

Municipal Services Commission Monthly Meeting
October 27, 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: Kendrick Natale, Comptroller
Jay Guyer, Manager, Water Utility
Dave Bennett, Supervisor, Electric Utility

Absent: 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.

Minutes

A motion was made by Mayor Quaranta to approve the Minutes of the September 22, 2022, regular session as presented. The motion was seconded by Commissioner Knox and unanimously passed.

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

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

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

- Total Cash on Hand: \$3.2M
- Investment Portfolio: \$1.1M – Net loss of \$38,000 (-3.2%). Fiscal year to date, the value of the Investment Portfolio is down 4.65%.
- Unrestricted Cash on Hand: 111 days
- Check Register Disbursements: Mr. Natale noted several disbursements:
 - \$25,525 – Christiana Excavating (River Bend)
 - \$15,102 – Ferguson Enterprises, Inc. (Inventory replacement partial order). Mr. Guyer noted that supply chain is still an issue and some temporary increases/surcharges that were put into effect will become permanent, which will probably result in 10%-15% increases at the beginning of the new year. Mr. Guyer opined prices are up approximately 40%.
 - \$19,001 – McHenry Pressure Cleaning Systems, Inc. (Wash Bay pressure washing)
 - \$79,664 – Carman Dodge (new Electric Department truck)
- Customer Service:
 - 21 services cuts in September
 - No customers were assisted by New Castle Cares. One household received assistance from other agencies.

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Audit Services

An RFP was issued for Audit Services on August 15th, with responses due September 30th. Invitations were sent to 14 area firms and an advertisement was run twice in the News Journal. Five firms responded. All respondents were required to submit a technical proposal as well as the proposed staff to be assigned. Costs were submitted separately and not considered until after technical proposals were evaluated. The proposals were reviewed and ranked.

1. Clifton Larsen Allen (CLA)
2. SB & Company
3. Belfint Lyons and Shuman
4. Baker Tilly
5. Barbacane Thornton

Mr. Natale reviewed the pertinent aspects of the top two firms. **The recommendation of the review team is to award the contract for audit services to Clifton Larsen Allen.**

In response to a question from Mayor Quaranta, Mr. Natale stated that MSC does have cyber insurance.

Commissioner Knox stated that CLA's presentation and proposal stood out from the rest. He added that he is normally in favor of securing local vendors; however, most of the local firms are smaller and MSCs fiscal year ends in March, which is tax season for most of those firms. He added that having fresh eyes reviewing the books is a good thing. Mr. Blomquist noted that CLA was not the most expensive quote.

A motion was made by Mayor Quaranta to award the Audit Services to Clifton Larsen Allen. The motion was seconded by Commissioner Knox and unanimously passed.

Electric Department

User charges were unfavorable (\$112,000). September sales decreased by approximately 3.4% (313,000 kWh) over the same period last year. Total billed consumption is in line with last year Fiscal YTD; however the classification of customers has shifted from residential towards commercial, which accounts for most of the budgetary variance.

Electric operating expenses have an unfavorable variance YTD (\$55,000). There is a favorable variance of \$49,000 for power supply costs. Mr. Natale explained the disparity, noting that DEMEC raised rates an additional 3.6% to almost 10% for the remainder of 2022. Mr. Natale added that as long as DEMEC reduces the rate by the extra 3.6%, MSC will be fine. Mr. Natale will follow-up with DEMEC.

Water Department

User charges are unfavorable YTD (\$22,000). YTD consumption is in line with last year's consumption, but is still 2% lower than the 5-year average.

Water expenses have an unfavorable variance YTD (\$26,000).

Questions on the Comptroller's Report

In response to a question from Mayor Quaranta, Mr. Natale stated that 19 employees are in the MSC Pension Plan. The Plan is funded at 84%, which is much higher than most funded Plans.

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In response to a question from Commissioner Knox, Mr. Natale stated that he anticipates the Capital Budget will probably be rolled over. During discussion it was noted that Van Dyke Village will probably be 75% complete by December 2022. Mr. Blomquist stated expenditures will be monitored. Mr. Bennett stated that PVC prices have not come down and wire is very expensive. Mr. Bennett opined that the completion date for Van Dyke Village will be spring 2024.

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

Developer Projects

- 90 Lukens Drive – This project has been completed.
- Riverbend Subdivision – The primary and secondary cables that were dug up have been replaced and repaired.

Potential New Customers

- MSC met with Graber Technologies to discuss a new tenancy in Center Point Industrial Park. Mr. Blomquist opined they should be a large electric and water user.
- MSC is working with an electrical contractor for an existing customer in River Edge Industrial Park who anticipates a substantial increase in their electrical loads.

Capital Projects

- Van Dyke Village – MSC has completed the installation of conduit for this year. MSC is planning on have all the wire pulled and to have lights installed and homes transferred over by the middle of December.

Capital Purchases

- Utility Building – All concrete work has been completed. Mr. Bennett opined the project will come in under budget.
- Replacement Radios – The portable replacement radios have come in. Mr. Blomquist explained the change in service. Mayor Quaranta attended an AT&T Grant Presentation at Delaware State University, and will loop MSC in if the City has a conversation with them.
- New Stake Body – The new truck was received this week.

Operations

- Outages – There was one outage on The Strand due to an unmarked conduit being cut by a contractor. The customer was without power for approximately two hours.

Repairs and Maintenance

- Dobbinsville – During testing of the transformer one of the bushings tested marginal. A new bushing has been ordered and should be received next week. Utility Engineering will assist with the replacement and retest the transformer. The work should be complete by the end of November.

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

Developer Projects

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- Riverbend Subdivision – Mr. Guyer reviewed the latest submission of the Railroad Water Crossing and Rail Pros Agreement. Comments were returned and went back to the engineer. Water meters for the houses have been received and they are being installed. All water services are installed from the main to the curb stops for all proposed houses.
- Sheriffs House Renovation – Market Street – Mr. Guyer had several conversations with the engineer. Willetts Fire Protection did another fire flow test and details on the plan are being worked on.
- 107 The Strand – New Home – Cirillo Brothers installed the new water service and MSC inspected it. Everything was done according to MSC standards.

