

Board of Public Works
Policy Workshop
February 16, 2022

The Wednesday, February 16, 2022, policy workshop of the Lewes Board of Public Works was held at 10:00am at City Hall Council Chambers.

1. WELCOME, CALL MEETING TO ORDER

2. ROLL CALL

Board Members:

D. Preston Lee, P.E.- President

A. Thomas Owen- Vice President

Thomas Panetta- Secretary

Richard Nichols- Assistant Treasurer

Ex-Officio Members:

Theodore Becker- Mayor

Austin Calaman- General Manager

Robin Davis- Assistant General Manager

Cameron Wolfson- Legal Counsel

Michael Hoffman- Legal Counsel

Others:

Kristina Keller, BPW

Sharon Sexton, BPW

Kimberly Bellere, BPW

Suzanne Powell, BPW

Tim Ritzert, Council Member

**3. WORKSHOP- Review BPW policies and procedures and draft compilation of same.
INFORMATION/DISCUSSION (Earl Webb and A. Thomas Owen)**

President Lee stated that this workshop is to review the policies that were accumulated and that the BPW had established over the years. There are still other policies that have been listed that have not been discussed yet. President Lee stated that the Board will go down the list and the many of them are pretty much good to go. The goal should be to identify those and separate them out and identify the ones that need to be worked on and who will work on them. If there are just a few, then the board members heading the policy work could work on them and bring them to the Board, but if there are a quite a few the policies they could be divided up amongst the others. President Lee stated that there is no rush and should be worked on this as time allows.

Mr. Panetta stated that from a global perspective the term shall was changed to must throughout the document and in some instances, it was okay, but others not okay. Mr. Panetta referenced an instance "you must not put sewer and water lines in the same trench. This should be a shall. President Lee stated that he went through and picked some of those up. Mr. Panetta

stated that there are just so many of them, that it needs to be looked at globally where shall was changed to must. Mr. Owen asked for an example. Mr. Panetta stated that a lot of this references sub chapter 170 of the code. There was a public hearing last night and 170 is being totally rewritten. This puts the BPW in a strange position because the chapter sections are going to change. Mr. Owen stated that the Board will need to look at code 170 as there are a lot of reference within this policy document. President Lee stated that a word search can be done for 170 to pick them up. Mr. Panetta stated that it is all in the reference section.

Mr. Hoffman clarified that from a legislative drafting standpoint, you should avoid the use of shall. It is counterintuitive because from a contractual legal standpoint you use the word shall to denote requirement and emphasis. But drafting legislation you do not want to use the word shall. Because this is a policy, those changes were made. Modern drafting will use the word must and may. The rationale is to be more consistent with current legislative drafting.

The cross references that were included in the policy document are purely for the understanding of where the language came from and will not be in the final document. These are BPW policies so the BPW policy document should make clear what those are, but all references to prior to the other code sections will not be in the final document. Mr. Panetta's concerned that the rewrite of 170, may conflict as it changes. Mr. Hoffman stated that when it comes to those items, as the 170 is revised, that coordination, cooperation, and communication should occur to make sure there are no conflicts. Mr. Hoffman recommends that the Board reviews its policies and discuss what it wants policies to be. As the final form comes Mr. Hoffman will make sure that those conflicts are resolved.

Section 1- Board Elections

Mr. Nichols said it is good. Mayor Becker questioned if appointing a board of elections was needed. Mr. Panetta stated that it may be in the bylaws and charter. Mr. Hoffmans stated that he believes that it is in the charter. It is important because every time there is an election we have to appoint. In terms of who that is, it is an election manager and two judges. Mr. Hoffman recommends on things like this is to take a closer look and understand what the board of elections or what the board process is. Mr. Wolfson can make a note and legal counsel can come prepared to talk about it. Flag what the board wants to revisit or take a closer look at is important. The way this document is drafted is that everything with existing language with the cross reference is what you see on the sheet. If there is a strikethrough it has been proposed to be removed. If there is an underline in red, it is proposed to change. For example, voter registration, the question is does the Board want to keep it the way it is now and not touch it, fine with changes, or explore further. Mr. Hoffman stated that the mayor is asking how the BPW handles board of elections and does the board want to take a closer look as to whether you do anything further. President Lee questioned if it is in the charter or the bylaws does it need to be a policy. Mr. Hoffman stated that it does not. President Lee stated that the bylaws are basically policy. Mayor Becker stated that is fine if it is there.

President Lee stated that the first Saturday of May is highlighted to consider if changes were needed. Mayor Becker stated that the city holds their election on the second Saturday of May, usually Mother's Day weekend. Mr. Owen questioned if the elections should be held on the same day. Both President Lee and Mayor Becker agree that it is a good idea.

Section 2- Financial Policies

2.1 Capitalization Threshold

Mr. Nichols stated that there is a note to review the threshold. President Lee suggested that it goes to the financial committee and that he did that with a lot of items. Mr. Owen agrees. Mr. Calaman stated the previous comment questioned if the threshold be \$5000 and should it be an actual item versus a service. Mr. Panetta stated that it has to be a capital good.

2.2 Purchase Authorization

No Comments.

2.3 Budget Change for Operating Funds

Mr. Nichols stated that there seems to be a conflict. It states "Such changes must be reported to the Board at the next regularly scheduled Board meeting. Transfers of appropriations can only be made by an official resolution of the Board." Mr. Nichols stated that this seems out of order with the wording. Mr. Panetta stated that the first part of this policy says within an enterprise fund and the second part is external to an enterprise fund. Mr. Panetta stated that money can be transferred from one electrical account to electrical another at the GM's discretion, but it must be reported to the Board. But if money is to be transferred from electric to water, it needs to be done with the Board prior. Mr. Nichols noted the wording "between" and "within". The Board is okay with this.

2.4 Disposal of Surplus Equipment, Materials, and Supplies

President Lee made a note that it needs a review of the dollar amount. Mr. Panetta questions what Mr. Calaman would suggest would be a good amount. The five-thousand-dollar limit seems to be consistent throughout the document. Mr. Panetta stated that this includes disposal of assets. Mr. Calaman stated that on the disposal side it is really only vehicles at the end of life, where they are traded in or offered up for bid to BPW staff. \$5000 is low. Equipment below \$5000 is rare. Mr. Calaman stated that it may be more between the \$10,000-\$20,000 range. The general manager can go to the Board to check if they are okay putting these assets up for bid before trade-in. President Lee stated that he thinks \$5000 is low. Mr. Panetta recommends reaching out to the auditors for guidance. Mr. Panetta also thinks \$5000 dollars is low. Mr. Calaman will talk to the auditors. Mr. Panetta questioned what the city's number is. Mayor Becker is unsure but anything that is 25 and up needs to be bid. Mayor Becker will get a number for the Board.

