

Municipal Services Commission Monthly Meeting
September 22, 2022, 8:00 a.m.
216 Chestnut Street New Castle, Delaware

The meeting was called to order at 8:00 a.m. with Dr. Roy Sippel, President, presiding.

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

Staff in Attendance: Jay Guyer, Manager, Water Utility
Dave Bennett, Supervisor, Electric Utility

Absent: Kendrick Natale, Comptroller
Artie Granger, Manager, Electric Utility

Dr. Sippel convened the meeting at 8:00 a.m. Roll call followed and a quorum to conduct business was declared.

Resolutions

Resolution 2022-3, a Resolution adopting financial policies, and Resolution 2022-4, a Resolution authorizing the opening of an Investment Account, were discussed at the August Board meeting. At that time Mayor Quaranta asked that MSC confirm with the City that financial policies of the City and MSC align. City Finance Coordinator Kathleen Walls responded that the document aligns in many instances with the City, and that in the few instances where it does not align she believed it was because of the inherent differences between MSC and the City.

A motion to approve Resolution 2022-3 adopting financial policies as submitted was made by Mayor Quaranta. The motion was seconded by Commissioner Knox and unanimously passed.

A motion to approve Resolution 2022-4 authorizing the opening of an Investment Account with M&T Bank was made by Mayor Quaranta. The motion was seconded by Commissioner Knox and unanimously passed.

Minutes

A motion was made by Commissioner Knox to approve the Minutes of the August 30, 2022, regular session as presented. The motion was seconded by Mayor Quaranta and unanimously passed.

A motion was made by Commissioner Knox to approve the Minutes of the August 30, 2022, executive session. The motion was seconded by Mayor Quaranta and unanimously passed.

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

In Mr. Natale's absence, Mr. Blomquist reported the following as of August 31, 2022:

PNC Checking Account:	\$ 18,030
M&T Bank Checking:	2,383,560
M&T Bank MMA:	824,542
Petty Cash/Change Fund:	<u>900</u>

Municipal Services Commission Monthly Meeting
September 22, 2022, 8:00 a.m.
216 Chestnut Street New Castle, Delaware

Total Cash on Hand: \$ 3,227,032

In response to a question from the Commissioners, Mr. Blomquist explained payments to Southern Corrosion, Graber Supply, CK Construction and McHenry Pressure Cleaning Systems, Inc.

Customer Service/Billing

Bills sent: 3,224
Delinquent & past due notices: 363
Automated phone notifications: 363
Payment arrangements: 52
Service cuts – August: 37

470 customers were assisted in person. Thirteen customers received assistance from New Castle Cares and other agencies or nonprofits.

Electronic Forms and Applications

Customer Service has been working to create a residential service application, commercial application and transfer of service application, all of which can be completed and submitted online.

Insurance Broker RFP: Bid Tabulation

CBM and SIP Program numbers were compared, and it was recommended to award Cyber and Flood Insurance to CBM and award Workmen's Compensation to SIP.

A motion was made by Mayor Quaranta to accept the insurance award recommendation as presented.

In response to a question from Commissioner Knox, Mr. Blomquist gave a further explanation of the differences between the CBM and SIP quotes.

The motion was seconded by Commissioner Knox and unanimously passed.

Electric Department

User charges were unfavorable (\$73,000). August sales increased by approximately 7.69% over the same period last year. Fiscal YTD total billed consumption is 1.8% lower than last year. MSC's rate is currently 21% lower than Delmarva and 8% lower than the Co-op; and is currently the lowest in the state.

Electric operating expenses have an unfavorable variance YTD (\$12,000). There is a favorable variance of \$79,000 for power supply costs due to decreased customer demand, which is offset by unfavorable variances in other categories related to timing differences.

Water Department

User charges are unfavorable YTD (\$15,000). Water consumption for the month was down 3.0% from the same period in 2021 (433,000 gallons). YTD consumption is in line with last year's consumption and 2% lower than the 5-year average.

Municipal Services Commission Monthly Meeting
September 22, 2022, 8:00 a.m.
216 Chestnut Street New Castle, Delaware

In response to a question from Mayor Quaranta, Mr. Guyer explained that as more new houses are built equipment is more efficient, and as existing users upgrade and modernize, consumption balances out and overall usage remains fairly flat.

Water has an unfavorable variance in non-operating revenue of \$23,000.

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

Developer Projects

- 90 Lukens Drive – MSC energized the building this morning.
- Riverbend Subdivision – Mr. Bennett explained that the contractor changed one of the lots around and when they dug the basement they dug into the electric infrastructure. It was fixed last week. The outage lasted about six hours.

Capital Projects

- Van Dyke Village – Van Dyke Village moved along very well this summer. There are approximately five more houses that will be dug in this year. Approximately 36 houses were done this year, leaving five more transformers to do next year. It appears that reliability has improved. Outages have occurred for aerial customers that did not affect underground customers. The goal is to have the entire project completed before the end of 2023.

Grant Opportunities

- Baker Tilley notified MSC that there will be no significant changes until the second quarter of 2023.
- A meeting is scheduled with University of Delaware to discuss other opportunities.

Capital Purchases

- Utility Building – The building is complete. A concrete contractor has been hired to do the floor.
- New Stake Body – The new stake body was received on September 21, 2022.
- T-10 Utility Truck Replacement – The truck is still out for fabrication work, which should be completed in October.

Operations

- Outages – There were no outages in the past month.

DEMEC Line Training Area

- MSC will set seven poles at the DEMEC Training Area on September 23rd. MSC loaned DEMEC the poles, and when the new poles DEMEC has purchased are received they will replace the poles MSC loaned to them.

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

Developer Projects

- Riverbend Subdivision – Contractors have installed services from the main to the curb stops at 11 locations. The mechanical contractor is doing the installation from the curb stops into the

Municipal Services Commission Monthly Meeting
September 22, 2022, 8:00 a.m.
216 Chestnut Street New Castle, Delaware

houses. MSC has been on site inspecting. Mr. Guyer reached out to Civil Engineering Associates relative to the railroad submission but has received no response yet. In response to a question from Commissioner Knox, Mr. Guyer stated he would anticipate coming to the Commission in the next two meetings if there is no significant movement to inform them how many more houses can be attached until they get the permit done, and there will be no more services turned on until the 12" water main is looped to Centerpoint Boulevard.

MSC Projects

- Cross Connection Control Program – MSC is reaching out to customers to ensure they received their notices and that their plumbers are following through. Some plumbers are not following-through and MSC is addressing that.
- PFAS Sampling – Carbon Filtration System – Mr. Guyer received the July 14th and August 10th results. PFAS is starting to break through the lead vessel but is undetectable at the first test port in in the Lag Vessel. Mr. Guyer expects to plan a carbon exchange in Vessel 1 in November or December. In response to a question from Commissioner Knox, Mr. Guyer explained the PFAS breakthrough. Calgon Carbon is getting MSC's swing load of carbon regenerated and prepared for delivery when requested and scheduled. This is the first time MSC has had carbon regenerated. Artesian has had very good results using the regenerated carbon.
- Pole Building – Operators have been working on the new Pole Building and preparing for concrete.

Operations

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

Reporting

- Calgon Carbon – The Pilot Study is ongoing. Engineer Adam Redding will do an exchange on another vessel and try running a different resin at the end of October. The Mr. Redding did a presentation on September 9th that was open to all utilities in Delaware. The presentation was well received, especially from the perspective of using a carbon/resin combination. Additional presentations will be made after more data is compiled.
- Pre-Apprenticeship Water Operators Course – DRWA is still working with Colonial School District on the apprenticeship program.
- MSC NOI Projects – The full application for the Hewlett and Janvier Avenue Water Main was done and was submitted by the September 16th deadline. WIAC will meet in December to review the full applications and make final awards. Mr. Guyer noted that even though there is a 20% contingency built in there is a possibility that the cost could overrun the amount of the award (possibly a 5-10% overage). Mr. Guyer has discussed this with Mr. Barbado. This might require Mr. Guyer to request additional funds from the Commission to complete the project early; in which case the additional cost to MSC for a \$1.4M project could be approximately \$100,000-\$150,000. Mr. Guyer also noted that MSC could reapply for funding.
- Community Outreach – There is a proposal to make the East Basin Road Ground Water Site in Delaware a Super Fund Site. That would open up Federal Funding to further study and remediate PFAS contamination around the New Castle Airport. Mr. Guyer noted the boundaries of the 5,000 acre site. The proposal is open for public comment. An in-person meeting will be held at the New Castle Library, and there will also be a virtual meeting. Mr. Guyer will attend both meetings. In response to a question from Mayor Quaranta, Mr. Guyer gave a more

Municipal Services Commission Monthly Meeting
September 22, 2022, 8:00 a.m.
216 Chestnut Street New Castle, Delaware

detailed explanation of the Federal funding that would be available to either start addressing the issue or study it.

- HB8 – The comment period on HB8 to establish a State Maximum Contaminant Level (MCL) for PFAS contaminants PFOA and PFOS closed on September 9th. DNREC and the Office of Drinking Water are reviewing all comments and will make a determination on how to move forward.
- Green Energy and Sustainability Projects – Mr. Guyer reported that one of the MOIs submitted was for a solar project at Penn Farm. The only funding it received was the offer of a loan as opposed to a grant. Ms. Sandy Spiegel submitted the project to the University of Delaware Biden School Institute for Public Administration. They have a grant to do a case study on green energy and sustainability projects and help utilities develop NOIs for submission. Mr. Guyer forwarded MSC's NOIs for the green energy project.

System Repairs and Maintenance

- Monthly Meter Reading – Monthly meter reads were completed on September 12th. A significant number of ERTs failed this month.
- Tank Maintenance – Painting of the City Logo is underway on the Gray Street Tank. Mr. Guyer asked that any feedback received from the public be forwarded to him.
- School Lane Water Treatment Facility – Pressure washing of the exterior of the carbon vessels was completed. There were no issues to report
- Fire Hydrants – Operators worked on fire hydrants in Centerpoint.

Grants & State Revolving Funds

- Asset Management Program – MSC had a meeting with RK&K. They have MSC comments and are working on a final draft of the document. Completion goal is November 30th.