MSC Projects

- Advanced Metering Infrastructure – American Municipal Power (AMP) – MSC is receiving materials for the project. The first Touch-Point meeting was held and roles were defined on how to move forward.
- Cross Connection Control Program – MSC reached out to most of the individuals who have not received their 3rd and final notices of compliance. Within the next month final notices will be sent to “no reply” or “no response” customers to get their devices tested.
- PFAS Sampling – Carbon Filtration System – Non-compliance PFAS sampling of the carbon filtration system was completed on September 14th and results were received on September 22nd. The breakthrough from Vessel 1 toward Vessel 2 has happened; however, it is not detected at the lag Vessel 25% test port. Mr. Guyer has started conversations with Calgon for a carbon exchange for Vessel 1.
- Van Dyke Underground Electric Project – Water Operators have assisted the electric crew as needed.
- 51 East 2nd Street – The property is being subdivided. The homeowner was agreeable to the quote MSC provided and the new water service was installed. The project will be reconciled after the meter is installed and service is turned on.

Operations

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

Reporting

- Calgon Carbon – The Pilot Study is still ongoing.
- Pre-Apprenticeship Water Operators Course – DRWA is still working with Colonial School District on the apprenticeship program. There was a change in leadership for the program and a meeting is scheduled with Rural Water and the School District to get the program back on track. Mr. Jaeger attended a presentation with the School Board and MSC received a plaque. They were very supportive of the program and are vested in keeping the program going.
- Hewlett and Janvier Water Main – The project is progressing. A preliminary set of plans has been received and is being reviewed.
- East Basin Road Groundwater Site – The East Basin Road site had been added to the Superfund National Priorities List (NPL). Mr. Guyer attended a virtual meeting on October 6th. He is drafting comments that are due back by November 8th. Mayor Quaranta asked when the site will be remediated and who will be responsible for it. Mr. Guyer stated that was one of the questions he plans to submit to the EPA. During discussion Commissioner Knox noted that the fire-fighting foam is no longer being used; however, whatever leached into the ground is still

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there and MSC will continue to treat it. Mr. Guyer added that there may still be a stockpile of the foam at older airport hangars that is still available for use; and the new compounds are just as harmful to the environment. Mr. Guyer noted two things from an environmental standpoint: (1) the State of North Carolina Attorney General has issued a lawsuit against DuPont, Chemours, and 3M seeking damages and remediation and DuPont has responded they believe the complaints are without merit; and (2) Artesian Water will begin issuing rebates to its customers as a result of the settlement with the Delaware Sand and Gravel Trust. This is a result of the additional treatment Artesian Water has had to install at their Llangollen Well field, which was contaminated by the Delaware Sand and Gravel dump site. Mayor Quaranta stated that MSC's carbon filtration system removes the contaminants and drinking water in New Castle is safe. Mr. Blomquist stated that MSC continues to work with Stride regarding new materials that help absorb the contaminants.

- HB8 – The State continues working to set a Maximum Contaminant Level (MCL) for PFAS contaminants PFOA and PFOS.
- EPA Revised Lead and Copper Rule Requirements – Guidelines have been released for revisions and how they are to be followed. Schools and child/daycare centers will be required to test their facilities for lead. Mr. Guyer met with the Colonial School District Facilities Superintendent and their engineer as they plan to replace all of the private water mains at William Penn and Wallace Wallin. Carrie Downie and New Castle Middle School have both replaced the private water mains in their buildings. Mr. Bergstrom, City Building Official, will provide contact information for other child and daycare facilities in New Castle. MSC has also been in contact with Harvest Academy and St. Peters School. Because Harvest Academy is a private entity the State does not provide as much support, and MSC will assist with their sampling plan and communications. Communicating with the parents is a priority. By 2024 MSC will be required to demonstrate that they have completed a service line inventory for every water service within its service area from the main to the first valve in the building; and MSC is preparing to meet the 2024 requirements. MSC's water system is already mapped using ESRI Software. ESRI has a new service line inventory module that is free for existing users. RK&K provided a cost of just under \$5,000 to have that solution installed and existing data mapped to it. MSC plans to have our AMI meter installer survey all water services during the meter installation. Mr. Guyer stated that MSC did the 2022 triennial sampling and there were no exceedances on the actual level. Mr. Guyer will update the Commission at the November meeting.

System Repairs and Maintenance

- Riverbend Subdivision – Riverbend was flushed on September 19th and 28th to maintain chlorine residual.
- Tank Maintenance – Gray Street Tank is completed. They transitioned to the Million Gallon Tank (MGT) from the Gray Street Tank and are starting work on it.

Grants & State Revolving Funds

- WIAC Grants – MSC is moving forward with the Asset Management project. The completion goal is November 30th.

Equipment

- The Clark Forklift failed its annual inspection due to brake issues. Repair parts were ordered.

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Personnel and Training

- All Water Operator and Facility Person Evaluations were completed.
- Managers and Supervisors have been discussing the Employee Health and Wellness Program.

Safety

- Tailgate Talks continue to be held each morning.

Local, State and Federal Agencies

- Operator Advisory Council – the next meeting is scheduled for November 2nd.

In response to a question from Commissioner Knox, Mr. Guyer stated that there is no limit on the number of houses that can be turned on in Riverbend for water; but there is a limit for electric. Mr. Bennett added that they are getting close to the limit for electric. He noted that the contractor gave an estimate from the substation to the switch house of just over \$500,000.

Wellness Program – Mr. Blomquist reporting

Meetings were held with all employees to see what a wellness program meant to them and then held a company meeting. The initial proposals are: \$50 per month for an employee to be enrolled in an approved wellness platform OR to allow up to three hours per week per employee to engage in their specified activity. The Commissioners discussed the merits of the two proposals and how they would work, employee feedback, and what is generally done in the industry. The Wellness Program will be added to the November Agenda.

Public Comment

Mr. Phil Gross – 1301 13th Street

Mr. Gross asked if the new truck was an electric vehicle, and Mr. Blomquist explained it was a truck for the electric department.

Mr. Gross asked if any MSC vehicles are used off-hours or taken home. Mr. Blomquist stated that if an employee is called in or if he had a meeting outside normal hours, then an MSC vehicle may be used; however none of the vehicles are taken home by employees.

Mr. Gross asked for an update on the \$15,000 for the municipal complex. Mr. Blomquist explained the background of the funds approved for the first and second phases of the project and his understanding of the current status of the project.

Mr. Gross asked for an update of the EV charging stations. Mr. Blomquist stated that the last two of the original nine chargers still need to be installed. Mr. Bennett noted the locations of the two remaining chargers.

