

Municipal Services Commission Monthly Meeting
May 19, 2022, 8:30 a.m.
216 Chestnut Street New Castle, Delaware

The meeting was called to order at 8:30 a.m. with Dr. Roy Sippel, Commissioner, presiding.

Present: Dr. Roy J. Sippel, Commissioner, President
Daniel F. Knox, Commissioner
Mayor Michael J. Quaranta
Scott L. Blomquist, Secretary

Staff in Attendance: Kendrick Natale, Comptroller
Artie Granger, Manager, Electric Utility
Ryan Jaeger, Supervisor, Water Utility

Also in Attendance: Joseph F Bonasera, President, Hub International
Trish Gildea, Senior Financial Officer, Hub International
Jason Denton, Senior Consulting Actuary, Hub International

Mr. Blomquist convened the meeting at 8:30 a.m. Roll call followed and a quorum to conduct business was declared.

Minutes

A motion was made by Mayor Quaranta to approve the Minutes of the April 21, 2022, regular session as presented. The Motion was seconded by Commissioner Knox and unanimously passed.

A motion was made by Commissioner Knox to approve the Minutes of the April 21, 2022, executive session. The Motion was seconded by Mayor Quaranta and unanimously passed.

Treasurer & Human Resources Report – Mr. Natale reporting

(See attached report)

Mr. Natale reported the following as of April 30, 2022:

- Cash on hand: \$3.1M
- Investment Portfolio: \$1.2M – which was a net loss of \$30,000 from prior month, or -2.5%.
- There were 129 days of unrestricted cash on hand, which is up 10 days from prior month.
- Check Register Disbursements – Mr. Natale explained several items:
 - \$71,000 was paid to Southern Corrosion for tank maintenance.
 - \$8,000 was paid to CBM Insurance Agency LLC.
 - \$11,700 was paid to KDI Office Technology for a new copier.
- Billing & Customer Service – There were no disbursements to customers from New Castle Cares; however, seven customers received assistance from other agencies.
- There is a vacancy in the Electric Department for a Lineman. Forty-one applications have been received. The position closes on May 27th.

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- Barcane Thornton & Company will be on site the week of May 23rd to work on the fiscal year audit. MSC will be issuing an Annual Comprehensive Financial Report.
- Messrs. Blomquist and Natale met with JPMorgan Chase on May 17th to discuss their purchasing card program, which will help streamline the accounts payable process and decrease the potential for bank fraud, while providing the opportunity for rebates.
- An RFP was issued for the water portion of the AMI project and was reviewed by the Office of Drinking Water to ensure it complies with requirements of the State Revolving Loan Fund. A mandatory pre-bid meeting will be held on May 19th. Only one vendor asked to be included in that meeting. Mr. Blomquist stated that bids are due by June 9th, and MSC would like to award the contract the following week.
- The net impact of the River Bend project on MSC's revenues after costs will be \$105,000 for Water and \$110,000 for Electric per year. Mr. Natale provided additional details on this project in response to a question from Mayor Quaranta.
- Mr. Natale reported on significant impacts to MSC's budget due to inflation:
 - Structural improvements to the water towers increased by approximately \$22,000.
 - \$92,000 had been budgeted to replace a water department truck; however that cost increased to \$135,000 and the manufacturers are only taking orders for 2023 model years with no pricing available. Due to the price increase, the decision was made to replace an electric department vehicle that was scheduled for the next fiscal year but can be purchased this year for the \$92,000 budgeted for the water truck.
 - MSC expects to spend an extra \$16,000 during FY 2023 for fuel costs above what was budgeted.
 - Material costs for the Van Dyke undergrounding project have increased. The electric department anticipated coming in under budget; however it appears the will come in right around the total approved budget of \$886,000.
 - Electric supply costs from DEMEC are up 7% from last year, and DEMEC is considering another rate hike of 5% or more in June. This would require the Commission to consider a mid-year rate increase or using the "Power Cost Adjustment" charge to offset the increase.
 - Federal Reserve action on interest rates has put downward pressure on the value of the Commission's investment portfolio; however, rising interest rates on US Treasuries presents an opportunity to invest some idle cash in highly safe and liquid Treasury Bills.

Electric Department

Electric user charges are unfavorable FY to date by \$8,000 despite the fact that kWh increased over last year.

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Electric expenses have an unfavorable variance of \$40,000, relating to timing difference.

Water Department

Water user charges are favorable FY to date by \$5,500. Consumption for the month was up 6.75% from last year, and overall, consumption was up 800,000 gallons over last year. Residential consumption was down approximately 450,000 gallons; however, commercial consumption increased by 1.2M gallons.

Water expenses have an unfavorable variance of \$74,000. It is expected the variance will be reduced/eliminated as the year progresses.

Presentation from Hub International

Messrs. Joseph Bonasera and Jason Denton and Ms. Trisha Gildea of Hub International presented their Investment Review of the MSC Pension Plan.

Mr. Bonasera noted that a few minor tweaks to the plan were made which they believe will be beneficial going forward. He explained that the Plan was frozen on April 1, 2016, and new hires after that date are not included in the Plan. Mr. Bonasera also explained the features of the Plan.

Mr. Denton presented the Plan Actuarial Review. He noted that the Plan is currently 84.4% funded; adding that the goal is to be 100% funded, but anything above 80% is considered to be very healthy. He explained the Summary of Key Results, the Key Valuation Measurements, the Reconciliation of Plan Assets at year end March 31, 2022, and the Development of Actuarial Value of Assets.

Mr. Bonasera reviewed the 2021 Pension Plan Investment Recommendations:

May 2021

- Rebalance to IPS: 65%/35%.
- Neutral weight in large cap.
- Shift 3% allocation from AMCAP to Large Value Index.
- Result: 13% LV; 125 LG; S&P overweight LG.

October 2021

- Rebalance to IPS: 65%/35%.
- Shift 1% from Vanguard Large Growth Index to Vanguard Large Value Index.
- Add 5% to Treasury Inflation Protected Securities.
- Reduce to 0% Vanguard Bond Index and Western Asset Management.

Mr. Bonasera then reviewed the proposed investment policy changes for 2022-2023:

- With interest rates in the market having increased in advance of expected Federal increases it is proposed that exposure to Western Asset Management and Vanguard Total Bond Market Index be increased from 0% to 5% each.
- Reduce PIMCO Real Return from 5% to 0%.
- Reduce Guaranteed Fund by 5% to 20%.
- Increase Commodity exposure from 0% to 2%.

Mr. Bonasera reviewed the Plan performance as of December 31, 2021, vs March 31, 2022.

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Ms. Gildea presented the Bond portfolio review and recommendations for 2022-2023:

Recommendations:

- Stay with the current mix while the markets recover.
- At that point, consider decreasing Prudential Total Return in favor of more investment grade bonds, potentially with longer duration.

Mr. Bonasera will submit the proposed recommendations in writing for consideration at the June Commission meeting.

Electric Department Report – Mr. Granger reporting
(See attached report)

Developer Projects

- Riverbend Subdivision – MSC has been in contact with Gemcraft Homes to establish escrow/deposit amounts for electric services. A proposed project plan has been received in order to plan long lead time for material purchases.

Capital Projects

- Van Dyke Village – MSC continues to monitor material costs as they continue to escalate. Two manholes have been installed. Comcast dropped off material on May 18th.
- System Undergrounding – MSC will be reaching out to Baker Tilly to see if they had anything to report on MSC's Notices of Intent for grant funding.

Capital Purchases

- Utility Building – MSC received plans from Graber and has submitted them to the City for review. MSC is working with McBride & Zeigler for a lines and grades permit.
- MSC Replacement Radios – Delmarva communications has ordered the equipment.
- T-10 Truck Replacement – The water department was planning to replace a truck this year for \$92,000; however, due to extremely long lead times and pricing increases, that purchase has been put on hold for this year. The electric department's purchase of a T-10 truck scheduled for next year has been moved to this year. A truck was located and the body is being installed and painted for the budgeted price.

Operations

- Outages – There were two outages this month: One was caused by a squirrel on the bus structure in Dobbinsville. All load from the Dobbinsville Substation was off for about 15 minutes. The second was due to work being performed behind 100 Municipal Boulevard and four customers were affected for about 45 minutes.

Repairs and Maintenance

- Wilmington Road Substation – MSC received pricing on the parts. A Purchase Order is being generated for replacement parts.

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- SF-6 Gas Levels – MSC continues to monitor the SF-6 gas levels as recommended. No problems have been detected.

Personnel

- Mr. Granger reported that Mark Davis left MSC for a position with AUI Power. MSC will review all applications and it is hoped the position will be filled quickly.

In response to a question from Mr. Phil Gross, it was explained that the Pole Barn will be used for equipment storage at 100 Municipal Boulevard.

Water Department Report – Mr. Jaeger reporting

(See attached report)

Developer Projects

- Riverbend Subdivision – Mr. Guyer is following up on Water and Electric Crossing Agreements and Plans with Rail Pros and Civil Engineering Associates. Jeff Riley of Freedom Development is working to schedule a Pre-Construction meeting with the contractor for the water main and service installation. The approved water service materials list was given to Christiana Excavating. A pre-construction meeting is required to review requirements and funding.
- Sheriffs House Renovation – Market Street – MSc had a pre-construction meeting with Reilly Construction. They will tie in the 2" Domestic and 4" Fire services. The plans are being reviewed by the Fire Protection Engineer to possibly add a fire pump.

MSC Projects

- Advanced Metering Infrastructure – American Municipal Power (AMP) – MSC drafted and advertised a Request for Proposal (RFP) for the Water system portion of the AMI Metering upgrade. A mandatory pre-bid meeting is scheduled for May 19th at 1:00 p.m. Bids are due on June 9th at 1:00 p.m.
- Cross Connection Control Program – Hydro Corp's Proposal – A letter introducing HydroCorp was drafted and will be sent to 96 customers that have testable backflow devices. HydroCorp will then send annual device testing and compliance notices. Mr. Guyer will follow up with HydroCorp on their recommended revisions to the Cross Connection Control Manual.
- PFAS Sampling – Carbon Filtration System – PFAS sampling was completed on April 11th. The lab experienced an equipment issue that has since been resolved and results will be available shortly. This non-compliance sampling will be used as a base line to gauge the effectiveness of the new 40,000 lbs. of carbon at removing PFAS contamination and determine PFAS levels in the Lead Vessel.
- Penn Farm House Renovation – Trustees – Operators separated the Hoop House, Farm House and Milk House/Barn water services. The pressure pump for the Farm House has been ordered with an 8-10 week lead time on delivery. The Trust will pay for materials.

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- Hermitage Park – 9th Street - The cost to provide water service to the Hermitage Park for utility purposes was submitted to the Trustees. The option to extend the existing water service from the old house is feasible and a cost estimate was submitted to the Trustees for review.

