

Municipal Services Commission  
Monthly Meeting  
August 21, 2019 – 4:00 p.m.  
216 Chestnut Street  
New Castle, Delaware

The meeting was called to order at 4:00 p.m. with Dr. Roy Sippel, Commissioner, presiding.

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

Staff in Attendance: Treasurer Mary Jane Stubbs; Ryan Jaeger, Supervisor, Water Department; Scott Blomquist, Manager, Electric Department

Minutes – A motion was made and seconded to approve the minutes for the July 25, 2019 meeting. The motion was approved. A motion was made and seconded to approve the minutes for the July 25, 2019 executive session. The motion was approved.

Pension Valuation Presentation/Bond Investment Performance – Jason Denton, Summit Financial reporting via telephone

Mr. Denton reported the plan was amended as of April 1, 2019 to increase the maximum benefits of the plan. Previously the monthly maximum benefit was \$3,600. As of April 1, 2019 the monthly maximum benefit increased to \$4,400. The results of the valuation reflect these figures. There was an increase in Liability, which resulted in an increase in the annual cost of the plan. A second plan amendment increasing expected benefits is effective July 1, 2019 and will be included in next year's valuation. Non-union employees hired after July 1, 2000, will have the same 2% per year benefit as Union employees. Providing slightly higher benefits has increased the annual contract cost. The annual contract cost previously had been between \$200,000 and \$205,000. For 2019, the increase in benefits and cost of the plan also resulted from an increase in active payroll. MSC had asset returns of 3.5% within the last year. During the calendar year of 2018, most of those plans saw negative returns between 5% and 6%. The market rebounded in the first quarter of 2019. MSC received the benefit of the rebound from the first quarter of 2019, due to a valuation date of April 1, 2019. The rebound brought MSC from a negative return to a positive return of 3.5%. The expectation is to earn on average 7%.

Mr. Denton reviewed a three year comparison of liability and assets in the plan. There was an asset return of 3.49%. The funded ratio decreased from 78% funded, to 76% funded. This includes the impact of the benefit increase, as well as the assets underperforming. As of April 1, 2019 the plan still has the same number of fifteen active participants. As of April 1, 2019, the plan still has the same number of eighteen terminated participants. In reference to the cost of the plan, Summit Financial projects benefits for all employees out to retirement age. This includes what employees are expected to receive if they continue to work until retirement age and the value today of that benefit. The present value of future benefits is \$6.4 million dollars. As of April 1, 2019 MSC has \$3.1 million on hand. Over the current participant's future working lifetime, the other \$3.3 million will need to be made up in assets. The cost this year is about

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\$220,000 in addition to interest. In regards to reconciliation of the assets, there was a little over \$3,000,000 at the beginning of the plan year, ending the year with \$3,074,394. Close to 10% of the assets are coming out in the benefit payments.

Joe Bonasera, Summit Financial reporting via telephone

Mr. Bonasera reported the Investment Policy for MSC is at 35% fixed income and 65% equity allocation. This is slightly more aggressive than a typical defined benefit plan which is normally at 60/40%. In regards to the fixed income allocation, MSC has 25% of the portfolio in a guaranteed account, which pays 2.46%. This is a liquid fund used to pay benefits to MSC retirees. It was also used to protect plan assets in the event of an increase in interest rates. 10% of the fixed income is diversified among four different fixed income portfolios. Under Intermediate Term; MSC has the Vanguard Total Bond Market Index which includes 2/3 of U.S. Governments, 2% in Metro West Intermediate Term Bond Fund, 3% in Pioneer Strategic Income, and 2% in John Hancock Strategic Income. Pioneer allows up to 20% allocation to equities which is more aggressive than the John Hancock Strategic Income Fund. Additionally, 2% is in the Vanguard Real Estate Investment Trust Fund.

The equity allocation is 14% in International consisting of 9% in Developed Europe and 5% in Emerging Markets. MSC has 10% in Large Growth equally split between American Funds Amcap which is actively managed and the Vanguard Growth Index (passive management). The Investment Policy has the same strategy in Large Value - 5% is in the Vanguard Value Index, and 5% is in American Mutual (actively managed). The mid-cap allocation is 13% all in the Vanguard Index.

In regards to the small cap allocation, MSC has both active and passive strategies, with 3% in small cap growth and 3% in small cap value.

Metro West, which **was** one of the top performing bond funds, has been on the watch-list for a number of quarters. Summit Financial did an analysis and made the recommendation to remove Metro West and replace it with Western Asset Management Core Plus Bond.

In the financial statement reflecting January 1, 2019 to July 31, 2019, the portfolio gain is 12.96%. MSC started the period with \$2.8 million and made \$114,680 in contributions. Mr. Bonasera reported gains of \$364,697, and benefit payments of \$161,704. As of July 31, 2019 the plan asset balance was \$3.15 million.

The historical returns of each fund held in the portfolio was reviewed with the committee. This included time intervals; year to date, one year, three years, five years, and ten years thru 6/28/19

Metro West has 2% allocation and 5% return. Vanguard was up 6%, and other bonds are up between 6-7%.

Mr. Bonasera stated Summit Financials role as a Fiduciary is to act in the best interest of the plan and each of the participants to prudently select, monitor, and if necessary remove a fund. There are various tools used to look at each mutual fund on both a quantitative and qualitative basis. Anything less than 60% is a "Watch List" candidate. If a fund is on Watch for 7 or more quarters, it is a candidate for removal.

There are no funds in the "Removal" category at this time. However, it is the recommendation to pull Metro West early on. For the last one, three, and five years Metro West has been at the bottom half of their peer

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group with a 40% rating. John Hancock Strategic Income has a 55% rating, yet improving. The remaining bond funds are performing well.

Amcap (large growth) has a 30% rating and has underperformed the typical large growth fund which includes substantial allocations to the techs firms (Face Book, Amazon, Netflix, Google, etc.). Amcap, is a large growth fund with higher allocations to healthcare and pharmaceutical in their portfolio. The fund is rated 4 out of 5 stars with Morningstar. However, it will be added to the "Watch List". The Vanguard Small Cap Growth Index has a rating of 55%. Summit does not believe this is an issue as the fund is a passive index.

Metro West hasn't performed as well as the other bond funds. The fund's duration is shorter than the intermediate bond benchmark, therefore a lower yield and smaller price swings when interest rates change.

Summit did a complete analysis on a number of high quality bond funds as potential replacements. On a three year scatter plot, the return and risk for Metro West ending 7/31/19 is less than the benchmark. When comparing to other high quality bond funds including Fidelity Total Return Bond, J.P. Morgan Core Bond, Pimco Total Return, Western Asset Management Core Bond Plus, Western's numbers are up in the top right quadrant with returns substantially in excess of the benchmark and slightly higher risk. The standard deviation/ volatility measure is about 3.7%, versus the Barclay's Aggregate which is 3.1%. Fidelity's return is greater than the benchmark, with slightly less risk.