Mr. Gross asked for an update on the new meters. Mr. Blomquist stated MSC has started receiving the new meters.

Managers were thanked and excused from the meeting.

Secretary's Report – Mr. Blomquist reporting

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Graber Technologies – It will take approximately one year for complete installation and the process will begin as soon as possible. Mayor Quaranta noted that he had several conversations with Paul McConnell and tenants are anxious to have Rt. 273 widened from the Farmer's Market to the Basin Road intersection. A DeDOT traffic study indicated that widening the road was not warranted.

DEMEC

- August demand was 2.2% higher than the same period of 2021.
- Beasley Unit 1 ran 16 days for a total of 137 hours.
- Unit 2 ran 27 days for a total of 254 hours and served approximately 9.2% of the monthly load.
- Total unrestricted cash: \$33.8M

In response to a question from Mayor Quaranta, Mr. Blomquist enumerated the eight members of DEMEC. Mr. Blomquist noted that Dover's staff has expressed a desire to rejoin DEMEC.

- October is Public Power Month.
- Training for the first year class of apprentices in the Line Worker Program will be held at DEMEC because the Training Yard is not yet ready. MSC provided and installed seven poles at the Training Yard, and that number will be reimbursed to MSC. MSC has one employee in the second year class.

In response to a question from Commissioner Knox, Mr. Blomquist stated that there was no call for assistance from Florida.

A motion to move to executive session was made by Mayor Quaranta and seconded by Commissioner Knox. The motion was unanimously passed and the meeting adjourned to executive session at 9:29 a.m.

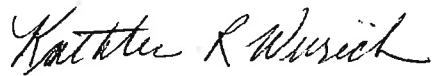
The Commissioners returned to regular session at 9:39 a.m.

Next Regular Meeting

The Commissioners set the next monthly Board meeting to be Thursday, November 17, 2022, at 8:00 a.m.

Adjournment

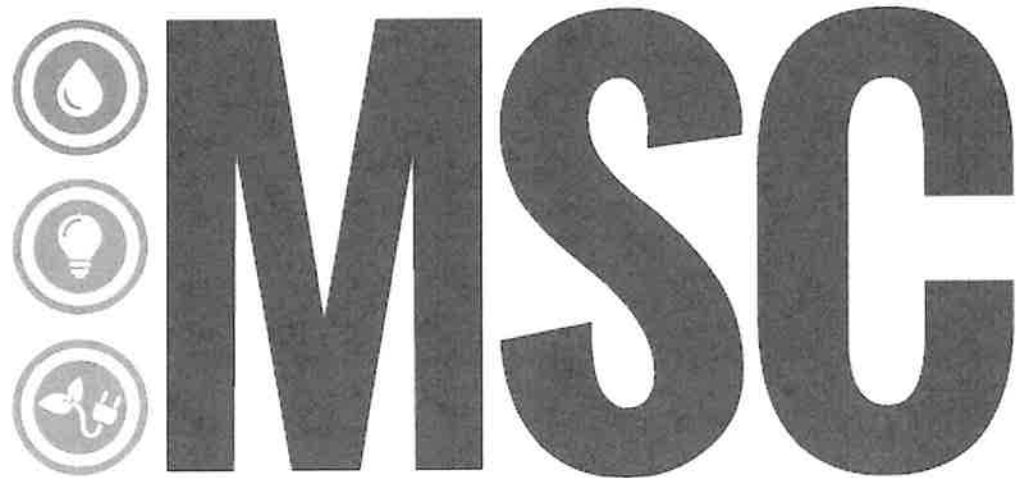
A motion was made and seconded to adjourn the meeting. The motion received unanimous approval and the meeting was adjourned at 9:40 a.m.



Kathleen R. Weirich, Stenographer

Approved: 
(Minutes transcribed from notes.)

Comptroller/Treasurer's Report



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

October 27, 2022 Commission Meeting
Prepared By: Ken Natale on October 20, 2022

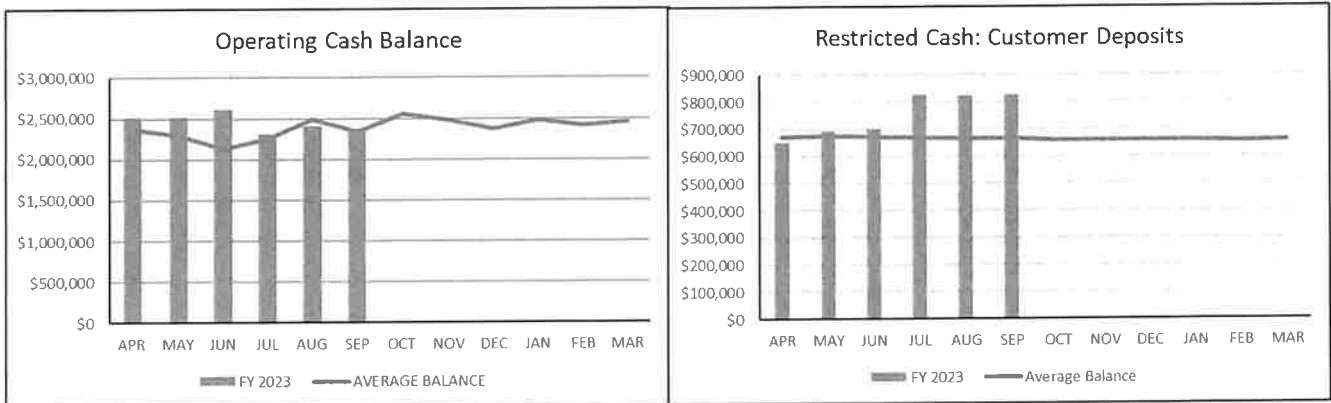
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Cash & Investments

As of September 30, 2022 the cash balances were:

PNC Checking Account:	\$ 19,726
M&T Bank Checking:	2,351,572
M&T Bank MMA:	826,025
Petty Cash/Change Fund:	896
Total Cash on Hand:	\$ 3,198,219



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

Beginning Balance	\$ 2,401,590
Cash from customers	1,234,022
Refunds to customers - deposits	(418)
Payments to suppliers for goods & services*	(1,118,103)
Bank service fees	(1,287)
Payments to employees for services	(144,506)
Net Cash Provided(Used)	<u>(30,292)</u>
Ending Cash Balance	<u>\$ 2,371,298</u>

