

Regular Board Meeting
January 25, 2023
4:00pm

1. Welcome, call the meeting to order.

2. Roll Call

Board Members

Thomas Panetta

Earl Webb

Richard Nichols

A. Thomas Owen

Ex-Officio Members

Andrew Williams, Mayor

Austin Calaman, General Manager

Robin Davis, Assistant General Manager

Michael Hoffman, Legal Counsel

Others

Ann Marie Townshend, City Manager

Pete Yingst, legal counsel

Barbara Curtis

Josh Gritton, BPW

Mike Posey, BPW

Mike Wolgemuth, Inframark

Jeffrey Kerrin, Inframark

Charlie O'Donnell, GMB

Ben Hearn, GMB

Bob Heffernan

Aaron Mushrush, Cape Gazette

Kristina Keller, BPW

Kimberly Bellere, BPW

Sharon Sexton, BPW

Samantha Biltcliffe, 120 Water

3. Revisions and deletions

None

4. Consent Agenda

a. Receive Vice-President Report

b. Receive Secretary Report – approval of minutes for October 26, 2022, regular minute minutes, November 9, 2022, special meeting minutes, November 17, 2022, DSHMP meeting minutes, November 30, 2022, special meeting minutes, December 28, 2022, special meeting minutes, and January 6, 2023, special meeting minutes.

c. Receive Treasurer Report

d. Receive Asst. Treasurer Report

ACTION: *Mr. Owen motioned to approve the consent agenda. Mr. Webb seconded the motion, which passed unanimously. Mr. Lee not present.*

5. Receive the Inframark Report

Mike Wolgemuth presented:

- Jeffrey Kerrin, level 4 wastewater operator, started as Project Manager on December 30, 2022. Master electrician and level 4 operator starting on Monday.
- Replaced second pump at PS16. Spare pump for PS16 has been received.
- Met with BPW and GMB to go over procedures to empty oxidation ditch for the inspection and repair.
- PS3 updated quote from Hills received and a comparative quote from Gorman-Rupp.
- President Panetta would like the oxidation ditch added to the list of projects. It was added to the December report.
- Small control issue at PS9 issue today.
- Recovery cleans twice a year, and it is suggested to be done before the colder months. Manually cleaning will be starting February.
- Mr. Webb stated that the numbers (nitrogen, etc.) are good and questioned if the numbers would increase as more wastewater is added to the plant. Mr. Wolgemuth stated that without modifications to the plant, it may be more difficult to maintain. Probably will be higher and more challenging.
- Mr. Calaman stated that the Headworks project finishing final drawings. Keystone is addressing GMB comments and will be sent to DNREC on Monday for review. Mr. Nichols questioned what the estimated time frame from is receiving the bid documents to completion. Mr. Calaman stated that the project is going to be supply dependent. Mr. O'Donnell stated that there is a significant amount of electric work. Mr. O'Donnell estimated that if bid goes out March 1st, then completion would be October 30th. Mr. Nichols questioned if any work be fast tracked? Mr. O'Donnell stated parts of the project can be installed individually but needs to be coordinating with operation staff. The project will need to be done in coordination.

6. Receive the President's Report

President Panetta presented:

- public workshop was held on Monday January 23, 2023, and apologized for technical difficulties in the beginning of the meeting. Public comment will be accepted until February 6, 2023. A Board workshop will be scheduled to discuss next steps and the comments. The public welcome to attend, but a Board workshop.
- Holiday Luncheon was held last month for BPW and city staff.
- Discussions with GMB on the wellfield and water tank.
- President Panetta and Mr. Lee attended celebration at Bowers Beach for the WRDA bill. There is money tied to each Delaware county in the bill and may be available for stormwater projects.

7. Receive the General Managers Report

Mr. Calaman presented:

- Pre-construction meeting for Donovan Smith Mobile Home Project was held. Teal is working through insurance requirements from the bank.
- Continued to work on grants for water tower, canal crossing, and water study assessment.
- Meetings with 120 Water.
- Budget meetings every Tuesday
- Public meeting long-range plan was held and there will be follow up meetings.
- Process of lining well one was started on Tuesday.

Mr. Gritton, IT, presented:

- Security report- averaging low numbers.
- Working with Mr. Davis and the mitigation committee update the elevations for all BPW assets.
- In November migrated phone system to zoom.
- Looking for a replacement for meter readers handheld is at end of life. In conversations with ITRON.
- The BPW new website is www.lewesbpwde.gov. Staff emails updated and live- hard launch on February 1st.
- Procured and SAT phones for emergency preparedness.
- Working with GMB on the communication for the pump stations.
- Internal inventory- entire assets
- Mike Posey has completed 6-month probation period.

