

Municipal Services Commission  
Monthly Meeting  
December 21, 2017 -- 4 p.m.  
216 Chestnut Street  
New Castle, Delaware

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

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

Staff in Attendance: Accounting/Customer Service Manager Tara French; Scott Blomquist, Supervisor, Electric Department; Jay Guyer, Supervisor, Water Department

Guests in Attendance: Carey Rowland, Wife of Hick Rowland; Chris Rowland, Son of Hick Rowland

Mr. Sippel offered comments in honor of late Commissioner H. Hickman "Hick" Rowland, Jr. Mr. Sippel commented that Commissioner Rowland was a huge part of MSC and contributed a great deal to the MSC and the City of New Castle. Secretary Patone read a resolution into the minutes honoring Commissioner Rowland.

WHEREAS, Mr. H. Hickman Rowland, Jr. Commissioner of the Municipal Services Commission of the City of New Castle, has passed after thirteen years of dedicated service; and

WHEREAS, Mr. H. Hickman Rowland, Jr. has diligently and faithfully served the Commission as Commissioner appointed by the Mayor of New Castle from April 1, 2000 through April 18, 2011 and the Commissioner appointed by the Trustees of New Castle Common from April 1, 2015 through November 12, 2017; and

WHEREAS, during his tenure on the Commission, Mr. H. Hickman Rowland, Jr. has provided leadership to the Commission and provided invaluable advice and service to the Commission through his technical, financial and business knowledge in addition to the experience in municipal government and the public power industry he gained with the Commission;

NOW THEREFORE,

Be it resolved by the Municipal Services Commission of the City of New Castle;

That the Commissioners extend to the family of H. Hickman Rowland, Jr. their best wishes to them, together with their most sincere appreciation for Mr. Rowland's dedicated service to the Commission during his tenure; and

BE IT FURTHER RESOLVED, that this resolution be spread upon the minutes of the Commission in testimony thereof, and that a copy hereof be furnished to the family of Mr. Rowland as a token of the respect and affection with which he is regarded.

Authenticated as Adopted This 21<sup>st</sup> Day of December, 2017.  
(Signed by Dr. Roy J. Sippel, President and Pamela A. Patone, Secretary)

A framed copy of the resolution was presented to Commissioner Rowland's family.

Minutes – One correction was made. **A motion was made and seconded to approve the minutes of the 11/16/17 monthly meeting as corrected. The motion was seconded and approved.**  
**A motion was made and seconded to approve the executive session minutes of the 11/16/17 monthly meeting. The motion was seconded and approved.**

Treasurer's Report – Secretary Patone reporting

In Treasurer Stubbs' absence, Secretary Patone reported a total operating cash balance of \$2,030,487.60. PNC escrow and meter deposit total in the amount of \$855,247.32. Total cash balance is \$2,885,734.92. Total investments are \$1,099,411.59. Assistant Water Supervisor Ryan Jaeger reviewed the bank statements. Treasurer Stubbs addressed Mr. Jaeger's questions satisfactorily. The checkbook register is attached to Treasurer Stubbs' report.

**A motion was made and seconded to approve the disbursements as presented. The motion was approved.**

Accounting and Customer Service Report – Accounting/Customer Service Manager Tara French reporting

- Ms. French reported the department continues to get better with the new software and that Customer Service Representatives are taking more of a leadership role with their daily duties.
- The department assisted the City with their annual rental and business license mailings.
- Last week staff (Assistant supervisors, Accounting and Customer Service staff, Secretary Patone and Treasurer Stubbs) attended a management leadership team building and coaching skills training. The training was informational and helpful. Training was done in house at the utility building.
- Ms. French reported that the Accounting Assistant has been preparing month-end work papers. Ms. French has been preparing and/or reviewing November month-end work papers. She will review budgets next.

Electric Department Report – Mr. Blomquist reporting

*(See attached report.)*

Mr. Blomquist reported three outages during the month. Two of the outages involved a 440 relay; the other involved the 210 circuit. Problems were diagnosed and the Electric Department has determined how to fix the problems.

Amazon – Two of the outages affected the Amazon facility. Messrs. Blomquist, Grainger, and Guyer met with Amazon maintenance supervisors at Amazon's request to discuss the outages. Secretary Patone informed that during the week they were unsure if further testing on relays would be needed. She approved cable testing and engineers to work on the testing. Mr. Blomquist noted the cost of having engineers on site and testing would be outside the budget for normal testing. He informed the total cost for cable testing was \$3,750 and utility engineers were \$1,600. Total cost for correcting the relay was \$5,350. Mr. Blomquist does not anticipate any issues with the relay itself, but we still have testing we need to continue to do that would be in part of their Operations budget. Mr. Blomquist met the manufacturer of the relays and their test group at a recent training. He said they discussed having the manufacturer test our relays. His office is working on defining a scope of work and costs and will return to Commissioners to discuss at a later date.

