



Georgetown

Town Council Meeting Agenda

Meeting Date: Wednesday, July 22, 2020, **2:00 PM**

This meeting will be conducted electronically, pursuant to Governor Carney's State of Emergency declaration, effective March 13, 2020 as amended. Town Hall is closed to the public.

zoom.us/join

Zoom Meeting ID: 944 221 44877

Follow Onscreen Instructions

2 [Governors Proclamation](#)

1. PLEDGE OF ALLEGIANCE

2. INVOCATION

3. ADOPTION OF AGENDA

4. APPROVAL OF JULY 8, 2020 TOWN COUNCIL MINUTES

A.

5. TELECOMMUTING POLICY

3 - 4 A. Discussion Item

[Memo - Telecommuting Policy & Guidelines \(2020-07-20\)](#)

6. SPECIAL ELECTION (REFERENDUM) RESULTS

5 A. Memorandum

[Memo - Special Election \(Referendum\) Results \(2020-07-21\)](#)

7. DEPARTMENTAL REPORTS

6 - A. Town Manager - Gene Dvornick

13 [Town Manager Report - 2020-07-22](#)

[Georgetown Water and Sewer Rate Model Update Scope of Work Final](#)

8. PUBLIC COMMENT

14 A. Correspondence Received

[Correspondence - Hopkins \(2020-07-16\)](#)

9. ADJOURNMENT

The agenda items as listed may not be considered in sequence. This agenda is subject to change, at or before the meeting, to include the addition or deletion of items, including executive sessions. Persons requiring special accommodations to attend this meeting should contact the Town Office in writing 72 hours in advance of the meeting, stating their needs in order to have them addressed under the requirements of the American with Disabilities Act (ADA).

STATE OF DELAWARE



OFFICE OF THE GOVERNOR

PROCLAMATION

Whereas, the Centers for Disease Control and Prevention has determined that a novel coronavirus ("COVID-19") presents a serious public health threat; and

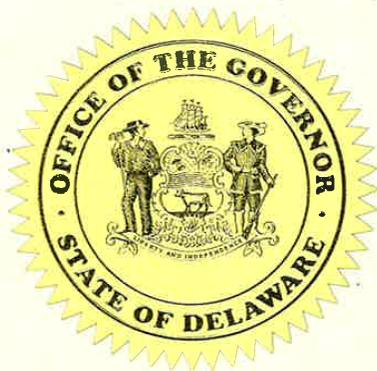
Whereas, as of 8:00 a.m. E.S.T. on March 13, 2020, the Governor declared a State of Emergency due to the public health threat of COVID-19; and

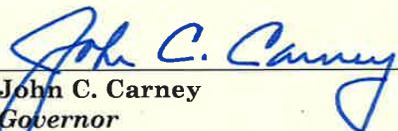
Whereas, in order to prevent the community transmission of COVID-19, the Governor's State of Emergency declaration ordered all public meetings of executive branch public bodies governed by 29 Del. C. §§10001 et. seq. (including boards, commissions, task forces, and any other similar public body) may be conducted electronically, either by means of telephone conference call or video-conference call; and

Whereas, in the interests of protecting the citizens of this state from the public health threat caused by COVID-19, the Governor is authorized to take such action as the Governor reasonably believes necessary to help maintain life, health, property or public peace in this state, including issuing a proclamation to suspend the provisions of any regulatory statute prescribing the procedures for conducting state business where strict compliance with the statute may hinder necessary action in coping with the public health threat caused by COVID-19.

**Now, Therefore, We, John Carney, Governor,
and Bethany Hall-Long, Lieutenant Governor,
do hereby declare that the following precautionary
measures shall be implemented:**

1. All meetings of public bodies governed by 29 Del. C. §§10001 et. seq., until further notice, may be conducted electronically, either by means of telephone conference call or video-conference call.
2. The technology used must permit members of the public body to hear the comments of and speak to all those participating, and members of the public to hear the comments of and speak to such members of the public body contemporaneously. Public participants must also be permitted to electronically access presentation materials and submit questions or comments.
3. During any public meeting conducted by electronic means, each member of the public body will identify him or herself before speaking so that members of the public are able to hear the comments of the members of the public body.
4. Notice requirements of public meetings will continue as required by law and will include the electronic information necessary for participation.
5. Meetings already noticed shall be updated as soon as practicable with the information necessary for members and the public to participate electronically.
6. All other rules and procedures applicable to public meetings shall be followed.