Mr. Nichols would like to strikethrough "of the Board" on the first line as well.

2.5 Money Purchase Plan

Mr. Calaman stated that this is the old Great West Plan and is now the Nationwide defined benefits plan, which was a frozen pension. Mr. Calaman suggested changing

assistant general manager to general manager as he is the primary contact for that plan. It is really the general manager and finance manager that receive it. Mr. Owen questioned if both should be put in. Mr. Calaman confirmed. Mr. Nichols questioned if finance manager is of the Board or the staff. It is the finance manager of the BPW staff. Mayor Becker pointed to later in the paragraph where the assistant general manager needs to be changed as well. Mr. Nichols questioned if the money plan still exists as an option. Mr. Calaman stated that the deferred benefits plan was the frozen plan was capped/stopped in the 2011 timeframe. It is invested and there are "x" beneficiaries in it but there are no future beneficiaries. President Lee stated that the BPW changed plans.

2.6 Donations

Mr. Nichols stated that the BPW will require the form 990 from the fire departments.

2.7 Investment Guidelines

President Lee stated that this is all in Exhibit A, which the Board does not have yet. President Lee assumes the financial committee will help develop those.

2.8 Cash Reserves

Mr. Panetta stated that in the first paragraph that is not struck says "Minimum reserve guidelines in the policy may be set to allow reserves to float up or down above the minimum guidelines". Mr. Panetta stated that you cannot float down. Mr. Nichols questioned what happens if there is an emergency. Mr. Panetta states this document addresses that elsewhere.

Mr. Nichols stated that on the subsequent paragraph that starts to help ensure, the last line should read dependent in part on the life cycle of assets currently in service. Mayor Becker also suggested the first line of the paragraph should read "To ensure" by removing the word help. Mr. Panetta stated that the following paragraph should read Capital Lag, not Lug. Mr. Nichols states that an s needs to be removed in fourth paragraph to grammatical correct. Mr. Nichols suggested that the second line of this paragraph should read within the next five years instead of over the next five years.

2.8.1 Working Capital Lag

No Comments.

2.8.2 Risk Management Reserve

Mr. Nichols questioned after the long strikethrough and if it should read the Board instead of the utility as it is vague. President Lee agrees. Mr. Panetta questioned the last line of the paragraph if the FEMA suggested 2% is still valid. Mr. Panetta stated that using historic costs seems strange because he thought it uses replacement value. 2% seems low. President Lee questioned if this should be sent to the financial committee for review. Mr. Nichols questioned if it needs to be referenced to FEMA guidelines. Mr. Panetta suggested that the mitigation and finance committees work on together on this.

This is financial strength in recovery. Mr. Owen stated that the 2% looks like a minimum. If a higher percentage is added to the policy, it may hamstring the BPW. Mr. Panetta stated that the way it is worded now, seems like it is putting a stake in the ground at 2%. President Lee questioned if any number should be included or just referred to current guidelines. Mr. Calaman stated that it needs to be determined if the number is relevant. President Lee suggested only referring to current FEMA guidelines without a number. Mayor Becker agreed. The Board agrees and Mr. Panetta will research what the current FEMA guidelines are.

2.8.3 Capital Improvement Program

Mr. Calaman stated that this is double dipping. The current year capital improvement program is taking 15% and the five-year capital improvement program is taking 15%. Mr. Owen stated that it is 30% total. Mr. Calaman stated that he is unsure if this should be adjusted or not. There is a line item that says current year capital improvement program and then another 15% for the entire five-year period. Mr. Owen stated that there is 15% each year (current year) and accumulating the whole five years. Mr. Calaman agrees. Mr. Owen agrees that this should be looked into possibly by the finance committee.

2.8.4 Customer Deposits

Mayor Becker questioned if this policy should state when deposits are refunded or is this covered elsewhere. President Lee and Mr. Calaman confirmed that it is covered elsewhere.

2.8.5 Self-Insurance

Mr. Owen stated that self-insurance is a nice term for no insurance. Mr. Owen's concern is the word "identified". In this case, identifying specific things that are called self-insurance. It is assumed. Mr. Owen stated that it is an unfunded loss and could be a catastrophe is not listed as self-insurance. President Lee questioned if Mr. Owen is looking to identify things. Mr. Owen is concerned about being locked into something because policy has been violated. Mr. Owen will confer with Mr. Hoffman. Mr. Calaman questioned if it would be better to take out self-insurance and put in current insurance deductibles and expand conversation with HMS about flood insurance and pollution insurance. Mr. Owen stated that the Board should identify specifically is self-insurance, for example pollution. Mr. Hoffman agrees with Mr. Owen's suggestion. If there is a policy requiring funding the full amount, then specifics should be identified. It could come back to bite the BPW if not. President Lee questioned if Mr. Hoffman's recommendation is to leave the policy like it is and have a list of identified items. Mr. Owen suggested putting in wording that says the BPW will attempt to have a self-insurance fund to take care of potential unfunded losses. President Lee questions if that is too vague. Mr. Calaman questioned if it makes more sense to entertain the idea of having an insurance policy on pollution and flood and include the deductible in this. That way there is no question. Mr. Owen stated that the deductibles could be put as a specific item and easily total the deductibles. Mr. Panetta questioned how does 2.8.5

interact with 2.8.2, which is basically unfunded risk. Mr. Panetta stated that the BPW does not insure against storm damage, which is why he was arguing that the 2% was insufficient. Mr. Owen stated that a hurricane would be a perfect example, as it would be an unfunded loss. The number there is unbelievably hard. Mr. Panetta stated that there are industry standards for that. Mr. Hoffman stated that the difference between 2.8.2 and 2.8.5 is that 2.8.5 states that the Board will make sure the cash reserves have 100% of this. The question then becomes, if you do not, does it set off a list of dominos. The purpose of the cash reserve policy is to guide decisions in setting how much the cash reserves are. This policy should be drafted in a way to say look at the unfunded obligations and self-insurance obligations, but not saying it will be funded 100% with some big vague open number without identifying. Mr. Owen stated that his other concern is with a hurricane, how is a number reached. Mr. Owen understands there are guidelines but if policy says 100% and the number is wrong, the policy is violated. Mr. Owen would like the wording to change so it is not 100% of unfunded losses, which the BPW has no idea what they might be. Mr. Panetta agrees and states that the examples are definitive and not all inclusive. Mr. Owen would like to take out the 100% and reword it to say that the BPW will attempt to have a self-insurance or pool for unfunded losses. Mr. Panetta added for specific items. President Lee requested Mr. Hoffman reword it appropriately. Mr. Nichols questioned if it should be reworded to state an appropriate amount, even though vague. President Lee recommend Mr. Hoffman working on it and review again.