Local, State and Federal Agencies

- WSCC – Water Supply Coordinating Council – Several meetings for Northern New Castle County Water Providers were held to discuss weather conditions. It was noted that even recent rains were not enough to alleviate dry conditions on some of the water sheds. Some lower parts of Sussex County are verging on a Drought Watch with extremely dry conditions. This is something MSC will monitor going forward.
- DEWARN – Delaware Water/Wastewater Agency Response Network – The September 13th DEWARN meeting went well. The Jackson Mississippi water crisis was discussed.
- Operator Advisory Council – Water Operator License Applications were reviewed at the September 1st meeting. The Sub-Committee updated the Council on its progress reviewing the Operator Certification Regulations.

Mayor Quaranta noted that New Castle Charter School presents an opportunity to introduce the students to career opportunities in the Electric and Water fields. The Principal of the School has indicated she would welcome a greater connectivity with the City. Mr. Bennett noted that they have gone to schools in the past.

Public Comment

Karen Igou – 621 Cherry Street

Ms. Igou thanked MSC for the work that they do.

Municipal Services Commission Monthly Meeting
September 22, 2022, 8:00 a.m.
216 Chestnut Street New Castle, Delaware

Ms. Igou stated that she is affiliated with Green Building United, a nonprofit working with building efficiency and climate, and noted that there are many opportunities for MSC that were mentioned during a recent call she was on, including funding.

Ms. Igou also expressed her appreciation on the work being done by MSC on PFAS.

Ms. Igou announced her candidacy for an open position on the Board of the Trustees of the New Castle Common and stated her platform concerns. Ms. Igou stated for the record that she is not affiliated or associated with Mr. Phil Gross.

Comments from the Commissioners

Dr. Sippel asked Mr. Guyer if DP&L is keeping MSC informed relative to changing gas lines out. Mr. Guyer noted that MSC does have contact from them, but they are not keeping MSC directly informed on this project. Mr. Guyer explained DP&L's process for changing out gas lines. Mr. Blomquist noted that DP&L has had contact with the City office. Mayor Quaranta noted that as DP&L does work it would be optimum to align that work with undergrounding aerial utilities.

In response to a question from Mayor Quaranta, Mr. Guyer gave a more detailed explanation of the green energy grant for solar at Penn Farm and submission of MOIs. Mayor Quaranta offered to make an introduction to Mr. Greg Patterson, Infrastructure Implementation Coordinator in the Governor's Office, to facilitate a conversation with him and Messrs. Guyer, Blomquist and Barthel. In response to a question from Mr. Bennett, Mayor Quaranta stated he was not aware if the City has applied for any grants relative to green energy.

Mayor Quaranta asked for a status update on the "trench" at 7th Street. The Mayor suggested that Mr. Guyer craft a communication on the issue that he would forward to the County Executive. Mr. Blomquist noted that unless MSC takes responsibility for the project he did not feel they could encourage the County to move any faster. After discussion, Mr. Guyer stated that he will communicate with the County Engineer and tell him that MSC is receiving complaints on the matter, and will copy Mr. Blomquist and the Mayor on the communication.

Secretary's Report – Mr. Blomquist reporting

Mr. Blomquist reported on the Municipal Electric Utility Renewable Portfolio Standard (MRPS). The new target is to increase the RPS target to 40% by 2045. DEMEC is working on creating a timeline and how to get to meet that target.

DEMEC

- Annual elections were held and everything remained the same.
- DEMEC covered the 6.5% rate increase for the last several months. The increase for the remainder of 2022 jumped to 9.4%, adding approximately 1.4% to MSC customers from what was approved last month. Mr. Blomquist did not feel it was necessary to ask the Commissioners for a rate increase for the remainder of 2022 since the rate will go back to 6.5% in 2023.
- Joint Owners Report – Beasley Unit 1 ran for 154 hours and Unit 2 ran for 177 hours.

Municipal Services Commission Monthly Meeting
September 22, 2022, 8:00 a.m.
216 Chestnut Street New Castle, Delaware

- The overall demand for DEMEC members was up 1.6% over 2021.
- Idling Fees – Mr. Blomquist reached out to SemaConnect, and they were able to adjust their programming to allow MSC to manipulate charging fees by hour and day.
 - Normal fees: 7 a.m. – 11 p.m.
 - Zero fee: 11 p.m. – 7 a.m.
 - Idling fee (\$20/hour): 7 a.m. – 11 p.m. \$5 per quarter hour beginning 15 minutes after full charge is achieved.

Mayor Quaranta noted that City Council approved putting up signage to allow the Police Department to enforce ticketing of non-electric vehicles parked in EV parking spaces. Mr. Blomquist will present a Tariff Update at the next Commission meeting.

- Station Utilization – Mr. Blomquist displayed the EV Charger Usage Report showing the number of hours each charger has been used monthly. Only two chargers (Delaware Street) have not shown up on the usage report. During discussion Mayor Quaranta noted that the purchase of new electric vehicles is still eligible for a \$7,500 Federal tax credit and a \$2,500 State credit.

A motion to move to executive session was made by Mr. Knox and seconded by Mayor Quaranta. The motion was unanimously passed and the meeting adjourned to executive session at 9:23 a.m.

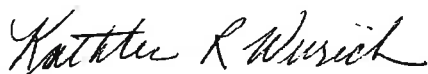
The Commissioners returned to regular session at 9:52 a.m.

Next Regular Meeting

The Commissioners set the next monthly Board meeting to be Thursday, October 27, 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 9:53 a.m.

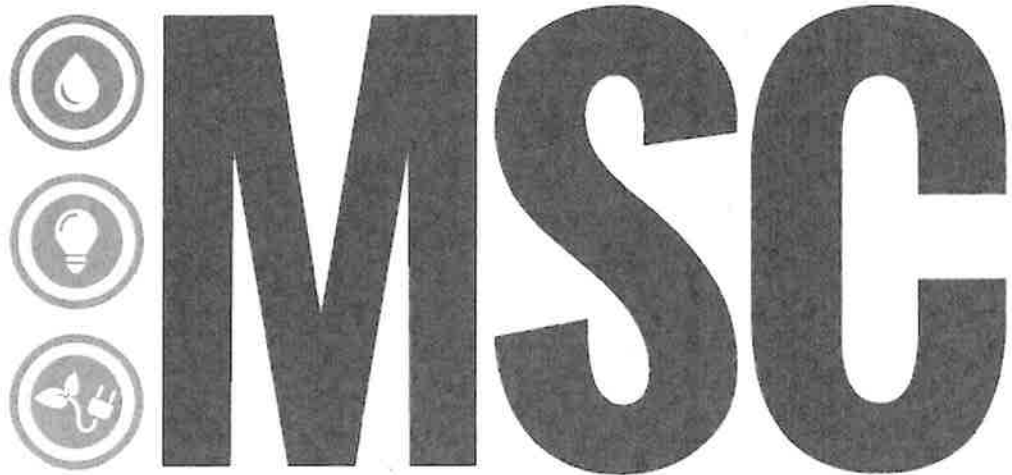


Kathleen R. Weirich, Stenographer

Approved: 

(Minutes transcribed from notes.)

Comptroller/Treasurer's Report



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

September 22, 2022 Commission Meeting
Prepared By: Ken Natale on September 15, 2022

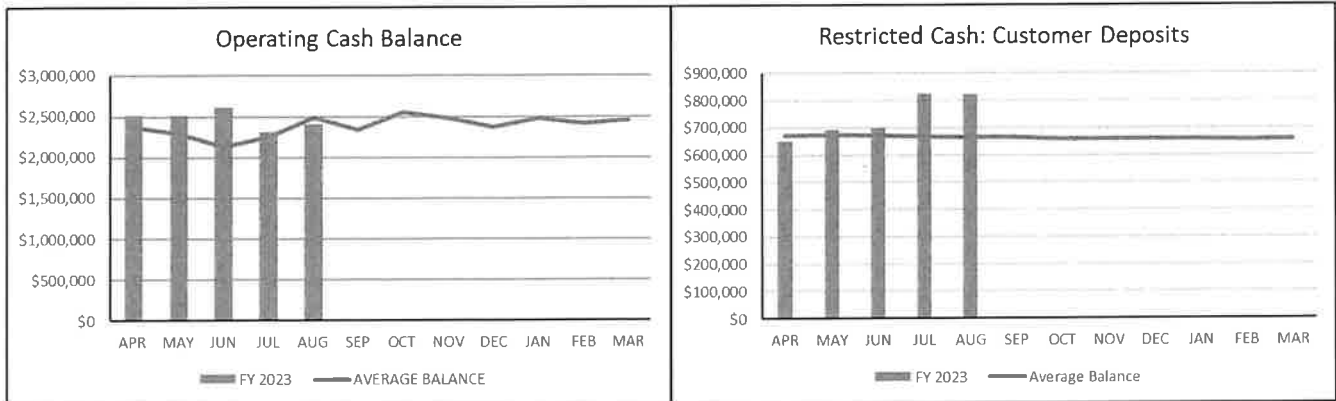
Contents

Cash & Investments	1
Check Register.....	2
Customer Service/Billing.....	5
New Castle Cares	5
Electronic Forms & Applications	5
Financial Policies	6
Insurance Broker RFP: Bid Tabulation	6
Electric Revenues.....	8
Electric Expenses.....	8
Budget to Actual Comparison – Electric	9
Water Revenues.....	10
Water Expenses	10
Budget to Actual Comparison – Water	11
Statement of Net Position	12
Statement of Revenues, Expenses, and Changes in Net Position	13
Combining Balance Sheet by Fund	14
Combining Schedules of Revenues, Expenses, and Changes in Net Position by Fund	16
Capital & Projects Budget to Actual.....	18

Cash & Investments

As of August 31, 2022 the cash balances were:

PNC Checking Account:	\$	18,030
M&T Bank Checking:		2,383,560
M&T Bank MMA:		824,542
Petty Cash/Change Fund:		900
Total Cash on Hand:	\$	3,227,032



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

Beginning Balance	\$	2,312,425
Cash from customers		1,287,829
Refunds to customers - deposits	(562)
Payments to suppliers for goods & services*	(1,102,714)
Bank service fees	(1,245)
Payments to employees for services	(94,143)
Net Cash Provided(Used)		<u>89,165</u>
Ending Cash Balance	\$	<u>2,401,590</u>

