

Municipal Services Commission Monthly Meeting
July 21, 2022, 8:30 a.m.
216 Chestnut Street New Castle, Delaware

The meeting was called to order at 8:00 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
Jay Guyer, Manager, Water Utility

Also Present: Timothy Sawyer, CPA CGMA, Audit Partner, Barbacane, Thornton & Co.

Mr. Blomquist convened the meeting at 8:00 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 June 23, 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 June 23, 2022, executive session. The motion was seconded by Mayor Quaranta and unanimously passed.

Auditor's Report – Barbacane, Thornton & Co.

Mr. Sawyer gave a high level overview of the results of the Audit. He stated that Barbacane, Thornton was expressing an unmodified, or clean, audit opinion of MSC's financial statements, meaning they present the financial position fairly. Internal Controls are operating effectively and there were no exceptions to report.

- Total Major Assets have increased slightly and are at \$18.2M total assets.
- Cash and Investments are holding steady at \$4.4M that includes restricted cash for customer deposits.
- Accounts Receivable is steady at \$758,000 for 2022.
- Inventory is fairly steady at \$760,000 for 2022.
- Land & Property and accumulated depreciation is fairly steady at \$12.1M.
- Total Liabilities are \$2.4M for 2022
- Accounts Payable has been between \$500,000-\$600,000 for the past three years.
- Net Pension Liability has vacillated due to the market and dipped to \$720,000 in 2022.
- Net Position is up-ticking slightly.
- Net Operating Revenues are steady at \$11.3M.
- Purchase of Power and Water is approximately \$6M per year.
- Operating Expenses are \$3.4M in 2022 and have come down over the past three years.
- Appropriations to New Castle over the past three years ranged between \$700,000-\$800,000 per year.

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Mr. Sawyer explained the testing and procedures used during the audit. Mr. Sawyer also noted that there were no significant or unusual transactions, there were no uncorrected misstatements, there were no material statements for which adjustments were required, and no fraud or illegal activities were disclosed during testing.

At Mr. Natale's request, Mr. Sawyer explained changes to the Audit Report required by AICP, noting that the Report reflects standards changes relative to format and wording.

In response to a question from Mayor Quaranta, Mr. Sawyer stated that the audit did not necessitate any management recommendations.

Mayor Quaranta asked if an audit was necessary for MSC, or if a review would be adequate. Mr. Natale noted that the City Appropriation is based on audited revenue numbers.

A motion to approve the Auditor's annual report was made by Mayor Quaranta, seconded by Commissioner Knox and unanimously passed.

Comptroller/Treasurer Report – Mr. Natale reporting
(See attached report)

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

- Cash on hand: \$3.2M
- Investment Portfolio: \$1.2M, which was a net loss of \$21,000 related to the Federal Reserve action on interest rates. Mr. Natale opined that a significant drop will be experienced in the value of the Bond Portfolio next month as well due to further expected action by the Federal reserve at their meeting next week..
- Restricted Cash reflects a slight increase due to developer escrows for lots under construction in River Bend.
- There were 120 days of unrestricted cash on hand at June 30th which was 3 days more than prior month.
- Check Register Disbursements – Mr. Natale noted one disbursement:
 - \$28,500 was paid to Wesco Receivables Corp. for electric supplies.

Mr. Blomquist stated that there will be an up-tick in inventory and costs have increased significantly. Mr. Granger explained the lead times he is seeing as well.

- Billing & Customer Service –
 - There were 17 cuts in service in the month of June for non-payment.
 - New Castle Cares assisted zero households but one customer received assistance from other government agencies and non-profits. Mr. Natale noted that the high temperature cut-off on cuts is 105° for heat index. Mr. Blomquist noted that cuts are the second Wednesday of the month.

Financial Policies

Mr. Natale presented a Draft Financial Policies Document for Commission consideration at a future meeting. Mr. Natale explained the purpose of the draft document is to commit to writing long standing

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policies and add or enhance existing policies to better align with best practices while ensuring efficiency of operations without creating unnecessary burdens on staff.

Enhancements in the document include Investment Policies that would allow MSC to utilize idle cash by investing in short term and highly liquid securities, a more substantial Purchasing Policy, Grants and Debt. Mr. Blomquist stated that if there are no changes the document would be voted on at the August Commission meeting.

Procurement Card Recommendation

Mr. Natale presented the results of a review of procurement card programs with JP Morgan Chase and M&T Bank. JP Morgan Chase offers a 0.31% rebate on the total annual spend after meeting a minimum spend of \$250,000. M&T Bank offers a 1.5% rebate if total annual spend meets their minimum spend of \$300,000. There are no fees to participate in either program. Mr. Natale explained the benefits to MSC and made a recommendation that MSC move forward with the M&T Bank program.

- The card functions like a regular credit card.
- The card is flexible and can be customized for specific purchases, specific individuals, specific times when the card can be used, and specific locations where the card can be used, and those specifications can be changed easily.
- Spend limits can be set on individual cards.
- Statements are received monthly.

Mr. Natale noted that MSC's annual spend should be in excess of \$300,000. Another benefit to MSC is a reduction in the number of checks written each month. Mr. Natale estimated MSC would get between 10-20 cards.

A motion to authorize Staff to enter into a Procurement Card Program for the staff was made by Mayor Quaranta, seconded by Commissioner Knox, and unanimously passed.

Insurance Broker RFP & Recommendation

On June 6th MSC issued an RFP for Insurance Broker Services. Invitations to bid were sent out and responses were received from CMB Insurance, New Castle Insurance (NCI) and Strategic Insurance Partners (SIP). Mr. Natale reviewed a comparison of the three proposals.

Mr. Natale noted that SIP works with DeLaFounders Insurance Trust (DFIT), which is a cooperative agreement between Delaware municipalities that offers a Workmen's' Compensation Fund. Mr. Natale spoke with City Administrator Barthel and Mr. Tyler Reynolds, Director of Finance for Middletown, and both spoke highly about the DFIT program and the Agent managing the relationship. Since its inception DFIT has been able to return \$1.8M in dividends allocated between its 29 participants.

Mr. Natale stated that based on the responses to the RFP, he recommends awarding brokerage services to SIP. Mr. Natale suggested action on the recommendation at the meeting to capture as many proposals from carriers as possible. The current policy is effective until November 2022.

After discussion, it was agreed that Mr. Natale would go out for insurance policies and have brokers come back with a quote for policies.

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Electric Department

User charges are favorable year to date (\$32,000). June sales increased approximately 0.6% over prior year. Consumption was up 125,000 kWh in the large commercial category, but was offset by decreases of 78,000 kWh in all other classifications. Fiscal YTD MSC is in line with last year.

DEMEC updated the comparison cost for residential services and MSC is the lowest provider in the State, being approximately 21% lower than Delmarva and 8% lower than the co-op.

Operating expenses YTD have an unfavorable variance (\$67,000) related to timing differences.

Electric has an unfavorable variance in non-operating revenue of \$52,000, largely due to unrealized losses on the investment portfolio.

Water Department

User charges are favorable year to date (\$6,500). Consumption for the month was down from the same period last year (530,000 gallons). Year to date consumption is in line with the same period last year.

Expenses have an unfavorable year to date variance (\$53,000) related to timing differences. These variances are expected to be reduced/eliminated as the year progresses.

Water has an unfavorable variance in non-operating revenue of \$21,000 related to unrealized losses on the investment portfolio.

The unaudited Financial Report for April, May and June will go out next week.

Electric Department Report – Mr. Granger reporting

(See attached report)

Developer Projects

- 90 Lukens Drive – The General Contractor reached out about escrow and they will start to move quickly.
- Riverbend Subdivision – MSC energized three homes and a 4th will be turned on shortly.

Capital Projects

- Van Dyke Village – MSC is currently working on Casimir court.

Capital Purchases

- T-10 Utility Truck Replacement – MSC hopes to get delivery shortly. The truck will be sent to AUI Fabrication for completion of the body.
- Replacement Radios – Delmarva Communications has received all of the radios and is waiting for the repeater.
- Utility Building – MSC is expecting the building package in the first or second week of August.
- New Stake Body – Delivery is expected within the next month.

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Operations

- Outages – There was one outage caused by a squirrel on a transformer. 11 customers lost power for about one hour. Mr. Blomquist explained that MSC is testing the equipment to make sure it performs as designed. If there is no problem with the equipment, programming will be tested for overlap issues.

Repairs and Maintenance

- EV Chargers – MSC will continue work on Van Dyke Village before installing any additional EV Chargers. Mayor Quaranta stated that he felt the additional approved locations are not optimum and opined it might make more sense to install a charger where people do not have off-street parking. Mayor Quaranta has unofficially suggested this to City Council.

Personnel

- Mr. Granger noted that new hire Miguel Ronquillo is doing well. Mr. Blomquist added that Mr. Ronquillo is bilingual and has been very helpful with customers who only speak Spanish.

Water Department Report – Mr. Guyer reporting
(See attached report)

Developer Projects

- Riverbend Subdivision – An estimate was provided for services from the curb-stop into the house.
- Courthouse – Domestic water service is complete and the meter installed. Wayman Fire Protection tested the backflow device on the fire service. The fire service will be turned on after identified issues have been resolved.
- 165 East 2nd Street – Blacktop repair was completed where the water main was tapped for the new water service.

MSC Projects

- Advanced Metering Infrastructure – American Municipal Power (AMP) – Orders have been placed with Badger Meter for the meters and with Kendall for the installation hardware.
- Cross Connection Control Program – Hydro Corp’s Proposal – Calls from customers have been received in response to Hydro Corp’s letter. MSC is getting registered to have their Certified Tester submit the Report online. WUSP Jeff Schlecht is certified to test MSC and City domestic devices and will start testing when MSC’s testing unit is returned from being calibrated.
- PFAS Sampling – Carbon Filtration System – Compliance PFAS sampling was completed on June 14th and reported to the Office of Drinking Water. The next non-compliance PFAS sampling of the carbon filtration system was completed in July.
- Compliance PFAS Sampling – MSC expects to complete compliance PFAS sampling this month.
- Penn Farm House Renovation – Trustees – The domestic pressure booster pump was installed and has resolved the problem.
- 216 Chestnut Street Office Building Renovation – MSC is working on getting the new countertops done. Windows should be delivered in September.

Operations

- Outages – There were no planned or unplanned outages for the month of June.