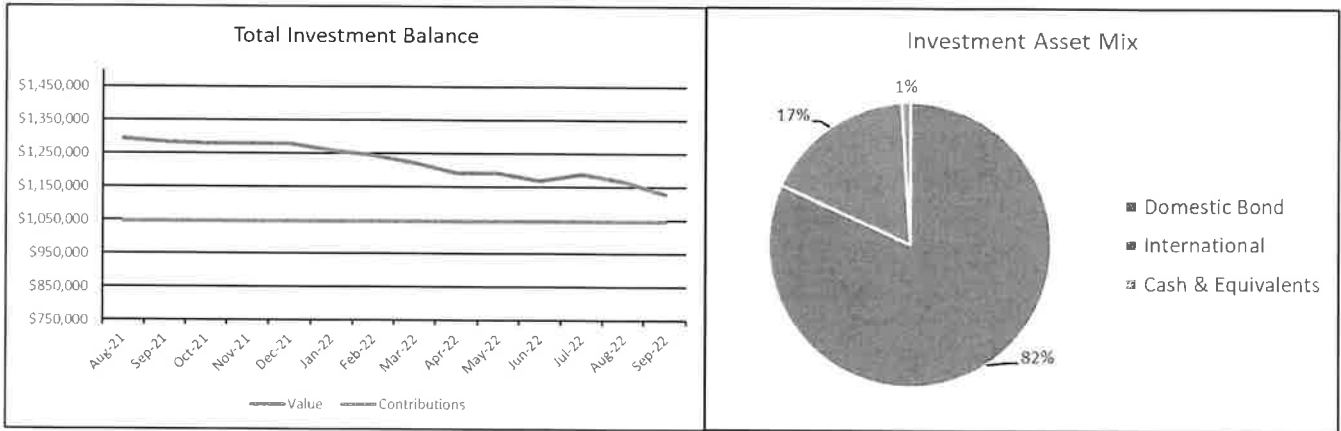
*A detailed check register for the month is available on pages 3-4 of this report.

As of September 30, 2022 the value of the Commission's investment portfolio totaled \$1,128,971 which is a net loss of \$38,298 (3.2%) from the prior month. Fiscal year to date, the value of the investment portfolio is down 4.65%.

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

There was 111 days unrestricted cash on hand at September 30 (-2 day from prior month) when including the value of the Commission's investment portfolio which is held in liquid assets (mutual and exchange traded funds).

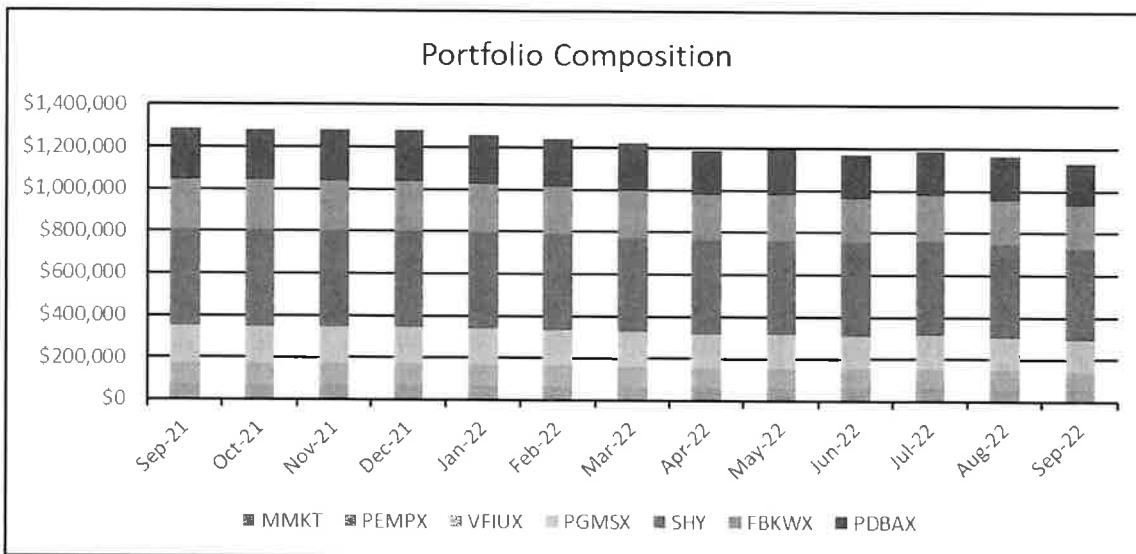
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The “domestic bond” category in the *Investment Asset Mix* chart above, includes US Government instruments and corporate bonds of US based organizations. The “international” category includes debt instruments of foreign governments as well as corporate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

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

Holdings	Symbol	Market Value	Est. Yield
Money Markets			
First Republic Bank NA – Insured		\$ 11,366	0.20%
Mutual Funds			
Fidelity Advisor Total Bond CL Z	FBKWX	202,976	2.87
PGIM Total Return Bond CL A	PDBAX	196,867	3.39%
PIMCO Emerging Markets Bond I2	PEMPX	44,691	5.17%
T Rowe Price Global Multi Sector Bond I	PGMSX	149,204	3.50%
Vanguard Intermediate Term Treasury	VFIUX	87,786	2.98%
Exchange Traded Funds			
iShares Trust 1-3 Year Treasury Bond EFT	SHY	436,081	0.53%
Total		1,128,971	