John C. Carney
Governor


Bethany A. Hall-Long
Lieutenant Governor

17-3292
Number

TOWN OF GEORGETOWN MEMORANDUM

TO: Mayor & Council
FROM: Gene Dvornick, Town Manager
RE: Consideration of Telecommuting Policy
DATE: July 20, 2020

As a result of the ongoing Coronavirus (COVID-19), Town employees continue to rotate working time in the office and at alternate work locations (from home). In light of this and the ongoing uncertainty of the pandemic, Staff and I feel the Town would benefit from the establishment of a Telecommuting Policy/Guidelines.

Some of the items we feel should be incorporated include:

1. Telecommuting is not the default or an employee benefit, and will only be utilized when needed, as determined by management, due to internal or external factors.
2. Telecommuting is strictly within the discretion of the Town Manager or Department Head and may be reviewed or rescinded, either in full or as to any given employee, at any time.
3. Established core hours are 8:00 a.m. to 4:30 p.m. Presence in the alternate work location is required (other than for meal or break periods which would exist in the workplace) during core hours.
4. Accessibility by telephone is required during the established core hours.
5. Emails, requiring a reply, are to be respond to within two (2) hours of receipt.
6. Any hardware or software purchased by the Town remains the property of the Town and will be returned to the Town upon request.
7. Restricted-access materials (such as payroll and personnel files) may not be removed from Town offices or accessed through computers from a remote location without the written permission of the Town Manager.
8. If personal devices are used for Town business they shall be kept physically and electronically secure (e.g. passwords, security software).
9. Town property located at an alternate worksite may not be used for personal purposes.
10. The telecommuter's alternative work location telephone number must be known so that he/she can be reached by co-workers or supervisors. Including maintaining specific core hours of phone accessibility. The specific day(s) and work hours will be identified in a separate Telecommuting Agreement for each employee who is telecommuting.

11. Lack of productivity or poor performance while telecommuting shall be cause to terminate an employee's telecommuting status, in the sole discretion of the Town Manager.

Recommendation

Please feel free to submit comments or any additional items you would like to have included in the Town's telecommuting guidelines.

TOWN OF GEORGETOWN MEMORANDUM

TO: Mayor & Council
FROM: Gene Dvornick, Town Manager
RE: Special Election (Referendum) Results
DATE: July 21, 2020

I am pleased to report the results of the Special Election (Referendum) held on Monday, July 20, 2020:

<u>BALLOT QUESTION</u>	<u>FOR</u>	<u>AGAINST</u>	<u>TOTAL</u>	<u>OUTCOME</u>
Authorizing the Mayor and Council of Georgetown to borrow an amount not to exceed \$1,255,000 for the purpose of Capital Costs Associated with the Market and Bedford Streets Water Main and Service Line Project	82	2	84	PASSED
	98%	2%	100%	
TOTAL NUMBER OF VOTES CAST	<u>84</u>			

On July 15th a project update was received from the Town Engineer:

- The Geotech Report is being incorporated into the design
- Submission to Sussex Conservation District, Office of Drinking Water, and DelDOT, is anticipated by end of July
- Advertisement for Bid
- Bid Review, recommendation, and award
- Construction

Special thanks to the Board of Elections: Jane Hovington, Gary Tonge, and Rosalie Walls. As well as Town Staff Kristen Dabrowski and Laura Givens for all their efforts with the Special Election.

TOWN MANAGER REPORT
July 22, 2020

Downtown Beautification

The final set of planters for East Market Street were received and installed. Special thanks once again to the Georgetown Arts and Flowers for the beautiful planting and Public Works Department for placement and weekly watering.

Voter Turnout – Special Election (Referendum)

As previously reported, for the Special Election (Referendum) held on Monday, July 20, we had a total of 84 votes cast. The Referendum was passed 82-2.