Reporting

- Pre-Apprenticeship Water Operators Course – The last class at William Penn High School was Monday, May 9th and included an engineering presentation from Pennoni Associates. The students enjoyed the program and particularly liked the hands-on activities. MSC will meet with DRWA and Colonial School District to discuss improvements to the program for next year.
- EPA / ARPA Funds and SRF Loans / Grants – Seven Notices of Intent for water projects were submitted on April 25th for a total value of \$6,461,000, and confirmation of receipt was received from DWSRF.
- ATSDR PFAS Exposure Assessment Results – MSC has not received any calls/communications from customers following the release of the ATSDR Exposure Assessment. ATSDR is moving forward with environmental sampling for PFAS for residents who live near the New Castle Air National Guard Base. ATSDR installed air samplers at the Basin Road Well Site on May 10th and will contact MSC for periodic access during the test process to confirm operation of the units and for removal when testing is complete.

System Repairs and Maintenance

- Riverbend Subdivision – Riverbend was flushed on April 11th and 27th to maintain chlorine residual.
- Monthly Meter Reading – 116 door hangers were distributed to houses where the water meter is no longer sending a radio read advising customers that a visual read must be taken by the customer and called into the office, or an appointment for an operator to read the meter must be made.
- Tank Maintenance - \$110,000 was budgeted for painting; however, structural improvements are required before painting can begin. The additional cost of repairs is \$19,000. Mr. Guyer delayed some other projects in order to cover the additional cost of repairs within budget. Approval is being requested for the movement of funds to move forward with this project.

Grants and State Revolving Funds

- Water Infrastructure Advisory Council (WIAC) Grants – Messrs. Jaeger and Guyer updated the Condition & Criticality Rating Criteria for Horizontal Assets and forwarded it to RK&K. It will be added to the GIS model.

Capital and Operation & Maintenance Budgets

- Utility Truck 8 With Small Utility Crane – Mr. Guyer explored alternative truck manufacturers for the purchase of a new Utility Truck 8 with small utility crane. Dodge provided a quote for a chassis and crane body of \$138,000. Mr. Guyer recommends delaying purchase of the truck for one year and purchasing the next Utility Body Truck due for replacement, which is Electric Utility Truck 10.

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Personnel and Training

- Table Top Exercise – Mr. Guyer and water operators participated in an 8-hour US EPA Region 3 Operational Readiness Table Top Exercise with other water utilities from Delaware on May 3rd based on a Category I Hurricane making landfall in Delaware. The exercise went well and MSC operators demonstrated a high level of competence in responding to the events presented. MSC's Emergency Response Plan provided guidance on how to address these events. Participants will follow up with lessons learned and planned improvements for their system.

Local, State and Federal Agencies

- WSCC – Water Supply Coordinating Council – The WSCC met on May 11th and overall, the providers are well positioned heading into the summer months. The next meeting is scheduled for July 27th.

Water Operator Advisory Council

- Water Operator License Applications were reviewed and approved/denied based on the regulations. New training courses were reviewed and approved. Potential issues with contract operators and PFOA/PFOS training being developed by ODW were discussed. The next meeting is scheduled for July 7th.

Miscellaneous

- Tank Maintenance – Mr. Blomquist asked if a Motion was required to approve moving funds for the increase in the cost of tank maintenance and painting.

A motion was made by Commissioner Knox to approve budget recommendations made. Mayor Quaranta seconded the motion and it passed unanimously.

- Door Hangers – It was explained that 116 door hangers included the 79 residences reported at the April meeting. Customers have been responsive to the request to submit meter readings. During discussion it was noted that 42 ERTs are on order with delivery expected in July.
- PFAS Testing – Mayor Quaranta asked if testing for PFAS was ongoing or if the test would conclude at some point. Mr. Jaeger explained the various testing that is done for PFAS. First there is testing for Compliance, as required by the State Office of Drinking Water. Second, there is testing the MSC does to monitor the carbon consumption in the vessels, and lastly, there is testing on the Calgon Carbon Pilot Study. Mr. Jaeger noted that the Pilot Study Testing will have conclusion, but a date has not been determined. MSC will request a summary of the Pilot Study results from Calgon. As part of the NOI to get funding for the additional Filtration System, the results of the Pilot Study were used to reinforce the proposed design of the filtration system that would offer the greatest potential for producing water with the lowest possible PFAS concentrations.

Public Comment

Mr. Phil Gross

Mr. Gross asked if PFAS was a contaminant in the water. Mr. Jaeger explained PFAS and noted that MSC has filtering systems to remove it before it goes out of the system.

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In response to a question from Mr. Gross, Mr. Jaeger stated that customers were being responsive to the door hangers. The reason for failures and the new AMI system were explained as well.

Relative to Penn Farm, Mr. Gross asked if it was normal to request separate meters for outbuildings. It was explained that it was not uncommon, and that one structure at Penn Farm is maintained by the farmer, which prompted the request for separate meters. Mr. Gross asked if the Trust would also pay for labor. Mr. Blomquist explained that MSC would donate the labor and explained the agreement MSC has with the City and the Trustees. Mr. Natale explained that the labor cost would be listed as a special appropriation to the City.

Mayor Michael J. Quaranta

Mayor Quaranta noted that MSC has been working with Hub International for approximately 30 years and asked if MSC had ever done a comparison of services and costs, opining that professional services should be reviewed regularly. During discussion Mr. Natale said he could make some casual inquiries.

Managers were thanked and excused from the meeting.

Secretary's Report – Mr. Blomquist reporting

DEMEC – Mr. Blomquist reported on the April, 2022, regular DEMEC meeting.

Mr. Blomquist noted that there were two separate meetings: a Special Executive Session and a Regular Meeting.

Laurel Hill Wind Farm – Staff had requested that the board approve staff completing the application for capacity charges for the Laurel Hill Wind Farm. The cost of the application is \$150,000, and projected yearly revenue is \$300,000. The application process is expected to take two years to complete. The board approved the request.

AMI – Only one contractor has responded to the advertisement, and that was AMP. The contract will be awarded after the June 9th meeting.

Pre-Apprenticeship Water Operators Course – At the direction of the Commissioners Mr. Blomquist reached out to the Department of Education regarding the William Penn High School program. It was suggested by the DOE that Mr. Blomquist work directly with the High Schools, and he was provided with the contact information of nine schools. Mr. Blomquist met with five schools, and a Representative from Smyrna High School came for a tour with eight students. Mr. Blomquist felt the tour went very well. Mr. Blomquist expressed concern about the time commitment if several schools all want to participate in the program. One school was interested in sending their teachers to MSC with a view to incorporating water studies into their curriculum. During discussion it was noted that Hodgson Vo-Tech has an ACE Program (Architecture, Construction and Engineering) and might be interested in including the program in their curriculum.

A motion to move to Executive Session was made by Mayor Quaranta and seconded by Mr. Knox. The motion was unanimously approved and the meeting moved to Executive Session at 10:35 a.m.

Commissioners returned to general session at 11:09 a.m.

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Special Meeting

The Commissioners set the date and time for the Special Meeting for June 10th at 8:00 a.m. to award the Water AMI Contract.

Next Regular Meeting

The Commissioners set the next monthly Board meeting to be Thursday, June 23, 2022, at 8:00 a.m.

Adjournment

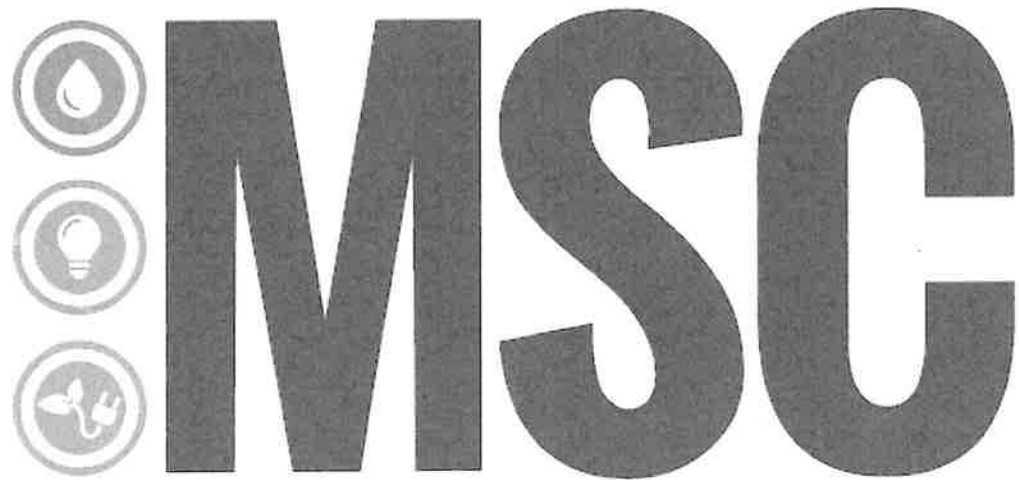
A motion was made and seconded to adjourn the meeting. The motion received unanimous approval and the meeting was adjourned at 11:14 a.m.



Kathleen R. Weirich, Stenographer

Approved: 
(Minutes transcribed from notes.)

Comptroller/Treasurer's Report



**Municipal Services Commission
of the City of New Castle**

May 19, 2022 Commission Meeting
Prepared By: Ken Natale on May 12, 2022

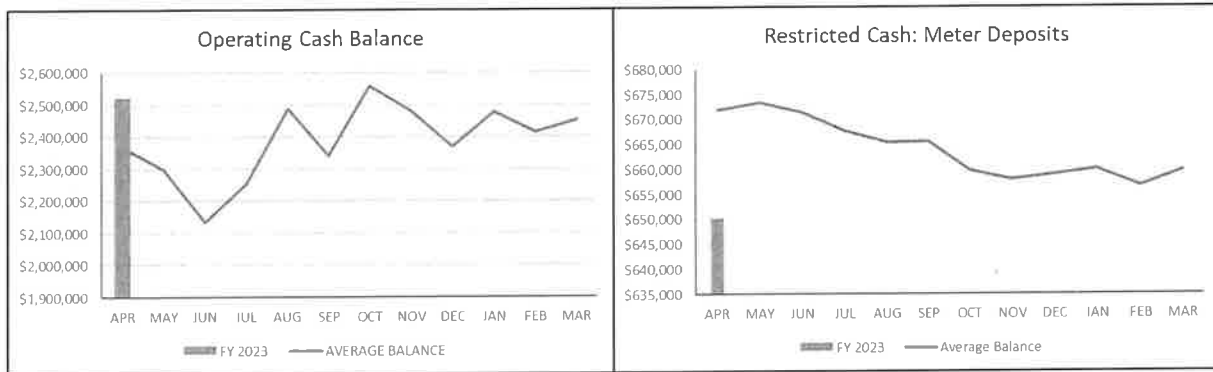
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Cash & Investments

