

Municipal Services Commission
Monthly Meeting
August 29, 2016, 4 p.m.
216 Chestnut Street
New Castle, Delaware

The meeting was called to order at 4:02 p.m. with Dr. Roy Sippel, Commissioner, presiding.

Present: Dr. Roy J. Sippel, Commissioner, President
Daniel F. Knox, Commissioner
Hickman Rowland, Commissioner
Pamela A. Patone, Secretary

Staff in Attendance: Scott Blomquist, Supervisor, Electric Department; Jay Guyer, Supervisor, Water Department; Mary Jane Stubbs, Business Manager/Treasurer

Andy Patterson from Horty and Horty spoke about the recent audit and financial statement. The audit process went well. The draft financial statement reflects their rendering of a "clean opinion" that the financial statement is fairly stated and in accordance with professional standards. He informed there were significant changes this year; the most significant is related to pension liability. MSC has a defined benefit plan available to past and present employees. A new accounting standard came out 2-3 years ago stating that as it relates to a "net pension liability" that amount needs to be recorded on the balance sheet as an obligation of MSC and not limited to a footnote disclosure, and there is an expansion of information and disclosures now required to be contained in the audited financials. The accounting standard was required to be implemented this fiscal year. He explained how those new standards impact the financial statement.

Mr. Patterson said the financial statements and footnotes are provided by Secretary Patone and her group. The second document is an audit report covering Horty and Horty's engagement to audit MSC's financials. The audit report added an "emphasis of matter" paragraph that draws attention to the user about the significance to the financial standards. It is Horty and Horty's discretion to include the wording and does not change their opinion. Mr. Patterson said the wording will likely drop off the report in a couple of years. This wording is common practice with municipalities that have implemented this accounting standard.

The other change to the audit report is the addition of "required supplementary information." There is certain information that is not required and some information that is required. A distinction needs to be made.

Mr. Knox asked who develops notes. Mr. Patterson informed that typically Secretary Patone and Treasurer Stubbs prepare notes through information from the actuary. This year additional information was needed from the actuary for the GASB 68 disclosure.

Secretary Patone said the month after presenting financial statements we usually have the actuary and our investment advisor speak to us about investment earnings that have taken place and any reallocations they may or may not recommend. We then revisit fund performance.

Mr. Patterson informed that governmental accounting standards say you apply the new accounting standard retrospectively to the prior year and the second prior year when presenting two years, unless it is determined the information is not there. It was determined not all the information was there two years ago to fully implement the accounting standards. MSC knew its pension liability. It was not because you did not have the information you should have had, but there was an increase in disclosures

that would have resulted in a lot of extra work to satisfy. It was felt the benefit and value did not warrant the extra work.

Other highlights – Mr. Patterson spoke about another accounting standard to be implemented next year. “Fair value measurements” will generate additional disclosures. Mr. Patterson sees this accounting standard as being seamless. Fair value is when certain accounts on the balance sheet need to be measured at fair value there is a new professional standard that discusses what needs to be done on the financial statement. This accounting standard will deal with the Commission’s investments and mutual funds. It will require some additional information about disclosure. No additional assistance will be needed from the actuary.

New disclosures this year include the lease signed for this building. The disclosure relates to the fact that MSC entered into a new 30-year lease with the City of New Castle for three locations, including this building.

Mr. Patterson reported on another significant disclosure; namely, a House Bill for the MSC’s Charter change which passed in July. The significant changes related to the City appropriation set based on a formula.

Lastly, Mr. Patterson informed that Harty and Harty is required to communicate those governance in writing the results of their audit. They address certain areas of engagement, i.e., recomunicating their responsibility, and highlighting anything new and significant or difficult to estimate. The letter they issued is the same as in the past and contains highlights discussed tonight. It also points out one adjustment related to the pension, but was not an error.

Secretary Patone informed that she and Treasurer Stubbs sign a representation letter stating they share everything that it is accurate to the best of their knowledge and they have disclosed everything that was needed. They will sign the letter and return it to Harty and Harty next week.

Mr. Patterson expressed appreciation for the extra effort management put forth in getting the financial statements fully implemented for the new standard. He was impressed with the responsiveness and timeliness with getting his questions answered.

