

City of Lewes Board of Public Works

# Wastewater Treatment Workshop

## Meeting minutes

October 28, 2025

### 1. Welcome, Call the Meeting to Order

Board President Thomas Panetta welcomed attendees to the Bonnie Osler Community Room and called the meeting to order at 5:30 PM. He noted that this was the seventh workshop on wastewater treatment plant options.

### 2. Roll Call

Board Members Present:

Thomas Panetta

Barbara Curtis

D. Preston Lee P.E.

Richard Nichols

Bob Heffernan

Ex-Officio Members Present:

Amy Marasco (Mayor)

Robin Davis (General Manager)

Sharon Sexton (Assistant General Manager)

Michael Hoffman (Legal Counsel)

### 3. Continued Discussion of the Long-Range Planning on the Lewes BPW Wastewater Treatment Facility

President Panetta outlined the meeting agenda, which would cover the drivers of the project, how they arrived at current options, cost comparisons, customer impact, and next steps. He established ground rules for public comment, stating that comments would be taken at the end with a five-minute limit per speaker, and asked that speakers avoid repeating previous comments if they agreed with them.

#### Project Drivers

Panetta explained that the facility is located in a floodplain with a base elevation of approximately 6 to 7 feet. The mitigation team, led by Preston Lee, determined that the minimum elevation for critical BPW infrastructure should be 11.64 feet. The current plant baseline infrastructure sits at approximately 9.6 feet, meaning it will be inundated during

coastal events and with sea level rise. He noted that such events are becoming more frequent and emphasized the importance of getting ahead of these challenges.

The facility also faces rising operational and maintenance costs. While the BPW technology is highly effective, it is extremely expensive to operate due to its state-of-the-art treatment capabilities.

Scale limitations present another challenge, as the relatively small treatment facility cannot spread fixed costs over a larger base like other facilities. The plant was built for peak summer flows of 1.2 million gallons per day, but winter flows are about half that amount, meaning the plant operates at reduced efficiency during off-peak seasons.

## How They Arrived at Current Options

The Board has been working for four years on finding the right solution, holding seven workshops to date. Many options were considered and narrowed down to two primary alternatives. The process included a phase 1 archaeological survey at Wolf Neck that eliminated the possibility of forest drip irrigation and severely limited constructed wetlands options.

After a year of negotiations with Rehoboth Beach that ultimately failed. The focus returned to working with Sussex County. The current draft agreement involves the BPW and Sussex County partnering together, with all BPW wastewater being sent to Sussex County's Wolf Neck facility.

The plan includes Sussex County taking over the two main Lewes pump stations - pump station 4 (located by the Savannah Bridge on the mainland side) and pump station 8 (located in front of the current treatment plant). These would be rebuilt and piped to Wolf Neck. The Wolf Neck facility would be upgraded with tertiary treatment to handle 4 million gallons per day.

## Financial Analysis

Finance Director Kimberly Bellere presented the financial comparison of three options. The Sussex County agreement represents the least expensive option over 20 years. Hardening BPW/SC agreement and relocation.

The presentation focused on 5/8-inch residential meters inside the city, which represent 76% of customers. The plan involves using cash reserves initially, which must be repaid within five years according to BPW policy. The reserves will be repaid by 2036, with short-term rates reflecting the need to replenish those funds.

Usage rates per thousand gallons are projected to peak at \$9.77 in fiscal year 2033, then decrease to \$9.04 in 2037. Ready-to-serve fees will peak at \$1,140 per year (\$95 per month) in fiscal year 2033, then decrease to \$930 per year (\$77.50 per month) in 2037.

For the average customer using 3,200 gallons with ready-to-serve fees, bills will peak at \$126.26 per month in 2033-2034, then decrease to \$119.26 after reserves are repaid in 2036, and further to \$106.43 in 2037.

## Decision Factors

The board identified several factors influencing their decision: seeking the lowest long-term cost, accessing expertise to operate the plant, and improving infrastructure reliability. Larger systems can handle upgrades, emergencies, and backups more efficiently.

Environmental risk and resiliency improvements include reducing flooding and storm surge risks by moving operations from the current vulnerable location to Wolf Neck. Sussex County will complete capital improvements to bring the plant to 4 million gallons per day capacity.

The existing property will be returned to undeveloped conditions, free of all buildings, foundations, footings, utilities, and above and below-ground improvements, as well as hazardous substances and debris.

## Draft Agreement Terms

The BPW's capital costs would be 20% of total capital costs, capped at \$40 million plus interest. The BPW will continue to own, operate, and maintain the collection system, remain the sole customer contact point, and retain sole responsibility for setting customer rates.

Sussex County will be responsible for decommissioning the existing BPW plant and restoring the land. The agreement uses average annual daily flow rather than the typical monthly gallon measurement, which better accommodates the BPW's seasonal flow variations.

Sussex County will secure municipal bond funding, with the BPW reimbursing not to exceed \$40 million. Operations and maintenance costs are capped at 25% for the first five years, then 20% thereafter as additional flows come online and reduce the BPW's proportional share.

