

**Lewes Board of Public Works  
Board Meeting Minutes  
February 22, 2022**

The Tuesday, February 22, 2022, board meeting of the Lewes Board of Public Works was held at 4:00 pm at the City Hall Council Chambers.

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

President Lee called the meeting to order and led the pledge of allegiance.

**2. ROLL CALL**

Board Members:

*D. Preston Lee, P.E., President*

*A. Thomas Owen, Vice President*

*Thomas Panetta, Secretary*

*Earl Webb, Treasurer- Via Zoom*

*Richard Nichols, Assistant Treasurer*

Ex-Officio Members:

*Austin Calaman, General Manager*

*Robin Davis, Assistant General Manager*

*Michael Hoffman, Legal counsel- Via Zoom*

*Theodore Becker, Mayor*

Others Present:

*Richard Plack, Inframark*

*Charlie O'Donnell, GMB*

*Josh Gritton, BPW*

*Sharon Sexton, BPW*

*Christine Jones*

*David Jones*

*Kimberly Bellere*

Via Zoom:

*Paul Griffith*

*Suzanne Powell, BPW*

*Tim Ritzert, Council Member*

*Josh Hoechner*

*Kristina Keller, BPW*

*Robert Kennedy*

*Madeleine Nichols*

*James*

*Sharon Dardine*

*Ann Marie Townshend, City Manager*

*Andrew Williams, Council Member*

**3. REVISIONS OR DELETIONS TO THE AGENDA**

President Lee stated that for items number nine, ten, and eleven there will be no action tonight, just discussion.

**4. CONSENT AGENDA**

- a. Receive Vice President Report
- b. Receive Secretary Report- Approve minutes from January 26, 2022.
- c. Receive Treasurer Report
- d. Receive Asst. Treasurer Report

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

**5. RECEIVE THE INFRAMARK WWTP REPORT (MIKE WOLGEMUTH, RICHARD PLACK, INFRAMARK)**

Mr. Plack reported:

- Reviewed conditions of the rest of facility other than headworks. Continued to work on headworks project and pump stations, items are listed in red. The rest is in decent condition.
- On February 3, 2022, it was discovered that a 16" valve on the back of an influent tank had a crack due to freezing condition. BPW ordered a flange and installed February 10, 2022. Restored to working condition.
- Filters: Train four UF has been completed. The cassette was reinstalled in December. On December 28, 2021, there were several attempts to start up and failed due to air trap. Because of the excessive times this occurred, it was reassessed on January 5<sup>th</sup>, 2022. Discovered that there was a malfunction of last cassette that was installed. Contacted contractor that had completed cleaning work. On February 4, 2022, contractor reinspected and found that the individual membranes had not been seated properly. This was rectified and O-rings were replaced on the cassette. Has been returned to operating service.

Mr. Panetta questioned failing to seat. Mr. Plack stated that there was no apparent damage to O-ring but was replaced to ensure that proper sealing was occurring. Mr. Panetta stated that by the manual, the O-rings should be lubricated prior to installing and questioned if this is part of the process going forward. Mr. Plack stated that typically water lubricates sufficiently but there was an issue that was not communicated by contractor with this particular module. The contractor had placed the cassette sub water surface prior to being notified there was an issue. Mr. Panetta questioned adequacy just water as a lubricant. Mr. Calaman stated that Suez recommends lubrication. Mr. Plack stated that soap was used. Mr. Panetta stated that per the manual lubricant is needed. Mr. Panetta questioned if there is any supervision from Inframark when contractors are cleaning during critical maneuvers. Mr. Plack stated that typically there is quite a bit, but it was holiday weekend and staffing was minimal and communication was lacking. President Lee questioned if everyone will be available when Suez is there on Thursday. Mr. Plack stated that yes and that Inframark is fully staffed. The plan is to fully take over the process of cleaning the membranes. Everyone will be trained properly.

- New maintenance technician from Virginia makes six full time staff members on site. President Lee stated that Inframark has merged or acquired another company and a

representative came to the plant and met with a few Board members and Mr. Calaman. He was very hands on and technical. He had created his own maintenance schedule and would help Mr. Plack. Mr. Plack stated that he has been in communication with the current manager in Georgia and is coordinating maintenance to better train the Lewes plant staff.

- Mr. Calaman stated that the ARV was installed at pump station four by Sprig. Quotes came in for pump station three from Hills. Mr. Calaman questioned if there were any update from others. Mr. Plack has not heard and may have to source additional parts until a more permanent decision can be made. Valves are in coordination with Sprig at this time.
- Mr. Panetta questioned train four and how can module be installed not fully seated and still be locked. Mr. Plack stated that it was not locked. President Lee stated that it was lucky that the filters were not contaminated.
- Mr. Webb questioned the maintenance expenditures; tools from Home Depot and if it was typically for Inframark to not provide their own tools. Mr. Plack stated that it is his understanding that it falls under that maintenance budget. Mr. Webb questioned if the tools would belong to Inframark or BPW? Mr. Plack stated that the tools would belong to BPW and left at site.
- Mr. Panetta stated that he noticed on BOD and TDS removal there is no limit listed, but in the permit, there is a limit of 2.95% removal. Mr. Plack confirmed. Mr. Panetta questioned if it should be added to the table for clarity. Mr. Plack noted this for next month. Mr. Webb questioned the no limit regarding flow. Mr. Calaman stated that there is not a cap on the flow itself. Mr. Panetta stated that this is plant design, and the permit is more about concentration and pounds per loading.

## **6. RECEIVE THE PRESIDENT'S REPORT**

President Lee asked to Mr. Panetta to provide an update on the resiliency committee and recommended that it should be included in the Secretary's report every month.