The Commissioners had no questions for Mr. Patterson. *(Mr. Patterson left the meeting.)*

Minutes – One correction noted. **A motion was made and seconded to approve the minutes of the 7/20/16 monthly meeting as amended and the 7/20/16 executive session minutes as distributed. Motion approved by unanimous vote.**

Treasurer’s Report – Treasurer Stubbs reporting

Treasurer Stubbs reported a total operating cash balance of \$2,063,658.93. PNC escrow and meter deposit total in the amount of \$802,354.49. Total cash balance is \$2,866,013.42. Total investments are \$1,071,563.52. Treasurer Stubbs reported that bank statements were reviewed by Artie Granger. She was able to answer his questions. The checkbook register is attached to her report.

A motion was made and seconded to approve the disbursements as presented. Motion approved. (Treasurer Stubbs was excused from the meeting.)

Electric Department Report – Mr. Blomquist reporting.

(See attached report.)

Riverbend – Mr. Blomquist informed that Secretary Patone provided him and Mr. Guyer with a draft agreement from Dan McCollum. They reviewed it and find that it defines the expectations of MSC. Mr. Guyer also provided a one-page map of what the agreement outlines.

The old line truck was sold at the J.J. Kane sale in August for \$9,000.

Water Department – Mr. Guyer reporting.

(See attached report.)

Technology Grant (\$50,000) – The application has passed two of the three committees and will go through the final committee at its meeting scheduled for 9/21/16.

(With no further business to discuss, Supervisors Blomquist and Guyer were thanked and left the meeting.)

Financial Report Executive Summary – Secretary Patone reporting.

(For the period ending 7/31/16) – Secretary Patone reported total assets on the balance sheet of \$16,282,653. Cash increased about \$130,000 from the month of June. As of 7/31/16 we have a deficit of net assets of about \$98,000; \$21,000 in water; \$77,000 in electric. We are monitoring the budget versus actual and also the comparison from last year's revenues and expenses. A report will be produced by the MSC Customer Service/Billing group showing revenues from year to year. The report includes identifying which months are contributing to the changes.

Secretary Patone reported a significant improvement in revenue in August. August/September is typically higher in revenue, but the figure is still not as high as in previous years. In August we started mid-cycle billings, meaning final reads are done on a weekly basis. When customers move they receive their final bill quicker and we get paid in a timely manner. We are now producing about 12 bills per week and recording that revenue on a weekly basis.

Zenith – Zenith has exceeded 10% of the Commission's revenue and we have decided to disclose it on the financial statements. The threshold that auditors indicated for disclosure was 10%. Zenith is our largest customer. Secretary Patone reminded that in December 2015 Zenith sold their property back to themselves in the name of ZPC, Inc. Recently a real estate article appeared in a Philadelphia publication indicating Zenith had sold again. Secretary Patone said that MSC received a deposit refund, started fresh and MSC has accumulated a deposit again. There was no indication of a parcel number change. Secretary Patone contacted ZPC, Inc. and they indicated it was a new sale. Secretary Patone explained to them that water needs to be in the name of the building owner in the event of a lien. She reached out to City Administrator Bill Barthel who was unaware of the most recent transaction of a "sale to a lease back." Mr. Barthel is working with the City Solicitor on the matter. Secretary Patone informed that a lot of work is involved with separating electric and water accounts. Zenith/ZPC is a high-risk account and we want to make sure we are collecting water. We also want to go through all the appropriate steps in the event we have to place a lien on the property. She reported that we have a \$330,000 deposit on their account.

Secretary's Report – Secretary Patone reporting.

DEMEC -- The DEMEC meeting scheduled for 8/16/16 was cancelled due to no actionable items. A special meeting has been called for 8/30/16 at 11 a.m. to discuss an executive session item. Secretary Patone will participate by phone and report back to the Commission.

The Audit Committee met on 8/4/16 to discuss second quarter financial results and reviewed a check-signing policy. We discussed transactions on behalf of Financing as it relates to DEMEC and our substation. We have been presenting questions to the auditors to determine how some of the accounting is recorded and what the results might be. When the substation comes back to our books it will have a book value and they will have a selling price of \$1 that will appear as a loss on DEMEC's books. This is proper accounting recording. Secretary Patone noted that under utility regulatory accounting there are some ways to more appropriately deal with it. Discussions are ongoing; no decision has been made.

