



Electric, Water, and Sewer Utility

THE BOARD OF PUBLIC WORKS OF THE CITY OF LEWES:

POLICIES

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[INSERT RESOLUTION]

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1. Definitions

This Section defines words, terms, and phrases as used in this document. Words not defined in this Section are given their commonly understood meaning or dictionary definition.

- (1) “AIC” is an abbreviation for ampere interrupting capacity, which means the maximum fault current (in amps) that an overcurrent protection device (circuit breaker, fuse, etc.) will safely clear when a fault is applied at the load side of the overcurrent protection device.
- (2) “Annual Election” means the yearly process of voters selecting successors to the Board of Directors of the Board of Public Works of the City of Lewes, as described under Section 2 of the Charter for the Board of Public Works of the City of Lewes.
- (3) “Assistant General Manager” means the Assistant General Manager of the Board of Public Works of the City of Lewes.
- (4) “Board” means the Board of Directors of the Board of Public Works of the City of Lewes.
- (5) “City” means the City of Lewes, Sussex County, Delaware.
- (6) “Development Agreement” means a written agreement between the Board of Public Works of the City of Lewes and the person or entity representing a proposed or existing development.
- (7) “EDU” is an abbreviation for Equivalent Development Unit, which means the unit of measure by which the impact fee shall be imposed on each improved property.
- (8) “Electric Service Drop Lines” mean electrical lines that run from an overhead pole to a customer’s building, home, or other premises.
- (9) “Extension Costs” mean the actual costs of construction for any extension of utility services, as well as any costs related to project management, engineering, inspection, legal services, compensation for easements, and any combination thereof.
- (10) “General Manager” means the General Manager of the Board of Public Works of the City of Lewes.
- (11) “Impact fee” means a charge, at the rate determined by the Board of Public Works of the City of Lewes, for the expansion and upgrade of services to support the additional building structure or demand.
- (12) “Lewes BPW” means the Board of Public Works of the City of Lewes.

- (13) “Lewes BPW Charter” means the Charter for the Board of Public Works of the City of Lewes.
- (14) “Lewes BPW Improvements” mean the necessary infrastructure to provide a proposed or existing development with electric, water, sewer, and stormwater utility services, or any combination thereof.
- (15) “Lewes BPW Service Area” means the corporate limits of the City of Lewes, the territory beyond such limits authorized by the Charter for the Board of Public Works of the City of Lewes, and any franchised area.
- (16) “Money Purchase Plan” means the employee retirement plan established by the Board of Public Works of the City of Lewes.
- (17) “President” means the President of the Board of Directors of the Board of Public Works of the City of Lewes.
- (18) “PPCA” is an abbreviation for Purchase Power Cost Adjustment, which is used to reconcile over or under collections of power supply costs.

2. Board Elections

2.1 Voter Registration

The Lewes BPW is authorized per the Lewes BPW Charter to be open during normal business hours on the [second Saturday of April] for the purpose of permitting persons to register to vote in the Annual Election. The Board will provide notice to the public of the pertinent information regarding voter registration, such as the date(s), time(s), and location.

(Lewes BPW Charter § 2.7.9; Board Resolution No. 22-)

3. Financial Policies

3.1 Capitalization Threshold

~~Expenditures that meet the definition of capital~~Capital good expenditures equal to or in excess of five thousand dollars (\$5,000.00 ~~shall~~) must be capitalized for the ~~purposed~~purpose of financial reporting.

(Board Resolution No. 05-001; Board Resolution No. 22-)

3.2 Purchase Authorization

No employee or ~~Board~~-member ~~shall~~of the Board may charge personal expenditures to any Board account with the exception of items to be reimbursed to the Board under the Travel Policy: (as defined in the Employee Handbook). Purchases in excess of ~~\$2,500~~two thousand five hundred

dollars (\$2,500.00) are to be authorized before the fact by means of properly approved purchase orders.

Authorization:

~~Department Heads~~—The heads of each department are authorized to purchase materials and supplies chargeable to their operation up to ~~\$2,500.~~ two thousand five hundred dollars (\$2,500.00). Purchases in excess of this amount are to be requisitioned to the next higher authority.

~~The~~ Assistant General Manager— is authorized to execute purchase orders up to ~~\$2,500.~~ two thousand five hundred dollars (\$2,500.00). It is understood that in the event of the General Manager's absence due to vacation, disability, etc., he/she ~~shall~~ will have the same authority as the General Manager.

~~The~~ General Manager— is authorized to execute purchase orders ~~up,~~ provided that the materials, supplies, or services are in the current adopted budget, up to the limits established by the State of Delaware, Office of Management and Budget, Purchasing and Contracting Advisory Council thresholds for Public Works ~~provided that the materials, supplies or services are in the current adopted budget.~~

The General Manager may approve change orders to contracts in force so long as the amount(s) does ~~(do)~~ not exceed ten percent (10%) of the original contract amount. The General Manager's authorization limit is extended for specific purchases upon prior approval of the Board.

~~The~~ Board ~~of Public Works~~ has unlimited purchasing authority. Board approval of purchases is delegated to the General Manager for execution of the order. ~~Board Procurement Cards— Authorization limits are as set in section 3 above.~~

The General Manager ~~shall~~ may utilize both internal management controls and management reports designed to ensure the purchasing cards are being used in accordance with ~~Board~~ this policy ~~established within this resolution.~~

(Board Resolution No. 06-001; Board Resolution No. 22-)

3.3 Budget Change for Operating Funds

Transfers of appropriations within a given enterprise fund, (i.e., electric, water, sewer, and stormwater,) can be approved by the General Manager without the approval of the Board. Such changes ~~shall~~ must be reported to the Board at the next regularly scheduled Board meeting. Transfers of appropriations between funds, not solely within an enterprise fund, can only be made by an official resolution of the Board.

(Board Resolution No. 06-002; Board Resolution No. 22-)

3.4 Disposal of Surplus Equipment, Materials, and Supplies

The General Manager ~~shall~~ will have the authority to dispose of any single surplus item whose value at the time of disposal is reasonably estimated to be ~~\$5,000~~ five thousand dollars (\$5,000.00) or less. The General Manager ~~shall make a~~ must report to the Board ~~of Public Works at a regular meeting of the Board following~~ such action at the next regularly scheduled Board meeting.

In determining the disposal method, the interests of the ~~Board of Public Works shall~~ Lewes BPW will take precedence. These methods may include, ~~but are not limited to~~ tag sales and silent auctions. The General Manager may dispose of an item as refuse.

The sale of any single surplus item that is reasonably estimated to be greater than ~~\$5,000~~ five thousand dollars (\$5,000.00) at the time of disposal ~~shall~~ must be approved by the ~~Board of Public Works~~. Such surplus ~~shall~~ must be disposed of only by quotation, auction (in person or via internet), or other method as approved by the Board. ~~Internet auctions such as eBay are acceptable.~~

All surplus ~~shall~~ items must be sold "as is, where is", without any warranty. Proceeds from the sale of surplus ~~shall~~ will be credited to the originating department.

(Board Resolution No. 06-003; Board Resolution No. 22-)

3.5 Money Purchase Plan

~~The Employer hereby establishes or has established a money purchase retirement plan (the "Plan") in the form of the ICMA Retirement Corporation Governmental Money Purchase Plan & Trust, pursuant to the specific provisions of the Adoption Agreement (executed copy attached hereto). A Money Purchase Plan will be established by the Board. The plan shall~~ Money Purchase Plan will be maintained for the exclusive benefit of eligible employees and their beneficiaries; ~~and The employer hereby executes the Declaration of Trust of Vantage Trust, and attached hereto as Appendix B, intending this execution to be operative with respect to any retirement or deferred compensation plan subsequently established by the employer, if the assets of the plan are to be invested in the Vantage Trust.~~

~~The Employer hereby agrees to serve as trustee under the Plan and to invest funds held under the Plan in the Vantage Trust; and The Assistant~~ General Manager ~~shall~~ will be the coordinator for the Money Purchase Plan; ~~shall~~ will receive reports, notices, etc., ~~from the ICMA Retirement Corporation or the Vantage Trust; shall; will~~ cast, on behalf of the Employer Lewes BPW, any required votes ~~under the Vantage Trust~~; may delegate any administrative duties relating to the Money Purchase Plan to appropriate departments; ~~and The Employer or persons within the Lewes BPW; and the Lewes BPW hereby authorizes Assistant the~~ General Manager to execute all necessary agreements ~~with the ICMA Retirement Corporation~~ incidental to the administration of the Money Purchase Plan.

(Board Resolution No. 08-002; Board Resolution No. 22-)

3.6 Donations

Monetary contributions made by the Board ~~shall~~ will be limited to one annual contribution to the Lewes Volunteer Fire Department in an amount to be established by the ~~majority of the members present at a scheduled Board Meeting~~ Board. The Lewes BPW may require a Form 990 from the most recent tax filing prior to making said donation.

(Board Resolution No. 09-002; Board Resolution No. 22-)

3.7 Investment Guidelines

The Statement of Objectives and Guidelines for the Investment of the Board of Public Works Funds is attached hereto as Exhibit A, via link.