Kimberly Bellere, BPW Finance Director, presented:

November R&E 2022 Financials

- Line 2- Commercial: Sewer- DRBA down \$4,360 from last November; another adjustment possible.
- Line 5- Board of Public Works: Water- Less filter cleaning
- Mr. Webb questioned line 6- Other revenue. Ms. Bellere stated that it is project related that is not a normal bill.
- Line 10- Wages, Salaries, & Benefits: Stormwater- Starting to charge time for stormwater tasks.
- Line 12- Repairs and Maintenance: Sewer- Chemicals \$53,600, usually runs 35k-40k.
- Line 13- Professional and Contractual Services: Water- Engineering fees \$17 for water model and mapping and water main assessment
- Line 14- Other Supplies and Expenses: Water- Safety and service awards, purchase of traffic cones
- Line 24- Impact Fees: Electric- decreased impact fees, water, and sewer metering, electric still under
- Line 27- Change in market value: \$215,834 gain.

December R&E 2022 Financials:

- Line 2- Commercial: Water-DRBA down\$2100; \$1600 adjustment for Lewes Waterfront Preserve. Sewer- DRBA down \$2899 from last year
- Line 5- Board of Public Works: Water- Less filter cleaning
- Line 6: Revenue Other: Sewer- Work was heavy on water last month.

- Line 9: Purchased Power: Electric- Higher than normal usage.
- Line 10: Stormwater- tracking stormwater duties.
- Line 11: Electric and sewer- Departments are using more than budgeted. Water under budget.
- Line 12- Repairs and Maintenance: Sewer- Waste hauling \$45k, Chemicals \$36k
- Line 13- Professional & Contractual Services: Water- Henlopen Drive, Cedar Avenue, Delaware Avenue piping. Testing, and coupon by Harry Caswell.
- Line 22- Interest and Dividend Income (Expenses): Usually higher with dividends at the end of the year. UBS reported that the decrease is due to BPW's balance being substantially different than last year.
- Line 27- Change in Market Value: \$100,820 loss.

Year-to date

- Line 10- Wages, Salaries, and Benefits: Stormwater- tracking stormwater duties
- Line 13- Line 13- Professional & Contractual Services: Water- Henlopen Drive, Cedar Avenue, Delaware Avenue piping. Testing, and coupon by Harry Caswell.
- Line 27- Change in Market Value: \$773,655 loss.
- Mr. Webb questioned what the timing on the assessment on the rates and review of capital projects is. Mr. Calaman stated that staff is finishing up the budget at the end of this month and will present in February. The plan is to set up a March workshop and vote in the March regular meeting.

Quarter three financials:

Compared to last year:

- Operating Revenues are up \$790,134 or 22.5%
- Operating expenses are up \$929,009 or 26.9%
- Non-operating revenues are up \$555,262 or 171%
- Operating income has decreased \$138,874 or 166%
- Total income has increased \$416,389 or 61.7%

Large Variances from budget:

- Line 5- BPW: Not cleaning filters as often.
- Line 6: Revenue Other: Projects (LWP, Virden, Fisher's Cove, Lodge at Historic Lewes, White's Pond, Dutchman's Harvest, Lewes Brewery)
- Line 10- Wages and Salaries Benefits: Stormwater- Starting to track stormwater tasks.
- Line 11- Utilities: Sewer- Department is using 24.5% ore utilities than last year.
- Line 12- Repairs & Maintenance: Sewer- \$129k Chemicals, \$129K sludge/waste hauling
- Line 13- Professional & Contractual Services: Water: Harry Caswell Work
- Line 14- Other Supplies & Expenses: Water: Safety and Service Awards and traffic cone purchase
- Line 22- Interest & Dividend Income (Expenses): Usually much higher payout in December, UBS reported that the decrease is due to BPW's balance being substantially different than last year.
- Line 27- Change in Market Value: Gain of \$179,551

Other notes:

- DRBA continues to show exceptionally low usage. 65% to 80%.
- Change in market value over the last four quarters is a loss of \$1.2 million.

Cash Graph:

- Fees and change in the market value are almost a million dollar difference than interest income.

- February is a tight month because of big DEMEC bills and WWTP payment.