Regarding the risk/return for 5 years ending 7/31/19, Metro West is still showing lower returns and lower risk than the benchmark. Fidelity, JP Morgan and Pimco have about the same level of risk as the benchmark and slightly higher returns. Western's numbers are up in the top right quadrant with returns substantially in excess of the benchmark and slightly higher risk.

Mr. Bonasera reported the strength of Metro West in ten year numbers was prior to the cash infusion from assets leaving Pimco Total Return (departure of Bill Gross). Fidelity, in ten years, showed returns greater than the benchmark, with the same level of risk. Western Asset Core Bond Plus, showed much higher return, with slightly more risk. The recommended fund, Western Asset Core Bond Plus, has shown the ability to outperform substantially with slightly more risk. Mr. Bonasera reported the higher risk isn't a great concern due to having a 25% allocation in the guaranteed account, which guarantees principal and interest.

Mr. Bonasera went over category ranks as another measure of comparing the bond funds. A category rank of one is the best, 100 being the worst. Western Asset for one year ranked at number three; for three years ranked at number six; for five years ranked at number two; and for ten years ranked at number five.

Regarding up/down capture, three year upside capture is 125% of the market, and only 88% of the down market. Analyzing that relationship for three, five, and ten years, the fund captures more of the up market and much less of the down market. Western Asset has a Sharpe Ratio of .96, or about 1% return for every unit of risk. This Sharpe Ratio exceeded the Sharpe Ratio for each of the other high quality funds in this analysis.

The fund has historically performed very well, and the management team has been on the portfolio for a little over twelve years. The recommendation is to remove Metro West and replace with Western Core Bond Plus Fund. Secretary Patone requested Mr. Bonasera send the recommendation in writing for review.

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The yield curve temporarily invert in the most recent time frame. Historically, when the yield curve inverts a recession follows the inversion within 14-18 months. Mr. Bonasera pointed out things that typically happen when there's an inversion that are not happening at this time. 1) Interest rates are typically increasing as the Fed aggressively tries to remove excesses from the economy. Currently the Fed has decreased interest rates. 2) Stock prices are generally overvalued prior to a recession. Currently stock prices are not overvalued as the P/E ratio of S&P 500 (17) is slightly higher than the twenty five year average P/E at 16.5. 3) Commodity prices generally spike prior to a recession. Currently, commodity are not high or spiking. Mr. Bonasera reported fundamentally the economy is doing well. Unemployment is at historic lows, GDP is growing, corporate earnings are increasing and consumer wages and spending are increasing. However, the most expensive 4 words, according to Sir John Templeton (Templeton Funds), are "it's different this time". We will have a pull back at some point.

Trish Gildea, Summit Financial reporting via telephone

Ms. Gildea reported that for 2018, and much of 2019, the portfolio was in a higher income environment. About half of the account was in investment grade bonds and half was invested in higher yielding funds, such as the Pioneer Strategic Income Fund. Oppenheimer Senior Floating rate fund, one of the other holdings from that time period, also generated income north of 4%.

The thought at that time was that ten years of a rising stock market and an accelerating economy usually leads to higher interest rates. These conditions can put some challenges on investment grade bonds, as prices decrease when interest rates rise. In Q2 2019, the rate of stock market acceleration started to decrease, and rate stabilization made investment grade bond funds more attractive. In regards to the high yield sector, more value was seen outside of the U.S.

Therefore, Summit Financial put forth a proposal to MSC to add more investment grade and non-U.S. holdings, and you can see as of August 20, 2019, MSC's holdings are spread out over additional categories.

Fidelity Advisor Total Bond and PGIM, which is Prudential Total Return Bond Fund, were added, which are primarily investment grade bond funds. Fidelity has nearly twice as much exposure to government securities as PGIM, and slightly more corporate bond exposure as well. Prudential has more agencies and mortgages than Fidelity Total Bond. They are both widely experienced Investment Grade Managers that have performed well for many years, and as a result of that the bulk of the assets are split between the two.

Accent pieces were also added to the portfolio. Given it was thought that rates were stabilizing, we went out much longer on the Treasury bond curve. iShares 20+ Treasury is invested all in long treasury bonds, and is a 10% exposure in the portfolio.

Two non U.S. bond funds were added as well. The T. Rowe Price Global Multi-Sector Bond fund is about 40% U.S. bonds and 60% bonds outside of the U.S., primarily in the developed markets. The last accent piece is the PIMCO Emerging Markets Bond Fund, as opposed to developed non-U.S. economies.

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The percentile ranking for the Prudential Total Return Bond Fund is firmly in the top quartile. The fund has a duration (which is similar to maturity) of six years, and the strong credit quality means that less than 10% of this fund is below investment grade. Fidelity has high credit quality like Prudential, slightly more government and corporate holdings as well. I-shares are all 100%. AAA's duration/maturity is twenty five years, going out longer to pick up more yield and take advantage of the move in the curve.

Mr. Bonasera stated it was expected that rates were to pull back in Q2, so when you have a decrease in interest rates, and have a long term treasury, that return on that fund was exceptional. Ms. Gildea stated the bulk of performance was over the past six weeks. The curve inversion caused the fund to increase by over 20% year to date.

T. Rowe Price Global is almost seven years in duration. The credit quality began to dip within the fund in 2019, but T. Rowe Price has very consistent performance, firmly in the top quartile of rankings, and a long standing management team. Therefore, we agreed when T. Rowe Price was comfortable increasing exposure outside the U.S.

The last of MSC's accent pieces is the PIMCO Emerging Market Fund. For five years it has been a top quartile performer. About 90% of the fund is emerging market is debt, 90% is U.S. dollar based, only 10% is in global currency, therefore there's not as much currency volatility.

In regards to performance within the portfolio, MSC is above the Barclays Aggregate Bond Index in all but one year period of time. The one year period is a trailing twelve month number. Looking back at December 2018, stocks were down about 20% in that quarter. There was more high yield exposure at that time, which was highly correlated to the equity market. The shift made to investment grade is paying off.

MSC is still maintaining a decent portfolio yield of 3.25%, while Barclay's Aggregate Index yield is closer to 2.5%.

*Discussion ensued regarding the presentation. Mr. Denton, Mr. Bonasera, and Ms. Gildea were thanked and excused.)*

Treasurer's Report – Treasurer Stubbs reporting

Ms. Stubbs reported a total operating cash balance as of July 31, 2019 of \$2,361,508.18. PNC escrow and meter deposit total in the amount of \$734,837.14. Total cash balance is \$3,096,345.32. Total investments are \$1,161,233.16. Electric Department Supervisor Artie Granger reviewed the bank statements for the month. Treasurer Stubbs addressed his questions satisfactorily. The accounts payable check register is attached to Treasurer Stubbs' report.