Pole Attachment Request – Secretary Patone said at the DEMEC meeting, DEMEC's attorney, Max Walton, prepared a memo and template for communities to consider for an ordinance related to pole

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attachments. A copy was received earlier this month and Secretary Patone forwarded the documents to City Administrator Bill Barthel who forwarded same to City Solicitor Dan Losco for review. She suggested getting together with Administrator Barthel in early January to discuss further.

Water Report – Mr. Guyer reporting  
(See attached report.)

Well Ordinance – Mr. Guyer visited the abandoned private well on John DiMondi's property; a 4-inch diameter case well drilled in the early 1950's and never put in service. Over time it was filled in with concrete because it was not used. Currently it has concrete over it and storage sheds will be built over top that area in the next four to six months. The site was documented accordingly. Messrs. Guyer and Jaeger discussed how best to track customers' wells and abandoned wells to maintain a history of well locations. If private wells are revealed/discovered they could track them also. Mr. Guyer informed they would advertise (City letter, *City Crier*, MSC newsletter, *Cobblestone*, *New Castle Weekly*) and give our customers an opportunity to inform us of private wells that could be on their property. A timeframe of one year would be offered. We would document the wells and create a priority list of wells and how we would want to abandon them to protect the MSC and City water supplies. After the given time frame has expired then abandoning wells would be the individual's responsibility and abandonment would be considered on a case by case basis.

Secretary Patone said the ordinance prohibits private wells and MSC's understanding was there are no private wells. We were made aware of DiMondi's private well by John DiMondi at the 9/12/17 Council Meeting when City Ordinance 512 was presented for a first and second reading. After some research we do not believe there are a large amount of private wells that would need to be abandoned. She reiterated allowing a one-year time period to report and properly abandon wells. After one year the individual would be responsible for abandoning the well, however, this would be considered on a case by case basis. Commissioners are being asked to agree that we should move forward with putting together draft language that would be presented at the next meeting. Secretary Patone will enlist City Administrator Bill Barthel and City Solicitor Dan Losco with draft language. The Commissioners were in agreement with moving ahead.

New Business

Office Security – Secretary Patone spoke about an incident on 12/6/17 where staff was restricted and unable to leave the parking lot of 216 Chestnut Street. City Police are investigating. She said safety and security of this office and staff is something we are keenly aware of. She said they have numerous cameras in place; however, we do believe that additional cameras in different locations of the parking lot would be useful. Quotes for cameras are being secured. Staff suggested revisiting all security cameras and vendors we use might want to be considered because we have different cameras and vendors at different locations.

Glass at the front of the office – Secretary Patone said we discussed at the time whether a barrier was needed between staff and the public. We believe we should be getting information and quotes on potentially installing some type of barrier. Other items discussed included allowing office staff to have access through the back of the MSC building. Currently only supervisors have access via a key. Secretary Patone requested having something in place that could be opened to allow for personal interaction, but we would have the ability to close off based on staff's judgment. Staff has been consulted and is being updated. Mr. Sippel said this building and the way we do business reflects old New Castle. He added there are functions that take place in this building that could be done at another location. Secretary Patone said that moving services to another location was discussed as an option. We are actively addressing this issue.

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Tree Advisory Commission (TAC) – The TAC approached the Electric Department and Secretary Patone about tree trimming of six trees along Harmony Street and two trees along Fourth Street. Both groups agree the trees are not an appropriate species to be under utility lines. Secretary Patone explained how and why we do the tree trimming and the Tree Advisory Commission understood.

Under the circumstances the trees do not look aesthetically pleasing after trimming by MSC crews. TAC Chairman David Robinson asked that MSC participate with removing the subject trees and plant trees that are more appropriate to the locations. Secretary Patone said that in the past if MSC damaged trees former Tree Advisory Commission member John Lloyd would come and talk to us and require that trees be replanted in place of the ones that were killed.

Secretary Patone said MSC contributes labor to the City and she thinks our response should be that we would be willing to assist/remove any trees that are there. Stump removal is an issue and the best solution would be for the TAC to plant replacement trees in a different location to avoid having to remove the stump. The TAC contribution would be purchasing and planting the trees. Secretary Patone is seeking Commissioners' approval to contribute labor. The TAC would be responsible for communicating with the public. The Commissioners approved providing labor for this work.