Mr. Panetta stated that the resiliency committee was started July/August of 2021 and replaced the sea-level rise committee. The early meetings were aimed at getting new commission up to speed on what "state-of-the-art" is. The new committee has both DNREC and University of Delaware as participants. The results of the committee are to focus what it is recommended to city council. The two main items that were chosen were a disclosure of sale of the flood prone aspects of a property and developing a resiliency fund. Coral Gables, FL presented as an example of what a resiliency fund is. Coral Gables was charging every resident according to ERU (equivalent residential units). There is a commercial fee that is calculated based upon square footage and other things. The fund is to be built up to 100 million dollars by 2040. It is only for resiliency infrastructure to be put into the ground in the future. Mr. Panetta stated that this is not mitigation or disaster recovery. It is not money being spent now. Coral Gables knows that they will need this money to offset to any state or federal money that may come down. This does not cover anything from a mitigation perception. Currently they are going to charge up to \$25 a month per ERU. Coral Gables is 50,000 people and is larger than Lewes, but not a large city like Miami. Mr. Owen questioned if this was just for Coral Gables. Mr. Panetta confirmed and

stated that Coral Gables is part of four counties that are working together to put together a forecast sea level rise, precipitation, and heat. Their plans are taking into account sea-level rise and precipitation increases, in the future. Independent plan but a part of the larger consortium. Mr. Panetta is a concern is that this will come down to a property rights issue versus a city resiliency issue. The cost of a resiliency fund will be borne by every ratepayer and taxpayer in the city. Mayor Becker stated that there are three meetings left. President Lee stated that it was interesting/surprising that Coral Gables had no idea what the solution will be. Mr. Panetta stated that Coral Gables is different from Lewes as they sit on a bed of porous limestone. A fifty-foot seawall would not affect the flooding that southern Florida sees. Mr. Calaman stated that Coral Gables is a municipality and combined utility. Mr. Panetta stated that 50% of Coral Gables is still on septic and also limiting the use of nitrogen fertilizers in the summer months.

Mayor Becker stated that the committee is made of eleven members that are a cross section of people from the entire community. The original discussion came up with fourteen ideas, some of which has to do with individual situations such as property coverage or impervious service. This was distilled down by a vote to the two topics that Mr. Panetta mentioned: a disclosure form and a discussion about creating a resiliency fund. Both will eventually go to city council for consideration. Mayor Becker stated that DNREC has done a great job bringing in experts.

Mr. Panetta stated that Charlie O'Donnell gave a presentation on the stormwater that included Cedar. Mr. O'Donnell confirmed that he gave a high-level presentation on the stormwater drainage system. Mr. Panetta stated that it would be good for the BPW to hear that presentation. President Lee stated that Mr. O'Donnell could give it at the next meeting. Mr. O'Donnell commented that he felt that Coral Gables is getting out in front of this by collecting money although they do not have any idea what it is for. The fee was in addition to the stormwater fee. That additional money would be stuck in an earmarked fund for the future. Mayor Becker agreed and stated that it was clear that the stormwater maintenance fee is separate and used for maintenance activities.

Mr. Nichols questioned the process of the fund and collecting money while deciding the best use for the future. Mr. Panetta stated that if an issue came up that was an engineering solution, then the money could be used. Mr. Panetta pointed out that the 100 million dollars would eventually reach 150 million dollars because of interest. Coral Gables has committed to the citizens to cut back on fees once the 100 million cap is reached. Mr. Owen questioned if the funds are strictly for future infrastructure. Mr. Panetta confirmed that it has nothing to do with the BPW stormwater maintenance.

Mr. Calaman stated that Miami and Virginia Beach had to post a bond and then raise taxes. This is what Coral Gables is trying to avoid. Mayor Becker stated that there will be a smaller presentation from Bethany and a resiliency fund that will be more in scale with Lewes might have. Bethany uses an entirely different mechanism and is also about disaster recovery. Mayor Becker stated that the city was looking to be reactive or proactive and or a combination of a both.

## **7. RECEIVE THE GENERAL MANAGER'S REPORT**

Mr. Calaman reported:

- Construction on Pilottown Road continues and seems to slow up. BPW will keep an eye on it for planning purposes. May 1<sup>st</sup> is the non-calendar end date per se for construction in Lewes.
- There was a water main break off Cape Henlopen Drive, near the second entrance of Cape Shores. This was taken care of by the water department.
- Dive team out to inspect the 12" water main where there were issues two years ago after DelDot worked on the bridge. GMB was onsite.
- Sewer force main work on Savannah Road, 16 homes project, has been completed on the Accutrench side. Sewer and Water work is already done. Conversations with city on annexation, pre-annexation, and waiver continue.
- There have been a lot of meetings. Mr. Calaman, Mr. Panetta, Mr. Davis, and Scott Lynch met with Sergeant Lundy to review the bids. Mr. Panetta stated that Scott Lynch has provided great analysis on the competitiveness of the bids. Mr. Panetta stated that he believes it can be narrowed down but is not sure what the next step is. Mr. Panetta stated that the bids cannot be compared apples to apples, as there is a multitude of options. Mr. Panetta stated that this is an industry that is in the infant stages. President Lee wanted to clarify that this is regards to battery storage on Schley Avenue. Mr. Panetta stated that there are five bidders and sixteen options. Some do not meet the BPW needs. The question is how to narrow down the few that do. President Lee questioned how much longer this process will take. Mr. Calaman stated that it is his hope to have discussions in the next month or so. Mr. Calaman stated that the meeting with Scott Lynch was last Friday. Mr. Hoffman agrees that on his end, they should be in a position to have discussions by next meeting.
- Continued to have conversations with GHD on the assessments of the pump work. GMB has finished a draft for three, five, eight, and four. This should be presented soon to the Board.
- Continued to meet with DelDot on the New Road utility project. The comments are back from DelDot and is being addressed by the BPW and GMB. Still things to iron out on the temporary work. BPW working with Lewes Waterfront Preserve who will ultimately connect into this work.
- Held the rate workshop with Dawn Lund.
- Tree trimming continues on circuit one and three.
- AMI visit scheduled for March 11<sup>th</sup>.

Mr. Gritton reported on IT:

- WWTP headworks: Hills is still waiting parts, maybe March.
- At the WWTP the HMI, touch panel on top of the digester was starting to fail. Found a possible hand me down on shelf. Keystone Engineering is evaluating to see if panel is viable. President requested that these items should be brought up during the Inframark report so Mr. Wolgemuth or Mr. Plack could give input.
- Regular patching on servers.
- Firewall that failed has completely been replaced and is up and running.
- Microsoft 365 has been renewed. This time of the year is the BPW's big renewal period.

