

MAY 19, 2014

Minutes of the monthly meeting of the Municipal Services Commission held May 19, 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
Daniel F. Knox, Commissioner
Dr. Roy J. Sippel, Commissioner
Pamela A. Patone, Secretary

Also in attendance: Jay Guyer, Water Supervisor, Scott Blomquist, Electric Supervisor, Mary Jane Stubbs, Treasurer

MINUTES

With the concurrence of all the Commissioners the minutes of the April 17, 2014 regular monthly meeting were approved without alteration.

ELECTRIC DEPARTMENT

Supervisor Blomquist reported that he and Assistant Supervisor Granger met with Brian from Grassbusters, DelDOT's contractor, to discuss elevations of the manhole lids along the Rte 273 walking trail. He indicated that Brian would stake out any adjustments necessary. Supervisor Blomquist went on to report that Keystone quoted a cost of \$30,880.00 to tie the automated Capacitor banks to the SCADA system. Commissioner Knox questioned whether this was in the capital budget. Secretary Patone indicated that it was not in the capital budget. She reported that several of the capacitors were new as a result of the completion of the substation renovations and the older capacitors had been moved within the system to adjust the power factor. She advised the Commissioners that Supervisor Blomquist had believed that the banks that were relocated would not result in a significant cost, however, after discussing with Keystone he understood the additional work necessary. Supervisor Blomquist explained that a significant portion of the cost relates to the new radios needed for the new capacitor banks and then the labor for Keystone to get the radios to communicate with the SCADA and build the functionality which will be expanded to not only show whether the bank is open or closed but will also allow for KW and Kvar to be reported. Secretary Patone indicated that the substation renovations came in under budget and that those funds could be utilized for the capacitor banks to be connected to SCADA. Secretary Patone asked Supervisor Blomquist to explain to the Commissioners what the SCADA connectivity would allow for him to achieve and what would result if the decision was made not to connect to SCADA. Supervisor Blomquist explained that the SCADA connection will provide him with the information to correct power factor. Commissioner Knox questioned whether there was a power factor that is targeted. Supervisor Blomquist explained that 98.5 is

the targeted power factor. He advised that lagging power factor, under the 98.5 target is a problem in addition to over correcting power factor or leading power factor, exceeding 100, can also be a problem. He went on to report that monthly Delmarva Power will provide a report that shows the Commission's power factor and as he has been adjusting the capacitor banks the power factor is improving.

Supervisor Blomquist went on to report that the Electric Department is waiting for the Trustees' surveyor to locate and set grade stakes at the remaining four light bases at the Bellanca Museum. He reported that the first three control boxes for the existing automated capacitor banks were changed out. He reported on the 25 The Strand project that he, Secretary Patone and Assistant Supervisor Granger had met with the residents in the area to communicate the steps for the project and that excavation had begun today. Supervisor Blomquist went on to report that the three reel wire trailer had been ordered and delivery is expected in eight (8) weeks.

Supervisor Blomquist advised that Ronald Bounds of the Delaware State Police Critical Infrastructure Unit had not yet finalized his report to the Commission regarding the security at the electric sites. Supervisor Blomquist reported that there was a 20 minute outage that was a result of a squirrel on Delaware Street. He reported that electric crews continue to do tree trimming and have been changing out poles that are rotted on 4th Street, 5th Street and Delaware Street. He went on to report that Delmarva had a contractor identifying poles that they anticipate replacing. He indicated that he will coordinate with Delmarva because the Commission's equipment is on some of these poles. Supervisor Blomquist advised that Cable Testing, Inc. tested the 240 circuit breaker after the bad CT had been replaced and the plan is that the changes to the under frequency load shedding on the 210 relay will be fixed. He reported that Assistant Supervisor Granger and Lineman Schmeusser continue to locate, GPS and upload points to Arc Map and draw in the equipment.