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Reporting

- Calgon Carbon – The Pilot Study is going well.
- Pre-Apprenticeship Water Operators Course – Colonial School District has agreed to host the program again this year and MSC was invited to attend the October 17th Board Meeting to make a presentation to Rural Water, MSC and other partners. Mr. Guyer is also looking into improvements to the curriculum.
- MSC NOI Projects – Seventy-three projects were submitted. All were ranked and funded. The water main replacement project on Hewlett Avenue and Janvier Avenue was fully subsidized. The submission deadline for the full application is September 15th.
- Consumer Confidence Report – The Report was updated and information was included in the Summer Newsletter. Copies were put at various locations including the New Castle Library and the City Administration Office, and were posted online. Mr. Blomquist noted that Mr. Roger Clark reached out to MSC and volunteered to assist with future reports and communications to the public. Certifications of Delivery were emailed to the Delaware Office of Drinking Water and Public Advocate by the July 1st deadline.
- Triennial Lead and Copper Monitoring – 21 samples were collected and delivered to the Laboratory for analysis. All 21 samples had results below the action level for lead and copper. Letters including the test results were mailed to customers that were tested and the Certification Form was sent to the Office of Drinking Water for compliance.

System Repairs and Maintenance

- Riverbend Subdivision – Riverbend was flushed on June 10th and June 24th to maintain chlorine residual.
- Monthly Meter Reading – Monthly meter reads were completed on July 12th. 73 new meters had failed. A significant number failures is being seen.
- Tank Maintenance –Southern Corrosion estimates the work will be completed in 10 days. The public was notified via notices, letters and The Weekly. MSC met with Councilperson Russel Smith regarding the new branding logo and color scheme.
- Annual Fire Hydrant Flushing Program – Water Operators started the annual fire hydrant flushing program on June 20th and completed it on June 27th. A total of 1,063,850 gallons of water was used to complete the program. No issues were noted. All MSC owned/maintained fire hydrants were inspected, serviced, flushed, and chlorine levels checked.
- School Lane Interconnection – MSC worked with Artesian Water Company to flush the School Lane Interconnection on June 30th. Bacteria samples were collected and were negative.

Grants and State Revolving Funds

- Water Infrastructure Advisory Council (WIAC) Grants – Task 5 has been completed, which leaves Tasks 4, 6 and 7 as the last tasks to be completed. RK&K has committed to have the project completed by November 30th.

Capital and Operations & Maintenance Budgets

- 5-Year Capital Budget – Messrs. Guyer and Jaeger are reviewing water projects and equipment to update the 5-year Capital Budget.

Safety

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- Meetings – Safety meetings have been held to reduce heat stress.

Commissioner Knox asked for an update on South Street. Mr. Guyer stated that a sanitary lateral had to be replaced by the County. Mr. Guyer explained that two pipes could not be identified. Mr. Guyer identified one of the pipes, but neither MSC nor Delmarva took ownership of a 6" cast iron pipe that is pushing down on the sanitary lateral. Mayor Quaranta suggested that Mr. Guyer send him an email explaining the situation and the Mayor will forward it to County Executive Matt Meyer.

New Business

Elevated Storage Tank Painting – Mr. Blomquist displayed the logo and color scheme for the tank painting. He explained that if "HISTORIC" in gold is too light against the white tank the letters will be outlined in black. The cost is \$20,268, which includes the stencil, the logo being painted four times (two logos on each tank), painting, and sanding off the old City logo. Mr. Guyer explained the tanks will be painted colonial blue on the bottom of the tank up to the wet line and white on the top. The City logo will be painted within the white section. Mayor Quaranta suggested that Mr. Blomquist reach out to the City Administrator and ask if the City would be willing to share the cost. Mr. Guyer explained the proposed tank painting schedule.

A motion to approve the tank painting additional expense with the new color scheme and City branding was made by Mayor Quaranta, seconded by Commissioner Knox and unanimously passed.

Public Comment

Phil Gross – 13th Street

In response to a question from Mr. Gross Mr. Blomquist explained that the painter recommended to MSC that if the gold paint is too light against the white that the word "HISTORIC" be very lightly outlined in black to make the gold "pop".

Managers were thanked and excused from the meeting.

Secretary's Report – Mr. Blomquist reporting

- Mr. Blomquist stated that a Special Meeting was held on July 12th to approve the Resolution for the AMI Bond for DEMEC and closing on the Bond was on July 14th. This includes borrowing \$665,000 for electric AMI. The remaining \$2M is Middletown's portion. The bid was sent to AMP. MSC placed orders for the meters they will install.
- The Regular DEMEC meeting scheduled for July 19th was cancelled and rescheduled to August 11th.
- The MSC Company Picnic is August 19th from 10-2 p.m. at Lums Pond.
- Messrs. Blomquist and Barthel met with GMB to discuss a rendering of the Municipal Complex to potentially be built on property owned by the Trustees. Mr. Barthel will make a presentation to City Council for approval. Mayor Quaranta opined that a new Municipal Complex makes sense, and having all City offices, MSC and the Police Station in one location would benefit the City and make doing business more convenient for the residents.

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- MSC ordered a new telephone system from Assurance.

Next Regular Meeting

The Commissioners set the next monthly Board meeting to be Tuesday, August 30, 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 9:47 a.m.

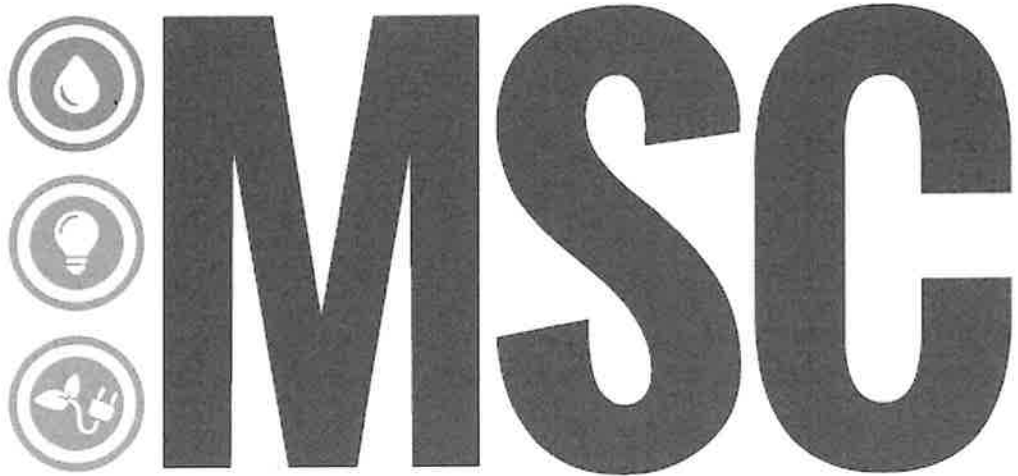


Kathleen R. Weirich, Stenographer

Approved: _____

(Minutes transcribed from notes.)

Comptroller/Treasurer's Report



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

July 21, 2022 Commission Meeting
Prepared By: Ken Natale on July 14, 2022

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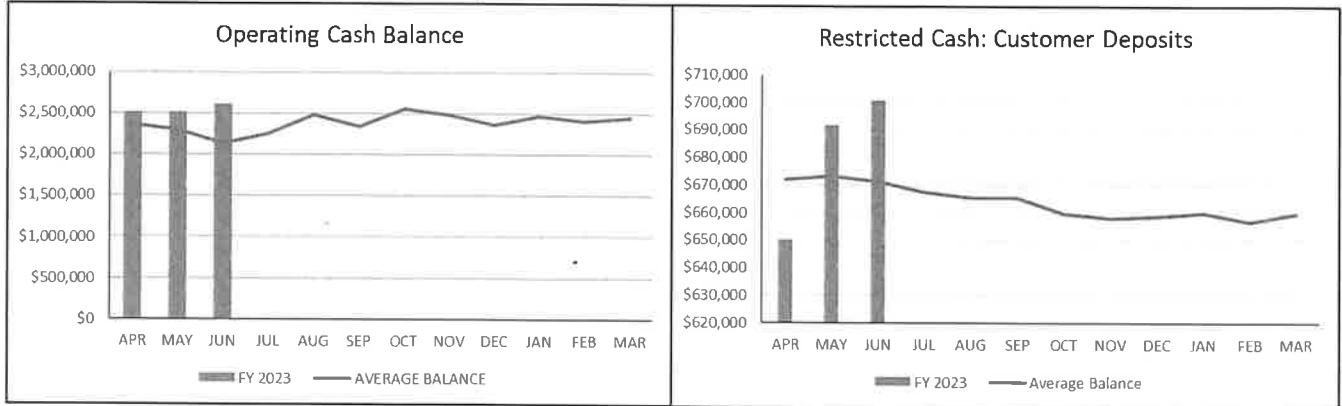
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Cash & Investments

As of June 30, 2022 the cash balances were:

PNC Checking Account:	\$	73,957
M&T Bank Checking:	\$	2,544,245
M&T Bank MMA:	\$	700,904
Petty Cash/Change Fund:	\$	897
Total Cash on Hand:	\$	3,320,003



A condensed cash flow summary for June is provided below for the operating accounts:

Beginning Balance	\$	2,518,202
Cash from customers		942,526
Refunds to customers - deposits	(1,925)
Payments to suppliers for goods & services*	(749,556)
Bank service fees	(1,182)
Payments to employees for services	(89,863)
Net Cash Provided(Used)		<u>100,000</u>
Ending Cash Balance	\$	<u>2,618,202</u>

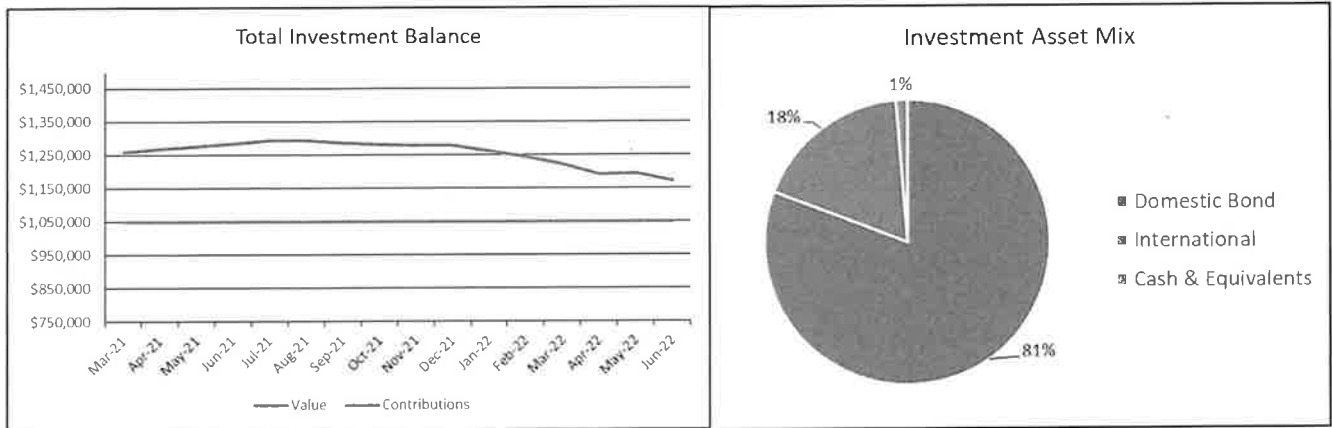
*A detailed check register for the month is available on pages 3-4 of this report.