3.8 Cash Reserves

~~Cash reserve policies and guidelines are often established by utilities to maintain appropriate cash reserves to help ensure:~~

- ~~1. Cash exists for timely payment of bills~~
- ~~2. The short term and long term financial health of the Utility~~
- ~~3. Stable rates for customers~~

~~4. Cash exists to fund unanticipated cost contingencies~~In recent years the compounded impacts of power supply cost uncertainties, a sluggish economy, volatile energy prices, and rising capital improvement costs have posed challenges to maintaining stable retail rates and reserves. It is important for utilities to maintain the financial flexibility to help smooth rate increases and stagger retail rate adjustments for customers of the utility. Minimum cash reserve guidelines proposed in this policy should be set to allow reserves to float ~~up or down~~ above the minimum guidelines. The decision to hold more money than the established minimum cash guidelines should be based on the assessments of uncertainties and other financial policies such as: ~~• The~~ the financial risk facing the utilities ~~• Rate, rate~~ setting policies ~~• Variability, variability~~ in power costs ~~• Debt, debt~~ policies ~~• Future, future~~ capital improvements needed by utility ~~• Line Extension, and line extension~~ policies.

The adequacy of the guidelines ~~shall~~will be reviewed by the ~~BPW Treasurer and General Manager~~Finance Committee each year, ~~unless otherwise determined by the Board~~, and if appropriate, revised guidelines may be recommended. ~~The efficient and discrete management of these reserves, when combined with their fortification add additional assurance that the desired levels of service reliability and quality will continue into the future.~~

To ~~help~~ ensure timely completion of capital improvements and enable the Lewes BPW to meet requirements for large, unexpected expenditures, a minimum cash reserve policy ~~shall~~will be established. Minimum cash reserves ~~attempts~~attempt to quantify the minimum amount of cash the Lewes BPW should keep in reserve, the actual cash reserves may vary substantially above the minimum and is dependent in part on the life cycle of assets currently in service.

The total of the ~~Cash Reserve Funds are~~cash reserve funds is broken down into six types, Working Capital Lag, Risk Management Reserve, Current Year Capital Improvement Program, Five Year Capital Improvement Program, Customer Deposit and Self Insurance. ~~With the exception of Customer Deposits, the five remaining funds may float up or down above minimum guideline independently of one another.~~ Customer deposits ~~shall~~must be maintained at ~~100%~~one hundred percent (100%).

If certain events occur that ~~results~~result in cash reserves falling below the minimum cash reserve levels, the Board will take action to restore the cash reserves to the minimum levels ~~over~~within the next five years through a detailed replenishment plan. These actions may consider a number of factors including:

~~1. Rate Adjustments 2. Cost~~ rate adjustments, cost reductions ~~3. Issuance,~~ issuance of bonds to fund capital improvement ~~programs~~ 4. Modification projects, and modification of the assumptions used to determine the cash reserve levels ~~The calculated minimum cash reserves are listed below and will be updated and reviewed by the Board on an annual basis.~~

(Board Resolution No. 15-004; Board Resolution No. 21-005; Board Resolution No. 22-)

3.8.1 Working Capital Lag

Timing differences exist between when expenses are incurred and revenues are received from customers. Establishing a minimum cash reserve helps ensure cash exists to pay expenses in a timely manner.

The cash reserve policy will include twenty-five percent (25%) of budgeted annual operating expenses.

(Board Resolution No. 15-004)

3.8.2 Risk Management Reserve

Catastrophic events may occur that require substantial investments to replace damaged assets. ~~Some examples of catastrophic events include ice storms, earthquakes, wind storms, floods, or tornadoes. Many of these catastrophic events may allow the utility to recover the cost of damages from FEMA; however FEMA reimbursements can take between 6 months to 2 years to recover.~~ The utility The Board should ensure adequate cash reserves exist to replace the assets in a timely fashion and to arrange short term financing options. The minimum reserve levels are often combined with emergency funding from banks or bonding agencies. The percent to the minimum cash reserves are dependent on the age of the assets in service and the level of risk of catastrophic type events. Current ~~FEMA guidelines suggest 2% of the historic costs of the utility assets.~~ Federal Emergency Management Agency guidelines should be considered when deciding the Risk Management Reserve.

The cash reserve policy will include two percent (2%) of the historical investment in assets as recorded in the financial statements.

(Board Resolution No. 15-004; Board Resolution No. 22-)

3.8.3 Capital Improvement Program

Some capital improvements are funded through bond issuances and some through cash reserves. The establishment of a minimum cash reserve level helps to ensure timely replacement or construction of assets and timely payments to contractors.

The cash reserve policy ~~shall~~will include 15% of the current year capital improvement program.

The cash reserve policy ~~shall~~will include 15% of the five-year capital improvement program.

(Board Resolution No. 15-004; Board Resolution No. 22-)

3.10 Reimbursement for Extension of Utility Service

~~There is hereby established, as hereinafter set forth, a Policy Regarding Reimbursement of Construction Costs Related to the Extension of Water and Wastewater Utility Services to Established Properties, pursuant to the lawful authority of the Lewes Board of Public Works (the "Lewes BPW").~~ The Lewes BPW, ~~in its sole discretion,~~ may choose to fund the extension of water and wastewater utility services to serve Established Properties within the Lewes BPW's Service Area, subject to reimbursement by property owners consistent with the policy described herein. Such Established Properties ~~shall include~~ are responsible for the complete costs and expenses associated with the extension of the Lewes BPW infrastructure. Here, Established Properties means any lot or parcel which has been altered from a natural state by the addition of any substantial permanent improvements, such as buildings or structures, that render the property suitable for residential or commercial use, but ~~shall~~ exclude any lot or parcel which is being subdivided or developed under the Municipal Code ~~municipal code~~ for the City of Lewes ~~and is responsible for the complete costs and expenses associated with the extension of the Lewes BPW's infrastructure.~~

The Lewes BPW Service Area, based upon engineering principles and studies, will be divided into ~~"Project Areas"~~ project areas for water and wastewater utility services as the Lewes BPW deems necessary and appropriate, ~~and as shown in Exhibit I, as may be amended.~~ The Lewes BPW, ~~in its sole discretion,~~ reserves the right to revise the organization, designation, and delineation of such areas for any reason, including, but not limited to, system requirements and engineering needs.

If the Lewes BPW chooses to extend water services, wastewater services, or both within a ~~Project Area~~ project area, each ~~Equivalent Development Unit ("EDU")~~ EDU within the subject ~~Project Area~~ project area ~~shall~~ will be responsible for its proportional share, based upon the total number of EDUs within the subject ~~Project Area~~ project area, of the costs of construction related to such extensions. ~~An EDU shall be defined as any developed property located within a Project Area. The costs of construction shall include the actual costs of construction, as well as any costs related to project management, engineering, inspection, legal services, compensation for easements, and any combination thereof (the "Extension Costs").~~

Upon connection of an EDU to the applicable Lewes BPW water utility system, wastewater utility system, or both, the Lewes BPW ~~shall~~ will assess the owner of such EDU an amount equal to the EDU's proportional share of Extension Costs, in addition to any other costs and fees associated with connecting the EDU to the Lewes BPW utility system, including, but not limited to, impact fees. Unpaid Extension Costs ~~shall~~ will be subject to the same enforcement remedies available to the Lewes BPW for unpaid utility rents, fees, rates, or assessments, including the Lewes BPW's ability to place a lien on the subject property.

Upon the completion of construction of any utility extension within a ~~Project Area~~ project area, the owner of any EDU within the ~~Project Area~~ project area ~~shall~~ must connect such EDU to the Lewes BPW water utility system, wastewater utility system, or both, as applicable, within three (3) years to avoid being assessed a carrying fee. If an EDU is not connected to the applicable utility system

within three (3) years following completion of construction of the utility system, in addition to the assessment for the EDU's proportional share of Extension Costs, such EDU ~~shall~~may be assessed a carrying fee upon connection to the Lewes BPW utility system for each year following completion of the system. The carrying fee ~~shall~~will be calculated annually based upon the EDU's proportional share of Extension Costs and is equal to the percentage annual interest rate earned on the Lewes BPW's reserve funds.

The foregoing policy ~~shall~~ only ~~apply~~applies to the extension of the Lewes BPW water and wastewater utility systems to Established Properties, within the Lewes BPW's Service Area. Owners of any lot or parcel not considered to be an Established Property herein that is located within the Lewes BPW's Service Area seeking to connect to the Lewes BPW utility systems ~~shall~~will continue to be responsible for the complete costs and expenses associated with the extension of the Lewes BPW's infrastructure necessary to provide service to such lot or parcel, as well as any costs of connection to such infrastructure.

(Board Resolution No. 18-001; Board Resolution No. 18-004; Board Resolution No. 22-)

3.11 Five Year Capital Budget

The Capital Budget represents the budget for the expenditures for major repairs, renovations, and/or capital improvements on Lewes BPW property and infrastructure.

(Board Resolution No. 22-)

4. Utilities

4.1 Electric

4.1.1 Tariff

Electric Tariff is attached hereto as Exhibit B, via link.

(Board Resolution No. 07-001; Board Resolution No. 15-002)

4.1.2 Rates

The ~~Purchased Power Cost Adjustment (PPCA)~~ to reconcile over or under collections of power supply costs will apply to all service supplied under this ~~Rate Schedule~~Section.

