

DECEMBER 12, 2013

Minutes of the monthly meeting of the Municipal Services Commission held December 12, 2013 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
Jay Guyer, Water Supervisor
Scott Blomquist, Electric Supervisor

MINUTES

With the concurrence of all the Commissioners the minutes of the November 19, 2013 regular monthly meeting were approved without alteration.

ELECTRIC DEPARTMENT

Supervisor Blomquist reported no new activity for the Riverbend subdivision. Supervisor Blomquist reported that Donna Smith of 609 South Street indicated that she had hurt herself in a hole where a pole had been moved. He investigated the site and advised Ms. Smith that the pole was a Delmarva Power pole and provided her with the pole number. Ms. Smith had indicated that she was a Delmarva Power employee and that she would need the number for their claims department. Supervisor Blomquist went on to report that he had provided an estimate for the completion of the electric service loop from Seeds of Greatness to the Home Depot and that it would be presented on the next fiscal year capital budget. He is working on determining whether an easement exists currently so that the project can be started the summer of 2014.

Supervisor Blomquist reported that DelDOT delayed their work on the trail in the area where the Commission installed conduit for electric. DelDOT requested that the Commission straw the area that was disturbed. He reported that the electric department did go back to the site and straw the area. He went on to report that he was working with the vendor to have one of the new capacitor controllers set up on the SCADA. Supervisor Blomquist informed the Commissioners that the DEMEC staff was discussing with AMP the feasibility of combining the Commission's solar project with Smyrna and Seaford's project. Supervisor Blomquist advised that the Frenchtown Well electric service was changed from Delmarva's system to MSC's distribution system on December 5, 2013. Commissioner Appleby asked whether Delmarva had been paid for acquiring the right to serve and Secretary Patone confirmed that the payment was made.

Supervisor Blomquist indicated that he had no update on 25 The Strand or the Bellanca project. Regarding outages, he advised that a squirrel caused an outage on a transformer on The Strand

which affected 11 customers for approximately 2 hours on November 29, 2013. Supervisor Blomquist indicated that the electric crews were finishing the tree work behind Jacquette Square and would be re-grading, seeding and straw any affected areas. He advised that he continues to work on setting up the last 2 commercial meters that have manual calculations in the totalizing of the readings. He indicated that when this is complete it will save a lot of time each month.

Supervisor Blomquist advised that the customer, Tesla at 100 Centerpoint and the landlord, McConnell had requested in March 2013 to have the thirteen meters at that location combined to one meter. He informed the Commissioners that the building had originally been set up for numerous different tenants. Upon both the tenant and landlord's request, he reported that the consolidation of the meters was done by the electric department. He indicated that he has been approached by the tenant and landlord again to remove the house panel meter and leave the other twelve meters combined. Supervisor Blomquist indicated that he advised all the parties that a separate service for the house panel would have to be installed in order to separately meter and bill.

Supervisor Blomquist concluded that the Wilmington Road Substation testing by Cable Testing was being finished and some corrections would be necessary. He has requested a quote from Cable Testing for the corrections.

WATER DEPARTMENT REPORT

Supervisor Guyer reported that the flushing continues to be done in the Riverbend Subdivision. Supervisor Guyer went on to report that DelDOT's contractor continues to work on the storm water system portion of the project on 7th Street and South Street. He reported that the materials were received for the 7th Street portion of the project and DelDOT will reimburse the Commission for these parts. He indicated that Pennoni Associates will be inspecting the work that needs to be completed.

Supervisor Guyer reported that the contractor handling the Rte. 273 trail continues to work on obtaining approval for the Water Department to move the fire hydrant near First Baptist Church. He then reported that he completed and submitted the application for the access permit to the Frenchtown Road well so that it can be paved as part of the trail paving. Supervisor Guyer advised that he received a temporary Certificate to Operate the 400 feet of 12" water main extension on Delaware Street.

Supervisor Guyer indicated that the work on the Mapping System continues and that he expects to have all the water points collected by December 31, 2013. He went on to report that the Supervisors and Secretary Patone met with the new Penn Farm Manager Becca Manning regarding the water and electric service available to the farm house, milk house, barn and utility barn. He also reported that Trustee Castagno had requested that the Commission consider maintaining grass cutting along the School Lane Right of Way. Supervisor Guyer will be following up with Trustee Castagno and Secretary Patone on this request.

Supervisor Guyer reported that he is reviewing the Distribution System to develop a renewal and

replacement program as part of the Capital budget process. He advised that there were no planned or unplanned outages since the last report. He went on to report that the materials for the 4" ductile iron pipe for the irrigation service for the Penn farm, the 3/4" water service to the produce stand were ordered

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, citing they want their metering addressed prior to the deposit payment. Secretary Patone advised that the receivable balance has decreased because the bills are mailed earlier in the month, which is positive for the cash flow. She indicated that the staff continues to send notices to commercial accounts regarding deposit increases for accounts which are identified as slow pay and will eventually require minimum deposits for all commercial accounts.