As of June 30, 2022 the value of the Commission's investment portfolio totaled \$1,170,866 which is a net loss of \$21,405 (1.8%) from the prior month.

The increase in Restricted Cash over the last two months is the result of developer escrows for lots in under construction in the Riverbend subdivision.

There was 120 days unrestricted cash on hand at June 30 (+3 days from prior month) when including the value of the Commission's investment portfolio which is held in liquid assets (mutual and exchange traded funds).

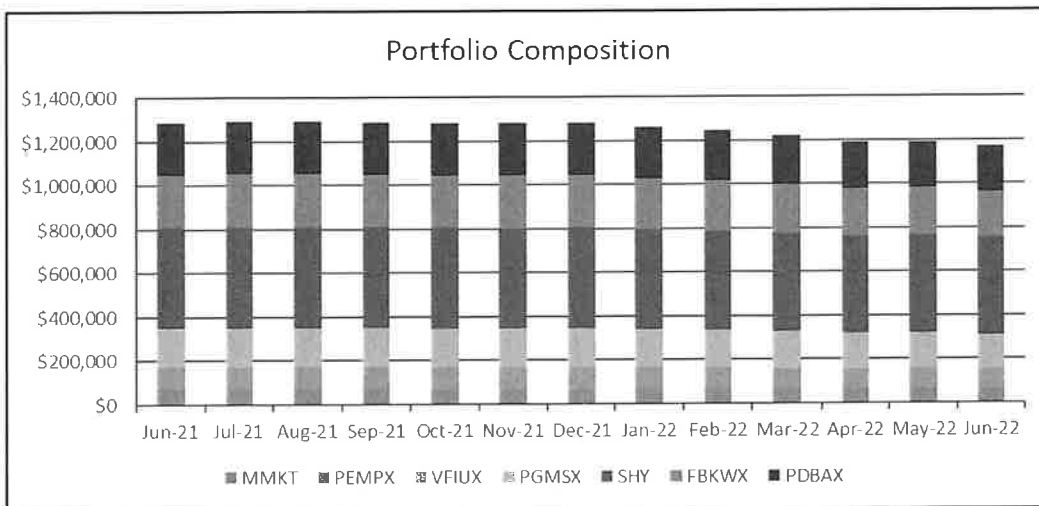
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The “domestic bond” category in the *Investment Asset Mix* chart above, includes US Government instruments and corporate bonds of US based organizations. The “international” category includes debt instruments of foreign governments as well as corporate 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	0.10%
Mutual Funds			
Fidelity Advisor Total Bond CL Z	FBKWX	211,437	2.62%
PGIM Total Return Bond CL A	PDBAX	206,563	3.06%
PIMCO Emerging Markets Bond I2	PEMPX	47,008	4.86%
T Rowe Price Global Multi Sector Bond I	PGMSX	158,101	3.43%
Vanguard Intermediate Term Treasury	VFIUX	92,215	2.29%
Exchange Traded Funds			
iShares Trust 1-3 Year Treasury Bond EFT	SHY	443,124	0.29%
Total		1,170,866	



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CHECK REGISTER - JUNE 2022

Number	Date	Vendor Name	Amount
200245	06/03/2022	Action Unlimited Resource Inc	\$ 51.15
200247	06/03/2022	Antonio's Lawn Service	1,610.00
200248	06/03/2022	Artesian Water Co Inc	1,855.79
200249	06/03/2022	Assurance Media	270.00
200250	06/03/2022	B Safe Inc	194.49
200251	06/03/2022	Collins Ent Inc. (Parts Plus)	71.98
200252	06/03/2022	COLONIAL LIFE	781.34
200253	06/03/2022	Comcast Business	165.21
200254	06/03/2022	Exxon Mobil Fleet/GECC/Wex Bank	413.96
200255	06/03/2022	Grainger	135.01
200256	06/03/2022	Home Depot Credit Service	1,389.49
200257	06/03/2022	MARKATOS SERVICES	122.50
200258	06/03/2022	Martin Marietta Materials Inc	2,010.32
200259	06/03/2022	One Call Concepts Inc	28.79
200260	06/03/2022	Pennoni Associates Inc.	920.00
200261	06/03/2022	ScienceTechnologyResearchInstitute of Delaware (STRIDE)	750.00
200262	06/03/2022	SemaConnect	1,440.00
200263	06/03/2022	Sherwin Williams	59.19
200264	06/03/2022	The News Journal Company	579.00
200265	06/03/2022	TRI Supply & Equipment	935.25
200266	06/03/2022	United Electric Supply Co	8.48
200267	06/03/2022	US Postal Service	232.00
200268	06/03/2022	Vandemark & Lynch, Inc.	1,500.00
200269	06/03/2022	Verizon	268.11
200270	06/03/2022	W. B. MASON CO INC	189.50
200271	06/03/2022	Anixter	3,991.27
200272	06/16/2022	Anixter	5,132.52
200273	06/16/2022	Antonio's Lawn Service	1,925.00
200274	06/16/2022	Aquaflow Pump & Supply Co Inc	56.21
200275	06/16/2022	Assurance Media	1,256.00
200276	06/16/2022	Barbacane Thornton & Company LLP	7,275.00
200277	06/16/2022	CBM Insurance Agency LLC	6,572.00
200278	06/16/2022	Collins Ent Inc. (Parts Plus)	7.19
200279	06/16/2022	Delmarva Power	118.84
200280	06/16/2022	Grainger	40.44
200281	06/16/2022	Guyer Terri Lynn Green	1,000.00
200283	06/16/2022	Kathleen R Weirich	172.50
200284	06/16/2022	Keen Compressed Gas Co	82.88
200285	06/16/2022	Kendall Electric INC	12,278.43
200286	06/16/2022	MARKATOS SERVICES	122.50
200287	06/16/2022	New Horizon Communications Corp	505.07
200289	06/16/2022	Trans Union LLC	320.34
200290	06/16/2022	Verizon	286.02
200291	06/16/2022	Verizon Wireless	1,042.21
200292	06/16/2022	Wesco Receivables Corp.	28,500.00
200293	06/16/2022	Heartline Press	1,252.76
200294	06/16/2022	Pitney Bowes Purchase Power	2,015.00
200308	06/24/2022	ASI COBRA	964.88
200309	06/24/2022	Bear Materials LLC	200.00

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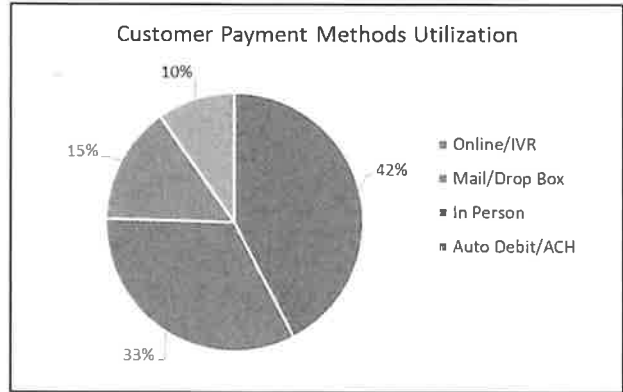
CHECK REGISTER - JUNE 2022

Number	Date	Vendor Name	Amount
200310	06/24/2022	Consult Dynamics, Inc./DCA Net	20.00
200311	06/24/2022	Council 81	400.00
200312	06/24/2022	Dell Business Credit	794.63
200313	06/24/2022	Delta Dental of Delaware Inc	1,690.82
200314	06/24/2022	DEMEC Inc	1,170.05
200315	06/24/2022	Department of Human Resources Financial Services	31,820.58
200316	06/24/2022	Grainger	329.59
200317	06/24/2022	Hilyard's Inc	125.00
200318	06/24/2022	KDI Inc.	60.03
200319	06/24/2022	MARKATOS SERVICES	122.50
200320	06/24/2022	McCollom D'Emilio Smith Uebler LLC	210.00
200321	06/24/2022	Miguel Ronquillo	334.00
200322	06/24/2022	Principal Financial Group	2,188.27
200323	06/24/2022	ScienceTechnologyResearchInstitute of Delaware (STRIDE)	1,000.00
200324	06/24/2022	State of Delaware DOL DUI Training Tax	345.86
200325	06/24/2022	Suburban Testing Labs Inc	870.00
200326	06/24/2022	Heartline Press	3,355.00
DFT000166	06/06/2022	PNC BANK	12,541.16
DFT000166	06/10/2022	Maryland Child Support Account	184.62
DFT000166	06/10/2022	Nationwide Retirement Sol	3,477.84
DFT000166	06/10/2022	Nationwide Retirement Sol	130.05
DFT000166	06/10/2022	Nationwide Retirement Sol	96.46
DFT000166	06/10/2022	Nationwide Retirement Sol	69.91
DFT000167	06/10/2022	Nationwide Retirement Sol	33.71
DFT000167	06/10/2022	Delaware Div. of Revenue	3,229.55
DFT000167	06/10/2022	United States Treasury	16,761.28
DFT000167	06/14/2022	Nationwide Life Ins. Co. of America	19,513.25
DFT000167	06/02/2022	OpenEdge	1,565.25
DFT000167	06/16/2022	DEMEC Inc	530,663.31
DFT000167	06/24/2022	Maryland Child Support Account	184.62
DFT000167	06/24/2022	Nationwide Retirement Sol	3,826.28
DFT000168	06/24/2022	Delaware Div. of Revenue	3,335.62
DFT000168	06/24/2022	United States Treasury	17,352.83
DFT000168	06/24/2022	COMPTROLLER OF MARYLAND	655.24
		Total Payments	\$ 749,555.93