- Received plans from GMB for Showfield and Mr. Gritton was out field verifying points. About 60% of curb stops, meters, and control valves are GISed. The plan is to have it complete at next Board meeting and will continue onto other developments. Plans to stay on top of new developments.
- President Lee stated that he has been hearing about Russians going after the grid and questioned how secure is the BPW? President Lee is concerned that threats go through smaller organizations to get to bigger organizations. Mr. Gritton stated ISAC communications sends out information and notifications. All firewalls are current and automatically updated in real time. Mr. Gritton makes sure that the internal servers and components are patched all the way down to the printers. Mr. Gritton has a list of all items to check, patch, and maintain regularly. Mr. Gritton is confident that the BPW is reasonably protected. Mr. Panetta questioned if it is true that the BPW has no external internet control devices in the water, sewer, or electrical systems. Mr. Calaman stated that the electric system does not because there is no SCADA system. Mr. Gritton stated that for the water and wastewater have SCADA but are segregated from the primary networks. There is internet connectivity so that the manufacturers can patch as needed. This is through VPNs that are changed very frequently. President Lee questioned if this could be a source. Mr. Gritton stated that he would be lying if he said that it was not, but this is something where if you expect it, then you pay attention to it. Mr. Panetta questioned if this was more about Suez's connection through Insight. Mr. Gritton confirmed and stated that these are information-based systems. Information gathering is half of what attackers are trying to do.
- Mayor Becker questioned if the BPW is looking to do GIS for those areas that are anticipated to be annexed, such as Tower Hill. Mr. Gritton confirmed that any area that the BPW serves or will serve, he will try to gather information. Mr. Gritton works with other utilities, such as Chesapeake. Mr. Gritton stated that developments that have been around for a while tend to have landscaping that covers the BPW assets. Mr. O'Donnell stated that in regards to sub-divisions, in the draft sub-division code it still has to get approved and go before council. All of that GIS work will be a requirement of the developer. This will make Mr. Gritton's job easier. Mr. Gritton agreed and stated that he goes out and verifies points that everything aligns.

President Lee questioned if Mr. Webb had anything to report on the financial committee. Mr. Webb stated that they are still working on this. Currently have two people that will be submitted and an additional two that are being looked at. Mr. Webb and Mr. Nichols will send these out to everybody.

#### **8. OPEN FORUM/GENERAL DISCUSSION OF CHRISTINE JONES/LEWES BREWING COMPANY IMPACT FEE. INFORMATION/DISCUSSION/ACTION (AUSTIN CALAMAN)**

Christine Jones stated that she had sent out emails to the BPW about a year ago to find out the impact fees. Ms. Jones was new to the BPW and was unaware that anything was posted on the website. It was not until a recent email trying to get the Smiths annexed into the city and on BPW sewer, that she found out that the fee was higher. Ms. Jones was under the impression

that the fee was \$2540. Ms. Jones wanted to bring the situation to the Board's attention and understands that they are paying for the infrastructure. Ms. Jones stated that they have received bills recently for the engineers and attorneys. These were fees that she was unaware that they would receive.

President Lee stated that these are costs that have to be passed on because the BPW will not finance these costs. President Lee stated that the Board and BPW is excited for the brewery. President Lee stated that impact fees are to cover cost of the facilities that are used to get to the WWTP. The more flow and the higher the strength impacts the whole system. Impact fees is based on residential units. The brewery will have more impact on the system rather than a home. With not knowing exactly what the flows will be, the BPW was unable to calculate what the fee will be. President Lee stated that this should have been stated more clearly up front at the time if the project. The brewery will be paying their fair share of what it taken up at BPW facilities.

Ms. Jones stated that this was not discussed, and she thought that it was a flat fee based on discussion with Mr. Calaman. Nothing was brought to the brewery's attention until a recent email. President Lee apologized that it was unclear, but it is how the fees are calculated. Mr. Calaman stated that he recognizes the communication error and apologizes. President Lee stated that this is how it is done and if the BPW did not do that then other ratepayers would be paying for part of the brewery infrastructure. Ms. Jones stated that the brewery is paying for the infrastructure to get it there.

Mr. Calaman stated that two properties will take advantage of this sewer system: the brewery and the Auto Gallery, the parcel across the street and is calculated off today's usage of three EDUs. In April, Ms. Jones made a presentation for cost sharing of the force main from the Auto Gallery to the manhole. The BPW agreed to do this, and it was a 50% cost share. The BPW is paying 50% of that force main until Auto Gallery connects. President Lee stated that the BPW is banking this and could have required that the first person in pays the whole thing and then gets reimbursed as others tie in. President Lee stated that the BPW will hold that and charge interest to the Auto Gallery until they do tie in, but they are not dumping the whole amount on the brewery.

Ms. Jones stated that in the letter she had commented that the brewery is paying to get it to the end of leg, whereas if they were a house being built somewhere the sewer was already passing down the road, they would only have a little connection. The brewery is paying a bigger portion and was unfortunate. Mr. Owen questioned if these were the only two that is connected this piece. Mr. Calaman stated that it leaves the Lewes Brewing Company property, goes across the street in theory, turn and goes down past Hauling Cove and 45 into a manhole. Mr. Calaman confirmed this is only for two properties. Mr. Owen stated that the \$2540 was probably just an estimate of the cost to hook up. Ms. Jones stated that it did not state that it was an estimate or based on flow. Ms. Jones had questioned the fee assuming it was a flat fee and that was the answer she received. Ms. Jones stated that there were a lot of people linked to the email and

not one person came back and said “oh by the way it is going to be based on your flow” , so she understood it to be just the one fee.

Mr. Calaman wanted to provide clarity. At the time, the impact fee was \$2540. Impact fees can change at any time and if the Board adopted today for it to be \$10,000, it would be \$10,000 in terms of not talking EDU. The EDUs come into a flow based and strength based. When it comes to that, it needs to be understood what is being built. Mr. Calaman was under the impression that it started out as a nanobrewery and then a microbrewery. Ms. Jones stated that it has always been a microbrewery. As a microbrewery, each one has a very unique type of BOD or effluent. In this case, Mr. Calaman believes the flow discussions happened in February to understand how they would brew: how many barrels, waste, consumption, etc.... It then had to go through preliminary approval through the city for a site plan and creation of new annexation zone. Mr. Calaman stated that on the communication side, he can fix that and is on his end.

Mr. Hoffman clarified what is being discussed. The impact fee is the impact fee, and the impact fees can be changed by the Board. There is the impact fee and then there is the assessment of the impact fee based on the EDU. Separate from all of that is the infrastructure to get to the unit. The Board’s policy is whoever needs infrastructure is responsible for covering the cost of that infrastructure in addition to that impact fee which relates to the whole system. To alleviate the burden, the Board has entertained these utility districts where the Board will bank the cost of the infrastructure and split it pro rata. But the fee is the fee and is assessed based in the EDU.

