

Lewes Board of Public Works
Regular Meeting Minutes
February 28, 2024
Agenda

1. Welcome Call the meeting to order

President Panetta called the meeting to order at 4:00pm and led the pledge of allegiance.

2. Roll Call

Board Members

Thomas Panetta, President
Earl Webb, Vice President- ABSENT
D. Preston Lee, P.E., Secretary- ABSENT
Richard Nichols, Treasurer
Barbara Curtis, Asst. Treasurer- Zoom

Ex-Officio Members

Andrew Williams, Mayor
Austin Calaman, General Manager
Robin Davis, Asst. General Manager
Michael Hoffman, Legal Counsel- Zoom

President Panetta stated that Mr. Lee was awarded the Engineer of Year Award from the Delaware Society of Professional Engineers.

President Panetta pulled item 12 from the agenda at the request of the applicant.

3. Consent Agenda

ACTION: Mr. Nichols motioned to approve the consent agenda. Ms. Curtis seconded the motion, which passed 3-0. Mr. Lee and Mr. Webb were absent.

4. Receive the Inframark Report

Mr. Wolgemuth presented the Inframark report.

5. Receive the President's Report

President Panetta stated that he has discussions with the city and renewed the third phase of the 5-year renewal of the lease for the building. Strategic Planning has kicked off and all BPW customers have received a questionnaire. Held leadership meeting with the city.

6. Receive the General Manager's Report

Mr. Calaman presented the General Manager's Report.

*President Panetta moved item 11 to the next discussion. *

11. Open forum/general discussion on the water/sewer extension request from Hoornkill Ave. (Austin Calaman, Robin Davis, and Michael Hoffman)

Mr. Calaman stated that a Notice of Intent (NOI) has been submitted by BPW to DNREC. DNREC will grade the project with others submitted to the State to determine priority. The submitted application is not an obligation or commitment to the project. Allows the Board to gather pertinent information including funding mechanisms. This is completely bifurcated out from the city's annexation process. Mayor Williams stated that the city will be forming an annexation committee to hear Hoornkill's petition. Mayor Williams reviewed potential incentives to homeowners to annex into the city.

Mr. Calaman stated the project is a little over \$750,000 for the Hoornkill extension.

Amy Dwornick, Hoornkill, stated that she is confused about the process and was under the impression that there was a deadline on the money the city was offering. Ms. Dwornick stated that she does not see any progress from the last meeting (City meeting). Mr. Calaman stated that he discussed at the meeting the same process. If the Board goes through funding, then they must go through the State of Delaware. The BPW has submitted the application that was due on February 16th. Mayor Williams stated that the city is committed to the use of the ARPA funds to incentivize getting properties off septic. The tax abatement would only occur should homeowners annex.

Mr. O'Donnell stated that NOI was submitted and DNREC and DHSS will evaluate all applications submitted across the state. At the June WIAC meeting, they will present the project priority list. Hopefully the project is above the funding line. Once the project funding is presented to the Board, then the Board will need to determine if they are willing to pursue the project. The Board would then submit a full application for State money to assist in the project and hopefully settle by the end of the year.

Ms. Curtis suggested adding a timeline with milestones on the BPW and the city. President Panetta stated a status, and next steps would work better.

Mary Sherwood, 25 Hoornkill, asked for clarification on the \$750,000. Mr. Calaman stated that the \$750,000 is for the Hoornkill extension portion of the project without sewer and water currently.

7. Open forum/general discussion on the DEMEC GRIP funding and letter of Commitment. (Scott Lynch and Austin Calaman)

Scott Lynch, DEMEC, presented grant opportunities available for AMI. GRIP funding focuses on grid modernization and resiliency. Mr. Lynch reviewed battery storage project that Lewes BPW had investigated in the past. At the time, the cost was not feasible. This funding is looking at grid hardening of the utility. This is a new requirement. DEMEC provided a high-level cost analysis. Refer to presentation. Mr. Lynch does not recommend this grant funding to Lewes BPW under this ownership model or scenario but will continue to monitor the cost of batteries.

The second funding opportunity is regarding AMI. Lewes BPW submitted a letter of commitment March 2023. In October, Lewes BPW was not selected to receive the funding. Application period was re-opened. DEMEC will include all DEMEC member communities. Mr. Lynch is asking for a new letter of commitment. This round will offer the opportunity for customers to participate in demand response programs. Refer to presentation. Grant application must be submitted by May 22, 2024. Mr. Lynch is asking for a non-binding letter of commitment.

President would prefer to wait to vote until entire Board is present.

8. Open forum/general discussion on the acceptance of the Lodge at Historic Lewes improvements. (Austin Calaman and Michael Hoffman)

Lodge at Historic Lewes infrastructure that all infrastructure has been reviewed and inspected. A resolution for the acceptance of the improvements is before the Board. Developer has submitted an amendment to their letter of credit.

ACTION: *Ms. Curtis motioned to read Resolution 24-001 by title only. Mr. Nichols seconded the motion. Motion carries 3-0. Mr. Webb and Mr. Lee absent.*

Ms. Curtis questioned who holds the as-builts. Both Lewes BPW and GMB have the as-builts.

