

Lewes Board of Public Works
Regular Board Meeting
March 23, 2022

The Wednesday, March 23, 2022, regular board meeting was held at 4:00 pm at City Hall Council Chambers.

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

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

2. ROLL CALL

Board Members

D. Preston Lee, P.E.
A. Thomas Owen
Richard Nichols
Thomas Panetta
Earl Webb

Ex-Officio Members

Theodore Becker, Mayor
Austin Calaman, General Manager
Robin Davis, Assistant General Manager
Dan McAllister, Legal Counsel

Others

Richard Plack, Inframark
Kimberly Bellere, BPW
Charlie O'Donnell, GMB
Ann Marie Townshend, City manager
Robert Kennedy
Michael Wolgemuth, Inframark, Zoom
Madeleine Nichols, Zoom
Bob Carter, Zoom
Laura Oakley, BPW, Zoom
Kristina Keller, BPW, Zoom
Nick Roth, Cape Gazette, Zoom
Josh Gritton, BPW, Zoom
Wanda, Zoom
Jim, Zoom
Gerry E., Zoom
Mike O'Neill, Zoom
Sharon Sexton, BPW, Zoom
Suzanne Powell, BPW, Zoom

3. REVISIONS AND/OR DELETIONS TO THE AGENDA

Mr. Calaman suggested that item 14 be removed from the agenda. President Lee removed item 14 and stated that it can be held off until next meeting.

4. CONSENT AGENDA

- a. Receive Vice-President Report
- b. Receive Secretary Report – approval of minutes of February 10, 2022, Rate Workshop
- c. Receive Treasurer Report- Resiliency Report
- d. Receive Asst. Treasurer Report

ACTION: Mr. Owen motioned to accept consent agenda. Mr. Panetta seconded the motion, which passed unanimously.

5. Receive the Inframark Report

Mr. Plack presented the Inframark report:

- Most operations are in good order with the exception of the headworks, which is continuing being worked on.
- Still gathering new information for pump stations
- Equalization pump control panel replacement project is moving forward. Received the VFDs in the last two weeks and anticipate moving forward with conduit installation shortly as the electrical providers schedule opens up. Mr. Panetta questioned completion timeline or project schedule. Mr. Plack stated that he does not at this time, and once the conduit is started then Inframark will schedule the installation of the buckets because of the disruptive nature of taking down the panels to the flow of the station. This should not impede the daily operations of the facility. Mr. Webb stated that the headworks have been bouncing around for a few months now and questioned if there is anything that can be done to make that go faster. Mr. Plack stated that as far as the control panel, there has been delays in equipment. In regard to the other headworks equipment upgrades it has been an uphill battle getting the design implements taken care of. It will continue to take a while as Inframark goes through the proper permitting process. Mr. O'Donnell that this was held up with the explosion proof motor control center investigation, which is underway. The hope is to have it back from Keystone Engineering and integrate it into the whole plan. Rebuilding the grit system, rebuild the two screen systems, and have an alternative for a second screen. This may fall into the design of the ventilation improvements. Mr. O'Donnell stated that the GMB part of the design for the headworks, the grit system, and the screens is 95% complete and waiting on the electrical part. There was a recommendation from the GHD report and GMB is going to integrate into a whole set of plans and send out to bid. Mr. Calaman stated that the BPW was approved for the loan and settlement is on March 11th. Mr. Panetta stated that it would be nice to have a high-level project schedule. Once bids come back, those sections can be added.
- Xenon representatives were onsite on the 24th to review the membrane operations and Inframark is in the process of implementing some of the suggestions. President Lee questioned if all the operators were there to see and talk with the representatives on how to operate and maintain the system. Mr. Plack confirmed that they were, and it was more of a review of what improvements were made as far as changing mixed liquors. The operators were caught up to speed on what was missed. Mr. Panetta stated that Zenon had a suggestion about the turbidity monitors. Mr. Plack stated that parts have been ordered to change the plumbing per Zenon's suggestions. Mr. Panetta questioned if this was a

permanent fix or temporary solution to plumb into the drain lines. Mr. Plack stated that this was the first steps Zenon suggested to see if any additional recommendations were necessary. The hope is that the plumbing fix will reduce the amount of air showing false turbidity readings. Once tested, Inframark will move forward with other suggestion of evacuating the air out of the system.

