

JUNE 16, 2014

Minutes of the monthly meeting of the Municipal Services Commission held June 16, 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, Art Granger, Assistant Electric Supervisor, Mary Jane Stubbs, Treasurer

MINUTES

With the concurrence of all the Commissioners the minutes of the May 19, 2014 regular monthly meeting were approved without alteration.

ELECTRIC DEPARTMENT

Assistant Supervisor Granger reported for Supervisor Blomquist that the Airport Plaza project is underway, the manholes were ordered and conduit went out to bid. He advised that the lights for the Bellanca Project were installed except one which was received damaged and sent back for a replacement. Assistant Supervisor Granger went on to report on the 25 The Strand project that Verizon had issued an order to the field staff to install the underground wire and that Comcast had completed their conversion to underground but that an above ground pedestal needed to be replaced with a flush mount pedestal as per the original plans. Commissioner Sippel inquired regarding any communication with the Historical Society related to this project. Secretary Patone advised that Sally Monigle, the Chair of the City of New Castle's Historic Area Commission has been kept informed of the project. Assistant Supervisor Granger reported that a draft of the Vulnerability Assessment prepared by Ronald Bounds of the Delaware State Police Critical Infrastructure Unit (DSPCIU) was received by staff and was being reviewed. He went on to report that an electrical outage occurred on June 10, 2014 in Van Dyke Village due to a tree branch falling on a line during a storm.

Assistant Supervisor Granger indicated that Secretary Patone had requested that the Electric Supervisors create a plan to provide maintenance to the Delaware Street lights. He explained that some of the light posts have rusted and most of the lights were in need of repainting. He advised that Supervisor Blomquist discussed the issue with the manufacturer of the lights and he developed a plan to strip the light posts with a sandblaster and then prime and paint the poles. He explained that the posts would remain in place during this process. A discussion ensued regarding the type of paint and details of the process.

WATER DEPARTMENT REPORT

Supervisor Guyer reported that flushing continues to be done in the Riverbend Subdivision. He advised it was done on June 3, 2014. Supervisor Guyer indicated that he received an update from Mr. Bob Schulte of DNREC regarding the activity on the Seeds of Greatness Site which Mr. Schulte indicated is only being done in the approved areas at this time. Supervisor Guyer went on to report that DelDOT's Washington Street project has no new updates except that DelDOT has begun work on South Street. The Commissioners expressed concern regarding the lack of signage for the closures. Supervisor Guyer indicated that he would advise his contact at DelDOT of the need for signs.

Supervisor Guyer advised that Assistant Supervisor Jaeger and the water operators have been collecting the necessary information for the City Storm Water mapping project and are keeping Jeff Bergstrom aware of the progress. He went on to report that Assistant Supervisor Jaeger provided training to Secretary Patone and John Lloyd, Code Enforcement with the tree inventory in the ESRI software. Supervisor Guyer reported that DelDOT had experienced some equipment issues while clearing the right of way at School Lane but they have since repaired the equipment and are continuing with the clearing. He reported that Secretary Patone, Supervisor Blomquist and he participated in a feasibility assessment with Honeywell to determine the possibility of a self-funded AMI metering project. He advised that there did not appear to be enough savings to warrant a self-funded plan at this time.

Supervisor Guyer reported that he has been reviewing the Commission's distribution system to develop a renewal and replacement plan. He reported that at the AWWA conference this year he met with a group that utilizes a non-destructive testing to determine the structural integrity of the water mains. Supervisor Guyer reported that this type of testing could be beneficial in determining which of the Commission's mains should be relined and which should be replaced. He advised that he would be obtaining more information as it relates to the Commission's system. Commissioner Appleby asked Supervisor Guyer whether a consultant should be hired to assist with development of the Water Main Renewal and Replacement Program. Supervisor Guyer requested time to consider this question and advised he would report at the next meeting.

Supervisor Guyer informed the Commissioners that the footers were set last week for the Cross Roads Well, the walls were complete and the piping has been assembled. He expects that the structure will be finished within the week. Supervisor Guyer indicated that there were no planned or unplanned outages. He went on to report that water use continues to be lower than previous years. He advised that a draft of the report prepared by Ronald Bounds of the Delaware State Police Critical Infrastructure Unit was received and some of the recommendations relate to lighting around the well sites to improve security. Supervisor Guyer reported that a meeting regarding the Homeland Security Grant awarded to the Commission would take place soon and he would follow up on this process.