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

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Accounting and Customer Service Department Report – Secretary Patone reporting for Tara French  
(See attached report.)

Secretary Patone stated the Customer Service Department Report will begin being attached to the minutes similar to the Electric and Water Reports. Financials were provided to Commissioners. Discussion ensued between Dr. Hansen and Secretary Patone regarding the increases in wages and salaries compared to the previous year. Secretary Patone suggested the increase was partially due to when labor is capitalized for accounting purposes. She indicated she would follow up with more analysis. (After further analysis staff reported to Dr. Hansen the other reason for wages being higher in the current year was due to the bonus payment paid to staff for switching to bi-weekly payroll).

Electric Department Report – Mr. Blomquist reporting

(See attached report.)

Secretary Patone stated all Managers passed the Certification in Key Accounts.

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

Delaware Street Cleaning and Lining – 4th to 6th Street

Mr. Jaeger reported an incident that happened during the time period of the Delaware St. Cleaning and Lining Project. While packing up equipment and trailers, contractor J. Fletcher Creamer swiped the gate at the Utility Plant. The gates were made in England and installed by the City. MSC will coordinate with the City in regards to getting a quote on the replacement part or a new gate.

Mr. Jaeger reported Brandywine Construction gave an estimate for the valve replacement work in the 7th Street intersection based on regular working hours for the project. Due to DelDOT demanding the work had to be done over a weekend, the workers would be paid for time and a half as opposed to if the work was done during normal business hours. Mr. Jaeger reported due to contingencies built into the budget, the project shouldn't go over budget.

Secretary Patone stated Ms. Stubbs coordinated with the State of Delaware and the City's Human Resources Department in an effort to get all staff trained. Cyber security modules were set up by Ms. Stubbs. The modules are between five and ten minutes for all employees to watch when opportunity presents itself. MSC's I.T. group has been sending and monitoring phishing emails. Password changes are mandatory every 90 days.

Dr. Hansen inquired if Municipal Services participates in Demand response calls. Secretary Patone indicated the MSC did not have any current customers participating in the Demand Response program. She stated there's a minimum of demand needed to qualify and participate and currently the MSC's operations did not qualify. Mr. Blomquist stated there's a minimum of 100KW and if MSC aggregated all demand together, he didn't believe MSC would quite meet the minimum.

(Ms. Stubbs, and Messrs. Blomquist and Jaeger were thanked and excused from the meeting.)

Secretary's Report – Secretary Patone reporting

DEMEC – Secretary Patone and President Sippel attended the DEMEC meeting on August 20, 2019. President McCullar presented the Financial Investment Report. President McCullar indicated although the 2<sup>nd</sup> quarter report that he presented was less than budget, July was a healthy month. The actual cost to operate came below the billing rate for all billings. Therefore, there will be a build up to the Rate Stabilization Reserve Fund. An additional \$3 million by the end of this year is the expectation. There is \$13 million now in the Rate Stabilization Fund. It's anticipated to be \$16 million by the end of this year. Based on the additional reserves, and the costs associated, he anticipates flat rates next year. This is consistent with what he presented previously of the expectation of no rate reduction. During the prior Audit Committee meeting, Secretary Patone mentioned the idea of reviewing Committees for DEMEC as a whole. There have been questions posed to the Audit Committee that don't come under their purview. Secretary Patone would like to expand the Audit Committee's purview to include financial and investment. The Committee discussed and agreed it was important. Secretary Patone stated there's an interest in becoming the Financial Advisory Committee and possibly having a consultant make a recommendation or conduct a study on what appropriate reserves should be. This topic is scheduled to be discussed deeper at the October board meeting.

Secretary Patone stated a resolution was done for Rick Carmean who was Milford's Public Works Director who retired this past year. He will be honored at the October Board meeting. The Executive Committee report they'd like to schedule a strategic planning meeting for April or May of next calendar year. It has been five years since the last strategic planning meeting. The Hometown Connections study done this past quarter suggested it was time to revisit. One of the suggestions the Executive Committee came up with was to do a survey including all Boards and Council people on expectations of DEMEC. Between September and October of every year, DEMEC reports on behalf of all Municipalities regarding being in compliance with the Renewable Portfolio Standards (RPS) requirements. Even though MSC wasn't required to follow the State's mandated requirements, MSC has opted to adopt a RPS requirement. DEMEC has exceeded the goals to date. DEMEC staff questioned whether the Board wanted to continue with the current DEMEC RPS, (continue to exceed), or actually implement the State Mandate with the 1% circuit breakers. The Board chose the recommendation of staff to implement the 1% circuit breaker, which was the most cost effective option. Secretary Patone reported in the next legislative session, there's going to be discussion of what the new standard should be. Secretary Patone expects to receive a letter in between October or November that DEMEC prepares on MSC's behalf and will share with the Commission. There was discussion regarding amping up on renewables before such time it's mandated and increased, and/or before such time state borders get closed (requiring renewables be within the state of Delaware). It was decided to go with the most economic decision as of right now but will revisit as early as January of 2020.

Secretary Patone stated Efficiency Smart will be making a presentation at the New Castle Library on October 9<sup>th</sup>, 2019 to explain the benefits to residential customers.

The DEMEC Board voted to allow alternate members to attend all Executive Session meetings. In the past, alternates and members would participate in Executive Session meetings. Recently, based on attorney's recommendation the alternates were excluded from some Executive Session meetings. The Attorney suggested the Board could chose to vote to have alternates be allowed to attend all future Executive Session meetings.

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Dr. Sippel stated in regards to Public Power Week, DNREC has arranged to have radio broadcasts. Dr. Sippel suggested that Mayor Quaranta would be ideal to give a speech on what Public Power does for the community. Secretary Patone will approach Mayor Quaranta regarding this. Secretary Patone stated Paula McHugh was asked to take another picture of one of MSC's Electric Department Operators for DEMEC's billboard. Last year MSC's billboard was also used in Dover for a DEMEC presentation.

Secretary Patone reported The City of Newark would like to explore time of use rates, specifically regarding electric vehicles. Newark is interested incentivizing individuals with electric vehicles to register with the utility and receive a discount if they charge their vehicle during non-peak hours.

