

Lewes Board of public Works
Policy Workshop
November 2, 2021

The Tuesday, November 2, 2021, workshop of the Lewes Board of Public Works was held at 10:00 A.M. in City Hall Council Chambers.

1. WELCOME, CALL MEETING TO ORDER

President Lee called the meeting to order at 10:00 a.m.

2. ROLL CALL

Board Members

D. Preston Lee, P.E.

A. Thomas Owen

Richard Nichols

Earl Webb

Thomas Panetta

Ex-Officio Members

Austin Calaman, General Manager

Michael Hoffman, Legal Counsel

Others

Dennis Reardon

Sharon Sexton, BPW Executive Assistant

Kim Bellere, BPW Finance Director

Kristina Keller, BPW Office Manager

Charlie O'Donnell, GMB

Josh Gritton, BPW IT

Suzanne Powell, BPW Accounts Receivable

3. REVISIONS AND/OR DELETIONS TO THE AGENDA

None

4. WORKSHOP- Continued discussion of BPW policies. INFORMATION/DISCUSSION/ACTION (Earl Webb and A. Thomas Owen)

Mr. Owen stated that this policy/resolution list was updated, and a few additional items were added. Mr. Owen suggested that the policies and resolutions be categorized and is best to have them in one place.

Mr. Webb stated that there are 114 policies and resolutions on website that go back to 1903. Mr. Owen believes that 24 are still active and a number of resolutions that are still active but not

policies. Mr. Owen stated that resolutions that give permission or paid for something, for example Towerhill, are not in here but still active resolutions. These are resolutions should be policies. Mr. Owen referenced that Mr. Hoffman stated that it does not matter if a resolution or policy.

Mr. Webb stated that he looked at the process to get the Finance Committee done and used the best practices for this task and got information out early. Today is not about going through everything but to determine whether it should be a policy or resolution. Mr. Webb stated that the Finance Committee is not a policy but a resolution that affected the charter. Mr. Webb would like to take on the list and determine interest and then go to the next step. Mr. Webb stated that this process will mimic what was done for the Finance Committee.

Mr. Owen referred to the spreadsheet and stated that the items in the blue were pulled from the website and are policy and the others are others to be considered for policy.

Mr. Nichols questioned if there was really no difference between a resolution and policy. Mr. Hoffman stated that resolution is the written representation of the action of the Board and the policy is that action. Mr. Hoffman stated that a policy can be set through resolution. Mr. Hoffman stated that Mr. Owen was referring to one-time acts are resolutions (Towerhill or contribution to the fire department) but not necessarily policy. The Board can act two ways: via motion which is memorialized in minutes or act via resolution which is memorialized in the minutes as well as in the written documentation. Mr. Hoffman stated that the BPW has a book of resolutions of sorts that has no index. Mr. Hoffman stated that his recommendation is to synthesize everything into a single document that represents the Board policies. It will be easier to navigate policies and resolutions. Policy is a policy whether a voice vote or a resolution. Mr. Hoffman suggests putting together a single document, easy to review, easy to amend, and know what the policies are.

Mr. Nichols questioned if names will be retained in the new document. Mr. Hoffman stated that resolutions numbers are just the vehicle to set policies and the discussion today should be what policies should be incorporated in that document. Once the Board reviews this document, a resolution will be created to formally adopt that document. Mr. Hoffman stated that the resolution will supersede all prior resolutions and going forward there will be a single document. Mr. Hoffman used the example of bylaws that have been amended many times. The bylaws set the policy how the board governs itself. Each year the bylaws are reviewed and amended if needed and the new amended bylaws supersedes the prior. Mr. Hoffman used another analogy. The city council has a code book and adopt changes to the code via ordinances. The code book is what is referenced.

Mr. Nichols questioned that there is a one document and what happens when more resolutions are created. Mr. Hoffman stated to not get hung up on resolutions vs. policies. A resolution is a written action of what the Board does and there is no legal difference between a resolution and a voice vote. The benefit of a resolution is that a person can look at the document and see legislative history. Mr. Hoffman recommends focusing effort today on what should be included in this single governing document.

President Lee stated that the purpose of policies is, so the General Manager knows how to act, and Mr. Hoffman stated for the public as well. The public can view policies such as pipe sizes and impact fees. President Lee used the example of the brewery and the easement and who is responsible to pay. Mr. Hoffman stated that it is stated and it is uniform, clear, and established.

