that he attends every meeting he can and would like a second set of eyes and ears. Mr. Panetta stated that this reinforces what the Board currently does, at least join by zoom. President Lee stated least one should be watching virtually. President Lee stated that it is not necessary to be a policy. Mr. Hoffman stated that it could be added to bylaws by designating a board member to attend the city council meetings. Mr. Hoffman stated that he would not make it a policy. President Lee and Mr. Panetta stated that they would not designate anyone and that it becomes restrictive. Mr. Webb offered to go into a rotation. President Lee stated that he would hate to make it a requirement as there should be enough interest to attend.

Annual review of 5-year strategic plan

Mr. Webb stated that this would coincide with reserve policy. Mr. Webb consulted with Jack Leshner and he believes that the cash reserve policy is not a moment in time, but it is out in perpetuity for that year. Once the Board approves the policy, then the Board needs to continue to be in compliance with it. With prices changing and increasing, this could become more challenging. Mr. Owen agrees. President Lee agrees. Mr. Webb stated that the strategic plan will put it on the calendar. The Board agrees.

Customers cannot dump into a storm water ditch. Policy for maintaining

Mr. Webb questions what the policy is around maintaining the ditch. Mow? Grass in the ditch? Is there a policy that states customers cannot do this? What is the maintenance and the requirements for customers living near these ditches? Mr. Panetta stated that there are two versions including tax ditches. President Lee stated that the tax ditches are not BPW issues. The discussion does not pertain to tax ditches. Mayor Becker stated it would refer to ditches along East Mart and has basically been maintained the by the mitigation planning team. It is being mowed every year in conjunction with the state. President Lee stated that something needs to be done because there is no regular maintenance. Mr. Panetta question who owns the ditch. Mr. Calaman stated that the city owns the ditch along East Market. Mr. Calaman stated that

there are frequent ditches where material is being dumped in, such as grass clippings and leaves that cause constant problems. Mr. Calaman suggests that a policy be created maybe similar to no wipes in the pipes policy. Mayor Becker suggested having a conversation with building officials who have observed clippings being dumped at the end of the cul-de-sacs. President Lee stated that the buildup occurs naturally as well and should be regularly maintained. Mr. Calaman stated that the BPW cannot touch the ditch that is owned by the conservatory and a core permit is needed to pull from the ditch. President Lee stated that this needs to be clarified, organized better, who is responsible and when maintenance is needed. Mr. Hoffman stated that the charter provides the BPW is authorized to provide for penalties for violations of its rules and regulations, not exceeding one thousand dollars per violation per each day of violation, as well as BPW's costs and expenses including its reasonable attorney fees which penalties may be imposed and collected by the BPW administratively or in a court of confident jurisdiction and to provide that such fine or penalty may be applied to each and every violation for each and every day of violation, however before such penalty may be imposed administratively there shall be notice and an opportunity to be heard afforded to the alleged violator such procedures shall be adopted as Rules and regulations. Mr. Hoffman simplified the previous statement: The Board can fine, the Board can set rules and regulations, with the imposition of fines there needs to be a policy in terms of how somebody can present their defense. President Lee states that he thinks it is important to define which ditches are the BPW's. President Lee questioned if BPW has a map showing all ditches and who owns them. Mr. Calaman stated that the BPW does not have that in its entirety, just the Highland Acres tax ditch. President Lee and Mayor Becker stated that they do not believe this exists. Mr. Owen question if the BPW should have a policy that reviews the ditch maintenance and discuss with violator. Mr. Hoffman stated if the Board wants to impose fines, then there needs to be a process. Mr. Owen states that the Board should create a policy. Mr. Panetta stated that the first step will be to determine jurisdiction. Mr. Nichols stated that the development of the policy should not depend on obtaining a map and should proceed with the policy.

All rates are approved by the Board

Mr. Webb stated that he believes this is true anyway. Mr. Calaman stated that it may pertain to Oyster Cove being billed off water consumption. This may be an issue for the 16 homes on savannah road and other developments as well. Mr. Panetta stated that the Board will need to amend current policy on fees. Mr. Webb stated that the action is to amend the policy and structure costs.

Should the MOU become a policy?

Mr. Hoffman stated that the MOU is a sustainable document and does not need to be a policy. Board agrees.