Billing/Customer Service

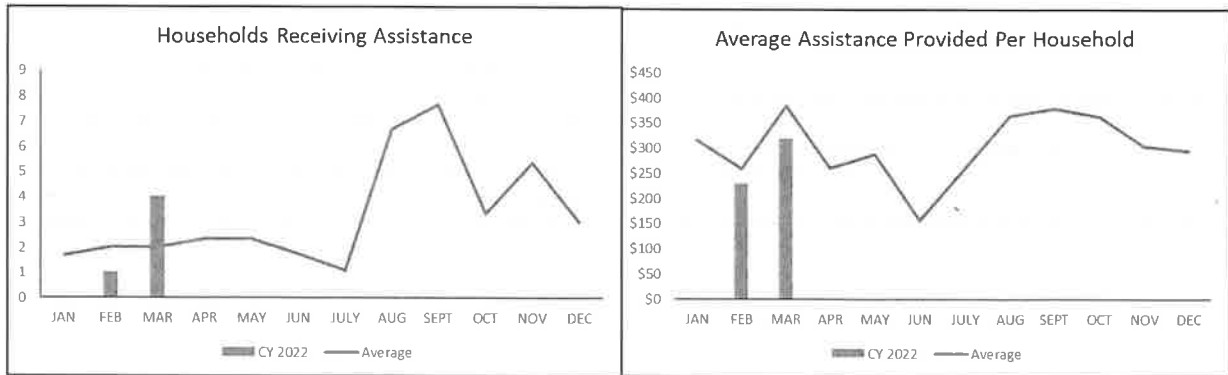
Since the previous meeting, the Customer Service Department processed:

Bills sent	3,218
Delinquent & past due notices	324
Automated phone notifications	257
Payment arrangements	39
Contracts	0
Service cuts – June	17
Accounts sent to collections	9
Electric bad debt write offs	\$280.83
Applications for service	8
Customers assisted in person	400
Customers assisted on telephone	1210



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 May, 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, one customer received \$200.00 from other agencies or nonprofits that provide assistance for utility bills.

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

Total	Current	30 Days	60 Days	90 Days	120 Days
\$278,395	\$277,947	\$0	\$251	\$197	\$0

Introduction of Financial Policies

Over the last year, work has been done to review long standing Commission financial policies. These proposed policies were developed with the help of best practices from the Government Finance Officers Association (GFOA). The attached Draft Financial Policies Document is being introduced for consideration of the Commissioners at a future meeting. Many of these policies commit to writing long standing policies of the MSC. Some policies are new or have been “fleshed out” to better align with best practices while ensuring the efficiency of MSC operations without adding unnecessary levels of administrative burden or bureaucracy.

Some policies that have been “fleshed out” include the purchasing and investment policies which were both very brief statements adopted by the Commission in the past.

The proposed purchasing policy (L) has been reviewed with department managers and their input has been incorporated into the draft policy. The proposed policy aligns MSC's purchasing process with regulations for expending federal grant funds. Adoption of this policy would ensure that MSC does not encounter an issue again in the future similar to the issues we experienced with the State Revolving Loan Fund for the AMI system.

There are two proposed investment policies. MSC's investment advisors from Hub International (formerly Summit Financial) were asked to commit to writing their understanding of the direction they had been provided by previous MSC management for MSC's existing bond portfolio, which they provided (Appendix I). The investment policy in the main document (E. Cash & Liquidity Portfolio Investment Policy) provides the framework for management to better utilize idle cash by investing it in short term and highly liquid securities which can increase MCS's return on the cash. Currently the 91 day Treasury Bill is paying 1.75% which is significantly higher than the 0.20% MSC is getting credit for from the bank. Multiple highly rated money market mutual funds with a stable net asset value that provide same or next day liquidity are available to invest in that pay 1.3%.

The other policies that would be new for MSC are for Grants (R) and Debt (F). They discuss when and under what circumstances MSC should consider pursuing grant funding or taking on debt to fund projects.

Procurement Card Recommendation

Over the last several months the Accounting and Customer Service department has been working with JP Morgan Chase and M&T Bank to learn about their procurement card programs.

MSC received proposals from both banks and reviewed the vendor file to determine how much of MSC's payables might be able to be shifted from paper check to card. JP Morgan Chase offers a rebate of 0.31% of total annual spend if MSC meets a minimum of \$250,000. M&T Bank is offering a rebate of 1.5% if total annual spend meets their minimum of \$300,000. There are no fees from either bank to participate in these programs.

Based on the analysis, it is projected that MSC could be able to achieve a total annual spend greater than \$300,000. Based on the rebates quoted by each bank, management's recommendation is to move forward with the M&T program. The M&T product also has the ability to rebate fuel taxes which would mean operations could use the cards to purchase fuel from any gas station instead of having to drive to Newport to use their existing Exxon cards.

Comptroller/Treasurer's Report – July 21, 2022

Insurance Broker RFP & Recommendation

On June 6 MSC issued an RFP for Insurance Broker Services. Invitations to bid were sent to the following firms:

- CMB Insurance, New Castle, DE (incumbent broker)
- New Castle Insurance, New Castle, DE
- Leaders Insurance Group, Wilmington, DE
- Strategic Insurance Partners (DeLea Founders Insurance Trust), Camden, DE

Responses were received from CMB Insurance, New Castle Insurance, and Strategic Insurance Partners. A brief summary of the proposals is below:

	CBM	NCI	SIP
Total written premiums	\$42 million	\$20 million	\$102 million
Firm Size	43	15	42
Percent of Business Commercial/Personal	80% / 20%	80% / 20%	87% / 13%
Carriers	Glatfelter* Travelers* CNA * Encova* Continental Philadelphia Ins Nationwide The Hartford AmTrust Group Cincinnati Ins Selective McKee Risk Mgmt USLI National Union Fire Ins (only listed most viable carriers for MSC)	Glatfelter* Travelers* Philadelphia Ins Nationwide The Hartford USLI Penn National Progressive Phila. Contributionship Westminster American Liberty Mutual Lititz Mutual Millers Mutual AIG Donegal Great American Harlesville Allied Insurance ACE Cumberland Ins Grp Costal Agents Alliance Chubb	DeLaFounders Insurance Trust (DFIT) Trident/Argonaut Glatfelter* Travelers* CNA* McKee Nationwide The Hartford Selective WRM Iron Shore Indian Harbor Darwin AIG Amtrust Lloyds Lexington RSUI Richmond National Kinsale One Beacon Cumberland Munich RE Zurich Great American

* Currently MSC has policies at these carriers. Glatfelter – Package Policy, Travelers – Directors, Officers & Employment Practices, CNA – cyber liability, ENCOVA – worker's compensation

Comptroller/Treasurer's Report – July 21, 2022

All three brokers have access to many of the same carriers. All three have access to Glatfelter which is a sound carrier and one that MSC has been using for several years.

Strategic Insurance Partners however is able to quote some plans that the other two cannot.

SIP is the only broker able to quote the Delea Founders Insurance Trust (DFIT) which is a self-insured worker's compensation pool that is used by 29 Delaware municipal entities including the City of New Castle, City of Newark, and Town of Middletown. The program was a joint effort with the Delaware League of Local Governments which supports the DFIT program. Since its inception, DFIT has been able to return \$1.8 million in dividends to participants, it currently has over \$4.2 million in excess reserves, and has been approved by the State Insurance Commissioner to return \$1 million in additional dividends to those who participated in the plan this past year.

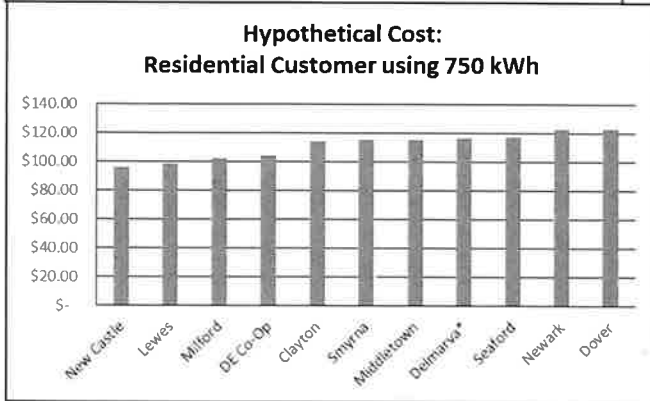
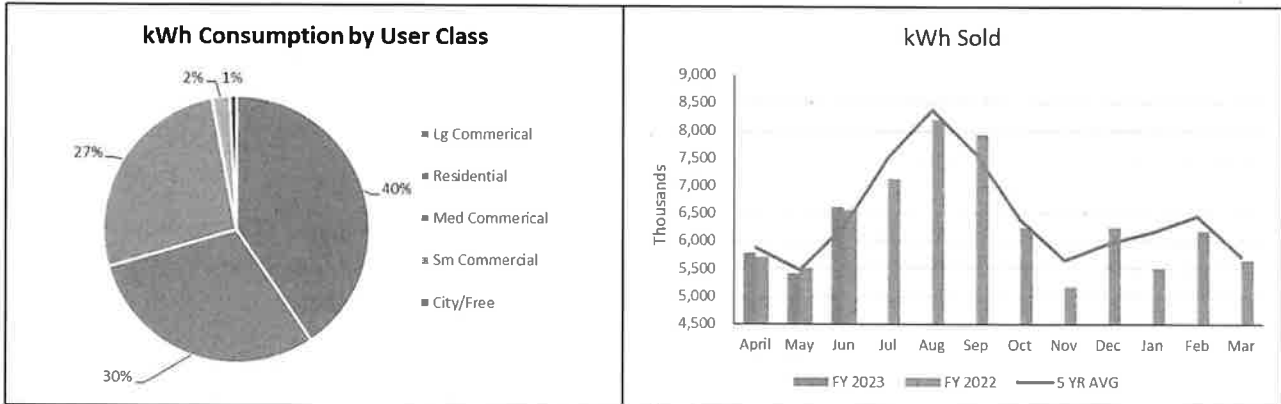
SIP also has launched a proprietary group Property and Casualty Program for Delaware municipalities for their property and liability coverages. It was formed to create a benefit to the DFIT members to stabilize their long term costs, and eventually offer dividends to members.