President Lee stated that a while back the Board looked into the Carter form of governance and explained that policies set limits on activities for general manager and gives him guidelines to operate.

Mr. Panetta questioned that analogy to city ordinances and the code book. Mr. Panetta stated that the spreadsheet is an index that pulls up a hyperlink and believes that it would be dangerous to regurgitate what is in the resolutions to a policy book. Mr. Hoffman stated that the resolution provides legislative history. The document can cite to the source and if it remains unchanged then the resolutions would be cited. The text in the policy would mirror the resolution unless amended by the Board. Mr. Panetta questioned why not hyperlink. Mr. Hoffman stated it is ease of use and multiple hyperlinks can be confusing.

Mr. Hoffman recommended deciding on changes and then incorporate to see how it looks. Changes can be made before reaching the final product. Mr. Panetta referenced line item 11: stormwater tariffs that supersedes six and eight and are no longer hyperlinked. Mr. Panetta stated there was really no need to chase older links and not really modifying resolutions but superseding them.

Mr. Hoffman stated that even though it states it supersedes, it is still a document in edited form with italicized and strikethroughs. Mr. Hoffman stated that this is a correct way to do a resolution.

Mr. Webb stated that the Board needs to look at an item and decide if needed. The details, such as hyperlinks are not as important right now but are for a discussion later.

Mr. Webb referred to the spreadsheet and that items in blue have been opined on and notes have been added.

Line items:

03-001 Voter registration open on Saturday

Mr. Webb stated that he assumes this still applies. Mr. Hoffman stated that this is a creature of the charter. The charter gives the option to set a Saturday and historically the Board adopts a resolution allowing specific a Saturday. The charter says that it must done via resolution. Mr. Hoffman does not see an issue to designate the second Saturday, for example, if it is a written resolution. Mr. Nichols stated that it quoted a specific date and seemed odd to him. Mr. Panetta stated that it was done every election. Mr. Owen and Mr. Nichols stated that if stated the second Saturday versus a specific date, it would eliminate the need to readopt a resolution every election. Mr. Hoffman stated that there are single use resolutions such as multiple development agreements and contributions to the fire company. Mr. Owen stated that the single use resolutions are still there, but he did not include them in the list. Mr. Hoffman stated that that makes sense. Mr. Hoffman questioned if the Board wants to continue creating single use resolutions with a specific date for voter registration or allow the second Saturday. President Lee stated that the Board will keep this on the list and fill in the "guts" later.

05-001 Capitalization threshold

Mr. Webb stated that there were some comments if the threshold is set an appropriate amount, \$5000. Mr. Webb would like to speak with RKL. President Lee questioned why RKL and not the BPW auditor. Mr. Calaman stated that would be Z & A, Zelenkofske Axelrod, LLC.

06-001 Purchasing authorization policy

Mr. Webb stated that this is the authority that the Board gives the general manager and is currently at \$2500. Mr. Webb stated that there are state requirements that are published on different thresholds and could use as a benchmark or leave the number where it is. Mr. Webb stated that it is what the general manager can do with or without the Board. Mr. Nichols questioned if this is linked to his contract by virtue of him having to follow policies. Mr. Webb stated he is unsure if it is tied into his contract, but this is a policy for the general manager. Mr. Panetta stated that the resolution for the general manager, defers to the state of Delaware. Mr. Owen questioned if this is worthwhile to keep as a policy. The Board is in agreement to keep this policy and will review the amount and if the state guidelines pertain to our organization later. Mr. Hoffman stated that the board can look to the state guidelines to inform the decision to set it. The board is making the decision. The Board is setting the amount. The Board is setting the policy. Mr. Webb marked this policy as a "keep" and "check".

06-002 Budget change for operating funds

Mr. Panetta stated he believes that this one is appropriate. President Lee agrees.

06-003 Disposal of surplus material

Mr. Panetta stated that the general manager can dispose of any single surplus item \$5000 or less. Mr. Panetta questioned if \$5000 is the correct number. President Lee stated that he thinks the board should keep the policy. Mr. Calaman stated that the BPW runs into situations where trading in vehicle or put up for a silent bid and will be over that limit. Mr. Calaman suggests keeping policy and adjusting accordingly. Mr. Panetta stated that this policy was updated March 2006. Mr. Hoffman cautions setting a policy based on an exception as opposed to the rule. Keep this policy and look at the threshold.