She reported that the month ending November 30, 2013 reports showed that "Cash" decreased \$40,000 from the previous month. In "Revenue and Expenses" the "Change in Net Assets" was an excess of net assets in the amount of \$380,000 which is better than the budgeted excess of \$137,000. She reported that the Water Department is reflecting an excess of approximately \$57,000 and Electric Department reflected an excess of approximately \$323,000. Secretary Patone advised that the significant difference between budget and actual is the income from DelDOT to move the poles for the Washington Street Project that is reported in Other Income and was not budgeted. The treasurer Mary Jane Stubbs was not in attendance but had submitted disbursements in advance for the Commissioners to review.

She said in "Control Procedures" that Assistant Supervisor Art Granger reviewed the bank statements for November.

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

Secretary Patone reported that a police investigation was underway for money that was lost or stolen. She advised that the office has tightened up control procedures. She indicated she would provide more information when it is available.

Secretary Patone reported that after setting up an account with Prudential in order to purchase the Oppenheimer and Pioneer investments the broker advised her today that the investments were institutional investments and there is a minimum investment. Secretary Patone inquired with Joe Bonasera whether his company would be able to make the purchase without the minimum. She reported that Mr. Bonasera was able to accommodate through Summit Financial Strategies, Inc. which is a separate company from Summit Financial Corporation where the Commission has the pension plan. A discussion ensued regarding any issues or conflicts, there being none Secretary Patone advised that she would proceed with purchasing the Oppenheimer and Pioneer

investments through Summit Financial Strategies, Inc.

Secretary Patone reported that she has been meeting with auditing firms and they have all been instructed to submit proposals by December 31, 2013. She advised the Commissioners if they would like to meet with any of the firms or have any other requests that she welcomes their involvement because the Commissioners take on the role of an audit committee.

Secretary Patone reported that the supervisors and she continue to develop short and long term capital needs that will be submitted in the capital budget within the next couple of months. She went on to report that the Commission has set up a display, provided by DEMEC, at the library of Christmas wreaths with traditional and LED lights. She explained that the display compares the amount of electricity used by the two sets of lights and that efficiencies can be obtained by utilizing the LED lights. Secretary Patone went on to report that Commissioner Appleby and she met with the new President of City Council Linda Ratchford and they felt that it was a positive meeting. The City invited the Commission's staff to attend a Human Resource Workplace Violence course at the Police Department. The Commission staff appreciated the presentation and the invitation. Secretary Patone advised that she continues to develop the employee handbook.

SECRETARY'S REPORT

Secretary Patone reported that she and Commissioner Appleby attempted to attend the DEMEC meeting on December 12, 2013 but decided the weather would prohibit their attendance. She advised the Commissioners that there were no actionable items on the agenda for the meeting. Commissioner Appleby reported that he has since been advised that a Special Meeting would be held on December 19, 2013 to discuss personnel matters at DEMEC and budget approvals. A discussion ensued regarding the issues. Commissioner Appleby indicated that Secretary Patone would attend in his absence. Secretary Patone advised that the Audit Committee for DEMEC which she chairs will be having a telephone conference with the new auditors on December 17, 2013.

OLD BUSINESS

Secretary Patone reported that she will be presenting the Airport Plaza Shopping Center estimate with the capital budget in the next couple of months. Regarding Packet Alley/25 The Strand, she indicated that she continues to attempt to identify the appropriate individuals at Verizon and Comcast to discuss putting services underground. Secretary Patone indicated that Supervisor Blomquist was meeting with Trustee Castagno at the Bellanca Airfield to discuss the project. She then reported that Scott Lynch of DEMEC continues to work on the feasibility of combining the Commission's solar project with the Town of Smyrna and the City of Seaford under AMP's ownership.

NEW BUSINESS

The Secretary reported that it has been a tradition with the MSC to provide recognition for the non-union and supervisor efforts throughout the year in the form of a cash bonus. The Commissioners agreed to award \$300 to each office staff, \$500 to each supervisor, and \$1000 to the Department Heads in recognition of their efforts throughout the year.

Secretary Patone advised that Supervisor Guyer would continue to investigate the request from the Trustees regarding the maintenance of School Lane.

Secretary Patone reported that a request was made from a Mr. Bill Ganc regarding the Commission providing a letter concerning the Seeds of Greatness site's remediation. She reported that she has a telephone conference scheduled with DNREC to discuss BP Oil Company's remediation requirement. She also indicated that she will be consulting with the Commission's attorney. She advised that she was supplied with a letter from Seeds of Greatness that indicated that if the capping plan does not include an impervious surface then the Church would insist that BP be required to completely remove all the contamination. She went on to report that staff will have any correspondence to DNREC reviewed by our attorney and the Commissioners.

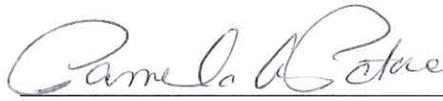
DECEMBER MEETING

The Commissioners set the date of the next monthly meeting to be January 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 1-28-14
Date


Pamela A. Patone