Mr. Ritzert questioned holding deposits and the length. Also, if the BPW is collecting interest. Mr. Calaman stated that it is all spelled out in the electric tariff.

Ms. Bellere questioned the capital improvement program and if the 15% of the remaining five-year capital. Mr. Calaman stated that he believes it is for the entire five-year capital, at least that is how it is worded. Ms. Bellere recommends changes to the second line to say to include the 15% of the remaining five-year capital improvement program. Mr. Owen would still like the financial committee to look at the potential of double dipping here. Mr. Calaman stated that this would eliminate the double dipping and can be looked at more by the finance committee.

2.9 Lien Forbearance for Special Projects

Mr. Nichols suggested that the on second line of the second paragraph change special to specific. The Board agrees that it makes sense. Mr. Nichols suggested that “of Directors” be removed in the fifth paragraph. President Lee agreed. President Lee suggests sending 2.9 and 2.10 for review by the finance committee.

2.10 Reimbursement for Extension of Utility Service

Mr. Nichols pointed out a few grammar errors. On line four includes should drop the “s” and line six exclude should drop the “s” and add such property owners to second to the last line. Mr. Nichols stated that the last two lines is a run on sentence. Mr. Nichols suggests the line that starts “and is responsible...” should include such property owners.

Mr. Panetta stated that the second paragraph is not clear when it says that “established properties...altered from the natural state by the substantial permanent improvements. What about infill? If there are 10 houses and a lot in the middle, does it fall into this policy? The policy states “because buildings or structures that render the property suitable for residential or commercial use”. Mr. Panetta suggests that it is reworded to be more general to cover within a contiguous area. Mr. Hoffman provided some context for this policy. This was related to Savannah Place or Highland Acres. The concept here is that the code currently says when property is developed, the Board’s policy is that the developer pays for the extension of the utility costs. Mr. Hoffman stated if a property was already developed the community already existed, we wanted a mechanism that provided ability for reimbursement. This was geared towards reducing the impact on those residential homes that were existing. It needed to be clear that would not be applied to undeveloped property that is being developed. Mr. Panetta understands but suggests changing the established properties to established communities or neighborhoods. Mr. Hoffman stated to keep in mind if you have, hypothetically speaking, 16 properties that are not in a neighborhood, the BPW will want the policy to apply. Mr. Panetta stated that the BPW has a lot of these situations in town. Mr. Hoffman stated that it important to be clear that the BPW encompass all of them. Mr. Hoffman stated that he understands the intent of Mr. Panetta’s concerns and will look at this closer. Mr. Panetta stated it should not run over into subdivisions and developer developments but should walk that line.

On page seven, President Lee stated that this should apply to just residential properties that are one EDU, so that if there is a commercial or other it would not apply. Mr. Nichols stated not to just limit to one if someone adds another unit on that developed or partially developed property and try not to pull it into the large-scale development. Mr. Panetta suggested that rather than use EDU, use residential. President Lee questioned if residential EDU would be throughout. Mr. Nichols questioned if there must be a limit of one residential EDU. President Lee stated that EDU would need to be defined. President Lee stated that the BPW is currently having problems with an EDU now with the brewery. Mr. Panetta stated that later in the paragraph EDU is defined, that it is either volume or loading. Mr. Calaman stated that it does say in the following paragraph that “at the completion of the work, the Lewes BPW will assess the owner of such EDU an amount equal to the EDU’s proportional share of the cost”. Mr. Hoffman stated that this policy when adopted it was a standalone resolution. Now it is being seen how the policies work in conjunction with other definitions and is important that it is clear. The intent is to makes sure this applies to residential and make sure there are no conflicts in the definitions. President Lee questioned if it would be better to define elsewhere what an EDU is, so it will not need to be defined each time it comes up. Mayor Becker stated that this was a good idea. Mr. Hoffman agrees and the key to doing this is that the definition does hold true for every section. Mr. Nichols pointed out that the policy does state that “an EDU is defined as any developed property located within a project area. Mayor Becker stated that it needs to be updated. President Lee stated that it is because if the BPW starts basing flows on EDUs on flows then it gets confusing like with the brewery.

2.11 Five-Year Capital Budget

Financial Committee

2.12 Financial Review

Financial Committee

Section 3- Utilities

3.1 Electric

3.1.1 Tariff

Mr. Owen stated that the Tariff is spelled out. Mr. Calaman stated yes but it will all be updated after the Board makes a decision on the rates. There are also fees that will have to be adjusted as well. The tariff makes it a little more complicated, it is one extra step. Mr. Owen stated that relative to item 3.1 it is attached as an exhibit. President Lee questioned if the rates should be in the actual policy or in the exhibit. The Board agrees. Mr. Nichols stated that it should be referenced that the rates can be changed or adjusted. Mr. Panetta stated that he would rather the rates be taken completely out of the document and have just a reference where to find them. The Board agrees. President Lee stated that the rates can be on the exhibit and the website. Mr. Panetta stated that this is okay if the two are linked. Mr. Owen is also concerned about the charts that are in the policies all the way through that every time the rate changes the policy needs to be changed. Mayor Becker stated that this is why it should not be in a policy. Mayor Becker suggested just publishing a rate schedule and refer to the schedule.

