

Lewes Board of Public Works  
Regular Meeting Minutes  
July 27, 2022

The Wednesday July 27, 2022, regular meeting of the Lewes Board of Public Works was held at 3:00 pm in the City Hall Council Chambers.

**1. WELCOME AND PLEDGE OF ALLEGIANCE**

**2. ROLL CALL**

**Board Members**

*Thomas Panetta*

*Earl Webb*

*Preston Lee, P.E.*

*Richard Nichols*

*A. Thomas Owen*

**Ex-Officio Members**

*Austin Calaman, general manager*

*Robin Davis, assistant general manager*

*Michael Hoffman, legal counsel*

*Andrew Williams, Mayor*

**Others**

*Joshua Gritton, BPW*

*Sharon Sexton, BPW*

*Tim Ritzert, Council member*

*Richard Plack, Inframark*

*Mike Wolgemuth*

*Kimberley Bellere, BPW*

*Josh, GMB*

*Vince Luciani, GMB*

*Elizabeth Owen*

*Kris Keller, BPW*

*Madeline Nichols*

*Nick Hammonds, JLAM*

*Hans Medlarz, Sussex County*

*Barbara Curtis*

*Suzanne Powell, BPW*

*Donovan Smith Residents*

**3. Executive Session**

Adjourned to executive session.

**4. Return to Open Session**

Open session resumed at 4:00pm

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

None

## 6. CONSENT AGENDA

**ACTION:** *Mr. Lee made a motion to accept the consent agenda. Mr. Owen seconded the motion, which passed unanimously.*

## 7. Receive the Inframark report.

Mr. Wolgemuth reported:

- Headworks: still utilizing the dewatering roll-off container
- Filters: finished train two and planned to start train three but delayed to next week due to contractor scheduling.
- No Suez report because of communication issue with the controller that sends the Suez the information. Suez sent a control box to be installed but has not arrived yet. Mr. Lee questioned if this impacts any monitoring by Suez. Mr. Wolgemuth stated that Suez cannot see any information, and this has been going on for over a month. Mr. Plack stated that Inframark and Mr. Gritton tried to trouble shoot diagnostics and found that Suez equipment failed, programming issues. Mr. Gritton stated that Brendan from Suez notified Inframark that the box was not working and that a replacement was needed. Mr. Gritton reached out for tracking info and update and has received no response yet.
- Pump station three pumps have been received but will not be installed until project to replace the isolation valves. This is anticipated to occur late August or early September. There is a pre-construction meeting on August 9<sup>th</sup> with Sprig, who will be doing the work. Mr. Plack stated that the meeting is to verify that all flagging needs are met and finalize the due diligence for the project. Mr. Calaman stated that the BPW has already met with the property owner.
- Addressed a leak with one of the chemical feed pumps, was successfully restored.
- Mr. Calaman stated that Inframark is getting a quote to purchase emergency generator that is at pump station four now. It is a Caterpillar Albin 60 kw. The temporary generator was about \$1700 a month as opposed to \$55,000 to purchase. The BPW would then have a temporary generator to use at other stations when needed. President Panetta stated that the payback period is half a year. President Panetta questioned if the BPW should purchase the bigger generator, 100kw. Mr. Plack does not know the availability of a bigger generator but will find out. The generator that is being offered to sell is the one BPW is currently using. President Panetta suggested looking at the option because a 100kw generator would ensure that both pumps could be powered. Item to be added to next month's agenda.
- President Panetta stated that the quarterly walk down of the plant was done. Scott Getchell has issued the draft report. President Panetta encouraged that some of the maintenance for the winter season, replace heaters, meagering of the cable, etc., is kept on top of.

## 8. Receive the President's report

President Panetta stated that he attended the Sussex County council meeting. The Mitchell Farm was approved with conditions. Mr. Medlarz did a good job looking after the interest of the wells. The two zoning changes were approved and the project with conditional use was approved. The village and the cottages are still outstanding. No schedule date for those.

DRBA asked President Panetta to sit in a meeting relative to the plans of the ferry terminal.