September 2022 Check Register

Number	Date	Vendor Name	Amount
200516	09/02/2022	Artesian Water Co Inc	\$ 2,047.65
200517	09/02/2022	Assurance Media	356.25
200518	09/02/2022	Austin & Pruitt Fire	402.50
200519	09/02/2022	Cable Testing Services LLC	7,875.00
200520	09/02/2022	Cann Printing Inc.	870.00
200521	09/02/2022	CK CONSTRUCTION LLC	9,600.00
200522	09/02/2022	Collins Ent Inc. (Parts Plus)	41.31
200523	09/02/2022	COLONIAL LIFE	781.34
200524	09/02/2022	Consult Dynamics, Inc./DCA Net	20.00
200525	09/02/2022	Delaware Solid Waste Authority	107.95
200526	09/02/2022	Delta Dental of Delaware Inc	1,854.82
200527	09/02/2022	DEMEC Inc	1,558.71
200528	09/02/2022	Exxon Mobil Fleet/GECC/Wex Bank	2,702.84
200529	09/02/2022	EyeMed	284.16
200530	09/02/2022	Grainger	40.44
200531	09/02/2022	Hire Right Solutions Inc	254.75
200532	09/02/2022	Home Depot Credit Service	1,504.15
200533	09/02/2022	Hooper Inc	18.86
200534	09/02/2022	Kathleen R Weirich	277.50
200535	09/02/2022	Keen Compressed Gas Co	36.00
200536	09/02/2022	MARKATOS SERVICES	122.50
200537	09/02/2022	McCullom D'Emilio Smith Uebler LLC	1,890.00
200538	09/02/2022	McHugh, Paula	99.99
200539	09/02/2022	Pivot Occupational Health	189.00
200540	09/02/2022	Saf-Gard Safety Shoe Company	169.99
200541	09/02/2022	TRI Supply & Equipment	649.14
200542	09/02/2022	Wesco Receivables Corp.	8,831.16
200543	09/15/2022	American Municipal Power Inc	115.00
200544	09/15/2022	Angerstein's Building Supply & Design Center	118.20
200545	09/15/2022	Anixter	2,701.50
200546	09/15/2022	Barbacane Thornton & Company LLP	(1,750.00)
200546	09/15/2022	Barbacane Thornton & Company LLP	1,750.00
200547	09/15/2022	Choctaw-Kaul Distribution Company	1,680.00
200548	09/15/2022	Christiana Excavating Company	25,525.00
200549	09/15/2022	Council 81	400.00
200550	09/15/2022	Coyne Chemical Co	5,074.40
200551	09/15/2022	Delmana Power	103.69
200552	09/15/2022	Diamond Materials	607.44
200552	09/15/2022	Diamond Materials	(607.44)
200553	09/15/2022	Diamond State Tire Inc	(154.50)
200553	09/15/2022	Diamond State Tire Inc	154.50
200554	09/15/2022	Ferguson Enterprises Inc	15,102.57
200555	09/15/2022	Keen Compressed Gas Co	36.00
200556	09/15/2022	McHenry Pressure Cleaning Systems Inc	19,001.00
200557	09/15/2022	One Call Concepts Inc	(51.70)
200557	09/15/2022	One Call Concepts Inc	51.70
200558	09/15/2022	Suburban Testing Labs Inc	212.80
200559	09/15/2022	Trans Union LLC	372.69
200560	09/15/2022	Utility Engineers PC	3,260.00
200561	09/15/2022	Utility Financial Solutions LLC	2,252.50

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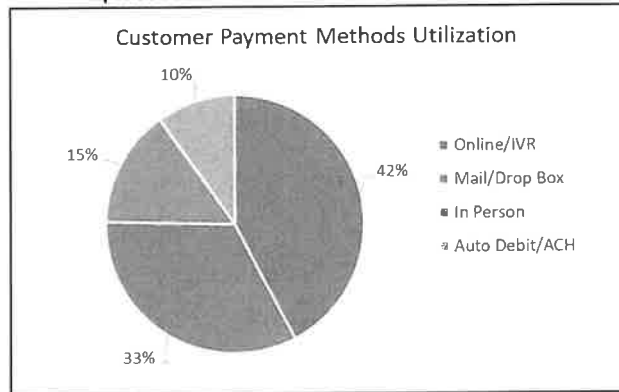
September 2022 Check Register

Number	Date	Vendor Name	Amount
200562	09/21/2022	Garman Dodge	79,664.00
200563	09/26/2022	Anixter	1,739.70
200564	09/26/2022	Antonio's Lawn Service	1,960.00
200565	09/26/2022	ASI COBRA	964.88
200566	09/26/2022	Assurance Media	1,391.50
200567	09/26/2022	Barbacane Thomton & Company LLP	1,750.00
200568	09/26/2022	Delta Dental of Delaware Inc	1,854.82
200569	09/26/2022	Department of Human Resources Financial Services	34,173.12
200570	09/26/2022	Diamond Materials	1,051.64
200571	09/26/2022	Diamond State Tire Inc	154.50
200572	09/26/2022	First State Fleet Service	123.60
200573	09/26/2022	George Miles & Buhr LLC	1,840.00
200574	09/26/2022	Kathleen R Weirich	217.50
200575	09/26/2022	Keen Compressed Gas Co	82.88
200576	09/26/2022	MARKATOS SERVICES	122.50
200577	09/26/2022	One Call Concepts Inc	51.70
200578	09/26/2022	Pennoni Associates Inc.	1,323.75
200579	09/26/2022	Pitney Bowes Purchase Power	2,015.00
200580	09/26/2022	Principal Financial Group	2,426.10
DFT0001711	09/06/2022	PNC BANK	13,278.56
DFT0001718	09/02/2022	Maryland Child Support Account	184.62
DFT0001719	09/02/2022	Nationwide Retirement Sol	4,395.22
DFT0001721	09/02/2022	M&T	3,396.69
DFT0001722	09/02/2022	United States Treasury	17,412.87
DFT0001723	09/02/2022	Delaware Div. of Revenue	19,644.00
DFT0001724	09/16/2022	Maryland Child Support Account	184.62
DFT0001725	09/16/2022	Nationwide Retirement Sol	4,328.49
DFT0001728	09/16/2022	United States Treasury	17,616.37
DFT0001729	09/02/2022	OpenEdge	1,573.15
DFT0001731	09/15/2022	DEMEC Inc	721,125.15
DFT0001732	09/15/2022	Nationwide Life Ins. Co. of America	19,513.25
DFT0001733	09/02/2022	M&T	7,693.94
DFT0001734	09/30/2022	Maryland Child Support Account	184.62
DFT0001735	09/30/2022	Nationwide Retirement Sol	4,354.10
DFT0001738	09/30/2022	United States Treasury	18,127.85
DFT0001739	09/23/2022	M&T	11,456.79
DFT0001740	09/28/2022	COMPTRROLLER OF MARYLAND	1,012.28
DFT0001741	09/28/2022	COLONIAL LIFE	1,172.01
		Total Payments	1,118,103.13

