UTILITY COMMITTEE
A G E N D A

AUGUST 13, 2012 - 5:30 P.M.

CITY HALL COUNCIL CHAMBERS
15 LOOCKERMAN PLAZA
DOVER, DELAWARE

Public comments are welcomed on any item and will be permitted at appropriate times. When possible, please notify the City Clerk (736-7008 or e-mail at CityClerk@dover.de.us) should you wish to be recognized.

AGENDA ADDITIONS/DELETIONS

1. Dedication of Rights-of-Way and Public Infrastructure - Clearview Meadow Subdivision, Phase 1

2. Annual Review and Approval of Governing Policy For Energy Commodity Risk Management

3. Review of Utility Related Capital Investment Plan (CIP) *(Electric and Water/Wastewater)*

4. Updates
   A. National Pollution Discharge Elimination System (NPDES) Municipal Separate Storm Sewer Systems (MS4) Permit
   B. Garrison Oak Technical Park Project
   C. Dover Sun Park

5. Adjournment by 5:55 P.M.

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THE AGENDA ITEMS AS LISTED MAY NOT BE CONSIDERED IN SEQUENCE. THIS AGENDA IS SUBJECT TO CHANGE TO INCLUDE THE ADDITION OR THE DELETION OF ITEMS, INCLUDING EXECUTIVE SESSIONS.

ACTION FORM

PROCEEDING: Utility Committee	**AGENDA ITEM**:
DEPARTMENT OF ORIGIN: Public Works	**DATE SUBMITTED**: 8/3/2012
PREPARED BY: Sharon J. Duca, P.E., Interim Public Works Director	
SUBJECT: Dedication of Rights-of-Way and Public Infrastructure – Clearview Meadow Subdivision Phase 1	
REFERENCE: N/A	
RELATED PROJECT: N/A	
APPROVALS: City Manager	
EXHIBITS: Attachment A – List of Public Improvements to be accepted by the City of Dover Attachment B – Map	
EXPENDITURE REQUIRED: $ N/A	**AMOUNT BUDGETED**: $ N/A
FUNDING SOURCE (Dept./Page in CIP & Budget): N/A	
TIMETABLE: All infrastructure improvements will become the responsibility of the City of Dover upon action by City Council.	
RECOMMENDED ACTION: Acceptance of dedication of rights-of-way and public infrastructure in Phase 1 of the Clearview Meadow Subdivision. Dedication is to include all of the referenced public improvements.	

BACKGROUND AND ANALYSIS

The Knollwood Development Corporation, responsible party for completing the public infrastructure within Phase 1 of the Clearview Meadow Subdivision, has requested that all public infrastructure improvements related to this phase be dedicated to the City of Dover for permanent ownership and maintenance. Attachment A outlines all of the public improvements associated with Phase 1. The total construction value of the public improvements is $991,846. Attachment B shows the general location and configuration of the subject rights-of-way. The Knollwood Development Corporation completed construction of the improvements within Phase 1 in accordance with City standards and specifications. After construction was completed, City staff inspected the public improvements and developed a list of repairs to be made to meet the City of Dover Standards and Specifications for Public Works Construction. As of this date, all work required by the Interim Public Works Director has been completed. A one (1) year Maintenance Agreement and associated Bond will be submitted as part of the dedication process. All other requirements of dedication have already been provided to staff.

ATTACHMENT A

DEDICATION OF RIGHTS-OF-WAY AND PUBLIC INFRASTURCTURE
CLEARVIEW MEADOW SUBDIVISION PHASE 1

The following is a list of all public improvements which are to be accepted by the City of Dover:

Sewer Utility Infrastructure (Construction Value = $166,221):

12" SDR-35 PVC Sanitary Sewer Main	-	252 l.f.
8" SDR-35 PVC Sanitary Sewer Main	-	2,094 l.f.
6" PVC Sanitary Sewer Laterals	-	2,483 l.f. (75 laterals)
4' Diameter Sanitary Sewer Manholes	-	10 ea.

Water Utility Infrastructure (Construction Value = $180,016):

10"Ductile Iron (Class 52 Cement Lined) Water Main	-	940 l.f.
8" Ductile Iron (Class 52 Cement Lined) Water Main	-	2,363l.f.
6" Ductile Iron (Class 52 Cement Lined) Water Main	-	75 l.f.
1" Type K Copper Water Services	-	2,483 l.f. (75 services)
10" Gate Valves	-	7 ea.
8" Gate Valves	-	9 ea.
Fire Hydrants	-	5 ea.

Storm Water Infrastructure (Construction Value = $85,697):

Catch Basins Type J	-	18 ea.
Catch Basins Type JJ	-	2 ea.
18" Type III Reinforced Concrete Pipe	-	379 l.f.
15" Type III Reinforced Concrete Pipe	-	958 l.f.

Street Infrastructure (0.7685 miles) (Construction Value = $559,912):

John Hunn Brown Boulevard	Station 0+00 to Station 12+14	1,214 l.f.
Mer Way	Station 0+00 to Station 7+97	797 l.f.
Lady Bug Drive	Station 0+00 to Station 6+60	660 l.f.
Nob Hill Road	Station 28+00 to Station 33+50	550 l.f.
Babb Drive	Station 2+50 to Station 5+35	285 l.f.
Nob Hill Road South Alley	Babb Drive to JH Brown Blvd.	560 l.f.

ATTACHMENT B

Clearview Meadow Phase I

Rights-of-Way to be Dedicated to the City of Dover



0 85 170 340 Feet

Date Printed: July 24, 2012
File: m:\gis_data\projects\tech_mxds
\street_dedication_clearview_meadow
Department: Public Works GIS
City of Dover, Delaware

N

Legend

Dover Parcels

Right of Way to be Dedicated

City of Dover, Delaware

Governing Policy

For

Energy Commodity
Risk Management

Effective:

Approved by:

Date:

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PURPOSE OF THE RISK MANAGEMENT POLICY

A. Introduction

The City of Dover ("**City**") and its customers are routinely exposed to energy price risk, volume variability risk, basis risk and credit risk – herein referred to collectively as energy commodity risk - in the normal conduct of serving its electric load requirements. Volatility of energy commodity prices and volumetric uncertainty (either supply/generation or load obligations) impose a substantial and direct risk to the City's financial and operating performance.

By authority of its charter, the City has responsibility for overseeing the City's electricity operations, including the management of its cost of serving Dover's customers. By agreement dated May 6, 2011 and approved by the City (the "**EMA**"), the City has engaged The Energy Authority, Inc. ("**TEA**") to assist the City with Asset Management and Strategic Planning Services, Risk Management Services, and Energy Management Services.

This Policy for Energy Commodity Risk Management ("**Policy**") is established the explicit understanding that the City has retained and delegated responsibilities to TEA to provide Risk Management Services.

Additionally, the City has issued this Policy for dealing with the philosophy, framework and delegation of responsibilities necessary to govern activities related to Dover's energy commodity risk management. As set forth herein, the City has established an organizational structure, delegated responsibility and established internal controls and procedures to ensure that all transactional and oversight activities are conducted in compliance with this Policy and in accordance with the City's normal reporting, legal, financing and regulatory requirements relating to energy assets and transactions.

B. Scope of Policy

This Policy covers all transactions entered into the by the City of Dover designed to meet the City's electric load requirement and the management of risk related to these transactions.

In the event of conflict between this Policy and the EMA, the Policy shall control. This Policy is separate and distinct from enterprise risk management policies and procedures addressing the City's safe operation of its generating stations and energy infrastructure, insurance requirements, permit compliance, employee matters regulatory compliance with laws and regulations of the State of Delaware and Federal

Agencies such as EPA, FERC, NERC and CFTC or other potential risks to the City beyond the purchase and sale of fuel and electric power and its ancillary products.