David Jones understands what is being said but a specific question was asked about the impact fees. Mr. Jones is concerned with the communication. Once it was realized it was different then the Jones’ should have been notified. Mr. Jones stated that they are counting all of their pennies and not some big conglomerate corporation. To have hidden costs hits them at the knees. Mr. Jones is asking for open communication and if something comes up to bring it to their attention immediately. Mr. Jones stated that he would prefer not to have the BPW pre-correspond across email but to say, “we screwed up”. This puts a bad taste in their mouths, and they do not want to do that because they want to do something good for this town. Mr. Jones wants to make the ugly property into something people can enjoy. President Lee stated that the Board is in favor of that.

#### **9. OPEN FORUM/GENERAL DISCUSSION OF THE PROPOSED 2022-2023 OPERATIONS AND MAINTENANCE BUDGET. INFORMATION/DISCUSSION/ACTION (AUSTIN CALAMAN, KIMBERLY BELLERE)**

Ms. Bellere stated that this is for the fiscal year 2023: April 2022 through March 2023. Ms. Bellere stated that assumptions were made on this budge. One assumption was that the MS. Lund’s proposed rates were accepted with the exception of stormwater. There will be no COVID closures and based on similar activity of this year concerning COVID. Mr. Owen questioned if the rate increases were included. Ms. Bellere confirmed except for stormwater because it was just brought up last meeting.

#### **ELECTRIC**



For Revenue Residential it is a 2.5% proposed increase.

- Residential and commercial it is a 3.5 % of actuals: this current fiscal year plus the last two months of last fiscal year.
- 1% increase would be the developments coming on.
- Ms. Bellere expects the hospital to be the same with COVID and a small increase with businesses.
- Industrial is 6% including a 3.5% growth between the school and Vantage Point Retirement.
- Municipal and the BPW is just 2.5%.
- Other: 95% of actuals plus Lewes Waterfront Preserve developer agreement payment of \$333,000 less the \$45,000 pole relocation that was done last year.

For expenses:

- Purchase power 9.7% of actuals: 4.7% is coming from DEMEC and 5% for growth.
- Salaries, Wages, and Benefits: 25% of actuals, with a wage increase and proposed new employee
- Utilities: \$3500 for an increase from rates
- Repairs and maintenance: 15% increase of actuals because of growth and inflation
- Professional and contractual services: \$200,000 tree trimming for circuit one and three, \$75,000 for attorney fees, \$40,000 for Potomac testing, \$45,00 for other. President Lee questioned Potomac testing. Mr. Calaman stated that it is for testing on substation and transmission lines. The total is \$3,333 per month and the average this year is about \$3000. This is a 14% increase.
- Other Supplies and expenses: 20% of actuals. It is expected that travel expenses to go up with APPA conferences being used again, DEMEC training for journeymen and linemen, and dues and subscriptions.
- Administrative: is 8% less than actuals. It is not expected to have a GM payout. Do not expect RKL study or 2<sup>nd</sup> floor construction.
- Bad debt: 20% increase of actuals
- Depreciation and Amortization: 6% of actuals
- In lieu of franchise fees it is 5% of revenue not including other.

Mr. Calaman clarified that on the spreadsheet, you are looking at the 2021-2022 budget versus the 2022-2023 budget. Next month actuals can be thrown in, but assumptions had to be taken. When a variance is seen it does not necessarily correlate with the actuals.

- Non-operating: 10% less than actuals for interest income, unsure where the market is going.
- Impact fees: half of Lewes Waterfront Preserve, 45 units. Vantage Point is 108 units. Mr. Calaman stated that this is based off current impact fees, but if impact fees change, this number will change as well.

Mr. Webb stated that actuals matter a lot and knowing that some of these costs are going up for our rate payers and suggested to maybe lean into some items like bad debt. Ms. Bellere stated that previously it was done with an average over three-four years, and she does not believe that

is accurate with COVID. Mayor Becker questioned why the Lodge was included when it will not come online until September. Was this factored in? Ms. Bellere confirmed that it was only factored into half of the fiscal year. Mr. Panetta pointed out that besides COVID, the market, inflation, and supply chain is skewed and using an average of past years is not necessarily indicative of the market we are currently in. Ms. Bellere agreed and stated that the transformers that were ordered in September, the cost went up 18% in five months. Mr. Calaman stated that pad mount transformers are about 45 to 52 weeks out. The more specific you get on equipment, the harder it is to come by. Mr. Panetta stated that is why the Potomac testing is critical for the condition of our substation.

## **Water**

Proposed increase is 18.5%, this was across the board except for residential which added 1% increase for growth.

Other:

- 85% of actuals and removed last year's \$111,000 plumbing permits from Vantage Point retirement.
- Added \$120,000 Lewes Water Preserve developer agreement payment

Expenses:

- Salaries, Wages, and Benefits: 18% of actuals for wage increase and a new employee
- Utilities: 10% of actuals with increase of rates
- Repairs and Maintenance: 13% of actuals because of inflation and growth
- Professional and Contractual: even number of 150. It is expected that other professional contractual will go down with things like the leak survey. Expect attorney fees to at least stay consistent.
- Other supplies and expenses: 20% of actuals
- Administrative: 4% decrease of actuals due to GM payout, RKL study, and second floor construction
- Bad debt: Doing double of actuals right now with two months left. Mr. Calaman stated that the actuals are very low. Mayor Becker stated that the BPW probably will not have any because of the funding with ARPA. Mr. Calaman stated that one of the items decided to use the funds for is to help out those that may be in 90 arears.
- Depreciation: 6% of actuals
- In lieu of franchise fees are the 5% of revenue not including other
- Non-operating interest income: 10% decrease of actuals across the board
- Impact Fees: 50 of Tower hill, which is 147 units, 50 of Lewes Waterfront Preserve is 45 units, and 108 units for Vantage Point
- \$15,000 for the water study

## **Wastewater**

Proposed increase is 7.9%, this was across the board except for the commercial. 1% increase for there for increased business.