As of April 30, 2022 the cash balances were:

PNC Checking Account:	\$ 119,421
M&T Bank Checking:	\$ 2,401,536
M&T Bank MMA:	\$ 650,082
Petty Cash/Change Fund:	\$ 900
Total Cash on Hand:	\$ 3,171,939



A condensed cash flow summary for April is provided below for the operating account:

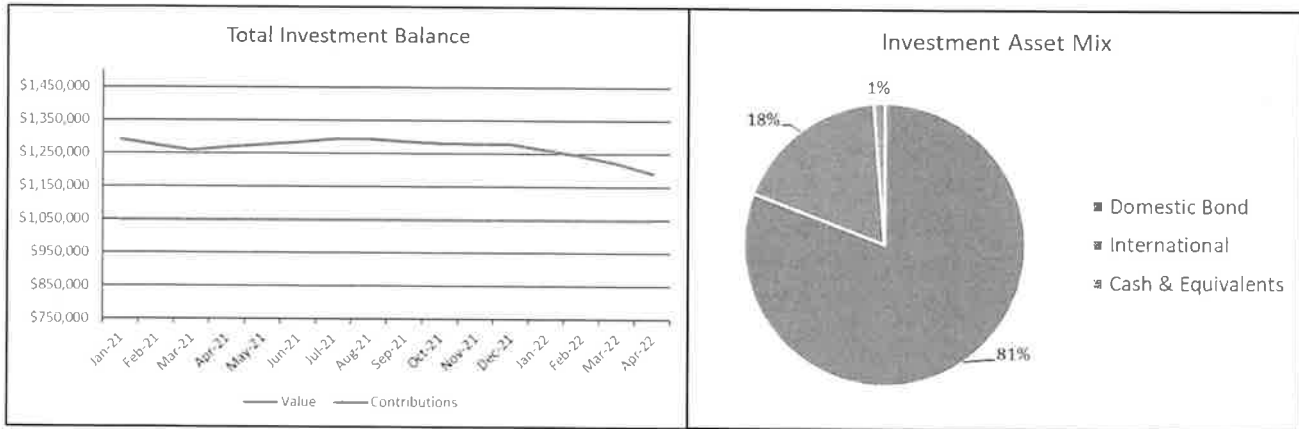
Beginning Balance	\$ 2,213,492
Cash from customers	1,272,224
Refunds to customers - deposits	(2,479)
Payments to suppliers for goods & services*	(822,264)
Bank service fees	(1,604)
Payments to employees for services	(138,412)
Net Cash Provided(Used)	<u>307,465</u>
Ending Cash Balance	<u>\$ 2,520,957</u>

*A detailed check register for the month is available on pages 3-4 of this report.

As of April 30, 2022 the value of the Commission's investment portfolio totaled \$1,191,161 which is a net loss of \$30,390 (-2.5%) from the prior month.

There was 129 days unrestricted cash on hand at April 30 (+10 day from prior month) when including the value of the Commission's investment portfolio which is held in liquid assets (mutual and exchange traded funds).

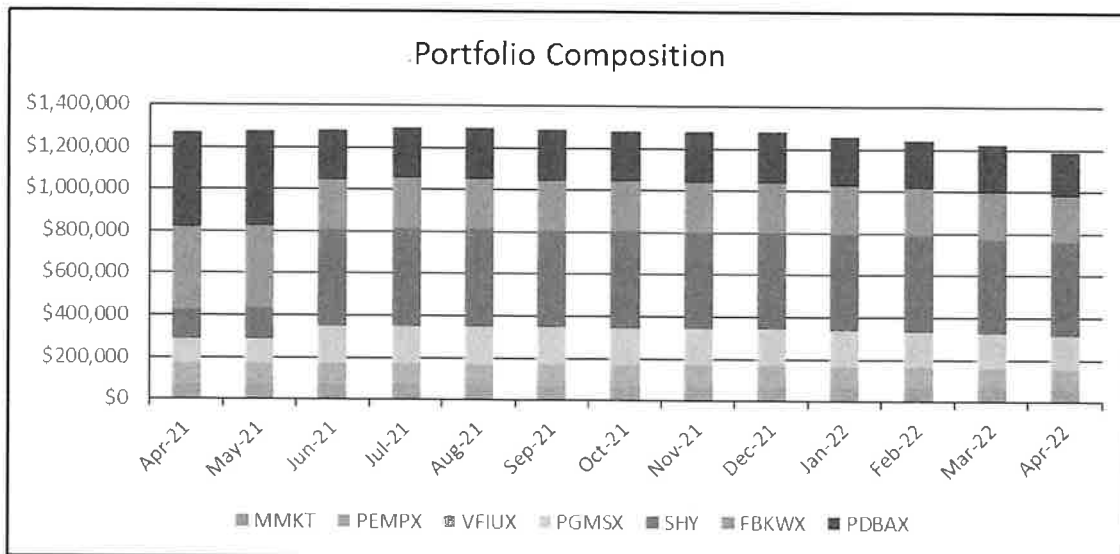
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The “domestic bond” category in the *Investment Asset Mix* chart above, includes US Government instruments and corporate bonds of US based organizations. The “international” category includes debt instruments of foreign governments as well as corporate bonds issued by foreign corporations.

The Commission’s investment portfolio was invested in the following securities:

Holdings	Symbol	Market Value	Est. Yield
Money Markets			
Cash JP Morgan Chase Bank NA – Insured		\$ 12,418	0.01%
Mutual Funds			
Fidelity Advisor Total Bond CL Z	FBKWX	216,992	2.47%
PGIM Total Return Bond CL A	PDBAX	212,314	2.90%
PIMCO Emerging Markets Bond I2	PEMPX	50,092	4.64%
T Rowe Price Global Multi Sector Bond I	PGMSX	163,643	3.33%
Vanguard Intermediate Term Treasury	VFIUX	92,568	2.33%
Exchange Traded Funds			
iShares Trust 1-3 Year Treasury Bond EFT	SHY	443,134	0.23%
Total		1,191,161	



CHECK REGISTER - APRIL 2022

Number	Date	Vendor Name	Amount
200099	04/18/2022	Associated Truck Parts	\$ 12.75
200100	04/18/2022	Assurance Media	1,382.50
200101	04/18/2022	B Safe, Inc	194.49
200102	04/18/2022	Badger Meter Inc	5,907.72
200103	04/18/2022	CBM Insurance Agency LLC	8,815.00
200104	04/18/2022	Collins Ent Inc. (Parts Plus)	50.55
200105	04/18/2022	Comcast Business	53.96
200106	04/18/2022	Council 81	440.00
200107	04/18/2022	Coyne Chemical Co	1,643.00
200108	04/18/2022	Delaware Insurance Department	350.00
200109	04/18/2022	Delaware Solid Waste Authority	1,755.95
200110	04/18/2022	Delmarva Power	285.44
200111	04/18/2022	Exxon Mobil Fleet/GECC/Wex Bank	2,011.46
200112	04/18/2022	Grainger	25.66
200113	04/18/2022	Keen Compressed Gas Co	118.88
200114	04/18/2022	MARKATOS SERVICES	245.00
200115	04/18/2022	New Horizon Communications Corp	484.89
200116	04/18/2022	One Call Concepts Inc	54.52
200117	04/18/2022	Pitney Bowes	467.70
200118	04/18/2022	Rummel Klepper and Kahl LLP	7,780.20
200119	04/18/2022	SFS Tools and Safety LLC	170.00
200120	04/18/2022	Southern Corrosion Inc	71,331.00
200121	04/18/2022	Summit Financial Corp.	8,000.00
200122	04/18/2022	The HR Specialist	199.00
200123	04/18/2022	Trans Union LLC	372.69
200124	04/18/2022	TRI Supply & Equipment	94.18
200125	04/18/2022	Tyler Technologies Inc.	4,770.40
200126	04/18/2022	United Electric Supply Co	339.66
200127	04/18/2022	Verizon	168.99
200128	04/18/2022	Verizon	118.00
200129	04/18/2022	Verizon Wireless	559.74
200130	04/18/2022	W. B. MASON CO INC	305.34
200144	04/27/2022	Anixter	1,156.59
200145	04/27/2022	Aquaflow Pump & Supply Co., Inc.	31.46
200146	04/27/2022	ASI COBRA	892.57
200147	04/27/2022	Assurance Media	105.00
200148	04/27/2022	Capitol Office Inc.	6,587.10
200149	04/27/2022	Consult Dynamics, Inc./DCA Net	20.00
200150	04/27/2022	Delta Dental of Delaware Inc	1,792.22
200151	04/27/2022	DEMEC Inc	1,013.81
200152	04/27/2022	Department of Human Resources Financial Services	30,122.14
200153	04/27/2022	Dover Plumbing Supply Co.	1,890.64
200154	04/27/2022	Grainger	584.40
200155	04/27/2022	Jolly Jumpers LLC	556.50
200156	04/27/2022	KDI Inc.	11,694.98
200157	04/27/2022	New Castle County	47.81
200158	04/27/2022	New Castle County	593.05
200159	04/27/2022	Newark Kubota Inc	259.91
200160	04/27/2022	Tools & More	6,719.00