Cyber Security

Secretary Patone and Jay Guyer met with Amalea Rassias with the University of Delaware's Office of Economic Innovation and Partnership working with the state of Delaware's Department of Technology and Information (DTI) and Jacob Blacksten, a Technology Business Advisor with the Delaware Small Business Development Center a unit of OEIP to discuss Cybersecurity issues on August 14, 2019. The MSC can utilize free cybersecurity consulting and the group will establish a checklist of items necessary to improve security and to become PCI compliant (as the MSC is now accepting credit card payments and requires PCI compliance).

Old Business

Disaster Recovery Capital Expenditure – Secretary Patone is still waiting on quotes from MSC's I.T. group.

New Business

Efficiency Smart – Secretary Patone was contacted by Efficiency Smart in reference to nearing the maximum amount of megawatts allotted for Commercial accounts. MSC is currently in the sixteenth month of thirty sixth of the program with Efficiency Smart. Secretary Patone asked for approval to utilize Green Energy Funds to supplement the over performance in the program, for a maximum incentive of \$5,000 per customer, and a total maximum of \$20,000 in over performance. With this recommendation MSC would still be able to continue to offer services to Commercial Customers, and also utilize The Green Energy Fund for its purpose. Patone will draw up a contract for DEMEC and Efficiency Smart for Commissioners to review.

**A motion was made and seconded to approve the recommendation of utilizing Green Energy funds for continuation of Commercial customers in the Efficiency Smart Program. The motion was approved.**

Secretary Patone reported a letter of support was sent to Stride, which is a group that is looking to open a PFAS lab in the State of Delaware. The letter indicated if the lab was economical, MSC could possibly be submitting lab work there. Stride is now requesting an additional letter stating how much potential dollars that would be. Secretary Patone reported another letter will be sent with this information.

An informational meeting regarding the PFAS Exposure Assessment will be held at the Visitors Center on August 26, 2019 from 5:30-8:00 p.m. The annual DEMEC meeting is on September 18, 2019 at 4:00 p.m.

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**A motion was made and seconded to enter executive session at 5:59 p.m.**

Commissioners returned to general session at 6:54 p.m.

Next Meeting

Commissioners set the next monthly Board meeting to be September 26, 2019, 4:00 p.m., at the office of the Commission, 216 Chestnut Street, New Castle, Delaware.

Adjournment

**A motion was made and seconded to adjourn the meeting. The motion received unanimous approval. The meeting was adjourned at 6:56 p.m.**

Michele R. Grussemeyer  
Michele R. Grussemeyer, Stenographer

Approved: Carol A. Ector  
(Minutes transcribed from recording)

# **MUNICIPAL SERVICES COMMISSION**

CITY OF NEW CASTLE, DELAWARE 19720-0208

P.O. BOX 208

<http://newcastlemsc.delaware.gov/>

Office: 302 323-2330 Utility Building: 302-323-2333 Fax: 302-323-2337

## **Accounting & Customer Service Department Meeting Report**

**August 21, 2019**

**Prepared By: Tara French on August 12, 2019**

- **Billing / Customer Service**

We continue to notify customers affected by the Van Dyke electric project along with the completion of the Delaware Street water project.

I was notified of passing the APPA Key Accounts program and look forward to receiving my certification in October.

MSC hosted a tour of our facilities on August 8, 2019 for two of our key accounts.

The Customer Service Department is working out technicalities with our new online bill pay service and anticipate on having the site available for customers to make payments by mid-August.

I will be working on staff evaluations to submit to Pam by the end of August.

Staff will be reviewing videos on cyber security throughout the fall.

The CSD prepared monthly billing to customers.

- **Accounting**

I reviewed the four months ended July 2019 workpapers and Financials Statements.

I am working on historical yield information so that we can report that on the Treasurer's report in the next month or two.

# **MUNICIPAL SERVICES COMMISSION**

## **Executive Summary**

**July 31, 2019**

**Prepared By: Tara French on August 14, 2019**

- **Assets & Liabilities**

Total Assets are \$19,962,667

- **Revenue & Expenses**

For the four months ended July 31, 2019 there was a Surplus in Net Assets of \$85,488 of which \$40,190 is in Water and \$45,298 is in Electric

Both Operating and General and Administrative expenses are up compared to the same four months last year, largely due to increase in wages and salaries and related taxes and employee benefits

Electric Meters and services shows negative as several demand meters were put back in to Inventory

Water Treatment Supplies is a new line item in Operating Expenses which mainly consists of depreciation of carbon

**MUNICIPAL SERVICES COMMISSION**  
**(A Component Unit of the City of New Castle)**  
**STATEMENTS OF NET POSITION**  
**JULY 31, 2019 AND JUNE 30, 2019**

	JULY 2019	JUNE 2019
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>		
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 2,363,191	\$ 2,200,988
Investments	1,161,233	1,159,163
Accounts receivable, net	868,755	799,780
Grants receivable	-	-
Dividends receivable	202	229
Other receivables	11,251	10,718
Inventory	721,737	760,616
Prepaid expenses	127,545	110,309
<b>Total Current Assets</b>	<u>5,253,914</u>	<u>5,041,803</u>
Restricted Assets:		
Cash and cash equivalents - restricted	\$ 733,154	\$ 729,225
Noncurrent Assets:		
Land	45,386	45,386
Construction-in-progress	399,400	294,027
Property, plant and equipment	23,955,983	23,955,983
Less: Accumulated depreciation	(13,146,083)	(13,084,402)
<b>Total Noncurrent Assets</b>	<u>11,254,686</u>	<u>11,210,994</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows - pension	200,878	200,878
Deferred outflows - regulatory accounting	2,520,035	2,520,035
<b>Total Deferred Outflows</b>	<u>2,720,913</u>	<u>2,720,913</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 19,962,667</u>	<u>\$ 19,702,935</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>		
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts payable	\$ 727,921	\$ 648,442
Accrued expenses	-	-
Payroll withholdings payable	18,840	11,742
Accrued wages	35,548	22,787
Accrued appropriations	56,113	-
Developer deposits	19,534	19,534
Other liabilities	1,066	1,066
<b>Total Current Liabilities</b>	<u>859,022</u>	<u>703,571</u>
Noncurrent Liabilities:		
Escrow deposits	4,467	4,462
Customer deposits	728,687	724,763
Accrued compensated absences	376,137	381,545
Net pension liability	983,953	982,953
<b>Total Noncurrent Liabilities</b>	<u>2,093,244</u>	<u>2,093,723</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows - pension	136,917	136,917
<b>NET POSITION</b>		
Net investment in capital assets	11,254,686	11,210,994
Unrestricted	5,618,798	5,557,730
<b>TOTAL NET POSITION</b>	<u>16,873,484</u>	<u>16,768,724</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>	<u>\$ 19,962,667</u>	<u>\$ 19,702,935</u>