An invitation to DEMEC's annual meeting was distributed to the Commissioners, City Council and State Senators and Representatives. Representative Mulrooney has confirmed his attendance. City Council President Linda Ratchford is unable to attend. Secretary Patone, Tara French, Messrs. Sippel and Rowland will also attend.

OLD BUSINESS

Free City Services – Secretary Patone met with City Administrator Barthel and City Council President Ratchford and explained the consultant's explanation. They inquired whether anything would change with the City and the MSC. We talked about the individual organizations. Secretary Patone informed that it would not. They requested it would be appropriate to give at least one year for budget purposes. Secretary Patone has not reached out to any nonprofits to date. She thinks one year notice to the nonprofit organizations does make sense. Discussion followed about the implementation date to be used. Secretary Patone would like to make phone calls first to make everyone aware. She suggested 12/31/17 to give everyone ample notice.

Mr. Knox made a motion to communicate with the nonprofits and inform them that billings will start in January 2018. Mr. Rowland seconded. Motion approved.

Leases – Secretary Patone reported that City Administrator Barthel has signed the leases for the three properties owned by the City and occupied by the Commission. They are available for Mr. Sippel's signature tonight.

The Trustees of New Castle Common Bill of Sale – Secretary Patone said we have the bill of sale for 100 Municipal Boulevard that can now be signed. The Bill of Sale is between the Trustees and the City, however, the Commission occupies the property and was requested to sign. Secretary Patone has a meeting with President Henry Gambacorta, Trustee Chris Castagno, and possibly Trustee Tom Clayton to explain the process we went through with the City and talk to them about what MSC and our staff does with the Trustees and then discuss firming up water and electric usage with them.

Riverbend/Parkway Gravel – Messrs. Blomquist and Guyer reviewed the contract that Secretary Patone and Mr. McCollom prepared. Secretary Patone also requested that Mr. Guyer develop a one-page diagram that shows the loop in front of the Dobbinsville substation to the PMH-9 (the first section) and then looping all the way to Centerpoint for electric and water. It was provided to Dan Ahearn at Cecil Bank, and Mario Gangemi and Nick Ferrara Parkway Gravel. It is a draft intended to provide feedback.

The contract calls for Mr. Ferrara to pay everything up front. We had discussed Mr. Ferrara paying when he asked for permits. Secretary Patone asked him to put his comments/changes in writing and return them to us.

Secretary Patone feels we need to be very clear about the infrastructure (diagram), that is, we are talking about putting in infrastructure that would potentially be perceived as being shared by all lot owners, not infrastructure to their particular lots. If they need our electric department to install to individual lots they would have to pay for those services. No response has been received from Cecil Bank. Secretary Patone will reach out to Mr. Ahearn. Mr. Guyer suggested sending to one of the potential buyers, but she decided not to do this because they are not owners. Comments will be presented to our attorney first and then to the Commission for review.

Bucket Truck – The estimate for a 5-year inspection was higher than estimated. Rather than the estimated \$10,000 the price was as high as \$16,000. Art Granger was able to get the price down to about \$14,000. For transportation we could drive it up and we could get a 2% discount if we take advantage right away. Secretary Patone got in touch with Mr. Barthel who gave her authorization to move ahead.

NEW BUSINESS

Energy Efficiency Investment Fund – Secretary Patone said this is a grant from the state for energy efficiencies. Mr. Sippel requested that she introduce information that was provided through DEMEC. She provided information to other customers within in our area. This could tie in with the green energy funds. Currently we have no green energy funds since they were used for solar. However, we will slowly accumulate about \$1,000 per month in green energy funds. She mentioned buildings owned by the City that need renovations. The HVAC system in the police station is in need of repair. That building was identified during last year's energy audit. Over twelve months we could see potentially \$12,000 that could be awarded to the City for one of their purposes as long as it is used for the appropriate function. The City could also pursue this energy investment fund for grant monies for replacement/ upgrades. She reminded that the Commission has no control over energy efficiency funds, but does control green energy funds. She suggested Commissioners might want to start thinking about this in the event the City submits a request. The Commissioners were receptive to the idea of the energy efficiency fund. If it benefits the City it benefits everyone by keeping taxes, water and electric rates lower.

