

Lewes Board of Public Works
Regular Board Meeting

Meeting minutes

February 25, 2026

1. Welcome, Call Meeting To Order, And Pledge Of Allegiance

Board President Thomas Panetta called the Regular Board Meeting to order at 4:00 PM on February 25, 2026, and led the Pledge of Allegiance, followed by a moment of silence.

2. Roll Call

Board Members:

Barbara Curtis
D. Preston Lee, P.E.
Richard Nichols
Bob Heffernan

Ex-Officio Members:

Amy Marasco, Mayor absent
Robin Davis, General Manager
Sharon Sexton, Assistant General Manager
Michael Hoffman, Legal Counsel

Others Present:

Kimberly Bellere, BPW Finance Director
Jeffrey Kerin, Inframark
Matthew Davis, Inframark
Ben Hearn, GMB
Joshua Gritton, IT Manager
Mike Posey, BPW
Bill Shull, Cape Gazette
Trina Brown-Hicks, City Council
Ellen Loraine McCabe, City Manager
Kris Keller, BPW
Robert Kennedy, Resident online

3. Consent Agenda

Motion: Board Member Curtis moved to approve the consent agenda. Board Member Lee seconded. Motion carried unanimously.

The consent agenda included the Vice-President Report, Secretary Report with approval of August 4, 2025, Finance Meeting Minutes and February 4, 2026 Joint Meeting Minutes, Treasurer Report, and Assistant Treasurer Report.

4. Call To The Public

Board Member Curtis made an observation, congratulating Ben Hearn, GMB engineer, who was voted Young Engineer of the Year.

5. Receive The Inframark Report

Matthew Davis from Inframark presented the monthly operational report, beginning with an acknowledgment of the severe storm and power outage that occurred on Monday. Davis thanked Joshua Gritton for his exceptional response during the emergency.

During the storm, a severe power outage occurred around 1:30 AM, with the generator failing shortly after the power went out. The cause of the generator failure is still under investigation. The SCADA system went down, forcing operators to work without visibility. Davis, the regional manager, and an overnight operator managed the situation until power was restored around 7:15 AM.

President Panetta praised the coordinated emergency response, noting that the National Guard and electrical crews were mobilized to restore power. He emphasized that Josh Gritton's response and the electrical team's performance were exemplary. General Manager Davis added that the limited power outages elsewhere demonstrated the effectiveness of the electric department's tree trimming and line maintenance programs.

The wastewater treatment plant received its first bulk delivery of neo water, which Davis plans to bring online soon. Pump Station 6 valve replacement is awaiting parts with a two-month lead time. Douglas and Company is providing quotes for structures over the drying beds, though staff expressed concerns about cost-effectiveness, given that covered beds would not achieve county disposal limits and would still require hauling liquid waste.

The compactor remains down due to a lack of responsive service from JWC, the proprietary manufacturer. The unit is currently running continuously in manual mode, using double the normal water consumption and creating concerns about potential equipment failure during warmer months. The board authorized staff to write a letter to JWC to encourage response.

A total nitrogen spike occurred at month's end due to extremely cold weather, including 3-4 inches of ice across the treatment ditches. While levels never exceeded limits, the issue highlighted the need for valve replacements to control air to individual ditch sections. These valve replacements are included in FY 27 budget, with installation quotes expected by the end of the week.

Board members discussed using precipitation trend charts to better understand infiltration and inflow patterns in the sewer system. Staff agreed to develop correlation studies between rainfall and plant flow data to help target corrective actions for aging infrastructure.

6. Receive The President's Report

President Panetta noted that the most significant events were covered in the storm discussion. He attended the joint meeting with the city council, which all board members also attended. The coordinated emergency response during the power outage demonstrated excellent cooperation between all departments and agencies.

7. Receive The General Manager's Report

General Manager Robin Davis highlighted several key activities from her written report. The department coordinated with GMB on submissions of Notice of Intent for repairs and upgrades to Pump Station 6, Pump Station 17 abandonment, and Pump Station 34 upgrades. The redesign will direct Pump Station 17 flow to Pump Station 34, which requires upgrades identified in the resiliency report.