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CHECK REGISTER - APRIL 2022

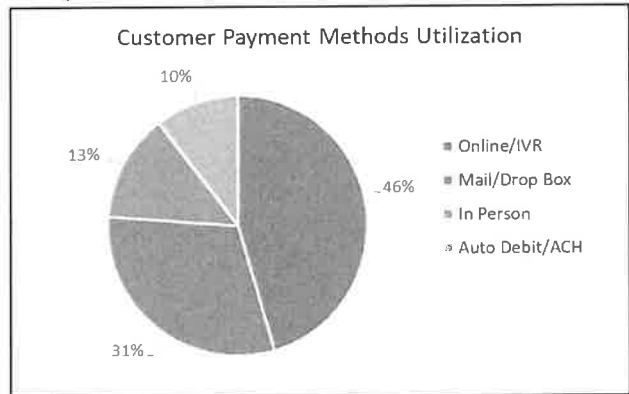
Number	Date	Vendor Name	Amount
200161	04/27/2022	TRI Supply & Equipment	117.11
200162	04/27/2022	United Electric Supply Co	25.33
200163	04/27/2022	USA Blue Book	385.91
200164	04/27/2022	Verizon	268.11
200165	04/27/2022	W. B. MASON CO INC	55.90
DFT0001585	04/06/2022	PNC BANK	8,434.37
DFT0001586	04/01/2022	Nationwide Retirement Sol	211.27
DFT0001587	04/01/2022	Nationwide Retirement Sol	126.27
DFT0001588	04/01/2022	Nationwide Retirement Sol	158.45
DFT0001589	04/01/2022	Nationwide Retirement Sol	94.70
DFT0001590	04/01/2022	Nationwide Retirement Sol	837.37
DFT0001591	04/01/2022	Nationwide Retirement Sol	1,015.00
DFT0001592	04/01/2022	Nationwide Retirement Sol	1,355.00
DFT0001593	04/01/2022	Maryland Child Support Account	184.62
DFT0001594	04/01/2022	United States Treasury	6,320.66
DFT0001596	04/01/2022	United States Treasury	7,886.34
DFT0001597	04/01/2022	United States Treasury	1,844.42
DFT0001598	04/01/2022	Delaware Div. of Revenue	3,112.82
DFT0001600	04/14/2022	Nationwide Retirement Sol	217.61
DFT0001601	04/14/2022	Nationwide Retirement Sol	128.54
DFT0001602	04/14/2022	Nationwide Retirement Sol	163.21
DFT0001603	04/14/2022	Nationwide Retirement Sol	96.40
DFT0001604	04/14/2022	Nationwide Retirement Sol	814.23
DFT0001605	04/14/2022	Nationwide Retirement Sol	1,015.00
DFT0001606	04/14/2022	Nationwide Retirement Sol	1,355.00
DFT0001607	04/14/2022	Maryland Child Support Account	184.62
DFT0001608	04/14/2022	United States Treasury	6,738.47
DFT0001610	04/14/2022	United States Treasury	8,210.90
DFT0001611	04/14/2022	United States Treasury	1,920.30
DFT0001612	04/14/2022	Delaware Div. of Revenue	3,276.41
DFT0001613	04/18/2022	DEMEC Inc	530,830.31
DFT0001614	04/18/2022	Nationwide Life Ins. Co. of America	19,513.25
DFT0001615	04/02/2022	OpenEdge	1,466.75
DFT0001617	04/29/2022	Nationwide Retirement Sol	289.26
DFT0001618	04/29/2022	Nationwide Retirement Sol	130.05
DFT0001619	04/29/2022	Nationwide Retirement Sol	200.08
DFT0001620	04/29/2022	Nationwide Retirement Sol	97.54
DFT0001621	04/29/2022	Nationwide Retirement Sol	957.86
DFT0001622	04/29/2022	Nationwide Retirement Sol	1,015.00
DFT0001623	04/29/2022	Nationwide Retirement Sol	1,405.00
DFT0001624	04/29/2022	Maryland Child Support Account	184.62
DFT0001625	04/29/2022	United States Treasury	7,491.03
DFT0001627	04/29/2022	United States Treasury	8,514.56
DFT0001628	04/29/2022	United States Treasury	1,991.30
DFT0001629	04/29/2022	Delaware Div. of Revenue	3,441.31
DFT0001630	04/29/2022	COMPTROLLER OF MARYLAND	987.03
DFT0001631	04/27/2022	Exxon Mobil Fleet/GECC/Wex Bank	4,619.41
		TOTAL PAYMENTS TO VENDORS	\$ 822,264.55

Comptroller/Treasurer’s Meeting Report – May 19, 2022

Billing/Customer Service

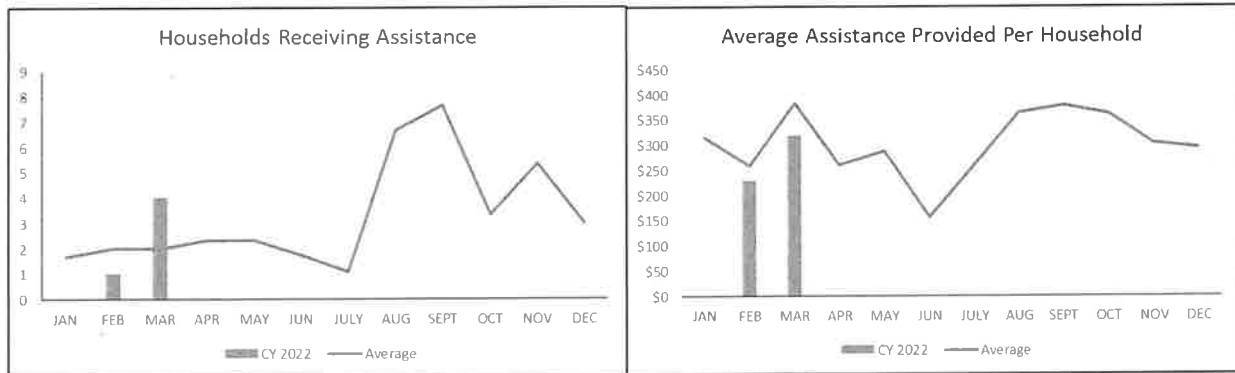
Since the previous meeting, the Customer Service Department processed:

Bills sent	3,209
Delinquent & past due notices	310
Automated phone notifications	219
Payment arrangements	33
Contracts	0
Service cuts – April	16
Accounts sent to collections	1
Electric bad debt write offs	\$1,834
Applications for service	12
Customers assisted in person	345
Customers assisted on telephone	1,020



New Castle Cares

The Salvation Army oversees the New Castle Cares Fund which is funded by the Commission to assist households having trouble making their utility payments. During the month of April, the fund assisted zero household(s). The maximum allowed by the program is \$400. The current balance in the fund is \$2,535.



In addition to assistance provided through the New Castle Cares fund, seven customers received an average of \$339.30 from other agencies or nonprofits that provide assistance for utility bills.

Below is a condensed aging report for active customers as of May 12, 2022.

Total	Current	30 Days	60 Days	90 Days	120 Days
\$133,187	\$122,077	\$11,419	\$0	\$0	\$0

Accounting & Customer Service Department Updates

Work on the FYE 2022 Audit is underway. The Commission's auditors (Barbacane Thornton & Company) will be on site the week of May 23 for field work. This year MSC will be issuing an Annual Comprehensive Financial Report (ACFR) which contains narrative explanations of the financials, and ten years of statistical information to help users better understand the context of the current year's financial statements.

A meeting with representatives from JPMorgan Chase, will be held on May 17th to discuss their procurement card product which would help streamline the accounts payable process and help decrease the potential for bank fraud, while also providing the opportunity for rebates (cash back) which would provide additional revenue.

Several accounting and financial policies have been sent to Horthy and Horthy for review. These include policies for things such as procurement, investing, and accounting and financial reporting. Once reviewed for any potential issues, these will be presented to the Commission for discussion and adoption.

A request for proposal has been issued for the water piece of the AMI project. The RFP was reviewed by the Office of Drinking Water to make sure it complies with the requirements of the State Revolving Loan Fund. There will be a mandatory pre-bid meeting the afternoon of May 19th, and bids are due on June 9th, with an anticipated award the following week.

There is a vacancy in the Electric Department for a lineman. The position was advertised, 29 applications have been received as of May 12th. The position closes on the 27th.

Potential Impact of Riverbend Buildout

At the April Commission meeting, the Commissioners requested an analysis of the impact Riverbend could have on MSC's revenues once the subdivision is built out. According to the City's planning department, there are 211 approved dwelling units (130 single families and 80 townhomes).

Currently, there are 11 single family houses built that MSC services. Those customers have an average annual bill of \$650.24 for water and \$1,469.36 for electric. The most recently built townhomes in the system are on West 9th Street, and they have an average annual bill of \$389.66 for water and \$1,013.29 for electric.

If we use the existing 11 single families in Riverbend and the townhomes on W 9th St to project potential revenues, based on today's rates, MSC would expect to have \$116,000 additional revenue for the water utility and \$272,000 for the electric utility. That increased consumption would result in additional expenses of approximately \$11,000 for water and \$162,000 for electric. Which would make the net impact to MSC \$105,000 for water and \$110,000 for electric per year.

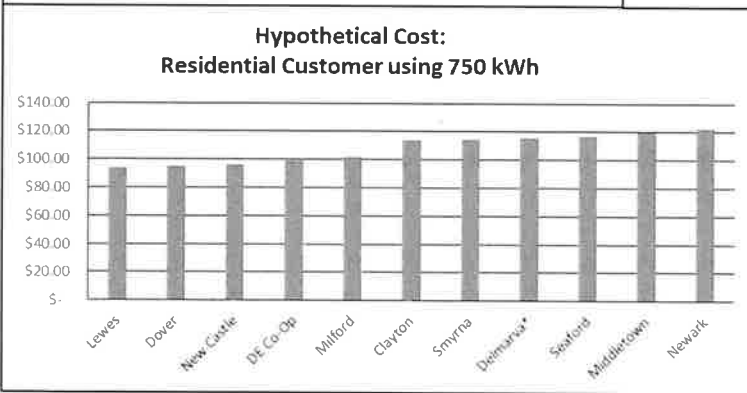
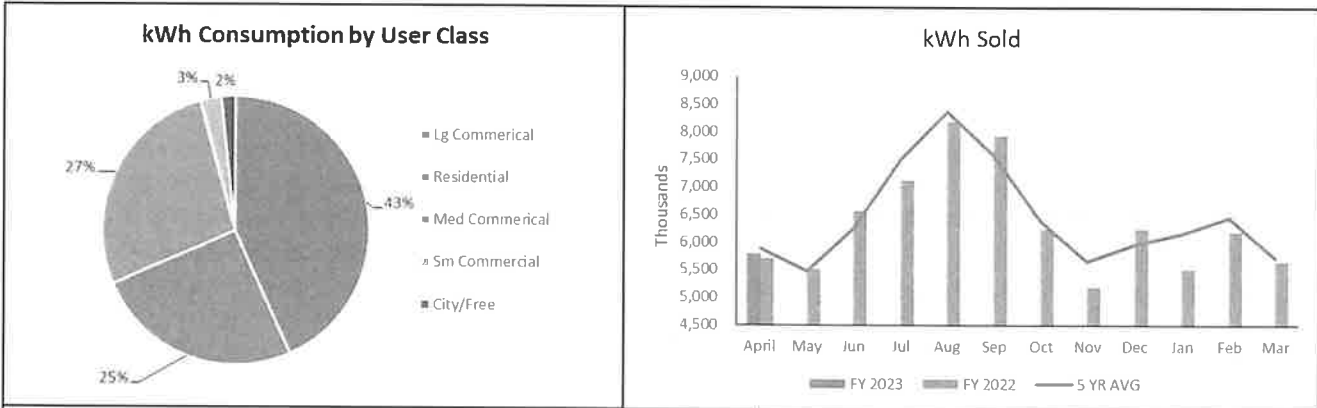
Inflation Impacts

At the April Commission meeting, the Commissioners requested an analysis of the impact of inflation on MSC's budget. The following significant impacts can be estimated:

- The cost of the structural improvements that need to be made to the water towers has increased by \$22,000 from when the budget was adopted, and lead times are increasing. The water department has secured pricing from the vendor they will hold until after the May Commission meeting if the Commission approves the contract for the work.
- The budget included \$92,000 to replace a water department truck, however, the cost has increased to \$135,000 but no trucks are available to purchase and manufacturers are only taking orders for 2023 model years with no pricing available. Due to the price increase, operations has decided to replace an electric department vehicle that was scheduled for next fiscal year but can be purchased this year for the \$92,000 budgeted for the water truck.
- The cost of fuel has increased dramatically, at current prices, MSC expects to spend an extra \$16,000 during FY 2023 in gasoline/diesel to run vehicles and equipment above what was budgeted.
- Costs of materials needed for the Van Dyke undergrounding project have increased. When the FY 2023 budget was adopted, the electric department was anticipating being able come in \$100,000 under budget for the project. However, at this point it appears they will come in right around the total approved budget for the project (\$886,000) once it is completed, if prices remain where they are and construction continues at the current pace.
- Costs of materials and supplies needed for operations have increased between 10%-30% and lead times have increased from next day to several weeks or months out. Operations is in contact with critical suppliers to ensure they have necessary materials. Additionally, the electric department is looking at sourcing transformers and other supplies from new vendors that have lower costs and better lead times.
- Cost of natural gas used to heat the utility building have increased 20% and Delmarva is working on obtaining approval for an additional 20% increase from the Public Service Commission.
- Electric supply costs from DEMEC are up 7% from last year (6% was anticipated when the budget was adopted) and DEMEC is considering another rate hike of 5% or more. Such a move would require the Commission to look at either a mid-year rate increase or using the "Power Cost Adjustment" charge on customers' bills to offset the increase. Otherwise MSC would be operating in at a deficit for the year.
- Federal Reserve action on interest rates continues to put downward pressure on the value of Commission's investment portfolio. However, rising interest rates on US Treasuries does present an opportunity for MSC to invest some idle cash in highly safe and liquid Treasury Bills or other similar instruments that could bring in additional revenue.

Electric Revenues

User charges are unfavorable fiscal year to date (\$8,000). April sales increased by approximately 1% (78,000 kWh) from the same period last year. However, consumption decreased overall for residential customers by 57,000 kWh (the most expensive per kWh charge) and increased in large commercial by 153,000 kWh (the cheapest per kWh charge) which resulted in lower than anticipated revenues in April.

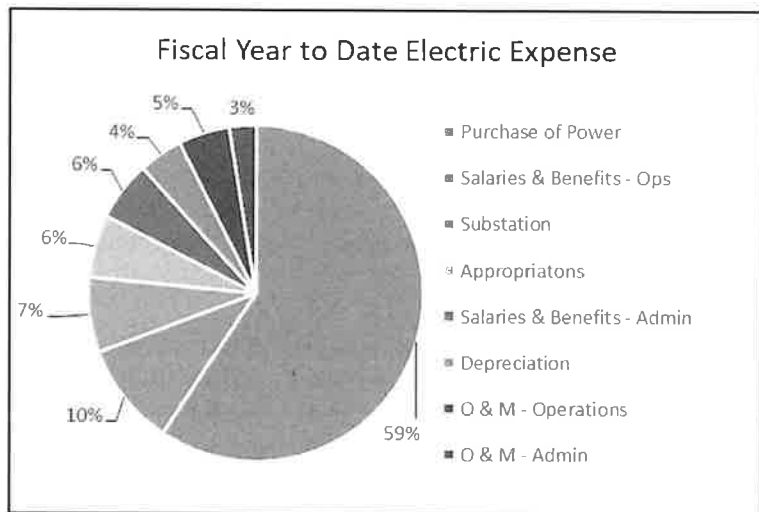


Each month, DEMEC provides a comparison of the cost of residential electric service. The analysis assumes a residential customer who uses 750 kWh per month. MSC's rate is 21% lower than Delmarva* and 3% lower than the co-op.

*Approximate. DP&L's transmission capacity charge is based on each individual's Peak Load Contribution (PLC) to the overall transmission load. Each customer has a unique PLC that changes every January.

Electric Expenses

Electric expenses have a year to date unfavorable variance (\$40,000). This is related to timing differences in how the budget was allocated for capitalized labor & equipment, purchase of tools and the completion of the pension valuation report for the annual audit. These variances are anticipated to be reduced/eliminated as the year progresses.



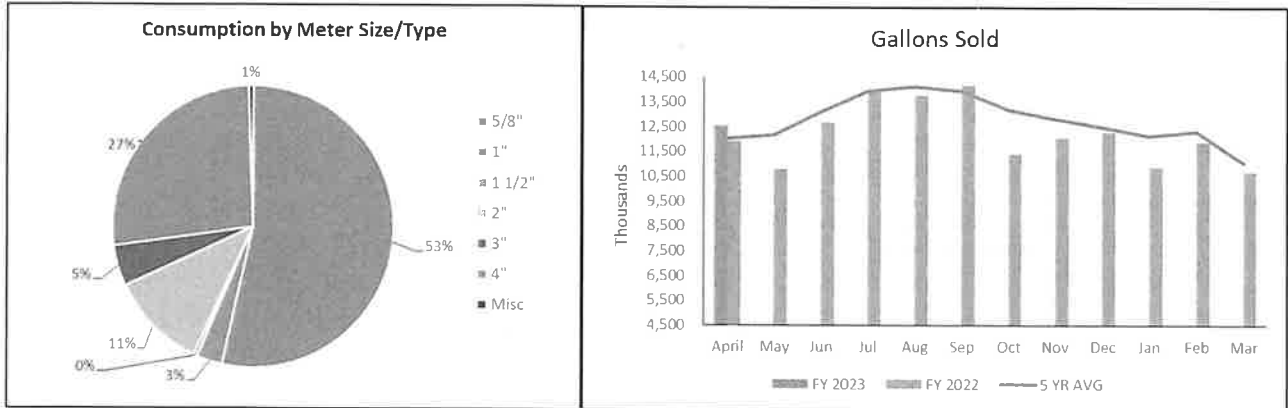
Comptroller/Treasurer's Meeting Report – May 19, 2022

**Municipal Services Commission
Budget to Actual Comparison – Electric
As of April 30, 2022**

	YTD Budget	YTD Activity	Variance	Total Budget
Operating Revenues				
User charges	656,915	649,353	(7,562)	9,149,590
City service charges	3,795	3,720	(75)	45,450
MSC service charges	3,936	3,670	(266)	42,500
Miscellaneous income	1,737	2,166	429	36,570
<i>Total Operating Revenues</i>	<u>666,383</u>	<u>658,909</u>	<u>(7,474)</u>	<u>9,274,110</u>
Less: Free Service	421	411	10	4,000
<i>Net Operating Revenues</i>	<u>665,962</u>	<u>658,498</u>	<u>(7,464)</u>	<u>9,270,110</u>
Operating Expenses				
Purchase of Power	428,800	432,710	(3,910)	6,400,000
DEMEC - Substation	52,887	52,887	-	561,271
<i>Operations</i>				
Salaries and benefits	72,147	72,453	(306)	742,650
Insurance	5,476	4,502	974	63,681
Utilities	871	842	29	11,700
Repairs and maintenance	(11,997)	8,866	(20,863)	(111,130)
Supplies and materials	2,037	17,757	(15,720)	71,399
Professional fees	2,178	3,919	(1,741)	50,000
Depreciation	24,365	29,020	(4,655)	292,500
<i>Operations total</i>	<u>95,077</u>	<u>137,359</u>	<u>(42,282)</u>	<u>1,120,800</u>
<i>General & administrative</i>				
Salaries and benefits	45,146	41,701	3,445	485,100
Insurance	1,895	1,626	269	21,400
Utilities	921	1,056	(135)	11,500
Repairs and maintenance	1,623	2,323	(700)	14,700
Supplies and materials	1,781	878	903	30,000
Professional fees	3,280	7,702	(4,422)	87,500
Misc	11,234	5,104	6,130	98,375
Depreciation	2,499	2,156	343	30,000
<i>Total general & administrative</i>	<u>68,379</u>	<u>62,546</u>	<u>5,833</u>	<u>778,575</u>
<i>Total operating expenses</i>	<u>645,143</u>	<u>685,502</u>	<u>(40,359)</u>	<u>8,860,646</u>
Operating income	<u>20,819</u>	<u>(27,004)</u>	<u>(47,823)</u>	<u>409,464</u>
Nonoperating revenue(expense)				
Investment income	1,282	1,605	323	20,000
Investment expense	(590)	-	590	(2,500)
Unrealized gain(loss) on investment	1,333	(27,359)	(28,692)	16,000
Realized gain(loss) on sale of asset	-	(2,654)	(2,654)	-
Grant income	-	-	-	-
Grant expense	-	-	-	-
Other Expense	-	2	2	-
Appropriations				
Mayor and Council	(45,000)	(44,407)	593	(540,000)
City Services	-	-	-	-
Special	-	-	-	-
Contributed Capital	-	-	-	-
<i>Total nonoperating revenue(expense)</i>	<u>(42,975)</u>	<u>(72,813)</u>	<u>(29,838)</u>	<u>(506,500)</u>
Change in Net Position	(22,156)	(99,817)	(77,661)	(97,036)

Water Revenues

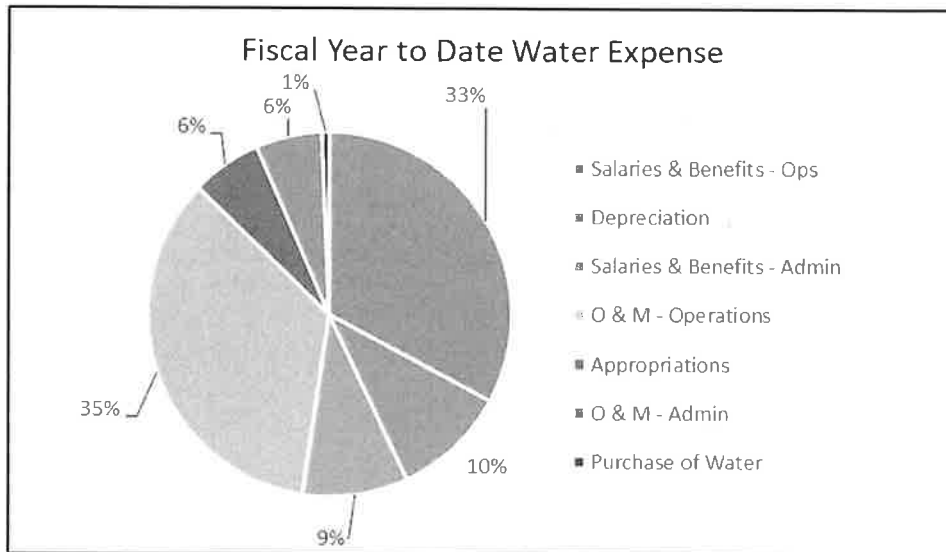
User charges are favorable fiscal year to date (\$5,500). Water consumption for the month was up 6.75% from the same period last fiscal year. Overall, consumption was up 800,000 gallons from the same period last year. Residential consumption was down approximately 450,000 gallons; however, commercial consumption increased by 1.2 million gallons



Water Expenses

Water expenses have a unfavorable year to date variance (\$74,000). \$62,000 is related to timing differences in how the budget was allocated for capitalized labor and equipment, tank maintenance, and the completion of the pension valuation report for the annual audit. These variances are expected to be reduced/eliminated as the year progresses.