WATER DEPARTMENT REPORT

Supervisor Guyer reported that flushing continues to be done in the Riverbend Subdivision. He advised it was done on May 7, 2014. Supervisor Guyer indicated there has not been any communication from Mr. Bob Schulte of DNREC regarding the remediation of the Seeds of Greatness Site. He advised that Cirillo Brothers has been moving the uncontaminated soil in the rear of the property that he understood is not part of the remediation portion of the property.

Supervisor Guyer went on to report that DelDOT's project on Washington Street has progressed with work being performed on curbs and gutters with just one progress meeting that did not include any work related to the Commission. Supervisor Guyer reported that he completed billing to date to Del DOT for inspections and materials. Supervisor Guyer indicated that the hydrant relocation near First Baptist Church has been completed and an invoice will be prepared and sent to Grass Busters Landscaping. He went on to report that DelDOT identified 2 fire hydrants that were in conflict with the Rte 273 walking trail but Ed Fisher of DelDOT indicated that the trail would be shifted slightly to avoid the conflict. He reported that Assistant Supervisor Jaeger and Yard Person Jay Jones continue to draw in water mains and services into the mapping system. He advised that the mapping of the storm water infrastructure for the Municipal Separate Storm Sewer Systems (MS4) that the City has requested the Commission

assist with is underway. He advised that he was able to receive a file from DelDOT containing the shape files for DelDOT's storm water infrastructure that should be useful to the City with this project. Supervisor Guyer reported that he and Assistant Supervisor Jaeger met with Delaware Greenways (DG) representative Becca Manning regarding the location of a proposed chicken coop on the Penn Farm. He informed the Commissioners that the location of the coop would be outside of the Wellhead Protection Area for School Lane Well and the waste generated by the chickens is to be collected and placed in a compost pile.

Supervisor Guyer went on to report that DelDOT has begun clearing the right of way at School Lane. He reported that staff attended a webinar regarding the water meter equipment and software. Supervisor Guyer reported that he continues to work on the renewal program for the water mains and would like to provide a map with recommendations in the near future.

Supervisor Guyer informed the Commissioners the Cross Roads Well work continues and the 6" piping materials, mag meter and soft closed check valve have been received and all pre-assembled work that could be done has been completed. He advised that he is in the process of obtaining the building permit for the building to be built. In addition, he reported that the water operators completed the Customer Service Manager's office renovation.

Supervisor Guyer indicated that there were no planned or unplanned outages. He went on to report that there were differences in the water report activity from 2013 and 2014 that he was investigating. He advised that repairs and maintenance was being completed on curb boxes that were identified that needed attention during the GPS locating, in addition the spring fire hydrant flushing was completed in April and 2 hydrants were identified that need repairs. He advised that these repairs were completed. He went on to report that Ronald Bounds of the Delaware State Police Critical Infrastructure Unit expects to have reports to the Commission on June 9, 2014.

Supervisor Guyer reported that staff applied for a 2014 Homeland Security Grant which included security items such as fencing and connection of the new well site to SCADA. He advised that Rick Duncan of the Delaware Rural Water Association informed him that the Commission had been awarded \$40,000 as part of this grant. Supervisor Guyer confirmed that staff was able to quickly apply for this grant because of the capital budgets that the Commissioners had already approved. He went on to report that the triennial lead and copper tests would begin June 2014, that he had one water operator out for a non-work related health issue, and the staff had been assisting the City Public Works department in cleaning up the site that was formerly used as a recycling area.

Supervisor Guyer went on to update the Commissioners on other reporting agency meetings and advised that he, Secretary Patone and Assistant Supervisor Jaeger had attended the Tabletop Exercise held by the Delaware Water/Wastewater Agency Response Network (DEWARN).

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 advised that the Commission received a letter from the Converting Solution's bankruptcy trustee regarding the possibility of some of the payments received by the Commission could be preferential payments. Secretary Patone advised she prepared documents with help from Jeff Waxman of Morris James, LLP to support that none of the payments were preferential payments and the trustee indicated they would not pursue further.

She reported that the month ending April 30, 2014 report showed that "Cash" decreased \$74,000 from the previous month. In "Revenue and Expenses" the "Change in Net Assets" was an excess of net assets in the amount of \$51,646. She explained the financial statements did not have the investment activity recorded as of yet due to accounting staff working on the financial statement audit.