Infrastructure projects continue progressing, with the water tower showing positive movement and the Fourth Street project awaiting the March WIAC meeting for supplemental funding approval. The weather has slowed the Capes Cove project, but progress continues.

Davis recognized Kimberly Bellere for five years of service with the BPW. Upcoming events include the March 25th board meeting, which coincides with the WIAC meeting date, and the May elections, with two board positions open.

The emergency response required extraordinary coordination to get staff to facilities during the storm. The National Guard assisted in transporting electrical staff, and multiple departments worked around the clock to restore services. Davis emphasized the cooperation received from DENREC regarding the minor spill that occurred during the outage.

Board members discussed improving communication to residents during utility emergencies, noting that not all residents receive email notifications or are signed up for text alerts. The reverse 911 system requires state coordination and may not be feasible for BPW use.

8. Receive Finance Manager's Report

Finance Manager Kimberly Bellere presented January financial results, noting that the organization underperformed the budget for the first time in months due to issues in all three categories, with non-operating revenues and expenses being the largest contributors.

Significant variances included reduced water usage at the state park due to meter reading issues that were resolved with a new meter installation in January. The wastewater treatment plant showed increased costs from the compactor running constantly and additional water usage. The electric department received \$32,500 from transformer sales originally purchased for the battery project.

Professional and contractual costs for water included paving repairs on Savannah and McFee streets. Several capital projects moved more slowly than budgeted, affecting expense timing. Planning grants and emerging contaminants work shifted timing based on actual needs and data collection requirements.

Year-to-date results through month 10 showed performance better than budget in all three categories, with approximately \$252,000 gain in market value. Board members requested lighter colors for financial reports due to printing visibility issues.

Cash management continues with regular deposits to money market accounts as state project reimbursements are received.

9. Open Forum/General Discussion On Amending The Lewes BPW Compilation Of Policies To Include Penalties For Introducing Prohibited Substances Into The Lewes BPW Sewer System

Legal Counsel Michael Hoffman presented the revised resolution incorporating board member comments from the previous meeting. The resolution language mirrors Sussex County's approach for consistency. An additional amendment was proposed to include specific limits for biochemical oxygen demand (BOD), chemical oxygen demand (COD), and total suspended solids.

Board Member Lee noted that his recommended BOD and suspended solids limits had been replaced with other contaminant lists, though the new comprehensive approach was acceptable. Hoffman proposed adding a new subsection specifying limits of 280 mg/l for BOD, 300 mg/l for COD, and 200 mg/l for total suspended solids, each determined from 24-hour composite samples.

Motion: Board Member Heffernan moved to approve Resolution 2026-1 as amended to include the new subsection with BOD, COD, and suspended solids limits. Board Member Lee seconded. Motion carried unanimously.

10. Open Forum/General Discussion On The Update For Fourth Street Project And Burton Neighborhood

General Manager Davis reported continued design work by GMB on Fourth Street, Park Avenue, and other Burton neighborhood streets. Supplemental funding requests have been submitted with the WIAC meeting scheduled for March 25th. Approval appears favorable, with 6-8 weeks typical for paperwork processing.

GMB Engineer Benjamin Hearn explained a new four-phase approach to meet the original schedule. Phase 1 would cover Fourth Street and Park Avenue utilities, Phase 2 would address streetscape for the same areas, Phase 3 would handle utilities for the remaining Burton subdivision, and Phase 4 would complete the remaining streetscape work.

Board members expressed concerns about the interdependence of utility and streetscape designs, particularly for Park Avenue, where street narrowing and tree placement could affect stormwater infrastructure. Hearn indicated confidence in the Fourth Street design and expected clarity on Park Avenue streetscape by bidding time.

The project scope covers Fourth Street from Savannah to Burton, with Park Avenue water main replacement being the primary utility need. Stormwater lines are currently adequate unless streetscape modifications require relocations.

Board members emphasized the need for coordination with city streetscape plans to avoid utility conflicts and requested regular updates on design progress.