In speaking with Bill Barthel from the City as well as Tyler Reynolds from the Town of Middletown, both had very good things to say about the coverage offered through the DFIT program for worker's compensation and property/casualty. The City of New Castle no longer uses SIP for the Property/Casualty program because they received a quote for Glatfelter several years ago that at the time SIP was not able to quote on. However, per SIP's proposal, Glatfelter is one of the carriers they are able to quote currently.

Based on the responses to the RFP, the recommendation is for MSC to award brokerage services to SIP since they are able to quote our existing carriers plus the DFIT programs. Additionally the firm is the largest from a total written premium perspective and they have invested in offering coverages to the local governments in Delaware through the DFIT and property/casualty programs.

Electric Revenues

User charges are favorable fiscal year to date (\$32,000). June sales increased by approximately 0.6% (43,000 kWh) from the same period last year. Consumption was up 125,000 kWh in the large commercial category, however that was offset by decreases of 78,000 kWh in all other classifications of customers. Fiscal Year to date, total electric consumption is in line with last year's consumption at this point, and 1% higher than the five year average for the first quarter.



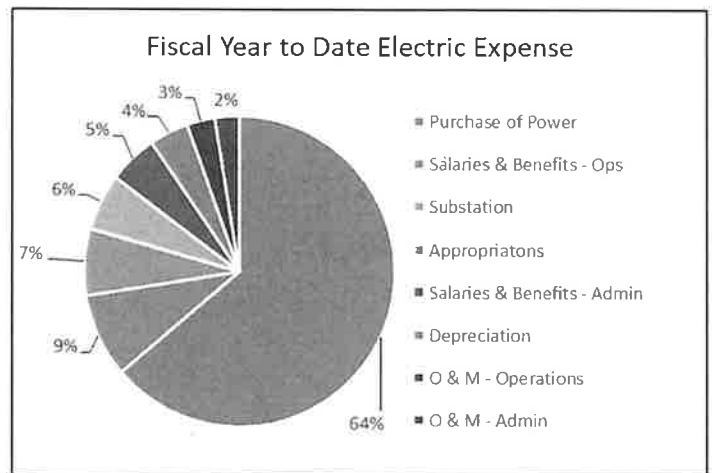
Each month, DEMEC provides a comparison of the cost of residential electric service. The analysis assumes a residential customer who uses 750 kWh per month. MSC's rate is 21% lower than Delmarva* and 8% lower than the co-op.

*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 operating expenses have a year to date unfavorable variance (\$67,000). 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.

Electric has an unfavorable variance in non-operating revenue (expenses) of \$52,000. Most of that variance is from unrealized losses on the Commission's investment portfolio which is invested in intermediate term bond funds, the value of which has been negatively impacted by interest rate increases.



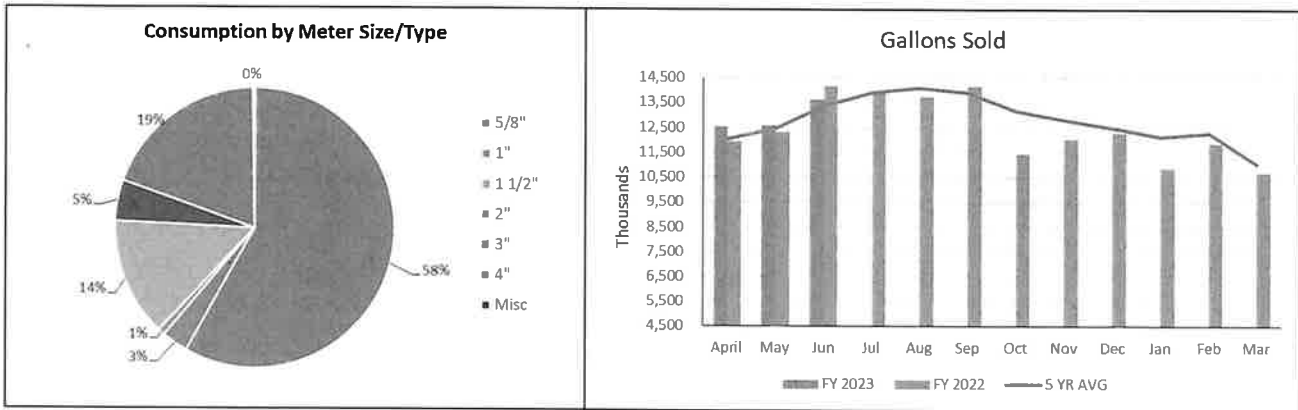
Comptroller/Treasurer's Report – July 21, 2022

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

	YTD Budget	YTD Activity	Variance	Total Budget
Operating Revenues				
User charges	2,025,341	2,055,096	29,755	9,149,590
City service charges	11,153	11,237	84	45,450
MSC service charges	9,380	9,518	138	42,500
Miscellaneous income	6,148	7,941	1,793	36,570
Total Operating Revenues	2,052,022	2,083,792	31,770	9,274,110
Less: Free Service	910	909	1	4,000
Net Operating Revenues	2,051,112	2,082,883	31,771	9,270,110
Operating Expenses				
Purchase of Power	1,452,800	1,452,166	634	6,400,000
DEMEC - Substation	158,661	158,661	-	561,271
<i>Operations</i>				
Salaries and benefits	188,832	198,484	(9,652)	742,650
Insurance	15,902	13,506	2,396	63,681
Utilities	2,284	2,246	38	11,700
Repairs and maintenance	(38,094)	10,290	(48,384)	(111,130)
Supplies and materials	8,787	29,163	(20,376)	71,399
Professional fees	6,967	10,755	(3,788)	50,000
Depreciation	73,096	87,059	(13,963)	292,500
Operations total	257,774	351,503	(93,729)	1,120,800
<i>General & administrative</i>				
Salaries and benefits	124,807	117,308	7,499	485,100
Insurance	5,433	4,879	554	21,400
Utilities	2,711	3,382	(671)	11,500
Repairs and maintenance	4,026	8,754	(4,728)	14,700
Supplies and materials	5,966	5,619	347	30,000
Professional fees	33,431	18,259	15,172	87,500
Misc	24,214	16,909	7,305	98,375
Depreciation	7,497	6,645	852	30,000
Total general & administrative	208,085	181,755	26,330	778,575
Total operating expenses	2,077,320	2,144,085	(66,765)	8,860,646
Operating income	(26,208)	(61,202)	(34,994)	409,464
Nonoperating revenue(expense)				
Investment income	3,788	5,809	2,021	20,000
Investment expense	(590)	-	590	(2,500)
Unrealized gain(loss) on investment	3,998	(47,982)	(51,980)	16,000
Realized gain(loss) on sale of asset	-	(2,654)	(2,654)	-
Grant income	-	-	-	-
Grant expense	-	-	-	-
Other Expense	-	-	-	-
Appropriations				
Mayor and Council	(135,000)	(133,222)	1,778	(540,000)
City Services	-	-	-	-
Special	-	(1,534)	(1,534)	-
Contributed Capital	-	-	-	-
Total nonoperating revenue(expense)	(127,804)	(179,583)	(51,779)	(506,500)
Change in Net Position	(154,012)	(240,785)	(86,773)	(97,036)

Water Revenues

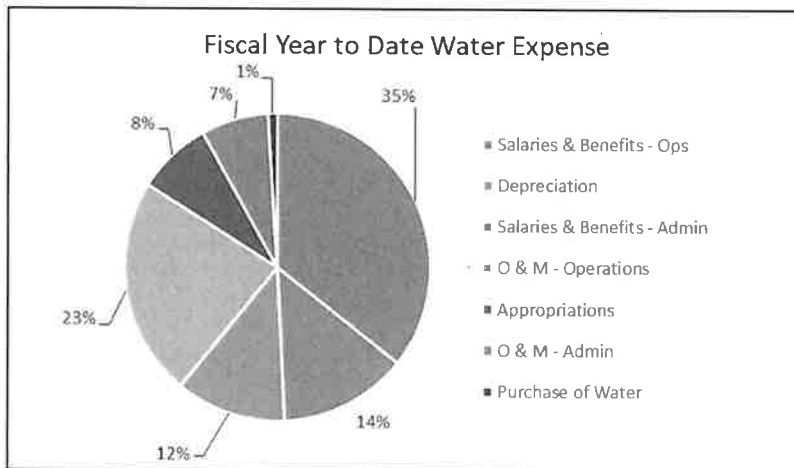
User charges are favorable fiscal year to date (\$6,500). Water consumption for the month was down 4% from the same period last fiscal year (530,000 gallons). Consumption was down in residential accounts (834,000 gallons) but up in commercial meters (304,000 gallons). This is most likely the result of a return to normalcy from the pandemic as people have gone from staying at home to returning to work as companies have ramped up operations. Fiscal Year to date, water consumption is in line with last year's consumption at this point, and 2% higher than the five year average for the first quarter.



Water Expenses

Water expenses have an unfavorable year to date variance (\$53,000) which 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, and engineering fees for assistance with preparation of notices of intent which were filed with the State. That unfavorable variance is offset by \$13,000 in other categories. These variances are expected to be reduced/eliminated as the year progresses.

Water has an unfavorable variance in non-operating revenue (expense) of \$21,000. \$10,000 is related to unrealized losses on the Commission's investment portfolio which is invested in intermediate term bond funds, the value of which has been negatively impacted by interest rate increases. \$7,000 is related to appropriations to the City and Trustees being greater than anticipated at this point in the year.