8. Open forum/general discussion on a proposal from 120 Water for Lead and Copper Assistance to meet October 2024 requirements. INFORMATION/DISCUSSION/ACTION (Austin Calaman and Robin Davis)

Samantha Biltcliffe, 120 Water, presented:

- October 2024 the lead and copper rule goes into effect.
- Revisions are a drastic change to the lead and copper rule than what it has been in the past 30 years.
- Requirement to develop a location-based service line inventory. Most utilities do not currently have information on this. Other requirements include lead service line replacements, updates to regular compliance sampling, and additional sampling at schools and daycares.
- Service line inventory is the current focus. The first part of this will be record-based inventory. What exists in the system with the information the BPW has.
- Next step is verifying the unknown. Physical verification, work with residents, etc.
- Last step is to prepare & report out to the state and the EPA.
- There are additional communication requirements on reporting to the residents.
- Timeline is incredible tight even if started on day one of the publication of the new rule.
- 120 Water is a software platform and services company. 120 Water is and organized place to build the inventory and be able to report out to be in compliance by 2024.
- Mr. Calaman questioned if the data must be public. Ms. Biltcliffe confirmed. Must be supplied digitally.
- Mr. Webb questioned if the software helps track or identify lead and copper. Ms. Biltcliffe stated that the software is to mostly track but supports verification process.
- The key tier of the software is where all the inventory information will live.
- Mr. Webb questioned what are the ways that the lead and copper issues are identified. 120 Water will start with records and organize and prioritize what is unknown. Predictive modelling can be used based on the known information. This will help to determine the strategies to use for verifying. Some will be visual inspections. Utilize customer surveys and homeowner lead swab kits.
- The compliance requirement ends at identifying the line and notifying the homeowner of what they have. The utility must offer to replace that line, but it is at the homeowner's cost, since it is their line. The bulk of federal money available is going to those who cannot or are not willing to pay for the replacement. Mr. Webb questioned if funding recipients are needs based. Mr. Biltcliffe stated that the funding is not exclusive under serve communities.
- President Panetta questioned BPW records and how far do they go back. Mr. Calaman stated that combined with GMB and BPW there is a decent amount of identified lines. Beyond the curb stop is the biggest challenge.
- Mr. Webb questioned if testing the water was sufficient. Ms. Biltcliffe stated that water testing is not accepted by the EPA. The customer will be asked to do the surveys and swab kits for the private side of the lines. Visually looking at the pipe or swabbing the pipe is the most effect way to verify.
- In 2024, the timeline to notify customers of a lead line, is within 24 hours of finding that line. This can be automated through 120 Water.

- Public Transparency Dashboard: Can be put on BPW website and is what is reported.
- President Panetta stated that this is the current regulations and pertains strictly to the service line, but there has been a lot of discussion on inside the house. President Panetta questioned if 120 Water can integrate inside information as well. Ms. Biltcliffe stated that more information that can be captured, the better. Inside the house is a question mark.
- Mr. Calaman stated that Sussex County, Selbyville, Seaford, and Rehoboth are using 120 Water.
- Mr. Nichols questioned what entity is responsible for meeting the regulations and are the regulations for all BPW infrastructure. Mr. Calaman confirmed that the BPW is responsible for BPW infrastructure. Mr. Hoffman stated that the regulations apply to private utilities as well as public utilities. Mr. Calaman stated that there is a clear delineation. Ms. Biltcliffe stated those homeowners on well water are not required to report because they are not connected to any utility infrastructure. Mr. Webb questioned if this regulation would change the scope on projects like Donovan Smith. Mr. Hoffman stated that it does not, the information needed is the section of pipe from the curb stop to the home, not inside the home.
- Mr. Owen suggested noting all types of pipes, not just lead. Ms. Biltcliffe agrees that being as specific as possible may help in the future, because the future is unknown. There are multiple check boxes on the surveys. President Panetta stated that most homeowners will not know what is in the home.

Mr. Calaman stated that the proposal is one-time fee \$1500, plus the yearly fee \$17,000 for subsequent two years.

ACTION: *Mr. Owen motioned to accept the 120 Water proposal. Mr. Webb seconded the motion, which passed unanimously. Mr. Lee absent.*

9. Open forum/general discussion on the solicitation of candidates for the upcoming 2023 Election of the BPW. INFORMATION/DISCUSSION/ACTION (Kris Keller and Sharon Sexton)

Kristina Keller, stated that the posting on the solicitation of candidates will be on Friday and can file on February 1, 2023 until April 6, 2023. Thomas Owen's seat and D. Preston Lee's seat is up for election. The notice will be in the Cape Gazette three times. Staff is working through the voter registration to verify deaths, those people who have moved, and those who are no longer eligible.

