

Lewes Board of Public Works

Regular Meeting Minutes

April 24, 2024

1. WELCOME, CALL MEETING TO ORDER AND PLEDGE OF ALLEGIANCE

President Panetta called the meeting order at 4:01 pm.

2. ROLL CALL

Board Members

Thomas Panetta
Earl Webb
D. Preston Lee, P.E.
Richard Nichols
Barbara Curtis

Ex-Officio Members

Andrew Williams, Mayor
Austin Calaman, General Manager - absent
Robin Davis, Assistant General Manager
Michael Hoffman, Legal Counsel

President Panetta removed item 13 and stated that it will be potentially on next month's agenda.

President Panetta stated that no election will be held, and Earl Webb will be replaced by Bob Heffernan.

3. CONSENT AGENDA

ACTION: *Mr. Lee motioned to approve the consent agenda, Mr. Nichols seconded the motion, which passed unanimously.*

4. Receive the Inframark Report

Mike Wolgemuth, Inframark, presented the Inframark report.

5. Receive the President's Report

- Met with Sussex County multiple times regarding WWTF.
- Monthly City leadership.
- The Joint Workshop will be held June 29th at 1:00pm.
- Met with Burton Subdivision representatives Brenda, Mike, Carrie. There will be more discussion as the Board takes the concerns seriously.
- Mr. Calaman will return from paternal leave next week.

6. Receive Assistant General Manager's Report

Robin presented the Assistant General Manager's report.

7. Open forum/general discussion on a legal services contract with Connolly Gallagher, LLP.

No questions from the Board.

ACTION: *Ms. Curtis motioned to accept the engagement letter with Connolly Gallagher, LLP. Mr. Nichols seconded the motion, which passed unanimously.*

President moved item 10 up on the agenda.

8. Open forum/general discussion on developer of Mitchell's Corner easement request for the BPW wellfield and the Jones Farm properties.

Ring Lander, DBF, presented the request for a temporary construction and permanent easement on two parcels: at the wellfield and at the Jones Farm. This is for Mitchell's Corner project. Lewes BPW is a tri-owner of the Jones Farm property and bi-owners of the wellfield. In place of compensation, a share used path will be installed for a safe passage to the Cape Henlopen High School.

The intersections are being kept as proposed, as there is no timeline for DelDot's roundabout project. Poles will not be removed. Contractors will move the fence under BPW supervision if needed. President Panetta is concerned with the grading in relation to the vault. The state will be reviewing.

Mr. Lee is concerned with the sharp curve. DelDot has reviewed and is ready to approve the plans and does not have an issue with the configuration of the shared use path.

The poles will be accessible, same as today.

Mr. Davis stated the permeant easement goes to the corner of the vault and no part of the vault should be in the easement. Mr. Lardner stated the adjustment can be made. Grading plan to raise the ground around so the vault is flush can be worked out in the field. Mr. Lee would like to work it out in advance.

Mr. Hoffman recommends returning easement documents in the May meeting after staff and legal work out details. Mayor Andrews stated that the easement agreements are on the City of Lewes agenda on May 13, 2024.

9. Open forum/general discussion on the selection of the use of the 2021 Community Reinvestment Funds Surplus of \$25,000.

Staff recommendation is to use the funds on a new bucket truck that Lewes BPW recently took possession of. The price was \$330,000. The bucket truck meets the requirements to use the funds.

ACTION: Mr. Lee motioned to approve the use of the 2021 Community Reinvestment Funds Surplus of \$25,000 towards the recent purchase of a bucket truck. Mr. Nichols seconded the motion, which passed unanimously.

10. Open forum/general discussion on the proposal from Potomac Testing for switches and relay replacement at the substation.

Potomac Testing provided a proposal for switches and relay replacement at the substation. Lewes BPW has used Potomac Testing frequently in the past. The switches are used to shut down power and are at the end of their life. This is a safety issue.

Relay screens are faded and outdated. The new relays will allow for testing without shutting down. The proposal includes the required two-year testing.

Mr. Webb questioned if the Board is required to go out bid. Mr. Hoffman stated that the proposal was greenlit by counsel for today's agenda.

There are two proposals, as these would be two separate jobs. There is an 18–20-week lead time on the switches, so the relay job may be completed first.

Ms. Curtis has a concern with note five of the notes/clarifications. Mr. Hoffman stated that there is an agreement that follows the acceptance of the proposal within 30 days.

Scope of work includes testing on site and specified by manufacturer recommendation. Boiler plate on the back.

Mr. Hoffman stated that he understands the scope of work to be standard boiler plate and has not seen the agreement that has to be executed within days. The Board will have the opportunity to comment on the agreement. The question of whether the bidding process was needed has been considered and was greenlit by counsel.

