

OCTOBER 12, 2012

Minutes of the monthly meeting of the Municipal Services Commission held October 12, 2012 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  
Pamela A. Patone, Comptroller

### MINUTES

With the concurrence of all the Commissioners the minutes of the September 18, 2012 regular monthly meeting were approved without alteration.

### COMPTROLLER'S REPORT

Comptroller Patone reported in collections Converting Solutions paid its past due balance and three months security deposit. She went on to say the under billing related to the bad CT at Converting Solutions amounts to \$46,848.24 and she has told Converting Solutions they may have six months to pay it. The Comptroller told the Commissioners that Karen Lynch and she took training in Transworld Collection Agency's software and submitted three accounts for collection. She said in her monthly Financial Reports she notes cash is down \$43,000 from the previous month and other receivables are up. She said due to material purchases for the Seeds of Greatness Church project the MSC had a number of invoices that came in at the end of September. She said she submitted those invoices for payment to the Church and would expect to see those monies shortly. She said in Revenues and Expenses this is the first month she is showing an excess versus a deficit. She said for her own purposes she prepared an analysis to see when historically revenues exceeded expenses. She told the Commissioners she included a copy of that analysis in their papers. She added that in her budget she had planned for a loss of \$48,000 but the Commission's performance is better than her projection. She said as she reported the previous month the MSC is still up in G&A due to the bad debt (Converting Solutions) and is slightly more than last year in Operations because of capitalized labor. She said her next report is the Substation Report which was reconciled to DEMEC's report. She added the adjustments she made were for engineering fees and security system expenses. She said her next report was Capital Improvements which is not complete but she did highlight items that she changed since the last report. She went over the changes with the Commissioners. She told them when she has the Capital Improvement report updated she will make a new Cash Flow report.

She went on to tell the Commissioners in Office Operations she uploaded the September billing invoices to Payer Express for the October 1<sup>st</sup> billing. She said as of that morning she had 134 customers who enrolled for online payment and 99 of those people had made payment using the

online payment option. Commissioner Appleby said that was a good start and a positive response to the program.

She told the Commissioners in staffing Paula McHugh was starting work on Monday September 13, 2012 and was replacing Susan Marinelli. She gave the Commissioners some background on Paula.

She said if the Commissioners are interested she included a summary of the courses she took at the APPA Conference on Finance.

The Comptroller said Assistant Electric Supervisor Art Granger did the Bank Statement review for September as part of the financial controls she implemented. She said the Secretary and she met with the Insurance Brokers, Insurance and Financial Services and Bramhall & Hitchen, who are quoting the MSC's coverage for the coming year. She said the quotes are close in pricing but there were questions which arose about both sets of coverage. The Secretary and the Comptroller said they have questions for both brokers and have asked for clarification which they don't have the answers to at this time. The Secretary said he would like the Commissioners to allow them to complete their analysis and give them the authority to select the firm and coverage that they believe best covers the Commission. Upon motion made and unanimous approval the Commissioners authorized the Secretary and Comptroller to review and select the insurance carrier that in their opinion gives the best coverage to the MSC.

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

### SECRETARY'S REPORT

Secretary Patterson reported the Annual Dinner of DEMEC was held September 26, 2012 in Dover. He added that the dinner was preceded by a Board meeting. The Secretary said the primary focus of the Board meeting was to review the President's strategy for complying with the state mandated Renewable Portfolio Standard (RPS) that requires load serving utilities to have 25% of their energy supply come from a renewable resource by 2025. The Secretary outlined Presidents McCullar's strategy for the Commissioners and said that President McCullar plans to have a joint meeting with state legislators who represent the municipalities prior to filing the compliance document.

The Secretary told the Commissioners Scott Shannon is drafting the settlement document that was part of the Riverbend mediation. He said it will be circulated to all the parties after it is drafted for comment.

The Secretary said the Business Parks are covered in the water and electric reports.

The Secretary reported for Supervisor Blomquist in electric. He told the Commissioners UltraChem's solar installation is complete and is operational. He said that it is a positive generator and is producing more energy than the facility uses in some hours. He added that at times it is feeding energy back on to the MSC's distribution system. He told the Commissioners

that Supervisor Blomquist reports the county is installing a sewer line at the Penn Farm. He said the Electric Department had to move some electric conduits to accommodate the sewer lateral. He went on to say the Trustees still need to finish their work before the MSC can activate their electric service. The Secretary said electric materials for the Seeds of Greatness Church project have been delivered and Supervisor Blomquist will wait until water is opposite the entrance to Centerpoint Business Park at which time electric will join water in a joint trench. The Secretary said materials for the Washington Street project have been ordered with the exception of some steel poles. The Secretary said the steel poles need to be manufactured in America according to DelDOT. He went on to say that Norm Baron of Utility Engineers helped Supervisor Blomquist draft the specs for the poles and they have been placed out to bid. The Secretary said Supervisor Blomquist is creating a master meter and slave configuration in the Business Parks where the MSC has multiple meters serving one site. The Secretary said this will save the MSC from having to manually totalize the customer's bill. The Secretary said the street lights for Booker Circle have been installed. He went on to say that Dave Bennett in the Electric Department completed his fourth year of schooling and will be considered a journeyman lineman once he passes his final exam. He said Ryan Auger has just begun his second year of schooling.