**MUNICIPAL SERVICES COMMISSION**  
**(A Component Unit of the City of New Castle)**  
**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**FOR THE FOUR MONTHS ENDING JULY 31, 2019 AND 2018**

	2019	2018
OPERATING REVENUES:		
User charges	\$ 3,665,138	\$ 3,726,418
City service charges	22,000	22,652
Free service	15,762	15,977
Miscellaneous	10,195	17,561
TOTAL OPERATING REVENUES	3,713,095	3,782,608
LESS: Free service	(2,451)	(4,380)
NET OPERATING REVENUES	3,710,644	3,778,228
 PURCHASE OF POWER AND WATER	(2,008,012)	(2,075,689)
PURCHASE OF POWER SUBSTATION	(211,548)	(211,548)
 OPERATING EXPENSES	(931,580)	(846,993)
MISCELLANEOUS OPERATING EXPENSE		-
 GENERAL AND ADMINISTRATIVE EXPENSES	(384,002)	(316,456)
 OPERATING INCOME	175,502	327,542
Capitalized Labor	86,643	-
Capitalized Material	18,870	-
 OPERATING INCOME AFTER CAPITALIZED ITEMS	281,015	327,542
NONOPERATING REVENUES (EXPENSES):		
Investment income	14,878	15,121
Investment expense	(1,310)	(1,651)
Grant Income	-	-
Realized Gain(Loss) on Sale of Investments	-	-
Realized Gain(Loss) on Sale of Assets	3,300	-
Appropriations to the Mayor and Council of New Castle:		
Ordinary	(224,452)	(221,784)
City services	(8,693)	(7,332)
Special	(163)	(1,460)
Other	(114)	-
Unrealized gain (loss)	21,027	(13,266)
TOTAL NONOPERATING EXPENSES	(195,527)	(230,372)
 CAPITAL CONTRIBUTIONS		
Private developer contributions	-	16,061
 CHANGE IN NET POSITION	85,488	113,231
 NET POSITION, BEGINNING OF YEAR	16,787,996	15,866,654
 NET POSITION, END OF YEAR	\$ 16,873,484	\$ 15,979,885

**MUNICIPAL SERVICES COMMISSION**  
**(A Component Unit of the City of New Castle)**  
**COMBINING SCHEDULES OF REVENUES AND EXPENSES BY DEPARTMENT**  
**FOR THE FOUR MONTHS ENDING JULY 31, 2019 AND 2018**

	Water Department		Electric Department		Total	
	2019	2018	2019	2018	2019	2018
<b>OPERATING REVENUES:</b>						
User charges	656,378	595,184	3,008,760	3,131,234	3,665,138	3,726,418
City service charges	6,380	6,380	15,620	16,272	22,000	22,652
Free service	2,278	1,435	13,484	14,542	15,762	15,977
Miscellaneous	3,217	10,041	6,978	7,520	10,195	17,561
<b>TOTAL OPERATING REVENUES</b>	<b>668,253</b>	<b>613,040</b>	<b>3,044,842</b>	<b>3,169,568</b>	<b>3,713,095</b>	<b>3,782,608</b>
LESS: Free service	(1,140)	(2,764)	(1,311)	(1,616)	(2,451)	(4,380)
<b>NET OPERATING REVENUES</b>	<b>667,113</b>	<b>610,276</b>	<b>3,043,531</b>	<b>3,167,952</b>	<b>3,710,644</b>	<b>3,778,228</b>
<b>PURCHASE OF POWER AND WATER</b>						
<b>PURCHASE OF POWER SUBSTATION</b>						
	(6,212)	(8,661)	(2,001,800)	(2,067,028)	(2,068,012)	(2,075,689)
			(211,548)	(211,548)	(211,548)	(211,548)
<b>OPERATING EXPENSES</b>	<b>(495,518)</b>	<b>(439,650)</b>	<b>(435,062)</b>	<b>(407,343)</b>	<b>(931,580)</b>	<b>(846,993)</b>
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>	<b>(146,296)</b>	<b>(119,355)</b>	<b>(237,706)</b>	<b>(197,101)</b>	<b>(384,002)</b>	<b>(316,456)</b>
<b>OPERATING INCOME</b>	<b>19,087</b>	<b>42,610</b>	<b>156,415</b>	<b>284,932</b>	<b>175,502</b>	<b>327,542</b>
Capitalized Labor	42,305	-	44,338	-	86,643	-
Capitalized Equipment	15,805	-	3,065	-	18,870	-
<b>OPERATING INCOME AFTER CAPITALIZED ITEMS</b>	<b>77,197</b>	<b>42,610</b>	<b>203,818</b>	<b>284,932</b>	<b>281,015</b>	<b>327,542</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>						
Investment income	2,121	1,887	12,757	13,234	14,878	15,121
Investment expense	(197)	(248)	(1,113)	(1,403)	(1,310)	(1,651)
Grant income	-	-	-	-	-	-
Grant expense	-	16,061	-	-	-	16,061
Private developer contributions	-	-	-	-	-	-
Realized Gain(Loss) on Sale of Investments	1,650	-	1,650	-	3,300	-
Realized Gain(Loss) on Sale of Assets	(34,953)	(31,748)	(189,499)	(190,036)	(224,452)	(221,784)
Appropriations to the Mayor and Council of New Castle	(8,693)	(7,332)	-	-	(8,693)	(7,332)
Ordinary	-	(1,460)	(163)	-	(163)	(1,460)
City services	(89)	-	(25)	-	(114)	-
Special	3,154	(1,990)	17,873	(11,276)	21,027	(13,266)
Other	-	-	-	-	-	-
Unrealized Gains/(Losses)	-	-	-	-	-	-
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>(37,007)</b>	<b>(24,830)</b>	<b>(158,520)</b>	<b>(189,481)</b>	<b>(195,527)</b>	<b>(214,311)</b>
<b>CHANGE IN NET POSITION</b>	<b>\$ 40,190</b>	<b>\$ 17,780</b>	<b>\$ 45,298</b>	<b>\$ 95,451</b>	<b>\$ 85,488</b>	<b>\$ 113,231</b>

**MUNICIPAL SERVICES COMMISSION**  
**(A Component Unit of the City of New Castle)**  
**COMBINING SCHEDULES OF OPERATING EXPENSES BY DEPARTMENT**  
**FOR THE FOUR MONTHS ENDING JULY 31, 2019 AND 2018**