A look back at previous referenda, the votes cast have been as follows:

<u>Date</u>	<u>Description</u>	<u>Amount</u>	<u>Votes Cast</u>
February 20, 2010	South Bedford Street Pump Station Upgrade	\$490,000	27
December 14, 2010	Inflow & Infiltration	\$1,705,000	77
December 14, 2010	Water Supply & Treatment	\$1,595,590	77
December 14, 2010	Water Service Lines	\$2,199,410	76
October 12, 2015	37 & 39 The Circle	\$1,925,000	183

For each Special Election we have done extensive notification, outreach, and advertisement. If there are other suggestions you may have regarding ways to increase participation, we are open and willing to try them.

Utility Rate Study

The Town received a proposal from NewGen Strategies & Solutions (as Municipal & Financial Service Group) to perform a study of water and sewer utility rates (last conducted in 2007). The not-to-exceed fee proposal is for \$31,905 (copy attached). The work to be performed, will allow for implementation of any water and sewer rates and fees beginning in Fiscal Year 2022.

***Request Mayor and Council authorize up to \$31,905 for the
Water & Sewer Utility Rate Study – Subject to review of any contract
by the Town Solicitor***

Miscellaneous

- Reminders:
 - **Municipal Election:** Saturday, August 15, Polls open 8:00 AM to 6:00 PM
 - **Delaware League of Local Governments:** Cancelled until further notice
 - **Sussex County Association of Towns:** Cancelled until further notice

Reviewed by Town Solicitor



911-A Commerce Road
Annapolis, MD 21401
Phone: (410) 266-9101
Fax: (410) 266-5545

July 15, 2020
via email: gdvornick@georgetowndel.com

Gene Dvornick
Town Manager
Town of Georgetown
37 The Circle
Georgetown, DE 19947

Subject: Town of Georgetown Water and Sewer Rate Model Update

Dear Mr. Dvornick:

We are pleased to submit to you our scope of work to complete an update to the the water and sewer rate model that NewGen (as MFSG) developed for the Town. At your request, we have prepared a detailed scope of work and not-to-exceed fee proposal for the update of the rate model. The scope of work outlines the tasks necessary to complete a comprehensive update of the content of the rate model, develop a potential rate alternative, conduct public presentation of the study results, and implement updated water and sewer rates and fees (including capacity fees paid by new or expanding customers) beginning in Fiscal Year 2022.

Thank you for the opportunity to continue our professional relationship with the Town of Georgetown. We look forward to working with you and the Town. If you would like to discuss any part of our proposed scope, please contact me at (443) 951-4207 or at ecallocchia@newgenstrategies.net.

Sincerely,

A handwritten signature in blue ink that reads "Eric Callocchia".

Eric Callocchia
Executive Consultant

A handwritten signature in blue ink that reads "Edward J. Donahue III".

Edward J. Donahue III
Vice President – Environmental Practice

1. Project Team

NewGen has assembled a project team of professionals who have completed similar projects and understand the key issues and challenges facing the Town. NewGen’s team members bring industry leading expertise on the financial and management aspects of water and sewer utility service.

Eric Callocchia | Project Manager



Mr. Callocchia is an Executive Consultant in the Annapolis office of NewGen, applying economic, mathematic, and financial skills to a broad range of projects for clients. He has experience with both rate modeling and cash flow simulations. He is involved in both water and wastewater industry associations. **He is a contributing author to the most recent edition of the Water Environment Federation’s Manual of Practice 27 – Financing and Charges for Wastewater Systems and an active member of the American Water Works Association Rates and Charges Committee.**

EDUCATION

BA, Economics/Mathematics, Johns Hopkins University

AFFILIATIONS

AWWA, WEF, GFOA
Active member of the AWWA Rates and Charges Committee

PUBLICATIONS

Contributing Authour, WEF MOP 27 – *Financing and Charges for Wastewater Systems*

Mr. Callocchia has worked with over 75 water, wastewater, and stormwater utilities throughout the United States on building solid financial plans and implementing best practice management policies. Through his efforts, clients have adopted revenue increases, rate structure changes, reserve policies, capital financing plans and other industry best practices. Mr. Callocchia regularly presents at industry conferences to keep peers informed of the cutting-edge methodologies developed as a part of his projects. Mr. Callocchia will be the main contact person for the Town’s project.