Other:

- 85% of actuals plus \$76,000 for Lewes Waterfront Preserve Developers Agreement
- \$731,000 for Lodge at Historic Lewes

Expenses:

- Salaries, wages, and benefits: 18% of the actuals for wage increase and new employee
- Utilities: 6% of actuals
- Repairs and maintenance: 10% of actuals
- Professional and Contractual: \$725,000 for Inframark. This is the rate charged monthly plus the \$100,000 overage. \$70,000 for attorneys, \$130,000 for other. Ms. Bellere included \$110,000 overage and believes that this will go into April, not March. Mr. Calaman added that GHD assessments are included as well.
- Other supplies and expenses: 10% of actuals
- Administrative: 4% less than actuals
- Bad debt: double the actuals
- Depreciation/amortization: 6% with increased assets
- In lieu of franchise fees: 5% of revenue not including other
- Interest income: 10% less than actuals
- Interest expense: payments for Highland Acres, Savannah Place sewer, wastewater treatment plat and one payment for the headworks
- Impact fees: 50% of Tower Hill, 50% of Lewes Waterfront Preserve. Vantage Point impact fees are \$1490 and \$2540.

### **Stormwater**

Ms. Bellere stated that this does not move too much. 1% increase for residential. Used last year's actuals for commercial and industrial as the current budget is off.

Other:

- 60% of actuals, around \$10,000

Expenses:

- Salaries, wages, and benefits: averaged the last four years
- Repairs and Maintenance: \$3000 is the average over the last two years, so it was increased by \$1000.
- Professional and contractual: \$22,000. There are a few items that are storm water, but most is distributed from administrative or attorney fees. \$14,000 attorney fees for distribution.
- Other supplies and expenses: 10% of actuals
- Administrative: 2% less than actuals
- Bad debt: Double what it is currently.

- Depreciation: 18% of actuals. Higher because the BPW is getting the new lining and the assets are so low.
- In lieu of franchise fees: 5% of revenue
- Interest income: 10% less than actuals

Mr. Panetta stated that a deeper dive into the stormwater is needed based on Ms. Lund's reports and other discussions. The question is, is stormwater covering the actual costs. The stormwater budget is the one that is the most up in the air. The other budgets are done very well. President Lee stated that the Board has provided feedback in individual meeting with Ms. Bellere and Mr. Calaman. Mr. Calaman welcomed the Board to provide feedback and continue to update the budgets. Mr. Panetta added that a lot of this was discussed at the rate workshop which was a public session. Mr. Calaman suggested moving onto capital and then discussing the reserve policy after capital because the capital plays into that as well as the working capital lag.

#### **10. OPEN FORUM/GENERAL DISCUSSION OF THE 2022/2023-2026/2027 CAPITAL BUDGET. INFORMATION/DISCUSSION/ACTION (AUSTIN CALAMAN, KIMBERLY BELLERE)**

Mr. Calaman stated there have been many previous discussions on the capital budget. Previous capital budget is gone by the wayside and added an additional year. Placeholders were put in the budget because coordination needs to happen. Mr. Calaman reviewed the highlights.

#### **Water**

- Kings Highway is a project that the BPW is keeping a close eye on. Tomorrow there is a workshop. Trying to coordinate with DelDot. This was thought to be a later project, but it seems to be moving quicker. If DelDot will be tearing up the road and disrupting utilities, that is a good time to consider doing the work BPW needs to do.
- Cedar Street, phase one. This project depends on the water study that is still ongoing. Put less into disturbing current assets because there have been some main breaks that have allowed the BPW to get some coupons out of the pipes.
- School district is finishing up the new elementary school and starting on the middle school. With that there is an old 6" main that loops in behind the school and follows the line of Highland Acres. It cuts across the path and connects into Dupont. Discussions on the engineering side are still early to see how much hydraulically that benefits the BPW. It is proposed to have the water main go underneath a sidewalk and this is not ideal. This is a placeholder, as it could potentially come up. Will be able to get some coupons out of this as well when the school does some of their work.

President Lee questioned if this is getting the water over to the other side of town to Tower Hill and that area. President Lee questioned what the size of this line is. Mr. Calaman stated that it is a 6" line. President Lee stated that this and Fourth Street gets water over there but does anything else. President Lee questioned how important is this 6" line overall. Mr. O'Donnell stated that is not that important, but he would like to replace it because it is old. The main pipe that goes across there is the one that goes

down Sussex Drive through Highland Acres and then loops into Pilottown Village facilities. President Lee questioned if this was an 8" pipe. Mr. O'Donnell stated that it is a 12" line. Mr. O'Donnell stated that in the future he would like to go down to Donovan's Road to the end and cut through those farms. Mr. Owen questioned if the 6" main feeds the schools. Mr. O'Donnell stated that it does not, but it loops between Dupont Avenue and Sussex Drive. It was put in to serve people who live in Highland Acres before it was annexed into the city. It does not serve anyone now, just a main line that serves New Road. Mr. Panetta stated that it still acts as a loop and is still in the network. Mr. Calaman stated that this discussion just came up last week. The BPW and GMB will continue to look and evaluate it. In this circumstance, the land is currently undisturbed and would be easier if the BPW decides to move forward. May not decide to put a 6" back in. President Lee questioned what type of numbers for this project. Mr. Calaman stated that it was estimated \$110,000, as it is all open cut. Mr. Panetta questioned going to 8" instead of 6" and what the pressure would do if the BPW does not go with a well-field on the other side. Mr. O'Donnell stated that his gut feeling is it would not have any tremendous effect on the New Road side. President Lee questioned if this would be a good pipe to coupon to see what kind of condition it is in. Mr. O'Donnell stated that it is old, and it is from the 30's or 40's. It is not expected to be in great condition. Mr. O'Donnell stated that the BPW was able to pick up coupons from various projects and that was unexpected.

- Canal Crossing at the bridge. The dive team was in to assess. It was under there for two years and after being disturbed. Mr. Calaman feels that this pipe will need to be replaced. The question is how long it will take because it is a very delicate area and whether or not the pipe stays in that general vicinity. There is some permitting that needs to be done and the Army Corps will need to get involved and that can be a lengthy process. This is on as a 23 or 24 project but this might change if the dredging goes ahead. Mayor Becker stated that the timing may change with the 10 million dollars that was put in to dredge the canal. Mr. O'Donnell questioned how much would be dredged. Mayor Becker stated he does not have any specifics yet and suggesting putting in call to find out the depth they are planning to dredge. Mr. Panetta stated that if the BPW does not replace the pipe to before they dredge, the pipe is unsupported and there will be slothing on the sides which will increase the unsupported length of that pipe. Mr. Calaman stated that the pipe has about a 14-foot section and then goes underneath, and hits bottom and comes up on the other side. President Lee stated that it may be part of their cost. Mayor Becker stated that he does not think so because they have already recognized that \$10 million dollars is not enough to dredge the ten miles of the canal. Mr. O'Donnell stated in regards to that philosophy, the Kings Highway and DelDot project, maybe look to have them pay for some of that work. Mr. Calaman stated that the BPW is mindful of this and working on this at New Road too. Mayor Becker stated that the reorientation is interesting, and he is curious how it is received. President Lee questioned what will be there. Mayor Becker stated that a traffic circle will be put in and creating a separate parallel lane that will serve from Tunnel and Raysor out to Aqua Marine. Mr. Panetta stated that this is at the fork of Freeman and Kings.