Set up and maintain public communication

Mr. Owen stated that if a policy is created to send out surveys, then this is a form of communication with customers. Mr. Nichols questioned a previous comment about a log of customer comments/complaints. This form of communication is more regular than the surveys.

Mr. Hoffman stated that the Bylaws should include an item in the agenda for customer feedback.

Business continuity plan required for pump stations, WWTP, electric, and stormwater

Mr. Webb stated that a plan is needed if an issue arises. President Lee questioned if something were to happen at the WWTP, there would be a plan who to contact. Mr. Webb confirmed this was an example. Mr. Webb stated the Board has had conversations on bi-directional pipe. The concept is that the Board is being as careful as they can. Mr. Calaman questioned if this could be tied to the mitigation team. Mr. Panetta questioned if this was for assets that already in play. Mr. Webb stated that the plan may encompass those. Mr. Panetta questioned if it would be a capital improvement program. Mr. Panetta stated that emergency operating procedures runs parallel to this. This would be assets already in place versus evaluating adding assets. Mr. Webb stated it could be both. Mr. Panetta stated that this could be difficult. The emergency operating procedure does not encompass the rest of the system. Mr. Panetta questioned if the BPW has an emergency operating procedure for the water system. President Lee stated that if the tank went down, the wells would be used and an interconnection with Tidewater. Mr. Calaman stated that it is in the city's EOP. Mr. Owen stated that a policy is needed to require that there is a plan. Mr. Panetta questioned if the policy is for existing assets or a capital improvement plan to mitigate. Mr. Webb and Mayor Becker believe they can become one. Mr. Webb suggested that the Board agrees to BCP and then individual sessions to discuss the particulars. The Board agrees.

Policy for public charging stations

Mr. Webb stated that this is a growing issue. Mr. Webb believes a policy is needed to say what the BPW does and does not do. Mayor Becker stated that the Board will need to work cooperatively with the city. President Lee stated that the city decides where they are going and how they will be charged. Mayor Becker stated that he and President Lee had a meeting last week with Paul Evalds and they are still learning. Mayor Becker stated that the state is encouraging to learn more quickly because of their potential reimbursement at 90% of the expense. Mr. Calaman stated that because BPW and the city are two separate entities, each can request six at 90% reimbursement. The charging stations are owned and operated by those who goes out and gets them. There is a complexity: who maintains, what kind of space, etc. Mayor Becker stated that at some point there will need to be a charge for consumption. Mr. Owen questioned if a policy is needed to state that the BPW will continually review charging stations. Mr. Panetta stated that the Board should wait. Mayor Becker agrees that it is pre-mature at this point.

President Lee questioned if there should also be a policy on EV's. Mr. Calaman questioned if utilities are encouraging EV's through the rates. Mr. Panetta stated that many utilities are subsidizing the installation of the charging, or subsidizing the rates, or giving flat stipends. President Lee questioned if there was any interest in creating a policy. Mayor Becker stated that it is fine to encourage EV's but is less of a policy and more of a statement.

Street Light Policy

Mr. Webb stated that this issue came up when a customer wanted different lights on their streetlights. Mr. Calaman stated that Efficiency Smart was working with Cape Shores and two or three customers wanted to change the lightbulbs out. What is the policy to change to LED and what is the mechanism that the BPW would require the HOA to present a document? Mr. Calaman stated that currently when a bulb is out, and it is dated then it is changed to an updated bulb, usually changed in kind. If customer would like anything above and beyond, then the customer would pay the difference. Mr. Webb questioned if this was a policy. Mr. Calaman stated that this was the way it was always done, but not a true policy. Mr. Panetta stated that he has received similar questions from customers in Ship Carpenter's Square. Mr. Panetta stated that he does not think that those lights are LED compliant. Mr. Calaman agreed. Mr. Panetta stated that it makes sense to have a policy, so everyone knows. Mr. Calaman stated that it would be beneficial to have a policy. President Lee stated that the city determines where the lights will go. Mayor Becker stated that the developers make the decision where to place the lights. The style of lights is provided by the developer and approved by the city. Mayor Becker stated that it has been a challenge because with multiple styles of lighting, it creates an inventory problem. Mr. Calaman stated that some may not like the change, for example the lights shine into the bedroom windows. Mayor Becker stated that there was a similar issue on Second Street and the city was able to find a baffle, produced by the manufacturer. Mr. Panetta stated that this topic was something that was discussed for years at the planning commission meetings and that a standard is needed in developer's agreements. Mayor Becker stated that he believes that the city and the Board need to work together on this topic. Mayor Becker stated that it would be helpful for an HOA to come to the board and not just one individual. Mr. Panetta stated that it would be nice to have consistency within the districts. The Board agrees that a policy is needed.

