

FEBRUARY 19, 2013

Minutes of the monthly meeting of the Municipal Services Commission held February 19, 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 (via telephone)

Daniel F. Knox, Commissioner

Dr. Roy J. Sippel, Commissioner

Pamela A. Patone, Secretary

MINUTES

With the concurrence of all the Commissioners the minutes of the January 22, 2013 regular monthly meeting were approved without alteration.

FINANCIAL REPORT

Secretary Patone reported in "Collections" the remainder of Converting Solutions debt would be written off before the end of the fiscal year for a total of \$62,000 being written off as a result of this company's default.

She went on to report on the financial statements that "Cash" decreased \$290,000 from the previous month which was largely due to the purchase of the bucket truck in the amount of \$202,000. In "Revenue and Expenses" the "Change in Net Assets" was a deficit of net assets in the amount of (\$147,000) this is better than the budgeted deficit of (\$285,000). She also reported that both Vanguard investments were down \$4,000 from last month and \$10,000 in the last sixty days. Prudential is down \$9,091 since the purchase date of 12-13-12.

The Secretary indicated the final substation reports would be completed soon.

She said in "Control Procedures" Customer Service Manager Sandy Scott reviewed the bank statements for January.

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

SECRETARY'S REPORT

Secretary Patone said DEMEC's Board did not meet this month due to no actionable items. She

reported that she attended a webinar on substations at the DEMEC offices this past month. DEMEC plans to submit their proposal to meet the RPS Compliance Plan to the general assembly and wanted the municipalities to organize meetings with the State representatives and senators to explain the plan. The Secretary will be contacting the City of New Castle legislators to discuss individual or joint meetings based on their schedules. In addition, DEMEC is organizing a tour for staff to see the city of Dover's operation room and to understand how Dover utilizes SCADA. Lastly, since few DEMEC board members are interested in attending the APPA conference this year, DEMEC will be paying for Secretary Patone to attend in Nashville.

Secretary Patone reported on Riverbend. She advised the Commissioners the agreement with Mr. & Mrs. Walt Cooper has been signed by all parties and the funds have been received. Mr. Cooper has been in touch with Supervisor Blomquist regarding installing solar panels and he has been given the appropriate applications to complete.

The Secretary reported there was no information to report in the Business Parks. Commissioner Knox questioned whether the building that was occupied by Converting Solutions has been rented. Secretary Patone reported that it had not yet been rented.

The Secretary reported for Supervisor Blomquist in the Electric Department. The Secretary said she and Supervisor Blomquist had met with the electrician for the Penn Farm and had committed assistance of a backhoe and operator in order for him to complete his work. The three ammeters that were not functioning at the Wilmington Road substation were under warranty and replaced at no charge. Supervisor Blomquist is waiting on Utility Engineers to provide a quote on the capacitor locations and sizes in our system. Regarding Seeds of Greatness Church, the electric crew performed the wire pull, they were not able to do in one pull so they cut and spliced the wire. The terminations and cable testing are complete. The electric department is ready to energize once the church's electrician is finished his work. The bucket truck was received on 2-4-13 and a fuse blew the following week. Bayshore replaced the 10amp fuse with a 15 amp fuse and believes this will solve the problem. In agreement with the Commissioner's direction to investigate Smart Metering, Secretary Patone reported that Supervisor Blomquist and Supervisor Guyer will be attending a Municipal Smart Grid Summit in Florida during the month of June. The first attendee is free and the 2nd is \$1,500 inclusive of air fare and meals. Lastly, Delmarva Power had contacted Secretary Patone regarding the outage that took place on January 25, 2013. They indicated they were concerned that electric crew did not respond quick enough and whether our equipment functioned properly. Secretary Patone and Supervisor Blomquist met with Utility Engineers to download the relay information. Utility Engineer's report indicated that the relays did function properly. We believe the perceived long response time was a result of 2 locations being affected. The Delmarva wire come down at Ferry Cut off and this resulted in issues at the substation. In addition traffic was difficult that evening. We are reassured that our equipment worked properly and our personnel responded appropriately. The Delmarva operation's supervisor invited our staff to visit their operations room. Supervisor Appleby questioned what happened to the transformer that burnt up, Secretary Patone explained that at Ferry Cut off it was a wire that was down which was causing the burning of the pole and ground. A tap on top of the substation burnt up as a result of the fault that traveled to the substation from the down wire at Ferry Cut Off. The original report to our Electric Department was that a

transformer was on fire at the Wilmington Road substation. Commissioner Appleby also questioned how long service was down. Secretary Patone reported 3-4 hours. Commissioner Appleby then questioned Supervisor Blomquist's report that Delmarva was burying the lines out at the Penn Farm and asked whether we were going to be providing the electric to the Penn Farm. Secretary Patone indicated that she would research the details on why Delmarva would be burying the lines if we were taking over the service.