Customer Service/Billing

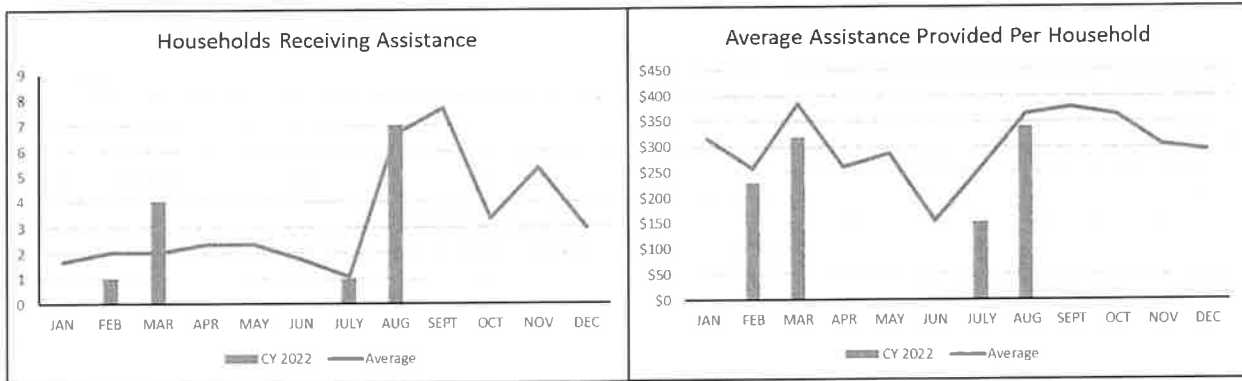
Since the previous meeting, the Customer Service Department processed:

Bills sent	4116
Delinquent & past due notices	397
Automated phone notifications	349
Payment arrangements	50
Contracts	0
Service cuts – September	21
Accounts sent to collections	0
Electric bad debt write-offs	0.00
Applications for service	38



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 September, the fund assisted zero household(s). The maximum allowed by the program is \$400. The balance in the fund as of September 30 was \$9,000.



In addition to assistance provided through the New Castle Cares fund, one customer received \$300 from other agencies or nonprofits that provide assistance for utility bills.

Below is a condensed aging report for active customers as of October 19, 2022

Total	Current	30 Days	60 Days	90 Days	120 Days
\$1,044,90	\$882,409	\$155,849	\$5,121	\$1,198.97	\$321.91

Audit Services RFP Bid Results

MSC issued an RFP for Audit Services on August 15th, responses were due September 30th. Invitations to bid were sent to 14 firms in the area, and an advertisement was run twice in the News Journal. Five firms responded to the RFP. Those firms were:

- Baker Tilly
- Barbacane Thornton (incumbent)
- Belfint Lyons & Shuman
- Clifton Larsen Allen
- SB & Company

The firms were required to submit a technical proposal outlining the qualifications of the firm as well as the proposed staff to be assigned to the engagement. Costs were submitted separately and not considered until after technical proposals were evaluated.

Proposals were reviewed independently by MSC's Commissioner Knox, general manager, comptroller, and accountant. The independent ranking of the firms by each reviewer was the same. The order came out as follows:

1. Clifton Larsen Allen
2. SB & Company
3. Belfint Lyons and Shuman
4. Baker Tilly
5. Barbacane Thornton

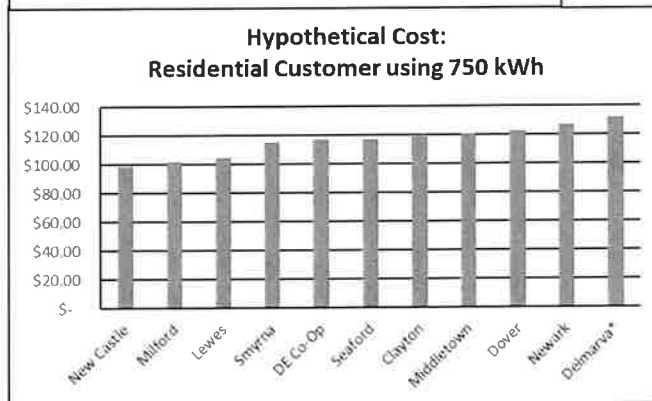
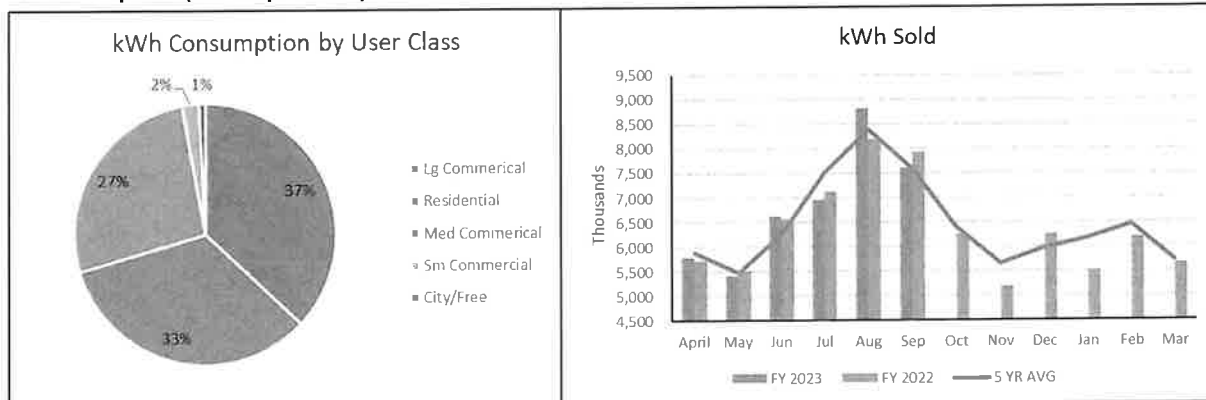
The firms of Clifton Larsen Allen and SB & Company stood out above the others. Both firms included in their proposals a review of MSC's information technology systems and controls by certified IT professionals in addition to traditional audit services.

Clifton Larsen Allen is a national firm that has one of the largest government auditing practices in the country. SB & Company is a smaller regional firm that specializes in governmental clients. Over eight years, Clifton Larsen Allen's auditing cost was \$177,040 while SB & Company's proposal was for \$129,500. Roughly a difference of \$5,900 per year. However, CLA's proposal included 40 additional staff hours than SB & Company which works out to be about \$148 per hour which is reasonable. CLA's proposed staff time is more in line with the time it took the incumbent auditor to complete the audit.

