

JUNE 24, 2013

Minutes of the monthly meeting of the Municipal Services Commission held June 24, 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

The approval of the May 23, 2013 minutes was delayed until the next month's Commission meeting.

WATER DEPARTMENT REPORT

Supervisor Guyer indicated that his report was provided in advance and he would review the highlights. He reported that 2 buildings in the Centerpoint Business Park are updating their water service with modern check valves. He advised that the flushing of the water system in Riverbend was done again this month to maintain the chlorine residual and billed to the owner Cecil Bank. Commissioner Appleby questioned the hydrant that was out of service in Riverbend. Supervisor Guyer reported that the fire hydrant was not yet owned and maintained by the Commission since Riverbend's water infrastructure was not yet complete. He reported that Mike Cirillo completed the 8 inch and 4 inch mains for the Seeds of Greatness Church in accordance to the Commission standards and a meter had been installed. He advised that the Seeds of Greatness Church as built had not yet been received and a Certificate to Operate could not be received for the water system until they are received. Supervisor Guyer went on to report that Mumford Miller had completed the water main installation for the Washington Street portion of the DelDOT project and the tie-ins were also being completed. He advised that he received approval from DelDOT to move forward with the 7th Street and South Street portion of the project so that the water main installation for the entire project could be completed.

Supervisor Guyer reported that the mapping program was moving forward and that he was working with ESC to add functionality to the program so that when a valve was closed it would reflect within the program. He advised that he met Steve Borleski who had taken Kathryn Panula's position in managing the Penn Farm and that he would continue to participate in these meetings so that he could report to Secretary Patone and the Commissioners regarding the Well-Head Protection areas on the Penn Farm. He went on to report that the Backfield Project grading was complete in addition to the three homes on Route 273 which were tied into the new 2 inch water main.

The DEWARN meeting was held on June 20, 2013 according to Supervisor Guyer. He indicated that membership has increased in DEWARN and that the group is working on training opportunities for members. He reported that he attended the last Water Supply Council which focused on the Draft 12th report to the Governor.

Supervisor Guyer then reported that the results from the 1,4 Dioxane lab tests for the Commission's three wells showed that trace amounts of this chemical were found in the School Lane & Basin Road wells. No detection was found in the Frenchtown Road well. He shared the results with the State of Delaware Office of Drinking Water and was advised by the State that although trace levels of the contaminant were detected, no action was required at this time because the amounts were just at the detection limit. Secretary Patone and Supervisor Guyer discussed that they would write a press release for the quarterly newsletter and the City of New Castle monthly newsletter. They both advised that they had been contacted by a concerned citizen who had read information regarding a well contamination near New Castle and they shared the information regarding the City of New Castle's test results.

Supervisor Guyer reported that there was a leak at 801 W. 13th Street which was fixed. Commissioner Appleby questioned whether the lead joints in that area needed to be replaced due to several past leaks. Supervisor Guyer indicated that since the experience has been that the wall thickness has consistently been good that he feels a lining program instead of a replacement program should be started. He would like to develop a capital program where each year some mains are lined. Lastly, Supervisor Guyer reported that he and Supervisor Blomquist attended the Smart Grid Conference in Florida and learned how other municipalities are implementing Smart Grid's in their communities.

ELECTRIC DEPARTMENT

Supervisor Blomquist reported that the final permission to operate the solar system at Mr. Cooper's house in Riverbend was given. He reported that an electrical outage occurred on May 27, 2013 in the evening because the Delmarva tap that feeds Dobbinsville Substation burnt off. He was able to move the load from the Dobbinsville Substation to the Wilmington Road Substation until Delmarva was able to make their repairs. He reported that the Commission's outage time was one hour and forty five minutes.

Supervisor Blomquist advised that he continues to work on the capacitors in the system. He has moved two automated banks and anticipates purchasing three new automated banks. He continued to report that the SCADA system single lines that he had requested Keystone Engineering to prepare have been done.