3.1.2.1 Residential (Domestic) Electric-Service

Mr. Panetta referred to the first paragraph where it says, “residences used principally for commercial purposes, such as rooming or boarding rental, may not be served under this rate schedule”. Where does Air BnB fall, and how would it be tracked? Mr. Panetta stated that this is becoming more of an issue because the term principle and boarding rental seems to be a vague term here. Mr. Owen asked for clarification if the commercial would be separately metered is a problem. Mr. Panetta stated that if a property is owned and used principally as an Air BnB, it is not allowed to use residential rates. Mr. Calaman stated that it is a mixed-use property at that point. Mr. Panetta questioned, how would it be enforced, how would it be tracked, and what rate does it fall under. Mr. Owen asked if the AirBnB would be charged a different rate. Mr. Calaman stated it is possible. President Lee questioned if AirBnB owners need to file with the city. Mayor Becker stated that what the city has done with a host group is to identify anybody who has a rental that may not have rental license. There are a number of properties that have filed rental licenses, but the city does not have any information right now who is short-term or long-term. Mayor Becker stated this is an item that will be appointed to the ad hoc committee. The discussion will be if it will be differentiated in terms of gross rental receipts tax for a short-term rental versus a long-term rental.

Mr. Owen stated that the internet can be used to look up AirBnBs. Mayor Becker stated that this is only part of the list. Mr. Owen stated that it could give the city a start. Mayor Becker stated that the city is already doing that. Mayor Becker suggests that the Board may want to consider what is going to be done with EVs. Will the BPW charge people with a residential EV charging station with a residential rate or commercial rate? Mr. Panetta stated that this is left to be seen. Mayor Becker stated that it will be a new policy. President Lee questioned why they would be charged a commercial rate. Mr. Calaman stated that it is a time of use issue. Mr. Panetta stated that just because a property is an AirBnB, it does not mean it is principally an AirBnB. Mayor Becker stated that it will be very hard to police. Mr. Panetta thinks that the wording needs to be looked at from an enforcement perspective. Mr. Owen stated that a rooming/boarding house is really different than an AirBnb. Mr. Panetta would like to reword the rooming and boarding. Mayor Becker suggested that the whole thing be stricken. Mr. Panetta agreed that it would be better.

Mr. Nichols would like to add Lewes before the BPW in the last paragraph of 3.1.2 for consistency.

Mr. Calaman stated that the electric tariff clearly states the disconnect and reconnect. The fees are clearly stated there and cannot just change the fees without changing the tariff. This is where it makes sense to pull all labeling of fees out and have a single fee chart because of the complexity of modifying. Mr. Calaman suggests establishing this with finance committee and creating a chart. Mr. Owen agrees that the finance committee should work on a chart with all fees and charges and put into an exhibit. Mayor Becker stated that it would add to the BPW transparency. Mr. Hoffman suggested that the source of the fee should be a singular location. From a transparency point, all sources would be compiled in one place, website. This is more of a communication piece. For the policy document, it should refer to where the source is. 3.1.1 should say: the electric tariff can be found on exhibit b. Let the tariff speak for itself.

3.1.2.2 Commercial (Small General) Electric Service

President Lee suggests the financial committee look at this one. Mr. Nichols questioned what is a school's orphanages. It was questioned if Lewes had any orphanages. Mayor Becker stated that he is unaware of any and that there are no theaters either. Mr. Nichols pointed out there is a reference to a commercial telephone directory listing as well. Mayor Becker suggesting changing the wording to a business license. The Board agrees.

Mr. Owen stated that the charges will be removed.

3.1.2.3 Industrial (Large General) Electrical Service

Mr. Nichols questioned if the named limits are still accurate or does it fall into the issue of making a tariff schedule. Mr. Owen has it as being removed and put into the whole rate fee structure. This concept applies to water, electric, etc.

3.1.3 Underground Electric Lines

Mr. Nichols suggested changing “means” to “mean” for grammar purposes on the third line.

Mr. Nichols questioned the second paragraph of who pays for the relocation of extended or reinstalled droplines in that case. President Lee stated that the homeowners or the establishment is responsible. Mr. Panetta stated that he is unsure where it is stated but the customer is responsible for the costs of the cable up to the pole with adequate length to get up the pole. Mr. Owen stated he remembered going over this in depth. Mayor Becker stated that in practice, it is not happening. There is a house on the beach that was expanded, and the line is still overhead. President Lee stated that this instance may have brought it to the Board’s attention. Mr. Calaman referred to resolution 19-002. This is noted in the policy document. President Lee questioned if it should be a part of the policy and not have to go looking for it. Mr. Calaman stated that the resolution is where it references that the cost is borne by the homeowner unless... President Lee stated it is referenced but not part of the text and should be added. Mr. Hoffman stated that the resolutions themselves should not be separated. If this referenced a full resolution and the resolution is not included, then that is a mistake and should be included with that policy item. Mayor Becker questioned if the Board wanted to leave the exposable consideration of economic conditions as a reason for waiving this requirement. Mr. Panetta stated this is in the resolution. Mayor Becker questioned if it should be left in there. There are topographical reasons and other identifiable conditions, such as physical or economic. The question is if there is an expansion of a house is an economical reason for applying viable. Mr. Calaman read a portion of the resolution. It does not say economic. Mr. Panetta stated that it is stated in the policy that it could be waived because of economic conditions. Mayor Becker questioned if an economic reason is a right reason for a waiver. For example, someone who is tearing down a cottage to put up a very large structure. Mr. Panetta stated that this is at the BPW’s discretion to not allow it. Opening a state road would be a different thing.

3.2 Stormwater

3.2.1 Tariff

Remove rates. Mr. Calaman recommends reviewing the tariff per the discussion with Ms. Lund.

3.2.2 Rates

Remove rates.

3.3 Water

3.3.1 Rates

Remove rates.

3.3.2 Obligation to Connect to Water System

No comments.

3.3.3 Water Main Connections

Mr. Panetta stated that this is an instance of the must versus shall. The second paragraph states no water pipe must be placed in the same trench. Grammatically this is incorrect. From an engineering perspective, it cannot be done unless other requirements are met like concrete. Will should be changed to must.

3.3.4 Water Meters

No comments.

