

City Of New Castle



Municipal Services Commission

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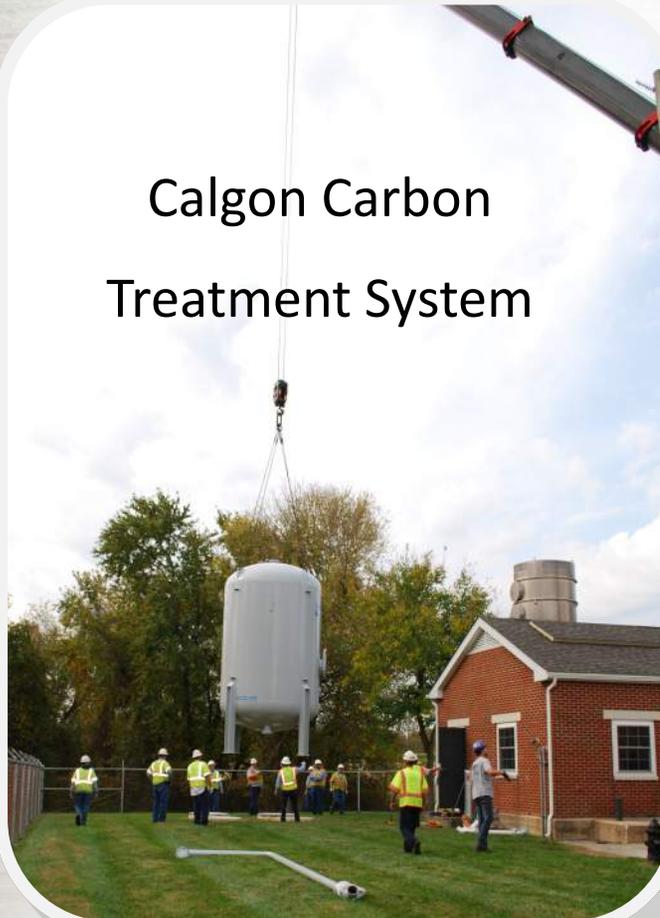
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Calgon Carbon Treatment System





On August 5, 2014 the Municipal Services Commission shut down 3 of the City's water supply wells due to PFC Contamination and started purchasing water from Artesian Water Company. Since the shutdown, MSC has been actively working with consulting engineer Pennoni Associates to design and acquire a temporary treatment system to allow MSC to start using the City's water supply as well as design a permanent treatment solution to be integrated into the School Lane Treatment Facility. The MSC is pursuing a USDA Emergency Grant to assist with the cost of installing the temporary and permanent systems. On October 29th, a single Calgon Carbon Corporation pressure vessel was delivered to School Lane and set which is the main component of the temporary treatment system. After setting the vessel, MSC operators began working on the necessary pipe work to connect it to our water system. By the end of November, MSC plans to be using the City's water supply wells again with the temporary treatment system to supply water to the City of New Castle residents.

Jay Guyer

Water Supervisor

Secretary's Report

The past several months have been filled with activity. The Municipal Services Commission (MSC) reported a voluntary shut down of all three of the City's wells due to the detection of PFC contaminants above the EPA's provisional health advisory limits. Please read Jay Guyer's (MSC Water Supervisor) article on the steps his department has taken to resolve this issue. In addition, the water department's testing for lead and copper will be more frequent in order to ensure safe drinking water. In cooperation with the Office of Drinking Water, the Commission is reporting in this newsletter the details about copper and lead monitoring. The Business Office completed the financial statement audit process successfully again this year and you can read through the details of financial statements enclosed. There is a lot of information to communicate in this edition, if you have more detailed questions please feel free to call, write or e-mail the Commission so that we can assist you and answer your questions.

Pamela A. Patone
Secretary



Interested in Solar?

If you are exploring solar options at your home or business within the city, please contact our office regarding the details.

Calendar Of Events

November 27th, Thanksgiving

MSC Closed

November 28th, MSC Closed

December 13th,

Spirit of Christmas

December 24th,

Christmas Eve MSC Closed

December 25th,

Christmas MSC Closed

December 26th,

MSC Closed

January 1st,

New Years Day

MSC Closed

Meet Our Retired Employee

In this newsletter we say goodbye to Harry Johnson.