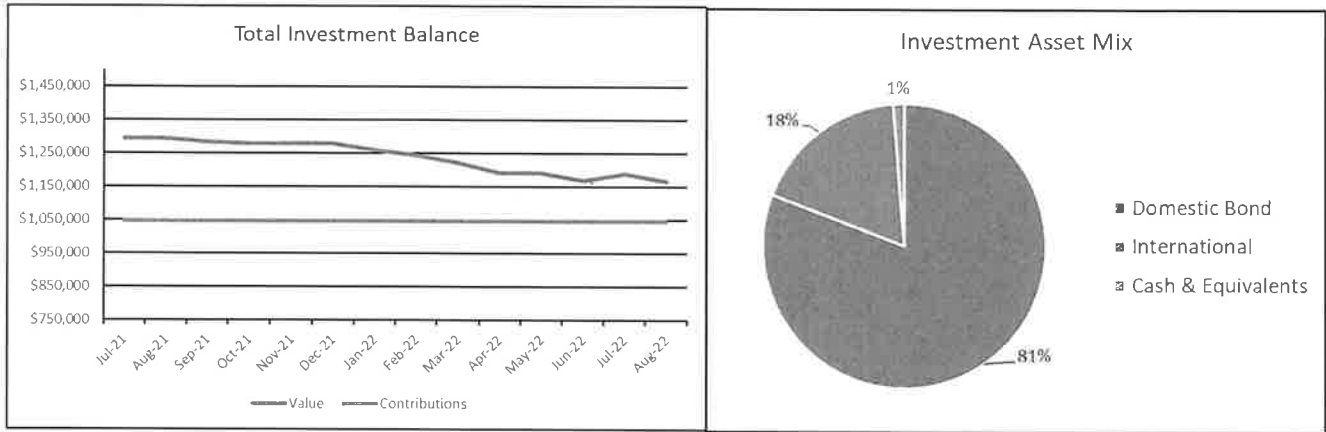
*A detailed check register for the month is available on pages 3-4 of this report.

As of August 31, 2022 the value of the Commission's investment portfolio totaled \$1,167,269 which is a net loss of \$22,564 (1.9%) from the prior month.

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

There was 113 days unrestricted cash on hand at August 31 (+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).

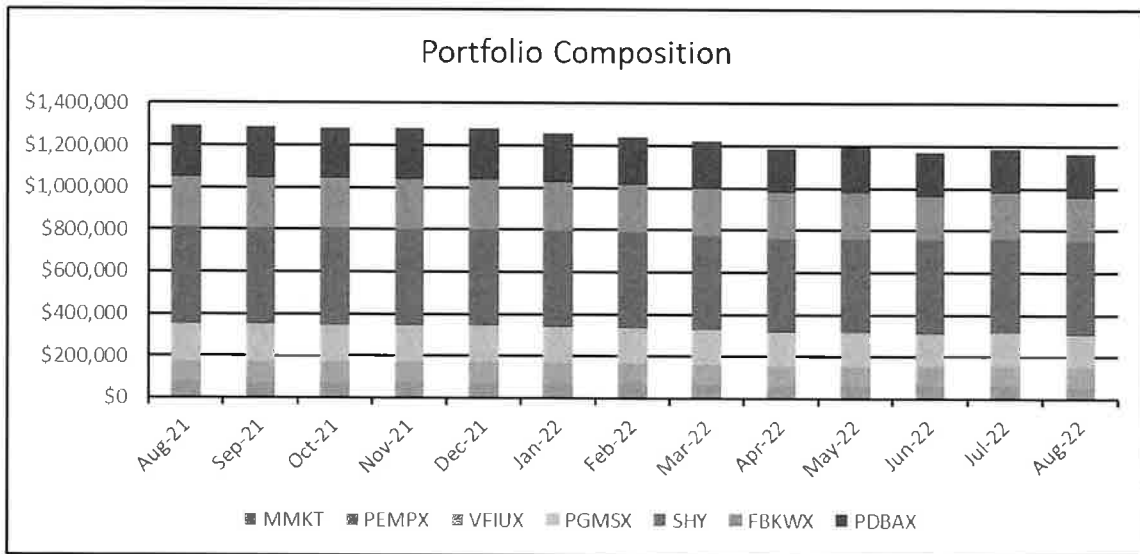
Comptroller/Treasurer's Report – September 22, 2022



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			
First Republic Bank NA – Insured		\$ 11,365	0.20%
Mutual Funds			
Fidelity Advisor Total Bond CL Z	FBKWX	212,501	2.73%
PGIM Total Return Bond CL A	PDBAX	206,739	3.23%
PIMCO Emerging Markets Bond I2	PEMPX	47,693	5.10%
T Rowe Price Global Multi Sector Bond I	PGMSX	156,744	3.38%
Vanguard Intermediate Term Treasury	VFIUX	90,886	2.98%
Exchange Traded Funds			
iShares Trust 1-3 Year Treasury Bond EFT	SHY	441,341	0.43%
Total		1,167,269	



Comptroller/Treasurer's Report – September 22, 2022

AUGUST 2022 CHECK REGISTER

Number	Date	Vendor Name	Amount
200424	08/03/2022	Anixter	\$ 8,856.00
200425	08/03/2022	Artesian Water Co Inc	1,564.68
200426	08/03/2022	B Safe Inc	204.49
200427	08/03/2022	Comcast Business	371.69
200428	08/03/2022	Delaware Rural Water	380.00
200429	08/03/2022	Delmarva Power	28.33
200430	08/03/2022	Exxon Mobil Fleet/GECC/Wex Bank	3,263.90
200431	08/03/2022	Fastenal Company	90.84
200432	08/03/2022	Ferguson Enterprises Inc	475.00
200433	08/03/2022	Graber Supply LLC	49,230.00
200434	08/03/2022	Home Depot Credit Service	132.40
200435	08/03/2022	Kathleen R Weirich	277.50
200436	08/03/2022	New Castle County	20.00
200437	08/03/2022	One Call Concepts Inc	54.35
200438	08/03/2022	Reliable Equipment &	1,376.00
200439	08/03/2022	Verizon	445.18
200440	08/15/2022	Anixter	1,360.00
200441	08/15/2022	Antonio's Lawn Service	1,645.00
200442	08/15/2022	Assurance Media	1,203.50
200443	08/15/2022	Badger Meter Inc	150.00
200444	08/15/2022	Barbacane Thornton & Company LLP	1,375.00
200445	08/15/2022	Benz Hydraulics Inc	122.65
200446	08/15/2022	Cann Printing Inc.	4,155.00
200447	08/15/2022	Capitol Office Inc.	969.80
200448	08/15/2022	CK CONSTRUCTION LLC	9,100.00
200449	08/15/2022	Collins Ent Inc. (Parts Plus)	74.94
200450	08/15/2022	Contractors Materials LLC	296.31
200451	08/15/2022	Delmarva Power	50.33
200452	08/15/2022	Dover Plumbing Supply Co.	884.24
200453	08/15/2022	ENERG TEST LLC	580.00
200454	08/15/2022	FOOD FOR THOUGHT	3,855.77
200455	08/15/2022	Grainger	192.48
200456	08/15/2022	Hach Company	684.63
200457	08/15/2022	Hooper Inc	691.54
200458	08/15/2022	Jolly Jumpers LLC	954.80
200459	08/15/2022	KDI Inc.	149.08
200460	08/15/2022	Kendall Electric INC	2,767.93
200461	08/15/2022	MARKATOS SERVICES	122.50
200462	08/15/2022	Martin Marietta Materials Inc	430.34
200463	08/15/2022	McHenry Pressure Cleaning Systems Inc	12,667.00
200464	08/15/2022	New Castle County	618.59
200465	08/15/2022	New Horizon Communications Corp	507.33
200466	08/15/2022	NuCar	185.00
200467	08/15/2022	ProWorks	158.00
200468	08/15/2022	Red Wing Shoe Store	255.88
200469	08/15/2022	Rummel Klepper and Kahl LLP	6,270.00
200470	08/15/2022	ScienceTechnologyResearchInstitute of Delaware (STRIDE)	500.00
200471	08/15/2022	Security Instrument Corp.	296.85
200472	08/15/2022	Trans Union LLC	312.37
200473	08/15/2022	TRI Supply & Equipment	730.98
200474	08/15/2022	Tri-State Battery & Alternator LLC	339.98