11. Open Forum/General Discussion On The Acceptance Of The BPW Finance Committee's Recommendation To Utilize Staff-Developed Financial Framework Tool For Forecasting And Budget Planning

Board Member Nichols presented the Finance Committee's recommendation to adopt the 10-year financial framework developed over two years of collaboration between the committee and Finance Manager Bellere. The framework combines and tracks all factors affecting cash flows for budgeting, financial planning, policy review, risk assessments, and potentially reducing consultant costs.

The model has been vetted against auditor reports for two years with no material differences. Sample cash flow summary pages were provided showing 10-year capital budget projections for all four utilities. The committee recommends staff use the framework for budgeting purposes and that quarterly summary reports be presented to the board after the finance committee review.

Board members discussed the importance of understanding the detailed 50-page model, with recommendations that all members meet with the Finance Manager to review the comprehensive data inputs, including customer counts, rate projections, and infrastructure needs. The framework also incorporates updated administrative cost allocations between utilities that hadn't been reviewed in years.

Motion: Board member Nichols moved to approve the Finance Committee's recommendation to utilize the staff-developed financial framework for forecasting and budgeting purposes, including its use in developing future budgets. Board Member Heffernan seconded. Motion carried unanimously.

Motion: Board Member Nichols moved to require quarterly presentation of framework summary packages after Finance Committee review. Board Member Heffernan seconded. Motion carried unanimously.

12. Open Forum/General Discussion On Coordination With Sussex County On Potential Upgrades To Pump Station No. 4

GMB Engineer Hearn reported that Sussex County initiated coordination meetings regarding upgrades to Pump Station 4 as part of the transition to county wastewater treatment. Rather than BPW completing upgrades independently and the county later modifying them, the county requested joint design work for the initial upgrade.

The project includes pump station upgrades and a new force main from Pump Station 4 to connect with the county system, near the current connection point. The design will allow Pump Station 8 flow to manifest at Pump Station 4 before transmission to the county, utilizing existing piping in reverse flow direction.

Board members questioned whether the existing force main under the canal would be used, with staff confirming the county plans to utilize portions of existing infrastructure while adding new transmission lines outside wetland areas. The previous concept of lining the water main for sewer use was deemed unfeasible by DHSS due to separation requirements and maintenance concerns.

The project will require a secondary agreement with the county since the timeline has been moved up from the original schedule. Staff received direction to work with GMB on design coordination with the county.

13. Open Forum/General Discussion On The Acceptance Of The Kennedy Property Developer's Agreement

General Manager Davis explained the development agreement for the Kennedy property on Gills Neck Road, which is being subdivided into three parcels with two buildable lots and one potentially donated to the city. The project requires water and sewer extensions, with water

coming from existing Gills Neck Road infrastructure and sewer requiring a more complex force main system.

The sewer design includes force mains from Schley Avenue through the bike path alley to an easement behind the properties, with individual E-1 pumps for each property owner to maintain. BPW will be responsible for the lines while property owners maintain the pumps.

Legal Counsel Hoffman noted this represents the staff's recommendation after the developer requested multiple concessions. Key modifications from standard agreements include reducing escrow requirements from \$50,000 to \$10,000, given the small scale, and establishing a \$35,000 cap on inspection and review fees based on GMB estimates.

Board members expressed concerns about fee caps, which are not typically approved. Staff explained this exception reflects the small scale of development and greater confidence in cost estimates for limited infrastructure work. The agreement requires correction of language referring to "reasonable BPW" costs.

Motion: Board Member Heffernan moved to approve the development agreement and authorize staff to work with the developer for finalization, including necessary language corrections. Board Member Nichols seconded. Motion carried unanimously.

14. Open Forum/General Discussion On The Five-Year 2026/2027 Capital Budget

Finance Manager Bellere presented the five-year capital budget totaling nearly \$70 million in projects, with approximately \$48 million in outside funding resulting in \$21 million from BPW funds. Projects are color-coded with green for secured funding, yellow for estimates pending, and purple for developer infrastructure with uncertain timing.

The budget has been developed through meetings with GMB, the city, and BPW departments. The financial framework model shows no cash flow issues until fiscal year 2031, providing sufficient time for rate adjustments.

Specific discussions included saltwater monitoring wells using existing infrastructure where possible, granular activated carbon treatment with additional grant funding anticipated from DHSS, and various electric underground projects in Bay Breeze and Burton subdivisions.