Harry is a quiet reserved man who was born and raised in South Dakota. He has lived and worked in Oregon and Maryland before finding a home in Delaware and beginning his water operator position with the MSC. Harry spent a large part of his work life working with and repairing electric motors. Since he worked on repairing water pumps he spent some time around fishing boats. This resulted in an interesting position on a fishing boat in the middle of winter catching flounder and lobster. In addition he could be found in the Ocean City, Maryland Fish Market filleting tuna and shark. Because of Harry's experience with water pumps, motors, truck driving and some education in Auto Cad, the Commission felt he would fit right in with the Water Department back in 1998 when he began his employment with the MSC.

Harry is one of 8 children, with 5 sisters and 2 brothers. Harry has maintained close bonds with his siblings, vacationing for a month in Hawaii with one of his sisters. An interesting fact about Harry is that he has visited 46 of the 50 states in the United States of America. He is not sure that he will make it to Alaska, but Rhode Island, Alabama and New Mexico are certainly possibilities.



In October 2012, Harry married his wife Ruth who is originally from the Dominican Republic. Ruth has children and grandchildren in the United States, but desires to one day move back to the Dominican Republic with Harry. This will allow them to be close to Ruth's mother and siblings. We wish Harry the best in his retirement and hopefully he can finish his quest of visiting all 50 states!

Meet Our Retired Employee



In this newsletter we say goodbye to Robert (Bob) Peifer. Bob has led a full and active work life. Bob retired from PECO after 34 years as a line-man and then the MSC was fortunate enough to hire him in 2004. Bob came not only with lineman experience but with discipline and gentlemanly qualities, possibly acquired through his service in the military for 37 years. Many New Castle citizens have commented on how kind and informative Bob is when they meet with him and his fellow coworkers appreciate his selfless and supportive personality.



Bob grew up in Springfield, Pennsylvania and still resides there with his wife Susan, their puppy Lilly, Chester the cat, an African grey parrot Mac and the family fish. Another reason why Bob is a gentleman, might be because he has been surrounded by woman at home. The Peifer family boasts daughters and stepdaughters, Lisa, Abby, Casey, Kaitlyn, Laura & Megan. His daughters are grown now and have given Bob and Susan the gift of 3 grandchildren, 2 year old Jack, 6 year old Ella and 2 year old Tyler James (TJ).



Growing up on the family farm meant that Bob developed a love for the outdoors which included horseback riding, hiking and boating along the Sassafras River. He has also explored the world by traveling to Ecuador, Italy and England while in the Military and throughout the Caribbean while on vacation cruise ships. Bob plans to retire and move to Florida where he will spend as much time on the water as possible. The MSC wishes Bob the best in retirement and looks forward to hearing about his adventures yet to come. Bon Voyage Bob!!

Business Report

Accurate financial reporting is crucial for any organization, this is especially important when an organization is requesting funds in the form of grants or loans. Third parties, such as other government agencies and banks, rely on the information in financial reports to gain a comfort level on how well an organization is operating. One factor considered is whether an organization receives an unqualified opinion on their audited financial statements. The Commission is pleased to report that the Municipal Services Commission (MSC) received an unqualified opinion from the auditing firm of Horty & Horty, PA for the year ending March 31, 2014. This year the Commission is pursuing grants to assist with funding for the new water treatment system and security measures throughout the system. The Commission is in a good position to receive funds because the financial condition and reporting of the organization is well maintained.

In addition to the financial reporting the business office has spent time this past year ensuring that all human resource policies are current, updating employee handbooks, implementing guidelines for staff and making every effort to provide good customer service. Feel free to contact our office if you have any questions.

Sincerely,

Pamela A. Patone

Secretary

Sincerely,

Mary Jane Stubbs

Treasurer



MUNICIPAL SERVICES COMMISSION
(A COMPONENT UNIT OF THE CITY OF NEW CASTLE, DELAWARE)