The Secretary reported for Supervisor Guyer in water. He told the Commissioners the Water Department installed 1200 feet of water main for the Seeds of Greatness Church project and were just about opposite the entrance to Centerpoint Business Park. He said DelDOT and Mike Cirillo, who owns the property where the Church is being built, are still arguing over the configuration of the entrance. He said if this is not resolved by the time the MSC installs its main in proximity to the entrance to the property it will stall the project. He said on the Washington Street project the MSC is waiting for a date when they can jack and bore under the railroad crossing. He added that the MSC is also awaiting the start date from DelDOT on when they will begin the reconstruction project. The Secretary said that Supervisor Guyer approached him about interconnecting the water main on Delaware Street by Family Foundation Charter School and New Castle Middle School where the High Bridge use to be. He said he would like to do this as part of the Route 273 Trail project and eventually upgrade the main down to 8<sup>th</sup> & Delaware Street. He showed the Commissioners an illustration which depicted how the MSC would save money if the engineering was done at this time rather than later. The Commissioners authorized Supervisor Guyer to hire Whitman Requardt & Associates to engineer the water main from 8<sup>th</sup> Street to Family Foundation Charter School on Delaware Street for a price not to exceed \$13,874.35. The Secretary told the Commissioners security for the water buildings was complete and activated and interfaced with the SCADA system. He said the Cross Connection Control program is progressing and customers are getting written notices on what they must do to comply with the program. He said AC Schultes is re-quoting the price to drill a production well on the Penn Farm. He said Supervisor Guyer is working with McBride and Zeigler who is suppose to secure the permitting to grade the Utility Yard at 100 Municipal Blvd. He said an order has been placed to update the hardware and software for the AMR (Automated Meter Reading) components. He said other items Supervisor Guyer reports; Staff is working on the Safety Manuals; the Fall hydrant program has begun; Union negotiations have begun and employee evaluations are complete.

## OLD BUSINESS

The Secretary said he has been pushing the MSC's engineers to complete the Wilmington Road Control House relay wiring. He said they have been down to Delaware working on completion. The Secretary explained some damage that occurred while electric personnel were wiring the annunciator for the Control House. He said Supervisor Blomquist spoke to the manufacturer who walked them through a different wiring pattern and it is operating correctly. He said the Supervisor believes something was damaged they just don't know what and it seems all the functions they require work. He went on to say Keystone Engineering continues to work on the SCADA for electric and that Supervisor Blomquist purchased two cabinets to store gas cylinders at the substations.

## NEW BUSINESS

The Secretary said he has been working on identifying some Green Energy programs the MSC could promote. He said Comptroller Patone and he met with DEMEC's Scott Lynch to discuss programs and the Secretary said one idea is for the MSC to offer professional energy audits to all its customers. He said Scott Lynch gave him some names of reputable companies the MSC could employ. He said he will interview them and get a price for the service. He went on to say that DEMEC is working on a street lighting program with some support money coming from the SEU (Sustainable Energy Utility). He said that he would want to see where that is going before the Commissioners adopted another program.

Commissioner Appleby said he would like to make a decision on the investments the Commissioners have been considering for a portion of the MSC's reserve fund. He said he sent an e-mail soliciting comments and he heard from the other two Commissioners but not from Staff. The Comptroller and Secretary said that did not realize that their opinion was being solicited. Commissioner Appleby said Commission Knox suggested splitting the investment between the two Prudential funds. A discussion ensued with a consensus that this seemed to meet the MSC objective. Upon motion made and seconded an unanimous vote the Commissioners voted to invest \$250,000 in each of the Prudential Short-Term corporate Bd A PBSMX and Prudential Total Return Bond Z PDBZX funds.

## OCTOBER MEETING

The Commissioners set the date of the next monthly meeting to be November 20, 2012 at the office of the Commission, 216 Chestnut Street.

## ADJOURNMENT

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

Approved \_\_\_\_\_  
Date

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Francis L. Patterson, IV