Dobbinville Water Main Relining Project Technology Grant – Secretary Patone had hoped to provide Commissioners with numbers from contractors for the relining at this meeting. We should have an answer about the grant in the near future. Ecologics has identified this area as being the most vulnerable. While this is a capital project for the next fiscal year, she would like to get approval soon so the communications process can begin with residents in Dobbinville. We experienced some issues with residents during the last project we did. Secretary Patone suggested a community meeting might be good. After discussion with Mr. Guyer, she said that water will be provided above ground, which is a significant portion of the cost. MSC is not willing to risk not having an alternate source for water should a problem come up. Over the next month she hopes to hear about the \$50,000 grant to go against this \$200,000 project.

Electric Loop for Downtown Delaware Street – Secretary Patone is asking Commissioners for their approval and vote today. The electric loop results from an outage in the area of The Strand. If we had a loop we could have minimized the outage, decreased the number of people affected, and turnaround time could have improved. Mr. Blomquist instructed Mr. Granger to order the materials needed for the

Municipal Services Commission Minutes
August 29, 2016

project. Secretary Patone was informed of the purchase. **Mr. Knox made a motion to approve the work. Motion was seconded and approved.**

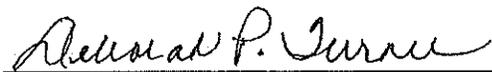
Commissioners moved into executive session at 5:57 p.m. Regular session was to reconvened at 6:10 p.m.

Next Meeting

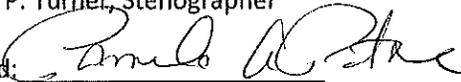
Commissioners set the next monthly Board meeting to be 9/20/16 at the office of the Commission, 216 Chestnut Street, New Castle, Delaware.

ADJOURNMENT

A motion was made and seconded to adjourn the meeting. Motion received unanimous approval. The meeting adjourned at 6:14 p.m.



Deborah P. Turner, Stenographer

Approved: 

(Minutes transcribed from recording.)

MUNICIPAL SERVICES COMMISSION

CITY OF NEW CASTLE, DELAWARE 19720-0208

P.O. BOX 208

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Office: 302 323-2330 Utility Building: 302-323-2333 Fax: 302-323-2337

Water Department Commission Meeting Report

August 29, 2016

Prepared By: Jay Guyer on August 22, 2016

J. New Castle Foundry Apartments – 7th Street

1. Supervisor's Guyer and Blomquist met with Mr. Eric Mayer in reference to installing the water main and 2-4" PVC conduits for the electric across 7th Street for the proposed apartment complex. Supervisor Guyer completed a Del DOT Utility Construction Permit for the project however they would not issue one due to the entrance permit not being filed for and approved. Mr. Mayer working with the City Building Department agreed that no Building permits would be issued for the property until the Del DOT Entrance Permit was applied for and approved. Del DOT agreed with this approach and issued the Utility Construction Permit. Supervisor Guyer will submit plans to the Office of Engineering requesting a Certificate to Construct be issued. Mr. Mayer has hired a contractor to complete the installation of both the water and electric and has provided a check for escrow for the project including inspection fees. Installation will be scheduled when all permits are received.

K. Riverwalk Apartments – 7th Street

1. Supervisor's Guyer and Blomquist and City Building Official Jeff Bergstrom met with representatives of Pennrose Properties, Blake & Vaughan Engineering, and Mid Atlantic Engineering to discuss the water and electric for the proposed Riverwalk Apartments project. Water main design, installation, and individual metering of each apartment plus a house meter was discussed. The developer approved of the individual metering approach and agreed the water meters could be located in a single mechanical / utility room for each of the 4 buildings in the complex. The engineers will complete the water system design plans and forward for review and comments. Work on the site has started with an estimated construction time of 18 months.

L. Wilmington Fibre – Fire Service Vault Replacement

1. Supervisor Guyer has been working with Mr. Dave Celli of Wilmington Fibre to get their fire service vault replaced. Mr. Celli has contracted with Bear Industries to have the new vault manufactured to MSC Specifications and installed by their excavating contractor. Plans were submitted, reviewed by Supervisor Guyer, and approved for manufacturing. Per Mr. Celli, he mailed a check to the MSC on August 10th to be placed in escrow for the cost of the vault and MSC inspections and testing. When the check is received the vault installation will be scheduled.

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M. City Street Repaving

1. Supervisor Guyer and GM Patone will contact the City in reference to their plans for City Street Repaving this year as the proposed list has several potential conflicts with areas where MSC has work planned.

