



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. 22-004)

## 3. Financial Policies

### 3.1 Capitalization Threshold

Capital good expenditures equal to or in excess of five thousand dollars (\$5,000.00) must be capitalized for the purpose of financial reporting.

(Board Resolution No. 05-001; Board Resolution No. 22-004)

### 3.2 Purchase Authorization

No employee or member 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 two thousand five hundred dollars (\$2,500.00) are to be authorized before the fact by means of properly approved purchase orders.



The heads of each department are authorized to purchase materials and supplies chargeable to their operation up to 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 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 will have the same authority as the General Manager.

The General Manager is authorized to execute purchase orders, 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.

The General Manager may approve change orders to contracts in force so long as the amount does 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 has unlimited purchasing authority. Board approval of purchases is delegated to the General Manager for execution of the order.

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

(Board Resolution No. 06-001; Board Resolution No. 22-004)

### 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 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. 22-004)

### 3.4 Disposal of Surplus Equipment, Materials, and Supplies

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

In determining the disposal method, the interests of the Lewes BPW will take precedence. These methods may include tag sales and silent auctions, etc. 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 five thousand dollars (\$5,000.00) at the time of disposal must be approved by the Board. Such surplus must be disposed of only by quotation, auction (in person or via internet), or other method as approved by the Board.

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

(Board Resolution No. 06-003; Board Resolution No. 22-004)

### 3.5 Money Purchase Plan

A Money Purchase Plan will be established by the Board. The Money Purchase Plan will be maintained for the exclusive benefit of eligible employees and their beneficiaries.

The General Manager will be the coordinator for the Money Purchase Plan; will receive reports, notices, etc.; will cast, on behalf of the Lewes BPW, any required votes; may delegate any administrative duties relating to the Money Purchase Plan to appropriate departments or persons within the Lewes BPW; and the Lewes BPW hereby authorizes the General Manager to execute all necessary agreements incidental to the administration of the Money Purchase Plan.

(Board Resolution No. 08-002; Board Resolution No. 22-004)

### 3.6 Donations

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

(Board Resolution No. 09-002; Board Resolution No. 22-004)

### 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.

(Board Resolution No. 13-001)

### 3.8 Cash Reserves

Minimum cash reserve guidelines proposed in this policy should be set to allow reserves to float 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 financial risk facing the utilities, rate setting policies, variability in power costs, debt policies, future capital improvements needed by utility, and line extension policies.

The adequacy of the guidelines will be reviewed by the Finance Committee each year, unless otherwise determined by the Board, and if appropriate, revised guidelines may be recommended.

To ensure timely completion of capital improvements and enable the Lewes BPW to meet requirements for large, unexpected expenditures, a minimum cash reserve policy will be established. Minimum cash reserves 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 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. Customer deposits must be maintained at one hundred percent (100%).

If certain events occur that 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 within the next five years through a detailed replenishment plan. These actions may consider a number of factors including: rate adjustments, cost reductions, issuance of bonds to fund capital improvement projects, and modification of the assumptions used to determine the cash reserve levels.

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

### 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. 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 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. 22-004)

### 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 will include 15% of the current year capital improvement program.

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

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

### 3.8.4 Customer Deposits

Certain customers, as determined by the Lewes BPW, are required to make a deposit prior to receiving utility services. The majority of deposits are associated with electric service. Persons requesting development plan review are required to establish an escrow account.

The cash reserve policy will include one hundred percent (100%) of the funds held as customer deposits and escrow accounts.

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

### 3.8.5 Self-Insurance

It is not economically justifiable for Lewes BPW to carry some types of insurance on some of the facilities and operations. Examples are flood insurance on the wastewater lift stations and a portion of the water treatment plant plus pollution insurance on stormwater and wastewater operation. Insurance deductibles are also included in the self-insurance reserve. The Board will maintain cash reserves in the amount it deems reasonably necessary to cover the following self-insurance expenses: the wastewater treatment plant and pump stations.