Supervisor Blomquist indicated that the primary terminations and testing have been done for the Seeds of Greatness electric system, however, the Commission has not yet received the as-builts for water or electric infrastructure and service would not be provided until they are received. He advised there was no new information regarding the Washington Street project, he is still waiting for Verizon to move their poles. He continues to accumulate examples of electric specifications from other municipalities in developing the Commission's specifications. He then reported that

on June 13, 2013, a squirrel caused a main breaker at the Wilmington Road substation to go down which resulted in a fifteen minute outage.

Regarding equipment, Supervisor Blomquist advised that the bucket truck which was sent to JJ Kane to be auctioned sold for \$1,700. He also reported that Ryan Auger passed his second year and Allen Schiff passed his first year of apprentice schooling. Lastly, Supervisor Blomquist reported that after attending the Smart Grid Summit with Supervisor Guyer that his recommendation would be to hire a consultant to assess the Commission's needs regarding the metering system and integrating with all the customer service information systems. Secretary Patone indicated that the next step for staff was to research consultants and the associated costs and for staff to make a recommendation to the Commissioners. Commissioner Appleby questioned how the Commission could invoice customers based on their reduced load during peak demand with the billing structure that currently exist. Secretary Patone explained that Smart Grid is not just metering but integrating all information systems. She said in addition it is used as a Demand Response tool to manage the loads, which could result in lower costs for the Commission which would be passed along in the form of fewer rate increases. She advised that staff would continue to investigate the Smart Grid and consultants.

Commissioner Appleby thanked the Supervisors for their attendance and they left the meeting.

FINANCIAL REPORT

Secretary Patone indicated there was nothing significant to report in collections. She reported that the month ending May 31, 2013 reports showed that "Cash" increased \$321,000 from the previous month due to the receipt of funds from DEMEC for the internal labor for substation renovations and bond interest expense. In "Revenue and Expenses" the "Change in Net Assets" was a deficit of net assets in the amount of (\$71,267) which is better than the budgeted deficit of (\$122,000). She reported that the Water Department is reflecting a deficit of approximately excess of \$682 and Electric reflected a deficit of approximately (\$71,000).

Secretary Patone indicated that she is investigating integrated communication systems and how that could potentially assist with the after hours call system. She felt that the new telephone system after hours voice to e-mail system has been very successful and educational for staff.

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

Secretary Patone reported that investments had decreased \$16,961 from last month.

Secretary Patone reported that fieldwork for the annual financial statements took place the week of June 3, 2013. She reported that since the general ledger software, job costing software and inventory software are not integrated there is additional work necessary to reconcile projects. She advised that because the Seeds of Greatness project was not complete as of the fiscal year end the reconciliation had not been done prior to fieldwork. She advised that this reconciliation and the associated journal entries would be adjusting entries from the financial reports that have

been presented monthly. The entries relate to capitalization of labor, inventory and other job costs.

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

SECRETARY'S REPORT

Secretary Patone said DEMEC's Board meeting was cancelled due to no actionable items. She reported that some of DEMEC staff and she attended the APPA conference and attended courses regarding the Smart Grid, customer service, strategic development and RP3 certification. She reported that the DEMEC Audit Committee met to discuss the RFP for auditors and the relevant accounting issues that would need to be addressed. She indicated that she had forwarded the monthly DEMEC reports for the Commissioner's review. She noted that both Beasley plants were called upon to run this past month.

OLD BUSINESS

Secretary Patone reported that the Frenchtown Well electric service buyout from Delmarva Power was an item that was left off the 2013/2014 capital budget because the final figure was not obtained. She explained how the cost was calculated and the benefits of providing electric to the Commission's well site.

Upon motion made, seconded and unanimous approval, the Commissioners voted to approve the buyout from Delmarva Power for the ability to provide electric service to the Frenchtown Well.

The Commissioners questioned the other sites served by Delmarva Power and asked questions regarding the water service at Boothhurst. Secretary Patone advised she would find the details to the Commissioners questions and report to them.

NEW BUSINESS

No new business to report.

JUNE MEETING

The Commissioners set the date of the next monthly meeting to be July 23, 2013 at the office of the Commission, 216 Chestnut Street. (which was subsequently rescheduled to July 22, 2013)

ADJOURNMENT

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

Approved _____
Date

Pamela A. Patone