- Mr. Panetta questioned not leaving the VPN on continuously to reduce the risk of cyber-attacks. Mr. Gritton stated that the VPN is currently client to site, so it is not continuously open and is an on-demand status. Mr. Panetta questioned if when the operators are remote, they do not have access. Mr. Gritton stated that the operators have to initiate the VPN tunnel. Once it is established, it remains live and encrypted, and it will time out if left unattended.
- Mr. Webb questioned if Inframark has any kind of standard boilerplate hurricane plan or any other concept. Mr. Plack stated that there is an emergency response plan that was created for this site in particular that provides guidelines how to maintain functionality of the facility in a storm event. Mr. Webb stated that he remembers seeing the ERP, but it may not be what the Board is looking for. Mr. Webb recommended looking at other plants that Inframark services and see if they have a boilerplate or things that the BPW can leverage and take advantage of having a broader perspective. Mr. Panetta stated that this was discussed when Paul visited that information could be leveraged. Mr. Plack stated that this was more in reference to the operation and maintenance of other membrane facilities. Mr. Plack stated that the manager of that group is scheduled to visit the first week of April to evaluate the BPW site and give suggestions for improvement.
- The generator transfer switch for pump station eight, the ports have not been received by the contractor. Mr. Plack will follow up for an anticipated date.
- Inframark received proposal from Freemeyer and associates for new classic T rotating assemblies that were more available to them, and it was forwarded to the Board for further review to help with station three. Mr. Calaman stated that he was waiting on the pricing and the eta of the valves. The valves are needs to replace the rotating assemblies. Mr. Plack stated that he should have those quotes completed by the end of this week.
- Throughout the course of February, the total nitrogen limit is eight, and the BPW is at 5.52. This was attributed to the LDO probes, which were replaced because of malfunction and temperature changes throughout the month.
- Total phosphorus was 0.12 and the limit was 2.
- Biological Oxygen Demand (BOD) removal rate was 98.4%
- Pump stations: Contractor was here on Monday to install isolation valves inside the wet well. Once inside the well, work was delayed because of the degradation they were seeing. Mr. Webb questioned if it would be more prudent to go into the well prior to bringing someone onsite. Mr. Plack agreed. Based on observations made initially with a camera, the wet well condition did not tell the same tale. Progression of work was stopped because of the chance of harming critical equipment. Mr. Plack should have a quote by tomorrow for the additional work. Basically, the entire innards of the wet well needs to be re-plumbed and there are questions about the integrity of the remaining force main based on 1965 print data and it is unknown whether or not the rest of the force main is still of that era and what the integrity is. Mr. Webb questioned if this is something that would be onsite as a backup as far as piping. Mr. Plack confirmed, and a proposal was drafted to make improvements to the station and will be forwarded to the Board. Mr. Webb questioned any other degradation that could happen further down and is it necessary to make sure there is backup capacity. Mr. Plack stated that he is suggesting a further meeting to discuss how to move forward properly. Pump station two is in similar condition and has valves that need to be replaced. As discussed previously, it may be

time to move forward was a capital project versus piecemealing some of the stations. President Lee requested that Mr. Plack put recommendations in writing. Mr. Plack stated that he would and that he was just made aware that there was a grant study done 2019/2020 of some of the infrastructure. Mr. Plack would like to present a comparison of the conditions from then and now.

- Mr. Panetta commented that when he was at the WWTP, only two or three drying beds were poured, and it seems that there is a lot of liquid hauling. Mr. Plack stated that Inframark had just finished removing the contents of the five beds and put it in the barn for further drying. Inframark had been rotating and utilizing barn storage because of the rain recently. Mr. Plack stated that five or six dumpster loads full of sludge has been sent out. Mr. Panetta stated that he must have been there at the wrong time. Mr. Plack stated that presently because of the rain the contents have been pushed up in order to limit the surface area affected by rain. Mr. Webb stated that the prior month was 81,300 gallons was hauled and this month it was 84,600. Mr. Webb questioned if getting a belt dryer is something that should be considered. Mr. Plack stated that yes and this was part of the scope to replace the old drying unit with belt filter press so that costs could be reduced. President Lee questioned when the county would have their unit available again. Mr. Calaman stated that it is available.
- Mr. Panetta questioned the caustic spill. Mr. Plack stated that there was an issue with the caustic pump. One of the lines had detached from the pump and laid outside of the containment area, putting it down the drain. Fortunately, it was onsite and able to capture it in the EQ tank. Inframark was able to utilize acid to mitigate or neutralize some of the effects of that caustic, which raises the pH. It was caught prior to affecting the biology of the plant. The pH rose from 7.5 to 8.2. This prevented microorganisms from going into shock and allowed Inframark to continue treating. Inframark then utilized dilution by filling the influent into the EQ tank and slope fed over the course of two days the contents of the EQ tank. The EQ tank was out into bypass to utilize most of the chemical that made it out. It has since been cleaned, secured, and gone through proper checks and protocols with staff to ensure they are checking the conditions of those lines. Mr. Panetta questioned if this was the Tygon tubing from the temporary pump Mr. Plack confirmed. Mr. Panetta stated that those temporary pumps have been there for over a year; what's the plan for going back to the permanent ones. Mr. Plack stated that the reason that Inframark switched over to the Pulsatron pump because of the issues with the other pumps. The pulsar feeder pumps are more easily serviceable. The temporary pump has been effective sustaining some of the challenges with pumping that material and there have been less issues. It was unfortunate with this spill, but overall, the amount of maintenance has been less. Mr. Panetta stated that he there needs to be a permanent solution and it needs to be inside the containment structure to prevent something like this from happening. President Lee questioned if Mr. Plack expects the total nitrogen and phosphorus to be back down less than 2.4 like it was. Mr. Plack stated that this is seasonal but yes that is the direction it is going based on the changes of the equipment.
- Mr. Panetta questioned the fuel tank alarms on the emergency generator are malfunctioning. Mr. Plack confirmed and that with a recent rain event false alarms on the fuel tank were triggered. Mr. Plack was in touch with Mr. Gritton to determine recommendations since the instrumentation is specialized. Mr. Panetta questioned what the plan is in the interim. Mr. Plack stated that they are conducting several regular walk-around checks on a daily basis. The callout function of that alarm has been disabled and not creating unnecessary callouts, but still registering as an alarm.
- Mr. Panetta questioned the five-ton gantry crane and the need to be replaced. Mr. Plack stated that it does not need to be replaced but is sticking in a couple of spots and so some