Comptroller/Treasurer's Report – July 21, 2022

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

	YTD Budget	YTD Activity	Variance	Total Budget
Operating Revenues				
User Charges	555,666	558,861	3,194	2,366,000
City Service Charges	6,497	8,845	2,347	26,000
MSC Service Charges	1,187	896	(289)	5,000
Miscellaneous Income	2,520	3,627	1,107	(138,861)
<i>Total Operating Revenues</i>	565,870	572,229	6,359	2,258,139
Less: Free Service	989	902	87	4,000
<i>Net Operating Revenues</i>	<u>564,881</u>	<u>571,327</u>	<u>6,446</u>	<u>2,254,139</u>
Operating Expenses				
Purchase of water	6,911	5,991	920	26,000
<i>Operations Dept</i>				
Salaries and benefits	192,532	212,051	(19,519)	779,862
Insurance	12,840	11,050	1,790	52,103
Utilities	6,384	5,666	718	26,895
Repairs and maintenance	32,093	88,142	(56,049)	117,752
Supplies and materials	18,590	14,560	4,030	106,327
Professional fees	5,681	18,073	(12,392)	55,214
Depreciation	83,067	76,593	6,474	332,400
<i>Total operations</i>	351,187	426,135	(74,948)	1,470,553
<i>General & administrative</i>				
Salaries and benefits	74,771	69,592	5,179	283,500
Insurance	4,422	3,992	430	17,500
Utilities	2,152	2,377	(225)	9,100
Repairs and maintenance	3,292	7,162	(3,870)	12,000
Supplies and materials	3,981	4,056	(75)	22,400
Professional fees	20,612	9,693	10,919	40,000
Miscellaneous	23,162	15,218	7,944	104,450
Depreciation	4,998	4,526	472	20,000
<i>Total general & administrative</i>	137,390	116,616	20,774	508,950
<i>Total operating expenses</i>	495,488	548,742	(53,254)	2,005,503
Operating Income	69,393	22,585	46,808	248,636
Nonoperating revenue(expense)				
Investment income	751	1,072	321	4,000
Investment expense	(118)	-	118	(500)
Unrealized gain(loss) on investment	725	(8,467)	(9,192)	2,900
Realized gain(loss) on sale of asset	-	(2,172)	(2,172)	-
Grant income	-	-	-	-
Grant expense	-	-	-	-
Other Expense	-	(2,777)	(2,777)	-
Appropriations				
Mayor and Council	(31,487)	(34,332)	(2,845)	(126,000)
City Services	(7,818)	(8,926)	(1,108)	(32,000)
Special	-	(3,731)	(3,731)	-
Contributed Capital	-	-	-	-
<i>Total nonoperating revenue(expense)</i>	<u>(37,947)</u>	<u>(59,333)</u>	<u>(21,386)</u>	<u>(151,600)</u>
Change in Net Position	31,446	(36,748)	(68,194)	97,036

Comptroller/Treasurer's Report – July 21, 2022

**Municipal Services Commission
Statement of Net Position
As of June 30, 2022 and 2021**

	<u>2023</u>	<u>2022</u>
ASSETS:		
Current assets:		
Cash and equivalents	\$ 2,619,099	\$ 2,145,549
Investments	1,170,866	1,283,282
Accounts receivable, net	740,618	830,530
Inventories	796,551	714,735
Prepays	140,320	124,250
Restricted cash	700,904	706,947
Total current assets	<u>6,168,358</u>	<u>5,805,293</u>
Noncurrent assets:		
Capital assets not being depreciated:		
Land	45,386	45,386
Construction in progress	215,284	1,162,031
Capital assets net of accumulated depreciation:		
Buildings	268,491	293,857
Equipment	728,004	798,603
Infrastructure	10,911,529	9,873,423
Total noncurrent assets	<u>12,168,694</u>	<u>12,173,300</u>
Total assets	<u><u>18,337,052</u></u>	<u><u>17,978,593</u></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	838,748	661,831
Accrued liabilities	45,883	37,183
Customer Deposits	784,664	715,120
Due to other funds	-	-
Total current liabilities	<u>1,669,295</u>	<u>1,414,134</u>
Noncurrent liabilities:		
Compensated absences	413,131	411,922
Net pension liability	720,830	474,757
Total noncurrent liabilities	<u>1,133,961</u>	<u>886,679</u>
Total liabilities	<u><u>2,803,256</u></u>	<u><u>2,300,813</u></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	12,168,694	12,173,300
Unrestricted	6,647,989	6,134,187
Total net position	<u><u>\$ 18,816,683</u></u>	<u><u>\$ 18,307,487</u></u>

Comptroller/Treasurer's Report – July 21, 2022

Municipal Services Commission
Statement of Revenues, Expenses, and Changes in Net Position
As of June 30, 2022 and 2021

	<u>2023</u>	<u>2022</u>
Operating Revenues:		
Water sales	\$ 568,602	\$ 562,322
Power sales	2,075,851	2,083,232
Miscellaneous	11,568	8,444
Total operating revenues	<u>2,656,021</u>	<u>2,653,998</u>
Less: free service	<u>(1,811)</u>	<u>(1,713)</u>
Net operating revenues	2,654,210	2,652,285
Purchase of water and power	1,616,818	1,521,396
Operating Expenses		
Salaries and benefits	597,435	531,123
Repairs and maintenance	122,400	(16,384)
Supplies	49,785	23,865
Utilities	13,671	12,823
Insurance	33,427	35,907
Professional fees	40,462	25,716
Administrative	44,007	33,192
Depreciation	<u>174,822</u>	<u>172,613</u>
Total operating expenses	<u>1,076,009</u>	<u>818,855</u>
Operating income (loss)	<u>(38,617)</u>	<u>312,034</u>
Nonoperating revenues (expenses):		
Net investment income	6,881	6,577
Realized gain (loss) on investments	-	(290)
Unrealized gain(loss) on investments	(56,449)	16,419
Gain (loss) on disposal of assets	(4,826)	-
Grant income	-	55,932
Grant Expense	-	(55,932)
Miscellaneous	(2,777)	3,066
Appropriations to Mayor & Council of New Castle		
Ordinary	(167,554)	(163,011)
City Services	(8,926)	(7,337)
Special	<u>(5,265)</u>	<u>(4,030)</u>
Total nonoperating revenues (expenses)	<u>(238,916)</u>	<u>(148,606)</u>
Income before capital contributions	(277,533)	163,428
Capital Contributions	<u>-</u>	<u>-</u>
Change in net position	(277,533)	163,428
Net position - beginning	<u>19,094,216</u>	<u>18,144,059</u>
Net position - ending	<u>\$ 18,816,683</u>	<u>\$ 18,307,487</u>

**Municipal Services Commission
Combining Balance Sheet by Fund
As of June 30, 2022 and 2021**

	Water		Electric		Total
	2023	2022	2023	2022	
ASSETS:					
Current assets:					
Cash and equivalents	-	-	2,619,099	2,145,549	2,145,549
Investments	175,630	192,492	995,236	1,090,790	1,283,282
Accounts receivable, net	130,798	168,971	609,820	661,559	830,530
Inventories	106,841	94,607	689,710	620,128	714,735
Prepays	47,230	55,912	93,090	68,338	124,250
Restricted cash	-	-	700,904	706,947	706,947
Total current assets	460,499	511,982	5,707,859	5,293,311	6,168,358
Noncurrent assets:					
Capital assets not being depreciated:					
Land	45,386	45,386	-	-	45,386
Construction in progress	69,401	82,679	145,883	1,079,352	1,162,031
Capital assets net of accumulated depreciation:					
Buildings	124,495	136,019	143,996	157,838	293,857
Equipment	286,867	266,122	441,137	532,481	798,603
Infrastructure	7,020,071	7,298,897	3,891,458	2,574,526	9,873,423
Total noncurrent assets	7,546,220	7,829,103	4,622,474	4,344,197	12,173,300
DEFERRED OUTFLOWS OF RESOURCES					
Pension	143,624	74,176	175,540	90,660	164,836
Regulatory accounting - substation	-	-	3,436,566	3,124,345	3,124,345
Total deferred outflows	143,624	74,176	3,612,106	3,215,005	3,755,730

(Continued)

**Municipal Services Commission
Combining Balance Sheet by Fund
As of June 30, 2022 and 2021**

	Water		Electric		Total
	2023	2022	2023	2022	
LIABILITIES					
Current liabilities:					
Accounts payable	56,792	20,136	781,956	641,695	838,748
Accrued liabilities	21,218	16,732	24,665	20,451	45,883
Customer Deposits	48,389	-	736,275	715,120	784,664
Due to other funds	703,940	1,461,107	(703,940)	(1,461,107)	-
Total current liabilities	830,339	1,497,975	838,956	(83,841)	1,669,295
Noncurrent liabilities:					
Compensated absences	233,332	74,145	179,799	337,777	413,131
Net pension liability	324,373	213,641	396,457	261,116	720,830
Total noncurrent liabilities	557,705	287,786	576,256	598,893	1,133,961
DEFERRED INFLOWS OF RESOURCES					
Pension	212,779	296,763	260,064	362,711	472,843
Total deferred inflows	212,779	296,763	260,064	362,711	472,843
NET POSITION					
Investment in capital assets	7,546,220	7,829,103	4,622,474	4,344,197	12,168,694
Unrestricted	(996,700)	(1,496,366)	7,644,689	7,630,553	6,647,989
Total net position	6,549,520	6,332,737	12,267,163	11,974,750	18,816,683

**Municipal Services Commission
Combining Schedules of Revenues, Expenses, and Changes in Net Position by Fund
For the three months ending June 30, 2022 and 2021**

	Water		Electric		Total
	2023	2022	2023	2022	
Operating Revenues:					
Charges for services	\$ 568,602	\$ 562,322	\$ 2,075,851	\$ 2,083,232	\$ 2,644,453
Miscellaneous	3,627	3,698	7,941	4,746	11,568
Total operating revenues	572,229	566,020	2,083,792	2,087,978	2,656,021
Less: free service	(902)	(925)	(909)	(788)	(1,811)
Net operating revenues	571,327	565,095	2,082,883	2,087,190	2,654,210
Purchase of water and power	5,991	6,252	1,610,827	1,515,144	1,616,818
Operating Expenses					
Salaries and benefits	281,643	254,639	315,792	276,484	597,435
Repairs and maintenance	95,304	13,746	27,096	(30,130)	122,400
Supplies	18,224	7,972	31,561	15,893	49,785
Utilities	8,043	8,095	5,628	4,728	13,671
Insurance	15,042	16,158	18,385	19,749	33,427
Professional fees	25,266	12,790	15,196	12,926	40,462
Administrative	18,111	3,197	25,896	29,995	44,007
Depreciation	81,118	93,786	93,704	78,827	174,822
Total operating expenses	542,751	410,383	533,258	408,472	1,076,009
Operating income (loss)	22,585	148,460	(61,202)	163,574	(38,617)
					312,034