C. Objectives and Risk Philosophy

The objectives of the Policy are to identify energy commodity price and credit risk exposures and give the City a framework for the quantification and management of these exposures. The Policy will identify the reports needed to convey how the identified risk exposures can potentially impact the City's overall cost of providing electricity service to its customers and report on the risk management of the transactions associated with City's electric load requirements.

Under the Policy, risk management activities will be conducted consistent with the City's overall objective of appropriate risk mitigation. There are several objectives of the Policy which, when taken and executed together, serve to manage the City's energy commodity price exposures. Specifically, the Policy:

- Establishes framework for developing credit limits for counterparties and quantifies and manages the credit exposures related to potential counterparty abrogation
- Quantifies the impact of the above exposures on City's financial results
- Manages the impact of the above exposures in line with the City's identified level of risk tolerance
- Provides clear delineation of responsibilities and authority, outline a separation of duties, and ensure reporting of risk is timely and accurate.
- Ensures that the impact of any action affecting the City's position is consistently quantified, monitored and authorized.

The City's risk management activities will be conducted consistent with its overall objective of appropriate risk mitigation and never for purposes of speculation.

D. Policy Administration

This Policy has been approved by the Executive Risk Management Committee and The Utility Committee of the Dover City Council. The Utility Committee must approve modifications to the Policy with the exception of the appendix information which can be modified with the approval of the Executive Risk Management Committee.

MANAGEMENT AND CONTROLS

This Policy articulates the management and organization of the City and TEA to serve as a control framework outlining delegation of duties and responsibilities.

A. Utility Committee of The City Council

The Utility Committee of The City Council (The Committee) has a responsibility to provide approval of this Policy. With this approval, The Committee also assumes additional duties. They will understand the risks the City is and could be exposed to due to their energy commodity risk management activities. In this role, the Committee will have a responsibility to also understand the City's policies and procedures, internal controls and systems which are used to help manage the City's energy commodity risks.

The Committee will approve any amendments to the Policy or limits within. The Executive Risk Management Committee will update the Committee periodically regarding the Policy and its functions. It will be the Committee's responsibility to:

- Discuss guidelines and strategic policies that govern the process by which the Energy Risk Management Committee assesses and manages risks
- Review and approve the risk policy at least annually
- Approve new members of the Executive Risk Management Committee
- Acknowledge the risk inherent in transactions covered under this Policy

B. Executive Risk Management Committee

An Executive Risk Management Committee ("**ERMC**") has been formed to provide executive management oversight for the City's energy commodity risk management activities. The ERMC is charged with the creation, amendment and administration of this Policy, including acquiring any approvals required by the Utility Committee, and will ensure that all energy commodity risk management activities of the City are performed consistent with this Policy. The ERMC will meet at least monthly to review compliance and conduct its business as described in this Policy.

The ERMC shall be comprised of the following voting members: The City Manager, The Director of Utility, The City's Controller and TEA's Member Service Manager.

The City's ERMC will make decisions following the process outlined in this Policy. TEA's Member Services Manager may include representatives from other areas within TEA in the monthly ERMC meetings who will attend in person or by conference call as non-voting advisors. Other City employees and TEA staff may also be asked to attend meetings from time-to-time, as the ERMC deems necessary. The responsibilities of the ERMC shall include:

- Establish scope and frequency for management reporting to the Utility Committee.
- No less than annually, review the City's Energy Commodity Policies and Procedures for correctness and completeness.

- Review and approve any new risk report or change to an existing risk report provided by TEA to monitor risks outlined in this Policy.
- Understand and approve any models, methodologies, and assumptions used for measuring risks such as volume risk, process risk, counterparty risk and commodity risk.
- Monitor the City's risks and ensure they are within the limits and are being managed according to what is indicated within the City's Policy and associated procedures
- Understand the City's risk management objectives and risk tolerances.
- Review and approve the risk management and trading strategy programs and associated risk. Each program should be reviewed to ensure alignment with Policy objectives and compliance with risk limits within this Policy.
- Periodically review any risk management program approved in light of recent market changes, and ensure continued compliance with its established guidelines
- Review and approve new products, markets, trading counterparties and credit limits
- Review all violations and exceptions to this Policy and report such to the Committee.
- Approve the individuals or companies that engage in the City's commodity transactions and are subject to the limits within this Policy.
- Ensure that the individuals or companies authorized to transact on behalf of the City as well as manage its risks, are appropriately trained and qualified.
- Ensure independence and segregation of duties between front, middle and back office at TEA.
- Recommend changes to this Policy to the City's Utility Committee for approval and ensure the Utility Committee understands the City's overall compliance with this Policy and associated procedures.

The ERMC will meet at least monthly to review risks identified and reported on by the Policy, this meeting shall be chaired by The City Manager. Minutes of each meeting of the ERMC shall be recorded and reflect any decisions and follow-up action items to be performed. These minutes will be reviewed and approved by the members of the ERMC in a timely manner.

Each member of the ERMC has a unique role as defined below:

1. City Manager

The City Manager is independent of all commercial functions and carries the responsibility of establishment and maintenance of risk management for the City. The City Manager will be a voting member of the ERMC and act as a chair of the ERMC. Other responsibilities include:

- Ensure this Policy is maintained.
- Oversee reviews of the City's energy commodity risks, limits, risk measurement methodologies and models, and programs and recommend changes to the ERMC.
- Ensure potential transactions and their impacts on the City's risks and limits defined within this Policy.
- Develop and monitor the implementation of the Policy, and oversee other risk management processes and procedures established by this Policy or otherwise by the ERMC.

2. Director of the Utility

The Director of the Utility is responsible for all trading, hedging, pricing, structuring, and market and operational risk management activities associated with the City. The Director of the Utility will be a voting member of the ERMC. Other responsibilities include:

- Review the effectiveness of transaction processing systems and procedures relating to risk measurement.
- Recommend operational risk and business risk assessment guidelines.

3. Controller

The Controller is independent of all commercial functions and carries the responsibility of the City's accounting practices. The Controller will be a voting member on the ERMC. Other responsibilities include:

- Perform financial accounting including accounting for hedging and derivatives activities.
- Comply with tax rules and make appropriate tax elections.
- Record realized and unrealized gains and losses.
- Reconcile general ledger, cash transactions and margin accounts.
- Implement tax-hedge accounting policies and other regulatory tax requirements.
- Develop and maintain documentation outlining standard procedures for conducting business.
- Invoice counterparties and resolve billing disputes.
- Perform daily/weekly/monthly transaction checkout with counterparties.
- Develop and maintain documentation outlining standard procedures for conducting business.

4. TEA Member Services Manager

The TEA Member Service Manager roles and responsibilities are defined exhibit B of the EMA between the City and TEA. The TEA Member Service Manager will be a voting member on the ERMC. Other responsibilities include:

- Monitor risk reports between ERMC meetings.
- Report to the Committee and the ERMC on the City's adherence to all limits and functions within this policy.
- Engage the ERMC in discussions regarding events or developments that could expose the company to potential losses.
- Recommend to the ERMC specific risk limits consistent with the City's risk management objectives, risk tolerance, and risk management policy.
- Coordinate and distribute independent market fundamental analysis.
- Provide advisory support and recommendations as specified in Article 5 of the EMA.

DISCUSSION OF RISKS

This Policy covers the management of all material energy market risks faced by the City. A comprehensive list of risks that are or could be relevant to City is shown in Appendix C of the Policy. Among the most critical of these risks are commodity risk, counterparty risk, process risk, volume risk, and budget risk. These risks are measured by the limit structure and controls outlined in the Policy.

Commodity risk represents the potential adverse impacts to the value of the City's portfolio due to changes in the market. Commodity risk encompasses volatility risk, forward price risk, basis risk, correlation risk and liquidity risk.