3.3.5 Curb Stops and House Cutoff Valves

Mr. Calaman suggested adding something for fire suppression because in the detail for fire suppression there is a separate curb stop labeled fire. President Lee recommends adding a new section for fire suppression. Mr. Davis questioned if the city is adding the fire suppression stuff under 170. Mayor Becker confirmed. Mr. Davis stated that this references 191 and knows that 170 is further down the road and could be added to there. Mr. Panetta stated that the city only added it for new construction so there will still be an issue for those adding fire suppression to existing homes. Mr. Calaman stated that that detail was established by GMB and the BPW and clearly states those different circumstances. There is no direct wording that tells how it should be done but more to refer to a BPW standard spec. Mr. Owen questioned if the policy document should state refer to exhibit "x" fire suppression. President Lee questioned if a new paragraph is being added. Mr. Calaman thinks the Board should add a new paragraph. Mayor Becker stated that there are two components with fire suppression: commercial and residential. President Lee requested that Mr. Calaman prepare this for the Board's approval. Mr. Owen stated that the paragraph needs to state refer to fire suppression exhibit "x". Mayor Becker stated that there are two different authorities to enforce this: the city review and fire marshal review.

3.3.6 Water Service Pipes

Mr. Nichols referred to the third paragraph and the word must. Mr. Nichols recommends changing must to may.

Mr. Hoffman exited the meeting.

3.3.7 Water Bills

No comments.

3.3.8 Resale

No comments.

3.3.9 Requested Discontinuance and Resumption of Water Services

No Comments.

3.3.10 Prohibited Practices and Emergency

Mr. Panetta referred to the first line and question a person authorized to operate a curb stop. Who is a person authorized, a licensed contractor? Mr. Owen stated that it might be. Mr. Panetta questioned if there is a list. President Lee gave an example of Caswell. Mr. Panetta questioned if it is documented. Mr. Calaman is unsure if a list is kept. President Lee questioned if the BPW would individually authorize someone. Mr. Panetta questioned if Caswell has a blanket authorization. Mr. Calaman does not believe so. Mr. Panetta gave an example of the house main leaking, and the contractor shuts off the curb stop to replace it, do they contact the BPW every time. Mr. Calaman stated to say yes would be stretching the truth. Mr. Owen stated that the policy should not be too specific. Mr. Panetta is not suggesting a specific contractor, but to say a licensed plumber. Mr. Calaman recommended that to state it as "under the purview of the BPW unless otherwise stated". Mr. Panetta agreed. Mayor Becker stated that fire department may even turn off water in some cases. Mr. Nichols stated that not everybody with a license would be authorized by the BPW to do it anyway.

3.4 Sewer

The chart will go into an exhibit.

3.4.2 Sewer Lateral Installation, Maintenance, and Repair

Mr. Nichols recommends changing Board of Public Works to Lewes BPW's for consistency. Mr. Owen stated that it can be changed throughout. President Lee questioned if the specifications were up to date. Mr. Calaman stated that are updated regularly.

3.5 Business Continuity Plan

President Lee suggests that the office should flag this on a yearly calendar since it must be reviewed annually. President Lee recommends Ms. Sexton set it up on calendar. Ms. Sexton questioned if there is a specific time the plan should be reviewed. President Lee stated that it should be worked out with Mr. Calaman. Mr. Calaman stated that he can add it to the upcoming dates on his general manager's report. Mr. Owen questioned it should be done at the beginning of the quarter or annually, etc. Mr. Calaman stated it is at the discretion of the Board how often it is to be reviewed. Mr. Owen stated that he thinks it should be no later than the first quarter of the fiscal year. President Lee questioned if it really matters when because it may be a busy time at the end of the first quarter. Mr. Panetta agrees that it is not tied to anything. Mr. Panetta stated leaving the time to Mr. Calaman and Ms. Sexton's discretion. Mr. Owen stated that he only suggests setting a time because it could easily get passed. President Lee stated that the office will put it on an annual calendar. Mr. Owen agrees.

3.6 Extending Service

Mr. Nichols stated that in general this section needs to be revised to reflect the Mayor and City Council approval sequence for providing service. Mr. Calaman recommended referring to the Charter. Mr. Nichols stated that as he read it, that the BPW receives the application. Mayor Becker stated that the BPW would receive the application for utilities. Mr. Nichols agrees. Mayor Becker stated that the application for annexation would come to the city. Mr. Calaman stated that the MOU in the Charter, the BPW will not discuss any extension of the utilities until prior written consent from council was received, whether it was pre-annexation, annexation, or a waiver. Mayor Becker added it could also be a letter requesting service. Mr. Nichols questioned if that kind of wording is appropriate. Mr. Calaman suggested rewriting the entire section. Mr. Calaman stated that a portion of the charter could be put in here and it will synopsis everything. Mayor Becker recommended changing the word "petition" in the first paragraph to "apply". Mr. Calaman will prepare a revision. President Lee questioned if the entire section will be rewritten or just the first paragraph. Mr. Calaman stated that the second paragraph is the same thing. President Lee does not think the BPW should be discussing annexation at all. When the BPW receives a request, it is referred to the city. Mayor Becker stated that the majority of properties owners have to sign it, has nothing to do with the BPW. The Board agrees. Mr. Calaman will revise 3.6.

3.7 Combined Services

Mr. Panetta stated that there is already an issue with combined services before the BPW. The BPW already has situations where water and sewer are separate. Mr. Panetta suggested revising or clarified on how to handle this. Mr. Owen stated the next item, council approval, should be revised as well. Mr. Panetta stated that the BPW sewer fees are based on the water fees. If a property only has one service, how does the BPW bill? Combined services need to stay but needs to be clarified. Mr. Calaman stated that Oyster Cove is the perfect example. To bill oyster cove, the average customer bill of four thousand gallons a month and then it was billed with the ready to serve charge. This is what the bill is with no consumption, just as a set fee. Mr. Panetta stated that the Board will set this as a policy. Mayor Becker stated that this flat fee would go into the rate schedule. Mr. Panetta stated that this is a good point and questioned if this paragraph is needed if it is added to the rate schedule. President Lee stated that it is still needed. Mayor Becker agreed and stated that in the rate schedule the BPW would identify what the rate is. Mr. Owen recommended referring to the rate schedule in an exhibit. President Lee stated that the paragraph needs to be revised to acknowledge this. 3.8 will be part of the rewrite.

3.8 Council Approval for Extension of Service

Mr. Calaman will revise.

Section 4- Fees

Mr. Owen stated that the fee schedule will be pulled and put in exhibit.

4.1 Impact Fees

4.1.1 Payment of Impact Fees

Remove charts.