The recommendation of the review team is to award the contract for audit services to Clifton Larsen Allen. Their proposal was the most comprehensive, and the staff hours to be assigned should be more than adequate to complete MSC's audit in a timely manner to meet reporting deadlines established in MSC's bond covenants.

Electric Revenues

User charges are unfavorable fiscal year to date (\$112,000). September sales decreased by approximately 3.4% (313,000 kWh) from the same period last year across all classifications of customers. Fiscal year to date, total billed electric consumption is in line with last year's consumption fiscal year to date. However, as has been noted previously, while total kWh sold is comparable, there has been a marked shift in the current fiscal year from residential consumption (most expensive per kWh) towards commercial consumption (less expensive per kWh) which accounts for most of the budgetary variance.



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 33% lower than Delmarva* and 18% 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 (\$55,000). There is a favorable variance \$49,000 for power supply costs. This is a decrease of approximately \$25,000 from the prior month due to DEMEC's wholesale rate increase being 3.6% higher than anticipated. This is offset 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 unfavorable variances are anticipated to be reduced/eliminated as the year progresses.

The increase in the DEMEC wholesale rate is related to DEMEC wanting to recoup the reserves that were spent down for several months to postpone a rate increase. The additional 3.6% over the anticipated rate increase (6.5%) that was used in the rate design should be phased out in December. The budget will continue to be monitored and clarification from DEMEC will be sought to determine if MSC needs to use the Power Cost Adjustment or if existing reserves can be used to cover the increased costs.

There is an unfavorable variance in non-operating revenue (expenses) of \$92,000, most of which is from unrealized losses on the investment portfolio which has been negatively impacted by interest rate increases.

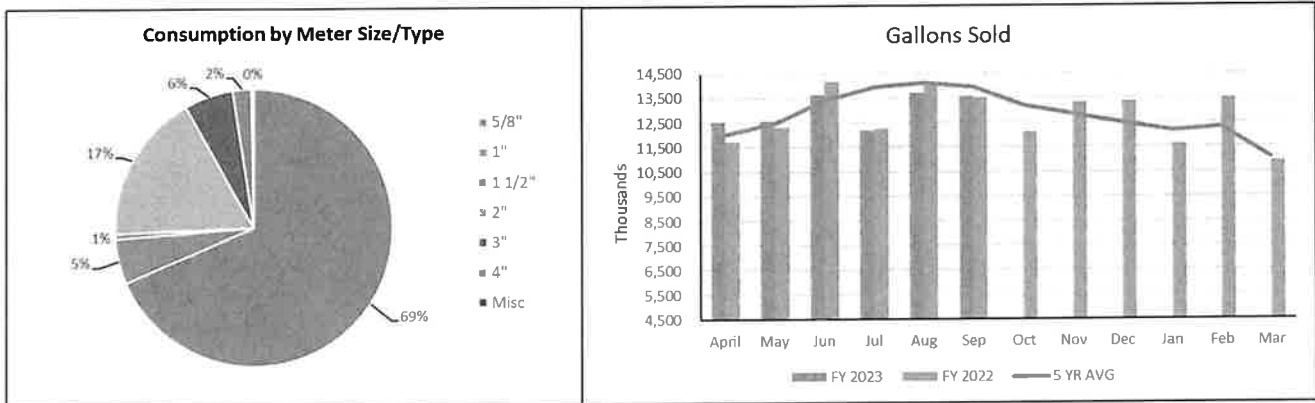
Comptroller/Treasurer's Report – October 27, 2022

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

	YTD Budget	YTD Activity	Variance	Total Budget
Operating Revenues				
User charges	4,989,869	4,874,727	(115,142)	9,149,590
City service charges	23,684	23,867	183	45,450
MSC service charges	18,704	18,727	23	42,500
Miscellaneous income	20,764	23,752	2,988	36,570
<i>Total Operating Revenues</i>	<u>5,053,021</u>	<u>4,941,073</u>	<u>(111,948)</u>	<u>9,274,110</u>
Less: Free Service	1,595	1,779	(184)	4,000
<i>Net Operating Revenues</i>	<u>5,051,426</u>	<u>4,939,294</u>	<u>(112,132)</u>	<u>9,270,110</u>
Operating Expenses				
Purchase of Power	3,372,800	3,323,259	49,541	6,400,000
DEMEC - Substation	317,322	317,322	-	561,271
<i>Operations</i>				
Salaries and benefits	371,903	376,264	(4,361)	742,650
Insurance	31,542	27,565	3,977	63,681
Utilities	4,023	3,701	322	11,700
Repairs and maintenance	(72,090)	23,805	(95,895)	(111,130)
Supplies and materials	26,575	36,673	(10,098)	71,399
Professional fees	19,032	15,145	3,887	50,000
Depreciation	146,192	174,112	(27,920)	292,500
<i>Operations total</i>	<u>527,177</u>	<u>657,265</u>	<u>(130,088)</u>	<u>1,120,800</u>
<i>General & administrative</i>				
Salaries and benefits	243,922	226,610	17,312	485,100
Insurance	10,739	10,333	406	21,400
Utilities	5,623	8,651	(3,028)	11,500
Repairs and maintenance	9,248	11,617	(2,369)	14,700
Supplies and materials	13,832	14,218	(386)	30,000
Professional fees	55,466	36,128	19,338	87,500
Misc	49,576	56,839	(7,263)	98,375
Depreciation	14,994	13,574	1,420	30,000
<i>Total general & administrative</i>	<u>403,400</u>	<u>377,970</u>	<u>25,430</u>	<u>778,575</u>
<i>Total operating expenses</i>	<u>4,620,699</u>	<u>4,675,816</u>	<u>(55,117)</u>	<u>8,860,646</u>
Operating income	<u>430,727</u>	<u>263,478</u>	<u>(167,249)</u>	<u>409,464</u>
Nonoperating revenue(expense)				
Investment income	7,266	12,639	5,373	20,000
Investment expense	(1,215)	(898)	317	(2,500)
Unrealized gain(loss) on investment	7,997	(88,523)	(96,520)	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	(270,000)	(266,444)	3,556	(540,000)
City Services	-	-	-	-
Special	-	(1,919)	(1,919)	-
Contributed Capital	-	-	-	-
<i>Total nonoperating revenue(expense)</i>	<u>(255,952)</u>	<u>(348,279)</u>	<u>(92,327)</u>	<u>(506,500)</u>
Change in Net Position	174,775	(84,801)	(259,576)	(97,036)