Service ~~supplied and rates provided~~ under this ~~Rate Schedule~~Section is subject to the Electric ~~Rules and Regulations of the Board of Public Works. The Electric Rules and Regulations and this Rate Schedule are subject to change by the Board of the BPW~~Tariff, which may change at the discretion of the Board.

In addition to charges by the Lewes BPW, the surcharge for Public Utilities Tax under Title 30, Part IV, Chapter 55, Section 5502 of the Delaware State Code, if applicable, will apply to service rendered.

Electric Rates are attached hereto as Exhibit C, via link.

(Board Resolution No. 17-004; Board Resolution No. 22-003; Board Resolution No. 22-)

4.1.3 Underground Electric Lines

~~Unless otherwise expressly authorized by the Lewes Board of Public Works, all new electric service drop lines~~All new Electric Service Drop Lines installed within the Lewes ~~Board of Public Works~~BPW Service Area ~~shall~~must be placed underground. ~~Electric service drop lines shall mean electrical lines that run from an overhead pole to a customer's building, home, or other premises.~~ Appurtenances and associated equipment such as, but not limited to, surface-mounted terminal boxes and meter cabinets, and terminations for concealed ducts in an underground system, may be placed above ground. The customer will be responsible for installing and paying for all transformation and underground service connection costs.

~~Unless otherwise expressly authorized by the Lewes Board of Public Works, all existing electric service drop lines~~All existing Electric Service Drop Lines may remain, provided that when existing ~~electric service drop lines~~Electric Service Drop Lines must be relocated, extended, or reinstalled, such ~~electric service drop lines~~Electric Service Drop Lines must be placed underground.

~~Unless otherwise expressly authorized by the Lewes Board of Public Works, all existing electric service drop lines~~All existing Electric Service Drop Lines servicing a building within the Lewes ~~Board of Public Works~~BPW Service Area must be placed underground when there is an increase in such building's electric service capacity, or when such building's electric meter is relocated.

Use of overhead ~~electric service drop lines shall~~Electric Service Drop Lines must be permitted ~~if~~by the Board ~~of Directors of the Lewes Board of Public Works~~if, upon consideration of a written request from the impacted property owner, it finds that topographical, soil, or other identifiable conditions, physical or economic, make such underground installations unreasonable or impractical.

(Board Resolution No. 19-002; Board Resolution No. 22-)

4.2 Stormwater

4.2.1 Tariff

Stormwater Utility Tariff is attached hereto as Exhibit D, via link.

(Board Resolution No. 10-010)

4.2.2 Rates

Stormwater Rates are attached hereto as Exhibit E, via link.

(Board Resolution No. 10-010; Board Resolution No. 22-003)

4.3 Water

4.3.1 Rates

Water Rates are attached hereto as Exhibit F, via link.

(Board Resolution No. 22-003)

4.3.2 Obligation to Connect to Water System

Where any land ~~and/or buildings abut(s) or building abuts~~ a street, alley or way in the City ~~of Lewes~~ or any area in which there is a ~~City~~Lewes BPW water main, all plumbing facilities on such land

or in such building(s) ~~shall be connected to the City water system~~ must be connected to the Lewes BPW water system, including the water meter, curb stop, pitsetter, valves, connections, water service pipes, house cutoff valves and distribution pipes which, once installed and certified, become part of the Lewes BPW water system within or without the City limits, and must take place within 90 days of the date such CityLewes BPW water main is available for connection to such land and/or buildings. After such connection, such property ~~shall~~must immediately cease using any method, other than the CityLewes BPW water system, to obtain water; provided, however, that geothermal heating/cooling systems ~~shall~~must not be connected to the CityLewes BPW's water system (see also § 145-35 of this Code). ~~Where any land and/or buildings not in the City of Lewes wherein the owner thereof is seeking to connect to the City water system, the property owner shall first annex the property into the City. If the subject property is not contiguous to the City boundary at the time of connection, the property owner shall first execute a preannexation agreement with the City agreeing to annexation if, and when, the property becomes contiguous to the City boundary or otherwise becomes annexable into the City. Preannexation agreements pursuant to this section shall constitute a deed restriction, shall be in recordable form and be recorded in the Office of Recorder of Deeds in and for Sussex County. The City may waive the annexation requirements of this section upon a showing before the Mayor and City Council that special conditions exist making annexation infeasible or otherwise not in the best interests of the City.~~

(Board Resolution No. 22-)

4.3.3 Water Main Connections

~~No connection~~ Connection with a water main ~~shall be made~~may not occur without a water tapping and connection permit. Application for a water tap and connection permit ~~shall~~must be made, in writing, to the ~~Board of Public Works~~Lewes BPW and ~~shall~~must contain an agreement by the applicant to abide by and accept all of the Lewes BPW provisions ~~of this article as conditions~~ governing the use of the City water supply. A fee established by the ~~Board of Public Works by resolution shall~~Lewes BPW, set forth in Exhibit K attached hereto, must be paid at the time of submitting the application and prior to issuance of the tapping permit.

(Board Resolution No. 22-)

4.3.4 Water Meters

All premises using the CityLewes BPW water supply ~~shall~~must be equipped with a water meter contained within a pitsetter. ~~All standard water meters of a size, 3/4 inches by 5/8 inches materials necessary for connecting to a service line, meter pitsetters, pit covers, readouts and other necessary appurtenances shall and pits will~~ be furnished to the customer by the CityLewes BPW at a fee ~~established by the Board of Public Works by resolution equal to the costs of materials plus twenty percent (20%).~~ Installation of the pitsetter ~~shall~~must be ~~done~~performed by a licensed plumber at the expense of the owner, and installation of the water meter, together with the readout, ~~shall~~must be ~~done~~performed by the ~~Board of Public Works~~Lewes BPW's personnel at no additional charge. All installations ~~shall~~must be in accordance with the ~~Board of Public Works~~Lewes BPW specifications, attached hereto as Exhibit M, and approved by the ~~Board of Public Works~~Lewes BPW.

~~After the date of this article, all~~ All water meters shall must be installed in an easily accessible location at a point at or near the front of the premises at a location approved by the ~~Board of Public Works~~ Lewes BPW and at finished grade so as to enable the ~~Board~~ Lewes BPW's personnel to easily and visibly locate the same whenever necessary.

Before any premises are occupied, a water meter shall must be installed as herein required.

The ~~Board of Public Works~~ Lewes BPW, or a person authorized by it, shall must read or cause to be read every water meter used in the City or any area served by the City Lewes BPW water system at such times as are necessary for the proper billing of property owners.

Water meters shall must be taken out and tested at the written request of the property owner upon payment of a fee as established by the ~~Board of Public Works by resolution~~ Lewes BPW, set forth in Exhibit K attached hereto. If the inspection discloses that the water meter is not within three percent (3%) of being accurate, then it shall must be repaired or replaced, and the fee returned to the property owner.

(Board Resolution No. 22-)

4.3.5 Curb Stops and House Cutoff Valves

~~Hereinafter the passage of this article, metallic~~ Metallic curb stops, approved by the ~~Board of Public Works, shall~~ Lewes BPW, must be placed on every new or replacement service pipe and shall must be located as near to the property line of the premises served as is practicable. Such boxes shall must be so located that they are easily accessible and shall must be protected from frost by a metallic lid approved by the ~~Board of Public Works~~ Lewes BPW. Curb stops shall must be installed by the ~~Board of Public Works~~ Lewes BPW at the expense of the property owner.

(Board Resolution No. 22-)

4.3.6 Water Service Pipes

All water service pipes (laterals) from the City water main to the curb stop shall must be installed and maintained by the ~~Board of Public Works~~ Lewes BPW. All house connections and service pipes from and including the curb stop and water meter and related appurtenances shall must be installed by a licensed plumber, to be approved by the Lewes BPW, at the expense of the property owner.

All repairs to service pipes, house connection pipes, curb stops, and plumbing systems of buildings shall must be made by and at the expense of the property owner. ~~At its own discretion, the Board of Public Works~~ The Lewes BPW may, in the case of emergency, cut off service, and, in such event, the expense of such cutoff shall must be paid to the ~~Board of Public Works~~ Lewes BPW by the property owner at a fee as established by ~~resolution~~ the Lewes BPW, set forth in Exhibit K attached hereto.

~~No~~ Water service ~~or house connection~~ pipes ~~shall be installed unless they conform to Chapter 145, Plumbing, of the Code of the City of Lewes.~~ No water service pipe shall may not be placed in the same trench or excavation with a drain or sewer pipe. Water service lines shall must be horizontally separated by ten (10) feet from a sewer pipe.

All repairs to service pipes located on private property ~~shall~~must be made by a licensed plumber at the expense of the property owner.

(Board Resolution No. 22-)

4.3.7 Water Bills

Water bills ~~shall~~will be dated and sent out monthly or at such other times as may be set by the Board ~~of Public Works~~ by resolution.

All water bills ~~shall~~will be sent to property owners who ~~shall~~bear legally responsible for all water charges and fees. Water bills ~~shall~~must be payable to the ~~Board of Public Works~~Lewes BPW at the office of the Board of Public Works. The Board ~~of Public Works shall have the power to~~may adjust water bills when, in its judgment, an error has been made in the fees or charges billed to the owner.