Counterparty risk represents the potential losses the City could incur due to delivery risk and receivable risk. Delivery risk stems from a supplier or trading counterparty that is unable or unwilling to perform on its commitments including but not limited to delivery or receipt of commodities. Receivable Risk includes the City's risk associated with a counterparty's timeliness of payment for services rendered.

Process risks represents the risks associated with process problems including, but not limited to, inaccurate data capture, untimely trade execution or settlement problems. Controls over process risks are embedded in the organizational structure of TEA through the design processes and operating procedures.

Volume Risk represents the potential for unforeseen changes from projections of excess or shortfall of capacity or energy from the actual needs. When variances are large coupled with large costs to transact and adverse moves in market prices this risk could

be realized. In management of this risk, the City must be aware of the fact that unexpected variations in volume are often highly correlated with price movements.

Budget Risk represents the potential to deviate outside of tolerable bounds of the City's budget. Deviations from budget can be caused by forecast error or unforeseeable adverse changes in market prices.

MARKETING AND TRADING PRACTICES

A. Standards of Conduct

Individuals authorized to transact for the City shall not misrepresent, conceal or withhold information regarding energy commodity trading and risk management transactions to any person responsible for the accurate recording and/or reporting of such transactions; participate in any such transaction or similar activity for the benefit of any party other than the City; or hold or be a beneficiary of any financial interest in any entity with which the employee is engaged in trading or other business activity (other than ownership of an interest in a mutual fund managed by another party). Further, no employee authorized to place or execute such transactions may engage in trading power or energy commodities derivative instruments for his or her personal account.

B. Products, Activities and Limitations

Pursuant to achieving the City's core objectives for the purpose of energy commodity risk management, the following limitations shall apply.

- Permissible instruments will be restricted to the products and instruments specified in Appendix A – Approved Products of the Policy;
    - All physical forward transactions shall be governed by the Edison Electrical Institutive (EEI), North American Energy Standards Board (NAESB), or similar agreements with counterparties approved by the City.
    - The City reserves the right to enter into financial hedge transactions to effectuate Policy objectives, but does not authorize TEA to enter into financial hedge transactions on its behalf. Any such financial transactions that the City may enter into shall be governed by ISDA agreements with counterparties as approved by the City.
- The maturity for each permissible instrument will be restricted to the maturity limits specified in the risk limits section of the Policy.
- Transaction volumes for each risk management transaction will be restricted to the amounts specified in the Risk Limits section of the Policy.

- Risk management transactions will be outlined in the ***City of Dover Hedge Program*** which will be approved by the ERMC. Risk management transactions may include the following:
    - Hedging the forward price of purchased power for delivery to the City as needed to meet its electric load requirements.
    - Hedging the forward price of natural gas and fuels as needed to generate power to meet the City's electric load requirements.
    - Unwinding of hedges to accommodate changes in expected load requirements, or for economic reasons subject to explicit constraints set by the ERMC.

C. Contract Documentation and Confirmations

No over-the-counter transaction may be executed until an EEI, NAESB, or similar agreement has been authorized by the City, approved by the ERMC and fully executed by the parties.

Written confirmations will be required from counterparties, as defined in the Master Service Agreement between the City and counterparty, within one business day or such longer time as required by the contract in question for all risk management transactions. Contemporaneous with any commitments and prior to receipt of written confirmations, verbal commitments shall be memorialized internally as to instrument structure, quantity, relevant time horizon, price and any other relevant terms; such internal documentation shall be time stamped and correlated to the ultimate written confirmation to or from the counterparty. Both the internal documentation as well as the written confirmation from the counterparty shall be provided to TEA's Risk Control Group immediately upon receipt for verification.

In the event that there is a material failure to provide timely documentation or confirmations, then at the City Manager's sole discretion, the offending individual's authorization may be suspended. Similarly, if the failure to provide timely documentation or confirmations is due to the failure of counterparty, then at the discretion of the City Manager, a moratorium may be imposed on transactions with that counterparty. In such cases, the City Manager shall notify the ERMC of the issues leading to the suspension or moratorium shall.

Nothing herein shall inhibit the City Manager from bringing control issues to the TEA's Member Services Manager prior to a decision on materiality or the imposition of a suspension of trading privileges or counterparty moratorium.

D. Training

The ERMC will ensure that all City employees and/or TEA Staff that will execute transactions on behalf of the City will have appropriate training in the markets in which the transactions occur.

E. New Product Protocol

As required to manage the City's energy commodity risk the ERMC shall approve new products provided the requirements of the ***New Product Approval Procedure*** are met.

RISK LIMITS AND RISK MEASUREMENTS

A. Limits

The limit structure is designed to quantify the types of risk in City's energy commodity portfolio. The City will manage and report on its energy commodity market risk using Volume/Maturity/Value Limits, a Cost of Service Limit and a Hedge Loss Limit.

1. Volume/Maturity/Value Limits

Transaction limits for the Individuals Authorized to execute transactions and the maturity limits for each permissible instrument are listed below. Transactions for amounts in excess of those listed may be executed only upon approval of the ERMC. This limit, maturity and value structure is not intended for use when transacting day-ahead and real time in the PJM market.

Volume/Maturity/Value Limits		**Maximum Daily Notional Limits**	
		Volume	**Value ($000)**
Power (MW) Hourly Limit	Balance of the Month through 12 Months	50	20,000
	Between 13 Months and 24 Months	50	20,000
	Between 25 Months and 36 Months	25	10,000
	Between 37 Months and 48 Months	25	10,000
	Between 49 Months and 60 Months	25	10,000
Natural Gas (MMBtu) Monthly Limit	Balance of the Month through 12 Months	30,000	400
	Between 13 Months and 24 Months	30,000	400
	Between 25 Months and 36 Months	10,000	200
	Between 37 Months and 48 Months	10,000	200
	Between 49 Months and 60 Months	10,000	200
#2/#6 Fuel Oil (Bbl) Monthly Limit	Balance of the Month through 12 Months	6,000	400
	Between 13 Months and 24 Months	6,000	400
	Between 25 Months and 36 Months	3,000	200
	Between 37 Months and 48 Months	3,000	200
	Between 49 Months and 60 Months	3,000	200

The amounts in the table above refer to the maximum volume of orders that can be placed in any one day the individuals authorized to conduct trades for the specified time period. On any one day the maximum transaction volume placed can be for up to

50 MegaWatts per hour for every hour during a single calendar month (including both on-peak and off-peak hours), OR 25,000 MMBtu per month for all months pertinent to the natural gas transaction, OR 6,000 Bbl per month for all months pertinent to the oil transaction.

For no reason should a transaction be executed that exceeds the City's electric load requirements. If there is an adjustment to the City's electric load requirements and the existing transactions greater than 100% of the adjusted electric load requirements the ERMC will review and approve the offsetting strategy deployed in sufficient proportion to mitigate the encroachment.

B. Stress Testing and Back Testing

The City's positions shall be periodically stress tested and models shall be back tested. The processes around these tests are outlined in the ***Stress Testing and Back Testing Procedure***.

C. Instances of Exceeding Risk Limits

Should the City or TEA enter into a transaction that causes the portfolio to exceed any above mentioned limits the Director of the Utility shall, in addition to notifying the ERMC, also notify the Chair of The Committee as soon as practicable and shall provide periodic reports to the Chair on the status the transactions for as long as the City is exceeding its limits. The ERMC will review and determine whether any liquidation or offsetting of transactions is warranted. The incident will be documented as a Policy Exception by the Director of the Utility.

CREDIT POLICY

Credit Risk is the risk due to the uncertainty in a counterparty's ability to meet its contractual obligations. The primary objective of this credit policy is to mitigate, to the extent commercially reasonable, the credit risks associated with transactions covered in this Policy while still allowing the City to achieve its objectives.