STATEMENT OF NET ASSETS

MARCH 31, 2014

<u>ASSETS</u>	<u>LIABILITIES AND NET ASSETS</u>
<u>Current Assets:</u>	<u>Current Liabilities:</u>
Cash and Cash Equivalents \$ 2,827,763	Accounts Payable \$ 655,989
Investments 998,472	Utility Taxes Payable 16,596
Accounts Receivable (net of \$15,622 allowance) 692,319	Payroll Withholdings Payable 5,212
Inventory 574,165	Accrued Wages 30,520
Dividend Receivable 383	Developer Deposits 11,587
Prepayments 59,436	Other Liabilities 4,353
Other Receivables 34,738	Accrued Compensated Absences 272,013
<u>Total Current Assets</u> 5,187,276	<u>Total Current Liabilities</u> 996,270
<u>Property, Plant and Equipment</u>	<u>Long-Term Liability:</u>
Property, Plant and Equipment 19,365,847	Customer Deposits 296,275
Construction in Progress 594,541	
<u>Less: Accumulated Depreciation</u> (10,839,200)	<u>Total Liabilities</u> 1,292,545
<u>Net Property and Equipment</u> 9,121,188	<u>Net Assets:</u>
	Capital Grants (less accum amort \$650,670) 292,330
	Private Developer Contributions 1,854,736
	Unrestricted Net Position 10,868,853
	<u>Total Net Assets</u> 13,015,919
<u>Total Assets</u> \$ 14,308,464	<u>Total Liabilities and Net Position</u> \$ 14,308,464

ASSETS- This section shows the items that the MSC owns called Assets. These items are either in our possession such as trucks or are at a financial institution, like cash and investments or are payments that are owed to us such as accounts receivable.

LIABILITIES AND NET ASSETS- This section shows the liabilities of the MSC, the amounts owed to vendors (accounts payable), to employees (accrued comp. abs.) and to customers (customer deposits). Net assets is the amount that remains after the liabilities are subtracted from the assets.

MUNICIPAL SERVICES COMMISSION

(A COMPONENT UNIT OF THE CITY OF NEW CASTLE, DELAWARE)

STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS

FISCAL YEAR ENDING MARCH 31, 2014

<u>Operating Revenue:</u>		<u>Total Expenses</u>	
User Charges	\$ 11,090,282	Purchase of Power	
City Service Charges	105,513	Operating Expenses	
Miscellaneous	<u>331,041</u>	General & Administrative Expenses	
Total Operating Revenue	\$ 11,526,836	Total Expenses	<u>10,162,296</u>
<u>Less: Free service</u>	<u>(28,021)</u>	<u>Operating Income</u>	1,336,519
Net Operating Revenues	11,498,815		
<u>Purchase of Power and Water</u>	7,169,926	<u>Nonoperating Revenue (Expenses):</u>	
<u>Operating Expenses</u>	2,139,022	Investment Income	24,238
Salaries and Related Expenses	1,255,423	Private developer contributions	440,390
Repairs and Maintenance	81,210	Net Unrealized (Loss) on Noncurrent Investments	(43,264)
Supplies and Training	45,071	Gain on sale of equipment	18,119
Insurance	73,263	Appropriations to the City of New Castle:	
Depreciation	591,035	Ordinary	(500,000)
Plant & Equipment Expense	67,019	City service	(105,513)
Other	26,001	Special	(7,539)
<u>General and Administrative Expenses</u>	853,348	Total Appropriations to the City of New Castle:	(613,052)
Salaries and Related Expenses	562,534	<u>Total Nonoperating Revenue (Expenses)</u>	(173,569)
Insurance	25,092	<u>Change in Net Position</u>	1,162,950
Professional Fees	56,500		
Administrative & Occupancy	187,571		
Depreciation	21,651		

REVENUE- This section shows the revenue earned through the sale of electricity and water to our customers.

EXPENSES- This section shows the expenses of the MSC. Purchase of Power & Water is the cost we incur to buy power for our customers.

Operating Expenses are the direct costs to pay for lineman, water operators and to operate our facilities.

General and Administrative Expenses are the costs associated with Billing, meter reading, accounting and management functions.

NONOPERATING REVENUE AND EXPENSES- This section shows the income associated with investments and contributed capital.

APPROPRIATIONS TO THE CITY OF NEW CASTLE- This section shows the amount given in cash (ordinary), electric and water (city service) and the amounts given in labor or equipment usage (special) to the City of New Castle. All of these appropriations benefit our customers.

CHANGE IN NET ASSETS- This section shows the Change in Net Assets which is the Net Income (what remains after the expenses are subtracted from the revenue). We put this net income back into our systems by making capital improvements to our systems.