high-level inspection is needed to determine if it is a rust issue and not visible on the top surface of the crane. This is still to be explored. It did pass inspection for function but there are trouble areas. Mr. Panetta questioned if Inframark has a master punch list of items that are being tracked. Mr. Plack stated that it is on the whiteboard in the office. Mr. Panetta stated that this would be nice to see the status of open items and estimated completion. Mr. Panetta stated that another item that has been open a while, are the temporary sump pumps in the electrical manholes. What is the plan for replacing those? Mr. Plack stated that Inframark had started replacing the electrical line to the headworks. In design to phase out those man ways because of the confined space entry. President Lee questioned if it was being worked on. Mr. Plack stated that the replacement of the direct burial of the conductors from the point of service to the headworks. However, it was laid in the ability to branch out and take care of other services as needed to be replaced. Mr. Panetta stated that he did not realize this. There is a plan to replace the remaining lines as failure occurs. Mr. Panetta questioned the time frame because temporary sump pump hoses are running over to the old clarifier. Mr. Plack stated that he does not have a time frame at this point. Mr. Calaman stated that there is \$200,000 in the budget during 2023/2024. Mr. Panetta questioned if there is an alarming function. Mr. Plack stated that these pumps are not running when Inframark is not there.

- Mr. Webb stated that he assumes that Inframark has now gone over 500 days with no injuries at the plant. Mr. Plack confirmed.
- Mr. Nichols questioned the pump schedule and the rehab for pump station two and eight and if the schedule is on target. Mr. Plack stated that it is complete. The rotating assembly was replaced in pump two and there is still some valve work.

6. Receive the Presidents Report

President Lee mentioned that for most of the day the Board worked with the city and council members, the county, and the state on a drill for disaster recovery. President Lee stated that it was excellent and feels that everyone else felt the same way. Mayor Becker stated that Lewes is the only city in Sussex County that has done this. Mayor Becker stated that it would be done again, maybe three years, and there will be an after-action report that will recognize things that were discussed. President Lee stated that the drill gave the BPW several ideas as well.

7. Receive the General Managers Report

Mr. Calaman presented the manager's report:

- Headed towards the May timeframe and on the construction side, things are not slowing down.
- New road construction continuing. The permanent is being put in from the part to the intermediate drill pit and the temporary from across the bridge and going back underground into the existing drill that was done earlier this year. This is electric, water, and sewer.
- Pilottown Road continues. Tie-ins at New Road and at Ocean View are scheduled to finish up this week into next week. The goal is to finish from Ship Carpenters to New Road by the middle of May. By July New Road up to Lewes Dairy will be finished. President Lee questioned how the work can be done in July. Mr. Calaman stated it was at Dolot's discretion to go with the city's discretion. Ms. Townshend stated on Mondays work cannot be started until noon. Typically, what will happen is that the work will be done three days: Tuesday, Wednesday, and Thursday. Ms. Townsend stated that because

it is behind New Road, the city is not as concerned with incoming traffic as it is mostly local traffic. President Lee stated that he thought was DelDot's responsibility and did not know this could be done. Why was it not done before? Ms. Townshend stated because it is out of the well-travelled area. Mr. Calaman stated that there is fatigue in there because this project is going on for three years. President Lee questioned if the BPW the work would continue in the fall. Mr. Calaman stated that the plan is to finish it and be done by mid-July. Teal is confident that it will work out that way.

- Donovan's Road project is extending sewer from Dutchman's Harvest and senior living center across to Atlantic Drive. There will be directional drill underneath Savannah Road and all the way down Donovan's Road to the manhole at Savannah Place. Water and sewer will be available if Donovan Smith moves forward. This will also provide service to the few houses along there, including Mr. Ritter. This project will start in the next two weeks, April 4th. Mr. Owen questioned what happens if Donovan Smith does not move forward and is it necessary to do all this. Mr. Calaman stated that this project is going forward because it was about who was going first: Dutchman's Harvest or Donovan Smith. There will be communications sent out to the residents. President Lee suggested mentioning the unusual work conditions there. Mr. Calaman stated that this is a tight area to work in and it is one in, one out. The awarded contract went to Mumford and Miller and proposed to work a small section of the project on a 24-hour schedule. It will be three eight-hour shifts working continuously for a week. Mumford and Miller feel that they can get 560 feet of piping in a week with this rotating schedule. The BPW is aware this is a disruption and is getting ahead of it. Notices will be delivered to those affected and there will be a 24-hour flagger all the time. There will be a GMB inspector out there the entirety of the time and will facilitate complaints. The projects estimated completion date was July 19th but if this 24-hour schedule is done in timely manner, it reduces the completion time to the first week in June. Mr. Calaman stated that the BPW and GMB is trying to get a head of this because the whole will be impacted, as there is one way in and one way out. Mr. Webb stated that the BPW needs to have trucks and lights there because people will not be expecting something like this. Mr. Calaman reiterated that this expedited schedule could save a month to six weeks. There will be a manhole set right at Atlantic Drive and there is a duck bank the Atlantic Drive side of Savannah Road, all the way down. Because of where the manhole will be placed in the intersection, it has been submitted to have a detour and shut down Atlantic Drive for three weeks. It looks as if the only option to use is Devries, but it was mentioned that this would be a terrible option as it is not meant for that kind of traffic. Also, a lot of people park on the side of the road and school traffic needs to be figured in.
- Mayor Becker referred to the Pilottown Road project from New Road out to the Dairy. Mayor Becker suggested sending a letter to the residents along the stretch because it may quell some complaints or inquiries. Mr. Webb questioned if there would be any construction there. Mayor Becker stated that there is residential.
- Mr. Calaman and Mr. Panetta continue to work with Sargent Lundy and Scott Lynch, DEMEC. In the process of going through the bids, it was decided to narrow down the scope of the project. BPW has now gone back to the vendors with narrowed scope and requested response. There was a little pushback but should have response within a month. President Lee questioned how many vendors are still participating. Mr. Calaman stated that it is the same amount. Mr. Panetta stated that there were 16 options and no apples-to-apples comparison. It was decided to narrow down to two options, 10 megawatt and 20-megawatt four-hour battery and requests everyone's best and final. Mr. Panetta stated that Scott Lynch and Sargent Lundy have been fantastic in the evaluation. Mr. Calaman is hopeful that there will be more to present at the next meeting.