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

### 3.9 Lien Forbearance for Special Projects

When the utility rents, rates, fees, or assessments, or any combination thereof, charged in connection with a specific utility project, including but not limited to infill utility extension projects, remain unpaid for thirty (30) days after becoming due, the General Manager and President are authorized to prepare, execute, and record a Notice of Lien with respect to such property.

Where a Notice of Lien has been recorded for a property, the owner(s) of that property may petition the Board to enter into a Forbearance and Repayment Agreement in a form substantially similar to that attached to Exhibit L. The Board may elect to enter into such Forbearance and Repayment Agreement with the owner(s) of the property.

Where there is a signed Forbearance and Repayment Agreement in place and new owner(s) of the property desire to acknowledge and assume the unpaid lien, the President is authorized to, and must, execute a Forbearance and Repayment Agreement with the new owner(s) permitting the new owner(s) to continue making the monthly payments previously being paid by the owner(s) of the property when the Notice of Lien was recorded.

The General Manager will inform the Board of any new Forbearance and Repayment Agreements executed as a result of conveyance of a property to new owner(s).

Nothing herein will serve to waive, eliminate, or otherwise undermine the ability of the Lewes BPW to utilize lawful policies and procedures otherwise available in the assessment and collection of such delinquent charges.

(Board Resolution No. 17-006; Board Resolution No. 22-004)

### 3.10 Reimbursement for Extension of Utility Service

The Lewes BPW 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 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 exclude any lot or parcel which is being subdivided or developed under the municipal code for the City of Lewes.

The Lewes BPW Service Area, based upon engineering principles and studies, will be divided into project areas for water and wastewater utility services as the Lewes BPW deems necessary and appropriate. The Lewes BPW 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, each EDU within the subject project area will be responsible for its proportional share, based upon the total number of EDUs within the subject project area, of the costs of construction related to such extensions.

Upon connection of an EDU to the applicable Lewes BPW water utility system, wastewater utility system, or both, the Lewes BPW 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 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, the owner of any EDU within the project area 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 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 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 only applies to the extension of the Lewes BPW water and wastewater utility systems to Established Properties, within the Lewes BPW 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 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. 22-004)

### 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. 22-004)

## 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 PPCA to reconcile over or under collections of power supply costs will apply to all service supplied under this Section.

Service and rates provided under this Section is subject to the Electric 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.22-004)

#### 4.1.3 Underground Electric Lines

All new Electric Service Drop Lines installed within the Lewes BPW Service Area must be placed underground. 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.

All existing Electric Service Drop Lines may remain, provided that when existing Electric Service Drop Lines must be relocated, extended, or reinstalled, such Electric Service Drop Lines must be placed underground.

All existing Electric Service Drop Lines servicing a building within the Lewes 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 will be permitted by the Board 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. 22-004)

## 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 or building abuts a street, alley or way in the City or any area in which there is a Lewes BPW water main, all plumbing facilities on such land or in such building 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 Lewes BPW water main is available for connection to such land and/or buildings. After such connection, such property must immediately cease using any method, other than the Lewes BPW water system, to obtain water; provided, however, that geothermal heating/cooling systems must not be connected to the Lewes BPW's water system.

(Board Resolution No. 22-004)

#### 4.3.3 Water Main Connections

Connection with a water main may not occur without a water tapping and connection permit. Application for a water tap and connection permit must be made, in writing, to the Lewes BPW and must contain an agreement by the applicant to abide by and accept all of the Lewes BPW provisions governing the use of the water supply. A fee established by the 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. 22-004)

#### 4.3.4 Water Meters

All premises using the Lewes BPW water supply must be equipped with a water meter contained within a pitsetter. All water meters and pits will be furnished to the customer by the Lewes BPW at a fee equal to the costs of materials plus twenty percent (20%). Installation of the pitsetter must be performed by a licensed plumber at the expense of the owner, and installation of the water meter, together with the readout, must be performed by the Lewes BPW's personnel at no additional charge. All installations must be in accordance with the Lewes BPW specifications, attached hereto as [Exhibit M](#), and approved by the Lewes BPW.