2. Operations

A. Outages, Reporting, and Regulations

1. There were no planned water outages and 1 unplanned water outage for the month of July. The outage report is attached.

B. Repairs and Maintenance

1. Water Operators have been performing routine maintenance on the curb boxes and valve boxes as needed.
2. MBA Tank completed the Remote Operated Vehicle (ROV) inspection of both the Gray Street Tank and Million Gallon Tank on July 15th. The inspections were conducted in accordance with AWWA Standards. Final reports were received on August 15th and reviewed. Gray Street Tank deficiencies included cleaning out around the tank overflow which was completed by MSC operators on August 25th and Million Gallon Tank deficiencies included repairing gaps on vent screens and drains which is being scheduled. MBA concluded the both tanks were good condition and recommended they both be re-evaluated in 3 to 5 years. Supervisor Guyer will discuss with MBA draining and cleaning the interior of the tanks per AWWA Standards.
3. The contractor working for New Castle County replacing the sewer main on Harmony Street damaged a marked ¾" water service on August 19th. MSC provided parts and materials for them to make the repair which MSC inspected for conformance with our standards. The contractor will be invoiced for the damaged service.
4. During the process of shutting down the main on Harmony Street, 2 old 6 valves broke while being operated. MSC Operators mobilized on August 22nd, tested for a shutdown, and started excavating to expose both main valves one of which has several conflicts with existing gas mains. Currently the outage is planned for August 25th to replace both valves.

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C. Operation & Maintenance Budget, Capital Budget, and Grants

1. Supervisor Guyer, Assistant Supervisor Jaeger, and GM Patone completed the \$50,000.00 Information & Technology Grant and submitted to Heather Warren of the Department of Health and Social Services. The grant application outlined the use of the 3M Scotch Coat 2400 Spray in Liner for a water main relining project in Dobbinsville as a pilot program to compare it to the use of cement mortar lining. The application was approved by the Drinking Water Sub-Committee of the Water Infrastructure Advisory Council on August 5th and the Finance Sub-Committee on August 11th. Supervisor Guyer will attend the final presentation for approval at the Water Infrastructure Advisory Council Meeting scheduled for September 21st in Dover.
2. Supervisor Guyer will follow up on the option of applying for the Water Infrastructure Advisory Council \$100,000.00 Asset Management Grant which MSC would plan to use for expanding the current water and electric mapping system abilities.

D. Equipment

1. Truck 11 - The 2000 Dodge Utility Truck has been in the shop 2 times for idling/stalling issues. The truck was towed to First State Fleet Services and was diagnosed with an electrical problem. The Electronic Control Module was replaced at a cost of \$1,070.00.

E. Perfluorinated Compounds – PFC Contamination

1. GM Patone is working with the USDA in reference to the Grant. GM Patone and Supervisor Guyer met with Jay Jones of USDA on August 9th to review the project and moving forward with the Radio System improvements. A final inspection with the USDA Engineer has been scheduled for September 21st.
2. Keystone Engineering Group (KEGI) completed the radio system performance survey on June 28th and 29th and submitted a draft report to MSC on July 6th. Supervisor Guyer, Assistant Supervisor Jaeger, and GM Patone reviewed the report and requested KEGI draft a proposal outlining the steps they would use to correct the issues identified in the report. KEGI submitted the proposal outlining 4 tasks to correct the radio communication issues including raising the antennas at Frenchtown Road Well and Basin Road Well, reducing unnecessary communications, adding integrity polling times, and structured polling between the Remote Terminal Units. This will be the first major enhancement to the SCADA System since it was deployed in 2010. After a lengthy discussion with KEGI, Supervisor Guyer reviewed the proposal with GM Patone and

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recommended moving forward with the improvements as the appropriate approach to correct the communication issues at a cost of \$19,650.00 plus the cost of 2 70ft utility poles at approximately \$1,300.00 each. Work is scheduled to be completed by September 21st for the USDA final inspection of the Carbon Filtration System.

3. Supervisor Guyer completed the Calgon Carbon questionnaire and returned to their Marketing Manager Doug Conley for review. They were considering using the MSC's approach to addressing the PFC contamination found in our water supply as a Case Study and Presentation for their organization.