Edward Donahue | Principal-in-Charge / QA



Mr. Donahue has over 45 years of experience, having performed cost of service, rate and feasibility work for more than 125 clients, including work for cities, counties and special purpose authorities and commissions in Alaska, California, Connecticut, Delaware, the District of Columbia, Illinois, Kentucky, Maine, Maryland, Massachusetts, New York, North Carolina, Ohio, Pennsylvania, Virginia and others. He has served as chairman of AWWA’s Finance, Accounting and Management Controls Committee and currently chairs that organization’s GASB 34 Task Force; he is a contributing author and editor for AWWA’s Manual M-29, Capital Financing, and served the same role for the recent AWWA/GFOA textbook Financial Management for Water Utilities. He has been accredited and served as an expert witness in accounting, contract, and construction and rate matters before courts and regulatory agencies.

EDUCATION

MBA, Finance, Government-Business Relations, George Washington University
BS, Accounting, Johns Hopkins University

REGISTRATIONS & CERTIFICATIONS

Certified Management Consultant (U.S., Canada)

AFFILIATIONS

AWWA, WEF, GFOA
Active member of the AWWA Finance, Accounting & Management Controls Committee

Michael Sommerdorf | Financial Modelling



Mr. Michael Sommerdorf, Analyst in our Richardson office, will serve on the Project Team providing financial modeling, large data manipulation and financial analysis services. Mr. Sommerdorf joined NewGen Strategies

EDUCATION

MS, BUSINESS ANALYTICS, UNIVERSITY OF TEXAS AT DALLAS
BA, ACCOUNTING, ST. EDWARD'S UNIVERSITY

AFFILIATIONS

AWWA, WEF

and Solutions, LLC as an Analyst in 2016 shortly after attaining a Bachelor of Business Administration in Accounting and recently completed his Master of Science in Business Analytics at the University of Texas at Dallas.

Aaron Keaton | Data Entry and Study Support



Mr. Keaton applies financial modeling skills to a broad range of rate design projects for clients. He has served as lead data analyst for several water, sewer, stormwater, and/or solid waste rate studies throughout the United States. In

EDUCATION

BS, Energy Business and Finance, Pennsylvania State University

AFFILIATIONS

AWWA, WEF

addition to rate design projects, Mr. Keaton has also assisted in operation and management, benchmarking, and performance management studies.

2. Scope of Work

Our proposed scope of work is presented in two parts. The first is an informational workshop for Town Council that will educate them on the rate study process and the general principles of water and sewer rate calculations. We call this a "Rates 101" workshop, and its purpose is to set a solid foundation for the updated study. The second part of the scope is the specific tasks that will be completed to update the Town's water and sewer rate model.

Phase I – Rates 101 Workshop

NewGen will prepare and conduct a Rates 101 workshop in a public meeting setting with the Town Council. Such an activity typically lasts ninety minutes to hours and gives stakeholders the opportunity to identify issues and topics of concern to various constituencies. The goal for this event is to educate the Council on the issues facing water and sewer utilities in general, and to solicit feedback on the specific issues facing the Town, preliminary policy preferences specific to these issues and how the study will address them.

NewGen will introduce the overall issues facing water and sewer utilities today based on nationwide surveys of utility owners. Among the issues to be addressed will be affordability, economic development, paying for growth, deferred maintenance on infrastructure and any other issues of concern to the Town. Then we will discuss the rate study process and the industry standard principles of utility rate setting. Issues such as cost allocation, reserve policies, rate structures, and affordability are key topics.

The workshop will be interactive to give the Council a chance to give input and talk directly to the issues they see as important.

TOWN OF GEORGETOWN
WATER AND SEWER RATE MODEL UPDATE

Phase II – Water and Sewer Rate Model Update

Task 1 – Update Operating and Capital Costs

NewGen will submit to the Town an Initial Request for Information detailing the data needs to complete the model update, such as financial statements, budgets, capital improvement plans, and asset listings. The data provided by the Town will be used to update the water and sewer financial model. The model will be updated to provide a ten-year projection period beginning the first fiscal year in which rates are recommended (FY 2022 – FY 2031). The water and sewer system revenue requirements that will be updated include:

- Operating and maintenance expenses
- Debt services on existing obligations (e.g., loans, bonds)
- Capital improvements projects and anticipated financing approaches
- Contributions to reserves

The various input assumptions (such as customer growth rates, interest rates and inflation rates, etc.) will also be updated.

