

SEPTEMBER 13, 2011

Minutes of the monthly meeting of the Municipal Services Commission held September 13, 2011 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
Francis L. Patterson, Secretary

Special Guest: Pamela Patone, Comptroller

MINUTES

With the concurrence of all the Commissioners the minutes of the August 23, 2011 regular monthly meeting were approved without alteration.

COMPTROLLER'S REPORT

Comptroller Patone presented her monthly reports starting with the Executive Summary. She brought the Commissioners up to date on Converting Solutions. She told the Commissioners that she continues to bill Converting Solutions every two weeks in accordance with an agreement worked out through the Bankruptcy Court. She added that Converting Solutions is consistently late with payments and is objecting to the demand charge applied in each billing cycle. The Secretary said that he told them if they object to the way he applies the tariff they can appeal to the Commissioners. He said he has warned them that they cannot withhold payment but may pay under protest. The Comptroller and Secretary said this appears to be headed back to Bankruptcy Court with Converting Solutions trying to amend the payment order. She continued her summary telling the Commissioners cash is up because revenue is up from the sale of electricity during the hotter summer months. She added the Change in Net Assets is in excess of \$277,000 which is better than last year at this time and better than budgeted. She told the Commissioners when she compared current numbers with last year's Revenues and Expenses and she saw that user charges were going up and the purchase of power and water were going down it required further analysis. She said that she determined it to be the reduction in DEMEC's energy billings which said is about 1%. She added that she didn't have a lot to add to report regarding the financial statements.

The Comptroller said legal expenses associated with the Riverbend lawsuit are \$58,000. Commissioner Appleby asked if this was reimbursable. Secretary Patterson explained the conflict in representation between a previous and the current insurance carrier and that he is working on reimbursement for legal expenses the MSC has paid.

Commissioner Knox asked if the MSC paid for an employee's health insurance when they are

hired. The Secretary said Union employees don't receive benefits until they complete a six month probationary period and are hired. A discussion about whether the policy hurts recruitment and what other employers do ensued. It was agreed to gather more information and revisit the topic at another meeting.

Comptroller Patone reported that the Secretary and she met with Delmarva Power to reconcile the Dobbinsville Substation final billing and certain charges that were not clear. She said as the result of the meeting an adjustment was made in Delmarva's favor and she signed off on DEMEC paying the final invoice. She added that the Secretary and she were unable to meet with DEMEC President McCullar and staff to discuss how best to handle the surplus because President McCullar was hospitalized.

The Comptroller next reported on her efforts to identify a company or individual consultant that could perform a water and electric rate study. She brought the Commissioners current on who she was talking with and the range of quotes she was receiving.

She concluded her report by telling the Commissioners she believed the MSC should continue with Horty & Horty as auditors for the next three years assuming they provide a reasonable quote for their work. The Commissioners agreed and authorized her to secure a quote from Horty & Horty.

Commissioner Knox questioned the Comptroller about the transition from Wilmington Trust Company to M&T Bank and the progress in moving to PNC Bank. The Comptroller said the transition has had some minor glitches but her focus is transitioning to PNC and establishing use of a check scanner to record transactions.

Commissioner Sippel asked her about the absence of a sequential order of checks in the list of payments. She told Commissioner Sippel she did not have an explanation and needed to get back to him.

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

SECRETARY'S REPORT

Secretary Patterson reported that the next meeting of DEMEC would be the annual dinner on September 21, 2011 at Dover Downs in Dover. He said the dinner will be preceded by a Board meeting. He told the Commissioners President McCullar was hospitalized with a serious infection. He said the President is recovering and expects to be at the annual meeting. He said the only report he has from DEMEC is the August monthly billing for power supply which showed the MSC had a peak of 18.4 megawatts and bought 1.8 million kilowatt hours of electric.

The Commissioners upon motion made and unanimous approval voted to go into Executive Session to discuss legal matters regarding Riverbend in Old New Castle. The Commissioners upon motion made and unanimous approval voted to resume the General Session.

The Secretary reported in Riveredge Business Park the solar installation for Standard Distributing was installed and had been activated. He said there is no information on TA Instrument's solar installation and Supervisor Blomquist was going to verify where things stood with the installer. The Secretary described discussions he had with a solar company who wanted to install a solar array at Zenith. He said because of the size of what he wanted to build he asked President McCullar to talk with him when he had a chance. The Secretary further reported that the MSC provided interval data to Zenith's CSP (Curtailment Service Provider) EnerNoc. The Secretary said EnerNoc was charged \$900 for the information or \$300 for each day they requested data.

The Secretary said in Twin Spans Business Park there are discussions between the City and Harvey Development regarding a 150,000 sq. foot addition to building 7D which is currently occupied by Five Below.

The Secretary told the Commissioners that Supervisor Guyer met with representatives of Zurich Insurance over fire pump tests at Centerpoint Business Park. The Secretary said the Amazon.com Building and Building 1600's fire pump were unable to operate at 150% which the insurance carrier requires in a test. The Secretary said Supervisor Guyer demonstrated that the problem resides on the customer's side of the connection. The MSC system pressure never fell below 32 psi during the test. The Secretary said this has been an ongoing problem in Centerpoint where the MSC believes the service laterals are undersized.