Comptroller/Treasurer's Report – September 22, 2022

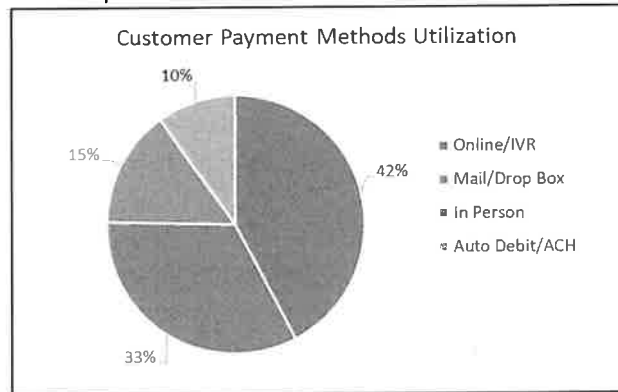
AUGUST 2022 CHECK REGISTER

Number	Date	Vendor Name	Amount
200475	08/15/2022	United Electric Supply Co	333.96
200476	08/15/2022	Verizon	122.32
200477	08/15/2022	W. B. MASON CO INC	33.46
200478	08/16/2022	CK CONSTRUCTION LLC	5,300.00
200483	08/22/2022	ASI COBRA	964.88
200484	08/22/2022	Assurance Media	1,162.50
200485	08/22/2022	Cann Printing Inc.	195.00
200486	08/22/2022	Collins Ent Inc. (Parts Plus)	61.16
200487	08/22/2022	Council 81	400.00
200488	08/22/2022	Dell Business Credit	1,458.08
200489	08/22/2022	Department of Human Resources Financial Services	34,173.12
200490	08/22/2022	George Miles & Buhr LLC	160.00
200491	08/22/2022	Graber Supply LLC	27,350.00
200492	08/22/2022	Grainger	79.21
200493	08/22/2022	KDI Inc.	112.12
200494	08/22/2022	Keen Compressed Gas Co	165.58
200495	08/22/2022	MARKATOS SERVICES	122.50
200496	08/22/2022	Martin Marietta Materials Inc	468.58
200497	08/22/2022	New Castle Cares Fund	10,000.00
200498	08/22/2022	Pitney Bowes Purchase Power	2,015.00
200499	08/22/2022	POWERPLAN	429.90
200500	08/22/2022	Principal Financial Group	2,336.10
200501	08/22/2022	ScienceTechnologyResearchInstitute of Delaware (STRIDE)	500.00
200502	08/22/2022	Southern Corrosion Inc	94,728.00
200503	08/22/2022	Suburban Testing Labs Inc	44.80
200504	08/22/2022	Sunbelt Rentals Inc.	110.00
200505	08/22/2022	TRI Supply & Equipment	585.00
200506	08/22/2022	Verizon Wireless	570.54
200507	08/22/2022	W. B. MASON CO INC	171.44
DFT0001694	08/06/2022	PNC BANK	3,674.80
DFT0001702	08/05/2022	Maryland Child Support Account	184.62
DFT0001703	08/05/2022	Nationwide Retirement Sol	4,381.82
DFT0001705	08/05/2022	Delaware Div. of Revenue	3,360.45
DFT0001706	08/05/2022	United States Treasury	17,234.51
DFT0001707	08/03/2022	Delaware Div. of Revenue	17,360.00
DFT0001708	08/15/2022	DEMEC Inc	703,753.73
DFT0001709	08/10/2022	Nationwide Life Ins. Co. of America	19,513.25
DFT0001710	08/02/2022	OpenEdge	1,523.20
DFT0001712	08/19/2022	Maryland Child Support Account	184.62
DFT0001713	08/19/2022	Nationwide Retirement Sol	4,398.82
DFT0001715	08/19/2022	Delaware Div. of Revenue	3,411.40
DFT0001716	08/19/2022	United States Treasury	17,486.94
DFT0001717	08/15/2022	COMPTROLLER OF MARYLAND	664.34
		Total Payments	\$ 1,102,713.93

Customer Service/Billing

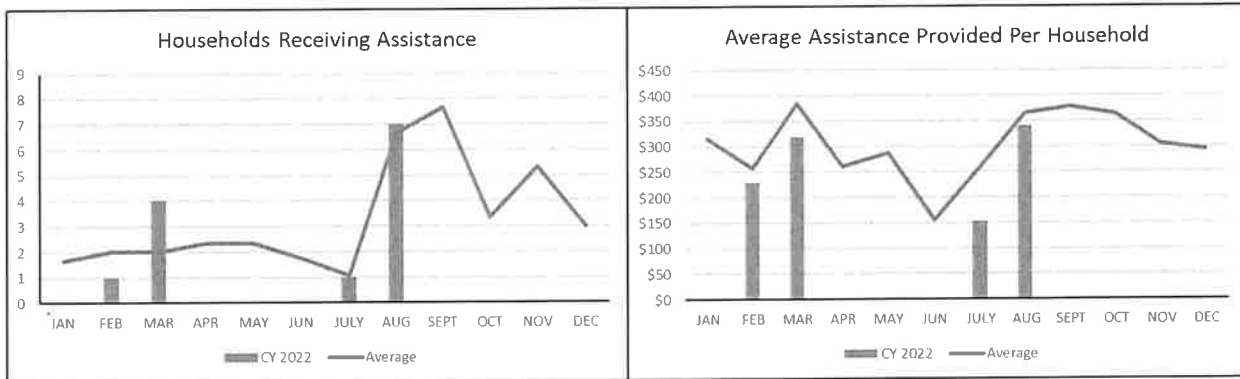
Since the previous meeting, the Customer Service Department processed:

Bills sent	3,224
Delinquent & past due notices	363
Automated phone notifications	363
Payment arrangements	52
Contracts	0
Service cuts – August	37
Accounts sent to collections	0
Electric bad debt write-offs	\$2,474
Applications for service	28
Customers assisted in person	470



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 August, the fund assisted seven household(s) with an average of \$340.00 each. The maximum allowed by the program is \$400. The balance in the fund as of August 31 was \$9,000.



In addition to assistance provided through the New Castle Cares fund, 13 customers received an average of \$274.00 from other agencies or nonprofits that provide assistance for utility bills.

Below is a condensed aging report for active customers as of September 15, 2022

Total	Current	30 Days	60 Days	90 Days	120 Days
\$226,984	\$220,526	\$5,083	\$1,304	\$27	\$44

Electronic Forms & Applications

As a result of removing the applications for service from the tariff, Customer Service has worked over the last few weeks to create a residential service application, commercial application and transfer of service application which are fillable, enable attachment of required documents (i.e. copy of lease agreement) and

Comptroller/Treasurer's Report – September 22, 2022

immediately submit forms to Customer Service. Additionally, due to the increased failure rates of water meter radios, Customer Service has rolled out an online reporting tool that allows customers to report their meter readings through the MSC's website.

Financial Policies

Per the mayor's request, the draft financial policies were sent to the City to review for consistency with existing City policies. Kathy Walls, Finance Coordinator for the City reviewed the document and said that it aligns with the City's policies in many instances. In the few areas where the proposed policies do not align, Ms. Walls said it was most likely due to inherent differences between the City and MSC. Ms. Walls also stated she had spoken with Bill Barthel, City Administrator, and they agree there are no area of concerns with the draft policies as presented.

Insurance Broker RFP: Bid Tabulation

Per the Commissioner's request to see actual cost data for insurance policies, MSC asked the interested brokers to quote policies. Two brokers responded and a bid tabulation has been provided below:

Bid Tabulation: Broker Services

	<u>CBM</u>	<u>SIP</u>
Property	\$ 23,563.00	\$ 39,586.00
Blanket Limit \$17,953,704		
Deductible \$5,000		
Includes equipment breakdown		
CBM Quote has \$30,000 deductible on transformers		
SIP Quote has a \$200,000 deductible on transformers *		
Inland Marine	1,354.00	3,324.00
Scheduled Equipment \$353,273		
CBM quote has a \$500 deductible		
SIP quote has a \$1,000 deductible		
General Liability	17,345.00	10,661.00
3,000,0000 Aggregate		
1,000,000 Occurance		
SIP quote includes coverage for "failure to supply" which is not included in the CBM quote.		
Crime	950.00	690.00
Employee Theft \$500,000		
Deductible \$1,000		
Automobile	32,101.00	12,034.00
Directors & Officers/Public Officials Liability & Employment Practices	4,109.00	5,822.00
CBM quote - \$2,000,000 limit for each D&O and EPL not covered by the "umbrella policy" under CBM quote		
SIP quote - \$3,000,000 limit for each Public Officials and EPL covered by "umbrella policy" for extra \$5 million each.		
Excess Liability **	6,468.00	4,061.00
Limit \$5,000,000		
CBM quote only applies to property, inland marine, general liability, crime, and auto policies. Limit is shared among them there is no umbrella coverage over D&O or Employment Practices		
SIP Quote applies to all policies above and is "siloe" so each policy has its own \$5 million limit.		

Bid Tabulation: Broker Services

	<u>CBM</u>	<u>SIP</u>
Workers Compensation ***	26,515.00	33,737.61
<p>CBM was able to obtain a voluntarily written policy for MSC which would result in substantial savings over the State's "assigned risk" policies. However, there is no guarantee that a carrier would be willing to write such a policy in the future. In the past, when MSC was forced into the "assigned risk" policies, premiums were \$53,000 per year.</p> <p>SIP is quoting membership in the DFIT trust established by local governments in the State, and is a self insurance pool which can be beneficial in that excess reserves from unspent premiums are returned to members on a prorata basis. Additionally, DFIT provides other loss control services such as trainings and assistance with updating safety manuals at no additional cost. Since inception DFIT has returned \$2.8 million to members. Historically, SIP's rates have been 10-25% lower than the State's assigned risk rates.</p>		
Cyber Liability	9,708.40	7,936.23
<p>CBM quote is for a \$2,000,000 limit SIP Quote is for a \$1,000,0000 limit</p>		
Flood Insurance		
Flood coverage is through the National Flood Insurance Program	7,468.00	7,468.00
Total Quoted Costs	<u><u>\$ 129,581.40</u></u>	<u><u>\$ 125,319.84</u></u>

Recommendation

Award SIP all policies except Cyber Liability and Flood	\$ 109,915.61
Award CBM Cyber and Flood	17,176.40
Total Cost of Insurance	<u><u>\$ 127,092.01</u></u>

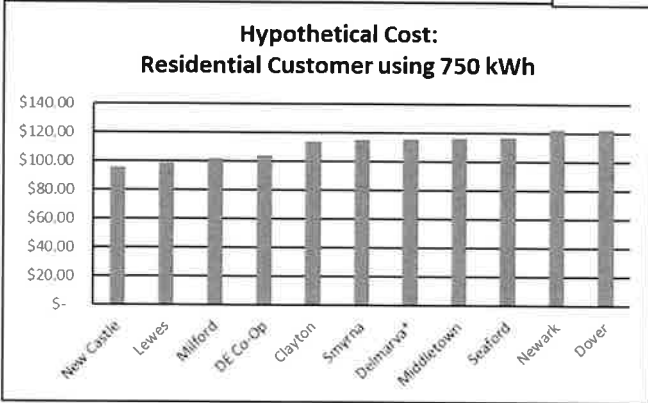
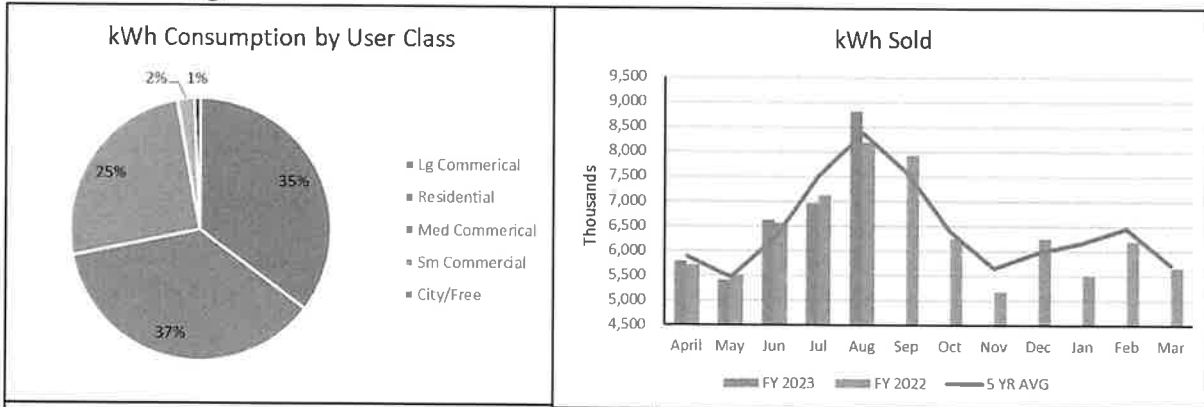
*The \$200,000 deductible is only for "equipment breakdown" coverage. If there were a regular property claim (i.e. fire) at the substation, the \$5,000 deductible would apply. Per GM Blomquist, the only components that would "breakdown" at the substation would be the oil or the insulation and MSC would be aware of their deterioration long before the transformers were to fail and would work on scheduling a replacement.