A. Measuring Credit Risk

The status of credit risk will be measured and reported through reports provided by TEA.

The current credit exposure will be reported at the agreement level via a Counterparty Credit Report provided by TEA. This information will be made available in real time to TEA trading personnel so that it can be checked prior to executing transactions for the

City. Those responsible for risk oversight at the City and TEA will have access to this information no less frequently than once per day. The ERMC will monitor overall credit utilization and any credit exceptions at least monthly. When measuring the current credit risk, netting will be applied to the exposure if the City's contract with a counterparty includes provisions for netting.

B. Analysis and Extension of Credit Limits

Physical and financial commodity transactions will be executed with counterparties approved by the ERMC with credit available to support the transactions. The creditworthiness of a counterparty will be determined by both qualitative and quantitative factors. Factors shall include, but not limited to:

- A company's debt credit ratings provided by the rating agencies.
- Financial data such as an analysis of the income statement, balance sheet, and cash flow, as well as liquidity and capital structure.
- Subjective factors such as company's fuel diversity, overall size, risk management policy and internal controls, geographic diversity, and market intelligence.

A credit limit is the amount of unsecured credit granted to a counterparty. Unsecured credit exposure includes amounts owed by the counterparty, whether billed or not, and the mark-to-market differences in value of any collateral which the counterparty has provided the City. Any net exposure above the collateral threshold will require the posting of collateral by a counterparty. Further information on the City's procedure for establishing credit is contained in the ***Counterparty & Credit Review Process***.

Collateral thresholds, term limitations and credit exposure limits will be subject to the maximums indicated in Appendix B, based upon the lower of the S&P and Moody's credit ratings.

At no time will the City incur a credit exposure with any counterparty greater than $60,000,000.

C. Instances of Exceeding Credit Limits

The City and TEA are restricted by the credit limits approved by the ERMC. The ERMC can suspend trading with a counterparty, if that counterparty's credit limit has been reached or exceeded. **The City or TEA traders shall not exceed the Counterparty Credit Limit by executing transactions with any counterparty without approval of the ERMC.**

The ERMC will determine when it's appropriate to require additional collateral if a counterparty's credit exposure exceeds its credit limit. Collateral includes standing letter of credit, cash, and prepayments.

All credit exceptions will be documented and reported to the ERMC and the Committee as Policy Exceptions.

REPORTING

A. Risk Reporting

Preparation of timely reports is critical to monitoring risk. TEA will furnish the required reports on a regular frequency for the City in a format acceptable to the ERMC. In addition, the ERMC and its designees will be provided access to the City's risk reports as updated daily via TEA's secure Web Portal.

Reports required on a monthly basis and for periodic meetings of the ERMC include the following:

- **Profit and Loss Report**

The Profit and Loss (P&L) Report shows the daily realization of transactions at either the transaction price or the market price as transaction roll from unrealized to realized. This report should show volumes, transaction prices and market prices of realized physical and financial power and fuel transactions.

- **Mark to Market Report**

The Mark to Market ("MTM") Report conveys the potential transaction exposure if the energy commodity portfolio was liquidated at the most recent market settlement prices. This report should show volumes, transaction prices and market prices of unrealized physical and financial power and fuel transactions.

- **Activity Report**

The Activity Report presents a summary of all energy commodity risk management activities undertaken, including new transactions taken, existing transactions settled/liquidated, and any transactions unwound.

- **Cost of Service Report**

The City's exposure to energy price risk shall be monitored and reported on a Cost-of-Service basis. All calculations are at the wholesale level. The Cost-of-Service recognizes all prior (expired) months within the Power Year on the basis of actual (incurred) costs, and recognizes all forward (pending) months within the Power Year on the basis of expected forward power and fuel prices and expected forward load-following risks. As defined below, the Cost-of-Service is an aggregation of Forward Energy Commodity Portfolio Cost, the Load Following Cost Expectation and the City's Budget Target for Purchase Power Expense.

- The Net Purchased Power Cost shows the net cost of all physical and financial transactions related to the City's anticipated commodity requirements for power and fuel and is based on the price of all hedge transactions plus the forward market price of all unhedged transactions valued at current forward prices for energy commodities, customer-level cost per MWH of all physical and financial transactions related to Dover's actual plus anticipated energy.
- The expected fixed costs defined as load-serving entity (LSE) capacity costs, transmission costs and TEA management fees.
- The Expected Load-Following Cost for a specified power year is defined as the expected cost (or revenue) associated with intra-month load variations due to weather or other events affecting demand. As an interim measure due to lack of necessary market information and the rapid evolution of the PJM RTO market, the ERMC has specified $2.50 per MWH as an estimate of the Load Following Cost to be used for estimating the City's Forward Cost-of-Service Report. The ERMC will update the Expected Load Following estimate while lack of necessary market information persists no less than annually.
- The Budget Target for Purchase Power Expense represents the City's view of expected purchase power expense.

B. Credit Reporting

- **Counterparty Credit Report**

The Counterparty Credit Report conveys the exposure to all counterparties with which the City has credit exposure resulting from its energy commodity risk management activities.

C. Hedge Effectiveness Reporting

If the City's transactions require a hedge effectiveness test, those testing results will be reported to the ERMC no later than one month after the end of the financial reporting period. The report will include a summary of testing methodology, assumptions of the testing and the outcome of results with a pass or fail by transaction.

INFORMATION TECHNOLOGY SYSTEMS

Since information systems play a vital role in The City's trading abilities, the City shall ensure that the information systems and technology used to store all transaction information is maintained and secure. The City's transactions will be stored in TEA's enterprise trading and risk management system. TEA uses the TriplePoint Commodity XL (CXL) system, integrated with Commodity XL for Credit Risk (Credit Risk). TEA has assigned a Database Administrator (DBA) that is charged with the database security and maintenance for the transaction database, CXL.

The following safeguards for data security and backup will be installed:

- Transaction data stored in the system of record will be replicated daily to ensure data redundancy;
- The CXL database will be backed up at least daily after the close of business.

POLICY DISTRIBUTION AND COUNSEL

A. Distribution Outside The City

The City's Policy is restricted to the use of the City and TEA organizations. It shall not be distributed outside these organizations without the consent the ERMC.

B. Designated Counsel

Questions about the interpretation of any matters of this Policy should be referred to ERMC. The ERMC will provide clarification and explanation on any updates to this Policy.

All legal matters stemming from this Policy will be referred to the City's Legal Counsel.

APPENDIX A – Approved Products

The following shall constitute a list of approved forward hedge products to be utilized by TEA to manage the City's energy commodity portfolio:

- Forward Physical Power Peak
- Forward Physical Power Off-Peak
- Forward Physical Power All Hours
- Forward Physical Natural Gas Delivered Dover via Eastern Shore Pipeline
- Forward Physical Residual Fuel Oil (#6) Delivered Dover
- Forward Physical Residual Fuel Oil (#2) Delivered Dover
- Capacity
- Forward Financial Power Peak
- Forward Financial Power Off-Peak
- Forward Financial Power All Hours
- Financial Call Option
- Financial Put Option

The above instruments can be executed by TEA on behalf of the City of Dover for the current and next two successive Power Years (July to June).