07-001 Payment terms: Electric Tariff

Mr. Panetta stated that this approves the utility service tariffs and was in 2007. Mr. Nichols questioned if this would have been a change that was approved. Mr. Panetta stated that it references Exhibit A that has payment terms, plan descriptions, and relief payments. President Lee questioned if this actually sets the tariffs. Mr. Panetta stated that this document sets the fees not the usage charges. Mr. Nichols stated that this should be a keep and check to see if fees are reasonable. Mr. Hoffman stated that this sets meter reading fees and is buried in a resolution. With review this can be pulled and reviewed. Mr. Panetta stated that attachment A is the document, and the resolution is the vehicle that adopts it. Keep the policy and review fees.

08-002 Money Purchase plan

President Lee questioned if this was the old pension plan. Mr. Panetta stated that this is the retirement. President Lee questioned if this current. Mr. Panetta stated that it was 2008. Mr. Calaman will check to see if still current.

09-002 Donation policy

Mr. Webb stated that every 501c3 must publish the 990 form and will give the Board an idea how good the books are. President Lee questioned where to submit request. Mr. Webb stated that is available on the internet. Mr. Webb stated that he could only see last year's form. Mr. Webb suggested asking for an updated form instead of using past year's numbers. Mr. Owen stated that this policy is needed, and he has used it many times over the years. Mr. Webb is not looking to eliminate but to augment the policy with fiduciary response. Mr. Panetta stated that it is reasonable to ask for the prior year's form. Mr. Webb stated that he can see the prior year's form now. It does not change the ability of the Board to vote or give but gives the ability to understand. President Lee stated that this policy is a keep and look into the form. Mr. Panetta questioned if EMT should be added. Mr. Owen stated that it is all one; EMT and fire department.

10-010 Stormwater supersedes 10-006 and 10-008

Mr. Panetta stated that this was discussed earlier. President Lee stated that this is one to be reviewed. Mr. Webb had moved this to the new policy section and believes that there are reasons to review the policy in detail. Keep and review.

12-003 Spending limitations

Mr. Panetta stated that it refers to the Board of directors approving a budget for the fiscal year. Mr. Hoffman stated that the Board had not adopted an operating budget and to operate they set a limitation until they adopted n operating budget. Mr. Hoffman stated that this resolution does not have any relevance. Mr. Webb stated that this resolution is defunct. Mr. Hoffman agrees.

12-005 Economic development

Mr. Panetta stated that this enhances industrial and commercial businesses in the city and has an attached form. President Lee questioned if this was when the governor encouraged adjustment of rates. Mr. Hoffman stated that this was 2012. Mr. Panetta stated that it is not listed in the recitals as to why but references the charter. President Lee referred to when the state put pressure on the BPW to reduce power rates. Mr. Webb stated that this was one time resolution. Consensus to remove.

12-007 Financial advisement services

Mr. Owen questioned if the Board wants a policy for financial advisement services, without naming names. Mr. Webb stated that the BPW does have an investment policy that states the requirements with the firm and how much they are allowed and what categories. Mr. Webb stated he believes that the investment policy needs to be redone and they are given too much latitude as far as investments and non-investments. Mr. Webb recommends the finance committee look at this policy and give a recommendation to the Board. Mr. Panetta stated that the Chesapeake Group is no longer applicable. Mr. Owen stated that it can be removed and if the Board wants to keep it as a policy, then broader terms are needed. It was determined that this one is out and a resolution for UBS was not needed.

13-001 Investment Guidelines supersedes 11-001, 08-001

Mr. Webb stated that there are investment guidelines that are followed by the BPW's current advisor. Mr. Webb stated that the finance committee should review and bring recommendations to the Board. The Board agreed. Mr. Panetta stated that the prior one had the President of the Board and the general manager were authorized to take any actions and 13-001 does not. Mr. Hoffman stated the

prior one is no longer relevant and was a one-time resolution, but 13-001 adopted the policy and listed parameters and refers to exhibit A, which is the policy. Mr. Webb stated that he would not give full authority for financial planning and the range is huge. Mr. Webb stated that the finance committee can look at it. Mr. Panetta and Mr. Webb agreed to keep the policy and will reviewed.