	Water Department		Electric Department		Total	
	2019	2018	2019	2018	2019	2018
<b>OPERATING EXPENSES:</b>						
Clothing allowance	\$ 861	\$ 1,741	\$ 140	\$ 3,440	\$ 1,001	\$ 5,181
Computer expense	4,444	2,458	4,465	3,005	8,909	5,453
Depreciation:						
Plant and equipment	119,560	120,748	66,979	62,961	186,539	183,699
Trucks and autos	7,600	4,868	24,762	20,586	32,362	25,454
Employee benefits	42,061	41,781	49,119	47,402	91,180	89,183
Engineering fees	-	130	119	313	216	443
Equipment rental	97	19,191	15,742	15,479	35,292	34,670
Insurance	19,550	12,949	16,712	14,740	32,126	27,689
Payroll taxes	15,414	27,125	23,919	25,800	49,669	52,925
Pension expense	25,750	959	1,242	1,150	1,862	2,109
Plant materials and supplies	620	-	-	-	1,419	-
Professional Fees	1,067	-	362	516	3,098	1,807
Repairs and maintenance:						
Buildings and grounds	2,213	1,291	885	516	3,098	1,807
Hydrants, mains, and valves	759	4,050	-	4,903	756	4,050
Lines and poles	-	-	3,726	(979)	3,726	4,903
Meters and services	1,522	1,764	(2,651)	(979)	(1,129)	785
Pumping stations	5,792	5,947	-	958	5,792	5,947
Street lights	-	-	452	3,151	452	958
Substations	-	-	1,324	1,324	1,324	3,151
Storm Damage	-	-	179	-	179	-
System Maintenance	-	-	-	-	-	-
Salaries and wages	210,672	170,596	214,935	189,337	425,607	359,933
Safety expense	67	8	20	998	87	1,006
Sampling and testing	915	3,169	170	574	1,085	3,743
Security	-	-	290	(2)	290	(2)
Seminars/Training	299	-	86	158	385	158
Obsolete Inventory	-	-	-	-	-	-
Equipment < \$5000	7,325	6,154	6,470	3,318	13,795	9,472
Tools & Equip Supplies	4,869	5,698	3,993	6,683	8,852	12,381
Truck expense	9,209	9,023	2,632	2,862	11,841	11,885
Utilities	14,862	-	-	-	14,862	-
Water Treatment Supplies	-	-	-	-	-	-
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 495,518</b>	<b>\$ 439,650</b>	<b>\$ 436,062</b>	<b>\$ 407,343</b>	<b>\$ 931,580</b>	<b>\$ 846,993</b>

**MUNICIPAL SERVICES COMMISSION**  
(A Component Unit of the City of New Castle)  
**COMBINING SCHEDULES OF GENERAL AND ADMINISTRATIVE EXPENSES BY DEPARTMENT**  
**FOR THE FOUR MONTHS ENDING JULY 31, 2019 AND 2018**

	Water Department		Electric Department		Total	
	2019	2018	2019	2018	2019	2018
<b>GENERAL AND ADMINISTRATIVE EXPENSES:</b>						
Administrative	\$ 6,005	\$ 5,562	7,930	7,120	13,935	\$ 12,682
Bad debts	345	133	12,060	6,418	12,405	6,551
Clothing	-	497	-	607	-	1,104
Computer expense	5,861	5,329	7,164	6,513	13,025	11,842
Depreciation - furniture and fixtures	5,684	4,979	9,779	10,439	15,463	15,418
Dues and subscriptions	2,204	2,580	1,347	884	3,551	3,464
Employee benefits	13,059	10,583	19,253	16,417	32,312	27,000
Insurance	4,839	4,766	5,394	5,316	10,233	10,082
Key Accounts	42	-	51	-	93	-
Office salaries	72,143	53,998	121,130	96,238	193,273	150,236
Office supplies	5,305	5,871	8,147	8,282	13,452	14,153
Payroll taxes	5,269	4,290	8,933	7,527	14,202	11,817
Pension expense	7,985	7,187	15,220	14,674	23,205	21,861
Professional fees	11,261	5,869	13,607	7,241	24,868	13,110
Fees and Permits	-	158	-	192	-	350
Repairs and maintenance - equipment/building/grounds	1,989	2,030	2,431	2,481	4,420	4,511
Security system	756	833	923	1,018	1,679	1,851
Telephone	2,943	3,844	3,597	4,698	6,540	8,542
Training - administrative	229	422	280	517	509	939
Utilities and other expenses	377	424	460	519	837	943
<b>TOTAL GENERAL AND ADMINISTRATIVE EXPENSES</b>	<b>\$ 146,296</b>	<b>\$ 119,355</b>	<b>\$ 237,706</b>	<b>\$ 197,101</b>	<b>\$ 384,002</b>	<b>\$ 316,456</b>

**MUNICIPAL SERVICES COMMISSION**  
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Office: 302 323-2330 Utility Building: 302-323-2333 Fax: 302-323-2337

**ELECTRIC DEPARTMENT COMMISSION REPORT**

**August 21, 2019**

**Prepared by Scott Blomquist on August 14, 2019**

**1. Developer Projects:**

**a. Garrison Apartments:**

- I. SB Conrad contacted the Customer Service Department about getting electric meters installed. Manager French provided them with a list of existing accounts that are in arrears and made them aware that the MSC will need a cut in card for each service they intend to energize. When this is complete and the Customer Service Department creates service orders, meters will be installed.

**b. 108/110/112 Brylgon:**

- I. Electric meters were installed to both 108 and 110 Brylgon.

**2. Capital Projects:**

**a. Van Dyke Village:**

- I. The second block of Baldt is completed and the Electric Department has started installing conduit on 11<sup>th</sup> St.

**b. Wilmington Rd Substation:**

- I. Delaware Valley Fence and Iron started on Monday 8/12/19. They expect the installation to take 2 weeks as the site needs to remain secured throughout the project.
- II. Supervisor Granger is working on getting quotes to upgrade the cameras at both substation locations

**c. Utility Building Fire Alarm:**

- I. From an operational perspective this project is complete. Manager Guyer is working with Security Instruments and the Fire Marshal to get inspections completed.

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**ELECTRIC DEPARTMENT COMMISSION REPORT**

August 21, 2019

Prepared by Scott Blomquist on August 14, 2019

3. **Capital Purchases:**

a. **Dump Truck:**

- I. A purchase order has been issued for the new dump truck.

b. **Capacitors:**

- I. Manager Blomquist continues to monitor and make adjustments to settings in the auto banks to make them operate appropriately.

4. **Operations:**

a. **Outages :**

- I. There were 3 outages over the last month.
- ii. On July 22<sup>nd</sup> at 127 E 2<sup>nd</sup> St we had a tree branch come down on the primary. 91 customers were affected for 1 hour and 19 minutes.
- ii. On July 22<sup>nd</sup> at 121 Casimir we had a tree come down on the rear property aerial. 63 customers were affected for 2 hours and 10 minutes.
- iii. On August 5th at 22 Casimir we had a tree come down on the rear property aerial. 27 customers were affected for 1 hour and 36 customers were affected for 2 hours and 23 minutes.
- II. 08/01/2018 – 08/01/2019

SAIDI (minutes)	SAIFI (number of interruptions)	CAIDI (minutes)	ASAI (percent)
13.75	0.467	29.423	99.99

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SAIDI - is the average outage duration for each customer served.