*(With no further business to discuss, Messrs. Blomquist and Guyer, and Ms. French were thanked and left the meeting.)*

Financial Report Executive Summary – Secretary Patone reporting  
*(For the period ending 11/30/17)*

Secretary Patone reviewed the financial reports. Total assets are \$16,767,607. Compared to last year we are down \$355,532 in cash; largely due to capital projects. Property Plant and Equipment increased \$1.2 million over last year. Assets/Grant Receivables—we received the grant in the month of November that is now finalized.

Revenue and Expenses show a surplus of net assets of \$252,000 the end of November. User charges are about 1.7% over budget. We are in the middle of the cost of service study. Secretary Patone will do a preliminary review of the consultant's report on 1/5/18 and she expects them to present by phone to Commissioners at the January meeting. She believes that water rates still require a significant increase. Last year the consultant recommended increases of 9%, 9% and 9%. MSC only adopted 9%. We have had significant capital outlay over the last three years, much of this with water. Electric rates could potentially go down; we have a negative PPA because of the DEMEC contracts we have in place.

Secretary's Report – Secretary Patone reporting

DEMEC – Mr. Sippel and Secretary Patone attended the 12/5/17 DEMEC Board meeting. Chairwoman Dolores Slatcher announced she would be retiring on 2/28/18 and stepping down from the Board. A presentation was given by a University of Delaware fellowship student who gave a brief update about the wind projects they are working on.

Secretary Patone reported that counsel from the firm of Saul Ewing updated the Board on 2018 bonds they would be obtaining for the Milford and Seaford projects.

Training and Education – DEMEC is funding Board members' APPA training for certifications and conferences. DEMEC will pay for Secretary Patone's attendance to the Public Power Manager's Certification Education Seminar in May in Denver, Colorado.

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Secretary's Report (Contd.)

DEMEC Energy Efficiency Program -- At last month's MSC Board Meeting Secretary Patone reported the Town of Lewes had changed their vote and is no longer interested in pursuing the program. Part of their reason is they are interested in seeing what the SEU can do better. DEMEC staff does not believe the SEU has the same opportunities and can provide the same type of service. Since the 12/5/17 Board meeting the four groups that had previously said yes (Milford, Seaford, Clayton, New Castle) had a phone conversation to see where the four communities felt they stood. During the phone call DEMEC President Pat McCullar indicated DEMEC would provide the project as no-cost to communities; meaning that DEMEC would absorb the costs. Therefore, if Middletown decides not to participate in the program and New Castle does participate then we would be paying the same billing rate to DEMEC. Secretary Patone believes there are benefits to the program, particularly with our commercial parks. She is interested in continuing to move forward with our key accounts in addition to anything we can offer to our residential accounts. We have been contributing into our rate stabilization fund and Lou Vitola indicated New Castle's contribution would be kept in this fund. DEMEC does accumulate and report on the fund that is broken down by community. Secretary Patone said we can request the funds from the rate stabilization fund, but that is not the direction the Board has been taking to date. She added that the reserves are growing. She reminded that MSC approached the SEU to do the energy efficiency audits for the police building and other buildings and we did identify things we could improve upon. Commissioners are eager to get the program moving and approved continuing.

Old Business

Non-Profit Services Update -- Secretary Patone reported at the beginning of January 2018 she will be sending letters reminding all the nonprofits receiving partial or free water and electric service that they will receive a bill in January. They have received over one years' notice and have been provided estimates for services.

Well Ordinance -- Previously discussed.

Capital Budget (*updated budget distributed*) -- Mr. Knox expressed concern with the School Lane Interconnection room piping job and whether it needs to be accelerated to start before the beginning of the next fiscal year on 4/1/18. Secretary Patone acknowledged that Water Supervisor Guyer has also identified this as a priority. Secretary Patone said we could move forward if Commissioners approved the project today and the majority of expenditures occur in the next fiscal year.

**A motion was made and seconded to approve the capital budget. The motion was approved.**

**A motion was made and seconded to enter executive session at 5:28 p.m.**

Commissioners returned to general session at 5:50 p.m.

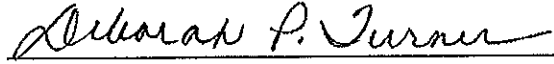
Next Meeting

Commissioners set the next monthly Board meeting to be 1/18/18, 4 p.m. at the office of the Commission, 216 Chestnut Street, New Castle, Delaware.

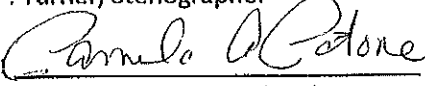
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Adjournment

A motion was made and seconded to adjourn the meeting. The motion received unanimous approval. The meeting was adjourned at 5:58 p.m.



Deborah P. Turner, Stenographer

Approved 

(Minutes transcribed from recording.)