4.1.2 Electric

Mr. Nichols referred to the other rules and regulations section. There is a reference to the service to the docks/boat slips. Mr. Nichols questioned if there are any other services that the BPW provides to the docks, water or sewer. Mayor Becker stated that there is a water service there and is billed at a irrigation rate. Mayor Becker stated that the city has one pump-out station, which is infrequently used, that he suspects is billed as part of the public restrooms. Mayor Becker stated that he believes it was used twice. Mr. Nichols questions if these services need reference. President Lee stated that the October 31, 2004, should be taken out. The Board agrees. Mayor Becker suggested removing “will install one meter for new or replaces docks with multiple boat slips”. It could just say one meter for boat slips.

4.1.2.1 Miscellaneous Fees

Needs to be reviewed by Finance Committee. Remove Charts.

4.1.3 Water

Needs to be reviewed by Finance Committee. Remove Charts.

4.1.4 Sewer

Remove Charts.

4.1.5 Water and Sewer Miscellaneous

Remove Charts.

4.2 Credit Card Fee

President Lee stated that this was revised recently. Mayor Becker questioned if this is still happening. Mr. Calaman stated that it is not. Mr. Owen questioned if customers are not using them or the BPW is not charging them. Mr. Calaman stated that it is not being charged the same way it was on a credit card. Mr. Calaman stated it should be kept the way it is. The use of credit cards over \$5000 is not happening. President Lee questioned if there is a reason to look at the number 2.95%. Mr. Calaman stated that at the time it was what the BPW was being charged, but there is a new billing provider. President Lee suggested taking out the percentage and state at the prevailing rate. Mr. Calaman questioned if the city is charging credit card fees. Mayor Becker stated that the city is not currently charging a credit card fee. Ms. Sexton stated that a typical charge is between 1.5% and 3.5%. Mayor Becker stated that the BPW's rate is an average number.

4.3 Prohibition of Certain Payment Types

Mr. Nichols referred to third paragraph fourth line and suggested adding the word “to” before the IT Manager. Mr. Nichols referred to the last paragraph and questioned if the disciplinary action needed to be reported to the authorities. Mayor Becker stated that it is credit card fraud, and it should be reported. Mr. Calaman stated that the verbiage in this is has already been approved by the Board in Resolution 21-006. Mr. Nichols questioned if it can be changed, if appropriate. Mayor Becker stated that it is not expected for the employee to report it, but rather the manager or the IT Manager to report it to the police. Mr. Panetta stated that it is open ended because the policy says including... It is not all inclusive.

4.4 Administrative Review Fee for Development Agreements

No Comments.

4.5 Review of Fees

Mr. Nichols questioned if the review period for fiscal year should be inserted. Mr. Calaman suggested that the finance committee review and report to the Board annually before the budget.

4.6 Fines and Due Process

Mr. Nichols referred to the first sentence and suggested separating into two. End the first sentence after punitive action. The new sentence will continue “The notice will not be less than 10 days... Mr. Calaman questioned if this is straight from the charter. Mr. Wolfson stated that it is except for the yellow, which the Board has an option to change. Mr. Nichols stated that this paragraph does not state where the hearing is being held, whether it is public, or if there is an appeal. Mr. Wolfson stated that it could probably be added in the notice but could be added to the policy. Mr. Panetta stated that a second paragraph could be added that herein shall be in front of the Board but cannot edit the Charter language. Legal counsel to provide wording.

Section 5- Improvement Specifications for Land Development

5.1 Development Agreements

5.1.1 Mandatory Development Agreement

Mr. Calaman questioned if this would include inside the city as well as outside the city. Suggested changing the wording to within the Lewes BPW service area. The Board agrees.

5.1.2 Services

Mr. Nichols stated that electric, water, and wastewater are listed but stormwater is not. Mr. Calaman stated that it should be stormwater when applicable. Mr. Panetta stated that this paragraph seems redundant with lots of other places within this document. Mr. Wolfson stated the development section was basically taking examples from Dutchmen’s Harvest agreement. Some may be a little redundant which can be changed. This was what was pertinent that may want to be used in future developer agreements.

Mr. Panetta recognizes that things were clarified in the Dutchmen's Harvest agreement but having the overlap in other sections puts risk of interpretation of the language in two places. Mr. Calaman also suggested to write BPW will provide utility services to include but not limited to... Mayor Becker stated that it should be noted when applicable.

5.1.3 Bond

Add Lewes before BPW, third paragraph from the bottom.

5.1.4 Developer Obligation

Mr. Nichols stated referred to the first paragraph, second line should say for all relevant BPW improvements as opposed to all BPW improvements. President Lee questioned why add relevant. Mr. Nichols stated as opposed to all. President Lee and Mr. Owen like all. Mr. Calaman stated that the second paragraph was pulled from a specific developer's agreement and recommends not including it. Mr. Owen stated that this only applies to one thing. Mr. Calaman stated that the paragraph could stay but suggested changing it to say "pro rata share of a project that has an application to that project. Mr. Panetta suggested that it should be for where there are sewer district developments. Mr. Calaman stated that it could be pro rata share of water or sewer. Mr. Panetta stated that if the BPW is doing a district, this makes sense, but he could see people trying to go for the pro rata share. Mr. Wolfson stated that he will work with Mr. Calaman to change wording.

5.1.5 Guarantee

Add Lewes before the BPW in the second paragraph, three different spots.

Mayor Becker excused himself from the remainder of the meeting, due to conflicting meeting.

5.1.6 Insurance

Mr. Nichols questioned if there was a 30-day notice prior to cancellation. Mr. Calaman stated that it may be ideal to put in generic language because it is pulling from the existing developer's agreement, Dutchman's Harvest. Mr. Owen stated that there should be a minimum and a 30-day cancellation or change notice. Mr. Panetta questioned if the same level of insurance for every developer is required. Mr. Calaman stated that it is standard language. Mr. Owen questioned if the BPW is . This needs to be double checked. Mr. Nichols questioned if the standard limits would change. Mr. Owen stated that maybe the limits should be removed and referred to an exhibit or insurance document. The Board agrees. Mr. Owen stated that not only the limits will be there but the additional insurance as well.

5.1.7 Review and Acceptance

No Comments.

5.2 Improvement Specifications and Design Standards for Major Subdivision

5.2.1 Water Utility

5.2.1.1 Plans

No Comments.

