

FEBRUARY 18, 2014

Minutes of the monthly meeting of the Municipal Services Commission held February 18, 2014 at the office of the Commission, 216 Chestnut Street. The meeting was called to order at 4:00 P.M. with Robert S. Appleby, President, Commissioner, presiding.

Attendance Report:

Present:

Robert S. Appleby, President, Commissioner (via telephone)
Daniel F. Knox, Commissioner
Dr. Roy J. Sippel, Commissioner
Pamela A. Patone, Secretary

Also in attendance: The Honorable Donald Reese, Mayor of the City of New Castle, Jay Guyer, Water Supervisor, Scott Blomquist, Electric Supervisor, Mary Jane Stubbs, Treasurer

MINUTES

With the concurrence of all the Commissioners the minutes of the January 28, 2014 regular monthly meeting were approved without alteration.

President Appleby invited Mayor Reese to speak first. Mayor Reese indicated that he had been approached by a citizen requesting that lights be placed along the walkway on the Battery Park. Mayor Reese felt that the citizens of New Castle would benefit from having lighting on the Battery Park and so he was making requests of the Municipal Services Commission and other organizations to consider contributing financially to this project. A discussion ensued regarding the feasibility and cost of this project. President Appleby thanked the Mayor for his attendance and indicated that they would consider his request. The Mayor then left the meeting.

ELECTRIC DEPARTMENT

Supervisor Blomquist reported that there was nothing new to report in Riverbend subdivision. He indicated that he was waiting for Keystone to provide a cost to connect the new capacitor controllers to the SCADA system. He went on to report that DEMEC was reviewing the plans that AMP provided for the solar array project. He advised that the site that the Commission identified is large enough to support a 30 to 40 KW solar array. Supervisor Blomquist reviewed the Electric Department's capital budget requests. He indicated the need to replace a cable trough at the Wilmington Road Substation, the purchase of a stick saw and a three reel wire trailer. In addition he discussed the completion of the Airport Plaza loop which is a project that the Commission approved and will take place during fiscal year ending March 31, 2015. He also reviewed the costs for the underground electric at 25 The Strand. In addition, Supervisor Blomquist expressed the need to upgrade a commercial meter in order to reduce the amount of man hours to prepare billing for Building 1 in Centerpoint. Supervisor Blomquist advised that upon the request Commissioner Sippel he prepared a report regarding security at both

substations. He informed the Commissioners that the request was made in light of the sniper shooting at a substation in California. Supervisor Blomquist reviewed the details of his report and answered questions from the Commissioners.

WATER DEPARTMENT REPORT

Supervisor Guyer reported the flushing continues to be done in the Riverbend Subdivision and are billed to Cecil Bank who is paying but is a few payments in arrears. Supervisor Guyer reported that he was working with New Castle County Land Use to obtain tax parcel base map shape files and database information to be use in updating the water and electric mapping system. Supervisor Guyer advised that he continues to work on developing a Water Main Renewal Program and that the mapping system will help to illustrate where the Grey Cast Iron water mains with lead joints exist. He advised that some of these have been in service since the 1890's.

Supervisor Guyer informed the Commissioners that an old valve box and valve were uncovered during the reconstruction of the Bull Hill Dike. The water operators will excavate and evaluate whether the water main is abandoned when the weather permits. Supervisor Guyer advised that the New Castle County Local Emergency Planning Committee will be scheduling their triennial site evaluation of the School Lane Treatment Facility. Supervisor Guyer went on to review the capital requests for the Water Department for the upcoming fiscal year. He discussed the details of the new well facility on the Penn Farm, the roof replacement for the garage and pump house at School Lane, the need for SCADA programming of the pump that is utilized for the Artesian interconnection. He also reviewed the need for equipment and utility building fencing and parking lot curbing.

Commissioner Appleby thanked the Supervisors for their attendance and they left the meeting.

FINANCIAL REPORT

Secretary Patone reported in Collections that Tesla Industries, Inc. in Centerpoint has not yet paid the increased deposit amount.