Mr. Hoffman reminded the Board that individuals could be named via voice vote and not written resolution. This one was odd because it references a contract but does not attach a contract.

15-003 Planning grants

Mr. Panetta stated that this resolution allowed BPW to submit applications to the Delaware office of drinking water and to DNREC for grants. No specific project listed. Mr. Hoffman stated that there may have been many projects in the pipeline and that the Board tried to cover all with one resolution. Mr. Hoffman believes that bond council may have kicked it out. Mr. Hoffman stated that a general grant resolution cannot be done. Mr. Panetta stated that the second whereas clause seems to state that the general manager has the authority to apply for grants. Mr. Hoffman stated that bond council will want a resolution for the specific project. Mr. Hoffman does not think this resolution should be included in the policy. Mr. Panetta questioned if this resolution should be rescinded. Mr. Hoffman stated that the resolutions would be listed that were superseded. Mr. Owen stated that specific resolutions would be superseded, and all other active resolutions are still active. Mr. Panetta stated that the Board would need to identify them.

15-004 Cash reserve policy supersedes 10-011

Mr. Panetta stated that this is the annual review of the cash reserve policy guidelines. Mr. Webb stated that he would categorize this as the same category as the Finance Committee. Mr. Webb stated that there are some nuances and that a decision needs to be made to put in money for future developments. Mr. Webb suggested the Finance Committee opine on this and provide recommendations. President Lee questioned future developments. Mr. Calaman stated that with all the changes, costs go up and down. The O& M and capital budget affects cash reserve policy. Mr. Calaman recommends that the Finance Committee look and make a recommendation. The Board makes decision. Mr. Panetta stated that he focused on the risk management policy and is only set at 2% and acknowledges that FEMA can take 6 months to a year to pay. Mr. Panetta would like to look at this policy because 2% is not a lot. Cash is king during recovery. Keep this resolution and Finance Committee will opine and provide recommendation in the future.

16-004 BPW Resolution DEMEC

Mr. Panetta stated that this is the appointment for representation for DEMEC. Mr. Webb questioned if it specifically mentions Mr. Gordon. Mr. Panetta stated that it does. President Lee stated that it has been revised to Mr. Calaman. Mr. Owen questioned if a policy is needed to state that the general manager and assistant general manager will be appointed. President Lee questioned if it was needed at all. Mr. Hoffman stated that no it was not needed and that DEMEC will want to adopt a resolution each time. Mr. Owen stated that the Board is deleting this.

17-006 Lien forbearance policy for special projects

Mr. Hoffman stated that this was for Savannah Place and is actively being used. The way the charter works is that when the utility assessment becomes due, it's due and owed in full. If it is not paid in full within 30 days, it becomes an automatic lien on the property. This policy allows the owner to enter into a forbearance agreement with the Board, and the Board agrees to not exercise its rights on that lien if they make monthly payments to that assessment. This agreement is done through this policy. Mr. Panetta stated that it does not reference the community. Mr. Hoffman stated that it is a general policy.

18-004 Reimbursement for construction costs policy

Mr. Hoffman stated that the developer comes in and pays the cost to extend the utility service. This resolution created the sewer districts and allowed cost to be prorated among sewer districts. Mr. Hoffman stated that this remains relevant today.

19-001 Credit card fee

Mr. Hoffman stated that this remains relevant today. There is a fee that is charged for those who use credit cards to pay their utility bills over \$5000. Mr. Nichols questioned if the rate is still appropriate. The rate is 2.95%. Mr. Owen stated that this is a Finance Committee job.

19-002 Underground electric lines

Mr. Hoffman stated that this resolution requires lines to be placed underground in certain limited situations. Mr. Hoffman questioned if this was Dutchman's Harvest.

19-003 Payment of impact fees

This resolution sets that the impact fees are to be paid upon installation of the meter. This remains relevant. Mr. Hoffman stated that the recitals states that whereas the board of directors of Lewes BPW adopted resolution 18-005 providing an opportunity for property being annexed into the city to defer payment of impact fees until a certificate of occupancy is issued and meters are in place. The policy is that impact fees are due upon installation of the subject utility meter, but the Board may defer collection of any and all impact fees if generate economic opportunity and can offer some relief, upon written request. This was Dutchman's Harvest. Keep.