The Secretary reported for Supervisor Guyer in the Water Department. She reported that Mr. Cooper is installing a ¾" water service at 807 Lamprey Lane, the hydrant on Lamprey Lane broke during flushing and is out of service. The Seeds of Greatness project will be complete when the as-built and the certificate to operate are received. Norfolk Sothern portion of the Washington Street project has had the backfill complete and the select material met the compaction test, the main was hydrostatically tested and passed. DelDOT approved Penonni to do inspections and estimates of costs were submitted to DelDOT- invoices will be sent directly to DelDOT until such time a reimbursement process can be established. Commissioner Appleby questioned whether the road was opened up and Commissioner Knox explained that although the water main portion of the railroad crossing is complete the paving portion is not done and it will still be some time before it is open. Supervisor Guyer is waiting for the as-built plans from the new main on Rt273 to be complete because that will be used for the Rt 273 Multi-Use Trail. The 12" main extension design on Delaware Street was dropped off by Whitman, Requardt & Assoc. The mapping system training will begin February 25, 2013. Supervisor Guyer met with DNREC, Kathryn Panula & Chris Castagno to review their plan regarding use in the Penn Farm well head protection area. Supervisor Guyer reiterated the MSC's position on activity in this area and requested that the plan be submitted in writing. The Backfield Grading Project survey has been completed by McBride & Ziegler and we are waiting for approval from the Conservation District. Supervisor Guyer has ordered the materials to replace the 2" plastic services for the 3 homes on Rt 273 and will be scheduling them soon. Barry Granger led staff in the renovation of former Secretary Patterson's office. Supervisor Guyer and Asst Supervisor Jaeger completed and submitted the 2012 DNREC reports which showed 1% of unaccounted water loss. There are new reporting requirements for the Delaware River Basin Commission that they will be working on in addition to the State of Delaware Hazardous Chemical reports. Secretary Patone also reported that the hydrant at 2 Hewlett Ave had a 6" main valve break and the cost would be approximately \$4,500.

Commissioner Knox questioned the Cirillo property. Secretary Patone reported that Mike Cirillo had requested that the request be withdrawn at this time.

OLD BUSINESS

A draft version of the 2013/2014 operating budget was distributed prior to the meeting and Secretary Patone asked if there were any preliminary questions. Commissioner Appleby questioned whether there were increases in the budget. Secretary Patone reported that yes, in the repairs and maintenance section of the budget they would notice increases due to the need to implement an annual program for exercising valves and preventive pole and hydrant replacement. Commissioner Appleby asked how the revenues were calculated. Secretary Patone

reported that the income assumptions are based on a three year average. Commissioner Appleby felt that the current year revenues plus 1% would be more appropriate. Secretary Patone reported that she was concerned about the Commercial parks staying occupied, if they have unoccupied buildings then the consumption will be down. Commissioner Knox questioned the DEMEC rate. Secretary Patone advised that yes for expenses the DEMEC rate will be lower. She reminded the Commissioners that last year they passed a budget with a \$332,000 loss and she is attempting to develop a budget that does not have a loss but does not increase rates. The primary reason that this can be accomplished is because of the decrease in the DEMEC rates for this year. The Rate Study done in 2012 reflected the future decreased rates from DEMEC and that is why the 12% reduction in rates was passed last year. Commissioner Appleby questioned the current year water department figures show an excess of net assets and the budget reflects a deficit. Secretary Patone reminded the Commissioners that the current year reports show capitalized labor which is not budgeted and the city appropriation allocated to the water department reflects 14% this year in addition to some administrative expenses that were previously at 10%. It was agreed that the operating budget should be presented for approval at the next meeting.

Upon motion made, seconded and unanimous approval, the Commissioners voted to go into Executive Session to discuss personnel matters.

Upon motion made, seconded and unanimous approval, the Commissioners voted to return to General Session.

Upon motion made, seconded and unanimous approval, the Commissioners voted to approve the labor agreement for the next three years subject to review by a labor attorney.

It was agreed that Secretary Patone and Commissioner Sippel would work together to finalize the job descriptions and evaluation process for Supervisors and non-union personnel.

NEW BUSINESS

The Secretary presented the DEWARN agreement which is a mutual aid agreement for water and wastewater utilities within the State of Delaware. The agreement connects utilities to share equipment and personnel resources. Costs would be reimbursed and responding is completely voluntary. The Secretary advised she would like to have the Commission's attorney review. Commissioner Sippel thought that there was already this type of an agreement in place. Secretary Patone advised that there was not a formalized agreement for the water utilities. Commissioner Appleby asked what organization prompted this agreement. The Secretary indicated that Governor Markel was prompting the formation within the State utilities. After further discussion the Commissioners agreed to have the attorney review.

The Secretary reported that the telephone system which is shared with the City of New Castle is not functioning properly, and no longer has technical support. A quote was submitted by Collins Business Systems for a total of \$24,192. The quote is broken down into three sections. The Commission's administrative office at 216 Chestnut Street \$6,400, the City of New Castle site at

200 Delaware Street \$6,400 and the third site is located at 100 Municipal Blvd which is the system utilized by the Police Department, the Trolley Barn and the Utility building \$11,392. Secretary Patone reported that she believed an appropriate way to divide the cost of the \$11,392 would be for the Commission to pay 1/3 and the City to pay 2/3. She reported that the current telephones could be used with the new system which is a significant cost savings. The new system would be an updated version of the current system so we are assured it will provide the same functions we currently have and offer additional functions, such as voice to e-mail. She asked for approval to move forward with the purchase of the telephone system with the City of New Castle after further investigation of any other suitable options.

Upon motion made, seconded and unanimous approval, the Commissioners voted to authorize Secretary Patone to purchase the new telephone system, additional voice-mail options as necessary and maintenance agreements as necessary through Collins Business System at a cost of up to 50% of the quote of \$24,192.

Secretary Patone asked for clarification of previous Secretary Patterson's retirement gift. It was agreed that a check would be issued equivalent to a telephone and 50% of telephone service for 2 years. Commissioner Appleby anticipated approximately \$200 for a telephone and \$20 per month for 24 months. Secretary Patone would find out the costs associated with this gift.

MARCH MEETING

The Commissioners set the date of the next monthly meeting to be March 21, 2013 at the office of the Commission, 216 Chestnut Street.

ADJOURNMENT

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

Approved _____
Date

Pamela A. Patone