- AccuTrench and Harry Caswell finished all the work on the 16 homes moving up Savannah Road. BPW has to take all the costs attributed to that project and bring everything together for a final cost for the homeowner plus an estimate for the plumbing because each home is different.
- Mr. Calaman and Mr. Panetta attended the planning and zoning meeting for Mitchell's Corner. There will be a decision made tomorrow night at five. Public comment is over, so this would be the recommendation to take it to County Council.
- Mr. Calaman met with Bruce Chandler, Ms. Townshend, and Mayor Becker to discuss Creekside Drive. This is a small community off New Road. There are more individuals along New Road that are interested in services now that they are available. With a community like this, a NOI will need to be done for the project. Mayor Becker stated that there are 12 homes in this HOA. There are three separate HOAs out there and Creekside is the middle street.
- Mr. Calaman stated that the tabletop discussion was good. Mr. Webb questioned if any help was needed for the mutual aid agreements. Mr. Calaman stated that the mutual aid agreement with Sussex County is still being worked on and he will be speaking with DEMEC about encompassing. The only issue Mr. Calaman sees is that Lewes is a coastal town and would be hit the hardest by a hurricane. Mr. Calaman will review what BPW has existing and fill in the gaps.

Mr. Gritton presented on IT:

- Mr. Calaman stated President Biden made comments to tighten up cyber security. President Lee questioned if the BPW was still good with security. Mr. Gritton replied that the BPW is still solid.
- Gas Boy project is complete, and the pump kiosks are replaced. Mr. Gritton is issuing the last of the tags. This is the fuel system that monitors all of the usage at Schley Avenue. The system that it replaced was very old. Mr. Gritton finished the admin training for this software and will be retraining other individuals.
- Wastewater Treatment Plant network upgrade project: Materials were ordered, and the majority of the materials have been received. This will be a minor impedance on the office at the treatment plant and he will coordinate with Rich. This will take two to three days depending on manpower.
- Referred to comments made by Biden and the governors regarding cyber security. Mr. Gritton stated that IT is doing regular patching and monitoring. BPW has outsourced IT firms that also monitor traffic. In addition to the normal processing, Mr. Gritton has shortened the amount of password interval. Mr. Gritton is manually updating those passwords outside of the regular automated scope. Instead of every three months, passwords are changed every month now. There is an uptick in traffic and is almost all exclusively robots. In the last two weeks, there was 237 hits which is about 100 more than usual. These are normal and are servers that are constantly reaching out and hitting servers to see which one is weak. The BPW firewall deflects this and after so many hits the firewall learns the IP address and blacklists it.
- Looking at human resources and to implement a password vault at a minor cost. This would take employees passwords that they tend to remember and change it to a completely random generated password. Mr. Gritton is in the process of researching different credible sources and working on a plan to roll out. In the IT world, human interaction is the most difficult part to change and ultimately human is the weakest link. Mr. Webb questioned if ideas were being shared with the city, to and from. Mr. Gritton stated that he has not but is open to bouncing ideas off one another. Mayor Becker agreed that it would be helpful.

Mr. Webb stated that he had three comments. The first was that he noticed a low wire and contacted Mr. Calaman. It ended up not being the BPW's wire, but the lower Verizon wire. Mr. Webb notified Mr. Calaman that a manhole cover on Pilottown Road needed to be fixed. This will be addressed when the final paving is done. Third there was a water leak on Devries and was repaired in an hour or two.

President Lee stated that he had lunch with Jeff Bross, the chairman of WIAC and he has agreed to bring in his top people in to come in to go over all BPW projects and see how they can fund the. He had mentioned the initial planning work for the water tower or coupons from water main on the beach side. These could be potentially covered with planning money.

President Lee stated that a letter will be going out to every BPW customer tomorrow about a potential future coordination with the county and there will be a meeting March 31st at six p.m. at the Rollins Center.