SAIFI - is the average number of interruptions that a customer would experience.

CAIDI - gives the average outage duration that any given customer would experience.

ASAI - is the Average Service Availability Index.

**5. Repairs and Maintenance:**

**a. Wilmington Road Substation:**

- I. The Electric Department performed the monthly inspection at this location.
- II. Infrared inspections have been scheduled for this location

**b. Dobbinsville Substation:**

- I. The Electric Department performed the monthly inspection at this location.
- II. Infrared inspections have been scheduled for this location.

**6. Safety:**

- I. Daily tailgate sessions and safety meetings continue.

**7. Delaware Street Rehabilitation City:**

- I. Manager Guyer and Manager Blomquist attended the City's prebid meeting on August 6<sup>th</sup>. At this point the City hasn't decided the complete extent of the project and if Delaware St will be widened at The Strand.

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**ELECTRIC DEPARTMENT COMMISSION REPORT**

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**8. Third Street Parking Lot:**

- I. There is nothing to update for this project.

**9. Training:**

- I. Manager Blomquist is scheduled to attend the Customer Connections Conference in New Orleans October 27<sup>th</sup> -30<sup>th</sup>.
- II. A tour has been scheduled for October 10, 2019 with the City of Seaford so the MSC can review their AMI installation.

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## **Water Department Commission Meeting Report**

**August 21, 2019**

**Prepared By: Jay Guyer on August 14, 2019**

### **1. Projects**

#### **A. Riverbend Subdivision**

1. The water system in Riverbend was flushed on July 26<sup>th</sup> and August 7<sup>th</sup> to maintain the required 0.3 ppm of Chlorine Residual.

#### **B. Water Metering**

1. Meter reading was completed on August 12<sup>th</sup>. Water Operators followed up on water check reads and missed reads as needed.

#### **C. Cross Roads Well – Penn Farm**

1. WUM Guyer and WUS Jaeger completed the Allocation Permit Application and forwarded to GM Patone for review and comments. The completed Application was mailed to DNREC on August 2<sup>nd</sup>. The permit application was advertised in the News Journal on Sunday, August 11<sup>th</sup> with the allocations quantities as requested.

#### **D. The Garrison Apartment Complex – 7<sup>th</sup> Street**

1. MSC was contacted by the plumber who completed flushing the services in Building 600. MSC collected 12 representative samples for bacteria testing. All samples had negative results. No additional meters will be installed until all outstanding bills are current. The domestic leak in the pump house was repaired and the water loss estimated so a bill can be prepared for the incident.

#### **E. Delaware Street Cleaning and Lining - 3<sup>rd</sup> to 6<sup>th</sup> Street**

1. WUM Guyer and WUS Jaeger have had several meetings with J Fletcher Cramer (JFC) and Brandywine Construction Company, Inc. (BCCI) to discuss the Delaware Street project. Two (2) invoices have been received from JFC, reviewed and approved for payment. Three (3) Invoices have been received from BCCI, one for each intersection and are being reviewed. The schedule has been updated weekly and communicated as necessary throughout the project via notices and the automated phone system.
2. JFC crews mobilized on July 15<sup>th</sup>, started the cleaning and lining process at 6<sup>th</sup> and Delaware Street and completed on it Monday, July 22<sup>nd</sup>. MSC Operators completed all 12" main reconnections, filled, flushed, and collected samples for bacteria testing.

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Duplicate samples tested negative for bacteria. MSC Operators and Linemen completed the roadway restoration with 4" to 6" of blacktop and all intersections were cleaned up. The newly cleaned and lines mains were flushed and put back in service. JFC mobilized on Monday, August 12<sup>th</sup> and working with MSC started transferring customers off the temporary services. 5 services were found to have been blocked by the lining process and were cleared by JFC's crew at no additional cost to MSC. All temporary services and mains have been removed and final roadway restoration will be completed the week of August 19<sup>th</sup>. MSC Operators reviewed plans and checked all valves that were operated as part of this project to ensure they are open. WUM Guyer will contact Del DOT in reference to final restoration of the 6<sup>th</sup> and Delaware Street intersection.

3. Parts for the broken 8" Valve at 5<sup>th</sup> and Harmony Street have been ordered from Mueller Company. The repair will be scheduled when they are received.

### **F. Utility Building Security System Upgrade**

1. Security Instruments (SI) completed installation and testing of the security and fire systems for the Utility Building and Garage. MSC's system was separated from the City Police system. SI completed the final inspection with City Building Official / Fire Marshal Jeff Bergstrom who signed off on the system. KNOX Boxes will be purchased and mounted for the Fire Department to have access to the facility should there be an alarm and a building address placed on the front of the building for identification.

### **G. Delmarva Power Gas Main Installation**

1. Brandywine Construction Company, Inc. (BCCI) continues installation of the Delmarva Power gas main along RT-273 on the west side of Traders Lane. WUM Guyer and WUS Jaeger are monitoring the installation to ensure no issues are created between the new gas main installation and MSC Water infrastructure.

### **H. 108, 110, and 112 Brylgon Avenue – 3 New Homes**

1. Marty's Contracting continues construction of the new homes on Brylgon Avenue. The water services for 108 and 110 were installed, inspected and found to be in compliance with MSC Standards. The plumber will install the setter and check valve in each house and schedule the water meter installation. A sample will be collected for bacteria testing when the system is flushed.

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## **Water Department Commission Meeting Report**

**August 21, 2019**

**Prepared By: Jay Guyer on August 14, 2019**

### **I. 1003 Wilmington Road – New Home**

1. The water service was inspected from the curb stop into the house and found to be in compliance with MSC Standards. The plumber will install the setter and check valve and schedule the water meter installation.

### **J. West 3<sup>rd</sup> Street Parking Lot Proposal**

1. WUM Guyer has nothing to update on this project.

### **K. Del DOT – SR 9 / SR 273 Delaware Street Railroad Crossing Safety Improvements**

1. WUM Guyer has nothing to update on this project From Del DOT and Century engineering.

### **L. Delaware Street Repaving – City Project**

1. WUM Guyer and EUM Blomquist attended the pre bid meeting on August 6<sup>th</sup> at Town Hall. City Engineer Dave Athey presented and discussed the project with the contractors in attendance. Per Mr. Athey the final scope of work may still change with certain components being eliminated due to cost which will affect the phasing/timing of the project. It anticipated that City Council will review and vote on the final scope of work at the September Council meeting.