Additional terms include installing meters at pump stations 4 and 8 to record flow, with unmetered flow calculated using equivalent dwelling units (EDUs) at 250 gallons per EDU. The BPW's responsibility for future upgrades is limited to their proportional 20% share of upgrades necessary for permit compliance, with both parties mutually agreeing on timing and terms.

Ongoing oversight includes quarterly meetings between the BPW president and county administrator, availability of records upon request, and the county providing daily monitoring reports and monthly data summaries - similar to current arrangements with their contract operator.

## Next Steps

The board will review and consider public input from the workshop and submitted public comments. Written comments are encouraged through the BPW website, mail, or office drop-off. Panetta requested that comments be submitted within two weeks to allow review for the December 10th board meeting, though comments will continue to be accepted afterward.

The draft agreement will be posted before the December 10th meeting, assuming positive progress.

## Public Comments

Nick Carter (1510 Bay Avenue) asked about the timeline for Sussex County's new facility construction and when it would accept Lewes effluent. He questioned whether the county was currently building a new facility and sought clarification on capacity.

Jay Donecker (1012 Bay Avenue) inquired about measuring effluent coming out of constructed wetlands before discharge to the canal, and whether the theoretical maximum discharge could be 3.5 times larger than current levels given the 4 million gallon capacity versus current 1.1 million gallon summer peaks.

Alan Roth (437 Kings Highway) asked about consideration of longer-term bonds beyond 20 years and requested clarification on the rate impact discussion regarding the 5-year reserve repayment.

Diana (new resident) asked about drinking water safety, population growth impacts, and state funding availability to support sewage-related projects.

Tim Ritzert requested disclosure of commercial and industrial customer impacts in addition to the residential customer focus, and asked about the benefits those customers provide to the overall rate structure.

Andrew Reynolds (51 Bay Breeze) recommended including maps in future presentations showing the watershed boundaries and development impacts, and asked about protecting the two main pump stations from rising water and storm surge.

## Board Responses to Public Comments

**Timeline and Capacity Questions:** Hans Medlarz, speaking for Sussex County, explained that the county is building and upgrading the Inland Bays facility, which will be finished within 12 months. The county can shift flows between Inland Bays and Wolf Neck facilities. For the Wolf Neck facility timeline, he cited three drivers: the canal study (impacted by dredging delays), technology selection (with board participation), and archaeological investigations. These factors contribute to the broad 6-7 year timeline, though actual design would be limited to about 2 years with additional time for permitting and construction.

**Effluent Measurement:** Medlarz clarified that any facility operates under waste load allocation with a point of compliance upstream of the wetland discharge. Each constituent (like phosphorus) has total maximum daily limits (TMDL). The joint commitment ensures no increase in waste load allocations, meaning the future facility must operate within existing waste load parameters. Enhanced wetland treatment provides environmental benefits beyond permit requirements but isn't counted in the permitting framework.

**Bond Terms:** Finance Director Bellere noted that while she used 20 years in analysis, the agreement allows up to 30 years at the county's discretion to potentially reduce initial rate impacts.

**Reserve Policy:** Bellere explained that the cash reserve supports capital costs, requiring 15-30% of capital plans, 25% of expenses, 2% of historical assets, and insurance coverage. When reserves drop below minimum levels, they must be repaid within 5 years per BPW policy, causing initial rate increases.

**State Funding:** Medlarz explained that loan forgiveness requires meeting specific median household income criteria relative to sewer rates. The Lewes service territory's median household income would likely make them ineligible for loan forgiveness while subjecting them to funding restrictions. FEMA mitigation grants might have been available previously but are uncertain under current conditions.

Service Territory: The boundary between BPW and county service areas is established in comprehensive planning efforts, reviewed every 10 years. The current 15-year-old boundary is not expected to change in the upcoming comprehensive plan update.

Growth Impact: Medlarz noted that county growth is primarily south of the Inland River Inlet, served by the South Coastal facility (10 million gallon capacity with 18 years remaining capacity). North side service is a patchwork of providers, with the former Western Rehoboth area (mostly built out) going to Wolf Neck.

Infrastructure Protection: Both pump stations can be defended to some extent, with Pump Station 8 being elevated and less vulnerable. However, during extreme storm surge events affecting the entire beach collection system, utility decisions may require shutting down operations to prevent saltwater damage to treatment facilities.

#### 4. Executive Session

No executive session

#### 5. Return to Open Session

No executive session

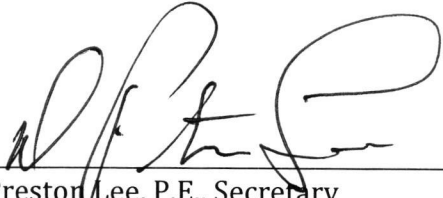
#### 6. Discussion and Action on Items from Executive Session, if Applicable

No executive session

#### 7. Adjournment

President Panetta announced the next board meeting would be on December 10th at 4:00 PM in the council chambers at City Hall, combining the November and December meetings for the holidays. The meeting was adjourned at 6:45 pm.

Respectfully submitted,  
Kristina Keller  
Office Manager

  
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D. Preston Lee, P.E., Secretary

  
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Date