- Discussions of a development of a well on the New Road side, but also considering a new water tower. Trying to see if the benefit of a water tower and seeing how it reflects in the town, pressure wise. Looked at maps that show the transmissivity of the soils and the BPW well-field is in the perfect location. The production out of the current wells is very good. The BPW is doing an extensive rehaul of wells five and three, the big producers. The other three will get re-serviced to make sure they are on the same pump curve and that everything is sound. Mr. Panetta stated that Coral Gables has had to cap several of their wells because of saltwater intrusion. Mr. Calaman stated that the BPW is upgrading the allocation permit for all five wells, 20-year permit, and a plan has to be developed for saltwater intrusion.

## **SEWER**

- Kings Highway sewer lining. The timing is going to be reflective of DelDot. There are two pieces to this: Third out to Freeman Highway at the "Y" and from the "Y" out to Gills Neck Road.
- Lift station upgrades. As more information is received from GHD, this could fluctuate. GHD is going to give the BPW a true assessment of everything.
- Savannah Road sewer extension project. This is a 2-million-dollar project for the Donovan's group and for the Lodge at Historic Lewes/Dutchmen's Harvest. This will be reimbursed and realized in the O&M as a revenue other.
- Cedar and Pilottown Road. It makes sense that when the lining is done, to go in and do as much as possible because the equipment will be there. Must be mindful of when the Cedar project is going to be done. The BPW is waiting on the coupons to come back from the water study to get an idea of where it falls into priority. Recently received the coupon from Big Oyster, and this one was a bit worse than expected.

President Lee stated that the BPW may want to look at lift station capital costs again as it may be higher than what is seen here. Mr. Calaman stated that there is also the 1.75 million that was funded may take in account the lift station work. At this time, the market is volatile as far as contractors coming in to do the work. Getting the assessment and determining which pump stations will take priority will be the key.

Mr. Webb questioned when looking at sewer and water, is the BPW considering undergrounding some of the electric cables. Mr. Calaman stated that at the canal crossing at the bridge, there will be a pit set up there, the BPW is looking at taking the circuit two line at pump station four Circuit 4 and putting it underground. Mr. Calaman stated that he is looking to take advantage when contractors are in place.

- At the WWTP, replace the MCC/upgrade the drivers and PLC in headworks. This is completely dependent on the supply chain. It was expected to be done last year but continues to roll over to this year.
- Headworks upgrade. This is the \$1.75 million that is being secured through financed through SRF 20-year, 2% loan. President Lee restated that some of this money may shift to pump stations.

- Inframark liked having the belt filter from the county, as it helped them handle solids. Instead of depending on drying beds and mother nature having a belt filter press will help alleviate the burden cost of hauling. A belt filter will pay for itself in about two years. May purchase outside the WWTP funding loan and may bring in during the summer months.
- Because of the electrical failure at the headworks, Mr. Calaman put a placeholder in the budget. Testing is being done at the WWTP on the breakers.
- Monitoring the EQ tank. Discussed constructing a new EQ tank and possibly bringing in a second tank for redundancy. This will help with holding capacity and help if issues arise.

Mr. Calaman stated that Inframark sent him a list of items that they would like to add to the capital budget late last night. He will review and possibly update before April meeting.

### **Stormwater**

- MS4 designation. Mr. Calaman stated that COVID had a big impact and that it is still coming but the question is when. This is going to be a more prevalent thing. In the western part of the state has already kick started. The question is going to be who actually gets designated, the BPW or the city. Technically both own stormwater infrastructure. City owns roads and curbs and BPW owns catch basins, stormwater pipe, etc.... President Lee questioned if the city has this in their budget. Mayor Becker stated that it is has not been identified yet.
- Vac truck. This is a redundant piece because the vac truck is used for water, sewer, and stormwater. Having and relying on one unit may become burdensome. This is a placeholder for purchasing another vac truck in the future. Does not have to necessarily be new, can look into a used truck.
- Replacement and re-lining of pipe. Ran into some issues in Pilottown Village, a complicated old, galvanized line. Some parts are rusted out. A crew will come in camera it, clean it, and line it. Mr. Panetta questioned how many other places galvanized stormwater is. Mr. Calaman stated that there are not too many. President Lee questioned the status of the BPW and Conservation District relationship in regards to the tax ditch and possibly taking over part of that. Mr. Calaman stated that it is still in discussions. Ms. Townshend, Mr. Calaman, and Mr. O'Donnell met with DNREC and Conversation district and discussed opportunities for the city or the BPW to become members. The issue is that you must own a property, in the watershed. The pump station is in the city's name. Ms. Townshend stated that she did receive something from Brittany Haywood that she needs to follow up on. The pump station is one that was changed over to name the BPW on the deed. Mayor Becker questioned if there was a civilian now involved. Mr. Calaman stated that in terms of the tax ditch that there are residents involved. President Lee stated that the Conservation District cleaned out the ditches on the beach side. It was interesting where it bends that they were hauling some of the excavation out but threw it on the bank where they were working and just let it lay there. No silk fence and of course some of it is going to wash back into the ditch. Mr. Calaman questioned how long ago this happened. President Lee stated that it was a

month ago. Mayor Becker stated that there is still equipment out there. Mr. Calaman stated that this was a program where they did work to clear ruts and another section of DNREC has come in to do some grading work, which is going on now. President Lee stated that it was strange that they put it on the bank and the bank is muddy down to the water's edge.