IMPORTANT INFORMATION ABOUT LEAD IN YOUR DRINKING WATER

While conducting triennial lead and copper monitoring during this past summer, the Municipal Services Commission (MSC) found elevated levels of lead in drinking water in some homes/buildings. Lead can cause serious health problems, especially for pregnant women and young children. Please read the information closely to see what you can do to reduce lead in your drinking water.

Although treatment is currently in place to prevent the City's water from being corrosive or aggressive, the Delaware Department of Health, Office of Drinking Water and Office of Engineering will be working with the MSC to assess water quality and make recommendations for adjusting treatment.

What Does This Mean?

Under the authority of the Safe Drinking Water Act, the U.S. EPA set the action level for lead in drinking water at 15 ppb. This means utilities must ensure that water from the customer's tap does not exceed this level in at least 90 percent of the homes sampled (90th percentile value). The action level is the concentration of a contaminant which, if exceeded, triggers treatment or other requirements which a water system must follow. If water from the tap does exceed this limit, then the utility must take certain steps to correct the problem. Because lead may pose serious health risks, the EPA set a Maximum Contaminant Level Goal (MCLG) of zero for lead. The MCLG is the level of a contaminant in drinking water below which there is no known or expected risk to health. MCLGs allow for a margin of safety.

What Are The Health Effects of Lead?

Lead can cause serious health problems if too much enters your body from drinking water or other sources. It can cause damage to the brain and kidneys, and can interfere with the production of red blood cells that carry oxygen to all parts of your body. The greatest risk of lead exposure is to infants, young children, and pregnant women. Scientists have linked the effects of lead on the brain with lowered IQ in children. Adults with kidney problems and high blood pressure can be affected by low levels of lead more than healthy adults. Lead is stored in the bones, and it can be released later in life. During pregnancy, a child receives lead from the mother's bones, which may affect brain development.

What Are the Sources of Lead?

The primary sources of lead exposure for most children are deteriorating lead-based paint, lead-contaminated dust, and lead-contaminated residential soil. Lead is found in some toys, some playground equipment, some children's metal jewelry, and some traditional pottery. The EPA estimates that 10 to 20 percent of human exposure to lead may come from lead in drinking water. Lead is rarely found in source water, however, but enters tap water through corrosion of plumbing materials in homes. Exposure to lead is a significant health concern, especially for young children and infants whose growing bodies tend to absorb more lead than the average adult. Parents should ask their health care providers about testing children for high levels of lead in the blood if they are concerned about possible lead exposure.

What Can I Do To Reduce Exposure to Lead in Drinking Water?

To further reduce your potential exposure to lead in drinking water, you may wish to follow the steps below. However, if you suspect your home's lead levels may be greater than that of the EPA's action level, we strongly urge you to take the following steps:

Run your water to flush out lead. If water hasn't been used for several hours, run water for 15-30 seconds to flush lead from interior plumbing or until it becomes cold or reaches a steady temperature before using it for drinking or cooking.

Use cold water for cooking and preparing baby formula. Do not cook with or drink water from the hot water tap; lead dissolves more easily into hot water. Do not use water from the hot water tap to make baby formula.

Do not boil water to remove lead. Boiling water will not reduce lead.

Look for alternative sources or treatment of water. You may want to consider purchasing bottled water or a water filter. Read the package to be sure the filter is approved to reduce lead.

Identify and replace plumbing fixtures containing lead. Brass faucets, fittings, and valves may contribute lead to drinking water. Lead solder was commonly used to join copper pipes prior to 1988; it appears dull gray and becomes shiny when scratched with a key. A licensed plumber will be able to help with lead solder identification, and if needed, replacement.

Remove debris from plumbing materials. Remove the faucet strainers from all taps and run the water for 3-5 minutes. Repeat this action periodically to flush out any debris that has accumulated over time.

Additional Information

For more information on reducing lead exposure around your home and the health effects of lead, visit EPA's website at www.epa.gov/lead, call the National Lead Information Center at 800-424-LEAD, or contact your health care provider.

The MSC's Public Water System ID # is DE0000634. It is MSC's intention to provide only the safest, most reliable drinking water to our customers. If you have any questions or concerns, please contact Jay Guyer, Water Supervisor or Ryan Jaeger, Assistant Water Supervisor at 323-2333 or 323-2334.



City Of New Castle



MUNICIPAL SERVICES COMMISSION

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