APPENDIX B – Approved Counterparties and Threshold Tables

This Appendix establishes approved counterparties and their Collateral thresholds. Collateral thresholds, term limitations and credit exposure limits that are subject to the following maximums based upon the lower of the S&P and Moody's credit ratings:

Credit Thresholds from Dover Extended to the Counterparty

Constellation Energy

Threshold		S&P	Moody's
$	60,000,000	AAA- or Above	Aaa or above
$	50,000,000	AA- to AA+	Aa3 to Aa1
$	50,000,000	A- to A+	A3 to A1
$	40,000,000	BBB+	Baa1
$	30,000,000	BBB	Baa2
$	20,000,000	BBB-	Baa3
$	-	BB+ or below	Ba1 or below

Intergrys

Threshold		S&P	Moody's
$	20,000,000	AAA	Aaa
$	20,000,000	AA+	Aa1
$	20,000,000	AA	Aa2
$	20,000,000	AA-	Aa3
$	15,000,000	A+	A1
$	15,000,000	A	A2
$	15,000,000	A-	A3
$	10,000,000	BBB+	Baa1
$	5,000,000	BBB	Baa2
$	1,000,000	BBB-	Baa3
$	-	Below BBB-	Below Baa3

Sempra

Threshold		S&P	Moody's
$	20,000,000	A or above	A2 or above
$	20,000,000	A-	A3
$	15,000,000	BBB+	Baa1
$	10,000,000	BBB	Baa2
$	-	BBB- or lower	Baa3- or lower

Conectiv

Threshold		S&P	Moody's
Unspecified *		Above BBB+	Above Baa3
	0	Below BBB-	Below Baa3

***Conectiv does not have a defined credit threshold, so for planning purposes, a $10,000,000 threshold is imposed as a conservative limit**

Macquarie Cook Power

Threshold		S&P	Moody's
$	25,000,000	AAA- or Above	Aaa or above
$	20,000,000	AA- to AA+	Aa3 to Aa1
$	15,000,000	A- to A+	A3 to A1
$	10,000,000	BBB+	Baa1
$	5,000,000	BBB	Baa2
$	-	BBB-or below	Baa3 or below

FPL Energy

Threshold	S&P	Moody's
$30,000,000	AAA	Aaa
$25,000,000	AA+	Aa1
$25,000,000	AA	Aa2
$25,000,000	AA-	Aa3
$20,000,000	A+	A1
$20,000,000	A	A2
$20,000,000	A-	A3
$15,000,000	BBB+	Baa1
$10,000,000	BBB	Baa2
$0	BBB-	Baa3

Deutsche Bank

Threshold	S&P	Moody's
$25,000,000	AAA	Aaa
$20,000,000	AA+	Aa1
$20,000,000	AA	Aa2
$20,000,000	AA-	Aa3
$15,000,000	A+	A1
$15,000,000	A	A2
$15,000,000	A-	A3
$10,000,000	BBB+	Baa1
$5,000,000	BBB	Baa2
$0	BBB-	Baa3

Barclays Bank

Threshold	S&P	Moody's
$25,000,000	AAA	Aaa
$20,000,000	AA+	Aa1
$20,000,000	AA	Aa2
$20,000,000	AA-	Aa3
$15,000,000	A+	A1
$15,000,000	A	A2
$15,000,000	A-	A3
$10,000,000	BBB+	Baa1
$5,000,000	BBB	Baa2
$0	BBB-	Baa3

Credit Thresholds from the Counterparty Extended to Dover

Constellation Energy

Threshold		S&P	Moody's
$	40,000,000	AA- or Above	Aa3 or above
$	30,000,000	A+	A1
$	20,000,000	A	A2
$	10,000,000	A-	A3
$	-	BBB or below	Baa1 or below

Intergrys

Threshold		S&P	Moody's
$	20,000,000	AAA	Aaa
$	20,000,000	AA+	Aa1
$	20,000,000	AA	Aa2
$	20,000,000	AA-	Aa3
$	15,000,000	A+	A1
$	15,000,000	A	A2
$	15,000,000	A-	A3
$	10,000,000	BBB+	Baa1
$	5,000,000	BBB	Baa2
$	1,000,000	BBB-	Baa3
$	-	Below BBB-	Below Baa3

Sempra

Threshold		S&P	Moody's
$	27,000,000	A or above	A2 or above
$	27,000,000	A-	A3
$	5,000,000	BBB+	Baa1
$	1,000,000	BBB	Baa2
$	-	BBB- or lower	Baa3- or lower

Conectiv

Threshold		S&P	Moody's
Unspecified *		Above BBB+	Above Baa3
	0	Below BBB-	Below Baa3

***Conectiv does not have a defined credit threshold, so for planning purposes, a $10,000,000 threshold is imposed as a conservative limit**

Macquarie Cook Power

Threshold		S&P	Moody's
$	25,000,000	AAA- or Above	Aaa or above
$	20,000,000	AA- to AA+	Aa3 to Aa1
$	15,000,000	A- to A+	A3 to A1
$	10,000,000	BBB+	Baa1
$	5,000,000	BBB	Baa2
$	-	BBB-or below	Baa3 or below

FPL Energy

Threshold		S&P	Moody's
$	23,000,000	AAA	Aaa
$	18,000,000	AA+	Aa1
$	18,000,000	AA	Aa2
$	18,000,000	AA-	Aa3
$	13,000,000	A+	A1
$	13,000,000	A	A2
$	13,000,000	A-	A3
$	8,000,000	BBB+	Baa1
$	3,000,000	BBB	Baa2
$	-	BBB-	Baa3

Deutsche Bank

Threshold	S&P	Moody's
$25,000,000	AAA	Aaa
$20,000,000	AA+	Aa1
$20,000,000	AA	Aa2
$20,000,000	AA-	Aa3
$15,000,000	A+	A1
$15,000,000	A	A2
$15,000,000	A-	A3
$10,000,000	BBB+	Baa1
$5,000,000	BBB	Baa2
$0	BBB-	Baa3

Barclays Bank

Threshold	S&P	Moody's
$25,000,000	AAA	Aaa
$20,000,000	AA+	Aa1
$20,000,000	AA	Aa2
$20,000,000	AA-	Aa3
$15,000,000	A+	A1
$15,000,000	A	A2
$15,000,000	A-	A3
$10,000,000	BBB+	Baa1
$5,000,000	BBB	Baa2
$0	BBB-	Baa3

APPENDIX C – Business Risks

APPENDIX D – Glossary

City of Dover

Capital Investment Plan

Project Tracking Report

June 30, 2012 Preliminary

Points to Remember -

* Original Project Budget = Original Total Project Budget initially included in approved annual budget.
* Latest Project Budget = Revised Total Project Budget included in most recent approved annual budget or one of the following: bond resolution, revolving fund loan agreement, Council approved budget amendment, or City Manager approved amendment as per the Budget Amendment Procedure.
* Current Fiscal Year - Revised Fiscal Year Budget = Current Year approved project budgets plus carry forward balances of unspent budgets in the prior fiscal year. Project Carry Forward balances will be submitted to City Council for amendment in January 2010. Can also be amended with City Manager approval per the Budget Amendment Procedure.
* Water Quality, Inflow/Infiltration, Distribution Upgrades and New Development projects are budgeted as a blanket project and once individual projects are identified and estimated they are created using an allocation of the overall budgeted amount.
* Status and Comments provided by City Manager.
* For Finance purposes projects are considered completed when placed in service and **all** charges have been processed.