\$18,000 of the variance is in operations salaries and benefits which is related to accruing compensated absences for employees who had a work anniversary in April and therefore received a large amount of vacation. This variance is expected to be reduced as the year goes on and employees use earned vacation time.



Comptroller/Treasurer's Meeting Report – May 19, 2022

**Municipal Services Commission
Budget to Actual Comparison – Water
As April 30, 2022**

	YTD Budget	YTD Activity	Variance	Total Budget
Operating Revenues				
User Charges	186,052	190,886	4,834	2,366,000
City Service Charges	2,166	2,903	737	26,000
MSC Service Charges	375	258	(117)	5,000
Miscellaneous Income	910	1,275	365	(138,861)
<i>Total Operating Revenues</i>	189,503	195,322	5,819	2,258,139
Less: Free Service	355	260	95	4,000
<i>Net Operating Revenues</i>	189,148	195,062	5,914	2,254,139
Operating Expenses				
Purchase of water	2,327	1,750	577	26,000
<i>Operations Dept</i>				
Salaries and benefits	68,281	87,155	(18,874)	779,862
Insurance	4,375	3,683	692	52,103
Utilities	2,285	1,880	405	26,895
Repairs and maintenance	21,007	78,798	(57,791)	117,752
Supplies and materials	5,969	7,310	(1,341)	106,327
Professional fees	1,827	854	973	55,214
Depreciation	27,689	25,531	2,158	332,400
<i>Total operations</i>	131,433	205,211	(73,778)	1,470,553
<i>General & administrative</i>				
Salaries and benefits	26,899	24,939	1,960	283,500
Insurance	1,537	1,331	206	17,500
Utilities	729	864	(135)	9,100
Repairs and maintenance	1,328	1,901	(573)	12,000
Supplies and materials	1,195	718	477	22,400
Professional fees	926	4,821	(3,895)	40,000
Miscellaneous	7,314	6,063	1,251	104,450
Depreciation	1,666	1,421	245	20,000
<i>Total general & administrative</i>	41,594	42,058	(464)	508,950
<i>Total operating expenses</i>	175,354	249,019	(73,665)	2,005,503
Operating Income	13,794	(53,957)	67,751	248,636
Nonoperating revenue(expense)				
Investment income	236	328	92	4,000
Investment expense	(118)	-	118	(500)
Unrealized gain(loss) on investment	242	(4,828)	(5,070)	2,900
Realized gain(loss) on sale of asset	-	(2,172)	(2,172)	-
Grant income	-	-	-	-
Grant expense	-	-	-	-
Other Expense	-	(1,488)	(1,488)	-
Appropriations				
Mayor and Council	(10,496)	(11,079)	(583)	(126,000)
City Services	(2,615)	(2,928)	(313)	(32,000)
Special	-	(2,590)	(2,590)	-
Contributed Capital	-	-	-	-
<i>Total nonoperating revenue(expense)</i>	(12,751)	(24,757)	(12,006)	(151,600)
Change in Net Position	1,043	(78,714)	(79,757)	97,036

Comptroller/Treasurer's Meeting Report – May 19, 2022

**Municipal Services Commission
Statement of Net Position
As of April 30, 2022**

	<u>2023</u>	<u>2022</u>
ASSETS:		
Current assets:		
Cash and equivalents	\$ 2,521,857	\$ 2,308,274
Investments	1,191,161	1,269,033
Accounts receivable, net	690,929	585,225
Inventories	765,689	692,792
Prepays	167,782	123,733
Restricted cash	650,082	699,024
Total current assets	<u>5,987,500</u>	<u>5,678,081</u>
Noncurrent assets:		
Capital assets not being depreciated:		
Land	45,386	45,386
Construction in progress	78,041	939,695
Capital assets net of accumulated depreciation:		
Buildings	272,730	298,076
Equipment	748,632	828,828
Infrastructure	10,983,338	9,959,775
Total noncurrent assets	<u>12,128,127</u>	<u>12,071,760</u>
Total assets	<u>18,115,627</u>	<u>17,749,841</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension	319,164	164,836
Regulatory accounting - substation	3,436,566	3,124,345
Total deferred outflows	<u>3,755,730</u>	<u>3,289,181</u>
LIABILITIES		
Current liabilities:		
Accounts payable	617,143	545,038
Accrued liabilities	23,394	22,678
Customer Deposits	688,499	699,024
Due to other funds	-	-
Total current liabilities	<u>1,329,036</u>	<u>1,266,740</u>
Noncurrent liabilities:		
Compensated absences	432,965	462,062
Net pension liability	720,831	474,757
Total noncurrent liabilities	<u>1,153,796</u>	<u>936,819</u>
Total liabilities	<u>2,482,832</u>	<u>2,203,559</u>
DEFERRED INFLOWS OF RESOURCES		
Pension	472,843	659,474
Total deferred inflows	<u>472,843</u>	<u>659,474</u>
NET POSITION		
Investment in capital assets	12,128,127	12,071,760
Unrestricted	6,787,555	6,104,229
Total net position	<u>\$ 18,915,682</u>	<u>\$ 18,175,989</u>

Comptroller/Treasurer's Meeting Report – May 19, 2022

Municipal Services Commission
Statement of Revenues, Expenses, and Changes in Net Position
As of April 30, 2022

	2023	2022
Operating Revenues:		
Water sales	\$ 194,047	\$ 176,903
Power sales	656,742	653,182
Miscellaneous	3,441	4,190
Total operating revenues	854,230	834,275
Less: free service	(671)	(619)
Net operating revenues	853,559	833,656
Purchase of water and power	487,347	459,968
Operating Expenses		
Salaries and benefits	226,248	207,318
Repairs and maintenance	56,357	(12,075)
Supplies	26,271	11,534
Utilities	4,642	4,477
Insurance	11,142	12,029
Professional fees	10,234	4,155
Administrative	17,638	11,452
Depreciation	94,640	57,327
Total operating expenses	447,172	296,217
Operating income (loss)	(80,960)	77,471
Nonoperating revenues (expenses):		
Net investment income	1,934	1,564
Realized gain (loss) on investments	-	203
Unrealized gain(loss) on investments	(32,187)	9,678
Gain (loss) on disposal of assets	(4,826)	-
Grant income	-	-
Grant Expense	-	-
Miscellaneous	(1,488)	(494)
Appropriations to Mayor & Council of New Castle		
Ordinary	(55,486)	(54,337)
City Services	(2,928)	(2,155)
Special	(2,590)	-
Total nonoperating revenues (expenses)	(97,571)	(45,541)
Income before capital contributions	(178,531)	31,930
Capital Contributions	-	-
Change in net position	(178,531)	31,930
Net position - beginning	19,094,213	18,144,059
Net position - ending	\$ 18,915,682	\$ 18,175,989

**Municipal Services Commission
Combining Balance Sheet by Department
As of April 30, 2022**

	Water		Electric		Total	
	2023	2022	2023	2022	2023	2022
ASSETS:						
Current assets:						
Cash and equivalents	-	-	2,521,857	2,308,274	2,521,857	2,308,274
Investments	178,674	190,355	1,012,487	1,078,678	1,191,161	1,269,033
Accounts receivable, net	167,950	134,312	522,979	450,913	690,929	585,225
Inventories	106,807	89,605	658,882	603,187	765,689	692,792
Prepays	58,829	37,809	108,953	85,924	167,782	123,733
Restricted cash	-	-	650,082	699,024	650,082	699,024
Total current assets	512,260	452,081	5,475,240	5,226,000	5,987,500	5,678,081
Noncurrent assets:						
Capital assets not being depreciated:						
Land	45,386	45,386	-	-	45,386	45,386
Construction in progress	68,576	75,639	9,465	864,056	78,041	939,695
Capital assets net of accumulated depreciation:						
Buildings	126,427	137,931	146,303	160,145	272,730	298,076
Equipment	294,230	276,325	454,402	552,503	748,632	828,828
Infrastructure	7,060,019	7,355,214	3,923,319	2,604,561	10,983,338	9,959,775
Total noncurrent assets	7,594,638	7,890,495	4,533,489	4,181,265	12,128,127	12,071,760
DEFERRED OUTFLOWS OF RESOURCES						
Pension	143,624	74,176	175,540	90,660	319,164	164,836
Regulatory accounting - substation	-	-	3,436,566	3,124,345	3,436,566	3,124,345
Total deferred outflows	143,624	74,176	3,612,106	3,215,005	3,755,730	3,289,181

(Continued)

**Municipal Services Commission
Combining Balance Sheet by Department
As of April 30, 2022**

	Water		Electric		Total	
	2023	2022	2023	2022	2023	2022
LIABILITIES						
Current liabilities:						
Accounts payable	33,568	24,338	583,575	520,700	617,143	545,038
Accrued liabilities	10,378	10,205	13,016	12,473	23,394	22,678
Customer Deposits	1,812	-	686,687	699,024	688,499	699,024
Due to other funds	909,427	1,402,508	(909,427)	(1,402,508)	-	-
Total current liabilities	955,185	1,437,051	373,851	(170,311)	1,329,036	1,266,740
Noncurrent liabilities:						
Compensated absences	250,130	242,619	182,835	219,443	432,965	462,062
Net pension liability	324,374	213,641	396,457	261,116	720,831	474,757
Total noncurrent liabilities	574,504	456,260	579,292	480,559	1,153,796	936,819
DEFERRED INFLOWS OF RESOURCES						
Pension	212,779	296,763	260,064	362,711	472,843	659,474
Total deferred inflows	212,779	296,763	260,064	362,711	472,843	659,474
NET POSITION						
Investment in capital assets	7,594,638	7,890,495	4,533,489	4,181,265	12,128,127	12,071,760
Unrestricted	(1,086,584)	(1,663,817)	7,874,139	7,768,046	6,787,555	6,104,229
Total net position	6,508,054	6,226,678	12,407,628	11,949,311	18,915,682	18,175,989

**Municipal Services Commission
Combining Schedules of Revenues & Expenses by Department
For the one month ending April 30, 2022 and 2021**