Task 2 – Update Customer and Usage Data

The Town will be asked to provide the most current customer and usage data for the water and sewer systems dating back to the most recent actual data within the current model. NewGen will organize the updated data and base all future projections off the most recent full fiscal year of data. NewGen will determine, based on the Town’s plans, the projected rate of customer and consumption growth for the new projection period.

Task 3 – Develop Five-Year Financial Plan and Updated Rates

The update will include projecting the Town’s expenses for water and for sewer for the next ten years, updates to the current rate design for the next ten years using the updated revenue requirements and consumption data. We will also develop projections of an alternative rate design for the next ten years if the Town so desires. Both rate designs will produce the same amounts of revenue but will impact different customers or customer classes to various degrees. NewGen will update any recommendations regarding fund balances and debt coverage requirements, which will be maintained under all updated rate scenarios.

The rates that will be updated include:

- Water availability fee and variable rate
- Sewer availability fee, debt service fee, and variable rate
- Fire Sprinkler Line charges, and
- Impact fees paid by new or expanding customers.

NewGen will work with Town staff to develop one alternative rate structure for each service (water and sewer) that may include tiered rates, seasonal rates, or any similar structure that the Town desires to investigate. Sample bill impacts will be developed for small, average, and large customers to show the impact of alternative rate designs on customer bills.

Task 4 – Update Water and Sewer Impact Fees

The fees in the utility industry that are charged to new customers of a utility system to pay for the investments made into the “backbone” of a system are typically called System Development Charges or Capacity Fees. In Georgetown, the term used for these fees is an “Impact Fee”. There three methods that may be used to calculate cost-based Impact Fees:

- The *historical buy-in method* is based on the value of the existing system’s capacity. This method is typically used when the existing system has sufficient capacity to serve new development now and into the future.
- The *incremental cost method* is based on the cost to expand the existing system’s capacity. This method is typically used when the existing system has limited or no capacity to serve new development and new facilities are needed to serve the next increment of new development.
- The *combined approach* is based on a blended value of both the existing and expanded system’s capacity. This method is typically used where some capacity is available in parts of the existing system, but new or incremental capacity will need to be built in other parts to serve new development soon.

NewGen will calculate, using industry standards, the impact fees for the Town’s new water, sewer, and fire sprinkler line customers under all three methods and recommend the most appropriate method to fully recover the Town’s system capacity related costs.

Task 5 – Update Model Format and Outputs

NewGen is constantly improving its modeling techniques and methods. As such, any functionality within the Town’s current model that has subsequently been improved upon by NewGen will be updated. The model will be designed to present (in graphic form) all cost, customer, and rate data as well as projected cash balances in one location.

Task 6 – Final Report and Presentation

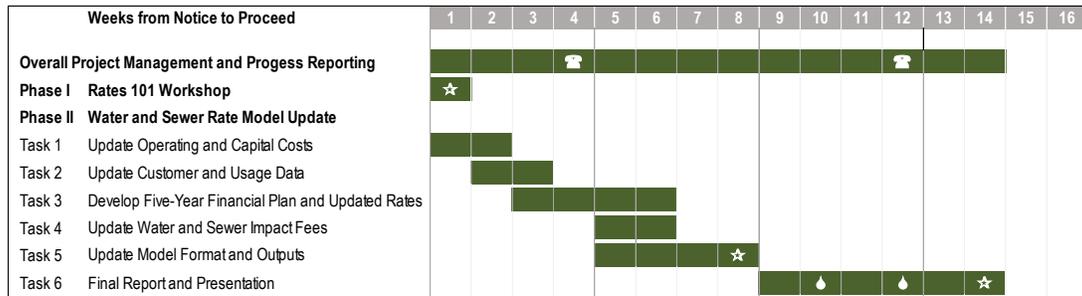
NewGen will submit to the Town a draft report detailing the results of the study. NewGen will then present to the Town Council, at a public meeting, the results of the study update. All assumptions and data inputs will be characterized, and the study will be explained in detailed yet understandable terms. Any guidance based on the draft results will be documented.

Based on any policy guidance submitted to NewGen, the narrative report presenting our findings, conclusions and recommendations will be updated and submitted as a Final Report. The Final Report will be supported by the updated financial spreadsheet model that sets forth all calculations.