A water bill ~~shall~~will be delinquent if it is not paid within thirty (30) days of billing date indicated on the bill. Water service ~~shall~~may be turned off by the ~~Board of Public Works~~Lewes BPW when a bill is delinquent. Once water has been turned off, it ~~shall~~may not be turned on again until the owner pays the ~~Board of Public Works~~Lewes BPW a reconnection fee, set forth in Exhibit K attached hereto, established by the Board ~~of Public Works~~ by resolution and, in addition, pays all of the sums which are due and owing to the ~~Board of Public Works~~Lewes BPW for water service and any other charges provided for in this article.

Charges for water ~~shall~~will be a lien upon the premises pursuant to 25 Del. C. Ch. 29 Section 4.12 of the Lewes BPW Charter or any subsequent corresponding provision of law. Such lien ~~shall~~may have preference and priority over all other such liens on real estate or upon improvements located on land under lease.

(Lewes BPW Charter § 4.12; Board Resolution No. 22-)

4.3.8 Resale

~~No water shall~~Water may not be resold or distributed by the recipient thereof from the City Lewes BPW supply to any premises other than that for which application has been made and the meter installed, except in cases of emergency and only as authorized by the Board ~~of Public Works.~~ ~~Under no circumstances shall water be sold from the City water supply other than by the Board of Public Works.~~

(Board Resolution No. 22-)

4.3.9 Requested Discontinuance and Resumption of Water Service

Water service may be discontinued at the request of a property owner or owner's agent for a period as may be requested to the ~~Board of Public Works~~Lewes BPW. Upon receipt of the notice from the owner, the ~~Board of Public Works shall~~Lewes BPW will read the owner's meter and discontinue the service. Minimum monthly charges will continue on a monthly basis. The fees for such discontinuance and resumption ~~shall be set by the Board of Public Works by resolution~~are set forth in Exhibit K attached hereto.

(Board Resolution No. 22-)

4.3.10 Prohibited Practices and Emergency

~~It shall be unlawful for any~~No person other than the ~~Board of Public Works~~Lewes BPW or a person authorized by it ~~to~~may turn on or turn off water from the ~~City~~Lewes BPW water supply at the water meter, curb stop or valve in the pitsetter where the meter is located or at any valve located in the ~~City~~Lewes BPW water system; or ~~to~~ tamper with, alter or damage any part of the ~~City~~Lewes BPW water system, including making connection to the water system without permission of the ~~Board of Public Works~~Lewes BPW, installing, rearranging or tampering with any facility or equipment owned or used by the ~~Board of Public Works~~Lewes BPW to provide such services, including but not limited to the water meter, curb stop, water valve, pitsetter, remote readout or wires leading from the meter in the pitsetter to the remote readout without the permission of the ~~Board of Public Works~~Lewes BPW, except in case of an emergency, including but not limited to a broken water line. In this instance, it ~~shall~~will be the responsibility of the property owner to notify the ~~Board of Public Works~~Lewes BPW of the action taken as a result of the emergency.

~~In any prosecution for violation of this article where services have been obtained from the Board of Public Works by the installation of, rearrangement of or tampering with any facility or other equipment owned or used by the Board of Public Works to provide such services without the consent or permission of the Board of Public Works or by any other trick or contrivance, it shall be a rebuttable presumption that the person to whom the services are being furnished has created, caused or knows of the condition which is a violation of this section.~~

~~A person who has obtained services from a public utility by installing, rearranging or tampering with any facility or equipment owned or used by the City or the Board of Public Works to provide such services or by any other trick or contrivance is presumed to have done so with an intent to avoid, or to enable others to avoid, payment for the services involved.~~

~~The rebuttable presumption referred to in Subsections **B** and **C** of this section shall not apply to any person to whom such services have been furnished for fewer than 31 days or until there has been at least one meter reading.~~

~~Any person violating any provision of this section shall be fined not less than \$50 nor more than \$500 for each offense.~~

~~Any property owner violating § 191-2 of this article shall, upon conviction, forfeit and pay a civil penalty of \$10 plus costs. Each day of a continuing violation shall constitute a separate violation.~~

(Board Resolution No. 22-)

4.4 Wastewater

4.4.1 Rates

Wastewater Rates are attached hereto as Exhibit G, via link.

(Board Resolution No. 22-003)

4.4.2 Sewer Lateral Installation, Maintenance, and Repair

The installation, maintenance, and repair of all residential, commercial, and industrial connections and related appurtenances from the ~~City of Lewes~~ ~~Board of Public Works~~'BPW sewer main to an

owner's property line ~~shall~~will be the responsibility of the ~~Board of Public Works~~Lewes BPW and paid for at its expense, except that for new construction the owner ~~shall~~will pay for the entire installation, including from the property line to the sewer main. ~~No plumbing facilities on such land or in such buildings situated on property not in the City of Lewes shall be connected to the City of Lewes sewer system by the Board of Public Works unless the property owner thereof shall first annex the property into the City. If the subject property is not contiguous to the City of Lewes boundary at the time of installation and connection, the property owner shall first execute a preannexation agreement with the City agreeing to annexation if, and when, the property becomes contiguous to the City boundary or otherwise becomes annexable into the City. Preannexation agreements pursuant to this section shall constitute a deed restriction, shall be in recordable form and be recorded in the Office of Recorder of Deeds in and for Sussex County.~~

~~The City may waive the annexation requirements of this section upon a showing before the Mayor and City Council that special conditions exist making annexation infeasible or otherwise not in the best interests of the City. The installation, maintenance and repair of all residential, commercial and industrial connections and service pipes, and including any cleanouts and related appurtenances from the property line to a home, business or industry, shall be installed, maintained, and repaired by a licensed plumber in accordance with Chapter 145, Plumbing, of the Code of the City of Lewes and the Board of Public Works' specifications and paid for at the property owner's expense. At its own discretion, the Board of Public Works~~Lewes BPW may, in the case of emergency, cut off service. If the emergency is determined to be caused by the owner, or person or entity responsible to the owner, the expense of such cutoff ~~shall~~must be paid to the ~~Board of Public Works~~Lewes BPW by the property owner at a fee equal to the total of the ~~Board of Public Works'~~Lewes BPW's total direct and indirect costs to perform the work.

~~No service~~Service or house connection pipes ~~shall~~may not be installed unless they have been legally permitted and conform to ~~Chapter 145, Plumbing, of the Code of the City of~~the Lewes ~~and the BPW specifications identified therein and the Board of Public Works' specifications, attached as Exhibit M.~~ All new services ~~shall~~must have a minimum of a cleanout located at the property line serving the service line from the property to the main.

~~No sewer~~Sewer service ~~pipe shall~~pipes may not be placed in the same trench or excavation with a water pipe. Sewer service lines ~~shall~~must be horizontally separated by a minimum of ten (10) feet from a water pipe, unless specifically authorized by the ~~Board of Public Works~~Lewes BPW.

Renewal of all non-polyvinyl chloride (PVC) piping ~~with PVC piping~~ from the sewer main to the property line with the addition of a cleanout at the property line ~~shall be~~is required, at the owner's expense, for all renovations that require a ~~City~~ building permit and increased capacity.

(Board Resolution No. 22-)

4.5 Business Continuity Plans

The Board will prepare and periodically evaluate a written business continuity plan that defines the roles, responsibilities, and procedures necessary to ensure that all pump stations, wastewater treatment plants, electric and stormwater facilities, or other services provided by the Lewes BPW have minimal delays or disruptions in the event of an extraordinary event. Such plan will, at a

minimum, define the Lewes BPW's actions to address the impacts of the following key areas likely to cause disruption to its operations: loss of key personnel, loss of facility, and loss of service. Such plan must be reviewed annually.

(Board Resolution No. 22-)

4.6 Extending Services

The Lewes BPW may not extend any utility services of any utility system to any property located outside of the municipal limits of the City without obtaining the prior consent of the Mayor and City Council of the City of Lewes.

~~There is hereby established as hereinafter set forth a policy and orderly program to provide water, sanitary sewer, storm water and electric services for those areas and subdivisions outside the Lewes City limits which are within the City's and the Board of Public Works' planning area.~~

~~When a utility service extension is desired to any property within the areas stated above the person(s) (Applicant) desiring said extension shall petition the Board of Public Works and pay the applicable application fees.~~

~~The property owner of the premises to be served by the Board of Public Works shall sign an agreement with the City of Lewes, prior to the start of utility construction, which provides for annexation to the City upon request by the City. If there is more than one~~If the Lewes BPW chooses to serve such ~~property owner of the proposed service area, then a majority of the property owners must sign agreements. All title holders of each property shall execute the agreement. The agreement(s) shall be recorded, shall run with the land, and inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, personal representatives, successors and assigns. The agreement(s) shall be submitted with the application petition to the Board.~~The Applicant agrees to, the applicant requesting services must accept all utility services offered by the ~~Board of Public Works~~Lewes BPW and available to that property now or in the future at the sole discretion of the Board. Available is defined as an adequate distribution or collection main/line within five hundred (500) feet of the proposed property.