ACTION: *Ms. Curtis motioned to approve Resolution 24-001 by title only. Mr. Nichols seconded the motion. Motion carries 3-0. Mr. Webb and Mr. Lee absent.*

9. Open forum/general discussion on the DRAFT 24/25 O+M Budget. (Kimberly Bellere and Austin Calaman)

Ms. Bellere reviewed the 24/25 O+M Budget and will look for Board approval next month. Ms. Curtis questioned why the Municipal Electric Revenue was decreasing 5%. Ms. Bellere stated that last year there was no AC and multiple windows were used. The AC has since been fixed and will result in less usage. Ms. Calaman stated that the HAS payment was not added and will need to be adjusted. The debt service coverage ratio is 3.97 not 2.93 and will be amended.

Ms. Bellere reviewed the cash reserve. Mr. Calaman stated that the Finance Committee has put in a lot of work reviewing financials and looking for opportunities to revise financial

policies. Ms. Curtis questioned the asset listing. Ms. Bellere stated that the asset listing is historical.

An audience member requested that items 13 and 14 be moved up. President Panetta approved the request and combined the discussion of both items.

13. Open forum/general discussion on the Option 1 and 2 alternatives presentation from the WWTF Contingency Committee. (Barbara Curtis and Thomas Panetta)

14. Open forum/general discussion on the WWTF long range plan update and an update from the Wastewater Treatment Facility Contingency Committee. (Thomas Panetta and Barbara Curtis)

President Panetta stated that Contingency Committee presented their DRAFT report to the Board on January 29, 2024, which was accepted. Further discussion is needed but will be deferred to the next meeting when all Board members are present. Mr. Calaman stated that the staff is working with the EPA on an assessment of the WWTF and has been a great resource. President Panetta recapped the original options provided through the GHD report. The Board is working towards an agreement with the county. Nothing has been put to paper yet. President Panetta stated the Board will hold a workshop March/April once more information is available.

Ms. Curtis stated that the Sussex County option looked the most palatable to the ratepayers due to the high cost for options 1 and 2. The Contingency Committee looked at alternative options, opposed to the costly technology proposed by GHD. The committee recommended the AquaNereda aqua aerobics granular system, which is a more compact system and provides an equivalent effluent at a much lower cost. The committee had no budget, and the costs are roughly estimated.

President Panetta recommended deferring any action at this time. Ms. Curtis is comfortable with this decision and will finalize the DRAFT report.

Bob Rabatsky, Madison Avenue, voiced concern of discussions of potential sites within city limits and urges the Board to consider if these sites are a viable option.

BJ Clark, 222 Gils Neck Road, is concerned with the use 500-year flood plan. Recommends using 100-year flood plan and encouraged to look on the Northeast corner of the State Park. President Panetta stated that there has been four 100 year storms in the last 10 years and the maps have not been updated. The Board and GHD erred on the side of caution.

Ms. Sexton reminded that public comment is available on the website, but can be submitted via email, or letter.

Ed Williams, Madison Avenue, questioned when the next public workshop will be held. President Panetta stated that the Board will aim for April.

10. Open forum/general discussion on the DRAFT 5-year Capital Budget. (Kimberly Bellere and Austin Calaman)

Mr. Calaman reviewed the 5-year Capital Budget. Everything marked in pink is related to the GMB water assessment study.

There was an online question about the Fourth Street project. Mr. Calaman stated that Fourth Street was identified in the water assessment study as the backbone for the side streets and an NOI was submitted. Attendee mentioned major construction damage of the road. Mr. Calaman is unaware. Mayor Williams stated that the comment may relate to a pot/sink hole.

William Schmidt, Park, 423 Park Avenue, stated that Park is the number one ranked dirtiest water. Mr. Schmidt stated that the last General manager issued a letter stating that if a customer has liver problems, then the water should be filtered. Mr. Schmidt referred to a fire hydrant flushing and stated that the water was filled with rust. Mr. Schmidt is concerned that Park's priority keeps being pushed is asking the Board to review the priority list and include the risk of health issues. President Panetta stated that the Board is actively trying to replace old pipe. In the process of replacing old pipes, the BPW is doing triage. By replacing Fourth Street, it will help the side streets.

Joe Elder, 426 Park Avenue, stated that his greatest concern is that a lot of the work on capital budgets is new work or to newer areas of the city. Mr. Elder feels that the older development is being overlooked. Mr. Elder stated that the Board needs to talk with the people of the development and create a plan of action. Mr. Elder suggests holding a development meeting.

Charlie O'Donnell, GMB, stated that the Fourth Street project is the beginning of a plan to address the side streets like Park Avenue. Mr. O'Donnell clarified that there is also a city component to the projects as well.

12. *REMOVED* Open forum/general discussion on the request for Ted Becker 108/1120 Front Street.

13. Call to the Public

None

14. Call to the Press

Bill Shull, Cape Gazette, questioned if there was a decision on the water tower logo. Mr. Calaman stated that the BPW logo and city crest will be on one side and the BPW is working with the Cape Henlopen school district for their logo. Assumption is that Cape Henlopen School District will contribute to the cost.

Mr. Shull questioned the funding or budget for Park Avenue. Mr. Calaman stated that once the Fourth Street work begins, the BPW will be able to see the condition of the side streets and would be able to prioritize the streets.

15. Executive Session

None

16. Return to open session

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

18. Adjournment

ACTION: *Mr. Nichols motioned to adjourn. Ms. Curtis Seconded the motion. Motion carries 3-0. Mr. Webb and Mr. Lee absent.*

President Panetta adjourned the meeting at 6:35pm.

Respectfully Submitted
Sharon Sexton
Executive Assistant