### **Electric**

- AMI: There is an opportunity for this to be financed through DNREC so the capital investment may turn into a debt payment.
- Bucket Truck and Digger Derrick are to be replaced. Issue is that the PO had to be issued last fall to hopefully receive equipment this fiscal year. The digger may be pushed to the following year because of the lead time.
- Stainless steel transformers on Pilottown Road.
- Underground projects at Jefferson, Bay Breeze, and Pilottown Village. Rhett took over and is more aggressive. When Rhett came in, he prioritized have the tree trimming done by Asplundh.
- Transformers on Schley. Unknown where the BPW stands with these transformers. Potomac testing coming in for bi-annual test because the transformers are large and a little over 20 years old. There have been some questions come up and BPW wants to make sure they are in sound shape. Mr. Panetta stated that the Sergeant Lundy report said that the transformers currently meet the 100% redundancy, but with the forecasted of growth, the transformers may need to be upsized.
- Underground circuit two near the draw bridge will be dependent on when the canal crossing is done on the water side. President Lee suggested sliding some over for the next two years. Mr. Calaman stated that even if AMI is removed and shift the digger or the backhoe to 2024 or 2025, a lot of this is dependent on supply chain. Pad mount, transformers and wire are still hard to come by. If there is any kind of natural disaster, it will make it even worse. Mr. Calaman will continue to look at this.

### **Support**

- Building Improvements: Upgrades at the old blue house or pump stations as far as roofs, siding, painting, windows, doors.
- Server/Computer. Phone upgrade. Mr. Gritton stated that at the end of this year, beginning of next year is servers. Mr. Calaman stated that new computers are being depreciated at three to five years, iPads, and phones t two years.

### **Cash Reserve**

Ms. Bellere reviewed.

- The top line is 25% of the proposed O&M
- Next line is risk management reserve which is the historic costs of assets and Ms. Bellere used the amount at the end of January.
- Current year capital improvements are this coming fiscal year 2023
- Added a line of less proposed borrowing bonding



- Customer deposits as of 1/31/22 is 100% must be kept.
- Self-insured is one million dollars for pollution, one million dollars for flood, and \$30,000 for deductibles.

Ms. Bellere stated that as you move across the spreadsheet, you can see 25% of O&M, 2% of assets, 15% of capital projects, and 100% of the deposits. President Lee questioned if Ms. Lund looked at this when she completed the rate design. Ms. Bellere confirmed.

Ms. Bellere stated that the proposed borrowing and lending is the headworks, AMI, bi-directional flow at Gills Neck Road, Kings Highway from Third to Dewey, Jones Farm water tower and Cedar water and sewer. BPW is still in the negative and not reaching the minimum. Ms. Bellere referred to Ms. Lund's statement that the BPW will need to finance more than these items. Mr. Calaman stated that Ms. Lund noted that it cannot be expected to throw a rate increase in for one year and bring the cash balance up to where it needs to be. Be mindful that this is a snapshot of what the BPW has currently, and the capital budget could fluctuate.

Mr. Owen questioned if the rate increases were in the budgets. Mr. Calaman confirmed that it was in this year's budget.

Mr. Panetta stated that on the cash reserves electrical side is something that needs to be examined and he is concerned by getting down into hundreds of thousands of dollars. Mr. Panetta stated that there is no clarity on sewer and what are the real costs going to be for the wastewater treatment plant and the pump stations. Mr. Panetta stated that the water is the more predictable utility. Mr. Calaman stated that the point of reserve fund is that if a natural disaster occurs, it will cover a portion of the costs to get back up and running. President Lee stated that the electric is most vulnerable even in moderate storm.

President Lee questioned if Mr. Webb had any suggestions and/or concerns with the calculation. Mr. Webb stated that the ideas were going to be run by the finance committee to get thoughts. Mr. Webb wants to consider the extra cost for sewage plant and put in as a buffer. Mr. Webb stated that with new eyes looking at electric side brings in extra costs. Mr. Webb stated that he and Mr. Calaman discussed the two payments that are made a year for the upgrade of the wastewater treatment plant: \$425,00 twice a year. Mr. Webb questioned when this expires. Mr. Calaman stated that the balance on the loan is \$3.3 million and ends in 2027. Mr. Webb stated that it is a matter of laying all these items out and taking a look at them broadly. Once finance committee is set up, then take this to them and get a perspective to see if it is keeping the BPW safe and secure.

#### **11. OPEN FORUM/GENERAL DISCUSSION OF UFS'S SUGGESTED RATE ADJUSTMENTS. INFORMATION/DISCUSSION/ACTION (AUSTIN CALAMAN, KIMBERLY BELLERE)**

Mr. Calaman stated that UFS suggested putting rate adjustments in this year's budget and leaves the question what to do moving forward after this year. In 2017 a five-year plan was adopted and then waited three and half years to talk to Ms. Lund. Mr. Calaman stated that five years could not have predicted the market that we are currently in and maybe five years is not realistic. Mr. Calaman and Ms. Bellere have discussed reviewing with Ms. Lund at two or three years and if rate increases need to continue. Three years from now the BPW could be in a much

different place. President Lee stated that hopefully the BPW will receive some federal money between now and then and could be significant. Ms. Lund recommends 18.5% at least for three years on water, 7.9% for at least three years on the sewer, and 2.5% for at least three years on electric. Stormwater was not factored in because of discussions of having an analysis to make sure the BPW is charging appropriately, whether it is a water meter or another type of use like pervious or porous asphalt. At the end of the day, the Board needs to make a decision so this year's financials can be adjusted that are approved at the next board meeting.

Mr. Calaman will go back to Ms. Lund and provide the board's decision for the next three years and she will provide what the rate will look like for each year. The Board will adopt those rates as a resolution. President Lee questioned if there is any reason to change what Ms. Lund has done. Mr. Owen stated that it could be adopted as a three year. Mr. Calaman stated that it takes time to do this analysis. Mr. Panetta stated that the next two years should be done and then decide how frequently the Board wants to do it. Because of the turmoil, looking at it in two years makes sense to get the BPW re-grounded. Mr. Calaman is looking for a direction to take to Ms. Lund. President Lee stated this should be adopted as a five-year plan and revisited earlier. Ms. Bellere stated that it will be important to do this with the capital budget the way it is and all the funds sitting out. Mr. Hoffman stated that the Board has the privilege to revisit rates and have a public discussion. No legal issue.