~~The petition will be reviewed by the City of Lewes/Board of Public Works Departmental Review Team. The Board will complete a preliminary report and submit it to the Applicant. If the project is approved at a regular meeting of the Board of Public Works, and the Applicant wishes to proceed, the Applicant shall provide engineering and design of the proposed utility extension, which will be submitted to the Board for consideration and approval. Utility service to current Board customers and to potential customers within the City of Lewes will take precedence over consideration of Applicants for services outside of the city limits.~~The Applicant~~applicant~~ is required to deposit an amount equal to ten percent (10%) of the ~~Probable Project Cost~~probable project cost with the Board. This fee is to provide, including but not limited to, the following: review of drawings, inspection, administrative and all costs associated with this particular utility extension.

The cost of all improvements of utility service lines on or adjacent or necessary to bring a service line adjacent to new subdivisions, areas to be developed or redeveloped, ~~shall~~will be the full responsibility of the developer and in accordance with the utility master plan.

The developer causing an extension of a sewer main ~~shall~~must locate it in rights-of-way or easements and ~~shall~~ pay in full the engineering, construction and inspection costs of the lines and appurtenances.

Plans and specifications ~~shall~~must be prepared in accordance with appropriate standards established by the ~~Board of Public Works~~Lewes BPW.

Each lot or parcel of land to be served with sanitary sewer service ~~shall~~must abut a sewer main.

Each lot or parcel of land to be served with water service ~~shall~~must abut a water main.

Each lot or parcel of land to be served with electric service ~~shall~~must abut a distribution main.

All lines ~~shall~~must be sized in accordance with the utility master plan, except that the ~~Board~~ General Manager may increase or decrease the size of mains when requirements so dictate.

In all new developments such as subdivisions, multifamily tracts, commercial centers, shopping centers, industrial facilities or other similar developments, the developer ~~shall~~must furnish and install, to Board specifications, all mains, service connections, service and main stubs and appurtenances within the boundary of the development as well as the streets abutting the development, and ~~shall~~ make line extensions as determined necessary by the ~~Board~~ General Manager.

Acceptance of all extensions ~~shall~~will require the written approval of the Board Engineer.

The Board ~~shall~~may acquire ownership of all extensions of public mains when completed, approved, and accepted. The utility system ~~shall~~must be conveyed to the Board free and clear of all clouds to title, including liens and encumbrances.

Impact fees ~~shall~~must be paid according to the fee schedule in place at the time construction of the extension begins.

If utility mains/lines extended by a developer provide a means of service to property owned by persons other than the developer, the developer may request the Board to enter into an agreement, providing for reimbursement to the developer of a portion of such extension costs when other persons receive utility service by connection to the extension. Such agreements ~~shall~~must be executed within one (1) year from date of acceptance of the main/line by the Board and ~~shall~~will run for a period not to exceed twenty (20) years from said date of execution by the General Manager.

(Lewes BPW Charter § 4.20; Board Resolution No. 13-004; Board Resolution No. 22-)

4.7 Combined Services

The Lewes BPW will supply water and sewer utility services as a combination service. Meaning, an applicant seeking Lewes BPW water or sewer services must accept both services, unless otherwise approved by the Board.

(Board Resolution No. 22-)

5. Fees

5.1 Impact Fees

5.1.1 Payment of Impact Fees

Required ~~Impact Fees~~impact fees for utilities providing service to properties within the Lewes BPW Service Area ~~shall~~must be paid upon installation of the subject utility meter: at the rate during the time of installation.

Upon consideration of a written request from the affected property owner, the Board ~~of Directors of the Lewes Board of Public Works~~ may defer collection of any or all ~~Impact Fees~~impact fees for utilities providing service to a property within the Lewes BPW Service Area upon finding that granting the deferral will either promote responsible economic development, or granting the deferral will support an identifiable, unique benefit to the City ~~of Lewes~~, the Lewes BPW Service Area, or both. The Board ~~shall~~may require the property owner receiving such deferral to execute a written agreement prior to connecting the subject utility or utilities providing adequate safeguards, ~~as determined in the sole discretion of the Lewes BPW~~, to secure payment of said ~~Impact Fees~~impact fees.

(Board Resolution No. 19-003; Board Resolution No. 22-)

5.1.2 Electric

The Electric Impact Fee Chart is attached hereto as Exhibit H, via link.

~~For underground service, the Customer will be responsible for installing and paying for all transformation and underground service connection costs. In addition, the Customer~~The customer will pay a portion of the cost of any distribution system modifications, including substations, which may be needed, as determined by the ~~Board of Public Works~~Lewes BPW.

Subject to availability, ~~Total~~, the total impact fee will be based on actual cost of installation plus the calculated AIC.

The electric impact fee charges ~~above~~ are applicable for each point of service delivery.

When the amperage of an existing service is increased, the ~~Impact Fee~~impact fee will be based on the ~~Impact Fee~~impact fee applicable for the new service amperage less the ~~Impact Fee~~impact fee applicable for the service amperage prior to the change.

The ~~Board of Public Works~~Lewes BPW will install one meter for new or replaced docks with multiple boat slips. ~~After October 31, 2004, any~~Any existing dock with multiple slips may be converted to one meter at the option of the ~~Board of Public Works~~Lewes BPW and will be converted to a single meter in the event any additional slip is added.

(Board Resolution No. 22-)

5.1.3 Water

[The Water Impact Fee Chart is attached hereto as Exhibit I, via link.](#)

(Board Resolution No. 22-)

5.1.4 Sewer

[The Sewer Impact Fee Chart is attached hereto as Exhibit J, via link.](#)

(Board Resolution No. 11-006)

5.2 Miscellaneous Fees

[The Miscellaneous Fee Chart is attached hereto as Exhibit K, via link.](#)

(Board Resolution No. 07-003)

5.3 Credit Card Fee

For customer credit card transactions that total at least five thousand dollars (\$5,000), transaction processing costs shall be the responsibility of the paying customer in the form of a convenience fee payable to the Lewes BPW in the amount of 2.95-percent of the total transaction amount. If at any time a customer has a total outstanding balance of at least five thousand dollars (\$5,000.00) and such customer uses a credit card to pay any portion of such balance, such customer ~~shall~~must pay ~~the 2.95-percent~~a convenience fee for each credit card transaction, set at the prevailing charge rate determined by the Board, until such customer's outstanding balance reaches zero dollars (\$0.00).

(Board Resolution No. 19-001; Board Resolution No. 22-)

5.4 Prohibition of Certain Payment Types

Lewes BPW hereby prohibits all of its employees from accepting credit card and bank account information by telephone, email, voicemail, or any other telecommunications technology not expressly authorized as secure for the payment of bills, fees, or other charges related to Lewes BPW services.

Credit card and bank account information must be processed through a verified Lewes BPW vendor's automated phone system or other Payment Card Industry-~~("PCI")~~ approved method.

Lewes BPW employees may verbally discuss the general process of making a payment with customers in order to provide assistance and customer service, but ~~shall~~must not collect sensitive credit card or bank account information. If such information is disclosed, the employee must immediately report such disclosure to his or her supervisor and the ~~IT~~Information Technology Manager so that proper action can be taken to protect any information that was obtained in violation of this policy.

Any Lewes BPW employee that is found in possession of credit card or bank account data may be subject to disciplinary action, including verbal reprimand, formal written reprimand, suspension without pay, and/or termination.

(Board Resolution No. 21-006; Board Resolution No. 22-)

5.5 Administrative Review Fee for Development Agreements

The Lewes BPW ~~shall~~will assess an administrative fee for any new subdivision, development, or redevelopment of land within the Lewes BPW Service Area in the amount of fifteen percent (15%) of the estimated cost to install utility infrastructure for Lewes BPW utility service to the subject subdivision, development, or redevelopment of land. This fee ~~shall~~will be used to offset the expenses incurred by the Lewes BPW in reviewing, approving, inspecting, and accepting said utility infrastructure.

(Board Resolution No. 20-001; Board Resolution No. 22-)

5.6 Review of Fees

The Board will review all fees associated with Lewes BPW services before the start of each fiscal year period to determine whether the fee structure remains appropriate for Lewes BPW operations.

(Board Resolution No. 22-)

5.7 Fines and Due Process

The Lewes BPW is authorized per the Lewes BPW Charter to provide for penalties for violations of its rules and regulations. If an alleged violator protests such penalty, he or she shall be entitled to a hearing before the Board. The request for a hearing shall be set for the next regularly scheduled Board meeting and shall, in addition to placing it upon the meeting agenda, give notice to the person requesting the hearing. At such hearing, the Board shall produce evidence relevant to the issue of whether there is a violation. The person requesting such hearing shall then be permitted to introduce such witnesses and evidence as he or she desires relevant to that issue. All witnesses shall be placed under oath. Strict rules of evidence shall not be required by the Board. The Board may accept any relevant evidence of a probative nature which, in its opinion, is such as could reasonably be relied upon by persons of common sense and procedure. At the conclusion of such hearing, the Board shall determine, by majority vote, whether they find that the alleged violator was in violation of its rules and regulations. Such determination, with a brief statement of the findings upon which that decision was made, shall be entered in the minutes of the meeting.

(Lewes BPW Charter § 5; Board Resolution No. 22-)

6. Improvement Specifications for Land Development

6.1 Development Agreements

6.1.1 Mandatory Development Agreement

The Lewes BPW will enter into a Development Agreement with any proposed development within the Lewes BPW Service Area. The Development Agreement must include the provisions contained under Section 6.1 herein.