**MSC would be covered by the State's cap on liability of \$300,000 for local governments. Making excess coverage over most lines moot. However, the State's tort cap would not apply to federal cases which potentially is where employment practices and public officials liability could end up. SIP's quote would provide up to \$8 million coverage on each of those lines compared to CMB's \$2 million on each.

*** Due to the structure of the DFIT worker's compensation program, members have to agree to allow new members to join. The DFIT Board of Trustees has voted to grant membership to MSC contingent upon commission approval. While the CBM quote is lower for this coming year, there is no guarantee that the DFIT board would allow MSC to join in the future should market conditions change and MSC is forced into the assigned risk group.

Electric Revenues

User charges are unfavorable fiscal year to date (\$73,000). August sales increased by approximately 7.69% (630,000 kWh) from the same period last year across all classifications of customers. Fiscal year to date, total billed electric consumption is 1.8% lower than last year's consumption at this point which accounts for the unfavorable variance to the budget. This may partially be due to having a stretch of unseasonably cool temperatures at the end of June for our area, which may have reduced the need for customers to use their air conditioning.



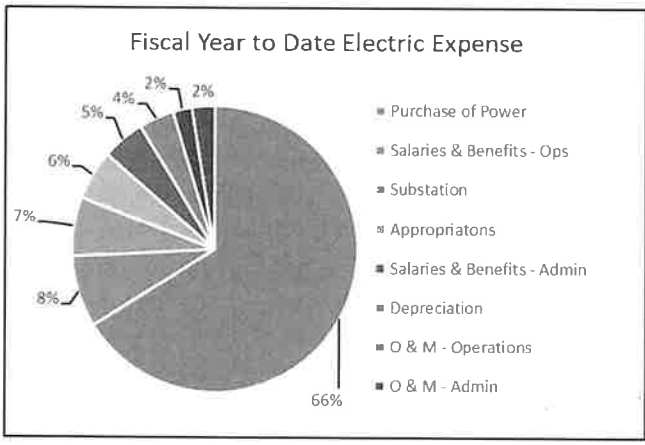
Each month, DEMEC provides a comparison of the cost of residential electric service. The analysis assumes a residential customer who uses 750 kWh per month. MSC's rate is 21% lower than Delmarva* and 8% lower than the co-op.
 *Approximate. DP&L's transmission capacity charge is based on each individual's Peak Load Contribution (PLC) to the overall transmission load. Each customer has a unique PLC that changes every January.

**Does not reflect September rate increases

Electric Expenses

Electric operating expenses have a year to date unfavorable variance (\$12,000). There is a favorable variance \$79,000 for power supply costs due to decreased customer demand which is offset by unfavorable variances in other categories related to timing differences in how the budget was allocated for capitalized labor & equipment, and purchase of tools and supplies. These variances are anticipated to be reduced/eliminated as the year progresses.

There is an unfavorable variance in non-operating revenue (expenses) of \$58,000, most of which is from unrealized losses on the investment portfolio which has been negatively impacted by interest rate increases.



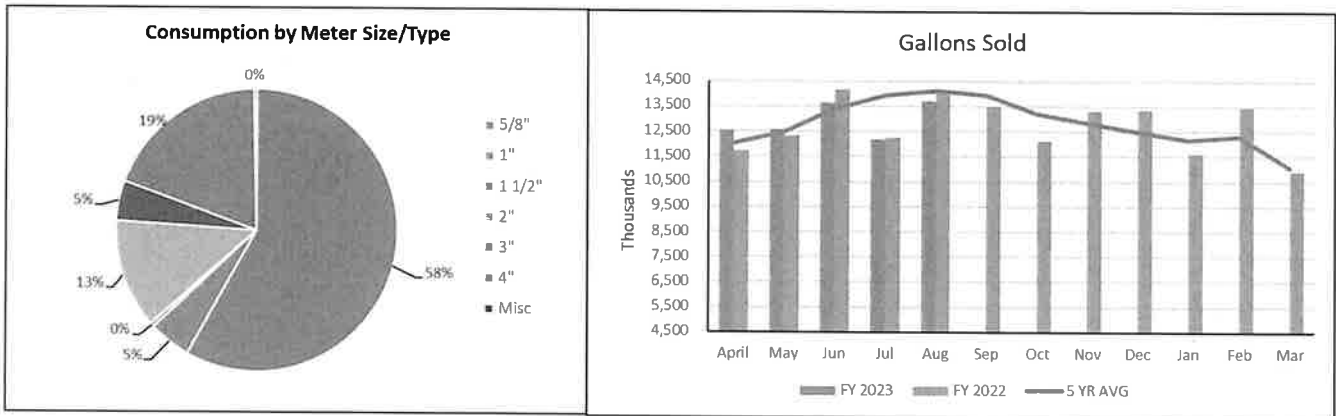
Comptroller/Treasurer's Report – September 22, 2022

Municipal Services Commission
Budget to Actual Comparison – Electric
As of August 31, 2022

	YTD Budget	YTD Activity	Variance	Total Budget
Operating Revenues				
User charges	4,019,908	3,947,235	(72,673)	9,149,590
City service charges	19,584	19,696	112	45,450
MSC service charges	15,555	15,750	195	42,500
Miscellaneous income	17,845	18,490	645	36,570
<i>Total Operating Revenues</i>	<u>4,072,892</u>	<u>4,001,171</u>	<u>(71,721)</u>	<u>9,274,110</u>
Less: Free Service	1,377	1,496	(119)	4,000
<i>Net Operating Revenues</i>	<u>4,071,515</u>	<u>3,999,675</u>	<u>(71,840)</u>	<u>9,270,110</u>
Operating Expenses				
Purchase of Power	2,835,200	2,756,270	78,930	6,400,000
DEMEC - Substation	264,435	264,435	-	561,271
<i>Operations</i>				
Salaries and benefits	310,236	316,970	(6,734)	742,650
Insurance	26,329	22,529	3,800	63,681
Utilities	3,432	3,238	194	11,700
Repairs and maintenance	(61,368)	14,422	(75,790)	(111,130)
Supplies and materials	21,946	35,419	(13,473)	71,399
Professional fees	12,359	13,661	(1,302)	50,000
Depreciation	121,826	145,098	(23,272)	292,500
<i>Operations total</i>	<u>434,760</u>	<u>551,337</u>	<u>(116,577)</u>	<u>1,120,800</u>
<i>General & administrative</i>				
Salaries and benefits	205,261	189,578	15,683	485,100
Insurance	8,970	8,140	830	21,400
Utilities	4,755	5,302	(547)	11,500
Repairs and maintenance	8,788	11,376	(2,588)	14,700
Supplies and materials	10,545	12,212	(1,667)	30,000
Professional fees	50,904	30,556	20,348	87,500
Misc	40,129	48,649	(8,520)	98,375
Depreciation	12,495	11,264	1,231	30,000
<i>Total general & administrative</i>	<u>341,847</u>	<u>317,077</u>	<u>24,770</u>	<u>778,575</u>
<i>Total operating expenses</i>	<u>3,876,242</u>	<u>3,889,119</u>	<u>(12,877)</u>	<u>8,860,646</u>
Operating income	<u>195,273</u>	<u>110,556</u>	<u>(84,717)</u>	<u>409,464</u>
Nonoperating revenue(expense)				
Investment income	6,010	9,822	3,812	20,000
Investment expense	(1,215)	(898)	317	(2,500)
Unrealized gain(loss) on investment	6,664	(53,884)	(60,548)	16,000
Realized gain(loss) on sale of asset	-	(2,654)	(2,654)	-
Grant income	-	-	-	-
Grant expense	-	(480)	(480)	-
Other Expense	-	-	-	-
Appropriations				
Mayor and Council	(225,000)	(222,037)	2,963	(540,000)
City Services	-	-	-	-
Special	-	(1,534)	(1,534)	-
Contributed Capital	-	-	-	-
<i>Total nonoperating revenue(expense)</i>	<u>(213,541)</u>	<u>(271,665)</u>	<u>(58,124)</u>	<u>(506,500)</u>
Change in Net Position	(18,268)	(161,109)	(142,841)	(97,036)

Water Revenues

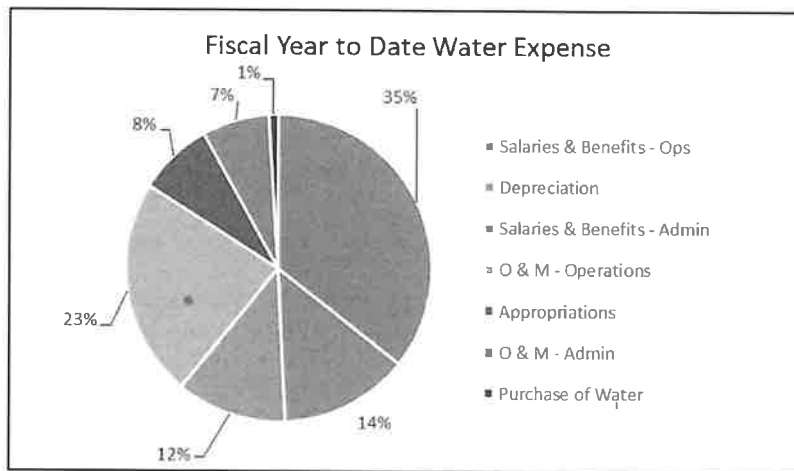
User charges are unfavorable fiscal year to date (\$15,000). Water consumption for the month was down 3.0% from the same period last fiscal year (433,000 gallons). Fiscal year to date, water consumption is in line with last year's consumption at this point, and 2% lower than the five-year average for the fiscal year to date. A good portion of the difference from the 5-year average (1.4 million gallons is related to a large customer who did a lot of irrigation in August of 2017 – 2019. After 2019, their consumption in the month of August has decreased to a negligible amount.