Mr. Panetta stated that there was very little public attendance at the rate meeting. There was an article in the Cape Gazette that had some inaccuracies. Mr. Panetta questioned if the Board should have another outreach attempt before adopting. President Lee questioned how the Board does that. Mayor Becker suggested holding a public workshop. President Lee stated that the Board held a public workshop that was advertised and everything else. Mayor Becker stated that the attendance was terrible, and the press has raised the awareness of the rates being adjusted as proposed. Does the Board want to make one more attempt for outreach? Mr. Hoffman stated that the intent is to memorialize rate increases in a written resolution that interested parties would have an opportunity to view before it is actually discussed, debated, and voted on at the next meeting. President Lee agreed and does not see having another meeting. President Lee is unaware what was inaccurate in the article. Mr. Panetta is not sure of the top of his head. Mr. Panetta stated that he has gotten several emails from ratepayers that were upset because the rates are going up by this much. Mr. Panetta stated that he believes the Board is being prudent and does not have a problem with what they are doing but thinks that an explainer or document needs to go along with the resolution. President Lee stated that it was on the website and Facebook, but not many people will go there to find this document. President Lee stated that he has not gotten any feedback and questioned if any other Board members received feedback. Mr. Webb stated he has not received any feedback. President Lee questioned if the office has received any calls. No calls. Mr. Panetta stated that he had three emails. Mr. Owen stated that he thinks it is important that to let the public know why the Board is adjusting rates, but the question is how. Mr. Owen suggested an article in the paper. Mayor Becker suggested a mailer. President Lee stated that there was an article in the paper. President Lee stated that he thought there would be public here at the meeting tonight. Mayor Becker stated that the justification for it is that it just needs to be explained and the pushback from

some people will be significant. Mr. Panetta questioned when the next bill goes out. Mr. Calaman stated that it is the first Tuesday of the month and it would not go out in time. President Lee stated that a separate mailing could be sent with a description of all four. Mayor Becker stated that based on people not calling or emailing, maybe a mailer is the only way to reach people. Mr. Owen agrees it is a good idea and suggests only putting in the dollar changes as the percentages tend to blow people away. President Lee stated that the article did it well and included both. Mr. Webb suggested that President Lee have an interview with the Cape Gazette and walk through where the BPW is at this stage and what the next stage will be. President Lee stated he has already talked to Nick Roth once. Mr. Panetta stated that a lot of people read the newspaper and it gets good coverage. Mr. Panetta suggests another article that is more concise. President Lee questioned if the BPW should purchase a quarter or half page in the gazette. Mayor Becker stated that maybe it should be put in as an ad. Mr. Panetta questioned if the ads get as much readership as the articles. Ms. Sexton stated that the ads are generally towards the back. President Lee stated that it can be asked to be placed in certain areas. President Lee stated that Mr. Roth has done a nice job getting the word out and the Board would like his input. Mr. Roth stated that he could write another article, request an ad at the front of the paper, or send in a letter to the editor explaining the rate adjustments. A lot of people read the letters to the editor. The Board agrees. Mr. Roth stated that 1600 people saw the article online as of today. Mr. Webb stated that this was a lot. President Lee stated that this is half the town. Mayor Becker stated that it is unknown if they are from Lewes. Mr. Roth stated the article on the net reel only has had 382 people, for reference.

The Board decided to draft a letter to the editor from the Board to the public.

Mr. Calaman questioned if he should he keep stormwater in or removing it at 15%. Mr. Calaman stated he will go back to Ms. Lund with all four utilities for five years. Mr. Panetta stated that the only question was actually being spent versus what is received in revenue. The actuals did not seem actual. Mr. Calaman stated that a rate study has never been done on stormwater and a financial projection was done off of what stormwater was. President Lee stated that 15% is 75 cents and thinks it should be increased to 20% to make it a round number: \$1.00. Mr. Panetta agreed and stated that then the discussion and evaluation can continue.

Mr. Hoffman clarified that this is just direction to put this on paper and there is no action taking place at this meeting tonight.

Robert Kennedy commended the field the crew for keeping the power on during the last blizzard. Mr. Kennedy stated:

*"I do not have any objection to the revenue requirement that is being forecast as being needed over the next few years. However, I renew my objection to the Board for continuing to consider a discriminatory rate design that charges different rates for the same service depending on whether or not a customer takes service within or without the municipal limits of Lewes. There is no evidence in the public record that warrants charging a different rate based on location. Furthermore, the sample rates set out in the*

*consultant's power point presentation do not differentiate between in-city and out-of-city. Customers are not on notice that they may be paying higher rates depending upon their service location. The rate consultant has changed the rationale for continuing to recommend charging a different rate on two occasions. The first attempt to continuing to justify a rate differential was the risk premium argument. That argument as it applies to the BPW service area was then and remains now to be factually wrong. The latest justification assertion by the consultant that a rate differential is probably due to more or larger infrastructure needed to serve customers outside of the city. This assertion was not based on any study of the actual infrastructure used by the BPW to serve either in the city or out of the city customers. It was merely was a reason used by some utilities in other jurisdictions that the consultant was aware to support a different rate for the same service. Even if a study were performed it would conclude that no two customers would have the same amount of utility infrastructure installed to provide them with a service. In some cities customers at the extreme ends of the city may have even more infrastructure installed to serve them than to other customers taking service adjacent to the city. That's why costs are averaged within a customer class and a single rate is calculated and applied to each customer regardless of where within the utility service areas they're located. The rate consultant has previously stated that that is exactly what is done now in calculating the hypothetical amount of investment that's used in calculating the customer charge. Customers deserve better than guesses in designing rates or continuing to justify discriminatory rates that they must pay for essential monopoly services. It is the Board's duty and responsibility to set rates that are based on cost that are fair and are non-discriminatory. This rate design fails all three of these criteria and should be rejected and the Board should redirect the consultant to address this issue.*

Ms. Bellere questioned the 20% increase in stormwater and if it includes everything such as commercial. The Board agrees that it should be 20% across the board.

#### **12. CALL TO THE PUBLIC**

None

#### **13. CALL TO THE PRESS**

None

#### **14. EXECUTIVE SESSION**

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

President Lee adjourned to executive session at 6:25 pm.

#### **15. RETURN TO OPEN SESSION**

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

Returned to open session at 7:37 pm.

**16. DISCUSSION AND ACTION ON ITEMS FROM EXECUTIVE SESSION, IF APPLICABLE.**

None.

**17. ADJOURNMENT**

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

President Lee adjourned the meeting at 7:37 pm.

Respectfully Submitted

Sharon Sexton

Executive Assistant