All water meters 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 Lewes BPW and at finished grade so as to enable the Lewes BPW's personnel to easily and visibly locate the same whenever necessary.

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



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

Water meters must be taken out and tested at the written request of the property owner upon payment of a fee as established by the 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 must be repaired or replaced, and the fee returned to the property owner.

(Board Resolution No. 22-004)

#### 4.3.5 Curb Stops and House Cutoff Valves

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

(Board Resolution No. 22-004)

#### 4.3.6 Water Service Pipes

All water service pipes (laterals) from the water main to the curb stop must be installed and maintained by the Lewes BPW. All house connections and service pipes from and including the curb stop and water meter and related appurtenances 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 must be made by and at the expense of the property owner. The Lewes BPW may, in the case of emergency, cut off service, and, in such event, the expense of such cutoff must be paid to the Lewes BPW by the property owner at a fee as established by the Lewes BPW, set forth in [Exhibit K](#) attached hereto.

Water service pipes may not be placed in the same trench or excavation with a drain or sewer pipe. Water service lines must be horizontally separated by ten (10) feet from a sewer pipe.

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

(Board Resolution No. 22-004)

#### 4.3.7 Water Bills

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

All water bills will be sent to property owners who are legally responsible for all water charges and fees. Water bills must be payable to the Lewes BPW at the office of the Board of Public Works. The Board 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 will be delinquent if it is not paid within thirty (30) days of billing date indicated on the bill. Water service may be turned off by the Lewes BPW when a bill is delinquent. Once water has been turned off, it may not be turned on again until the owner pays the Lewes BPW a reconnection fee, set forth in [Exhibit K](#) attached hereto, established by the Board by resolution and, in addition, pays all of the sums which are due and owing to the Lewes BPW for water service and any other charges provided for in this article.

Charges for water will be a lien upon the premises pursuant to Section 4.12 of the Lewes BPW Charter or any subsequent corresponding provision of law. Such lien 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. 22-004)

#### 4.3.8 Resale

Water may not be resold or distributed by the recipient thereof from the 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.

(Board Resolution No. 22-004)

#### 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 Lewes BPW. Upon receipt of the notice from the owner, the 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 are set forth in [Exhibit K](#) attached hereto.

(Board Resolution No. 22-004)

#### 4.3.10 Prohibited Practices and Emergency

No person other than the Lewes BPW or a person authorized by it may turn on or turn off water from the 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 Lewes BPW water system; or tamper with, alter or damage any part of the Lewes BPW water system, including making connection to the water system without permission of the Lewes BPW, installing, rearranging or tampering with any facility or equipment owned or used by the 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 Lewes BPW, except in case of an emergency, including but not limited to a broken water line. In this instance, it will be the responsibility of the property owner to notify the Lewes BPW of the action taken as a result of the emergency.

(Board Resolution No. 22-004)

### 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 Lewes BPW sewer main to an owner's property line will be the responsibility of the Lewes BPW and paid for at its expense, except that for new construction the owner will pay for the entire installation, including from the property line to the sewer main.

The 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 must be paid to the Lewes BPW by the property owner at a fee equal to the total of the Lewes BPW's total direct and indirect costs to perform the work.

Service or house connection pipes may not be installed unless they have been legally permitted and conform to the Lewes BPW specifications, attached as [Exhibit M](#). All new services must have a minimum of a cleanout located at the property line serving the service line from the property to the main.

Sewer service pipes may not be placed in the same trench or excavation with a water pipe. Sewer service lines must be horizontally separated by a minimum of ten (10) feet from a water pipe, unless specifically authorized by the Lewes BPW.

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

(Board Resolution No. 22-004)

#### 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. 22-004)

#### 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.

If the Lewes BPW chooses to serve such property, the applicant requesting services must accept all utility services offered by the 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 applicant is required to deposit an amount equal to ten percent (10%) of the 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, 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 must locate it in rights-of-way or easements and pay in full the engineering, construction and inspection costs of the lines and appurtenances.

Plans and specifications must be prepared in accordance with appropriate standards established by the Lewes BPW.