Current Year Budget Funding Sources	General	Community Transportation	Water & Wastewater	Electric	Total CIP
Budget Balance	$ 78,000	$ 118,588	$ 430,591	$ 360,333	$ 987,512
Library Funding - FY11 Budget Balance	100,962	-	-	87,045	188,007
Federal and/or State Grants	6,894,861	-	-	-	6,894,861
Transfer from Library Foundation	1,455,500	-	-	-	1,455,500
Friends of the Library Donation	210,000	-	-	-	210,000
Kent County Library Contribution	1,000,000	-	-	-	1,000,000
Library Reserve	2,590,784	-	-	-	2,590,784
Construction Loan	1,500,000	-	-	-	1,500,000
Community Transportation Fund - FY11 Balances	-	316,612	-	-	316,612
Revolving Fund Loans	-	-	4,309,821	-	4,309,821
Transfer from Capital Reserves	-	-	-	370,730	370,730
Impact Fees	-	-	867,032	-	867,032
State Community Transportation Funds	-	297,700	-	-	297,700
Transfer Loan Proceeds to CT Fund - Streets	-	-	-	-	-
Transfer from Operating Funds	770,600	-	1,750,000	3,500,000	6,020,600
Interest Earned	10,900	2,800	-	38,400	52,100
Total Funding Sources (Unaudited)	$ 14,611,607	$ 735,700	$ 7,357,444	$ 4,356,508	$ 27,061,259

City of Dover
General Fund - Major CIP Projects
June 30, 2012 Preliminary

	Hide		TOTAL PROJECT - PAST, CURRENT & FUTURE BUDGETS						CURRENT FISCAL YEAR					
	Project Code	Type	Description	Original Project Budget	Latest Project Budget	Project To Date Expenses	Project Budget Balance	% Budget Spent	Current Fiscal Yr. Budget	Revised Fiscal Yr. Budget	Fiscal YTD Expenses	% Budget Spent	Status	Comments
1			**FY2009**											
2	LB0901	M/G	New Library Project	$ 18,200,000	$ 20,469,080	$ 15,511,425	$ 4,957,655	75.8%	$ 11,195,009	$ 13,767,100	$ 11,341,235	82.4%	Started	Bid Pack A - Done. Bid Pack B - 40% Complete/Construction
3			**Totals - FY09**	$ 18,200,000	$ 20,469,080	$ 15,511,425	$ 4,957,655	75.8%	$ 11,195,009	$ 13,767,100	$ 11,341,235	82.4%		
4														
5			**FY2012**											
6	---		Ann FD Truck Payment	$ 244,820	$ 257,720	$ 258,456	$ (736)	100.3%	$ 244,820	$ 257,720	$ 258,456	100.3%		
7	---		Vehicles & Equipment	377,927	365,027	361,992	3,035	99.2%	377,927	365,027	361,992	99.2%	99%	Sweeper received February 2012; Sanitation Bulk Truck due in April 2012
8	PR1201		Roof Replacement @ Dover Park	30,000	30,000	-	30,000	0.0%	30,000	30,000	-	0.0%		Deferred.
9	CT Fund	B/L	Streets & Alleys Program	1,000,000	131,760	132,130	(370)	100.3%	1,000,000	131,760	132,130	100.3%	35%	Concrete work complete on Independence Boulevard and Hazel Road. Site work initiated on North Street Roudabout. Wesley State Street entrance complete.
10	ST1202		Concrete Program	30,000	30,000	29,617	383	98.7%	30,000	30,000	29,617	98.7%	0%	Bids distributed and returned in March
11	ST1203		Streets Dump Truck Refurbishment	30,000	30,000	12,021	17,979	40.1%	30,000	30,000	12,021	40.1%	33%	One Dump Truck refurbished out of three.
12			City Hall Sprinkler System	-	-	-	-	0.0%	-	-	-	0.0%		
13			**Totals - FY12**	$ 1,712,747	$ 844,507	$ 794,216	$ 50,291	94.0%	$ 1,712,747	$ 844,507	$ 794,216	94.0%		
14														
15			**Grand Totals**	$ 19,912,747	$ 21,313,587	$ 16,305,640	$ 5,007,947	76.5%	$ 12,907,756	$ 14,611,607	$ 12,135,450	83.1%		

Legend

M = Multi-year project - a project with a specific schedule to occur over multiple years.
R = Recurring project - a project that begins and ends each fiscal year and is re-budgeted to start over each fiscal year.
G = Grant funded project
B/L = To be financed through bonds or commercial loan;Projects will be completed through CT Fund, therefore the loan proceeds will be transferred from Capital Fund into the Community Transportation Fun

City of Dover
Community Transportation & General Fund Street Funds - Major CIP Projects
June 30, 2012 Preliminary

	Hide			TOTAL PROJECT - PAST, CURRENT & FUTURE BUDGETS					CURRENT FISCAL YEAR					
	Project Code	Type	Description	Original Project Budget	Latest Project Budget	Project To Date Expenses	Project Budget Balance	% Budget Spent	Current Fiscal Yr. Budget	Revised Fiscal Yr. Budget	Fiscal YTD Expenses	% Budget Spent	Status	Comments
1			**FY 2007**											
2	CT0708	M	E. Water Street Brick	$ 65,000	$ 65,000	$ -	$ 65,000	0.0%	$ -	$ -	$ -	0.0%		Specialty contract needed.
3			**Totals**	$ 65,000	$ 65,000	$ -	$ 65,000	0.0%	$ -	$ -	$ -	0.0%		
4														
5			**FY 2009**											
6	CT0977	M	Schutte Parking Lot	$ 21,950	$ 21,950	$ -	$ 21,950	0.0%	$ -	$ -	$ -	0.0%		Deferred
7	CT1165	M	Rte. 13,N. State -Kings Hwy	591,662	591,662	-	591,662	0.0%	-	-	-	0.0%		
	CT1162	M	Library Access Road	-	68,000	68,000	-	0.0%	-	68,000	68,000	100.0%		State paid for whole paving proj
8			**Totals**	$ 613,612	$ 681,612	$ 68,000	$ 613,612	10.0%	$ -	$ 68,000	$ 68,000	100.0%		
9														
10			**FY2012**											
11	CT	M	Street Projects - State Funds	$ 950,000	$ 800,000	$ 130,919	$ 669,081	16.4%	$ 950,000	$ 197,779	$ 130,919	66.2%	35%	Concrete work on Independence Boulevard complete.
12	Various	B/L	Street Projects - General Fund	350,000	1,750,000	25,206	1,724,794	1.4%	350,000	455,560	25,206	5.5%	35%	Concrete work on Hazel complete.
13	CT1201	M	North Street Roundabout	-	500,000	-	500,000	0.0%	-	-	-	0.0%	35%	Site work initiated.
14	TE1201	M	Lincoln Park Center	900,000	900,000	19,358	880,642	0.0%	900,000	14,361	19,358	134.8%	Started	
15			**Totals**	$ 2,200,000	$ 3,950,000	$ 175,482	$ 3,774,518	4.4%	$ 2,200,000	$ 667,700	$ 175,482	8.0%		
16														
17			**Grand Totals**	$ 2,878,612	$ 4,696,612	$ 243,482	$ 4,453,130	5.2%	$ 2,200,000	$ 735,700	$ 243,482	11.1%		

Legend
M = Multi-year project - a project with a specific schedule to occur over multiple years.
R = Recurring project - a project that begins and ends each fiscal year and is re-budgeted to start over each fiscal year.
C = Project funded by combination of CT Funds and General Fund
B/L = To be financed through bonds or commercial loan; Projects will be completed through CT Fund, therefore the loan proceeds will be transferred from Capital Fund into the Community Transportation Fund;

City of Dover
Water/Wastewater Improvement & Extension Fund - Major CIP Projects
June 30, 2012 Preliminary