(Board Resolution No. 22-)

6.1.2 Services

~~Electric, water~~The Lewes BPW may agree to provide a development with utility services such as electric, water, stormwater, and sewer~~wastewater services and facilities, and stormwater management~~

~~facilities, through infrastructure installed at the sole expense of Developer, shall be available to the Development, which consists of a Senior Living Facility and Workforce Housing Project, in accordance with the terms of this Development Agreement, the BPW Resolutions, rules, and regulations, and any other applicable laws, rules, and regulations, all as amended from time to time~~the developer.

(Board Resolution No. 22-)

6.1.3 Bond

~~Developer shall~~It will be the responsibility of the developer, with Lewes BPW approval and before any work ~~is has~~ started, to put in escrow sufficient funds or provide ~~a any~~ performance ~~bond(s)~~bonds or irrevocable ~~letter(s)~~letters of credit, in an amount reasonably determined by the Lewes BPW to be one hundred fifty percent (150%) of the cost of ~~the BPW Improvements~~constructing, installing, and providing all electric, water, sewer, and stormwater infrastructure necessary to serve the proposed development.

The ~~Developer shall~~developer must submit an estimate of the costs associated with the Lewes BPW Improvements for review, approval, and confirmation of the one hundred fifty percent (150%) performance ~~bond(s)~~bonds or irrevocable ~~letter(s)~~letters of credit.

The escrow, performance bond, or irrevocable letter of credit may be provided by a third party on behalf of ~~Developer if Developer~~the developer, if the developer so desires.

If the Lewes BPW Improvements are completed in an incremental or phased manner, the escrowed funds, performance bond, or irrevocable letter of credit may be an amount reasonably determined by the Lewes BPW, in its sole discretion, to be one hundred fifty (150%) of the cost of the Lewes BPW Improvements to be constructed by ~~Developer~~developer for a given phase.

The ~~escrowed~~escrow funds, performance bond, or irrevocable letter of credit for the Lewes BPW Improvements ~~shall~~must not be released until the Lewes BPW Improvements for the applicable phase are accepted by the Lewes BPW ~~in accordance with Section 2.10 herein.~~

The ~~escrowed~~escrow funds, performance bond, or irrevocable letter of credit for ~~the Off Site Improvements~~shall any off-site improvements must not be released until after the ~~Off Site Improvements~~off-site improvements are complete.

(Board Resolution No. 22-)

6.1.4 Developer Obligation

~~Developer accepts~~The developer must accept responsibility for the costs and expenses of ~~design~~designing, permitting, ~~installation~~installing, and ~~inspection~~of inspecting all BPW Improvements. ~~Developer shall~~

The developer must also be responsible for its pro rata share of the costs to construct, install, and ~~otherwise provide for the planned sewer extension improvements outside of the Property which are to be constructed, installed, and provided for by the BPW (the "Off Site Improvements") in accordance with the Off Site Improvement Plans entitled Savannah Road Sanitary Sewer and Water Main Extensions and completed by George, Miles & Buhr, LLC, GMB File No. 180029 and dated May 2020 (the "Off Site Improvement Plans").~~which plans are hereby incorporated by reference. The BPW makes

~~no representation and offers no commitment regarding the timing for installation of said infrastructure. Developer's sole responsibility for the Off-Site Sewer Improvements shall be the payment of actual final costs totaling twenty five percent (25%) of the costs of the planned downstream Savannah Road Sewer Extension project and eleven percent (11 %) of the costs of the planned downstream Savannah Place Sewer System project which includes the sewer pump station at Huling Cove. The cost for said Off Site Sewer Improvements is currently estimated to be \$730,730. The BPW shall bill Developer for fifty percent (50%) of said estimated cost for Off Site Sewer Improvements at the commencement of the construction phase of the downstream Savannah Road Sewer Extension and downstream Savannah Place Sewer System project. This bill shall be due within thirty (30) days of the billing. Developer shall pay to the BPW its remaining share of the actual cost for said Off Site Improvements upon receipt of an invoice for said costs from by BPW following completion of said Off Site Improvements. The Developer is responsible for water main connections into the existing BPW water distribution system located outside of the Property.~~ provide for the planned utility improvements outside of the planned development, unless otherwise determined by the Lewes BPW.

(Board Resolution No. 22-)

6.1.5 Guarantee

~~Developer shall~~ The developer must maintain and, as necessary, repair the Lewes BPW Improvements to be constructed by ~~Developer~~ the developer until the complete Lewes BPW Improvements are accepted by the Lewes BPW. ~~Additionally, Developer shall~~

The developer must provide the Lewes BPW a construction guarantee for the correction of all defects and deficiencies in the ~~BPW~~ Improvements constructed or installed by ~~Developer~~ the developer and accepted by the Lewes BPW that occur or become evident within one (1) year after final acceptance by the Lewes BPW of the complete ~~BPW~~ Improvements, provided such defect or deficiency is not caused by an action of the Lewes BPW.

If any such defect or deficiency, not caused by the action of the Lewes BPW, occurs or becomes evident during such period, then ~~Developer shall~~ the developer must, within thirty (30) days after written demand from the Lewes BPW to do so, correct it or cause it to be corrected.

If the ~~BPW, in its sole discretion, has~~ Lewes BPW decides to complete an emergency repair, ~~Developer shall~~ the developer must fully reimburse the Lewes BPW the actual cost of said emergency repair. ~~Developer shall~~

The developer must provide a maintenance bond in the amount of ten- percent (10%) of the construction costs of the Lewes BPW Improvements or, in the alternative, a deposit ~~a~~-sum equal to ten- percent (10%) of the construction costs of the Lewes BPW Improvements in an escrow account the disposition of which ~~shall~~ must be directed by the Lewes BPW, for a period of one (1) year from the final acceptance by the Lewes BPW of the complete Lewes BPW Improvements.

Upon expiration of the one (1) year maintenance bond period, the Lewes BPW ~~shall~~ must promptly return the maintenance bond. If the Lewes BPW Improvements are accepted in phases, the guarantee requirements of this Section ~~shall~~ may apply to each individually accepted phase.

(Board Resolution No. 22-)

6.1.6 Insurance

~~Developer~~The developer or any site contractor(s) ~~shall~~ must obtain and keep in force contractors' comprehensive general liability insurance, ~~until the successful completion of this Agreement, Contractors' Comprehensive General Liability Insurance including Contractual Liability Insurance~~including contractual liability insurance with the ~~below referenced~~following minimum coverages:-:

- 1) Bodily Injury Liability - \$1,000,000 per person with an aggregate limit of \$3,000,000 per occurrence;
- 2) Property Damage Liability - \$3,000,000;
- 3) Hazards coverage (site contractor(s) only) (explosion, collapse, and underground);
- 4) Excess or Umbrella Liability - \$5,000,000.

The Lewes BPW ~~must be~~ named insured ~~shall be the Developer, the Developer's site contractor(s), the City, and the BPW on the developer's insurance policy.~~ The name of the ~~Development~~development must be included on the certificate of insurance. Construction ~~shall~~must not commence until insurance certificates are provided to the ~~City and the~~Lewes BPW. The insurance certificate ~~shall~~will be required no later than the pre-construction meeting. If insurance lapses for any reason, the ~~City and/or the~~Lewes BPW will coordinate with the agency having jurisdiction to ensure certificates of occupancy ~~shall~~may not be issued until insurance is in force. The Lewes BPW must be notified in writing of any cancellation or change in insurance coverage no later than thirty (30) days prior to said cancellation or change.

(Board Resolution No. 22-)

6.1.7 Review and Acceptance

All work on the Lewes BPW Improvements ~~shall~~will be subject to review and approval, ~~per the BPW approved BPW Improvement Plans, by representatives of~~ by the Lewes BPW ~~at all times. Developer shall.~~ The developer must reimburse the Lewes BPW for the actual costs of necessary review. ~~Developer shall also pay to the~~ The developer must also provide the Lewes BPW with any and all surveys, plans, and specifications (architectural, engineering, landscaping, etc.), construction documents, site plans, and similar documents in possession of the developer. The developer must pay to the Lewes BPW an administrative fee equal to fifteen percent (15%) of invoices from consultants and professionals assisting with the review, approval, inspection, and acceptance of the Lewes BPW Improvements in order to offset the expenses incurred by the Lewes BPW in reviewing, approving, inspecting, and accepting Lewes BPW Improvements. The Lewes BPW ~~shall~~must provide ~~Developer~~the developer with a summary of all costs of any review, including the ~~above referenced~~ administrative fee, set forth in Section 5.5, charged to the ~~Developer~~developer. The Lewes BPW ~~shall~~may not accept any dedication of the Lewes BPW Improvements until written approval of the condition of the Lewes BPW Improvements is provided and an easement is provided to the Lewes BPW, ~~according to the provisions of this Agreement or other applicable rule or regulation.~~

(Board Resolution No. 22-)

6.2 Improvement Specifications and Design Standards for Major Subdivision

6.2.1 Water Utility

6.2.1.1 Plans

The developer ~~shall~~must prepare detailed plans for the water system in ~~strict accordance with provisions of this chapter and in accordance with the Board of Public Works specifications~~accordance with the Lewes BPW Standard Utility Specifications and Details for Water, Sewer, and Storm Drain, attached hereto as Exhibit M, via link. The improvement construction plan must be approved by the ~~Board of Public Works and the City Engineer~~Lewes BPW before any work ~~shall be started~~begins.