20-001 Developers admin Fee

Mr. Hoffman stated that this was documenting 15% admin charge for development agreements. This remains relevant.

20-002 Towerhill utility agreement

Mr. Owen stated that this is a one-time resolution. Mr. Panetta stated that this is still active.

20-003 Purchase of the Jones farm

Mr. Hoffman stated that this is a one-time resolution. Mr. Owen stated that it can be removed from the list. The Board agreed and stated that it is still active.

New items:

Mr. Webb stated that there is not a lot of detail. The Board should question if this is something that the Board supports, and the next step would be to draft guidelines up. Mr. Hoffman reminded the Board that if it is something that governs the Board it is for the bylaws, and if it governs the organization, it is the policy.

General Manager must request board approval to submit requests for funding/loans

Mr. Panetta stated that this would fall under bylaws. Mr. Hoffman agreed.

Customer complaints emailed to the board monthly with trend/resolution and/or review in board meeting

Mr. Webb stated that he has had several customers contact him with a complaint and there is not always closure from his perspective. The thought is that if there is a complaint that there is a policy, and the Board gets information back from the BPW with the complaints and the resolution. Mr. Panetta suggested adding it as monthly agenda item. Mr. Webb stated that he was okay with that. President Lee questioned how often complaints are received. Ms. Sexton stated that a few minor issues a week are reported and resolved quickly. Mr. Calaman stated most concerns are resolved with a phone call. Complaints usually come through phone calls or through email and would not be hard to track. Mr. Calaman stated that he agrees that it could be an agenda item or in the general manager's report.

Mr. Webb stated that he receives a call from one person often about a storm water runoff area and if the BPW maintains it. What is the BPW policy for a stormwater ditch? If the BPW tracks the problems, the Board can determine if there is a policy to address the situation. Mr. Panetta stated that he thinks it is an excellent idea to see trending complaints and resolutions. Mr. Hoffman stated that a policy would be added to the bylaws if this were to be a monthly agenda item. Mr. Webb stated that the BPW can create a log and decide later if it needs to be put in the bylaws. Mr. Calaman stated that it may be an issue that one board member would get all the complaints and only two go out to view the issues. The other option is to put complaints into a spreadsheet and include it in the general manager's report. Mr. Hoffman stated that there could be an early line item in the agenda and is an opportunity to memorialize in the minutes the pulse of the customers. Mr. Panetta questioned the difficulty to see the trending data. Mr. Hoffman stated that there are three buckets and at the end of the day there is staff. It would be cumbersome to direct every single staff action. If there was an agenda item it would fall on staff to collect that information. Ms. Sexton stated that staff can document the date complaint came in in, the issue, and the resolution. Mr. Calaman stated that for dirty water complaints they are tracked on a map.

Board notified when the offices are closed due to weather or emergency

Mr. Webb is unsure if this is existing or not. Ms. Sexton stated that the BPW follows what the city does. Mr. Calaman stated that those decisions tend to be made between President Lee and the mayor. Mr. Webb stated that this is not worthy of ink.

Develop a formal process to onboard new members of the board

Mr. Webb stated that there is a current process of understanding what FOIA is and some of the legal requirements. The directors questioned "what do I do?". Mr. Webb questioned if there should be something more formal such as a review of the bylaws. Mr. Dennis Reardon stated that the city council

developed a book and discussed code of ethics, bylaws, ordinances, etc. Mr. Reardon likes the idea for new people coming on. Mr. Panetta questioned if this should be in the bylaws or a policy. Mr. Hoffman stated yes it would be in the bylaws. Mr. Calaman stated he would obtain the city's book to review.

A process by two board members will put an item on the agenda

Mr. Webb stated that there is a process in the meeting where that can happen with a vote of three people. President Lee stated that this is in the charter and a charter change would be needed. Mr. Hoffman stated that it is a bylaw. President Lee stated that he does not see the need for this. Mr. Nichols stated that the bylaws say that the president has authority what does or does not go on the agenda.