	Project Code	Type	Description	TOTAL PROJECT - PAST, CURRENT & FUTURE BUDGETS: Original Project Budget	Latest Project Budget	Project To Date Expenses	Project Budget Balance	% Budget Spent	CURRENT FISCAL YEAR: Approved Fiscal Yr. Budget	Revised Fiscal Yr. Budget	Fiscal YTD Expenses	% Budget Spent	Status / % Complete	Comments
1			**FY 2008**											
2	WD0804	M	1.0 MG Elevated Water Storage	$ 4,196,600	$ 2,590,000	$ 31,861	$ 2,558,139	1.2%	$ -	$ 178,916	$ 10,777	6.0%	Started	Option to purchase land agreement under review
3	WD0805	M	Piney Point Well	398,800	665,000	71,643	593,357	10.8%	-	62,319	3,961	6.4%	Started	DNREC permitting ongoing
4	WW0810	M/SL	US 13 East Sanitary Sewer Interceptor	2,376,800	3,022,562	3,232,228	(209,666)	106.9%	-	295,722	286,629	96.9%	100.0%	Complete
5			**Totals - FY08**	$ 6,972,200	$ 6,277,562	$ 3,335,732	$ 2,941,830	53.1%	$ -	$ 536,957	$ 301,367	56.1%		
6														
7			**FY2009**											
8	WQ0905	M/SL	Bayard Avenue	$ 590,910	$ 490,910	$ 541,181	$ (50,271)	110.2%	$ -	$ 259,121	$ 254,391	98.2%	98.0%	Final connection scheduled for May.
9	WQ0907	M/SL	Route 13 Water Main	1,058,700	2,282,682	2,058,327	224,355	90.2%	-	1,899,872	1,645,516	86.6%	99.0%	Constr complete; retainage/change orders pending.
10			**Totals - FY09**	$ 1,649,610	$ 2,773,592	$ 2,599,507	$ 174,085	93.7%	$ -	$ 2,158,993	$ 1,899,907	88.0%		
11														
12			**FY2010**											
13	WW1001	M/SL	Inflow/Infiltration Removal	$ 1,800,000	$ 2,122,536	$ 1,761,684	$ 360,852	83.0%	$ 1,800,000	$ 766,201	$ 404,128	52.7%	100.0%	Complete
14	WW1007	M/SL	Fox Hall Pump Station	427,900	392,044	263,970	128,074	67.3%	-	360,687	213,757	59.3%	70.0%	Pump station delivered; installation underway.
15	WW1008	M/SL	Heatherfield F/M Rerouting	220,400	324,916	210,351	114,565	64.7%	-	237,506	161,656	68.1%	99.0%	Construction complete; closeout documents pending.
16	WW1010	I	Tar Ditch Interceptor Upgrade	518,230	518,230	28,014	490,216	5.4%	-	495,359	5,143	1.0%	Started	Easement request sent to residents
17			**Totals - FY10**	$ 2,966,530	$ 3,357,726	$ 2,264,019	$ 1,093,707	67.4%	$ 1,800,000	$ 1,859,753	$ 784,684	42.2%		
18														
19			**FY2011**											
20	WQ1103		WQI - Ross Street	-	71,840	-	71,840	0.0%	71,840	-	-	0.0%	---	Canceled
21	WW1101	M/SL	Inflow/Infiltration Removal	500,000	500,000	451,249	48,751	90.2%	-	457,601	408,849	89.3%	100.0%	Design and construction work complete; final bills pending.
22	WW1104	SL	Lepore Road P/S Replacement	52,000	402,000	73,386	328,614	18.3%	350,000	365,000	17,850	4.9%	Started	Out to bid, due May 22
23			**Totals - FY11**	$ 552,000	$ 973,840	$ 524,635	$ 449,205	53.9%	$ 421,840	$ 822,601	$ 426,699	51.9%		
24														
25			**FY2012**											
26	---		Vehicles & Equipment	$ 115,000	$ 115,000	$ 110,514	$ 4,486	96.1%	$ 115,000	$ 115,000	$ 110,514	96.1%	100.0%	All four vehicles received and processed by the end of January.
27	WD1201		Pay-As-You-Go Water Station	30,240	30,240	-	30,240	0.0%	30,240	30,240	-	0.0%	Started	Specs being developed
28	WD1202	R	Misc. Distribution Upgrades	60,000	60,000	39,772	20,228	66.3%	60,000	60,000	39,772	66.3%	25.0%	Misc. repairs or emergencies
29	WD1203	R	Wellhead Redevelopment Program	65,000	65,000	55,135	9,866	84.8%	65,000	65,000	55,135	84.8%	50.0%	Deep Well #1 and #9 complete; Well #10 rehab.
30	WD1204	R	Emergency Generators	80,000	80,000	-	80,000	0.0%	80,000	-	-	0.0%		Grant dependent
31	WQ1201		WQI - Wesley Campus	51,200	51,200	96,862.50	(45,663)	189.2%	51,200	106,200	96,863	91.2%	Started	Project to start April 9, 2012.
32	WQ1202		WQI - New Street	97,120	97,120	25,750.00	71,370	26.5%	97,120	113,960	25,750	22.6%	Started	Initial design complete; under staff review.
33	WQ1203		WQI - Silver Lake	279,840	279,840	188,998.01	90,842	67.5%	279,840	279,840	188,998	67.5%	40.0%	Rodney Road complete. Pennsylvania Avenue started. Madison and American Avenues pending.
34	WW1201	M/SL	Inflow/Infiltration Removal	1,000,000	1,000,000	52,113	947,887	5.2%	1,000,000	971,900	52,113	5.4%	Started	Design somplete. Bid package ready for April bid.
35	WW1202	R	SCADA Equipment Replacement	84,900	84,900	76,784	8,116	90.4%	84,900	84,900	76,784	90.4%	100.0%	Complete
36	WW1203	R	Misc. Sewer System Improve	37,000	37,000	50,015	(13,015)	135.2%	37,000	50,100	50,015	99.8%	50.0%	Misc. repairs or emergencies
37	WW1204	M	Wilmington College Pump Station	25,000	25,000	20,581	4,419	82.3%	25,000	25,000	20,581	82.3%	60.0%	**BALTRAY PS not WIL. UNIV.** Initial design complete; staff reviewing.
38	WW1205	M	Dover Brook Gardens P/S Replace	15,000	15,000	9,852.22	5,148	65.7%	15,000	15,000	9,852	65.7%	60.0%	Initial design complete; staff review.
39	WW1206	M	Brandywine Pump Station Replace	52,000	52,000	33,582.07	18,418	64.6%	52,000	52,000	33,582	64.6%	60.0%	Initial design complete; staff review.
40	WW1207	M	McKee Rd Pump Station Communator Replacement	10,000	10,000	7,431.25	2,569	74.3%	10,000	10,000	7,431	74.3%	60.0%	Initial design complete; staff review
41				$ 2,002,300	$ 2,002,300	$ 767,389.36	$ 1,234,911	0.0%	$ 2,002,300	$ 1,979,140	$ 767,389	38.8%		
42														
43			**Grand Totals**	$ 14,142,640	$ 15,385,020	$ 9,491,283	$ 5,893,737	61.7%	$ 4,224,140	$ 7,357,444	$ 4,180,047	56.8%		

Legend
M = Multi-year project - a project with a specific schedule to occur over multiple years.
R = Recurring project - a project that begins and ends each fiscal year and is re-budgeted to start over each fiscal year.
SL = State Loan Project - construction phase is financed
I = Impact Fee (partially) financed project

City of Dover
Electric Improvement & Extension Fund - Major CIP Projects
June 30, 2012 Preliminary