3. Project Schedule

NewGen will conduct the Rates 101 workshop within two weeks of notice to proceed. We will deliver a draft report to the Town within ten weeks of receipt of data and will revise that report within two weeks of receipt of comments from the Town on the draft report. Our proposed project schedule is set forth below:

Proposed Project Schedule



Deliverables / Milestones

- Monthly Web Meetings with the Town
- Kickoff Meeting - Week 1
- Final Update Results Meeting - Week 8
- Draft Report - Week 10
- Final Report - Week 12
- Presentation to Mayor and Town Council - Week 14

- Web Meetings ☎
- In-Person Meetings / Presentations ★
- Reports 📄

4. Not-To-Exceed Cost

We develop our cost proposals by estimating the number of hours of effort that will be required by each key individual and multiplying this number by the standard hourly rate that each member of the Project Team. To this estimate of professional fees, we add estimated out-of-pocket expenses (e.g., travel, tolls, meals, etc.) at actual cost, with no profit or overhead added to out-of-pocket expenses.

Our scope of work includes four in-person meetings:

- A kickoff meeting with Town Staff
- A “Rates 101” workshop with stakeholders (preferably held the same date as the kickoff meeting)
- A final results meeting with Town Staff
- A study results public presentation to the Mayor and Council

NewGen’s office is located 75 miles from Georgetown in Annapolis, MD and any meetings would not require any overnight lodging or long-distance travel. NewGen staff would be available to meet with the Town on a moment’s notice with same day availability if needed in an emergency. NewGen utilizes several conference call and online meeting services that allow for additional interactive meetings (e.g., walkthroughs of the financial model) for no cost of travel. We value the Town’s time and, in all cases, would strive to keep travel costs at a minimum. We would prefer meetings be “face-to-face,” but have developed simple and effective low-cost methodologies for virtual meetings if local policy or preference dictates such approaches.

TOWN OF GEORGETOWN
WATER AND SEWER RATE MODEL UPDATE

Our not-to-exceed cost (including all professional fees and out-of-pocket expenses) for the scope of work and deliverables outlined in this document is \$31,905 as set forth below:

Not-To-Exceed Cost Estimate by Personnel and Task

Task		Calocchia	Donahue	Sommerdorf	Keaton	Total Hours	Professional Fees	Out-of-Pocket Expenses	Total
		\$225	\$325	\$185	\$130				
Phase I	Rates 101 Workshop	4	4			8	\$ 2,200	\$ 175	\$ 2,375
Phase II	Water and Sewer Rate Model Update								
Task 1	Update Operating and Capital Costs	4		8	20	32	\$ 4,980		\$ 4,980
Task 2	Update Customer and Usage Data	4		8	20	32	\$ 4,980		\$ 4,980
Task 3	Develop Five-Year Financial Plan and Updated F	4		8	20	32	\$ 4,980		\$ 4,980
Task 4	Update Water and Sewer Impact Fees	4		8	20	32	\$ 4,980		\$ 4,980
Task 5	Update Model Format and Outputs	4		8	20	32	\$ 4,980	\$ 175	\$ 5,155
Task 6	Final Report and Presentation	4	4		16	24	\$ 4,280	\$ 175	\$ 4,455
Labor Hours		28	8	40	116	192			
Subtotal							\$ 31,380	\$ 525	
Total Not-To-Exceed Budget									\$31,905

If our scope of work and not-to-exceed cost meet your needs, then we can begin work on the rate model update immediately.



A perpetual calm
will never
make a sailor.

July 12, 2020

Dear Gene,

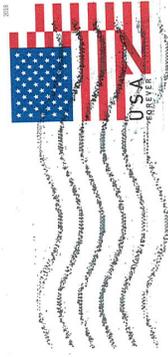
As the town manager I offered my gratitude that Town employees and Mayor Bill West have made possible the Sunday morning worship services at the Marvel Museum.

Those of us who are skeptical about small groups during the pandemic, the worship in one vehicle is a clear choice for attending.

Thank you and the Town of Georgetown for enabling this to occur.

Best Regards,

Roxy Hopkins



Hopkins
22493 Lakeshore Drive
Georgetown, Delaware 19847

RECEIVED

JUL 16 2020

BY: _____

Gene Dvorick
Town Manager
39 The Circle
Georgetown, Delaware 19847