Supervisor Guyer advised the Commissioners that he had received notification that Artesian Water had tested for Teflon Precursors and as a result of the testing their Wilmington Manor #3 well has been put out of service. He went on to report that the Commission had tested for PFOS & PFOA in 2010, and was scheduled to be tested again in 2015. He advised that after receiving the information regarding the Artesian well, he and Secretary Patone decided to put the Basin

Road Well site out of service due to its proximity to the Artesian well and to perform the testing in 2014 instead of waiting to 2015. A discussion ensued regarding the types of treatment systems that could be utilized for these compounds if necessary.

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 she would be pursuing disconnection because of the lack of payment of deposit and delinquency on the account.

She reported that the month ending May 31, 2014 report showed that "Cash" increased \$158,000 from the previous month. In "Revenue and Expenses" the "Change in Net Assets" was a deficit of net assets in the amount of (\$65,000). She reminded the Commissioners that a deficit was budgeted due to the increase in rates for purchase of power through DEMEC and that a cost of service study was being planned for late summer.

Secretary Patone advised that in "Control Procedures" that Assistant Supervisor Granger opened and reviewed the bank statements for May.

Secretary Patone reported that investment activity shows \$5,000 in dividend and interest income and an unrealized gain of \$9,000 for year to date which is better than the same time last year. She advised that an investment performance presentation would be done by Summit Financial when the pension report is presented later this year. The Commissioners communicated to Secretary Patone that a telephone call would be sufficient for the report from Summit this year.

Secretary Patone reported that the auditors performed fieldwork the week of May 27, 2014. She reported that the financial statements are in the review process and that the auditors will be presenting at the next meeting.

Secretary Patone reported that the pending items for the issuance of the financial statements were a confirmation from Vanguard and an IRS notice that was received the end of March 2014. The IRS notice documents the receipt of a Form 8038GC which is acknowledging a governmental bond issue. Secretary Patone has requested that the auditors, Horthy & Horthy, assist with researching the form because no details were provided with the acknowledgement of receipt.

Secretary Patone went on to report that she had provided an updated capital project summary with a total of \$602,899.82 updated from last month's because of the addition of the capacitor bank SCADA, the additional computers, cable testing and less the grant received.

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

SECRETARY'S REPORT

Secretary Patone reported that she and Commissioner Appleby attended the DEMEC monthly meeting on May 20, 2014. She advised that DEMEC's attorney Elio Battista gave a presentation on FOIA and DEMEC's responsibility to adhere to FOIA requirements. She communicated that the attorney advised that DEMEC has the ability to enter into Executive Session when proprietary financial information was to be discussed and that same information could be redacted from any documents that were requested through FOIA. She went on to report that the DEMEC board agreed not to move forward with any further negotiations on the Data Center PPA until the City of Newark Council was ready for DEMEC to do so. A discussion ensued regarding the Data Center pursuing other locations other than Newark for their facility. Secretary Patone reported that DEMEC is reviewing Senate Bill #226 which relates to utility bill transparency. She advised that DEMEC's position has been that the individual municipalities should have the authority to determine what their utility bills contain. She went on to report that the DEMEC audit committee would be presenting a report to the DEMEC board in July.

Secretary Patone updated the Commissioners on her role with the City of New Castle's Tree Commission, press releases issued within the past month and all public relation programs.

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 as was mentioned earlier in the meeting Mr. Ronald Bounds provided a draft copy of the vulnerability assessment and she will be inviting him to present to the Commission in August.

NEW BUSINESS

Secretary Patone advised that after inquiry regarding the street light maintenance, she reviewed the Delaware Street lights condition and found them to be in need of maintenance. She indicated that Supervisor Blomquist had developed a plan for maintenance and it was presented in the Electric Department report earlier in the meeting. Secretary Patone reported that some of the equipment needed for the maintenance is already on the capital budget and the electric department has the time to perform the work this year. She advised that the project costs would be \$10,000.

Upon motion made and unanimous approval, the Commissioners approved the addition of \$10,000 to the capital budget for the Delaware Street Maintenance project.

Secretary Patone indicated that based on the information obtained regarding the Artesian well shut down, she was requesting that the Commissioners review the information provided by Supervisor Guyer and confirm their agreement with Secretary Patone and Supervisor Guyer's decision to shut down the Basin Road well site and to move the testing for PFOS & PFOA from 2015 to 2014. The Commissioners discussed and confirmed their agreement with management's actions.

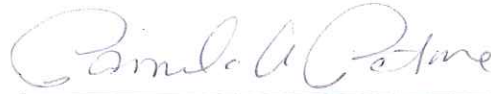
JULY MEETING

The Commissioners set the date of the next monthly meeting to be July 21, 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 7-21-14
Date



Pamela A. Patone