Water Expenses

Water expenses have an unfavorable year to date variance (\$36,000) which is related to timing differences in how the budget was allocated for capitalized labor and equipment, tank maintenance, and engineering fees for assistance with preparation of notices of intent which were filed with the State. These variances are expected to be reduced/eliminated as the year progresses.

Water has an unfavorable variance in non-operating revenue (expense) of \$23,000. \$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. \$10,000 is related to appropriations to the City and Trustees being greater than anticipated at this point in the year.



Comptroller/Treasurer's Report – September 22, 2022

**Municipal Services Commission
Budget to Actual Comparison – Water
As August 31, 2022**

	YTD Budget	YTD Activity	Variance	Total Budget
Operating Revenues				
User Charges	967,710	952,504	(15,206)	2,366,000
City Service Charges	10,829	14,775	3,946	26,000
MSC Service Charges	2,132	1,564	(568)	5,000
Miscellaneous Income	4,133	8,167	4,035	(138,861)
<i>Total Operating Revenues</i>	<u>984,804</u>	<u>977,010</u>	<u>(7,793)</u>	<u>2,258,139</u>
Less: Free Service	1,667	1,572	95	4,000
<i>Net Operating Revenues</i>	<u>983,137</u>	<u>975,438</u>	<u>(7,698)</u>	<u>2,254,139</u>
Operating Expenses				
Purchase of water	11,818	9,633	2,185	26,000
<i>Operations Dept</i>				
Salaries and benefits	317,840	350,681	(32,841)	779,862
Insurance	21,306	18,432	2,874	52,103
Utilities	11,129	9,805	1,324	26,895
Repairs and maintenance	34,807	100,379	(65,572)	117,752
Supplies and materials	37,991	27,364	10,627	106,327
Professional fees	25,610	23,890	1,720	55,214
Depreciation	138,445	127,655	10,790	332,400
<i>Total operations</i>	<u>587,128</u>	<u>658,206</u>	<u>(71,078)</u>	<u>1,470,553</u>
<i>General & administrative</i>				
Salaries and benefits	122,713	113,008	9,705	283,500
Insurance	7,307	6,661	646	17,500
Utilities	3,770	3,949	(179)	9,100
Repairs and maintenance	7,172	9,308	(2,136)	12,000
Supplies and materials	7,344	8,968	(1,624)	22,400
Professional fees	28,047	15,184	12,863	40,000
Miscellaneous	42,700	30,557	12,143	104,450
Depreciation	8,330	7,737	593	20,000
<i>Total general & administrative</i>	<u>227,383</u>	<u>195,372</u>	<u>32,011</u>	<u>508,950</u>
<i>Total operating expenses</i>	<u>826,329</u>	<u>863,211</u>	<u>(36,882)</u>	<u>2,005,503</u>
Operating Income	156,808	112,230	44,578	248,636
Nonoperating revenue(expense)				
Investment income	1,180	1,851	671	4,000
Investment expense	(243)	(158)	85	(500)
Unrealized gain(loss) on investment	1,208	(9,509)	(10,717)	2,900
Realized gain(loss) on sale of asset	-	(2,172)	(2,172)	-
Grant income	-	10,320	10,320	-
Grant expense	-	(10,320)	(10,320)	-
Other Expense	-	(1,964)	(1,964)	-
Appropriations				
Mayor and Council	(52,479)	(55,396)	(2,917)	(126,000)
City Services	(13,008)	(14,907)	(1,899)	(32,000)
Special	-	(4,851)	(4,851)	-
Contributed Capital	-	-	-	-
<i>Total nonoperating revenue(expense)</i>	<u>(63,342)</u>	<u>(87,106)</u>	<u>(23,764)</u>	<u>(151,600)</u>
Change in Net Position	93,466	25,124	(68,342)	97,036

Comptroller/Treasurer's Report – September 22, 2022

**Municipal Services Commission
Statement of Net Position
As of August 31 2022, and 2021**

	<u>2023</u>	<u>2022</u>
ASSETS:		
Current assets:		
Cash and equivalents	\$ 2,402,490	\$ 2,511,351
Investments	1,167,269	1,292,747
Accounts receivable, net	1,710,726	814,609
Inventories	800,314	736,858
Prepays	154,093	123,816
Restricted cash	<u>824,542</u>	<u>654,756</u>
Total current assets	7,059,434	6,134,137
Noncurrent assets:		
Capital assets not being depreciated:		
Land	45,386	45,386
Construction in progress	505,101	1,331,901
Capital assets net of accumulated depreciation:		
Buildings	264,251	289,637
Equipment	691,082	782,654
Infrastructure	<u>10,925,900</u>	<u>9,797,763</u>
Total noncurrent assets	<u>12,431,720</u>	<u>12,247,341</u>
Total assets	<u><u>19,491,154</u></u>	<u><u>18,381,478</u></u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension	319,164	164,836
Regulatory accounting - substation	<u>3,436,566</u>	<u>3,124,345</u>
Total deferred outflows	<u>3,755,730</u>	<u>3,289,181</u>
LIABILITIES		
Current liabilities:		
Accounts payable	1,653,186	791,688
Accrued liabilities	61,525	57,330
Customer Deposits	959,603	661,211
Due to other funds	-	-
Total current liabilities	<u>2,674,314</u>	<u>1,510,229</u>
Noncurrent liabilities:		
Compensated absences	420,831	405,279
Net pension liability	<u>720,830</u>	<u>474,757</u>
Total noncurrent liabilities	<u>1,141,661</u>	<u>880,036</u>
Total liabilities	<u><u>3,815,975</u></u>	<u><u>2,390,265</u></u>
DEFERRED INFLOWS OF RESOURCES		
Pension	<u>472,843</u>	<u>659,474</u>
Total deferred inflows	<u>472,843</u>	<u>659,474</u>
NET POSITION		
Investment in capital assets	12,431,720	12,247,341
Unrestricted	<u>6,526,346</u>	<u>6,373,579</u>
Total net position	<u><u>\$ 18,958,066</u></u>	<u><u>\$ 18,620,920</u></u>

Comptroller/Treasurer's Report – September 22, 2022

Municipal Services Commission
Statement of Revenues, Expenses, and Changes in Net Position
As of August 31, 2022 and 2021

	2023	2022
Operating Revenues:		
Water sales	\$ 968,843	\$ 949,600
Power sales	3,982,679	3,942,378
Miscellaneous	26,657	15,983
Total operating revenues	4,978,179	4,907,961
Less: free service	(3,068)	(3,083)
Net operating revenues	4,975,111	4,904,878
Purchase of water and power	3,030,339	2,839,081
Operating Expenses		
Salaries and benefits	970,235	839,027
Repairs and maintenance	169,353	(20,542)
Supplies	70,415	49,629
Utilities	22,294	21,749
Insurance	55,762	60,431
Professional fees	57,258	39,949
Administrative	84,919	63,932
Depreciation	291,755	277,242
Total operating expenses	1,721,991	1,331,417
Operating income (loss)	222,781	734,380
Nonoperating revenues (expenses):		
Net investment income	10,616	10,026
Realized gain (loss) on investments	-	(290)
Unrealized gain(loss) on investments	(63,393)	22,528
Gain (loss) on disposal of assets	(4,826)	-
Grant income	10,320	55,932
Grant Expense	(10,800)	(55,932)
Miscellaneous	(2,123)	2,785
Appropriations to Mayor & Council of New Castle		
Ordinary	(277,433)	(271,686)
City Services	(14,907)	(13,357)
Special	(6,385)	(7,525)
Total nonoperating revenues (expenses)	(358,931)	(257,519)
Income before capital contributions	(136,150)	476,861
Capital Contributions	-	-
Change in net position	(136,150)	476,861
Net position - beginning	19,094,216	18,144,059
Net position - ending	\$ 18,958,066	\$ 18,620,920

**Municipal Services Commission
Combining Balance Sheet by Fund
As of August 31, 2022 and 2021**

	Water		Electric		Total	
	2023	2022	2023	2022	2023	2022
ASSETS:						
Current assets:						
Cash and equivalents	-	-	2,402,490	2,511,351	2,402,490	2,511,351
Investments	175,090	193,912	992,179	1,098,835	1,167,269	1,292,747
Accounts receivable, net	177,650	152,349	1,533,076	662,260	1,710,726	814,609
Inventories	123,385	114,991	676,929	621,867	800,314	736,858
Prepays	52,488	55,717	101,605	68,099	154,093	123,816
Restricted cash	-	-	824,542	654,756	824,542	654,756
Total current assets	528,613	516,969	6,530,821	5,617,168	7,059,434	6,134,137
Noncurrent assets:						
Capital assets not being depreciated:						
Land	45,386	45,386	-	-	45,386	45,386
Construction in progress	166,944	105,030	338,157	1,226,871	505,101	1,331,901
Capital assets net of accumulated depreciation:						
Buildings	122,562	134,106	141,689	155,531	264,251	289,637
Equipment	272,171	262,859	418,911	519,795	691,082	782,654
Infrastructure	7,073,667	7,253,272	3,852,233	2,544,491	10,925,900	9,797,763
Total noncurrent assets	7,680,730	7,800,653	4,750,990	4,446,688	12,431,720	12,247,341
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 Fund
As of August 31, 2022 and 2021**