Secretary Patone advised that in "Control Procedures" that the auditors Horthy & Horthy opened and reviewed the bank statements for April.

Secretary Patone reported that the auditors performed preliminary fieldwork on May 8, 2014 and that fieldwork was expected to begin on May 27, 2014.

Secretary Patone reported that the actuary provided the pension report for April 1, 2014 and she and Treasurer Mary Jane Stubbs would be reviewing the document.

Commissioner Appleby questioned whether the increased power purchase rate from DEMEC was reflected in the financial statements. Secretary Patone advised that the rate increase took effect March 1, 2014.

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

Secretary Patone went on to report that she had provided a capital project summary review. She explained that the summary reflected the \$575,000 capital budget approved previously by the Commissioners with the capacitor bank project that is a carryover from the previous year. She advised that the capacitor bank project had an original budget of \$50,000 and a request for an additional \$30,880 is being requested in order to tie the capacitor banks to the SCADA system. She went on to report that Microsoft was no longer supporting the XP operating system and therefore, security on the computers could be compromised. She reported that the Commission had 5 computers that were 4-5 years old and would need to be addressed. She was requesting the ability to replace those computers up to a maximum of \$12,500. Lastly, she advised that Cable Testing, Inc. had provided a \$3,485 quote in January 2014 that the Commission agreed to utilize the remaining funds from Substation savings. She reported that the capital summary showed a current year expenditure of \$642,899.82. Commissioner Knox confirmed that the \$40,000 grant would reduce the full amount of the projected cash outlay.

Upon motion made and unanimous approval, the Commissioners accepted the additions to the capital budget for the connections of the capacitor banks to SCADA in the amount of \$30,880, computer replacement not to exceed \$12,500 and reaffirm the \$3,485 for cable testing invoice for Wilmington Road Substation.

SECRETARY'S REPORT

Secretary Patone reported that the DEMEC monthly meeting is scheduled for May 20, 2014; therefore, she did not have any information regarding monthly reports. She explained that Commissioner Appleby and she attended the May 1, 2014 Delmarva PHI Wholesale meeting in Ocean City Maryland which was the day after the announcement of Exelon and PHI combining. She advised that a special meeting regarding the proposed Data Center PPA agreement was to take place on May 7, 2014 but that was subsequently postponed. She went on to report that she continues her duties as the Chair for the DEMEC audit committee and the Committee expects to issue a report to the board at the July Board meeting. Commissioner Appleby indicated that he understood that Newark City Council representatives would be at the DEMEC May meeting. Commissioner Knox questioned how many Board members were on the DEMEC Board and their respective positions at their municipality. Secretary Patone provided the Commission with the number and positions of the Board members.

OLD BUSINESS

Secretary Patone reported that there was no update from Scott Lynch of DEMEC on the plan for a solar array.

Secretary Patone reported that Mr. Ronald Bounds expected to have the vulnerability assessment completed by June 9, 2014 and would be available to attend a Commission meeting to present.

Secretary Patone indicated that the capacitor project was on the agenda for the additional funding which was approved earlier in the meeting.

NEW BUSINESS

Secretary Patone advised that after the April Commission meeting she reviewed the not-for-profit organizations within the City of New Castle based on the inquiry of Delaware Greenways (DG) to have a reduced electric or water rate. A discussion ensued regarding the not for profit organizations within the City of New Castle and that Delaware Greenways is a State Wide organization and they did not qualify for a discount. The Commissioners advised Secretary Patone to inform the management of DG that they did not qualify for a discount.

Secretary Patone indicated that the computer purchases were on the agenda for additional funding due to Microsoft discontinuing support for the XP operating system and this was approved earlier in the meeting.

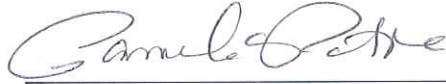
MAY MEETING

The Commissioners set the date of the next monthly meeting to be June 16, 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 6-16-14
Date



Pamela A. Patone