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

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

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

All lines must be sized in accordance with the utility master plan, except that the 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 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 make line extensions as determined necessary by the General Manager.

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

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

Impact fees 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 must be executed within one (1) year from date of acceptance of the main/line by the Lewes BPW and 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. 22-004)

## 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. 22-004)

## 5. Fees

### 5.1 Impact Fees

#### 5.1.1 Payment of Impact Fees

Required impact fees for utilities providing service to properties within the Lewes BPW Service Area 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 may defer collection of any or all 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, the Lewes BPW Service Area, or both. The Board may require the property owner receiving such deferral to execute a written agreement prior to connecting the subject utility or utilities providing adequate safeguards to secure payment of said impact fees.

(Board Resolution No. 19-003; Board Resolution No. 22-004)

#### 5.1.2 Electric

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

The customer will pay a portion of the cost of any distribution system modifications, including substations, which may be needed, as determined by the Lewes BPW.

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

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

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

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

(Board Resolution No. 22-004)

#### 5.1.3 Water

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

(Board Resolution No. 22-004)

#### 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 must pay 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. 22-004)

#### 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 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 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 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. 22-004)

#### 5.5 Administrative Review Fee for Development Agreements

The Lewes BPW 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 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. 22-004)

### 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. 22-004)

### 5.7 Fees and Due Process

The Lewes BPW is authorized per the Lewes BPW Charter to impose administrative fees for violations of its rules and regulations. If an alleged violator protests such fee in writing, he or she shall be entitled to a hearing before the Board. The request for a hearing will be set for the next regularly scheduled Board meeting and the BPW will, in addition to placing the matter upon the meeting agenda, give notice to the person requesting the hearing. At such hearing, the Board will produce evidence relevant to the issue of whether there is a violation. The person requesting such hearing will then be permitted to introduce such witnesses and evidence as he or she desires relevant to that issue. All witnesses will be placed under oath. Strict rules of evidence will 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 will determine, by majority vote, whether it finds that the alleged violator was in violation of Lewes BPW rules and regulations. Such determination, with a brief statement of the findings upon which that decision was made, will be entered in the minutes of the meeting.

(Lewes BPW Charter § 5; Board Resolution No. 22-004)

## 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. 22-004)

#### 6.1.2 Services

The Lewes BPW may agree to provide a development with utility services such as electric, water, stormwater, and sewer services, through infrastructure installed at the sole expense of the developer.

(Board Resolution No. 22-004)

### 6.1.3 Bond

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

The 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 bonds or irrevocable letters of credit.

The escrow, performance bond, or irrevocable letter of credit may be provided by a third party on behalf of 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 for a given phase.

The escrow funds, performance bond, or irrevocable letter of credit for the Lewes BPW Improvements must not be released until the Lewes BPW Improvements for the applicable phase are accepted by the Lewes BPW.

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

(Board Resolution No. 22-004)

### 6.1.4 Developer Obligation

The developer must accept responsibility for the costs and expenses of designing, permitting, installing, and inspecting all Improvements.

The developer will also be responsible for the costs to construct, install, and provide for the planned utility improvements outside of the planned development, unless otherwise determined by the Lewes BPW.

(Board Resolution No. 22-004)

### 6.1.5 Guarantee

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

The developer must provide the Lewes BPW a construction guarantee for the correction of all defects and deficiencies in the Improvements constructed or installed by 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 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 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 Lewes BPW decides to complete an emergency repair, the developer must fully reimburse the Lewes BPW the actual cost of said emergency repair.

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 sum equal to ten percent (10%) of the construction costs of the Lewes BPW Improvements in an escrow account the disposition of which 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 must promptly return the maintenance bond. If the Lewes BPW Improvements are accepted in phases, the guarantee requirements of this Section may apply to each individually accepted phase.