NEW BUSINESS

8. Update on ARPA funds. INFORMATION/DISCUSSION/ACTION (A. Calaman and D. Preston Lee P.E.)

President Lee stated that the BPW has sent the city a nice letter asking for a million and a quarter dollars for improvements on the wastewater systems. Mayor Becker stated that it will be discussed on Monday night. President Lee stated that the money could use on really important infrastructure projects that ARPA money was intended for.

9. Open forum/general discussion on our semi-annual household hazardous waste, electronics and drug take back day- April 30 from 10am-2pm. INFORMATION/DISCUSSION/ACTION (A. Calaman)

Mr. Calaman stated that a mailing will be going out and the BPW has already coordinated with the police department. It will be held April 30th from 10 am to 2 pm. Bring all waste, except for latex based paint. Usually most of the Board members are there, as well as the BPW staff and police department. The mayor also usually stops by. President Lee stated that he may not make it this year as he is going to have his knee worked on at the beginning of April but will see how it works out.

10. Open forum/general discussion of strategic planning goals and objectives. INFORMATION/DISCUSSION/ACTION (A. Calaman)

President Lee requested a review of last year's goals and objectives and where the BPW stands. Mr. Calaman stated that this is what has been accomplished to date this year. On the electric side, BPW has one feed coming into town and there are increasing power supply costs. BPW is looking at different ways to decrease these costs. The battery storage project is one of those ways. It does not provide 100% redundancy, but it does provide redundancy to an isolated circuit. This can be coupled with solar that will help reduce transmission and capacity charges. Smart meters give a better look at consumption and could tell the BPW when those peaks are and would impact everyone overall. Mr. Calaman stated that Mr. Panetta, Mr. Webb, Mr. Davis, and Ms. Bellere are scheduled to visit Seaford to review their implemented project. Seaford has used the system 12-24 months and the BPW will like to see what they like, do not like, and what they would do differently. Mr. Calaman stated that the BPW had moved forward with the billing system knowing that sometime in the future this would come. BPW selected a billing system that serves the Co-op Choptank, and utilities across the country. It is well versed in smart meters and complex rate structures. This all falls in line with the study done by Sargent and Lundy.

For water and sewer, the BPW went for the extension of the planning grant for the water side to coupon most of the older pipes. A coupon is basically taking a little piece of a pipe so that the interior quality can be seen. Is there degradation in the thickness of the pipe, is there a lot of rusty material, etc. In the water department, there is a huge map and when someone calls in with dirty water, it is marked with an 'x'. GMB is coordinating the planning grant, which is a 50/50 matching planning grant. Half from the state and half from BPW. Mr. Calaman stated that the BPW was fortunate to have work like Big Oyster where it tied into one of the water lines on King's Highway and was able to get a sample from that pipe and led to moving that project up. Once the BPW gets Cedar's sample, that may change. This falls directly in line with the iron pipe aspect of the strategic plan. For the sewer, GHD is taking a look at all the pump stations. Through conversations today it seems that the BPW will be moving into an aggressive capital budget when it comes to the pump stations. BPW is finishing up the Pilottown Road project which eliminated iron pipe and was replaced with pvc. Hopefully this project will be finished in the middle of July. Mr. Calaman stated the BPW is increasing the public awareness of "flushable" wipes and is pushing forward with the No Wipes in the Pipes campaign. Mayor Becker had shared a photo of a mechanism that could be utilized more specifically towards a medical facility. Now that COVID is coming more to a halt, the BPW may be able to get into a lot more facilities and do more key account discussions. BPW is also looking to discuss with other towns, municipalities, and the county and not only in Sussex County. Just doing a google search shows the impact of 'Flushable' wipes has on everybody. President Lee stated that on the website for the gadget Mayor Becker shared showed a video about medical facilities. Evidently medical facilities have a wipes problem and the BPW should look carefully at the hospital here. President Lee stated that Mr. Calaman has tried a couple of times, but it is worth continuing to pursue this topic. Mayor Becker stated that he could help making a connection. President Lee stated that he had mentioned it to Dr. Tam. Mayor Becker stated that Beebe has been focused on the 24 campus.

Mr. Calaman stated regarding the sea-level rise discussion, the Board has decided to talk with GHD on having a long-term plan for the wastewater treatment plant. That scope is being ironed out for a proposal. There is also a joint meeting with the city and the BPW on Monday. One of the items on the agenda is a storm water study of Lewes Beach. Most likely this will play into the overall Cedar project, a water and sewer project. This will be a massive project that will involve the BPW and the city. With a project like this, early coordination is important.

Mr. Calaman stated that with engagement and transparency, the BPW worked towards having a finance and mitigation committee. The mitigation committee will focus on BPW utilities but can coordinate with the city's mitigation committee. The finance committee will include members of the board, Ms. Bellere, Mr. Calaman, and those chosen. The finance committee will be looking at fees and different structures. Mr. Webb stated that there are three people that have been considered and approved but needs a CV from one that is not as well known. Mr. Calaman stated that the BPW social media was non-existent, and Ms. Sexton has now implemented Facebook. The BPW website has been upgraded for more usability. The BPW is trying to coordinate sharing meeting dates with the city on both sets of calendars on the website. The turnout for tonight's meeting was minimal. Mr. Calaman stated that it was discussed semi-annual meetings with key accounts, bigger customers. Mr. Calaman and President Lee met with Dr. Tan during the pandemic and the plan is to meet with the hospital, Harbor Health, Senior Living, and SBI to find any changes in demand. This plays a role ultimately in the BPW rates. Mr. Calaman stated that it has been discussed to have HOA board meetings as the climate of the pandemic lessens and the BPW being able to get out there more.