Mr. Calaman stated that well three and well five were rebuilt by AC Schultze. When the pump came back on, the pump seized. AC Schultze pulled the pump and did re-camera, there may be some pitting that may have led to some pinhole leaks in well three. AC Schultze will put together some proposals and will be brought to the Board in August. Relining will be the least expensive option. There is a screen in well three around 75 feet a spool piece and then an additional screen. If the BPW relines or rebuilds, it would eliminate the spool piece and it would be a solid screen. There will be options for a stainless-steel casing, regular steel casing, and redeveloping or rebuilding. Well three will be a 12-inch well like it is existing or a 16-inch well that would match well four and five, which has 25-30% additional capacity compared to the other wells. President Panetta stated that the swabbing will help determine where the leak is or the source. It is about \$4000 to do this swabbing and will give an assessment of other wells that are of equal vintage.

## **9. Receive the General Manager's Report**

Mr. Calaman presented:

- The audit will be brought to the August Board meeting.
- Mumford and Miller paved on Monday on Savannah Road. This will be cut open again when the water line is extended as part of the Donovan Smith project. Final striping will be done on Friday and then there will be final punch list items such as seeding, grading, etc.
- Pilottown Road final paving will be done tomorrow. Striping may be Monday.
- Sink hole on Kings Highway, week of July fourth, was repaired.
- Service leak on 2<sup>nd</sup> street was repaired by water and wastewater departments.
- Customer inquiry came in through the Smart hub portal. Customer was interested in knowing if the BPW is working towards or considering noise suppression of the sewage treatment plant. Mr. Lee questioned if there were ever any other complaints from this area. Mr. Webb stated that he lives across from the plant and does hear the noise but feels that most people are accustomed to it. Mr. Webb does not hear any complaints. President Panetta stated that he has never heard the plant from his backyard and is one block over from Madison. Mr. Lee stated he walks that area and has never noticed the noise. Mr. Webb questioned if it could be the electrical lines. Mr. Calaman stated no. President Panetta stated that sound travels in strange ways though.
- Monthly master plan for Schley Avenue was discussed with the city. Space is limited and it is becoming harder to utilize the space available with the town growing.

- Outage on July 16, 2022, at the end of Pilottown Road. Power was restored in a timely manner. An osprey nest was built away from lines, but sticks were dropped on the lines anyway.

Josh presented IT:

- There were a lot less attempts, but the attempts were more strategic. Uptick in validated malware attempts. Moving forward and increasing awareness training to educate staff. Low 100s attempts a month, but the validated attempts increase from 13 to 16 from last month. Mr. Webb questioned if the BPW was comparable to the city. Mr. Gritton stated that there was a joint introductory meeting. Mr. Gritton will work with the city on comparable statistics.
- Moving forward with .gov. Because of the change in command, Mr. Gritton had to start the process over and the BPW has reapplied. Hopeful to have the .gov by next meeting. Using the .gov email address is TBD. Difficult process.
- Wastewater electric issues: Regarding the concern of meggering the lines, Mr. Gritton stated that there was not enough data collected to make a recommendation. Mr. Calaman stated it was in the best interest to megger and create a baseline. The sensitivity levels are very tight, which means the parameters are tight. Any fluctuation throws off the potential of a problem. Since parameters have been changed to be more flexible, there have been no callouts. President Panetta questioned if low voltage control cabling was being referred to. Mr. Gritton stated that it is not low voltage. By default, the parameters are very tight and with the change to the sensitivity levels, more tolerant of the variations. President Panetta stated that meggering is using extremely high voltages with very small current readings to determine the insulation value of the cables. As cables age or rodents gnaw or salt water degrades cables over time. It was asked of Mr. Plack to get an option on meggering because beside cabling, breakers and MCCs could be meggered. This is industry practice. President Panetta would be more comfortable knowing the condition of the motor control centers (MCCs). Inframark is getting proposals for the meggering of the cables and MCCs.
- Detailed asset assessment of digital and physical assets in the IT division will give a granular aspect and will provide better forecasting budget.
- Service desk ticketing implementation tracks movements in department and all the trouble calls.
- Introduced Mike Posey as new member to the IT department.