(Board Resolution No. 22-)

6.2.1.2 Installation Procedure

The developer has the choice of two methods of constructing lines:

- 1) ~~(1)~~ The developer performs work under contract or by his own work crew. This work must be done under the specifications ~~of the Board of Public Works and under City supervision~~attached as Exhibit M; or
- 2) ~~(2)~~ The developer can request the ~~Board of Public Works~~Lewes BPW to construct lines, at the Lewes BPW's discretion:
 1. ~~(a)~~ The ~~Board of Public Works~~Lewes BPW puts work out on contract, and the developer will pay for installation costs plus engineering services and administrative fees.
 - b. ~~(b)~~ The work is performed by ~~Board of Public Works~~Lewes BPW crews on a force-account basis. The developer will pay for costs of materials, labor and engineering services, and administrative fees.

(Board Resolution No. 22-)

6.2.1.3 Inspection

All water mains and laterals must be installed and inspected according to ~~Board of Public Works~~Lewes BPW specifications, attached as Exhibit M. Water mains must be pressure tested according to ~~Board of Public Works~~Lewes BPW regulations before any lateral connections can be made.

(Board Resolution No. 22-)

6.2.1.4 Location

The location of water mains, laterals and appurtenances ~~shall~~must be approved by the ~~Board of Public Works~~. ~~All water mains shall be looped if economically feasible in the opinion of the City Engineer~~Lewes BPW. All looped lines are totally at the expense of the owner or developer.

(Board Resolution No. 22-)

6.2.1.5 Size

~~Water mains.~~Mains - The required size of the water main will vary with the character and size of the development. The minimum diameter for a water main is eight (8) inches. If any of the water mains in any subdivision become a portion of the primary distribution system, the ~~Board of Public Works~~Lewes BPW may specify that a larger main be installed than is required for the particular subdivision. In such case, the additional expense incurred by increasing the size of the main will be assumed by the ~~Board of Public Works~~Lewes BPW.

Lateral connections.~~Connections~~ - The minimum diameter of house connections is 3/4 inches~~one (1) inch~~. The diameter of lateral connections to apartment, commercial or industrial buildings ~~shall~~must be designated by or approved by the ~~Board of Public Works~~ General Manager. Each individual dwelling unit, with the exception of apartment houses and multiple dwellings, ~~shall~~must have the individual lateral installed to the house.

(Board Resolution No. 22-)

6.2.2 Sewer Utility

6.2.2.1 Construction

All sewers, sewer laterals and sewer connections ~~shall~~must be laid in all improved streets before paving where connection with an existing system of sewers is practicable. Water mains and all service connections and all other mains, pipes and conduits and the like ~~shall~~must be installed before paving of the road except with the express permission of the City. ~~For a period of five years after acceptance of streets by the City, no utility mains and laterals shall be installed in any paved streets. Construction and details of utilities are governed by appropriate sections of this chapter.~~

(Board Resolution No. 22-)

6.2.2.2 Plans

~~Plans for sanitary sewer system.~~The developer ~~shall~~must prepare detailed plans for the sanitary sewer system in ~~strict accordance with the provisions of this chapter and in accordance with the Board of Public Works~~the Lewes BPW specifications, attached as Exhibit M. The improvement construction plan must be approved by the Board of Public Works ~~and the City Engineer~~ before any work ~~shall be started~~begins.

(Board Resolution No. 22-)

6.2.2.3 Installation Procedure

The developer has the choice of two methods of constructing lines:

- 1) ~~(a)~~ The developer performs work under ~~(a)~~ contract or by his own work crew. This work must be done under the specifications of the ~~Board of Public Works and under City supervision.~~ All Lewes BPW, attached as Exhibit M, and all lines must be tested according to the ~~Board of Public Works~~Lewes BPW standards; or
- 2) ~~(b)~~ The developer can request the ~~Board of Public Works~~Lewes BPW to construct lines; at the Lewes BPW's discretion;

- a. ~~11~~ ~~The Board of Public Works will put~~ The Lewes BPW puts work out on contract, and the developer will pay for installation costs plus engineering services and administrative fees.
- b. ~~12~~ The work is performed by the ~~Board of Public Works'~~ Lewes BPW crews on a force-account basis. The developer will pay for ~~cost~~ costs of materials, labor and engineering services, and administrative fees.

(Board Resolution No. 22-)

6.2.2.4 Location

The location of sewer lines, laterals and appurtenances ~~shall~~ must be designated by the ~~Board of Public Works~~ Lewes BPW.

(Board Resolution No. 22-)

6.2.2.5 Size

~~Sewer mains.~~ The required size of sewer mains will vary with the character and size of the development. The minimum diameter for sewer mains is eight (8) inches. If any of the sewer mains in any subdivision become a portion of the primary distribution system, the ~~Board of Public Works~~ Lewes BPW may specify that a larger main and/or greater depth be installed than is required for the particular subdivision. In such case, the additional expense incurred by increasing the size and/or greater depth of the main will be assumed by the ~~Board of Public Works.~~ Lateral connection Lewes BPW.

The minimum diameter of house connections is six (6) inches. The diameter of lateral connections to apartment, commercial or industrial buildings ~~shall~~ must be designated by or approved by the ~~Board of Public Works~~ Lewes BPW. Each individual dwelling unit, with the exception of apartment houses and multiple dwellings, ~~shall~~ must have an individual lateral installed to the house.

(Board Resolution No. 22-)

6.2.2.6 Materials

All materials used for sewer mains, laterals and appurtenances must be equal to or better than the minimum standards and specifications established by the ~~Board of Public Works~~ Lewes BPW for sewer construction work, attached as Exhibit M. ~~Copies of the specifications are on file at the Board of Public Works office.~~

(Board Resolution No. 22-)

6.2.3 Stormwater Management System

6.2.3.1 Plans

The developer ~~shall~~ must prepare detailed plans for the stormwater management system in strict accordance with ~~provisions of this chapter and in accordance with City~~ Lewes BPW specifications, attached as Exhibit M. The improvement construction plan must be approved by the ~~Board of Public Works and the City Engineer~~ Lewes BPW before any work ~~shall be started~~ begins.

(Board Resolution No. 22-)

6.2.3.2 Installation Procedure

The developer has the choice of two methods of constructing lines:

- 1) ~~(1)~~ The developer performs work under contract or by his own work crew. This work must be done under the specifications of the ~~Board of Public Works and under City supervision.~~ All Lewes BPW, attached as Exhibit M, and all lines must be tested according to the ~~Board of Public Works~~ Lewes BPW standards; or
- 2) ~~(2)~~ The developer can request the ~~Board of Public Works~~ Lewes BPW to construct lines, at the Lewes BPW's discretion:
 - a. ~~(a) The Board of Public Works will put~~ The Lewes BPW puts work out on contract, and the developer will pay for installation costs plus engineering services and administrative fees.
 - b. ~~(b) The work is performed by the Board of Public Works'~~ Lewes BPW crews on a force-account basis. The developer will pay for ~~cost~~ costs of materials, labor and engineering services, and administrative fees.

(Board Resolution No. 22-)

6.2.3.3 Location

The location of stormwater drain lines, laterals and appurtenances ~~shall~~ must be designated by the ~~Board of Public Works~~ Lewes BPW.

(Board Resolution No. 22-)

6.2.3.4 Size

Storm sewers ~~shall have to~~ must be a minimum diameter of fifteen (15) inches and a minimum grade of zero and one half percent (0.5%). If any of the storm sewer drains become a portion of the primary storm sewer system of the City, the ~~Board of Public Works~~ Lewes BPW may require that a larger main and/or a greater depth be required than is required for the particular subdivision. ~~In such case the additional expense incurred by increasing the size and/or depth of the main will be assumed by the City.~~

(Board Resolution No. 22-)

6.2.3.5 Manholes

Manholes ~~shall~~ must not be more than three hundred (300) feet apart on sizes up to twenty-four (24) inches and not more than four hundred fifty (450) feet apart on greater sizes. When approved by the ~~Board of Public Works~~ Lewes BPW, inlets may be substituted for manholes.

(Board Resolution No. 22-)

6.2.3.6 Changes in Direction

Special sections of radii of ten (10) to fifteen (15) feet ~~shall~~ must be constructed when abrupt changes are made in alignment.

(Board Resolution No. 22-)

6.2.3.7 Materials

All materials used for storm sewer mains and appurtenances must be equal to or better than the minimum standards and specifications established by the ~~Board of Public Works~~Lewes BPW for storm sewer construction work, attached as Exhibit M. ~~A copy of specifications is on file at the Board of Public Works office.~~

(Board Resolution No. 22-)

6.2.3.8 Compliance

In addition to the requirements of this section, the stormwater management system ~~shall~~must be in compliance with the Stormwater Management Manual provided by the Sussex County Conservation District. The necessary permit must be obtained from them and acknowledged by the ~~Board of Public Works~~Lewes BPW prior to any clearing, grubbing, etc., of the site.

