MINUTES OF THE MEETING OF THE
CITY OF SEAFORD JOINT ELECTRIC & OPERATIONS COMMITTEES

10:00 a.m. August 1, 2017

MEMBERS PRESENT: Dan Henderson-Vice Mayor and Chair, Dolores Slatcher-City Manager, Charles Anderson-Assistant City Manager, Bill Bennett-Director of Electric, June Merritt-Director of Finance & HR, Public Representative-George Logan, Public Representative-Sharon Drugash, Public Representative Toby French, David Downes-Downes Associates Inc., Councilman H William Mulvaney, III and Frank Raskauskas.

Vice-Mayor Dan Henderson called the meeting to order at 10:00 a.m.

Assistant City Manager Charles Anderson presented the background information on AMI (Advanced Metering Infrastructure) program. We have been working on this project as a group here at the City of Seaford since September of 2015. A great deal of work has been done to date and preparations made by the City. This presentation is about modernization of our electrical grid, this is one component, just like our Pine Street Sub-station, but this is the metering end of it. We are focused on customer improvements now and in the future. The program will allow the City to provide better customer service, make safety improvements and enhance utility operations. Customers can get more involved in their usage, efficiency and conservation. The smart grid is a secured wireless network. Information can be collected at the house level and transmitted back to the office. The information can be used to prevent outages, reduce outage duration, help customers save energy and money, and help the environment. Energy usage data is collected and is available to customers daily through a secured website. No customer-identifying information is gathered. Our main focus is recording how much electricity is used for accurate billing. Utility operations have become more dynamic, not just consumers buying power, some customers are generating power. Electricity going back to the grid must be managed to prevent a negative effect to the grid or to your neighbors. Health concerns have been addressed and a smart meter in close proximity is 70 times lower than FCC limits. Advanced metering provides the meter history to identify and resolve hazardous conditions. This gives the City an opportunity for improvement and minimize outages to protect critical infrastructure. The City's current meter reading system is old and no longer supported by the manufacturer. Implementation of this system will reduce our systems losses and increase accuracy in our usage. Automated reading will save on costs and allow us to better manage our distribution system. Future operations would provide more knowledge concerning street light controls, monitoring road temperature, better integration of customer owned generation and regulatory mandates. The Electric Department has changed half of the city street lights to LED lighting and is a large savings. Control of networked lighting saves energy, expenses and can reduce crime. Two-way communication is viable when dealing with technologies. Installation of a wireless network provides constant feedback of information. We owe DEMEC and AMP (American Municipal Power) for our success over the last two years for this project. The engineering and RFP bids offered at no cost to the City is extremely valuable to our organization. AMP will host the data, provide technical support, training, integration and a customer web portal module.

Bill Bennett, Director of Electric had electric meters on hand from the last 50 years to present day.

Lisa Gillespie, Public Works Operations Coordinator presented water metering information for the AMI project. Diagrams of water meter sizes, locations, conditions and reading challenges were shared. Old

meters without ERT's will be replaced and existing ERT meters will have the external antenna swapped with a different type. A total of 807 meters with existing ERTs will have the wire transmitter replaced only, and these customers should not see a break in service. There are 179 meters to be replaced with new ones and these customers will have varying times of no service during the exchange. Code issues will not be corrected during the project, however, existing meters inside buildings will be complicated and burdensome to the customers. The total estimated cost to upgrade water meters is $258,869.85.

Bill Bennett, Director of Electric presented electric metering information for the AMI project. There are currently approximately 4,000 electric meters in the City. Manual inspections on each electric meter with corrections made will be complete prior to meter installation. All residential electric meters will be automatic disconnect/connect meters to save costs and personnel time as well as providing better customer service. Current electric meter conditions and placement of meters and cables were displayed on slides. Rusted meter pans, frayed cables, broken covers, meter access and vegetation growth are some of the life safety hazards. The meter pan and the wire going into the residence is owner responsibility. Letters will be sent to the property owner advising the corrections that need to be made once the safety issue is identified as the owner's responsibility.

Trisha Newcomer, IT Manager presented information on the information technology for the AMI project. System upgrades and reconfiguration are a must do. Our current system is up to date and has served us well, but AMI is far more advanced. We have relied on AMP and ElectSolve for the ideal method and most cost effective for the City to migrate to a new system. City Auditors have also made recommendations pertaining to their IT portion. Some requirements for this to occur is a secure Virtual Private Network (VPN) as well as a redundant internet connection. Pre-project construction consists of the vault currently being converted to the server room for security and expansion. Personnel records currently stored in the vault will be transferred to central filing with locking cabinet doors. These network upgrades are cost effective, increase uptime, reliability and simplified disaster recovery.

Mike Bailey, Building Official presented the Code make-ready work for the AMI project. Upon receipt of notice of code/life safety issue from the Electric Department and Public Works Department, the Code Department will send a letter of notification to the property owner stating work to be done within 30 days. If the owner does not comply a second notification will be sent via certified mail giving 30 additional days or the City will terminate service, make the repairs and place a lien on the property for the amount of work done. Permits and control numbers will be issued for tracking of electrical inspections, but permit fees will be waived. Work required for condemned properties will be made a condition of future building permits, which typically involves an overhaul of the electrical system.

City Manager Dolores Slatcher presented information on a new proposed ordinance for an "Opt-Out" provision for those customers opposed to having a smart meter. An electric customer may make application for a waiver to have a manual read meter. Upon approval, a manual read meter will be installed. A one-time setup fee and a recurring monthly reading fee will be sustained. Fees will be established by the City Council and published in the Schedule of Fees and Rates. The customer is responsible for the expense and providing a suitable space for installation of the City's metering and transforming equipment. City equipment damaged, misused or energy not registered shall be paid by the customer. The Opt-Out Ordinance will be presented to Mayor & Council for consideration at the August 8th, 2017 meeting for the first reading.

The City will install all new meters for electric and pay for the cost of meter socket repair/replacement related to the installation of the new meter.

ERT meters are the primary installation for water meters. Commercial and industrial customers own and maintain their water meters. Residents are not metered for water. On a case by case basis an owner will be notified of installation changes necessary. Other cases will be gauged once the installers (Next Gen) are out in the field.

City Manager Dolores Slatcher gave an update on Pine Street Expansion and Distribution. To date $9mm has been budgeted, bid awards and estimates of other work $6.2mm and invoices paid through 07/31/17 in the amount of $1.7mm.

The AMI budget of $1.3mm includes $121k for financing, legal, admin and contingency expenses with no invoices paid to date.

City Manager Dolores Slatcher called for questions:

1. Upon the sale of a property, can a smart meter be changed to a manual read meter by the new owner? Yes, the RF can be turned off, and the meter manually read with applicable fees.
2. Will there be a second server for back up? Yes, there will be 3 servers for back up.
3. Are emergency personnel going to have access to turn off power for emergencies? The Electric Department will be responsible for disconnecting/connecting power during emergencies.
4. Do smart meters track medical needs regarding restoration of service? No, the Electric Department has a list of priority customers.
5. Do you anticipate expanding IT staff? At this time, we do not.
6. Do you foresee many problems with meter replacement? That information is unknown and why we are planning ahead with manual inspections of meters, followed with correspondence and work orders.

There being no further business or discussion; Vice-Mayor Dan Henderson called for a motion for adjournment. Public Representative Sharon Drugash made a motion to adjourn, a second to the motion made by Public Representative George Logan with all in favor. The meeting adjourned at 10:59 a.m.

Jeanne Sapp

Jeanne Sapp, Secretary