Mr. Hoffman stated that there are two practical considerations. First, is to consider timing and the bar. The president sets the agenda and if a board member wants a topic on agenda and the president does not put it on, bring up at meeting for the next meeting. The bar is everybody but the president, a vote of four. Mr. Webb stated that with these policies, the Board needs to look to future boards and consider there may be a rogue member.

Mr. Reardon stated that with city council, if two members wish to have an item on the agenda, then it is put on the agenda. Mr. Reardon stated that this was helpful and served the council well and recommends giving it serious consideration. Mr. Hoffman stated that the bylaws require two-thirds vote, which would be the remaining 4 board members. Mr. Nichols stated that the board would still need to comply with FOIA. Mr. Hoffman agreed and stated that the discussion would be at the next board meeting. Mr. Webb stated that this board does not currently have this problem, but this may create a challenge in the future. The Board agrees that this would be a change to the bylaws. Mr. Owen stated that if at least two people want it on the agenda, then it is worth discussing. The board agrees.

Create a bonding process and lean policy credit backstop

Mr. Webb stated that item 6 and item 13 are similar. Mr. Webb stated that he is concerned when a developer declares bankruptcy or is not able to pay. A credit backstop or bond would ensure that the BPW is paid. Mr. Webb questioned if there is an existing backstop, he is unaware of. Mr. Hoffman stated that current policy requires that for utility infrastructure, the developer must post a bond of 150% and is addressed in every development agreement and can draw on the bond if the developer does not pay. Mr. Hoffman is unsure if memorialized formally in a policy document or resolution, but it is in every developer agreement. Mr. Hoffman stated that a policy would be helpful.

Appointments with general manager for non-emergencies should be scheduled through the administrative assistant

Mr. Webb stated that President Lee has already done this. President Lee stated that it has not been made a policy and not written. Mr. Webb questioned if it is being followed. Ms. Sexton stated that some are following the procedure. Mr. Owen stated that it should be a guideline because it causes problems the last time around. Mr. Panetta stated that he is unsure if a policy is needed. Mr. Calaman stated that it makes sense to make an appointment a few days out but may not be needed in emergency situations. Mr. Calaman does not think a formal policy is needed. MR. Webb agreed no policy needed. Mr. Owen stated that if the board abuses this, then Mr. Calaman needs to pushback.

Employee handbook along with revisions and changes need to be approved by the board

Mr. Hoffman stated that this is already the requirement.

After every contested election a lesson learned playbook should be developed/ updated so that we can continue to improve the election process

Mr. Webb stated that elections are hard and there has never been a perfect election. The thought is that a group within the BPW sit down and discuss what are the lessons learned. Mr. Webb would like a more formalized process. Mr. Webb stated that he knocked on doors and told people they were registered to vote and found out later they were not.

President Lee questioned if it is not contested, what would be the need? Mr. Webb reiterated that it would only be for contested elections. Mr. Nichols stated that he would be interested in why people are uninterested in running for the Board and why the same members stay on for an extended period of time. Mr. Webb is more focused on the registration process. Mr. Webb stated that the city gets a log of new registered voters at the end of every week.

Mr. Hoffman stated that there is precedent, and the charter requires that within 90 days of the election, contested or not, the board must review the bylaws after election. Mr. Hoffman stated that the board could incorporate in bylaws that the board must review lessons learned.

Mr. Webb stated that he does not want to wait a year or more to look at the lessons learned. For example, how many people showed up to vote that were unregistered. Mr. Webb heard there were 20 unregistered voters that showed. Mr. Webb questioned Mr. Calaman if they have already gone through something like this. Mr. Calaman stated that the BPW did. President Lee stated that there was a lot of confusion initially and he thought that it was cleaned up. Mr. Webb agreed but he was using the first list and knocking on doors early on. President Lee stated that there was an issue with two computer formats that were not compatible. Mr. Webb stated that elections are tricky. Mr. Webb is asking that the BPW sit down and discuss what was learned and what can be done better. Mr. Panetta stated that the Board should be careful of unintended consequences and rehashed and the policy should be process related, not just election related. President Lee agreed that there should be a policy on checking the list. Mr. Owen and Mr. Panetta agreed that personal issues are not appropriate for Board discussion. Mr. Owen stated that getting people registered is an important topic. Mr. Panetta compared BPW voter registration to the city and the misunderstanding that customers make that if they are registered for one, they are registered for both. Mr. Panetta questioned if it should be as a bill payer, it should be automatic registered to vote.