For the administrative side, Mr. Calaman stated that the website was updated and continue to add anything that may be beneficial to customers. If there is feedback, please submit it to the BPW. The environmental stewardship falls under the GIS, and this is in preparation for MS4. Mr. Gritton has taken the lead on GIS and has assistance from staff when needed. Anytime the BPW opens the ground, Mr. Gritton checks to make sure what is on paper matches what is in the ground.

President Lee stated that he believes that the BPW has done well and should think about updating the goals for the upcoming year.

Mayor Becker offered a list of HOA presidents.

Mr. Webb questioned if Mr. Panetta would like to team up and put together the goals and objectives. Mr. Panetta questioned when it needs to be done by. Mr. Calaman stated that it should be done by next board meeting. President Lee stated that he and Mr. Kennedy went back to the original strategic plan documentation. Mr. Panetta agreed and that it would have to be the second or third week of April.

OLD BUSINESS

11. Open forum/general discussion for the approval of proposed 2022- 2023 operations and maintenance budget. INFORMATION/DISCUSSION/ACTION (K. Bellere and A. Calaman)

President Lee stated that this is the second time this has been discussed. Mr. Calaman stated that items eleven, twelve, and thirteen will tie together because everything is based off the rates. Mr. Calaman stated that they were sensitive to the rates and rate schedule received the rate schedules later than they thought. The updated rate schedules are posted on the website for all five years. There will be a dedicated meeting to approve all three items, budgets and rate increases, through a resolution and have them be retroactive for April 1st. President Lee stated that really this has been exposed for two months and if there are questions the Board would respond but doesn't think that much time is needed to review again.

Mr. Calaman stated that on the operations side, the stormwater rate needed to be adjusted to 20% and has been updated. Ms. Bellere stated that she reduced growth, citing supply chain issues. There was a strong year with commercial, but Ms. Bellere is unsure that this growth will be seen with inflation the way it is. The hospital is the BPW's biggest commercial, and it is uncertain if there will be an increase usage, or any COVID breakouts. Mayor Becker stated that the hospital usage may actually drop with the opening of the campus on 24. Mr. Calaman stated that with budgets, historical averages are used but that does not play well with the pandemic. The hospital capacity was at 192 and usually lesser than that. This past year the hospital was on the high side and could potentially drop off significantly. Ms. Bellere stated that the only expense that was different was the purchase power was reduced since the growth was reduced. For wastewater, repairs and maintenance was increased because clean Delaware is now charging a fuel surcharge on pump and haul. The 20% increase on stormwater, increased revenue by \$38,000. Mr. Panetta stated that the risk potential is the downside of the hospital, but the upside is that the assisted living facility will be coming online and that is a very large facility. President Lee questioned when the assisted living is due to open. Mayor Becker stated that it is due to open in September. President Lee asked if there were any questions from the public and stated that there are notes available in the minutes from the previous meeting. President Lee stated that the idea is that the Board is going to go through the capital budget, O&M budget, and the rates and leave it open for comment between now and April 6th. Mayor Becker questioned what time the meeting will be held. President Lee stated that it would be 2:00 pm and additional comments will not be taken at this meeting. The record will be left open until April 4th at 4:00pm.

12. Open forum/general discussion for approval of the 2022/2023- 2026/2027 capital budget. INFORMATION/DISCUSSION/ACTION (A. Calaman)

Mr. Calaman stated that the only thing that changed on this budget is that the lift station upgrade piece was extended and the \$500,000 every year for the five years will be well utilized. Mr. Calaman stated

that he receives comments from Inframark, not in enough detail necessarily, but he implemented it as best as he could. Items like the control systems, RAS valve repair and building upgrades were added.