F. Water Quality Testing

1. PFC Contamination – On July 19th, MSC collected 4 new samples and delivered them to Eurofins Lab for rush PFC testing due to the questionable results that were received on July 11th. The samples were duplicates of the original samples collected on June 15th plus 1 additional sample from the Vessel 2 effluent.
2. On August 2nd, Eurofins Lab contacted Supervisor Guyer and reported they believed a sampling error had occurred which resulted in the Vessel 1 25% Sample and the Point of Entry Sample being switched during the extraction process which is why the Point of Entry Samples had high PFOS and PFOA results. This determination was reached after they re-ran the duplicate samples and the results illustrated the accidental switch.
3. The results of the 4 Samples collected on July 19th as a follow up to the June 15th sampling were received by Supervisor Guyer on August 3rd and illustrated Vessel 1 25% sample tap had a PFOS level of 1.4ppb and PFOA level of 0.17ppb, Vessel 1 75% sample tap had a PFOS level of 0.0066ppb and PFOA level of 0.0056ppb, Vessel 2 effluent sample tap had a PFOS and PFOA level of Non-Detect, and the Distribution System Entry Point had a level of Non-Detect. The Non-Detect results at Vessel 2 effluent tap and the Distribution System Entry Point demonstrates the Carbon Filtration System is removing the PFC compounds as designed.
4. Supervisor Guyer, Assistant Supervisor Jaeger, and GM Patone discussed the July 19th results and contacted the Delaware Department of Health, Office of Drinking Water (ODW) to advise them Eurofins Lab acknowledged the error on the first round of sampling results during the extraction process, review the July 19th sample results that were Non-Detect, and discuss MSC's next steps forward. Supervisor Guyer has forwarded the revised June 15th Sample Results and the July 19th Sample results to the ODW for their records. Additionally, at the recommendation of the ODW, Supervisor Guyer has requested Eurofins Lab issue a Corrective Action Report illustrating the

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incident, how it occurred, and the steps being taken to prevent it from occurring again in the future. This report will be sent to ODW when received. The next round of PFC sampling is scheduled for December 2016.

5. Lead and Copper – MSC was contacted by a concerned customer about the potential of the water supply causing their grandchild to have an elevated lead level in their blood. Supervisor Guyer and GM Patone contacted ODW and discussed with them the requirements for sampling individual houses and agreed it was good practice to collect a water sample and have it tested for lead and copper. The results were Lead was a Non-Detect and Copper was 0.0646ppm which is well below the 1.3ppm MCL. A follow up phone call, lead and copper results letter, and an e-mail were sent to the customer advising them of the results and available resources for assistance. A copy of the results were sent to the ODW as a Non-Compliance sample for their records.
6. Quarterly Water Quality Parameters were collected on August 11th and delivered to Eurofins Lab for testing. Results are pending.
7. Quarterly Basin Road Well VOC Samples were collected on August 10th and delivered to the State of Delaware Lab for testing. Results are pending.

G. Personnel

1. Water Operators are enrolled in several courses at Del Tech in Georgetown for continuing education hours/credits toward maintaining our licenses.

3. Reporting Agencies

A. WSCC - Water Supply Coordinating Council

1. GM Patone and Supervisor Guyer are waiting for the next Sub-Committee meeting to be scheduled to review current water demands and establish projected demands through 2030.
2. The next regular WSCC meeting scheduled for August 18, 2016 has been changed to September 29, 2016.

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B. WRA – Water Resource Agency

1. Supervisor Guyer sends weekly pumping data to Jerry Kauffman of University of Delaware Water Resource Agency (WRA).

C. DEWARN – Delaware Water/Wastewater Agency Response Network

1. The next meeting is scheduled for September 15, 2016.

D. Water Operator Advisory Council Meeting

1. The August 4th meeting had a quorum. Applications for Water Operator licenses were reviewed and approved/denied, minutes from previous meetings approved, license suspension for an operator was discussed, several changes to the limited license were discussed, the Operator Certification Annual Report submission, the internal review process was discussed, and Regulations Review.
2. The next meeting is scheduled for November 3, 2016.

End of Report

Attachments: July 2016 Water Works Report
July 2016 Water Outage Tracking Sheet

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1. Projects

A. Riverbend Subdivision

1. The water system in Riverbend was flushed on July 27th and August 9th to maintain the required 0.3 ppm of Chlorine Residual.