(Board Resolution No. 22-)

6.2.4 Electric Utility

6.2.4.1 Plans

The developer ~~shall~~must prepare detailed plans for the electric utility in strict accordance with the ~~provisions of this chapter and in accordance with the Board of Public Works specifications~~Lewes BPW Electric Utility Specification for Developers, attached hereto as Exhibit N, via link. The improvement construction plan must be approved by the ~~Board of Public Works and the City Engineer~~Lewes BPW before any work ~~shall be started~~begins.

(Board Resolution No. 22-)

6.2.4.2 Installation Procedure

The developer has the choice of two methods of constructing lines:

- 1) ~~(1)~~ The developer performs work under contract or by his own work crew. This work must be done under the specifications of the ~~Board of Public Works and under City supervision~~Lewes BPW, attached as Exhibit N; or
- 2) ~~(2)~~ The developer can request the ~~Board of Public Works~~Lewes BPW to construct lines, at the Lewes BPW's discretion:
 - a. ~~(a)~~ The ~~Board of Public Works~~Lewes BPW puts work out on contract, and the developer will pay for installation costs plus engineering services and administrative fees.
 - b. ~~(b)~~ The work is performed by ~~Board of Public Works~~Lewes BPW crews on a force-account basis. The developer will pay for costs of materials, labor and engineering services, and administrative fees.

(Board Resolution No. 22-)

6.2.4.3 Location

The location of electric lines and appurtenances ~~shall~~must be approved by the ~~Board of Public Works. All electric service shall be looped if economically feasible in the opinion of the City Engineer~~Lewes BPW. All looped lines are totally at the expense of the owner or developer. All electric lines ~~shall~~must be located underground, in accordance with Section 4.1.3 herein.

(Board Resolution No. 22-)

6.2.4.4 Streetlights

Streetlights ~~shall~~must be in compliance with the ~~Board of Public Works'~~Lewes BPW's electrical utilities specifications for developers, attached as Exhibit N. The cost of installation of electric utilities ~~shall~~will be borne entirely by the developer or person/entity installing said streetlight.

(Board Resolution No. 22-)

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Exhibits

Exhibit A: Statement of Objectives and Guidelines for the Investment of the Board of Public Works Funds

Link: <https://lewesbpw.com/wp-content/uploads/2020/10/BPW-Revised-Investment-Policy-approved-3.27.19.pdf>

Exhibit B: Electric Tariff

Link: <https://lewesbpw.com/wp-content/uploads/2019/01/Electric-Tariff.pdf>

Exhibit C: Electric Rates

Link: <https://www.lewesbpw.com/electric/>

Exhibit D: Stormwater Utility Tariff

Link: <https://lewesbpw.com/wp-content/uploads/2020/05/16-Stormwater-Tariff.pdf>

Exhibit E: Stormwater Rates

Link: <https://www.lewesbpw.com/storm-water/>

Exhibit F: Water Rates

Link: <https://www.lewesbpw.com/water/>

Exhibit G: Wastewater Rates

Link: <https://www.lewesbpw.com/rates-fees/wastewater/>

Exhibit H: Electric Impact Fee Chart

Link: <https://lewesbpw.com/wp-content/uploads/2014/11/BPW-Electric-Impact-Fee-Chart1.pdf>

Exhibit I: Water Impact Fee Chart

Link: <https://www.lewesbpw.com/wp-content/uploads/2021/12/waterimpactfee.pdf>

Exhibit J: Sewer Impact Fee Chart

Link: <https://www.lewesbpw.com/wp-content/uploads/2021/12/Sewer-impact-fees-2019.pdf>

Exhibit K: Miscellaneous Fee Chart

Link: <https://lewesbpw.com/wp-content/uploads/2019/07/Copy-of-Miscellaneous-fees-.pdf>

Exhibit L: Forbearance and Repayment Agreement

Form is attached below:

FORBEARANCE AGREEMENT

This **FORBEARANCE AGREEMENT** (hereinafter referred to as the “Agreement”) is hereby made and entered into this [] day of [], 2022, by and between the **BOARD OF PUBLIC WORKS OF THE CITY OF LEWES**, a chartered utilities board of the State of Delaware (hereinafter referred to as the “BPW”), and [], (hereinafter referred to jointly as the “Owners”). BPW and Owners are hereinafter jointly referred to as the “Parties.”

BACKGROUND

Owner is the record owner of that certain parcel or tract of land located at [], being further identified as having Sussex County tax parcel number [] (hereinafter referred to as the “Property”). BPW owns and operates utility systems throughout the City of Lewes and the BPW Service Area (hereinafter referred to as “the BPW System”). **[INSERT BACKGROUND ON UTILITIES PROJECT]**.

On [], BPW invoiced Owner, being further identified by Account Number [], \$ [] on account of a utilities assessment charge (hereinafter the “Assessment”), which amount Owner has not yet paid to the BPW. On [], BPW executed and recorded a Notice of Lien related to the Assessment in the Office of the Recorder of Deeds, in and for Sussex County, at [].

Owner has requested and the BPW has agreed, subject to the terms and conditions herein, to forbear from exercising certain of the BPW's rights and remedies against the Property.

NOW, THEREFORE, in consideration of the mutual promises, covenants, stipulations, and agreements contained herein, along with other good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. Confirmation of Obligations. Owner acknowledges and confirms that as of the date hereof [he/she/they] owe \$_____ to BPW on account of the Assessment.

2. Acknowledgement of Lien. Subject to the terms and conditions of this Agreement, Owner and the BPW acknowledge and confirm that the BPW has and shall continue to have a valid, enforceable lien (the "Lien") on the Property.

3. Forbearance Period. "Forbearance Period" shall mean the period commencing on the date hereof and ending on the date which is the earliest of: (1) the date on which an event of default (as defined in Section 6 of this Agreement) has occurred; or (2) the date on which a termination event (as defined in Section 8 of this Agreement) has occurred.

4. Conditions to Forbearance.

a. Monthly Payments. Owner shall remit to BPW a monthly payment of \$ _____ for a term of _____ years. This amount will be due on the _____ day of each month.

b. Interest Rate. Interest shall be charged on the unpaid amount owing on account of the Assessment until the full amount has been paid. The Owner shall pay interest at an annual rate of _____ percent (--%). Interest payments are included in the monthly payments identified in Section 4(a).

c. At any time during the Forbearance Period, Owner may pay to the BPW the full amount owing on account of the Assessment, including any and all interest charged to the date of repayment, late fees, and other charges.

5. Forbearance. During the Forbearance Period, the BPW agrees that it shall not exercise its available rights and remedies in collecting the Assessment, including, but not limited to, foreclosing on the Property or bringing a debt action to collect any and all amounts owed.

6. Default. Any failure by Owner to remit a timely, monthly payment to the BPW or its designee as set forth in Section 4 of this Agreement shall constitute an event of default. Upon such event of default, the BPW's obligations to forbear from exercising its rights and remedies shall cease. In the event that the BPW exercises its rights and remedies, Owner shall reimburse the BPW for any costs or expenses, including, without limitation, attorneys' fees, related thereto. Any decision by the BPW to delay exercising its rights and remedies to afford Owner the time to cure such default, including the payment of any assessed late fees or other charges, shall not constitute a waiver of the BPW's available rights and remedies. Following any such cure, all rights and remedies of the BPW under this Agreement shall be preserved.

7. Renewal of Lien. The Owner hereby agrees that until the occurrence of a termination event as described in Section 8 of this Agreement, the BPW may file any necessary Continuation of Lien or new Notice of Lien necessary to preserve the Lien, in accordance with applicable law. Any failure or delay of the BPW in filing any such Continuation of Lien or new Notice of Lien shall not relieve Owner of its obligations under this Agreement and shall not constitute a waiver of the BPW's available rights and remedies.

8. Termination. This Agreement shall terminate by its terms upon: (1) the transfer of title of the Property from Owner to a new party; or (2) payment of the full amount due and owing under the Lien, including any and all interest, late fees, and other charges.

9. Severability. If any part of this Agreement shall be held invalid for any reason, the remainder of this Agreement shall continue in full force and effect.

10. Governing Law. The validity, construction and enforceability of this Agreement shall be governed in all respects by the laws of the State of Delaware.

11. Amendment. The Parties agree that this Agreement may not be modified, altered, amended, changed, or supplemented, in whole or in part, except by the written agreement of the Parties.

12. Assignment. Owner may not assign this Agreement without the written consent of the BPW, which consent may be withheld or conditioned by the BPW in its sole discretion.

13. Counterparts. This Agreement may be executed in any number of counterparts.

IN WITNESS WHEREOF, the undersigned have executed this Forbearance Agreement as of the date first above referenced.

**THE BOARD OF PUBLIC WORKS OF THE
CITY OF LEWES**

Witness/Attest

By: _____ (SEAL)
Austin Calaman, General Manager

OWNERS:

Witness

_____ (SEAL)
[Name]

Witness

[Name]

(SEAL)

Exhibit M: Standard Utility Specifications and Details for Water, Sewer, and Storm Drain

Link: <https://www.lewesbpw.com/wp-content/uploads/2021/12/Lewes-BPW-Std-Utility-Specs-and-Details-for-Water-Sewer-and-Storm-Drain-11-10-2021.pdf>

Exhibit N: Electric Utility Specification for Developers

Link: <https://lewesbpw.com/wp-content/uploads/2014/11/electric-specs.pdf>

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