Quarterly to BPW and Mayor and City Council

Mayor Becker stated that the BPW has already agreed to this. Mr. Calaman questioned if the Board wants a formal policy that sets dates. Mr. Calaman stated that he had presented this in his general manager's report, the BPW supported this, and Mayor Becker presented to city council. President Lee questioned if this would be every quarter or optional if there was nothing to discuss. Mayor Becker stated there is always something to talk about and this meeting would promote the idea of the cooperative nature of the two entities working together. Mr. Owen stated that he thinks this is worthwhile and Mayor Becker agrees. Mr. Owen questioned if a policy was needed. Mayor Becker stated that a policy would be too rigid. Mr. Calaman stated that he would take the lead and communicate with both parties and select a day. Mayor Becker stated that Mr. Calaman can work jointly with Ms. Townsend, city manager to pick a day. President Lee questioned when to have these meetings in relation to both parties' regular meetings. Mayor Becker stated that the beginning of the month may be best.

Mr. Webb stated that these were all the items on the list to be reviewed and questioned if anyone else had any additional policies to discuss.

Other Considerations:

Mr. Webb stated that he does not think a workshop is needed to discuss the Carver Method. The Board agrees.

Mr. Owen stated that the MOU was previously discussed.

Mr. Calaman questioned if there was a formal policy for an existing homeowner requesting extending service and what is the process. Does customer go to the city first in regard to pre-annexation. Mayor Becker stated that chances are that the customer will go to the BPW first since they want utilities. Mr. Calaman stated that this has already happened. Would the process be covered in the pre-annexation agreement? Mr. Hoffman stated that he remembers a resolution that included a requirement be a request by HOA. Mr. Hoffman will check. Once a request was made the Board could extend the utilities with the pro rate of share forbearance agreement. Did not get into that granular detail. Mr. Hoffman's recommendation is to see what the Board has and then put it together in the document for review. Mr. Panetta questioned what to do with communities that do not have HOAs. Mayor Becker stated that Savannah Road is an example. Mr. Calaman stated that the Savannah home project is complex and was referring to development off new road or the Orchard. These developments are not going to be annexed right away. Mayor Becker stated that it will be a case-by-case situation and difficult to develop a policy. Mayor Becker used Savannah Road 16 home project as an example. There will be different kinds of opportunities for those properties as some are contiguous and some are not. The first six can be annexed in but other ten cannot unless the school annexes in. Mayor Becker stated that Viking Drive belongs to the school district and is not a street. Mr. Hoffman stated that there are different ways to do extending service. Mr. Hoffman recommends putting in this document what the current policy is and determine the direction to go.

Mr. Calaman stated that sewer service and water service are tied together, and he is unsure if there is a formal policy that says that a customer can have just one. Mr. Calaman stated that because sewer is billed off water consumption, the customer must have water and sewer if available. If just sewer is allowed, then a rate will need to be created. Mr. Calaman questioned if there was a policy that states a customer can only get sewer service if they have water service since it is based on water consumption. Mr. Panetta stated the only policy he knows of is that if in the city limits a customer must get the utility. Mr. Hoffman reminded the Board that the Board did take a position, if the service is available, then must take those services. Mr. Hoffman stated that policy must be documented in this document and that if the Board wants to change the policy, they have that right. Mr. Panetta stated that CPCNs, and service areas come into play because the BPW provides water and sewer without electric and vice versa. Fee structure would call out that structure. Mr. Hoffman stated that if services are available, then yes, they must obtain all services. Mr. Webb stated that the second piece is the structure when it is not available. Mr. Hoffman stated that if the only service that the BPW can provide is sewer then the fee structure would have to account for that. Mr. Calaman stated that Oyster Cove the Orchard are serviced by Tidewater. Mr. Calaman would like to formalize in one place, one document. Mr. Owen stated that he believes the policy should be that if the BPW has the ability then we should provide all the services and have another structure when not available. Mr. Webb agrees.