She reported that the month ending January 31, 2014 report showed that "Cash" decreased \$230,000 from the previous month due to the purchase of investments. In "Revenue and Expenses" the "Change in Net Assets" was an excess of net assets in the amount of \$335,000 which is better than the budgeted. This is partially a result of the \$184,000 income from DelDOT for the Electric Department portion of the Washington Street Project and the final funds from the substation bond money at approximately \$75,000. She reported that the Water Department is reflecting an excess of approximately \$58,000 and Electric Department reflected an excess of approximately \$277,000. Treasurer Mary Jane Stubbs had submitted a copy of the disbursements in advance for the Commissioners to review.

She said in "Control Procedures" that Supervisor Guyer reviewed the bank statements for January.

Secretary Patone provided documents from the auditors Horthy & Horthy in preparation of the upcoming fiscal year audit.

Upon motion made and unanimous approval, the Commissioners accepted the financial report for the month of January and approved the payment of the January bills attached hereto.

SECRETARY'S REPORT

Secretary Patone reported that she attended the February 18, 2014 DEMEC meeting. She explained that a report from DEMEC staff was presented regarding the problems experienced with the Beasley generators on January 7, 2014. She reported that DEMEC staff was working on journal entries with the new auditors regarding a 2012 financial statement restatement. Secretary Patone explained that reactive charges from PJM had been increasing since March 2013 and the DEMEC staff had consulted with PJM to identify the cause. She advised that some adjustments in generation dispatch and the switch from traditional base load to newer frequently mitigated units were the reason for the increases. Secretary Patone advised that the board approved entering into a new natural gas service agreement and to allow President McCullar to negotiate a purchase power agreement with the Data Center in Newark.

OLD BUSINESS

Secretary Patone reported that Verizon had provided cost estimates to place service underground at Packet Alley/25 The Strand. She indicated that the customers in the area were receptive to switching to Comcast if Verizon would not absorb their associated costs. She advised that Mary Curtin the engineer from Verizon indicated she would like to avoid this and would make every attempt to have Verizon commit to absorbing their costs.

Upon motion made and unanimous approval, the Commissioners approved placing the electric underground and placing conduit for both Verizon and Comcast at Packet Alley/25 The Strand.

Secretary Patone reported that Scott Lynch from DEMEC continues to work with AMP on a plan for a solar array and there are no updates at this time.

Secretary Patone reported that Supervisor Guyer is attempting to inquire whether DelDOT will provide maintenance of the hedge row on School Lane in conjunction with the walking trail.

Secretary Patone reported that she will continue to research the SmartGrid but will focus on software for the accounting and billing departments.

NEW BUSINESS

The Commissioners requested that Secretary Patone inform Mayor Reese that since the Battery Park is owned by the Trustees that it would be best for the Trustees to decide whether there should be lighting and then the Trustees could approach the Commission with any requests.

Secretary Patone presented a draft of the operating and capital budgets. She reviewed the details of the budget and the assumptions. Commissioner Appleby questioned the personnel budget.

EXECUTIVE SESSION

Upon motion made and unanimous approval, the Commissioners voted to go into Executive Session to discuss the personnel budget.

Upon motion made and unanimous approval, the Commissioners voted to return to a General Session.

GENERAL SESSION

Upon motion made and unanimous approval, the Commissioners voted to approve the personnel budget.

Commissioner Knox requested that Secretary Patone provide a cash flow statement at the next Commission meeting in addition to the budgets.

Commissioner Appleby requested that Commissioner Sippel's concern regarding the security at the substations be investigated further.

Commissioner Appleby requested that Supervisor Guyer continue to develop a water main renewal program.

FEBRUARY MEETING

The Commissioners set the date of the next monthly meeting to be March 20, 2014 at the office of the Commission, 216 Chestnut Street, New Castle, DE 19720.

ADJOURNMENT

By motion made and unanimous approval, the Commissioners voted to adjourn.

Approved 3-20-14
Date



Pamela A. Patone