The Secretary reported for Supervisor Blomquist and the Electric Department. He told the Commissioners the Electric Department switched load to the Dobbinsville Substation to accommodate an outage Delmarva requested to work on the tap for the Wilmington Road Substation. The Secretary went on and said RW Greer installed the HVAC system for the Control House at the Wilmington Road Substation. He said that Supervisor Blomquist has issues with how certain CT's were wired at the Dobbinsville Substation and needs to have Utility Engineers correct them. Until this is done, the Secretary said, Supervisor Blomquist has suspended collecting data for power factor. The Secretary told the Commissioners the electric crew installed antennas on the capacitor banks to communicate with the new SCADA system. He added that nothing is happening with mapping program. The Secretary reported there were minimal outages due to hurricane Irene and electric crews were able to restore everyone by early Sunday morning. The Secretary noted that Supervisor Blomquist recognized a deficiency in the distribution system that when corrected would isolate outages by installing a fused disconnect where the MSC has a mid line tap. The Secretary said he has subsequently made the changes. The Secretary said that Ryan Auger has completed his six month probationary period and was hired as an apprentice lineman. The Secretary told the Commissioners in the interview process Mr. Auger brought to his attention concerns about the process of training line people. The Secretary said he discussed this with Supervisor Blomquist and they decided to start replacing older poles to give the apprentices more time developing their field skills. The Secretary said the MSC will be advertising on their new web site and quarterly newsletter for a lineperson to replace Jake Henasey who plans to retire around the first of the year. The Secretary concluded by saying the line crew is in the process of addressing any problems that were identified during the infrared scan of the electric system.

The Secretary reported for Supervisor Guyer and the Water Department. The Secretary said Supervisor Guyer reports under Water System Improvements in his written report that for the most part nothing has changed. Under SCADA System he notes the following; Keystone Engineering Group has been working mostly on electric; a system acceptance test is scheduled during the later part of September; that Secretary Patterson is going to discuss the engineering overages with Comptroller Patone and schedule a meeting with Keystone Engineering. The Secretary added Supervisor Guyer reports the SCADA system has been operating since July 26, 2011 in fully automated mode with no incidents to report. The Secretary said Supervisor Guyer and Assistant Supervisor Jaeger are extremely pleased with the system. The Secretary went on to report that the site grading at School Lane, Frenchtown Road and Gray Street is proceeding as weather permits.

The Secretary shared with the Commissioners a breakdown of the responses the MSC received from the "Request For Proposals" to reline the Buttonwood water mains. The Secretary said Supervisor Guyer reviewed the information submitted and the prices quoted and was recommending the Commissioners accept the lowest bid from J. Fletcher Creamer & Sons, Inc. in the amount of \$313,400. The Secretary responded to several questions the Commissioners posed and then the Commissioners upon motion made and unanimous approval voted to award the relining project to J. Fletcher Creamer & Sons, Inc. for the sum of \$313,400.

The Secretary said Supervisor Guyer further reports that the water crew assisted the electric crew during hurricane Irene. He said in a pre-storm planning session Chief of Police Kevin McDerby brought up that the MSC choose not to purchase radios that would communicate with the City. Supervisor Guyer has subsequently recommended purchasing four handheld units at \$840 a radio. The Commissioners questioned the manner in which the radios would be deployed and the number of units needed. They told the Secretary to discuss it with the Supervisors and come back to them with their recommendation. The Secretary said the MSC is still working with Rural Water Association on the SRF (State Revolving Fund) contract for the cross connection control grant trying to define the work that will be done and any future obligations the MSC must fund. The Secretary mentioned the Water Department completed its lead and copper testing in accordance with Clean Drinking Water Act and there were no problems. The Secretary concluded telling the Commissioners that Trustee member, Chris Castagno, will be seeking the written permission the MSC requested to drill a test well on the Penn Farm at the Trust's September monthly meeting.

Commissioner Knox said he did not speak with Councilman Cochran about the request for an increase in contribution to the City. He said he thought the Commissioners wanted to defer that until after the meeting on the Charter Amendments.

OLD BUSINESS

The Secretary said that RW Greer installed the HVAC system in the control building at Wilmington Road substation. He said the MSC is waiting for delivery of materials to upgrade the relays and controls at Wilmington Road substation and delivery of the new battery system. The Secretary said there is an additional item he failed to remember that needs to be completed at the Dobbinsville Substation before the project is deemed complete and that was planting the trees

Mayor Klingmeyer advocated for at the Board of Adjustment hearing. The Commissioners asked what he thought the cost will be and Secretary Patterson estimated 4 to 5 thousand dollars. The Secretary added that there is something he felt would improve the aesthetics and that is installing a curb to define the road and the parking area. He said he got a quote from Cirillo Brothers of \$17,630 to do the work. Commissioner Appleby suggested he look at the area.

The Secretary reminded the Commissioners of the September 22, 2011 meeting with Council to discuss the Charter Amendments.

The Secretary said the Commissioners already discussed the Penn Farm and the exploratory well.

NEW BUSINESS

The Secretary told the Commissioners he has begun the process of identifying people to serve on a Disability Pension Committee in anticipation of Supervisor Spicer application for a medical retirement. He gave the Commissioners a list of who has agreed to serve.

The Secretary asked that the Commissioners formally appoint Assistant Supervisor Blomquist to the position of Supervisor of the Electric Department. The Secretary and Commissioners discussed Supervisor Blomquist compensation and the Commissioners upon motion made and unanimous approval increased his compensation by 10%.

SEPTEMBER MEETING

The Commissioners set the date of the next monthly meeting to be October 19, 2011 at the office of the Commission, 216 Chestnut Street.

ADJOURNMENT

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

Approved _____
Date

Francis L. Patterson, IV