5.2.1.2 Installation Procedure

Mr. Nichols stated that code 170 should be attached as an exhibit. Mr. Panetta questioned if specifications are being attached. President Lee stated yes. Ms. Sexton questioned if the intention is to actually attach the specifications or refer to the exhibit. Mr. Owen stated that if working with a developer it should be attached to the application. Mr. Nichols states that whatever was done for the other utilities should be consistent with this. Mr. Panetta stated that the question is if it should be hyperlinked versus duplicating them. Ms. Sexton stated that most developers refer to them on the BPW website. The Board agrees that a hyper link would work.

5.2.1.3 Inspection

No Comments.

5.2.1.4 Location

No Comments.

5.2.1.5 Size

Mr. Calaman stated that the line item for the lateral connections references the code. The code states $\frac{3}{4}$ " and the BPW standard is 1". Mr. Panetta stated that this section is moot on fire suppression. Mr. Owen questioned if "a, b, c" should be put in with fire suppression. Mr. Davis stated that this is referencing the new 170 with fire suppression so it will not have to be added specifically. Mr. Calaman stated that it must be ensured what is in the city code is what the BPW wants reflected. Mr. Panetta stated that the problem is, is that 170 is sub-development and is not retro fit or infill. Mr. Owen stated that maybe the BPW needs to add their own fire suppression exhibit. Mr. Panetta questioned if it would require separate taps into the water main or a "T" off the tap. Mr. Calaman stated that it would depend on each situation. The way it is laid out in the exhibit, is that there is an existing connection to a main. If there is a one-inch tap and that does not provide enough fire flow, then a second tap would be put in and that would be a dedicated fire line. If the existing service is sufficient then a "T" can be put in and run the fire suppression line into the house. The third situation would be an "other" as the BPW knows that there will be an "other". Mr. Panetta stated when he made renovations, he was required to have a separate second tap even though he was making a brand-new tap. Mr. Calaman stated that this is an example of a unique situation. In a commercial or industrial setting, this is how it is preferred. On the residential side, there were discussions with the fire marshal. Most of the time, if there is an existing tap for a 1200 square foot house being demoed, a one-inch tap does not suffice if a 5,000 square foot house is built. The question is, does the homeowner put in a tank with storage and a booster pump or do they put in a separate fire line. Mr. Davis stated that there are two situations now where the fire marshal has approved a tank and booster

pump. Mr. Davis is concerned where that gets tapped into. If it is tapped into the domestic line, what happens if the water gets shut off for non-payment? Mr. Calaman stated that there are two curb stops. Mr. Davis questioned if this was all the time. Mr. Calaman stated that it is a requirement to put in a "T" with a domestic line and fire suppression liner, labeled with fire on top. There is no possibility of tapping in from the curb stop to the meter. Mr. Davis stated that the two approved may need some clarification because the fire marshal may not have been aware of this. Mr. Owen stated that maybe something it should be included in BPW SOP. Mr. Calaman stated that the building side will have the detail that they would provide to everyone that came in for an application. Mr. Calaman questioned if fire suppression is currently in the city code. Mr. Davis stated that this is where 170 is coming in and if looking at the plumbing code, it just says that it will be hooked up but not how. At this point, the BPW is not involved in any review of fire suppression just going through the city building department. Mr. Panetta stated that this is only for residential not commercial. Mr. Davis agreed and stated that commercial goes directly to the fire marshal. Mr. Davis stated that when a building permit is submitted for a commercial building, one of the requirements is that the fire marshal approval must be submitted along with it. Mr. Panetta stated that the commercial side is less of a concern.

Mr. Owen questioned what the policy change is. Mr. Calaman recommended that policy should state there should be coordination between both entities and that before it is signed off on the city level, it should be signed off at the Board level. President Lee questioned if it needed to be written into the policy. Mr. Calaman stated that he would because then it opens up to cross connection program with the back fill prevention on the fire suppression system. Mr. Panetta agrees but thinks that the Board should get the city's buy-in first. Mr. Davis stated that it appears that the city is putting it into 170 because of there is discussion of the building department looking at it and the approval of the BPW. President Lee stated that Mr. Calaman and Mr. Davis will work on this and questioned if it would go in this section or add a new section. Mr. Panetta stated that it was discussed a new section previously discussed will address fire suppression.

5.2.2 Sewer Utility

No Comments.

5.2.2.1 Construction

No Comments.

5.2.2.2 Plans

No Comments.

5.2.2.3 Installation Procedure

No Comments.

5.2.2.4 Location

No Comments.

5.2.2.5 Size

No Comments.

5.2.2.6 Materials

No Comments.

5.2.3 Stormwater Management System

No Comments.

5.2.3.1 Plans

No Comments.

5.2.3.2 Installation Procedure

No Comments.

5.2.3.3 Location

No Comments.

5.2.3.4 Size

No Comments.

5.2.3.5 Manholes

No Comments.

5.2.3.6 Changes in Direction

No Comments.

5.2.3.7 Materials

No Comments.

5.2.3.8 Stormwater Runoff

Mr. Panetta stated that this was a change in the city code 5-10 years ago and stormwater runoff was not allowed to go under the sidewalks. It is not a mandate. Mr. Panetta stated that there are a lot of non-conforming properties in town that discharge over the sidewalks. The concern is the BPW setting itself up for an enforcement issue. President Lee stated that this is for new construction. Mr. Panetta stated that it references 170 but the BPW policy does not reference new construction. President Lee stated that all these standards are talking about new construction and the BPW is not asking to go back and rebuild the facilities. Mr. Panetta stated that when the BPW put stormwater cannot be discharged into the sewer system it was retroactive. Mr. Panetta stated that he did dig under the sidewalk so that his cistern would not discharge over the sidewalk. President Lee stated that most of the standards we are not retroactively enforcing so it needs to be clear what is and is not. It may need to be a broad statement. Mr. Panetta stated that his concern is for someone with

an existing property being liable for an accident and is pointed to this policy. President Lee questioned if it should be in the BPW policies at all or just in the cities. Mr. Panetta stated that the BPW does not control it, the city does and is in the city code. Mr. Owen recommends removing policy since it is in the city code. Mr. Davis stated if it is in both, the wording should be the same and it is currently different from 170. Mr. Nichols stated that stormwater runoff, rain, is out of the BPW control. President Lee stated that the city addresses this by requiring a structure of an impervious section. Mr. Owen suggests referring to city code or removing it. President Lee suggested removing it. The Board agrees.

5.2.3.9 Compliance

No Comments.