Mr. Reardon stated that those that live on the beach and there are less than 100 that live here year-round and a lot of people that were unaware they could vote in a BPW election. Mr. Panetta stated that the BPW sent out mailers to homeowners. Mr. Reardon stated that they may not pay attention. Mr. Calaman stated that the BPW has expanded staff and extra eyes will help and agrees that the only way to get better is to learn from mistakes. Mr. Calaman agrees with the process of reviewing. President Lee is concerned it could get messy and that there is a need to clarify parameters. The Board agrees this should be a policy.

President is the spokesperson the BPW

Mr. Webb stated that the President should be the spokesperson for the BPW and can have the ability to delegate and needs to be in the charter. President Lee has delegated this responsibility before. Mr. Webb believes that it is important for the board to decide a set of talking points. The Board should agree on things that are being said. Mr. Webb used the issues with the city as an example. President Lee stated that Board had talking points. Mr. Webb stated that they did not having talking points during the wastewater spill or the last issue the BPW had. Mr. Webb believes that the Board needs to be on the same page. The Board needs to understand what the position of the board is and how it will be communicated.

Mr. Hoffman stated that by design one of the difficulties is that the intention under law and FOIA, is that all discussions are done in an open forum. Every individual is elected to bring a voice and an opinion on the issue. The expectation is that when out and about as a representative of the BPW can share individual opinion but is not of that of the Board. In an open session, the president can convey position. When in executive session and the Board agrees to a position, that is where the president conveys the position of the Board only when the Board takes a position. Legal Counsel should convey that the Board is actively reviewing that matter.

Mr. Panetta stated that the bylaws to need to be amended to reflect that the president can delegate. Mr. Nichols spoke as a representative of the BPW for the public service announcement and Mr. Panetta spoke as a BPW representative at the PLUS meeting. The Board agrees to amend the bylaws giving the president the ability to delegate.

Capital Budget

Mr. Webb stated the capital budget was looked at from two perspectives: what was voted yes and what was aspirational. For example, AMI was not voted yes, but included in the plan as aspirational. Those decisions go into the reserve policy. Mr. Webb was unable to do his fiduciary responsibility and approve the capital reserves. The numbers were not codified, and Mr. Webb was unable to approve capital reserves by said date. Mr. Webb is asking the board to approve the capital budget, so it can be determined if the reserve covers or an increase to the policy needed.

President Lee questioned the ability to approve the cash reserve with the approved 5-year capital budget. Mr. Webb stated that there were things in there that were not voted yes or no, but to continue to be on the list to look at. Mr. Webb needs a specific budget, definite plan without aspirational list. Mr. Calaman stated that when approving 5-year capital budget, approving that year but following year things could change. Projects may or may not happen within those 5 years. Mr. Calaman used the example of the GHD study, and the results may change the plan. Mr. Calaman agrees that a priority list makes sense. Mr. Webb cannot move forward because it does not match up. Mr. Hoffman stated that the 5-year budget is what is approved by the Board. Mr. Owen questioned when the approval date for the cash reserve is. Mr. Webb is unsure; he blew past it. Mr. Owen stated that when the capital budget is approved and does not match up with the cash reserve policy, Mr. Webb should bring it to the attention of the Board to review.

Mr. Panetta stated with the 5-year budget the full scope is unknown but is more of a place keeper of potential items. Accuracy is directly related to how far away projects are. Approving the budget is the best guess. Mr. Panetta stated that he is not betting those projects will be completed.

Mr. Hoffman clarified Mr. Webb's thoughts of that in the course of discussion when changes are needed, the Board needs to take action. Mr. Webb reiterated that the actual and the aspirational budgets change due to demand needs and need to be clearly discussed. Mr. Webb stated that he has a fiduciary responsible to strict rules. President Lee stated that the 5-year budget was approved and that is the target for now. Mr. Webb questioned if AMI was in the budget or not. Mr. Calaman stated that in the original budget it was a financed project. Mr. Owen stated that at the time the Board had not received the final numbers from DEMEC. Mr. Calaman stated that the Board received a very close estimate, at three levels. Mr. Calaman had included that top level at 1.7 million dollars in most recent budget.