ACTION: *Mr. Nichols motioned defer discussion of switch and relay proposal bidding requirements to executive session. Ms. Curtis seconded the motion, which passed unanimously.*

11. Open forum/general discussion on the power cost impacts on the BPW rates and rate review.

Ms. Bellere stated that the Indian Power Coal Plant shut down and was put into reliability must run status which resulted in large power cost increases for the Delmarva Peninsula in

2022. There has been no new generation to compensate for the shortfall. Prices go up when supply goes down. This will result in a 10.14% increase in the BPW power cost from DEMEC.

Ms. Bellere presented options.

- Loan through DEMEC Line of Credit can defer the increases or slowly put in place for customers. This is better for the short term; however, it will cost more in the long term. 6.8% interest rate, which is 1.5% over SOFR. Staff does not recommend this option.
- Presented a spreadsheet that shows the impact 10.14% to the commodity rates.
 - Average residential customer increase of \$11 a month.
 - Average Commercial customer increase of \$28 a month.
 - Average Industrial customer increase of \$700 a month.
- Increase could be done through PCA. Industrial customers would see a higher increase. This method would cover the expenses through BPW reserves. Staff does not recommend because BPW is already outside of reserve policy.

Staff recommends implementing a 10.14% increase to the commodity rate to maintain PCA constant.

This increase would go into effect for the May usage, June bill.

ACTION: Ms. Curtis motioned to approve the 10.14% increase to commodity rates. Mr. Nichols seconded the motion, which passed unanimously.

12. Open forum/general discussion on the update for the DEMEC GRIP funding and Letter of Commitment.

Mr. Davis stated that the letter of Commitment is similar to the letter sent last year about GRIP Funding. This year, AMP is requesting additional data. DEMEC is working on collecting data and will be close to the deadline. The letter needs to be submitted by May 22, 2024. A special meeting will be needed.

13. Open forum/general discussion on water/sewer extension request from Hoornkill Avenue.

Mr. Davis provided an update on the Notice of Intent (NOI) request. The request has been reviewed by WIAC and is ranked number one on the list for water and there are possible subsidies. The sewer application is ranked fourth on the sewer side. Both sides have been prioritized for funding. Final application is due June 25, 2024.

There are a total of eleven properties and six are requesting annexation to the city. Water and sewer projects are not contingent on annexation. Until a binding letter of commitment is executed, the Board is not bound to the project.

ACTION: Mr. Nichols motioned to authorize GMB to proceed with the final application. Ms. Curtis seconded the motion, which passed unanimously.

14. Open forum/general discussion on the WWTP long range plan update and an update from the Wastewater Treatment Plant Contingency Committee.

President Panetta stated that there has been more externalities and delayed the process. The Board will have another workshop as soon as more information and facts are available. The Contingency Committee has disbanded.

15. Call to the public.

Brenda Afzul, 18 Park Avenue, Burton Subdivision, reiterated the appreciation of the frank discussion between the community, staff, and President Panetta. The hope is that the Board will find the money to fund the Burton Subdivision pipe replacement project for clean water. Community does not care about financial challenges.

16. Call to the press.

Bill Shull, Cape Gazette questioned if the rate increase is a temporary increase. President Panetta stated that the Board reevaluates the rates every year. The BPW rates are low and not sustainable.

lee, Nichols, 5:30

17. Executive Session.

ACTION: *Mr. Lee motioned to move to the executive session. Mr. Nichols seconded the motion, which passed unanimously.*

President Panetta moved to executive session at 5:30pm.

18. Open Session

Return to open session

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

ACTION: *Mr. Nichols motioned to approve proposal submitted by Potomac Testing for the replacement of switches and relay at the substation. Ms. Curtis seconded the motion, which passed unanimously.*

ACTION: *Ms. Curtis motioned to approve November 30, 2023 executive session minutes. Mr. Lee seconded the motion, which passed unanimously.*

ACTION: *Mr. Nichols motioned to approve the March 15, 2024 executive session minutes. Mr. Webb seconded the motion, which passed unanimously.*

ACTION: Mr. Lee motioned to approve December 7, 2023, December 20, 2023, January 16, 2024, January 24, 2024, February 6, 2024 executive session minutes. Mr. Nichols seconded the motion, which passed unanimously.

20. Adjournment.

ACTION: *Mr. Lee motioned to adjourn. Mr. Nichols seconded the motion, which passed unanimously.*

President Panetta adjourned the meeting at 7:05pm.

Respectfully Submitted
Sharon Sexton
Executive Assistant