Current Policies in the Employee Handbook

Mr. Owen stated that there are policies in the employee handbook and in the bylaws. Mr. Owen questions if the handbook and bylaws are one policy or should they be broken up and listed. Mr. Hoffman reminded the Board to envision three separate buckets: bylaws, employee handbook, and policies. The bylaws govern the Board, the employee handbook governs the employees, and the policies govern the BPW. The employee handbook is a policy. Mr. Owen agrees. President Lee questioned if the employee handbook is something that is written. Mr. Hoffman confirmed and stated that the Board approved the employee handbook. Mr. Hoffman stated that the handbook is a compilation of employee policies.

Policy on taking credit cards over the phone

Mr. Gritton stated that the BPW is trying to protect the customers' information and our employees. In order to maintain PCI compliance, the BPW cannot accept credit cards over the phone due to the recorded lines. Mr. Gritton's recommendation is to establish a policy that would protect the Board and employees from accepting credit cards over the phone. The BPW does offer different ways to make payments including the online portal and an automated phone system. The automated phone system is maintained by NISC. The major credit card companies over the past few years have made it known that if PCI standards are not maintained, then the loss of the ability to accept those brands is possible. Mr. Gritton stated that the BPW employees are capable to get our customers a means to get what they want. Mr. Gritton reiterated that customers can come in or drop off payments, use the online portal, automated phones service, or recurring billing. Mr. Gritton is requesting a formal policy to prevent any kind of litigation that could be brought forth. It was suggested, by an employee, that the recording be turned off while taking credit card information. Mr. Gritton stated the issue with this would be that the call log would not match the call. President Lee wanted clarification of what is being asked. Mr. Gritton stated that he is requesting a policy that makes it clear that the BPW staff is not allowed to accept credit cards over the phone. However, banks are not as strict and bank information can be taken over the phone. Mayor Becker stated that any information over the phone is never a good idea. Mr. Owen questioned if credit card companies do not want the BPW to accept payments over the phone. Mr. Gritton confirmed and stated that it was because it is recorded and is on a server that could potentially be hacked. Mr. Owen questioned if it was a possibility to accept payments without recording calls. Mr. Gritton does not recommend this option as it would open the BPW up to liability. If a call is disabled, the BPW cannot document was said. Mr. Owen questioned how much backlash will be received if the BPW does not take credit cards over the phone. Mr. Gritton stated that there will be some however, the employees have set a precedent in helping customers over the phone. President Lee clarified that the employees helped to set up other payment options. Mr. Panetta stated that he recently paid bills that disabled the call when the credit card number was given. Mr. Gritton stated that the NISC has a dedicated line, which is outside the BPW liability. Mr. Panetta questioned how many credit cards are taken over the phone per month. Mr. Gritton responded that human beings are not to be taking any, but he would have to pull the records for the automated system. Mr. Hoffman stated that the answer needs to be zero. President Lee stated that it can be voted on next meeting. Mr. Panetta would like to know what the city is doing. Mayor Becker is not sure and will follow up. Mayor Becker stated that he understands

maintain PCI compliance and is sympathetic to what is being said. Mr. Webb referred to his father and would struggle to complete the automated call. Mr. Gritton stated he is willing to help those that struggle. Mr. Panetta stated that some customers will not be comfortable on an IT platform. President Lee stated that he will add it to the agenda.

Mr. Owen stated that he sent out suggested categories and if it was worthwhile to place the policies into those categories. Mr. Hoffman recommends that his office work on this document and then further discuss after it is determined which of the three buckets the policies are placed.

ACTION: Mr. Owen motioned to adjourn to executive session. Mr. Nichols seconded the motion, which passed unanimously.

5. EXECUTIVE SESSION

Adjourned to executive session at 11:05 am.

6. Return to open session

ACTION: Mr. Owen motioned to return to open session. Mr. Nichols seconded the motion, which passed unanimously.

7. Discussion and action on items from Executive Session, if applicable.

None.

8. ADJOURNMENT

President Lee adjourned the meeting at 11:45am.

Respectfully Submitted

Sharon Sexton

Executive Assistant