Ms. Bellere presented:

- Financials provided were monthly, year to date, and quarter one (Q1). The year to date and Q1 are the same numbers, just presented differently. Based on the first quarter, the budget was amended. According to the policies, this is done administratively and then presented to the Board.
  - Electric revenue: industrial and municipal are under budget and have been adjusted. Did not adjust the same percentage that the numbers are off because the PCA cost going up. Customers getting smaller credits on bills is expected.

- Electric Expenses: depreciation and amortization are for electric, water, and wastewater. Overall, it was a reduction but was split differently between the utilities. In lieu of franchise fee is changing with revenue changing.
- Water Revenue: Commercial and municipal are underperforming and were adjusted according to those percentages. Industrial and Other are overperforming. Ms. Bellere used half of the overperformance in case it is a fluke. The other used the year to date and the remaining balance of 92%.
- Water Expenses: Professional and Contractual is over mostly to do with the study for the wellhead protection. Used the current year to date plus the remaining budget. The remaining budget was not adjusted because the BPW should not receive any more bills for the wellhead protection. The results may not be in until one to two years. The in lieu of franchise fee has changed again.
- Wastewater Revenue: Residential has been running consistently 3% under budget and adjusted.
- Wastewater Expenses: Repairs and maintenance have been running high. Chemicals are high and Clean Delaware is up.
- Professional and contractual is under budget but \$125,000 was added for the GHD study.
- Grants are being received for wastewater. Ms. Bellere believes the estimate low and adjusted by times two but should be times four. Ms. Bellere will work with GMB to get more accurate numbers.
- Stormwater revenue: Other had a large bill for Lewes Waterfront Preserve that threw off the budget. Used the year to date and 50% remaining budget.

Ms. Bellere stated that overall budget has been spot on but is still concerned with inflation rates.

President Panetta questioned if there was any update from DEMEC on the PCA relative to NRG. Mr. Calaman stated that it will not be seen because of the rate stabilization reserve and the impact would be seen around October. The NRG plant is a coal fire plant and with the push of renewable energy, it was asked to decommission the Dagsboro plant. President Panetta stated that it is being used as a reserve and the plant is being kept in physical shape to run. If called upon it would take 24-48 hours to start up. NRG is asking for a substantial payment from PJM. DEMEC is using the reserves to offset that cost, but the rate impact will be drastic. It is affecting everyone in the area and is being contested. Mr. Lee questioned if there is a timeline. President Panetta stated that it will decommission in 3-5 years when the five power line projects are complete, but he has never seen a transmission line go in 3-5 years. It is not only the 80 million dollars, but this arrangement allows NRG to charge for other expenses and could add up to a considerable amount.

Mr. Lee questioned if the heat wave will have any effect on the next quarter. Ms. Bellere stated that the second quarter is always the strongest.

Mr. Webb asked to see the Pilottown projections and the actuals for the next meeting how inflation impacted the project.

## NEW BUSINESS

### 10. Open forum/general discussion on an amendment to the flow agreement with Sussex County to include the future development to be known as Henlopen Bluff.

#### INFORMATION/DISCUSSION/ACTION (A. Calaman, M. Hoffman, H. Medlarz)

Mr. Calaman stated that there is a development of Gil's Neck Road called Henlopen Bluff. This development is going through preliminary stages of planning commission, going before council, etc. The only existing infrastructure comes from the force main from the county pump station and dumps into our gravity line. Henlopen Bluff approached the county to gravity feed into the existing sanitary sewer system in Showfield. This is an amendment to the agreement. And changed the wording regarding the rate. Henlopen Bluff was added as well as the administrative change taking this amendment and making it third amendment. The rate was adjusted per the CPI.

Mr. Medlarz stated that how an existing or proposed subdivision is billed, is already covered in the agreement. This is the third time this has been done. The billing side never changed and runs off EDUs. Mr. Lee stated that this a good example of both entities working together to find a cost-effective solution for all parties. Once the Board approves, the agreement would go to Sussex County council for approval.