	Water		Electric		Total
	2023	2022	2023	2022	
LIABILITIES					
Current liabilities:					
Accounts payable	59,449	40,096	1,593,737	751,592	1,653,186
Accrued liabilities	27,686	25,799	33,839	31,531	61,525
Customer Deposits	48,389	-	911,214	661,211	959,603
Due to other funds	832,152	1,329,987	(832,152)	(1,329,987)	-
Total current liabilities	967,676	1,395,882	1,706,638	114,347	2,674,314
Noncurrent liabilities:					
Compensated absences	236,745	72,950	184,086	332,329	420,831
Net pension liability	324,373	213,641	396,457	261,116	720,830
Total noncurrent liabilities	561,118	286,591	580,543	593,445	1,141,661
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	7,680,730	7,800,653	4,750,990	4,446,688	12,431,720
Unrestricted	(1,069,336)	(1,388,091)	7,595,682	7,761,670	6,526,346
Total net position	6,611,394	6,412,562	12,346,672	12,208,358	18,958,066
					1,510,229
					405,279
					474,757
					880,036
					659,474
					659,474
					12,247,341
					6,373,579
					18,620,920

**Municipal Services Commission
Combining Schedules of Revenues, Expenses, and Changes in Net Position by Fund
For the five months ending August 31, 2022 and 2021**

	Water		Electric		Total	
	2023	2022	2023	2022	2023	2022
Operating Revenues:						
Charges for services	\$ 968,843	\$ 949,600	\$ 3,982,679	\$ 3,942,378	\$ 4,951,522	\$ 4,891,978
Miscellaneous	8,167	5,809	18,490	10,174	26,657	15,983
Total operating revenues	977,010	955,409	4,001,169	3,952,552	4,978,179	4,907,961
Less: free service	(1,572)	(1,613)	(1,496)	(1,470)	(3,068)	(3,083)
Net operating revenues	975,438	953,796	3,999,673	3,951,082	4,975,111	4,904,878
Purchase of water and power	9,633	10,476	3,020,706	2,828,605	3,030,339	2,839,081
Operating Expenses						
Salaries and benefits	463,688	419,206	506,547	419,821	970,235	839,027
Repairs and maintenance	111,899	37,261	57,454	(57,803)	169,353	(20,542)
Supplies	35,446	20,174	34,969	29,455	70,415	49,629
Utilities	13,754	14,019	8,540	7,730	22,294	21,749
Insurance	25,093	27,194	30,669	33,237	55,762	60,431
Professional fees	34,349	18,673	22,909	21,276	57,258	39,949
Administrative	33,953	7,245	50,966	56,687	84,919	63,932
Depreciation	135,392	145,818	156,363	131,424	291,755	277,242
Total operating expenses	853,574	689,590	868,417	641,827	1,721,991	1,331,417
Operating income (loss)	112,231	253,730	110,550	480,650	222,781	734,380

(Continued)

Municipal Services Commission
Combining Schedules of Revenues, Expenses, and Changes in Net Position by Fund
For the five months ending August 31, 2022 and 2021

	Water		Electric		Total	
	2023	2022	2023	2022	2023	2022
Nonoperating revenues (expenses):						
Net investment income	1,693	1,419	8,923	8,607	10,616	10,026
Realized gain (loss) on investments	-	(43)	-	(247)	-	(290)
Unrealized gain(loss) on investments	(9,509)	3,379	(53,884)	19,149	(63,393)	22,528
Gain (loss) on disposal of assets	(2,172)	-	(2,654)	-	(4,826)	-
Grant income	10,320	1,379	-	54,553	10,320	55,932
Grant Expense	(10,320)	(1,379)	(480)	(54,553)	(10,800)	(55,932)
Miscellaneous	(1,963)	(59)	(160)	2,844	(2,123)	2,785
Appropriations to Mayor & Council of New Castle						
Ordinary	(55,396)	(48,994)	(222,037)	(222,692)	(277,433)	(271,686)
City Services	(14,907)	(13,357)	-	-	(14,907)	(13,357)
Special	(4,851)	(977)	(1,534)	(6,548)	(6,385)	(7,525)
Total nonoperating revenues (expenses)	(87,105)	(58,632)	(271,826)	(198,887)	(358,931)	(257,519)
Income before capital contributions	25,126	195,098	(161,276)	281,763	(136,150)	476,861
Capital Contributions	-	-	-	-	-	-
Change in net position	25,126	195,098	(161,276)	281,763	(136,150)	476,861
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>\$ 6,611,394</u>	<u>\$ 6,412,562</u>	<u>\$12,346,672</u>	<u>\$12,208,358</u>	<u>\$18,958,066</u>	<u>\$18,620,920</u>

Comptroller/Treasurer's Report – September 22, 2022

**Municipal Services Commission
Capital & Projects Budget to Actual
As of August 31, 2022**

Project	Total Approved Budget	Materials as of 8/31/2022	Remaining Budget as of 8/31/2022	Total Capitalized To Date (1)	Status
Vandyke Village Undergrounding	\$ 886,000.00	\$ 442,745.00	\$ 443,255.00	\$ 1,050,884	In Progress
AMI System - Electric	665,000	2,025	662,975	-	Not Started
Debt Principal Pymt - 6months DEMEC	30,000	6,356	23,644	-	In Progress
Dobbinville Relay Replacement	85,000	-	85,000	-	Not Started
Stake Body Truck	90,000	-	90,000	-	PO Issued
Overhead/Underground Fault Indicators	10,000	8,856	1,144	-	Awaing Intst
T-10 Replacement Ram 3500	-	73,518	(73,518)	-	Fabrication
WIAC AMP Grant - MSC Asset Management \$100,000 RK&K Engineering (approved 07-01-19)	100,000	61,727	38,273	-	In Progress
AMI System - Water	1,159,100	7,523	1,151,577	-	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	93,543	6,457	-	Constructor
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	96,461	107,039	Constructor
	Water	166,500	78,922	87,578	Constructor
2 Way Radio Replacement					
	Electric	8,250	-	8,250	Ordered
	Water	6,750	-	6,750	Ordered

Comptroller/Treasurer's Report – September 22, 2022

**Municipal Services Commission
Capital & Projects Budget to Actual
As of August 31, 2022**

Project		Total Approved Budget	Materials as of 8/31/2022	Remaining Budget as of 8/31/2022	Total Capitalized To Date (1)	Status
Admin Confrence Room Furnishings	Electric	8,250	9,865	(1,615)	-	Complete
	Water	6,750	8,071	(1,321)	-	Complete
Phone System Replacement	Electric	8,250	-	8,250	-	PO Issued
	Water	6,750	-	6,750	-	PO Issued
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	15,193	3,507	-	In Progress
	Water	15,300	12,430	2,870	-	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	\$ 940,984.88	\$ 3,014,265.12		

(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	7/5/2022
Penn Farm Water Domestic Pressure Pump	\$ 2,800.00	\$ 3,222.14	8/9/2022	

MUNICIPAL SERVICES COMMISSION

CITY OF NEW CASTLE, DELAWARE 19720-0208

P.O. BOX 208

<http://newcastlemsc.delaware.gov>

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

Water Department Commission Meeting Report

September 22, 2022

Prepared by: Jay Guyer on September 15, 2022

1. Developer Projects

A. Riverbend Subdivision

1. WUM Guyer has had no response from Civil Engineering Associates (CEA) on the latest submission of the Railroad Water Crossing and Rail Pros comments. Christiana Excavating completed installing 11 Services from the main to the curb stop and has submitted their Pay Request #1 for this work. MJD Mechanical Systems has installed 6 water services from the curb stop to the house. MSC has been on site inspecting all water service installation work being performed by their contractors for compliance.

B. 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 has nothing to update on this project.

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

1. Hydro Corp mailed out the second round of testing certification and non-compliance notices. WUM Guyer and WUS Jaeger have a draft copy of the Third/Final notice to review. WUSP Jeff Schlecht completed testing / certifying MSC, City, and Trustee domestic devices and submitting the reports to Hydro Corp.

C. PFAS Sampling - Carbon Filtration System

1. The next non-compliance PFAS Sampling of the carbon filtration system to determine carbon consumption was completed on August 10th. The July 14th and August 10th results were received and reviewed. PFOA is starting to break through the lead Vessel however is not detected at the lag Vessel 25% test port. Pending review of the September results, we will start planning a Vessel 1 carbon exchange.

D. Van Dyke UG Electric Project

1. Water Operators have been assisting with conduit installation, blacktop and concrete restoration, and site restoration of disturbed areas.

MUNICIPAL SERVICES COMMISSION

CITY OF NEW CASTLE, DELAWARE 19720-0208

P.O. BOX 208

<http://newcastlemsc.delaware.gov>

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

Water Department Commission Meeting Report

September 22, 2022

Prepared by: Jay Guyer on September 15, 2022

E. Pole Building – MSC Utility Building

1. Water Operators and Linemen are working on preparing the new Pole Building for utilities, the wash bay, and concrete floor.

3. Operations

A. Outages

1. There were no planned or unplanned water outages for the month of August 2022. See attached outage report for details of the outages.

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. WUM Guyer coordinated a presentation for all Delaware Water Utilities to attend on September 9th. CCC lead engineer Adam Redding gave an excellent presentation on the Study and observations to date on the Carbon and Resins. Over 30 representatives attended the presentation.
2. WUM Guyer and WUS Jaeger have been in contact with Delaware Rural Water Association (DRWA) and Colonial School District to continue working through the details for the Fall Pre-Apprenticeship Water Operators Course scheduled to start in early October.
3. WUM Guyer and WUS Jaeger reviewed the Hewlett and Janvier Avenue Water Main replacement project and met with Pennoni Associates to start completing the DWSRF Full Application for submission. WUS Jaeger worked collecting and forwarding information to Pennoni then reviewing drafts of the Application submission. WUM Guyer and WUS Jaeger will review the final draft and approve for submission by the September 16th deadline.
4. WUM Guyer was contacted by the US EPA Region 3 Community Involvement Branch Chief in reference to a proposal requiring Community Outreach. On September 9th, the US EPA published in the Federal Register a proposal adding the East Basin Road Groundwater Site in New Castle Delaware to their Superfund National Priorities List (NPL). The site consists of 5,000 Acres of groundwater plumes contaminated with PFAS and VOC Compounds. WUM Guyer worked with the EPA Community Involvement Branch to revise and update the language used in

MUNICIPAL SERVICES COMMISSION

CITY OF NEW CASTLE, DELAWARE 19720-0208

P.O. BOX 208

<http://newcastlemsc.delaware.gov>

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

Water Department Commission Meeting Report

September 22, 2022

Prepared by: Jay Guyer on September 15, 2022

their press release and information that will be published in the proposal. On September 13th, MSC added a press release to our Web Site and additional information will be included the September Utility Bills. Citizens will be receiving mailings from the EPA over the next several weeks notifying them of the proposal, comment period from September 9th to November 8, 2022, an in person meeting on October 4th, and a virtual meeting on October 6th. Updates will be provided as more information is made available.