Mr. Webb questioned the red in the reserve policy. Ms. Bellere stated what is trying to be cover 25% of budgeted expenses for this coming fiscal year, 2023, and cover 2% of historic assets. The current year capital improvement plan and then all five years. So, for the first year it is 30% of that plan. Ms. Bellere took out the proposed borrowing which it is known the more will need to be borrowed but those projects have not been selected. 100% of customer deposits and self-insured, pollution, flooding, and deductibles. This comes out to 13.8 million and right now the cash reserve is at 10.2 million. One million was transferred last month to cover expenses but now operations are looking good so money may be transferred back in. So, the red is saying that three million is needed to cover this plan. Mr. Calaman stated that this is the Board's trigger to become agile through borrowing, rate increases, etc. President Lee questioned if the long-range rate adjustments would cover this. Mr. Calaman confirmed. President Lee stated that this is the Board's goal and adjustments should get us to that goal. Ms. Bellere stated that with Ms. Lund's presentation, the cash columns are what she was trying to get the BPW to. Mr. Webb questioned at what month will that catch up and become positive. Ms. Bellere stated that it would probably be years. Mr. Calaman stated that it needs to be remembered that the capital budget is 40 million dollars. If the state has 15 million and the city has one million, that just lowers it down. President Lee stated that the Board was aggressive with the budget in the hopes that money would be coming from the federal government. Ms. Bellere stated that it is not realistic that all of the capital budget will be done in five years. Mayor Becker stated that there is also the build back better money. President Lee stated that he believes that is all loans. Mr. Calaman stated that there is some principal forgiveness. President Lee stated that it was Jeff Bross's understanding that it was all loans. Mr. Owen question factors for coming up with a five-year plan for a one year's worse requirement. Mr. Calaman referred to taking the current year and then taking the five-year that is taking into account the current year that was just took into account previously. Ms. Bellere checked into this. Mr. Owen questioned why it would be done this way. Ms. Bellere stated that this coming year is the most accurate numbers and as time goes on it is more of a placeholder. Mr. Owen questioned if that skews this year. Ms. Bellere stated that it is 30% instead of 15%. Mr. Owen questioned if that makes sense. Mr. Calaman stated that at the end of the day, there needs to be more cash in the reserves. Mr. Owen questioned why not just use 15% for each year. Ms. Bellere stated that it was set up that way because this is the most accurate numbers and better percentage of these numbers is desired as opposed to the next four years that are going change more. Mr. Owen questioned that the number shown in updated budget is 30%. Ms. Bellere stated it was 15% and another 15%. Mr. Owen stated that it is a double dip, and the negative situation needs to factor that it is 30% instead of 15%. Ms. Bellere confirmed and stated that it is almost two million dollars. Mr. Webb suggested that the plans get approved and look at the reserve policy in May and approve it. Mr. Webb stated that the Board needs to figure out what exactly what it is that they want to do. President Lee stated that if the money doesn't come from the feds, then projects can be pushed back to where they would be. Mr. Webb would be okay approving that if it is put in writing. Mr. Owen agreed. Mr. Webb stated that there are options, and the Board needs to look at what is best for the BPW customers and what is best for BPW safety and welfare. Mr. Webb stated that Board needs to be in agreement on how to get there. No motion is needed today, but when approving the cash reserve policy in May.

Mr. O'Donnell offered clarity on what is available from the state. The build back better social program is beyond the bipartisan infrastructure law. With the bipartisan infrastructure law there is going to be 130 million dollars available from the state on top of what they already offer through the SRF program. Of the 130 million dollars nearly 50% of it has to be used with grants. Mr. Calaman questioned if this pushes towards drinking water more than it does clean water. Mr. O'Donnell stated that it does, it is 90 million for drinking water and 40 million for sewer. President Lee questioned if the grant portion go for the water planning the way it does now. Mr. O'Donnell stated that there is a separate program called the Planning Grant Program where you could get sewer planning grants or water planning grants. It is a 50/50

matching grant and not too many people go after it. Mr. O'Donnell and Mr. Calaman have been discussing several projects for this, such as water main crossing of the bridge. The planning and design work would be paid 50% by the state. Mr. Webb questioned if the water tower would fit in as well. Mr. O'Donnell stated that it would and even Creekside Drive would. Mr. O'Donnell stated that the Board should be aware that there is 140 million dollars coming through the BIL through the SRF program dedicated to lead pipe replacement and these projects are not in the budget. This are 100% grants. A plan needs to be put together how to address and apply for some of that money. There is also 40 million dollars for emerging containments like PFOS at 100% grant. This could be used on the sewer or water side. There is a lot of money out there, 315 million dollars over the next five years. Mr. O'Donnell stated that no one is clear yet on the build back better yet. Mr. Calaman stated that the governor allocated no money from ARPA towards water and wastewater. Mr. Panetta stated that the build back better has been so stripped back and still does look as it will get passed. Mr. Webb questioned if most of the lead is between us and the customer and if it is mostly on the customer side. Mr. O'Donnell stated that GMB has records of every street they have done and keeps track of the houses served. Mr. Calaman stated on Pilottown Road, there has been one led service. President Lee questions what is done when this is found. Mr. Calaman stated that the homeowners are notified. Mr. O'Donnell stated that the BPW replaces it with plastic all the way up to meter. Mr. Calaman stated that lead and copper rules are becoming very strict, where basically an inventory is needed of utility connections and customer connections. President Lee stated that if houses are identified as being built before 1958, they would be the most likely suspects. Mr. O'Donnell stated that in Lewes so many get renovated that the service piping is addressed then.

Mayor Becker stated that dredging of the canal was discussed a few meetings ago, but it may want to be considered to get a planning grant for replacing the line under the canal. President Lee stated that it has to be done anyway because of the leak and is in the budget. Mr. O'Donnell stated that GMB needs to incorporate the depth of dredging into the design. Mayor Becker stated that he does not know the depth that it will go to, but it was mentioned to him that it is moving ahead. Mr. O'Donnell would like a contact person to work with. Mr. O'Donnell stated that a planning grant for this project is being submitted in the next few days. Mr. Calaman stated that there are two pipes that are within ten years of each other, and the question is where to put the line, what size of line, or put two lines at the same time. President Lee stated that all that planning is 50/50. Mr. Webb questioned when the dredging would happen. Mayor Becker stated that it may happen next fall, 2023.

13. Open forum/general discussion for the approval of rate adjustments. INFORMATION/DISCUSSION/ACTION (K. Bellere and A. Calaman)

Mr. Calaman stated that nothing has changed. UFS and Dawn Lund provided documentation that go into detail what the rate increases look like and what the impact will be. Mr. Calaman noted the PCA (power cost adjustment). This is what the BPW is buying power at and what the BPW is selling power at. There was an increase on the DEMEC side and was passed down to the BPW. Ms. Lund is looking at this since it has not been done in a while. On the industrial side, the BPW is moving from a rate that was calculated every month to a rate that will be fixed and PCA will be incorporated.