B. Riverbend Subdivision

1. GM Patone worked with MSC's attorney on an agreement that outlines the scope of work for this project. A draft was provided to Supervisors Guyer and Blomquist who reviewed and returned comments to GM Patone. The draft agreement accurately defined the work that would be completed by MSC. Supervisor Guyer created a one page map of the subdivision illustrating the work to be performed by MSC.

C. Seeds of Greatness Church – 828 Frenchtown Road

1. Cirillo Brothers continues working on the parking lot filling and grading in the rear of the church. Supervisor Guyer followed up with Bob Schulte of DNREC in reference to copies of all remediation documents for our records. Per Mr. Schulte, he will forward copies when they are available.

D. Water Metering

1. Water Operator Tom Brewster completed meter reads on August 12th and followed up on water check reads as needed for the month. Tara French rode along during meter reading this month to get a better understanding of the process. High/low/zero consumption reads were addressed with customers and missed reads collected.
2. Water meters / ERT's that are not being read by the mobile reading system were identified and replacements have been ordered. Installation will be scheduled when they are received.
3. Supervisor Guyer completed updating the MVRS Software from version 8.5 to version 8.7.1 and updated the software on the FC300SR Handheld Reader. Supervisor Guyer will review the options and capabilities of the new Encoder Technology Registers with 100W ERT's to get hourly read data from the units.

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E. Water Main Distribution System

1. RT – 9 Water Main Project is complete. Guardian Construction continues working on the gas main renewal for Delmarva Power. New Castle County has not started work on the Clark Street Sewer replacement. MSC Operators have checked valve and curb boxes for damage and reported to the on-site inspector so repairs can be completed before final paving. Per Del DOT, final paving will be performed in the Spring of 2017.
2. Supervisor Guyer followed up with Mr. Ed Fisher of Del DOT in reference to the list of valve boxes that needed repair on the Washington Street Project. Per Mr. Fisher he was not able to require the contractor to make corrections to the valve boxes.

F. Cross Roads Well – Penn Farm

1. Supervisors Guyer and Jaeger have not had an opportunity to work on the Water Allocation Permit Application for DNREC this past month.

G. CPR Construction – 3 New Homes on Meehan Avenue

1. Construction of the last 2 houses continues. Per the contractor, he is working on getting a contractor to install the 2 new water services.

H. Delaware Street Wharf – New Pier

1. Construction on the new pier has started. Supervisor Guyer will discuss with GM Patone scheduling a meeting with the City to review the installation of the water and electric utilities for the project.

I. Battery Park Drainage Improvement Project

1. Supervisor Guyer followed up with the Trustees Engineer Mr. Matthew Sturgis of Foresite Associates in reference to the drainage project on Battery Park. The plans for phase 3 were being revised based upon the comments provided and will be resent for review/approval when completed.

MUNICIPAL SERVICES COMMISSION
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ELECTRIC DEPARTMENT COMMISSION REPORT

August 29, 2016

Prepared by Scott Blomquist on August 22, 2016

1. **Projects:**

a. **Riverbend:**

- I. General Manager Patone provided Supervisor Guyer and Supervisor Blomquist with the agreement that was drafted by Dan McCollom. Supervisor Guyer and Supervisor Blomquist reviewed the agreement and believe it accurately defines what is expected by the MSC. Supervisor Guyer provided a one page map that gives a general outline of the work to be performed.

b. **2, 4, and 8 Meehan:**

- I. Rocky DeAscanis has started construction on 2 Meehan. He should be contacting us about electric in the near future.

c. **224 and 226 East 2nd Street**

- I. The road patching is complete and this job has been closed.

d. **Farm Stand Electric Service:**

- I. Delmarva made arrangements to remove the secondary conductors and equipment for the old service to this location. This job is complete and closed.

e. **Riverwalk Apartments:**

- I. Supervisor Guyer and Supervisor Blomquist met with Penrose Properties and their engineers for this project to discuss water and electric to the proposed buildings. Penrose plans to build 120 apartments at this location. They are working on the electric design and need to give us the diversified loads so we can size the transformers correctly. We are waiting for them to get back to us with an updated set of prints.