(Continued)

Municipal Services Commission
Combining Schedules of Revenues, Expenses, and Changes in Net Position by Fund
For the three months ending June 30, 2022 and 2021

	Water		Electric		Total	
	2023	2022	2023	2022	2023	2022
Nonoperating revenues (expenses):						
Net investment income	1,072	988	5,809	5,589	6,881	6,577
Realized gain (loss) on investments	-	(43)	-	(247)	-	(290)
Unrealized gain(loss) on investments	(8,467)	2,463	(47,982)	13,956	(56,449)	16,419
Gain (loss) on disposal of assets	(2,172)	-	(2,654)	-	(4,826)	-
Grant income	-	1,379	-	54,553	-	55,932
Grant Expense	-	(1,379)	-	(54,553)	-	(55,932)
Miscellaneous	(2,777)	220	-	2,846	(2,777)	3,066
Appropriations to Mayor & Council of New Castle						
Ordinary	(34,332)	(29,341)	(133,222)	(133,670)	(167,554)	(163,011)
City Services	(8,926)	(7,337)	-	-	(8,926)	(7,337)
Special	(3,731)	(137)	(1,534)	(3,893)	(5,265)	(4,030)
Total nonoperating revenues (expenses)	(59,333)	(33,187)	(179,583)	(115,419)	(238,916)	(148,606)
Income before capital contributions	(36,748)	115,273	(240,785)	48,155	(277,533)	163,428
Capital Contributions	-	-	-	-	-	-
Change in net position	(36,748)	115,273	(240,785)	48,155	(277,533)	163,428
Net position - beginning	6,586,268	6,217,464	12,507,948	11,926,595	19,094,216	18,144,059
Net position - ending	<u>\$ 6,549,520</u>	<u>\$ 6,332,737</u>	<u>\$12,267,163</u>	<u>\$11,974,750</u>	<u>\$18,816,683</u>	<u>\$18,307,487</u>

Comptroller/Treasurer's Report – July 21, 2022

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

Project	Total Approved Budget	Materials as of 6/30/2022	Remaining Budget as of 6/30/2022	Total Capitalized To Date (1)	Status	
Vandyke Village Undergrounding	\$ 886,000.00	\$ 383,947.00	\$ 502,053.00	\$ 1,050,884	In Progress	
AMI System - Electric	665,000	2,025	662,975	-	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	-	PO Issued	
Overhead/Underground Fault Indicators	10,000	-	10,000	-	Not Started	
T-10 Replacement Ram 3500	-	73,142	(73,142)	-	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	1,281,100	6,321	1,274,779	-	Awarded	
Debt Principal Pymt - 6months SRLF	50,000	-	50,000	-	N/A	
Delaware St & 6th Street Paving	42,500	-	42,500	-	CANCELLED	
Delaware St 12" Main Ext & 10 St Xing approved 04/2021 \$42,500 + \$13,600 (increase) approved 04/2022	56,100	-	56,100	-	CANCELLED	
Delaware Street RR Xing - Water Main Relocation approved 04/2021 \$37,500 + 12,000 (increase) approved 04/2022	49,500	-	49,500	-	CANCELLED	
Structural Improvements to Water Tanks	100,000	-	100,000	-	In Progress	
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	3,325	200,175	-	PO Issued
	Water	166,500	874	165,626	-	PO Issued
2 Way Radio Replacement						
	Electric	8,250	-	8,250	-	PO Issued
	Water	6,750	-	6,750	-	PO Issued
Admin Confrence Room Furnishings						
	Electric	8,250	7,434	816	-	In Progress
	Water	6,750	6,109	641	-	In Progress
Phone System Replacement						
	Electric	8,250	-	8,250	-	Not Started
	Water	6,750	-	6,750	-	Not Started

Comptroller/Treasurer's Report – July 21, 2022

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

Project		Total Approved Budget	Materials as of 6/30/2022	Remaining Budget as of 6/30/2022	Total Capitalized To Date (1)	Status
Admin Copier/Folding Machine						
	Electric	16,500	11,987	4,513	11,987	Complete
	Water	13,500	9,807	3,693	9,807	Complete
Master Campus Plan/Admin Facility approved \$19,000 12/2019 + 2ND Phase \$15,000						
	Electric	18,700	15,105	3,595	-	In Progress
	Water	15,300	12,358	2,942	-	In Progress
Accounting Policies/Procedures manual						
	Electric	3,328	1,075	2,252	-	In Progress
	Water	2,723	880	1,843	-	In Progress
		\$ 3,955,250.00	\$ 585,796.88	\$ 3,369,453.13		

(1) Includes capitalized labor and equipment costs.

Special Appropriations

City & Trustee Projects	Donated Labor & Equipment	Billable Material	Invoiced Date	Paid Date
Penn Farm Water	\$ 2,681.00	\$ 502.83	2/28/2022	7/5/2022
Donation of folding machine to City	\$ 2,584.00	\$ -		

MUNICIPAL SERVICES COMMISSION

CITY OF NEW CASTLE, DELAWARE 19720-0208

P.O. BOX 208

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Water Department Commission Meeting Report

July 21, 2022

Prepared by: Jay Guyer on July 14, 2022

1. Developer Projects

A. Riverbend Subdivision

1. WUM Guyer has nothing to update on the Water and Electric Crossing Agreements and Plans with Rail Pros and Civil Engineering Associates (CEA). Rail Pros requested CEA to separate the Water and Electric and re-submit separate permits and plans for each. Per Ron Sutton of CEA, he is working on the revised submission. Freedom Development submitted the escrow funds for water services from the main to the curb stops. WUM Guyer discussed water service installation from the curb stop to the house with Paul Hughes of Gemcraft Homes. WUM Guyer forwarded an estimate to Gemcraft for funds to be submitted for this portion of the water services. Receipt of the funds is pending.

B. Court House – Delaware Street

1. WUS Jaeger followed up with the General Contractor on the water services for the building. The domestic water service is completed and the meter installed. The fire service is connected in the building but has not been turned on. Wayman Fire Protection, Inc. will perform the testing of the backflow device on the fire service and indicated there were several issues with the Fire Service Alarms they were working to resolve. They will request the fire service to be turned on after these issues have been resolved to perform the backflow device certification.

C. 165 East 2nd Street – New Home

1. MSC completed the blacktop repair in the street where the water main was tapped for the new water service. It appears that construction on the house has paused.

D. Sheriffs House Renovation – Market Street

1. WUM Guyer has not received revised plans and nothing to update on this project.

2. MSC Projects

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

1. WUM Guyer and WUS Jaeger review the water meters and associated installation hardware for accurate quantities. WUM Guyer placed the orders with Badger Meter for the meters and with Kendall for the installation hardware.

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Water Department Commission Meeting Report

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

1. Hydro Corp mailed out the first round of testing certification and non-compliance notices on June 12th. WUM Guyer and WUS Jaeger have received some phone calls from customers wanting to better understand the new procedures. WUSP Jeff Schlecht is certified to test MSC and City domestic devices and will start testing the devices when MSC’s testing unit is returned from being calibrated at the manufacturer.

C. PFAS Sampling - Carbon Filtration System

1. The next non-compliance PFAS Sampling of the carbon filtration system to determine carbon consumption will be scheduled for the middle of July.
2. Compliance PFAS sampling was completed on June 14th for reporting to the Office of Drinking Water. Sampling at the System Distribution Entry Point (DEP1), 100 Municipal Boulevard, and 220 Delaware Street all had Non-Detect Results for PFAS.

D. Penn Farm House Renovation – Trustees

1. The domestic pressure booster pump for the Farm House water service is scheduled to be installed the week of July 11th. MSC water personnel will install the pump and plumbing and MSC electric personnel will install electric to the pump.

E. 216 Chestnut Office Building - Renovation

1. Water Operators continue renovation of the meeting room / conference room area. Materials for the new counter top was picked up and they are being built and will be installed when ready. Windows delivery is scheduled for September.

F. Hermitage Park – 9th Street

1. WUM Guyer has no update from the Trustees on this project.

3. Operations

A. Outages

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

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Water Department Commission Meeting Report

July 21, 2022

Prepared by: Jay Guyer on July 14, 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 attended a Zoom meeting with Delaware Rural Water Association (DRWA) and Colonial School District to review the Pre-Apprenticeship Water Operators Course and options to make improvements. Colonial agreed to host the class again in the 2022/2023 School Year as an after school elective.
3. WUM Guyer and WUS Jaeger are reviewing the projects that Notices of Intent were submitted for to the DWSRF Program. MSC had a follow up conversation with DWSRF Staff in reference to the Project Priority List. A record number 73 projects were submitted for funding with all being ranked and funded. WUM Guyer and WUS Jaeger will review and prioritize the projects for moving forward. WUM Guyer and WUS Jaeger will start the full application for the water main replacement project on Hewlett Avenue and Janvier Avenue that was fully subsidized. The submission deadline for the full application is September 15th.
4. ATSDR PFAS Environmental Sampling – WUM Guyer has nothing to update on this project.
5. WUM and WUS Jaeger completed updating the 2022 Consumer Confidence Report for the Spring / Summer Newsletter. The Newsletter was completed and mailed to our customers before the June 30th deadline. Artesian Water Company CCR was also mailed to our customers in Boothurst Subdivision and Edgewood Drive. Copies of the Newsletter / CCR Certifications of Delivery were e-mailed to Delaware Office of Drinking Water (ODW) and Public Advocate (PA) by the July 1st deadline. WUM Guyer received confirmation from both ODW and the PA they received the CCR and Certifications.
6. On June 6th, MSC started our triennial Lead and Copper Monitoring. The 21 samples collected were delivered to the Laboratory for analysis. All 21 samples had results below the action level for lead and copper. Letters were drafted including the test results, required Lead and Copper Language, and were mailed to the customers. WUM Guyer completed the Certification Form and forwarded it, a copy of the Customer Letter, and the results to the Office of Drinking Water for compliance.