The rates are revenue based. Some are 2% and some are 2.9%. Mr. Calaman stated that all four rate structures are available online. President Lee stated that it is basically what was discussed at the last meeting. Ms. Lund made a statement in past that because in a volatile market she encourages the Board to stay in touch as things change and have a rate design in two or three years. These rates are adopted for five years but can always be trumped by another resolution. Mr. Owen questioned what the total adjustment is. Mr. Panetta clarified that on the industrial side that the rate structure does not have PCA included. Mr. Calaman stated that because the BPW is going with a fixed rate, Ms. Lund reviewed historically averages. There are three rate classes: commercial, industrial, residential. All three have set rates with demand in there and there would be an added PCA. Mr. Panetta stated that the rates could not

be approved as they are now because the industrial will put the BPW at risk. President Lee questioned when it would be available. Mr. Calaman stated the PCA piece is unknown. Ms. Lund is discussing this now but said that the Board could move forward with this because the PCA piece itself is only referring to the volatility and only industrial. Mr. Calaman stated that all the rate increases can be approved and state that the industrial will be kept as is until the PCA is complete. Then the PCA would be updated separately at a future date. Mayor Becker questioned if the Board had thought about extending this to residential properties. In cities people seem to be happy receiving a flat bill each month and adjust at the end of the year. Mr. Panetta stated that this is actually billing. Mayor Becker stated that it may be worth discussing for those on fixed incomes. President Lee questioned if this should be available for everybody. Mayor Becker stated that in Washington D.C. it is available for everybody. Mr. Calaman stated that the BPW offers budget billing. Mayor Becker stated that it is not well known. Mr. Gritton stated that less and less people are utilizing it. President would like to make sure it is on the website.

14. Open forum/general discussion of the mitigation committee selection.
INFORMATION/DISCUSSION/ACTION (A. Calaman)

President Lee stated that the Board is holding off on this item for this meeting.

15. Open forum/ general discussion for approval of the outside the city sewer only rate, i.e., Oyster Cove.
INFORMATION/DISCUSSION/ACTION (A. Calaman)

Mr. Calaman used Oyster Cove as an example. There can be other areas that come online for sewer, but water is not available or served by another CPCN holder. The BPW does not currently have a rate for sewer only because the BPW bills off water consumption. The county bills a fixed rate, which has no consumption at all. The question is does the BPW charge a outside city ready to serve charge and an average bill, 4,000 gallons. This would be a flat rate. Mr. Panetta questioned if 5/8" meter is the correct size. Mr. Calaman stated for this circumstance it is. Mr. Panetta stated that for new homes it is probably more like a 1" meter. Mr. Calaman stated that in Tower Hill is putting in 5/8" pits. President Lee stated that there may be someone that is really an unusual water user and there is no limit to how much can be used. Mr. Calaman stated that it could go both ways. Mr. Panetta stated that the other option is to put a meter on the well. Mr. Calaman stated that they are metered by Tidewater but Tidewater bills quarterly. President Lee stated that the BPW could bill quarterly. Mr. Calaman questioned how it would be done. President Lee stated that the BPW could get Tidewater bills. Mr. Calaman questioned if the BPW would bill the ready to serve for three months and the usage and this would be the exact same thing. Administratively, the BPW would have to have them provide the bill. What would happen if they do not provide the bill? President Lee questioned if Tidewater would cooperate with the BPW. Mr. Calaman is unsure if Tidewater would provide customer information. President Lee stated that it would require the homeowner to request it from Tidewater. President Lee questioned if the BPW has any customers that the bill is sent to two places. Mr. Calaman stated that yes, it is done. Mr. Panetta stated that this is only 28 units and creating the administrative burden doesn't seem that bad but if it becomes a bigger issue then maybe. Mr. Calaman gave an example of the Orchard and Ritter Lane. This is the exact same situation. President Lee questioned how much trouble it is to get 28 bills from Tidewater. Mr. Calaman stated that it is 28 bills that may not be the same month. Mr. Webb stated that it is going to continue to grow. President Lee questioned how much trouble it will be to enter this. Mr. Calaman stated that the employees will not be happy. Mr. Owen suggested using the average until a better solution. Mr. Webb agrees but would like to reach out to Tidewater to see if this information can be sent electronically. Mr. Calaman stated that this is strictly residential. Ms. Bellere suggested using the whole usage for the whole year. Mr. Webb stated that could be done and figured out if it is worth changing the process.

ACTION: *Mr. Owen motioned that an outside the city residential sewer only customer would be billed at an outside the city ready to serve charge and an average water consumption of 4,000 gallons a month. Mr. Webb seconded the motion, which passed unanimously.*

16. CALL TO THE PUBLIC:

None

17. CALL TO THE PRESS

None

18. EXECUTIVE SESSION

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

Adjourned to executive session at 5:55pm.

19. RETURN TO OPEN SESSION

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

None

21. ADJOURNMENT

President Lee adjourned the meeting.

Respectfully Submitted
Sharon Sexton
Executive Assistant