5.2.4 Electric Utility

No Comments.

5.2.4.1 Plans

No Comments.

5.2.4.2 Installation Procedure

President Lee pointed out that the specifications are attached as Exhibit E. Mr. Wolfson confirmed that all of these were pulled from the website and this one is overlooked. President Lee questioned how to reference this. Mr. Wolfson recommended providing a link to the website like discussed previously. President Lee questioned if it needs to be still in the document. Ms. Sexton recommended hyperlinking Exhibit E and it will take viewer directly to the specifications. President Lee agreed. Mr. Nichols stated that this will go into effect of all the linkages of the rate and fee schedules. Mr. Panetta stated that he likes it being hyperlinked rather than forcing someone to look through the document.

President Lee stated it may be a good idea to go back and search for all places exhibits and specifications are documented for consistency.

5.2.4.3 Location

No Comments.

5.2.4.4 Streetlights

Mr. Calaman stated that the BPW maintains the streetlights and the streetlights themselves would fall under the city. Mr. Owen recommended writing see city code. Mr. Panetta stated that the code does not specify. President Lee does not think that is best. Mr. Owen stated that it should be removed and the fact that the BPW maintains the lights does not need to be in a policy. Mr. Davis questioned if it is more about who is paying for the installation. Mr. Owen stated that the BPW does help change bulbs and such. President Lee questioned if the BPW specifications mention the streetlights. Mr. Calaman stated that he does not think so. President Lee stated that this may need to come out altogether. Mr. Panetta stated that this is for public transparency, and it may need to stay in relative to the fact that the BPW

maintains the streetlights. Mr. Panetta stated that the BPW should not be totally silent and take the portion that is in our purview and put it here. Mr. Calaman stated that if there is any discussion on the lamp itself, the pole itself, or changing the lightbulb to a different wattage or bulb, he sends them to the mayor or Ms. Townshend. Mr. Panetta recommends stating that the BPW will maintain streetlights. Mr. Owen questions why that is a policy. Mr. Nichols questioned which streetlights are being maintained. Mr. Nichols gave an example that the planning commission may approve a small lamp in front of everybody's property. Are these being maintained? Mr. Panetta thinks so. Mr. Calaman stated that if they are city owned streetlights, then the BPW maintains them. Mr. Panetta stated that new developments everything has to be dedicated to the city and the BPW.

Mr. Calaman stated that streetlights are in the electric tariff.

Mr. Owen questioned why it is needed as a policy. Mr. Panetta stated that he feels it is more from a communications transparency because of the split responsibilities with the city. The city pays the BPW for the electric costs, but the BPW maintains the streetlights. Mr. Panetta stated that it may just need to be on a website. Mr. Owen is not against it, just wants to be clear that the BPW is only responsible for maintenance. Mr. Panetta stated that the BPW is responsible for installation of a streetlight if damaged. Mr. Calaman stated that the tariff needs to be modified. The tariff says:

"In the case of planned area development the customer developer will provide it for and pay for the design procurement of the materials and supplies and labor associated with the installation of the street lights. All designs must be approved by the Lewes Board of Public Works prior to installation."

Mr. Calaman stated these would be approved by the city and then dedicated by the city. Mr. Owen says that this is another issue. Mr. Nichols questioned if the BPW is already obligated to approve the streetlight specifications. Mr. Calaman stated yes by what is in the tariff today. Mr. Panetta stated that it reads this way because when GMB reviews the plans, the plans include the specs for the streetlights. Mr. Calaman suggests that the policy needs to provide clarity on streetlights. Mr. Owen agreed and stated that the paragraph should include the things the BPW is responsible for. Mr. Calaman stated that this could be sliced 10 different ways. This is Mr. Owen's concern. President Lee stated that it could just say that the BPW is responsible for maintaining the city's streetlights, so that it points out that the lights are not the BPW's. Mr. Panetta is just looking for clarity where the BPW owns parts of things, and the city owns parts of things. By own, Mr. Panetta means responsible. President Lee agrees and is just looking for wording. Mr. Nichols stated that the BPW is not approving anything. Mr. Calaman stated that technically the BPW is through GMB. It does not come to the Board, but eventually it does come back to Mr. Passwaters and Mr. Calaman. Mr. Calaman stated that the BPW approves the design of the streetlight but not the streetlight itself. The BPW determines that the electric in that design suffices serving that streetlight and the location. Mr. Panetta stated that it gets confusing when GMB is both the BPW's engineer and the city's engineer. When GMB reviews the plans and when they make their comments and recommendations it goes to both sides. Mr. Owen suggests just stating that the BPW will cooperate with the GMB and the city. Mr. Calaman stated that the electric spec

needs to be updated. Mr. Panetta just wants the public to know who to call to get the streetlight replaced when it burns out. Mr. Owen does not mind putting that in the policy. President Lee does not think it should go into a policy. Mr. Panetta stated that it should be left out. Mr. Owen stated that Mr. Calaman will continue to work on it. Ms. Sexton pointed out that streetlights are in the tariff, so it is a policy, it just needs to be adjusted. Mr. Calaman stated that it is part of the complexity; it is in the tariff and street lighting cable. President Lee stated that this should fall to Mr. Calaman and Mr. Hoffman. The Board agrees.

4. CALL TO THE PUBLIC

None

Mr. Wolfson wanted to confirm notes on item 3.1.3 and underground connection. Mr. Wolfson stated that this is the exact language of the 19-002 resolution and questioned what it needs to be changed to. Mr. Wolfson questioned a comment that it is the customer's obligation to pay for the underground service, which is mentioned in one of the other sections. Mr. Owen stated that the resolution was pretty detailed. Mr. Wolfson will clarify who is responsible to pay.

Mr. Panetta stated that it is mentioned somewhere that the BPW is responsible for overhead drops to the meter but underground it is the customer's responsibility to pay for the cable from the meter to the top of the pole. Mr. Owen recalls that the BPW is responsible for the drop and the customer is responsible for the connection and if it was underground the homeowner had to pay for it. Mr. Calaman stated that it is one continuous line.

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

5. EXECUTIVE SESSION

President Lee adjourned to executive session at 12:41pm.

6. OPEN SESSION

Returned to open session at 1:31 pm.

7. ADJOURNMENT

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

President Lee adjourned the meeting at 1:32 pm.

Respectfully Submitted
Sharon Sexton
Executive Assistant