5. House Bill 8 - Legislation directing the Division of Public Health (DPH) and the Department of Natural Resources and Environmental Control (DNREC) to establish a State Maximum Contaminant Level (MCL) for the PFAS contaminants PFOA and PFOS. The comment period on the proposed draft regulations closed September 9th. DPH and DNREC have to review the comments and advise the next steps forward.
6. WUM Guyer and WUS Jaeger met with representatives from the University of Delaware, Biden School Institute for Public Administration to review several of the Notices of Intent (NOI) for Green Energy and Sustainability projects MSC submitted to the SRF program. They were awarded a Grant to do case studies on these types of projects to see how they can assist Utilities with submitting them in a manner to increase the rate of funded projects. WUM Guyer forwarded several project NOI's for them to review and comment on.

C. System Repairs and Maintenance

1. Riverbend Subdivision – Flushed on August 25th to maintain Chlorine Residual.
2. Monthly Meter Reading – Door hangers requesting customers obtain a visual meter read and call it into the office of call were handed out and monthly meter reads completed on September 12th. Water Operators followed up on check reads and missed reads as needed.
3. Tank Maintenance – Southern Corrosion's Paint Crew mobilized starting on August 5th to start pressure washing and prepping the exterior of the tank for painting. The exterior has been power washed, prepped, primed, and sealed. The contractor has completed the finished white coating above the cat walk and is starting on the City logo using the Stencil. Following completion of the stenciling, the contractor will start working on the Dark Blue coating being applied from the cat walk down.

MUNICIPAL SERVICES COMMISSION

CITY OF NEW CASTLE, DELAWARE 19720-0208

P.O. BOX 208

<http://newcastlemsc.delaware.gov>

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

Water Department Commission Meeting Report

September 22, 2022

Prepared by: Jay Guyer on September 15, 2022

4. Water Operators completed power washing and inspecting the exteriors of the Carbon Vessels at School Water Treatment Facility. No issues were noted at this time and the coatings appear to be holding up well.
5. Water Operators worked on inspecting, cleaning, prepping, and painting the fire hydrants in Centerpoint Business Park.

D. Grants and State Revolving Funds

1. Water Infrastructure Advisory Council (WIAC) Grants – Task 4 Level of Service and Key Performance Indicators information was reviewed by WUM Guyer and WUS Jaeger. WUM Guyer and WUS Jaeger met with RK & K on September 8th and he will forward revised documents for review. The completion goal is November 30th for our Asset Management Program.

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 August 2022.

G. Personnel and Training

1. No personnel issues to report at this time.
2. WUS Jaeger and WUM Guyer completed Employee Evaluations and forwarded to GM Blomquist for his review.

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.

MUNICIPAL SERVICES COMMISSION

CITY OF NEW CASTLE, DELAWARE 19720-0208

P.O. BOX 208

<http://newcastlemsc.delaware.gov>

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

Water Department Commission Meeting Report

September 22, 2022

Prepared by: Jay Guyer on September 15, 2022

3. Local, State, and Federal Agencies

A. WSCC - Water Supply Coordinating Council

1. A Northern New Castle County Water Providers Check-In Meeting was held on September 7th due to the lack of precipitation and dry conditions. All Northern New Castle County Water Purveyors attended providing reports on Water Supply and Operations & Maintenance Projects. Overall conditions are dry but now water supply issues were reported.
2. The date of the next Northern New Castle County Water Providers Check-In meeting is scheduled for October 7th.

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 September 13th DEWARN Meeting went well. Regional issues were discussed including the Jackson, Mississippi Water Crisis and their request for staffing assistance. No local issues to report, updates to the web site are being worked on and there was a general discussion pertaining to PFAS Contamination and the proposed legislation was reviewed.
2. The date of the next DEWARN meeting is tentatively scheduled for December 13th.

D. Water Operator Advisory Council

1. The September 1st meeting went well. Council reviewed Water Operator License Applications and approved/denied based upon the regulations, approved the July 7th 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 the proposed changes to the Operator License Applications and the Del-Tech Training and Testing Process for Water Operators.
2. The next meeting is scheduled for November 2, 2022.

MUNICIPAL SERVICES COMMISSION

CITY OF NEW CASTLE, DELAWARE 19720-0208

P.O. BOX 208

<http://newcastlemsc.delaware.gov>

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

Water Department Commission Meeting Report

September 22, 2022

Prepared by: Jay Guyer on September 15, 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 Drinking Water Subcommittee meeting is scheduled for November 30th and the Council meeting is scheduled for December 14, 2022.

End of Report

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

MUNICIPAL SERVICES COMMISSION

CITY OF NEW CASTLE, DELAWARE 19720-0208

P.O. BOX 208

www.newcastlemsc.com

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

Monthly Water Works Report

August 1 - 31, 2022

Prepared By: Jay Guyer on September 15, 2022

Water Production		FT 300		Gallons	
Month	Year	Total Gallons	Adjusted Finished Total Gallons	Raw	Finished
August	2021	13,562,000	13,372,547	14,273,400	14,273,400
August	2022	14,273,400	14,163,497		14,163,497
	Difference	711,400	790,950		-109,903
	Percentage Difference	5.0	5.6		-0.77%

Well(s) in Operation	Basin Road	Frenchtown Road	School Lane	Cross Roads
Days Pumped	Reserve Status	XXX	Resting	Resting
		31		

Water Quality	MSC Average	Goal / Target Level	Range
Average Chlorine Residual	1.37 ppm	1.00 ppm	0.90 - 1.20 ppm
Average pH	7.2	7.6	7.4 - 7.8
Average Fluoride Residual	0.94 ppm	0.70 ppm	0.60 - 1.00 ppm

General Water System Report	# Collected	10
Routine Bacteria Sampling (Office of Drinking Water)	Results	10 Absent
		0 Present

Miss Utility Locate Requests (Water and Electric Locates)	# Received	67
	# Completed	67
	# of Damages	0

Building Permit Review (Water Related Conflicts)	# Reviewed	32
	# Approved	32
	# Not Approved	0

MUNICIPAL SERVICES COMMISSION
CITY OF NEW CASTLE, DELAWARE 19720-0208
P.O. BOX 208

www.newcastlemsc.com

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

Monthly Water Outages / Interruptions Report
August 1 - 31, 2022

Prepared By: Jay Guyer on September 15, 2022

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

No Planned Outages or Interruptions for the Month of August 2021.

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

No Unplanned Outages or Interruptions for the Month of August 2021.

ELECTRIC DEPARTMENT COMMISSION REPORT

September 22, 2022

Prepared by Artie Granger on September 15, 2022

1. Developer Projects:

a. 90 Lukens Dr:

- I. MSC will be working with the electrical contractor to get this building energized. This is expected to be done the week of 9/12/22

B. Riverbend Subdivision:

- I. The contractor has begun to make repairs to the cable that has been damaged. MSC will work with the contractor to make sure to limit the required outage to as short as time as possible.

2. Capital Projects:

a) Van Dyke Village:

- a. MSC has completed most of the restoration on Casimir Court and is planning on continuing digging the next section on New Amstel.

b) Grant Opportunities:

- a. Baker Tilley notified MSC that there is no significant changes until the second quarter of 2023.
- b. MSC has a meeting scheduled with the U of D to discuss grant opportunities.

3. Capital Purchases:

- I. MSC Utility Building
 1. MSC is working on prepping the floor for concrete. MSC will be selecting a concrete contractor.
 2. MSC expects the under slab wash bay equipment to be delivered 9/15/22

MUNICIPAL SERVICES COMMISSION
CITY OF NEW CASTLE, DELAWARE 19720-0208
P.O. BOX 208

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

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

ELECTRIC DEPARTMENT COMMISSION REPORT

September 22, 2022

Prepared by Artie Granger on September 15, 2022

II. MSC Replacement Radios

- i. Delmarva Communications is moving forward with this. Delmarva Communications is working through extended lead times with equipment.

III. T-10 Utility Truck Replacement

- 1. AUI Fabrication is working on completing the body.

IV. New Stake Body

- 1. Intercon has completed the build and the truck is waiting to get painted.

4. **Operations:**

a. **Outages :**

- i. There were no outages the past month.

SAIDI (minutes)	SAIFI (number of interruptions)	CAIDI (minutes)	ASAI (percent)
84.2	2.0165	41.755	99.9839

- ii. 9/1/21 – 9/1/22

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.

MUNICIPAL SERVICES COMMISSION
CITY OF NEW CASTLE, DELAWARE 19720-0208
P.O. BOX 208

<http://newcastlemsc.delaware.gov/>
Office: 302 323-2330 Utility Building: 302-323-2333 Fax: 302-323-2337

ELECTRIC DEPARTMENT COMMISSION REPORT

September 22, 2022

Prepared by Artie Granger on September 15, 2022

5. Repairs and Maintenance:

A. Wilmington Road Substation:

- I. The electric department has performed the monthly inspections at this location.
- II. MSC has met with Utility Engineering to develop plan for scheduled relay replacements. They will help develop plans and drawings for this project. This will allow MSC to go out to bid for materials or a complete project. The relays are currently scheduled for replacement in 2 years.

B. Dobbinsville Substation:

- I. The electric department has performed the monthly inspections at this location.
- II. MSC has put load back on Dobbinsville. MSC system is back to running as normal.
- III. MSC last month reported that relay settings were updated as recommended. MSC also has completed additional testing of the transformers, relays and the breakers. When the testing company was on site, they found no problems. MSC will review testing reports with Utility Engineering when we receive them.
- IV. MSC has met with Utility Engineering to develop plan for scheduled relay replacements. They will help develop plans and drawings for this project. This will allow MSC to go out to bid for materials or a complete project. The relays are currently scheduled for replacement next year.