**ACTION:** *Mr. Nichols motioned to approve the amendment to the flow agreement with Sussex County to include Henlopen Bluff. Mr. Owen seconded the motion, which passed unanimously.*

### 11. Open forum/general discussion on the Olde Town at White's Pond Developers Agreement.

#### INFORMATION/DISCUSSION/ACTION (A. Calaman and M. Hoffman)

Mr. Hoffman stated that a few years ago the BPW redid the form agreement and became the basis for all future developer agreements. Since the form was adopted, the Board has adopted and modified the policies. The form has been updated to incorporate those additional policies. Mr. Hoffman circulated the redline draft that shows the changes to the form. Many changes include revisions to the BPW policies. There are two developer requested substantive provisions.

- Developer requested revision to section 2.2. Section 2.2 involves the amount of time. After a year the BPW has the right to require a re-review and update the plans if the BPW improvements have not been completed. The developer requested the period be two years based on the current supply chain climate. BPW improvements in one year is not reasonable. Mr. Hoffman believes this to be accurate.
- Section 6.2 concerns the trigger point from which the Board would pull on a bond. The agreement requires that the developer post a bond in the amount of 150% of the cost of the improvements. The form says the when the BPW or the city has reason to believe that the developer won't complete the improvements then the BPW can pull on the bond. The developer has asked that asked to include a time period. This affects both the BPW and the city. Mr. Hoffman asked for feedback from Ms. Townshend and Mr. Mandalas and the consensus was that six months is reasonable.

Mayor Williams questioned if Mr. Mandalas (city legal counsel) has already provided his comments on this document. Mr. Mandalas has only provided comment only on section 6.2. Mr. Hoffman stated that the structure of the agreement is that there are sections that pertain to BPW improvement, sections that pertain to city improvements, and then there are both. Mr. Hoffman has not received comments on the city piece, but the city piece is not in front the Board.

Mr. Hoffman recommends that the Board would approve the developer's agreement and authorize staff to work with developer to finalize the blanks with condition that the agreement also be approved by the mayor and city council.

Mr. Nichols questioned section 6.2 and if six months consecutive or aggregate. Mr. Hoffman stated that it is consecutive. Mr. Hoffman cautioned the heavy-handed remedy of the BPW pulling the bond and stepping in to do the work. The question should be is there a reason to believe there is reason to step in to complete the work.

Mr. Webb questioned section 2.2, the two-year period instead of one year before triggering re-reviews. Mr. Webb questioned if there were new things in the city ordinances or new things in the BPW plans would the original agreement be reviewed. Mr. Hoffman stated that this agreement says is that after the one-year or two-year (whichever is decided) period, the Board has the ability to go back and re-review the plans. President Panetta stated that 2.2 states that the developer can come back and ask for an extension from the general manager. President Panetta questioned if the Board wants to set the precedent of going to two years fully. A lot can change in the next two years and the BPW would not unreasonably deny if the supply chain is an issue. Mayor Williams stated that the city allows one year, and two six-month extensions can be requested, essentially two years. Mr. Hoffman stated that the developer can apply for an extension and provide a good cause. The developer is taking steps and material is ordered and the expiration date creates uncertainty. If the BPW is aware that the supply chain and construction timing of one year is really tight, can certainty be provided to developer before getting started.

President Panetta questioned if this sets any type of precedence for 2024 and will others be looking for the same. Mr. Hoffman stated that at the moment, this is reasonable, and the Board is not changing the form. Each agreement is reviewed independently because circumstances like this arise. Mr. Nichols stated that the language does allow for an application for an extension for a good cause. Mr. Webb questioned if there have been any extension applications recently. Mr. Calaman stated that the supply chain on transformers is not terrible, but faster delivery means extreme increased costs. A natural disaster could change all of that. Delaware Electric Coop has stopped all new installation for developments.

Mr. Hoffman that what is front of the Board, staff is recommending, and the Board can amend.

Mr. Lee questioned adding a supply chain condition or if would be too messy. Mr. Hoffman stated that the extensions are open ended, and the Board has discretions in terms of extensions.