10. Open forum/general discussion on emergency replacement of the valves and pumps at Pump Station #3. INFORMATION/DISCUSSION/ACTION (Austin Calaman, Inframark and GMB)

Mr. Calaman stated that both pumps at pump station three (PS3) are self-priming and pump one is in lead and pump two is running as a high flow pump. The self-priming function is not in use and valves are seized up in the open position. The valves and pumps need to be replaced. The bypass valve is in place currently to give the ability to bypass PS3. Mr. Wolgemuth stated that the lead times are long, and if a decision is made tonight, the delivery could be 12-18weeks. The pumps are obsolete and cannot be repaired.

Hills provided a turnkey proposal of \$86,000 that includes two pumps, two check valves, two discharge valves, motors and with labor. Enviro TLC provided an equivalent equipment proposal,

no labor or discharge valves, for \$68,500. The pump quality is equivalent. Staff recommendation is to move forward with the repair. Mr. Webb questioned if there are other repairs or maintenance that should be done while replacing the valves and pumps at PS3. Mr. Calaman stated that upgrading electric or adding a generator can be done in the future. Mr. Calaman stated that a DelDot permit may be needed for traffic control.

ACTION: *Mr. Owen motioned to approve the Hills proposal. Mr. Webb Webb seconded the motion, which passed unanimously. Mr. Lee not present.*

**11. Open forum/general discussion on a proposal from A.C. Schultes to reline Well #3.
INFORMATION/DISCUSSION/ACTION (Austin Calaman)**

Mr. Calaman stated that well three was taken out of service and camera-ed. Witnessed sand being drawn from the well and that there were pinhole leaks within the casing. Well three is bigger. It was considered drilling a new well but did not make sense production or financial sense. A.C. Schultes will put a 150-foot casing and one long stainless-steel screen.

Mr. Webb questioned if other repair or maintenance should be done along with this repair. Mr. Calaman stated that the water tower and common header project is a future project. Staff has been systematically checking the screen that no other sand is coming in. Continuing to service annually. President Panetta stated that the well, water tower, and common header can be done separately.

ACTION: *Mr. Owen motioned to accept proposal to reline well three. Mr. Webb seconded the motion, which passed unanimously. Mr. Lee was not present.*

**12. Open forum/general discussion on AT&T Pole Attachment agreement
INFORMATION/DISCUSSION/ACTION (Robin Davis and Austin Calaman)**

Mr. Hoffman stated that Board has already considered and approved this pole attachment agreement. AT&T has sent back more questions. Staff provided a revised agreement with staff recommendations. Mr. Yingst stated that the AT&T years were reverted in article 2.2 to make it consistent with the Fiber Tech agreement. The change was a five-year initial term with 5-year extension periods.

ACTION: *Mr. Owen motioned to approve the AT&T pole attachment with staff recommendations. Mr. Nichols seconded the motion.*

Discussion: Mr. Webb questioned if there were any changes made to the math of the agreement. Mr. Hoffman stated the biggest change refers to Exhibit A. AT&T wanted clarification of prevailing rate.

Mr. Yingst referred to article 4.1 and 4.2. AT&T wanted the commencement of paying the annual per attachment fee tied to the certificate of compliance certification date, identified in Exhibit B3. A clause was provided that the BPW shall send the first invoice within 30 days of the certificate of compliance certification date with the attachment fees and other charges assessed pro rata. Mr. Nichols questioned if this will be the end of negotiations. Mr. Hoffman questioned AT&T's position. Mr. Davis assumes that AT&T will be okay with the changes and staff can make it clear

that this agreement is the Board's final position. Mr. Hoffman stated that there will be more agreements after this, and the Board can say that this pole agreement is the standard form once approved.

Vote: Four in favor, one absent. Motion carries.