	Water		Electric		Total	
	2023	2022	2023	2022	2023	2022
Operating Revenues:						
Charges for services	\$ 194,047	\$ 176,903	\$ 656,742	\$ 653,182	\$ 850,789	\$ 830,085
Miscellaneous	1,275	1,681	2,166	2,509	3,441	4,190
Total operating revenues	195,322	178,584	658,908	655,691	854,230	834,275
Less: free service	(260)	(264)	(411)	(355)	(671)	(619)
Net operating revenues	195,062	178,320	658,497	655,336	853,559	833,656
Purchase of water and power	1,750	2,048	485,597	457,920	487,347	459,968
Operating Expenses						
Salaries and benefits	112,094	101,497	114,154	105,821	226,248	207,318
Repairs and maintenance	45,167	4,117	11,190	(16,192)	56,357	(12,075)
Supplies	7,636	5,398	18,635	6,136	26,271	11,534
Utilities	2,744	2,737	1,898	1,740	4,642	4,477
Insurance	5,014	5,413	6,128	6,616	11,142	12,029
Professional fees	4,821	2,116	5,413	2,039	10,234	4,155
Administrative	6,329	4,379	11,309	7,073	17,638	11,452
Depreciation	63,464	31,063	31,176	26,264	94,640	57,327
Total operating expenses	247,269	156,720	199,903	139,497	447,172	296,217
Operating income (loss)	(53,957)	19,552	(27,003)	57,919	(80,960)	77,471

(Continued)

Comptroller/Treasurer's Meeting Report – May 19, 2022

**Municipal Services Commission
Combining Schedules of Operating Expenses by Department
For the one month ending April 30, 2022 and 2021**

	Water		Electric		Total	
	2023	2022	2023	2022	2023	2022
Nonoperating revenues (expenses):						
Net investment income	328	235	1,606	1,329	1,934	1,564
Realized gain (loss) on investments	-	(44)	-	247	-	203
Unrealized gain(loss) on investments	(4,828)	1,452	(27,359)	8,226	(32,187)	9,678
Gain (loss) on disposal of assets	(2,172)	-	(2,654)	-	(4,826)	-
Grant income	-	-	-	-	-	-
Grant Expense	-	-	-	-	-	-
Miscellaneous	(1,488)	-	-	(494)	(1,488)	(494)
Appropriations to Mayor & Council of New Castle						
Ordinary	(11,079)	(9,689)	(44,407)	(44,648)	(55,486)	(54,337)
City Services	(2,928)	(2,155)	-	-	(2,928)	(2,155)
Special	(2,590)	(137)	-	137	(2,590)	-
Total nonoperating revenues (expenses)	<u>(24,757)</u>	<u>(10,338)</u>	<u>(72,814)</u>	<u>(35,203)</u>	<u>(97,571)</u>	<u>(45,541)</u>
Income before capital contributions	(78,714)	9,214	(99,817)	22,716	(178,531)	31,930
Capital Contributions	-	-	-	-	-	-
Change in net position	(78,714)	9,214	(99,817)	22,716	(178,531)	31,930
Net position - beginning	6,586,768	6,217,464	12,507,445	11,926,595	19,094,213	18,144,059
Net position - ending	<u>\$ 6,508,054</u>	<u>\$ 6,226,678</u>	<u>\$12,407,628</u>	<u>\$11,949,311</u>	<u>\$18,915,682</u>	<u>\$18,175,989</u>

Comptroller/Treasurer's Meeting Report – May 19, 2022

**Municipal Services Commission
Capital & Projects Budget to Actual
As of April 30, 2022**

<u>Project</u>	<u>Total Approved Budget</u>	<u>Materials as of 4/30/2022</u>	<u>Remaining Budget as of 4/30/2022</u>	<u>Total Capitalized To Date (1)</u>	<u>Status</u>	
Vandyke Village Undergrounding	\$ 886,000.00	\$ 362,534.00	\$ 523,466.00	\$ 1,050,884	In Progress	
AMI System - Electric	665,000	-	665,000	-	Not Started	
Debt Principal Pymt - 6months DEMEC	30,000	-	30,000	-	N/A	
Dobbinville Relay Replacement	85,000	-	85,000	-	Not Started	
Stake Body Truck	90,000	-	90,000	-	Not Started	
Overhead/Underground Fault Indicators	10,000	-	10,000	-	Not Started	
T-10 Replacement Ram 3500	-	-	-	-	PO Issued	
WIAC AMP Grant - MSC Asset Management \$100,000 RK&K Engineering (approved 07-01-19)	100,000	51,407	48,593	-	In Progress	
AMI System - Water	1,011,000	636	1,010,365	-	RFP Issued	
Debt Principal Pymt - 6months SRLF	50,000	-	50,000	-	N/A	
Delaware St & 6th Street Paving	42,500	-	42,500	-	On Hold	
Delaware St 12" Main Ext & 10 St Xing approved 04/2021 \$42,500 + \$13,600 (increase) approved 04/2022	56,100	-	56,100	-	On Hold	
Delaware Street RR Xing - Water Main Relocation approved 04/2021 \$37,500 + 12,000 (increase) approved 04/2022	49,500	-	49,500	-	On Hold	
Structural Improvements to Water Tanks	100,000	-	100,000	-	Not Started	
VFD Upgrades	44,000	-	44,000	-	Not Started	
Toyota Pallet Lift	10,500	-	10,500	-	In Progress	
T-8 Replacement	92,500	-	92,500	-	Cancelled	
60'x120' Pole Building for storage						
	Electric	203,500	-	203,500	-	In Progress
	Water	166,500	199	166,301	-	In Progress
2 Way Radio Replacement						
	Electric	8,250	-	8,250	-	Not Started
	Water	6,750	-	6,750	-	Not Started
Admin Confrence Room Furnishings						
	Electric	8,250	4,920	3,330	-	In Progress
	Water	6,750	4,051	2,699	-	In Progress
Phone System Replacement						
	Electric	8,250	-	8,250	-	Not Started
	Water	6,750	-	6,750	-	Not Started

Comptroller/Treasurer's Meeting Report – May 19, 2022

**Municipal Services Commission
Capital & Projects Budget to Actual
As of April 30, 2022**

Project		Total Approved Budget	Materials as of 4/30/2022	Remaining Budget as of 4/30/2022	Total Capitalized To Date (1)	Status
Admin Copier/Folding Machine						
	Electric	16,500	5,695	10,805	5,695	In Progress
	Water	13,500	4,660	8,840	4,660	In Progress
Master Campus Plan/Admin Facility approved \$19,000 12/2019 + 2ND Phase \$15,000						
	Electric	18,700	14,955	3,745	-	In Progress
	Water	15,300	12,236	3,064	-	In Progress
Accounting Policies/Procedures manual						
	Electric	3,328	1,075	2,252	-	In Progress
	Water	2,723	880	1,843	-	In Progress
		\$ 3,807,150.00	\$ 463,248.21	\$ 3,343,901.80		

(1) Includes capitalized labor and equipment costs.

Special Appropriations

City & Trustee Projects	Donated Labor & Equipment	Billable Material	Invoiced Date	Paid Date
Penn Farm Water	\$ 2,680.62	\$ 502.83	2/28/2022	

MUNICIPAL SERVICES COMMISSION

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

Water Department Commission Meeting Report

May 19, 2022

Prepared by: Jay Guyer on May 12, 2022

1. Developer Projects

A. Riverbend Subdivision

1. WUM Guyer is following up on the Water and Electric Crossing Agreements and Plans with Rail Pros and Civil Engineering Associates. Jeff Riley of Freedom Development is working to schedule a Pre-Construction meeting with the contractor for the water main and service installation. Gemcraft has started construction on 5 single family units and 1 multi-family unit. WUM Guyer is scheduling a meeting with Gemcraft representatives to review the requirements for water services from the curb stop into the house.

B. Court House – Delaware Street

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

C. 165 East 2nd Street – New Home

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

D. Sheriffs House Renovation – Market Street

1. WUM Guyer was contacted by Reilly Construction and is scheduled to attend a Pre-Construction meeting on May 12th to review the extension of the 2” and 4” services into the building. The plans are being reviewed by the Fire Protection Engineer for possibly adding a fire pump. Updated plans including the revised fire system will be forwarded when they are completed.

2. MSC Projects

A. Advanced Metering Infrastructure – American Municipal Power (AMP)

1. MSC has had several discussions with the DWSRF Program Administrator and Office of Drinking Water, Office of Engineering Administrator in reference to the proper procedures to be used to ensure all requirements of the Code of Federal Regulations 2 CFR 200 are met for auditing purposes. MSC drafted and advertised a Request for Proposal (RFP) for the Water System portion of the AMI Metering Upgrade. A mandatory Pre-Bid meeting is scheduled for May 19th at 1:00pm and Bids are due on June 9th at 1:00pm.

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May 19, 2022

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B. Cross Connection Control Program – Hydro Corp’s Proposal

1. WUS Jaeger and WUM Guyer are drafting and reviewing customer letters for Hydro Corp to start their mailing process. Hydro Corp plans to start contacting customers in reference to their annual device testing and certification. WUM Guyer is following up with Hydro Corp on their recommended revisions to our Cross Connection Control Manual.

C. PFAS Sampling - Carbon Filtration System

1. MSC completed PFAS sampling on April 11th. WUM Guyer followed up with lab and who experienced an equipment issue that has been resolved. Results will be available shortly. This non-compliance sampling will be used as a base line to gauge the effectiveness of the new 40,000lbs of carbon at removing PFAS contamination and determine PFAS levels in the Lead Vessel.

D. Penn Farm House Renovation – Trustees

1. MSC Water Operators has separated the Hoop House, Farm House and Mike House/Barn water services making provisions for separate water metering. The pressure pump for the Farm House has been ordered with a 8-10 week lead time on delivery.

E. 216 Chestnut Office Building - Renovation

1. Water Operators continue with the renovation of the meeting room / conference room area. They are in the process of dry walling and finishing the room.

F. Hermitage Park – 9th Street

1. WUM Guyer was contacted by Trustee Toner who requested a cost to provide water service to the Hermitage Park for Utility Purposes. The option to extend the existing water service from the old house is feasible and an estimated cost was forwarded to Trustee Toner who will take it to the Trustees for approval.

3. Operations

A. Outages

1. There were no planned or unplanned water outages for the month of April 2022.

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Prepared by: Jay Guyer on May 12, 2022

B. Reporting

1. The Calgon Carbon Corporation (CCC) Pilot Study Test is ongoing collecting and transmitting daily data to CCC. MSC collects monthly PFAS samples for evaluation and comparison to historic data collected.
2. WUM Guyer and WUS Jaeger have been alternating making presentations on Wednesday afternoons for Delaware Rural Water Association (DRWA) and Colonial School District for the Pre-Apprenticeship Water Operators Course. The final class was on Monday May 9th with Pennoni making an engineering presentation. A Close Out and Review meeting has been scheduled with DRWA and Colonial School District Representatives for June 1st.
3. WUM Guyer and WUS Jaeger worked with Pennoni Associates Engineering to prepare 7 Notices of Intent (NOI's) for Water Projects. The 7 NOI's were submitted on April 25th and WUM Guyer received confirmation they were received by DWSRF. The NOI's will be reviewed and ranked for placement on the SRF Project Priority List. Total value of the projects submitted equals \$6,461,000.