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Water Department Commission Meeting Report

July 21, 2022

Prepared by: Jay Guyer on July 14, 2022

C. System Repairs and Maintenance

1. Riverbend Subdivision – Flushed on June 10th to maintain Chlorine Residual and was also flushed on June 24th as part of MSC Annual Hydrant Flushing Program.
2. Monthly Meter Reading – Door hangers requesting customers obtain a visual meter read and call it into the office of call were handed out on July 8th and monthly meter reads completed on July 12th. Water Operators followed up on 300 plus check reads and missed reads as needed. 73 of the 300 missed reads were new missed reads.
3. Tank Maintenance – Southern Corrosion is scheduled to perform structural and safety improvements at the Gray Street Tank starting the week of July 18th and move into painting the tank when improvements are completed. Notices of the project were typed up and delivered to customers in the immediate area surrounding the tank and a notice was forwarded to the New Castle Weekly with details of the tank painting project. WUM Guyer will submit a request form for “Approval to Construct” for the renovations and repainting to the Office of Engineering. MSC had a meeting on July 12th with Russ Smith and Southern Corrosion to discuss incorporating the City’s new graphic branding system into the tank painting design and accent lighting. Further discussion of painting and lighting will be under New Business.
4. Water Operators started the annual fire hydrant flushing program the on June 20th and completed on June 27th. A total of 1,063,850 gallons of water was used to complete the program. No fire hydrants had any defects or experienced any operational issues requiring them to be placed out of service. All MSC owned/maintained fire hydrants were inspected, serviced, flushed, and chlorine levels checked to ensure high water quality throughout the system and their operational readiness.
5. MSC worked with Artesian Water Company on June 30th to flush the School Lane Interconnection. Bacteria samples were collected from both systems and were negative. The interconnection is ready for either organization to be use.

D. Grants and State Revolving Funds

1. Water Infrastructure Advisory Council (WIAC) Grants –The Condition & Critically Rating layer in our GIS Mapping System is installed and working. This completed Task 5. WUM Guyer is followed up with RK&K on an updated project schedule for Tasks 4, 6, and 7 and agreed to a planned completion date of November 30th for our Asset Management Program.

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Water Department Commission Meeting Report

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E. Capital and Operation & Maintenance Budgets

1. WUM Guyer and WUS Jaeger are reviewing water projects and equipment to update the 5 Year Capital Budget.

F. Equipment

1. No equipment issues to report for July 2022.

G. Personnel and Training

1. No personnel issues to report at this time.

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. MSC Water Personnel watched Heat Stress Safety Videos from Delaware Safety Council and discussed ways of preventing heat related incidents at MSC.

3. Local, State, and Federal Agencies

A. WSCC - Water Supply Coordinating Council

1. The next meeting is scheduled for July 27th.

B. WRA – Water Resource Agency

1. WUM Guyer is sending weekly pump data to the WRA Staff for demand tracking.

C. DEWARN – Delaware Water/Wastewater Agency Response Network

1. The next DEWARN meeting is tentatively scheduled for August 17th.

D. Water Operator Advisory Council

1. The next meeting is scheduled for July 7, 2022.
2. The next meeting is pending for the 5 person Advisory Council Sub - Committee tasked with review and update of the Water Operator Certification Regulations.

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Water Department Commission Meeting Report

July 21, 2022

Prepared by: Jay Guyer on July 14, 2022

E. WIAC - Water Infrastructure Advisory Council

1. The next meeting is scheduled for September 21, 2022.

End of Report

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

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Monthly Water Works Report

June 1 - 30, 2022

Prepared By: Jay Guyer on July 14, 2022

Water Production		FT 300		Gallons	
Month	Year	Raw	Adjusted	Raw	Finished
June	2021	14,208,500	14,079,118	13,410,400	13,410,400
June	2022	13,410,400	13,325,699	13,325,699	13,325,699
Difference		-798,100	-753,419	-84,701	-84,701
Percentage Difference		-6.0	-5.7		0.6

NOTE: MSC 2021 Annual Hydrant Flushing was started on June 28th and completed on July 6th

Well(s) in Operation Days Pumped	Basin Road Reserve Status	Frenchtown Road Resting	School Lane XXX	Cross Roads XXX
			15	15

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	0.89 ppm	0.70 ppm	0.60 - 1.00 ppm

General Water System Report

Routine Bacteria Sampling
(Office of Drinking Water)

# Collected	# Absent
10	10
Results	0 Present

Miss Utility Locate Requests
(Water and Electric Locates)

# Received	# Completed	# of Damages
64	64	0

Building Permit Review
(Water Related Conflicts)

# Reviewed	# Approved	# Not Approved
36	35	1

600 Ships Landing Way - Fence proposed with in 20Ft MSC Water Easement.

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Monthly Water Outages / Interruptions Report

June 1 - 30, 2022

Prepared By: Jay Guyer on July 14, 2022

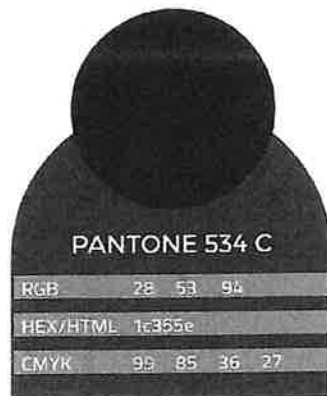
Planned Outage / Interruptions		No. of	Comments
Date	Approximate Duration Hours / Minutes	Customers	

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

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

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

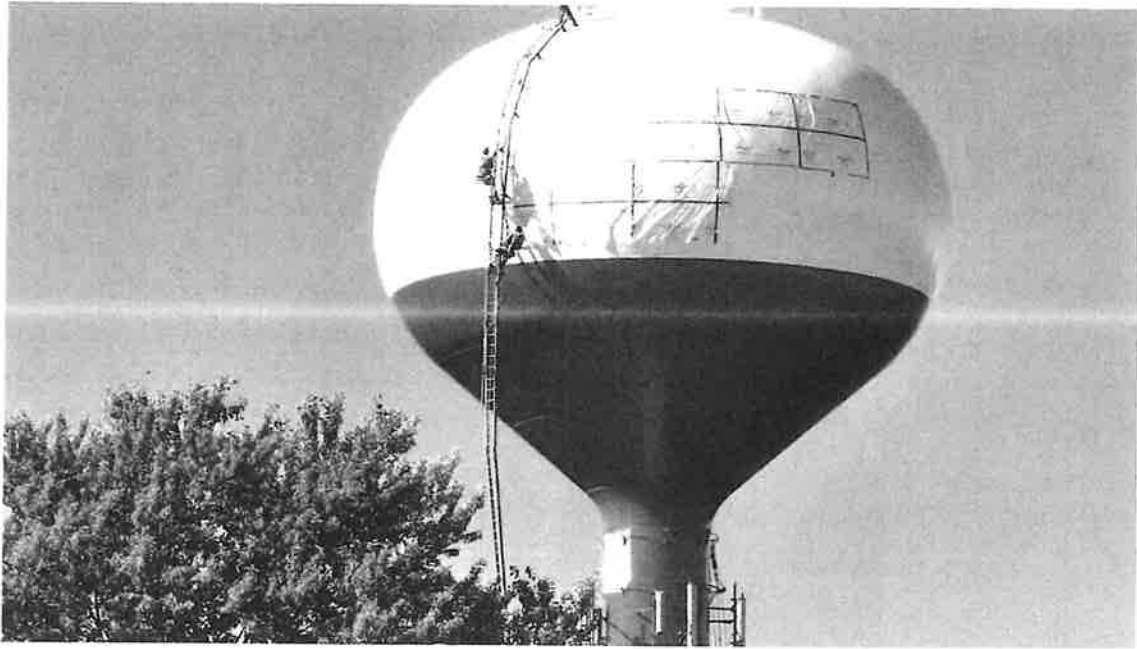
H I S T O R I C New★Castle



Historic Font is Aleo Bold and color will be Pantone 646 C

New Castle Font is Zahrah Regular and color will be Pantone 534 C

Star Symbol color will be Pantone 465 C



Bottom of Tank color will be Pantone 534 C

Top of the Tank color will be White

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ELECTRIC DEPARTMENT COMMISSION REPORT

July 21, 2022

Prepared by Artie Granger on July 13, 2022

1. Developer Projects:

a. 90 Lukens Dr:

- I. There has been nothing new with this project.

B. Riverbend Subdivision:

- I. MSC has energized the first few homes.

2. Capital Projects:

a) Van Dyke Village:

- a. MSC has begun working on this project. MSC is continuing to install conduits, junction boxes and transformer pads on Casimir Court.

b) Center Point Industrial Park:

- a. MSC will continue to work on design and budget numbers to begin to install conduit throughout the industrial park.

c) Grant Opportunities:

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

3. Capital Purchases:

I. MSC Utility Building

1. MSC has placed deposits for both the new utility building and the garage doors. The building is expected to be delivered in the first part of August. There is a 22 week lead time on the garage doors.

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ELECTRIC DEPARTMENT COMMISSION REPORT

July 21, 2022

Prepared by Artie Granger on July 13, 2022

2. MSC has been in contact with other vendors / contractors to firm up pricing with the other trades such as concrete, framing and the wash bay.
- ii. **MSC Replacement Radios**
 1. Delmarva Communications has received all of the radios and is currently waiting for the repeater. Once this is in they will be able to install and turn on the replacement system.
- iii. **T-10 Utility Truck Replacement**
 1. Intercon Truck and Equipment has received the truck and will be painting and installing the body on it. Once this is complete we will send the truck to AUI Fabrication for the completion of the body.
- iv. **New Stake Body**
 1. MSC has been in contact with Intercon Truck and Equipment. MSC expects to be able to take delivery within the next month.
4. **Operations:**
 - a. **Outages :**
 - i. There were one outage the past month.
 - i. One outage was caused by a squirrel on a transformer which caused 11 customers to lose power for about 1 hour.

SAIDI (minutes)	SAIFI (number of interruptions)	CAIDI (minutes)	ASAI (percent)
70.24	1.536	45.721	99.9866

ii. 7/1/21 – 7/1/22

ELECTRIC DEPARTMENT COMMISSION REPORT

July 21, 2022

Prepared by Artie Granger on July 13, 2022

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 has performed the monthly inspections at this location.

B. Dobbinsville Substation:

- I. The Electric Department performed the monthly inspection at this location.
- II. MSC has received the replacement insulator and will schedule replacement when we turn off the substation at a later time.

C. EV Chargers:

- I. MSC will install the chargers when it can fit in our schedule. MSC is focused on the Vandyke Village project right now.

D. Fault Detectors:

- I. MSC has gotten some pricing and will be ordering some fault detectors and will install them when they come in.