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f. Bull Hill Sluice Gate:

- I. Public Works requested assistance with the installation of the replacement Sluice Gate at Bull Hill. Supervisor Blomquist and Assistant Supervisor Granger assisted with the removal of the existing gate and installing the new gate.

g. 1600 Johnsons Way (Techmer ES):

- I. Supervisor Blomquist received a call from Techmer saying they experienced an electrical over voltage that burned up several variable frequency drives and burned up a breaker. Supervisor Blomquist and Assistant Supervisor Granger met with Techmer staff and their electrician onsite to get a better understanding of the issue they experienced. It turns out that Techmer purchased used electrical panels and breakers. One of these breakers apparently failed and when it went to ground it energized the ground and over voltage the drives. Supervisor Blomquist made several suggestions for Techmer to get a testing company involved to determine why Techmer's grounding system wasn't able to handle the fault current and not over voltage the equipment. By the end of the meeting Techmer agreed with us that the problem they had was an internal issue and had nothing to do with the MSC's Distribution System. Supervisor Blomquist requested that they keep us informed as to what they find with the ground system and with the breaker they plan to have analyzed by a testing company.

2. Capital Projects:

a. Booker Circle:

- I. The Electric Department is working on piping in the last transformer location. We ran out of Comcast house drop pipe and are waiting for Comcast to provide us with more so we can complete the pipe work.

b. Loop Feed for Downtown Delaware Street:

- I. Last month we had an outage on the underground that feeds the Downtown area of Delaware Street. We figured out that this area isn't completely loop fed. When the underground was installed there were three phases installed from one end and only two phases installed from the other end. As the three phase feed failed we no longer had a means of re-energizing with all three phases. We replaced the underground wire from the

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riser pole to the manhole at Third and Delaware. We had some of the customers out for a total of 9 hours while we determined what the problem was and replaced the wire. To prevent this length of outage in the future Supervisor Blomquist feels it makes sense to close the loop in the correct fashion. This would require the third phase brought from Second and Chestnut on the aerial poles to Second and Harmony. There is a two phase riser at Second and Harmony which would need the wire replaced with three phase. Supervisor Blomquist prepared an estimate of the materials needed to perform the work. There is no excavation required as there is conduit in place already. The cost for the materials to perform this work is estimated at \$7,799.60. Supervisor Blomquist is requesting that the Commissioners approve this installation.

3. Capital Purchases:

a. Line Truck:

- I. We are still waiting on the CB radio to be installed in the new line truck; after this is complete we will be able to close out this purchase.
- II. The old line truck was brought to the JJ Kane auction and sold for nine thousand. There are fees associated with the auction so we will not receive the total amount. We are waiting to hear from JJ Kane to know how much we will receive.

4. Operations:

a. Outages :

1. We have had 2 outages over the last month.
 - a. On 7/29 Delmarva had a pole hit by a car at 1100 Wilmington Road. We had to disconnect power to 14 customers so the pole could be replaced safely. The outage was for 5.5 hours.
 - b. On 8/14 we had an outage on Juniper Street that affected 39 customers for 1.25 hours. The outage was caused by a squirrel.

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2. 8/1/15 – 8/1/16

SAIDI (minutes)	SAIFI (number of interruptions)	CAIDI (minutes)	ASAI (percent)
18.63	0.11	168	99.9964

S

SAIDI - is the average outage duration for each customer served.

SAIFI - is the average number of interruptions that a customer would experience.

CAIDI - gives the average outage duration that any given customer would experience.

ASAI - is the Average Service Availability Index.

5. **Repairs and Maintenance:**

a. **System:**

i. Vandyke Village:

i. There is nothing to update on this project.

b. **Wilmington Road Substation:**

i. There is nothing to update for this location.

c. **Dobbinsville Substation:**

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- I. The Relay Testing for this location is scheduled for September. The individual that has done the testing for us before is no longer with the testing company we use. Supervisor Blomquist anticipates that a learning curve with the new individual who will perform the testing.
-
- d. **Metering:**
 - I. We are waiting for the two meters we sent back to Itron to be reconfigured and sent back to us. When we have them we will install them in parallel to the existing meters and correct the billing. Supervisor Blomquist has contacted Rumsey and is waiting for a return call as to the status of the meters.
-
- e. **System Infrared:**
 - I. Compliance Environmental was in on 8/18 to start the infrared and will be back 8/23 and 8/24 to complete.