NOI's were submitted for the following projects:

- a. Purchase / Installation of a second Calgon Carbon Model 12-40 Filter System
 - b. Backup Generator for School Lane Water Treatment Facility
 - c. Expansion of the Solar System – Green Facility
 - d. Lead and Copper Rule Revision Compliance – Software for data management and water service survey.
 - e. Water Main Replacement on Hewlett Avenue and Janvier Avenue.
 - f. Phase II Water Main Extension on Delaware Street from 10th Street to 8th Street.
 - g. SCADA System Software and Communication Upgrades
4. ATSDR PFAS Exposure Assessment Results – Following the release of the ATSDR Exposure Assessment, MSC has not received any calls / communications from customers.

WUM Guyer received notice the ATSDR is moving forward with their environmental sampling for PFAS for those who live in New Castle County, DE, near the New Castle Air National Guard Base. This work is designed to build on CDC/ATSDR's PFAS Exposure Assessments (EA) previously completed.

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ATSDR was on site May 10th and installed the air samplers at Basin Road Well Site. They will contact MSC for periodic access during the test process to confirm operation of the units and for removal when the testing is complete.

C. System Repairs and Maintenance

1. Riverbend Subdivision – Flushed on April 11th and 27th to maintain Chlorine Residual.
2. Monthly Meter Reading – On May 9th prior to completing the May 12th monthly meter reads, 116 door hangers were distributed to residential houses where the water meter is no longer sending a radio read. The hangers advised the customer that a visual read from the meter will need to be taken by the customer and called into the office or they will need to schedule an appointment for an operator to read the meter. Water Operators will continue following up on water check reads and missed reads as needed for the office.
3. Tank Maintenance - WUM Guyer received the revised quote from Southern Corrosion (SC) for the structural improvements that need to be made on the Elevated Storage Tanks prior to painting. The cost for the repairs is \$119,000 or \$19,000 over the Approved Budget of \$100,000. Requesting approval to increase the budget \$19,000 to get the repairs scheduled. SC plans to begin mobilizing in July at the Gray Street Tank to start the tank painting process.

D. Grants and State Revolving Funds

1. Water Infrastructure Advisory Council (WIAC) Grants – WUS Jaeger and WUM Guyer updated Condition & Criticality Rating Criteria for Horizontal Assets and forwarded to RK&K who is working to finalize the risk-based GIS model.

E. Capital and Operation & Maintenance Budgets

1. WUM Guyer explored alternative truck manufacturers for purchase of a new Utility Truck 8 with small utility crane. Dodge provided a quote for a chassis and crane body at a cost of \$138,000. After reviewing the options and supply chain issues, WUM Guyer recommends delaying the purchase of the truck for a year and purchasing the next Utility Body Truck due for replacement which is Electric Utility Truck 10.

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Water Department Commission Meeting Report

May 19, 2022

Prepared by: Jay Guyer on May 12, 2022

F. Equipment

1. No equipment issues to report for May 2022.

G. Personnel and Training

1. No personnel issues to report at this time.
2. On May 3rd WUM Guyer and Water Operators participated in an 8 hour US EPA Region 3 Operational Readiness Table Top Exercise with other Water Utilities from Delaware. The event was based upon a Category I Hurricane making landfall in Delaware and gauged how MSC staff responded to several events that could affect the water system operation and performance. The exercise went well, MSC Operators demonstrated a high level of competence in responding to the events presented, and MSC's Emergency Response Plan provided guidance on how to address these events. All participants are following up with lessons learned and planned improvements for their system.

H. Safety

1. MSC Water Operators hold daily morning Tailgate Talks discussing jobs/tasks to be performed each day with potential hazards and control measures.

3. Local, State, and Federal Agencies

A. WSCC - Water Supply Coordinating Council

1. The Northern New Castle County members of the Council meet virtually on May 11th to discuss Current Water Conditions. Chairman Smailler reviewed the requirements of DNREC/DGS/WRA and the Northern Water providers to meet as needed to review water conditions, demands, operations, and projects. Precipitation on the Drought Indicators guide were in the Drought Warning Stages until the recent rain totals were included. Overall the providers are well positioned heading into the Summer months.
2. The next meeting is scheduled for July 27th.

B. WRA – Water Resource Agency

1. WUM Guyer has stopped sending weekly pump data to the WRA Staff and will resume when requested.

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Water Department Commission Meeting Report

May 19, 2022

Prepared by: Jay Guyer on May 12, 2022

C. DEWARN – Delaware Water/Wastewater Agency Response Network

1. The next DEWARN meeting is tentatively scheduled for June 14th.

D. Water Operator Advisory Council

1. The May 5th meeting went well. For Councils first in-person meeting we reviewed Water Operator License Applications and approved/denied based upon the regulations, approved the March 3rd meeting minutes, reviewed and approved new training courses from Del Tech, Delaware Rural Water Association, American Water Works Association, and the US EPA. The Sub – Committee updated the council on its' progress reviewing the Operator Certification Regulations. Council discussed some potential issues with Contract Operators and PFOA/PFOS Training being developed by ODW.
2. The next meeting is scheduled for July 7, 2022.
3. The next meeting is pending for the 5 person Advisory Council Sub - Committee tasked with review and update of the Water Operator Certification Regulations.

E. WIAC - Water Infrastructure Advisory Council

1. The next meeting is scheduled for June 15, 2022.

F. Miss Utility of Delmarva Monthly Meeting

1. The next meeting is scheduled for May 24, 2022 as a Hybrid meeting.

End of Report

Attachments: April 2022 Water Works Report
April 2022 Water Outage Tracking Sheet

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Monthly Water Works Report

April 1 - 30, 2022

Prepared By: Jay Guyer on May 12, 2022

Water Production		FT 300		Raw		Adjusted Finished		Gallons	
Month	Year	Total Gallons	Total Gallons	Total Gallons	Total Gallons	Raw	Finished	Difference	Difference
April	2021	11,404,200	11,263,890			11,446,200			
April	2022	11,446,200	11,307,469			11,307,469			
	Difference	42,000	43,579					-138,731	
	Percentage Difference	0.4	0.4						1.2

Well(s) in Operation	Basin Road	Frenchtown Road	School Lane	Cross Roads
Days Pumped	Resting	Resting	XXX	Resting
			30	

Water Quality	MSC Average	Goal / Target Level	Range
Average Chlorine Residual	1.37 ppm	1.00 ppm	0.90 - 1.20 ppm
Average pH	7.4	7.6	7.4 - 7.8
Average Fluoride Residual	0.87 ppm	0.70 ppm	0.60 - 1.00 ppm

Note: The State of Delaware adopted revised Drinking Water Regulations for Fluoride. The Target Level is 0.70 ppm, the monthly average shall be between 0.60 ppm and 1.00 ppm, and 80% of the measurements shall be between 0.60 ppm and 1.00 ppm.

General Water System Report

Routine Bacteria Sampling
(Office of Drinking Water)

# Collected	# Present
10	0
10	0

Miss Utility Locate Requests
(Water and Electric Locates)

# Received	# of Damages
71	0
71	0

Building Permit Review
(Water Related Conflicts)

# Reviewed	# Approved	# Not Approved
39	39	0
39	39	0

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Monthly Water Outages / Interruptions Report
April 1 - 30, 2022

Prepared By: Jay Guyer on May 12, 2022

Planned Outage / Interruptions			No. of	Comments
Date	Approximate Duration Hours / Minutes	Location	Customers	

No Planned Outages or Interruptions for the Month of April 2022.

Unplanned Outage / Interruptions			No. of	Comments
Date	Approximate Duration Hours / Minutes	Location	Customers	

No Unplanned Outages or Interruptions for the Month of April 2022.

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ELECTRIC DEPARTMENT COMMISSION REPORT

May 19, 2022

Prepared by Artie Granger on May 10, 2022

1. Developer Projects:

a. 90 Lukens Dr:

- I. MSC has been in contact with the general contractor about escrow monies and schedule. The general contractor tentatively would like to schedule turning on electric around July.

B. Riverbend Subdivision:

- I. Gemcraft Home
 - i. MSC has been in contact with Gemcraft Homes to establish escrow/deposit amounts for the electric services.
- II. Freedom Development
 - i. MSC has received a proposed project plan so we can plan long lead time material purchases.

2. Capital Projects:

a) Van Dyke Village:

- a. MSC is continuing to monitor material costs, as they continue to escalate. We will keep looking at this closely and will likely adjust work speed and or material purchased to attempt to keep this project going smoothly and with-in budget.
- b. MSC has installed two manholes for this project.
- c. MSC is working to make sure materials for the Comcast portion of this project will be provided.

b) Grant Opportunities

- a. At this time there is nothing new to report.

c) EV Chargers:

- a. There is nothing new to report.

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ELECTRIC DEPARTMENT COMMISSION REPORT

May 19, 2022

Prepared by Artie Granger on May 10, 2022

3. Capital Purchases:

- I. MSC Utility Building
 - 1. MSC has received plans from Graber. MSC has submitted them to the city for plans review. MSC is meeting with Mark Zeigler from McBride and Zeigler to go over a lines and grades permit.

- II. MSC Replacement Radios
 - i. Delmarva Communications has ordered the equipment.

- III. T-10 Utility Truck Replacement
 - i. The water department was planning on replacing a truck this year. Due to extremely long lead times and pricing increases they have put this on hold for this year. The electric department had T-10 scheduled to be replaced next year. We are moving this purchase to this year in place of the water truck. We have located a truck and are moving forward with purchasing this.

4. Operations:

a. Outages :

- I. There were two outages the past month. One outage was caused by a squirrel on the bus structure at Dobbinsville Substation. All load from the Dobbinsville Substation was off for about 15 minutes. The other outage was due to work being performed behind the 100 Municipal Building. We had to take an outage on 4 customers on the cell tower for about 45 minutes.

SAIDI (minutes)	SAIFI (number of interruptions)	CAIDI (minutes)	ASAI (percent)
47.832	1.0437	45.832	99.9908

- II. 5/1/21 – 5/1/22

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

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ELECTRIC DEPARTMENT COMMISSION REPORT

May 19, 2022

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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. MSC has been monitoring the SF-6 gas levels as recommended. No problems have been detected.
- II. MSC has not received the replacement pressure gage yet. We will install when it comes in.
- III. The electric department has performed the monthly inspections at this location.

B. Dobbinsville Substation:

- I. The Electric Department performed the monthly inspection at this location.

6. Personal

- a. Mark Davis left MSC and went back to AUI Power. Mark wanted to do more line work. We wish Mark the best.
- b. MSC has posted an add and will be reviewing resumes and applications. MSC hopes to fill the position as soon as possible.