13. Open forum/general discussion on a proposal from Pro Coat to seal the crack in the oxidation ditch. INFORMATION/DISCUSSION/ACTION (GMB and Austin Calaman)

Mr. Calaman stated that another item has been identified to look at and staff is awaiting the quote. Staff recommends approving the proposal with a cap on the cost. President Panetta stated that there is not a leak outside of the tank. Mr. O'Donnell stated that this crack is not structural and the original proposal for the side wall repair was \$18,700 to address from outside and \$6200 to address from the inside. GMB recommends addressing from the inside. Mr. Nichols questioned how the cracks being repaired. Mr. Calaman stated that the cracks will be repaired from the inside and there will be pilot holes drilled. There needs to be rebar joints in the crack so that the new material will have something to adhere to. Under the catwalk repair will be a material repair. Mr. Nichols questioned if the ditch would need to be drained. Mr. O'Donnell stated that the anoxic zone and will need to come offline. This will be an opportunity to assess the lining of the tank.

Mr. Nichols questioned what could go wrong and is staff prepared for two different outcomes. Mr. Calaman stated that it has been discussed to give a notification to county and shutting off county flow. This would allow to run the opposite train and at 50%. The timeframe for the work is a few days. President Panetta questioned structure risks or the oxidation ditch wall failing. Mr. O'Donnell stated more cracks could be found on the inside that cannot be seen from the outside. Mr. Nichols questioned if there is a contingency. Mr. O'Donnell is not expecting to find more cracks that are more significant than the one addressing now. If additional cracks are found then, the cracks can be addressed while the tank is down, and additional material will be available.

Mayor Williams questioned if certain weather conditions for the material to cure were needed. Mr. O'Donnell stated no, February should be fine.

ACTION: Mr. Nichols motioned to approve the proposal with a cap of \$15,000. Mr. Owen seconded the motion, which passed unanimously. Mr. Lee was not present.

14. Open forum/general discussion on setting a date for a BPW special meeting to include the next steps for the wastewater treatment plant. INFORMATION/DISCUSSION/ACTION (Tom Panetta and Austin Calaman)

The BPW workshop to discuss next steps and public comments on the WWTF long-range planning was scheduled Friday February 10th at 4:00pm. This will be a Board discussion only, but public is welcome to attend.

15. Call to the Public

Michael Desmarais, HOA President Oyster Cove, stated that he spoke in May in regard to sewer rates. Mr. Desmarais questioned if the 2023 rates have been addressed yet. Mr. Calaman stated that a five-year increase was accepted, and it was discussed to have an additional cost-of-service

study done. The Board has not yet voted on the cost-of-service study. Mr. Desmarais stated that the Oyster Cove rates are exorbitant. \$108 for just sewer and the rates are quadruple of what was paid at previous residences in other cities/states. The fees are not based on usage and Mr. Desmarais would like to make the case to have the sewer rates reviewed. Mr. Calaman stated that the BPW is not the water provider, and only provides sewer. The Board voted on a fixed rate based on an average user. Mr. Owen, stated that with a city that owns and operates the utility, taxes may make the difference in the actual utility. Mr. Desmarais agreed this may be possible but has never been in a situation where he was billed for something he did not use.

Mr. Hoffman stated that the Board has a policy that where water is available, the Board requires water and sewer so that sewer can be charged on usage. When sewer only is provided, there is a policy to follow the formula based on an average user.

Mr. Desmarais urges the Board to review the rates.

16. Call to the Press

Aaron Mushrush, Cape Gazette, questioned if there is a sense of urgency coming from the county to find a partner for their WWTP or is it a good-faith cooperation. President Panetta stated that it is a good faith discussion with Sussex County. Sussex County does need to make their long-term plans on what they need to do. The county does have wiggle room and is not urgent. BPW is looking at the current risks to the BPW facility. BPW is not going to rush to decide but will keep the process moving along. Mr. Owen stated that the county is going to move forward whether the BPW partners or not. President Panetta stated that the county does not have firm plans.

17. Executive session

ACTION: *Mr. Owen motioned to adjourn to executive session. Mr. Webb seconded the motion, which passed unanimously. Mr. Lee not present.*

President Panetta adjourned to executive session at 5:57pm.

18. Return to open session.

ACTION: *Mr. Owen motioned to return to open session. Mr. Webb seconded the motion, which passed unanimously. Mr. Lee not present.*

Returned to open session at 6:54pm.

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

ACTION: *Mr. Owen motioned to approve executive minutes for July 23, 2021, June 30, 2021, June 21, 2021, and June 15, 2021. Mr. Webb seconded the motion.*

*A. Thomas Owen- aye
Thomas Panetta- aye
Earl Webb- aye
Richard Nicols- recused.*

Preston Lee, P.E.- not present.

Motion carries.

20. Adjournment

President Panetta adjourned the meeting at 6:59pm.

Respectfully Submitted

Sharon Sexton

Executive Assistant