Mr. Webb gave an instance that this was pre fire suppression, would the agreement change now that it is post fire suppression. Mr. Hoffman stated that this pertains to the improvement plan, the infrastructure. Other regulations or city ordinances is not impacted by this. The BPW has presented the construction plans and developer is to build those plans but if not done in a given period the BPW can come back for a re-review. President Panetta stated that the city approves based on a city code date and it is very unusual to get an amendment that is retroactive.

Mr. Nichols questioned if this is going to be the form that is memorialized for developer agreements or only for this particular development. Mr. Hoffman stated that the form has not changed but is for this specific developer. Mr. Calaman stated that this is similar to a pole attachment agreement.

**ACTION:** *Mr. Owen motioned to approve the developer's agreement and authorize staff to work with developer to finalize the blanks with condition that the agreement also be approved by the mayor and city council. Mr. Lee seconded the motion, which passed unanimously.*

**12. Open forum/general discussion on the resolutions for the Donovan Smith Mobile Home Park water/sewer project funding from DHSS and DNREC. INFORMATION/DISCUSSION/ACTION (A. Calaman and M. Hoffman)**

Mr. Calaman stated that these two resolutions were before city council meeting and received the blessing. Once approved by the Board, the loan would go to closing. Mr. Hoffman stated that it a charter requirement that when the Board borrows money and pledges revenues to support that borrowing. Out of abundance of caution, these resolutions are being presented by to the Board. This is meant to be forgiving. This is a necessary step to move forward with closing, and the loans are necessary to move forward with the Donovan Smith project.

President Panetta questioned if non-revenue bonds and lines of revenue fall under that charter clause. Mr. Hoffman stated that Charter states:

*"The Board shall have the authority to borrow money and issue bonds or certificates of indebtedness and to secure the payment thereof by pledging the revenues derived from the operation of any project for which bonds are issued pursuant to this section. The Board shall obtain the prior consent of the mayor and city council for such borrowing."*

**ACTION:** *Mr. Owen motioned to read the resolution 22-006 by title only. Mr. Webb seconded the motion, which passed unanimously.*

Mr. Hoffman read resolution 22-006 by title only.

**ACTION:** *Mr. Lee motioned to approve resolution 22-006. Mr. Owen seconded the motion, which passed unanimously.*

**ACTION:** *Mr. Owen motioned to read the resolution 22-007 by title only. Mr. Lee seconded the motion, which passed unanimously.*



Mr. Hoffman read resolution 22-007 by title only.

**ACTION:** *Mr. Owen motioned to approve resolution 22-007. Mr. Nichols seconded the motion, which passed unanimously.*

Mr. Webb questioned when there will be shovels in ground. Mr. Calaman stated that bidding and awarding will happen in September/October. A meeting with residents and surrounding areas will be scheduled after contractor selected. Mr. Calaman stated that this project will be in the 12–18-month time frame due to narrow streets and a lot of work that needs to be done.

## **OLD BUSINESS**

### **13. Open forum/general discussion of strategic planning goals and objectives. INFORMATION/DISCUSSION/ACTION (t. Panetta)**

President Panetta stated that the strategic planning goals and objectives was before the Board last meeting were to be reviewed after the update from President Panetta.

**ACTION:** *Mr. Lee motioned to approve the strategic planning and goals. Mr. Owen seconded the motion, which passed unanimously.*

### **14. Open forum/general discussion on the update of the mitigation committee. INFORMATION/DISCUSSION/ACTION (P. Lee)**

Mr. Lee stated that the mitigation committee held the first meeting on July 6<sup>th</sup>. Mayor Williams stated that the city council will appoint the city ex-officio tomorrow.

Mr. Lee stated that the first question that the committee tackled is what storm the committee will be designing to. Mr. Lee thought it was decided to design to 2050 but minutes say 30 years. Mr. Lee will review with the committee. President Panetta suggests using a round year. Mr. Lee stated that related to that date, that DNREC estimates range from 9" to 23" of rise. The committee would like to use the worst-case scenario. Mr. Webb questioned if both could be used. Mr. Lee stated that the committee is looking at all utilities and assets not just the wastewater treatment plant.