### **M. Interconnection Room Re-piping**

1. WUM Guyer received the “Certificate to Construct” from the Office of Drinking Water, Office of Engineering for the project. The work will be scheduled when the Delaware Street Cleaning and Lining Project is completed and will be coordinated with Artesian Water Company.

### **N. 9<sup>th</sup> and Young Street – 6 New Townhomes by Cirillo Brothers**

1. Cirillo Brother’s started construction on 6 new townhomes on 9<sup>th</sup> Street between Young and School Streets. The six water services for the properties were installed in 2017.

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## **Water Department Commission Meeting Report**

**August 21, 2019**

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### **2. Operations**

#### **A. Outages and Reporting**

1. There were 4 planned and no unplanned water outages for the month of July 2019.
2. WUM Guyer is working on drafting an agreement for the University of Delaware graduate student to sign who was planning a research project involving PFAS compounds. The agreement will outline the details of MSC providing a sample of MSC untreated water.
3. MSC completed our triennial Lead and Copper Monitoring during the month of June. WUM Guyer completed the Certification forms and forwarded them, a copy of the Customer Letters, and the results to the Office of Drinking Water (ODW) for compliance. WUM Guyer received written confirmation from ODW acknowledging receipt of the documents. Under the triennial rule, MSC's next round of Lead and Copper sampling will be in the summer of 2022.
4. WUM Guyer and GM Patone drafted and sent a letter to Delaware Department of Natural Resources and Environmental Control (DNREC) Secretary Shawn Garvin stating MSC's concerns in reference to the permit filed by Waste Management's Delaware Recyclable Management, Inc. facility located in Minquadales to raise the height of the landfill from 130 feet to 190 feet. Copies of the letter were also delivered to City Council and Mayor as well as the County Executive and our local County Council representatives. GM Patone received acknowledgement of receipt from County Executive Matt Meyer's Office and was also made aware of a proposed County Ordinance 19-046 which will limit the height of landfills to 140 feet. It is expected to be voted on at their August 27<sup>th</sup> Council Meeting. WUM Guyer is drafting letters to DNREC Water Supply Section and ODW outlining our concerns of possible contamination to the Potomac Aquifer regardless of whether the permit is approved to raise the height limit of the land fill or not.
5. PFAS Sampling at School Lane Treatment Facility – MSC completed PFAS sampling at our treatment facility in July. The results indicated the carbon in Vessel #1 is completely consumed and will need to be scheduled for a change out. The results for the water at the point of entry into our system were non-detect. WUM Guyer will start scheduling an exchange for Vessel #1 and plan to fill it with 40,000 pounds of carbon to be consistent with Vessel # 2. The carbon in Vessel #1 was last changed in October 2017. Water flowed through the Vessel over the last 22 months totaled 273MM gallons.

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6. PFAS Sampling in Distribution System – MSC collected water samples from the City Administration Building at 220 Delaware Street and MSC Utility Building at 100 Municipal Boulevard for PFAS testing. Both samples had results of non-detect.
7. GM Patone, EUM Blomquist, and WUM Guyer conducted a tour of MSC Water and Electric Facilities for Key Accounts representatives from Nixon Medical and TA Instruments. The tour was well received by the representatives and was good opportunity for them to better understand our operations as well as for MSC to understand their operations and needs.

### **B. System Repairs and Maintenance**

1. School Lane Well Pump Motor – AC Schultes has completed rebuilding the 20HP motor and is tentatively scheduled to install it the week of August 19<sup>th</sup>. WUM Guyer contacted our motor and controls technician from United Electric for an inspection of the SL Well motor soft start. The technician adjusted several internal settings on the unit and found the cooling fan had stopped working. The new fan is ordered and will be installed when received. This unplanned failure will result in an overage in the O & M budget for this expense code.

### **C. Budgets and Grants**

1. Water Infrastructure Advisory Council (WIAC) Grants – The Asset Management Program project Kickoff meeting on July 30<sup>th</sup> with Bruce Jones, P.E. of RKK Engineering and his team went well. The Scope of Work was reviewed and estimated completion dates are being revised for final review and acceptance by MSC. Mr. Jones of RKK Engineering drafted a proposal for services and forwarded to WUM Guyer for review. The next meeting is to be determined.

### **D. Equipment**

1. WUM Guyer and EUM Blomquist reviewed the revised specs for the new T-9 Dump Truck and issued a PO for the purchase. Per our sales representative, the estimated delivery date is early December.
2. The meter reading Van T-3 is starting to experience mechanical issues. It is a 2003 Chevrolet Astro Van with 60,843 miles. WUM Guyer and EUM Blomquist will discuss options for replacing it.

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## **Water Department Commission Meeting Report**

**August 21, 2019**

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### **E. Personnel and Training**

1. No personnel issues to report.
2. WUM Guyer has registered to attend the Customer Connections Conference in New Orleans starting on October 27<sup>th</sup> through 30<sup>th</sup>.
3. GM Patone is scheduling a meeting with the City of Seaford for MSC representatives to meet and discuss their experience with their AMP AMI Meter system.

### **F. Safety**

1. MSC Water Operators and Facility Person hold daily morning tailgate talks discussing jobs/tasks to be performed that day, potential issues or hazards to be considered, and safety concerns.
2. MSC Water Operators and Facility Person continue with Safety Training utilizing the 2019 AWWA 52 Safety Talks Manual, AWWA Support videos, and other supplemental materials.

### **3. Reporting Agencies**

#### **A. WSCC - Water Supply Coordinating Council**

1. Scheduling of the next WSCC sub-committee meeting to evaluate the Northern Delaware Drought Operating Guidelines is pending.
2. The next WSCC meeting is scheduled for September 28, 2019.

#### **B. WRA – Water Resource Agency**

1. WUM Guyer is sending weekly pump data to Jerry Kauffman of University of Delaware Water Resource Agency (WRA).

#### **C. DEWARN – Delaware Water/Wastewater Agency Response Network**

1. The next DEWARN meeting is scheduled for September 26, 2019.

# **MUNICIPAL SERVICES COMMISSION**

CITY OF NEW CASTLE, DELAWARE 19720-0208

P.O. BOX 208

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## **Water Department Commission Meeting Report**

**August 21, 2019**

**Prepared By: Jay Guyer on August 14, 2019**

### **D. Water Operator Advisory Council Meeting**

1. The next meeting is scheduled for September 5, 2019.

### **E. Miss Utility of Delmarva Monthly Meeting**

1. The next meeting is scheduled for August 15, 2019 at Smyrna Public Works.

### **End of Report**

**Attachments:** July 2019 Water Works Report  
July 2019 Water Outage Tracking Sheet