Mr. Webb stated that the recommendation from UDS of borrowing money and increasing rates goes into his approval of cash reserve policy. Mr. Webb stated that he does not have the ability with the aspirational budget. President Lee questioned if the Board did or did not approve the 5-year budget. Mr. Calaman stated that the 5-year budget was approved. Mr. Webb argued that people claimed items were in it, that are not. President Lee stated that the budget is the budget, and it does not matter what people say. If it was not in the approved budget, then it is not in the budget. Mr. Webb disagrees and that if he goes by the letter of the law and others believe that 1.7 million is in that budget then the money will not be there. Mr. Panetta questioned if DEMEC was funding AMI. Mr. Calaman stated that two options were given, one being a line item of a debt service payment. Mr. Calaman stated that the board approved the 5-year project and can be certain in the first two years 90% will get done. Projects may get shifted or dropped off completely all based on priority.

Mr. Hoffman refers to the process. Once the budget is adopted that is what Mr. Webb follows until budget is changed. It must be amended if there is a change because until then that is the budget. Mr. Owen stated that he had viewed it as not carved in stone but always amended.

Mr. Webb stated that gray in finance will not work. Mr. Panetta stated that the probability of the budget being accurate as you get further from the date will decrease. There are placeholders in the budget, such as pump station overhaul, headworks because the BPW is still doing engineering studies. When the 5-year budget was approved, those items were not addressed or evident. Mr. Panetta stated that budget needs to be revised. Mr. Webb agrees that what is closer is more concrete and farther out is softer. With the cash reserve policy, the parameters are more confined. Mr. Panetta stated that a policy change may be needed for more guidance to the treasurer. Mr. Webb suggests taking the policy to the finance committee and get a recommendation. The Board agrees to have the finance committee discuss.

President Lee stated that there are still a number of items to discuss, and an executive session is planned. He would like to schedule a continued workshop. Mr. Webb requested to discuss one more item.

Formal Policy to address Sea Level Rise

Mr. Panetta stated that there is a new committee on resiliency that discussed sea level rise and resiliency of storm, but it excludes the wastewater treatment plant. The BPW has tasked GMB to look at vulnerabilities and penetrations. Mr. Panetta is unsure a separate policy from all other assets is needed. Mr. Webb stated the BPW received elevation certificates and is at nine and half feet. Mr. Panetta stated that the wastewater treatment plant is an island, but the city is looking at everything else. Mr. Webb questions if the wastewater treatment plant needs to be replaced, if ever.

Mr. Hoffman stated that the question is if a new policy is needed, and the discussion is starting to bleed into substance. Mr. Calaman recommended that a mitigation committee may be needed to not only the wastewater treatment facility, but the electric, water, and wastewater utility. This would be similar to the City's mitigation team. Mr. Owen stated that this is a great idea. Mr. Panetta stated that it should be worded as climate change as opposed to just sea level rise. Mr. Owen stated that integrating the two is important and that the WWTP may need a funding proposal to move the plant.

President Lee stated that this was rushing, and further discussion was needed. Mr. Panetta stated that the BPW participates with the city mitigation team. President Lee reiterated that this topic is too involved to complete the discussion now and can be revisited. Mr. Webb agrees that it should be discussed at the next workshop.

Mr. Reardon stated in a public meeting of the executive committee, last week this issue was brought up and the wastewater treatment plant was specifically excluded. Mr. Reardon reported that Kevin McGuiness, presenter, questioned why the WWTP was excluded, and the mayor responded it was due to the people at the University of Delaware. When Mr. McGuiness followed up with University of Delaware, the stated that the mayor excluded the WWTP. Mr. Reardon believes that it should be included in the executive committee with BPW representation. Mr. Reardon stated that people have questions about the short- and long-term plan.

The continued workshop will be on November 15, 2021, at 9 am.

ACTION: Mr. Owen motioned to enter executive session. Mr. Panetta seconded, which passed unanimously.

5.Executive Session

Adjourned to executive session at 12:33 pm.

6. Return to open session

Returned to open session at 2:25 pm.

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

None.

8. ADJOURNMENT

President Lee adjourned the meeting at 2:26pm.

Respectfully Submitted

Sharon Sexton

Executive Assistant