				TOTAL PROJECT - PAST, CURRENT & FUTURE BUDGETS					CURRENT FISCAL YEAR					
	Project Code	Type	Description	Original Project Budget	Latest Project Budget	Project To Date Expenses	Project Budget Balance	% Budget Spent	Current Fiscal Yr. Budget	Revised Fiscal Yr. Budget	Fiscal YTD Expenses	% Budget Spent	Status	Comments
1			**FY2011**											
2	EG1102	M	Units 1 & 2 Cooling Tower	372,400	199,140	134,538	64,602	67.6%	25,410	2,410	400	16.6%		Work deferred to 2012
3	EG1107	M	Units 1 & 2 Life Extension	802,000	409,000	313,468	95,532	76.6%	184,000	121,331	100,799	83.1%	In process	Work suspended, awaiting decision on units 1&2 operation
4	EG1112	M	Unit 3 Heat Expansion Joint	-	150,000	143,508	6,492	95.7%	70,000	82,807	76,315	92.2%	Complete	
5	EG1113		Units 1 & 2 Control Modifications	-	150,000	141,033	8,967	94.0%	-	25,700	16,732	65.1%	In process	Complete w/Spring outage
6	EG1114		Unit 3 Gas Line Modification	-	60,000	39,516	20,484	65.9%	-	20,207	15,723	77.8%	Complete	
7				$ 1,174,400	$ 968,140	$ 772,063	$ 196,077	79.7%	$ 279,410	$ 252,455	$ 209,970	83.2%		
8														
9			**FY2012**											
10	---		Vehicles & Equipment	$ 168,828	$ 168,828	$ 134,670	$ 34,158	79.8%	$ 168,778	$ 168,778	$ 134,670	79.8%		All vehicles received
11	EE1201		Substation PT & CT Replacement	267,715	267,715	228,728	38,987	85.4%	267,715	267,715	228,728	85.4%	In process	75% materials received
12	EE1202	R	Lighting Project & Rehabilitation	50,000	50,000	49,832	168	99.7%	50,000	50,000	49,832	99.7%	Complete	
13	EE1203	R	Equipment Replacement	40,000	40,000	10,525	29,475	26.3%	40,000	40,000	10,525	26.3%	In process	Equipment ordered
14	EE1204		Generator Replacement	50,000	50,000	30,961	19,039	61.9%	50,000	50,000	30,961	61.9%	Complete	
15	EE1205	M	Frazier Substation Upgrade	765,247	155,000	153,359	1,641	98.9%	155,000	155,000	153,359	98.9%	In process	Materials ordered
16	EE1206	R	Disb. Feeder Replacement	377,510	303,060	263,483	39,577	86.9%	377,510	303,060	263,483	86.9%	In process	On-going
17	EE1207	R	Disb. Capacitors & Controls	100,000	100,000	72,644	27,356	72.6%	100,000	100,000	72,644	72.6%	In process	Materials ordered
18	EE1208	R	Transmission Line Maintenance	75,000	75,000	75,002	(2)	100.0%	75,000	75,000	75,002	100.0%	Started	Materials ordered
19	EE1209		Scada Master Hardware Replacement	75,000	75,000	73,845	1,155	98.5%	75,000	75,000	73,845	98.5%	Started	Materials ordered
20	EE1210		Substation Battery	-	24,500	24,686	(186)	100.8%	24,500	24,500	24,686	100.8%	In process	60% materials received
21	EE1212	R	UG Transformers	70,536	91,461	90,218	1,243	98.6%	70,536	91,461	90,218	98.6%	In process	On-going
22	EE1212	R	UG Conductors	479,464	458,539	313,000	145,539	68.3%	479,464	458,539	313,000	68.3%	In process	On-going
23	EE1212	R	Meters	50,000	50,000	26,588	23,412	53.2%	50,000	50,000	26,588	53.2%	In process	On-going
24	EG1201		Unit 3 Boiler Air Heater	440,000	395,000	368,760	26,240	93.4%	440,000	395,000	368,760	93.4%	In process	Will complete Spring outage;
25	EG1202	M	Unit 3 Boiler Systems	390,000	121,000	82,652	38,348	68.3%	130,000	121,000	82,652	68.3%	In process	Will complete Spring outage;
26	EG1203		Unit 3 FD & ID Fan Control Damper Upgrade	92,000	81,000	71,134	9,866	87.8%	92,000	81,000	71,134	87.8%	In process	Will complete Spring outage;
27	EG1204		Unit 3 DCS Computers & Software Upgrades	85,000	85,000	62,188	22,812	73.2%	85,000	85,000	62,188	73.2%	In process	To be completed by 6/3012;
28	EG1205	R	Misc. Equipment Replacement	70,000	70,000	52,763	17,237	75.4%	70,000	70,000	52,763	75.4%	In process	On-going; 50% complete
29	EG1206		Demineralizer Control Replace @ McKee Run	65,000	10,000	9,364	636	93.6%	65,000	10,000	9,364	93.6%	In process	Bids in Feb; Complete by June
30	EG1207	M	Unit 11 Component Replacement @ Van Sant	50,000	50,000	46,476	3,524	93.0%	50,000	50,000	46,476	93.0%	In process	To be completed by 6/3012;
31	EG1208		Switchyard Blast Walls @ McKee Run	50,000	50,000	43,196	6,804	86.4%	50,000	50,000	43,196	86.4%	In process	To be completed by 6/3012;
32	EG1209	M	Building Preservation @ McKee Run	38,000	33,000	32,461	539	98.4%	38,000	33,000	32,461	98.4%	In process	Completion 6/12
33	EG1210	M	Unit 3 Cooling Water Line Life Extension	25,000	-	-	-	0.0%	25,000	-	-	0.0%		Defer to FY13
34	EG1211	M	Unit 3 Stack Repairs	25,000	25,000	10,417	14,583	41.7%	25,000	20,000	10,417	52.1%	In process	Completion 6/12
35	EG1212	M	Unit 3 Turbine Inspection	1,021,000	405,000	396,823	8,177	98.0%	348,000	405,000	396,823	98.0%	In process	Will complete Spring outage;
36	EG1213	M	Unit 3 Aux System Components	542,000	113,000	47,682	65,318	42.2%	113,000	53,000	47,682	90.0%	In process	Work complete, transferred funding to EG1212
	EG1214		Industrial WW Discharge System	-	272,000	20,581	251,419	7.6%	-	272,000	20,581	7.6%		
37	EU1201	R	Distribution Upgrades	500,000	495,000	456,838	38,162	92.3%	500,000	495,000	456,838	92.3%	In process	On-going
38	EU1201		Persimmon Tree Lane	55,000	55,000	31,506	23,494	57.3%	55,000	55,000	103,549	188.3%		
39				$ 5,962,300	$ 4,114,103	$ 3,248,875	$ 865,228	0.0%	$ 4,069,503	$ 4,104,053	$ 3,352,424	81.7%		
40														
41			**Grand Totals**	$ 7,136,700	$ 5,082,243	$ 4,020,938	$ 1,061,305	14.0%	$ 4,348,913	$ 4,356,508	$ 3,562,393	81.8%		

Legend
M = Multi-year project - a project with a specific schedule to occur over multiple years.
R = Recurring project - a project that begins and ends each fiscal year and is re-budgeted to start over each fiscal year.
B = Bonded Project
S = State fully or partially reimbursed project

City of Dover
Summary of Sun Park Activity
Fiscal Year 2012

	ACTUAL												
Month/Year	**Jul-11**	**Aug-11**	**Sep-11**	**Oct-11**	**Nov-11**	**Dec-11**	**Jan-12**	**Feb-12**	**Mar-12**	**Apr-12**	**May-12**	**Jun-12**	**FYTD**
Monthly Total Expense	$144,433	$186,180	$121,194	$133,828	$94,323	$83,135	$95,286	$119,079	$165,991	$217,230	$199,302	$191,475	$1,751,456
Energy Value Using Monthly Portfolio Cost (Mwh x rate)	$136,653	$144,508	$91,180	$93,799	$68,522	$66,704	$69,818	$84,726	$111,187	$147,665	$135,917	$178,240	$1,328,919
SREC Income	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Land Lease Income - General Fund Revenue	($13,750)	$0	$0	($13,750)	$0	$0	$0	($14,094)	$0	($14,094)	$0	$0	($55,688)
Net Cost/(Income) to City	($5,970)	$41,672	$30,014	$26,279	$25,802	$16,431	$25,468	$20,259	$54,804	$55,471	$63,385	$13,235	$366,850

SREC Payment is billed the following month, therefore the current months figures will be adjusted for the SREC Payment in the following month. I.e. October 2011 does not include the SREC Payment in the $106,424 above.