(Board Resolution No. 22-004)

#### 6.1.6 Insurance

The developer or any site contractor must obtain and keep in force throughout the course of the project contractors' comprehensive general liability insurance, including contractual liability insurance with the 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 on the developer's insurance policy. The name of the development must be included on the certificate of insurance. Construction must not commence until insurance certificates are provided to the Lewes BPW. The insurance certificate will be required no later than the pre-construction meeting. If insurance lapses for any reason, the Lewes BPW will coordinate with the agency having jurisdiction to ensure certificates of occupancy 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. 22-004)

#### 6.1.7 Review and Acceptance

All work on the Lewes BPW Improvements will be subject to review and approval by the Lewes BPW. The developer must reimburse the Lewes BPW for the actual costs of necessary review. 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 must provide the developer with a summary of all costs of any review, including the administrative fee, set forth in Section 5.5, charged to the developer. The Lewes BPW 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.

(Board Resolution No. 22-004)

## 6.2 Improvement Specifications and Design Standards for Major Subdivision

### 6.2.1 Water Utility

#### 6.2.1.1 Plans

The developer must prepare detailed plans for the water system in 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 Lewes BPW before any work begins.

(Board Resolution No. 22-004)

#### 6.2.1.2 Installation Procedure

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

- 1) The developer performs work under contract or by his own work crew. This work must be done under the specifications attached as [Exhibit M](#); or
- 2) The developer can request the Lewes BPW to construct lines, at the Lewes BPW's discretion:
  - a. The Lewes BPW puts work out on contract, and the developer will pay for installation costs plus engineering services and administrative fees.
  - b. The work is performed by 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. 22-004)

#### 6.2.1.3 Inspection

All water mains and laterals must be installed and inspected according to Lewes BPW specifications, attached as [Exhibit M](#). Water mains must be pressure tested according to Lewes BPW regulations before any lateral connections can be made.

(Board Resolution No. 22-004)

#### *6.2.1.4 Location*

The location of water mains, laterals and appurtenances must be approved by the Lewes BPW. All looped lines are totally at the expense of the owner or developer.

(Board Resolution No. 22-004)

#### *6.2.1.5 Size*

Water 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 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 Lewes BPW.

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

(Board Resolution No. 22-004)

### *6.2.2 Sewer Utility*

#### *6.2.2.1 Construction*

All sewers, sewer laterals and sewer connections 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 must be installed before paving of the road except with the express permission of the City.

(Board Resolution No. 22-004)

#### *6.2.2.2 Plans*

The developer must prepare detailed plans for the sanitary sewer system in the Lewes BPW specifications, attached as [Exhibit M](#). The improvement construction plan must be approved by the Board of Public Works before any work begins.

(Board Resolution No. 22-004)

#### *6.2.2.3 Installation Procedure*

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

- 1) The developer performs work under contract or by his own work crew. This work must be done under the specifications of the Lewes BPW, attached as [Exhibit M](#), and all lines must be tested according to the Lewes BPW standards; or
- 2) The developer can request the Lewes BPW to construct lines, at the Lewes BPW's discretion:

- a. The Lewes BPW puts work out on contract, and the developer will pay for installation costs plus engineering services and administrative fees.
- b. The work is performed by the 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. 22-004)

#### *6.2.2.4 Location*

The location of sewer lines, laterals and appurtenances must be designated by the Lewes BPW.

(Board Resolution No. 22-004)

#### *6.2.2.5 Size*

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 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 Lewes BPW.

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

(Board Resolution No. 22-004)

#### *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 Lewes BPW for sewer construction work, attached as [Exhibit M](#).

(Board Resolution No. 22-004)

### *6.2.3 Stormwater Management System*

#### *6.2.3.1 Plans*

The developer must prepare detailed plans for the stormwater management system in strict accordance with Lewes BPW specifications, attached as [Exhibit M](#). The improvement construction plan must be approved by the Lewes BPW before any work begins.

(Board Resolution No. 22-004)

#### *6.2.3.2 Installation Procedure*

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

- 1) The developer performs work under contract or by his own work crew. This work must be done under the specifications of the Lewes BPW, attached as [Exhibit M](#), and all lines must be tested according to the Lewes BPW standards; or
- 2) The developer can request the Lewes BPW to construct lines, at the Lewes BPW's discretion:
  - a. The Lewes BPW puts work out on contract, and the developer will pay for installation costs plus engineering services and administrative fees.
  - b. The work is performed by 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. 22-004)

#### *6.2.3.3 Location*

The location of stormwater drain lines, laterals and appurtenances must be designated by the Lewes BPW.