President Panetta stated that there are three curves: the lower one is 25% confidence, the middle curve is 50% confidence, and the upper curve is 75% confidence. Confidence that it will happen. Every update that has been issued, has risen all three curves from the prior period. This is typically done every three years. Most other cities are going with the 75% probability or alternatively using the 500-year storm over a 100-year storm. 100-year storm is better defined topographical than the 500-year. Mr. Owen questioned what the committee will be using. Mr. Lee stated that the committee would like to use the most conservative given what it is

happening. President Panetta stated that most municipalities are using the upper curve and higher freeboard for critical infrastructure and potentially using less for residential.

Mayor Williams questioned if this committee has a specific charge. Mr. Lee stated that the resolution says to provide information or feedback to the Board, it is very general. At the next meeting the committee is going to look at the maps that was prepared for the 2016 evacuation study and aerial photo the BPW utility assets. By overlaying the maps, the two-foot rise will show which utility assets will be mostly impacted. Mr. Calaman stated that the committee is also looking at it from a mutual aid perspective, policy direction, and worst-case scenarios. Mr. Owen suggested checking with state because they had had a computer model with different scenarios. Mr. Lee stated that this is what is being used. The question is are people going to still live in these areas with two-foot sea-level rise.

Mayor Williams questioned if there was a targeted date to come back to the Board. Mr. Lee stated that the committee is in beginning stages and has not been discussed. Mayor Williams stated that the resiliency came with thirteen topics and was voted to just two to focus on. Mr. Lee stated that as the committee meets, narrowing the scope will happen and the council member from the city will help. President Panetta stated that the BPW mitigation committee is strictly the utility infrastructure.

Mr. Webb questioned if the Business Continuity Plan (BCP) is included in the mitigation committee discussions. Mr. Lee stated that he had not gotten to that point yet, but worth considering. President Panetta stated that the first task is to identify what is at risk and then how to mitigate. Mr. Lee stated at some point the committee should get into policies encouraging solar and EVs .

Mr. Nichols questioned if the map shows the sea-level rise in 2050. Does this imply where the sea meets the sand now and two feet of water out into the bay. Mr. Lee stated that it was this was his understanding.

President Panetta that the sea level maps by put out by DNREC are “bathtub” maps and does not take in to account the storms, fetch, precipitation, winds, etc. Almost impossible to model coastal effects.

## **15. Call to the public**

Mr. Ritzert, Harper View Road referred a statement made about wells three and five being redeveloped. When was that work done? Mr. Calaman stated that it was the spring of this year. Mr. Ritzert questioned if the work was done based a perceived need. Mr. Calaman stated that AC Schultze comes in each year and runs a test on all five wells. AC Schultze looks at the design curves: what is supposed to be pumping versus what is actually pumping. When the design curves are off kilter, AC Schultze gives a recommendation. Redevelopment is cleaning the pipe and make sure the casing is good. AC Schultze will come back and rebuild the pump.

Mr. Ritzert stated that sometime the last 30 days, neighbors and himself noticed a drop off in water pressure. Mr. Calaman stated that if valves were being turned on Pilottown Road may affect water pressure. There are controls set up, and Mr. Calaman is unaware of any notifications. Mr. Ritzert stated that there was no discoloration. Mr. Ritzert remembers it being a weekend and if it may be associated with load. Mr. Calaman stated that the highest peak this year has been 2.1 million gallons and he has not been notified of anything out of the norm. President Panetta stated that the pressure in town is set by the water tower. The BPW has the capability of running off the wells, if the water tower needs to come down for service, but the cycling of pumps on and off does not affect the pressure in the system. Mr. Webb stated that if it happens again, customers can call in and the valve document can be checked.

#### **16. Call to the press**

None

#### **17. Executive Session**

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

President Panetta adjourned to executive session.

#### **18. Return to open session**

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

#### **19. Discussion and action on items from Executive Session, if applicable.**

None

#### **20. Adjournment**

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

President Panetta adjourned the meeting.

Respectfully Submitted  
Sharon Sexton  
Executive Assistant