Board members questioned the need for Bay Breeze undergrounding, given other priority areas, with staff noting this reflects departmental recommendations. Questions arose about Transite pipe replacement and asbestos monitoring, with discussion of industry practices regarding undisturbed Transite infrastructure.

The lead service line inventory and replacement program must comply with new federal requirements, with inventory completion by 2027 and full replacement by 2037. Valve projects address operational needs for system isolation during maintenance.

Board members suggested improvements, including project rationale indicators and total project cost information. Staff agreed to consider categorical symbols for aging infrastructure, regulatory requirements, and capacity needs.

15. Open Forum General Discussion On The One-Year 2026/2027 O+M Budget

Finance Manager Bellere presented the operating and maintenance budget with revenue adjustments based on new customers from multiple developments, including White's Pond, Fishers Cove, Dutchman's Harvest, and others. The budget uses 2.4% inflation for expenses and includes the cost of service studies.

Administrative costs increase due to additional staff, rent increases, merit increases, and increased fire department donation from \$30,000 to \$50,000. Administrative allocation percentages were updated based on Finance Committee review, with electric increasing from 45% to 64%, water decreasing from 26% to 14%, wastewater decreasing from 24% to 21%, and stormwater decreasing from 5% to 1%.

Electric department changes include a rate adjustment for industrial customers to bring kilowatt-hour payments closer to residential and commercial rates, requiring board approval outside the established rate track. This will result in a small PCA decrease, benefiting all customers. The department returns to four employees for two-thirds of the fiscal year.

The water budget includes interest expenses for Highland Acres, Jones Farm, Canal Crossing, and water tower projects. Grants and assistance funding come from the emerging contaminants work.

Wastewater staffing decreases slightly as time allocation shifts to stormwater for internal project management. Grant assistance comes from pump station resiliency grants.

Stormwater requires a rate track modification to avoid cash negative operations, with residential rates increasing from \$10.50 to \$11.50 monthly, commercial from \$21 to \$23, and industrial from \$42 to \$46. This small adjustment will maintain positive cash flow.

The budget will return next month with the financial framework analysis, PCA audit results, and Finance Committee recommendations for formal approval.

16. Open Forum/General Discussion On A Request From Crown Castle For Consent In Connection With Proposed Sale Of Fiber Solutions Business And Small Cell Business

General Manager Davis explained Crown Castle's request for consent to sell its fiber solutions and small cell wireless businesses. Crown Castle has two agreements with BPW - a 2015 fiber business agreement and a 2025 small cell wireless agreement - both requiring board approval for asset transfers.

The request involves substituting a new entity in existing agreements while maintaining all current terms and conditions. Legal Counsel Hoffman confirmed this is a pro forma asset purchase with no impact on BPW operations or pole attachment terms.

The consent letter requires correction to reference the Board of Public Works rather than the city, and inclusion of both the 2015 and 2025 agreements in the documentation.

Motion: Board Member Heffernan moved to direct staff to sign the consent agreement with Crown Castle and its companion 2025 agreement, authorizing staff to make necessary corrections to entity names and agreement references. Board Member Curtis seconded. Motion carried unanimously.

17. Board Or Staff Requests For Agenda Item(s)

Board members requested scheduling individual meetings with the Finance Manager to review the detailed financial framework model. No additional agenda items were requested.

18. Call To The Public

President Panetta called for public comment on agenda items. No members of the public were present either in person or online.

19. Call To The Press

No members of the press were present.

22. Discussion And Action On Items From Executive Session, If Applicable

No executive session was held.

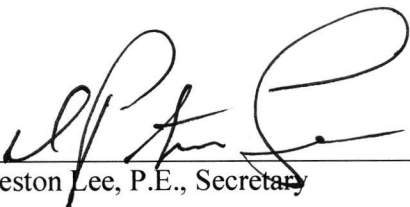
23. Adjournment

Motion: Board Member Heffernan moved to adjourn. Board Member Nichols seconded.

Motion carried unanimously.

The meeting adjourned at 6:11 PM.

Respectfully submitted,
Kristina Keller
Office Manager



D. Preston Lee, P.E., Secretary

3/25/26
Date