(Board Resolution No. 22-004)

#### *6.2.3.4 Size*

Storm sewers 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 Lewes BPW may require that a larger main and/or a greater depth be required than is required for the particular subdivision.

(Board Resolution No. 22-004)

#### *6.2.3.5 Manholes*

Manholes 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 Lewes BPW, catch basins may be substituted for manholes.

(Board Resolution No. 22-004)

#### *6.2.3.6 Changes in Direction*

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

(Board Resolution No. 22-004)

#### *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 Lewes BPW for storm sewer construction work, attached as [Exhibit M](#).

(Board Resolution No. 22-004)

#### *6.2.3.8 Compliance*

In addition to the requirements of this section, the stormwater management system 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 Lewes BPW prior to any clearing, grubbing, etc., of the site.

(Board Resolution No. 22-004)

### *6.2.4 Electric Utility*

#### *6.2.4.1 Plans*

The developer must prepare detailed plans for the electric utility in strict accordance with the Lewes BPW Electric Utility Specification for Developers, attached hereto as [Exhibit N](#), via link. The improvement construction plan must be approved by the Lewes BPW before any work begins.

(Board Resolution No. 22-004)

#### *6.2.4.2 Installation Procedure*

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

- 1) The developer performs work under contract or by his own work crew. This work must be done under the specifications of the Lewes BPW, attached as [Exhibit N](#); or
- 2) The developer can request the Lewes BPW to construct lines, at the Lewes BPW's discretion:
  - a. The Lewes BPW puts work out on contract, and the developer will pay for installation costs plus engineering services and administrative fees.
  - b. The work is performed by 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. 22-004)

#### *6.2.4.3 Location*

The location of electric lines and appurtenances must be approved by the Lewes BPW. All looped lines are totally at the expense of the owner or developer. All electric lines must be located underground, in accordance with Section 4.1.3 herein.

(Board Resolution No. 22-004)

#### *6.2.4.4 Streetlights*

Streetlights must be in compliance with the Lewes BPW's electrical utilities specifications for developers, attached as [Exhibit N](#). The cost of installation of electric utilities will be borne entirely by the developer or person/entity installing said streetlight.

(Board Resolution No. 22-004)

## 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 “Lewes BPW”), and [ ], (hereinafter referred to jointly as the “Owners”).

Lewes 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”). Lewes BPW owns and operates utility systems throughout the City of Lewes and the Lewes BPW Service Area (hereinafter referred to as “the Lewes BPW System”). [INSERT BACKGROUND ON UTILITIES PROJECT].

On [ ], Lewes 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 Lewes BPW. On [ ], Lewes 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 Lewes BPW has agreed, subject to the terms and conditions herein, to forbear from exercising certain of the Lewes 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 Lewes BPW on account of the Assessment.

2. Acknowledgement of Lien. Subject to the terms and conditions of this Agreement, Owner and the Lewes BPW acknowledge and confirm that the Lewes 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 Lewes 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 Lewes 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 Lewes 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 Lewes 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 Lewes BPW's obligations to forbear from exercising its rights and remedies shall cease. In the event that the Lewes BPW exercises its rights and remedies, Owner shall reimburse the Lewes BPW for any costs or expenses, including, without limitation, attorneys' fees, related thereto. Any decision by the Lewes 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 Lewes BPW's available rights and remedies. Following any such cure, all rights and remedies of the Lewes 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 Lewes 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 Lewes 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 Lewes 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 Lewes BPW, which consent may be withheld or conditioned by the Lewes 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**

By: \_\_\_\_\_(SEAL)  
Austin Calaman, General Manager

\_\_\_\_\_  
Witness/Attest

**OWNERS:**

\_\_\_\_\_(SEAL)  
[Name]

\_\_\_\_\_  
Witness

\_\_\_\_\_(SEAL)

Witness

[Name]

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>