Water Revenues

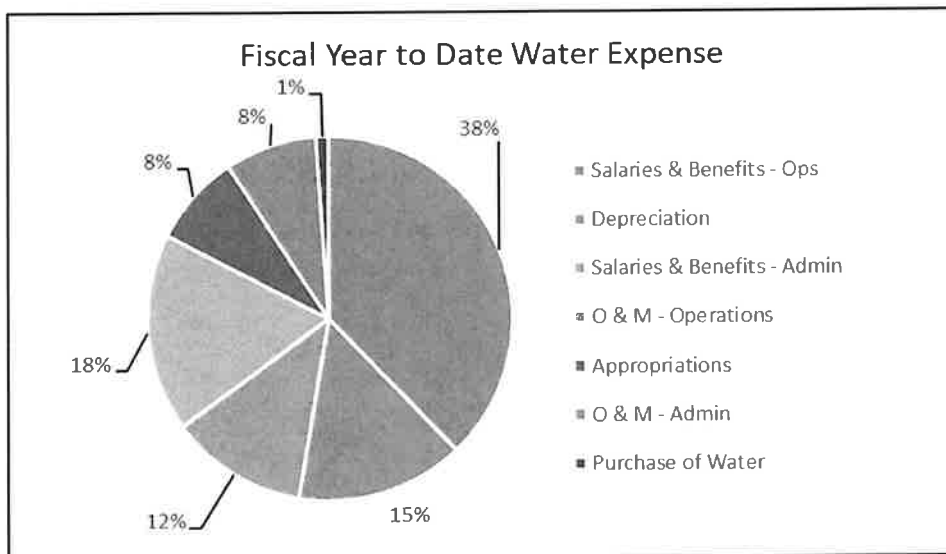
User charges are unfavorable fiscal year to date (\$22,000). Water consumption for the month was in line with the same period last fiscal year. Fiscal year to date, water consumption is in line with last year's consumption at this point, and 2% lower than the five-year average for the fiscal year to 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 (\$26,000) 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 \$32,000. \$17,000 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. \$11,000 is related to appropriations to the City and Trustees being greater than anticipated at this point in the year.



Comptroller/Treasurer's Report – October 27, 2022

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

	YTD Budget	YTD Activity	Variance	Total Budget
Operating Revenues				
User Charges	1,179,564	1,157,520	(22,044)	2,366,000
City Service Charges	12,995	17,746	4,751	26,000
MSC Service Charges	2,671	1,907	(764)	5,000
Miscellaneous Income	5,666	9,710	4,044	(138,861)
<i>Total Operating Revenues</i>	<u>1,200,896</u>	<u>1,186,883</u>	<u>(14,013)</u>	<u>2,258,139</u>
Less: Free Service	1,973	1,917	56	4,000
<i>Net Operating Revenues</i>	<u>1,198,923</u>	<u>1,184,966</u>	<u>(13,957)</u>	<u>2,254,139</u>
Operating Expenses				
Purchase of water	14,074	11,823	2,251	26,000
<i>Operations Dept</i>				
Salaries and benefits	380,190	417,380	(37,190)	779,862
Insurance	25,539	22,554	2,985	52,103
Utilities	13,340	11,685	1,655	26,895
Repairs and maintenance	40,421	104,439	(64,018)	117,752
Supplies and materials	44,678	30,245	14,433	106,327
Professional fees	32,178	25,624	6,554	55,214
Depreciation	166,134	153,181	12,953	332,400
<i>Total operations</i>	<u>702,480</u>	<u>765,108</u>	<u>(62,628)</u>	<u>1,470,553</u>
<i>General & administrative</i>				
Salaries and benefits	145,510	135,245	10,265	283,500
Insurance	8,749	8,455	294	17,500
Utilities	4,458	6,689	(2,231)	9,100
Repairs and maintenance	7,548	9,505	(1,957)	12,000
Supplies and materials	10,005	9,981	24	22,400
Professional fees	29,431	17,081	12,350	40,000
Miscellaneous	52,870	38,342	14,528	104,450
Depreciation	9,996	9,343	653	20,000
<i>Total general & administrative</i>	<u>268,567</u>	<u>234,641</u>	<u>33,926</u>	<u>508,950</u>
<i>Total operating expenses</i>	<u>985,121</u>	<u>1,011,572</u>	<u>(26,451)</u>	<u>2,005,503</u>
Operating Income	<u>213,802</u>	<u>173,396</u>	<u>40,406</u>	<u>248,636</u>
Nonoperating revenue(expense)				
Investment income	1,439	2,349	910	4,000
Investment expense	(243)	(158)	85	(500)
Unrealized gain(loss) on investment	1,450	(15,622)	(17,072)	2,900
Realized gain(loss) on sale of asset	-	(2,172)	(2,172)	-
Grant income	-	12,410	12,410	-
Grant expense	-	(12,410)	(12,410)	-
Other Expense	-	(2,310)	(2,310)	-
Appropriations				
Mayor and Council	(62,975)	(66,476)	(3,501)	(126,000)
City Services	(15,642)	(17,902)	(2,260)	(32,000)
Special	-	(5,271)	(5,271)	-
Contributed Capital	-	-	-	-
<i>Total nonoperating revenue(expense)</i>	<u>(75,971)</u>	<u>(107,562)</u>	<u>(31,591)</u>	<u>(151,600)</u>
Change in Net Position	137,831	65,834	(71,997)	97,036

Comptroller/Treasurer's Report – October 27, 2022

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

	<u>2023</u>	<u>2022</u>
ASSETS:		
Current assets:		
Cash and equivalents	\$ 2,372,194	\$ 2,398,785
Investments	1,128,971	1,283,864
Accounts receivable, net	1,643,892	920,802
Inventories	791,801	772,063
Prepays	141,426	161,405
Restricted cash	826,025	653,883
Total current assets	<u>6,904,309</u>	<u>6,190,802</u>
Noncurrent assets:		
Capital assets not being depreciated:		
Land	45,386	45,386
Construction in progress	621,093	1,429,692
Capital assets net of accumulated depreciation:		
Buildings	262,131	287,528
Equipment	752,297	782,792
Infrastructure	10,886,314	9,760,400
Total noncurrent assets	<u>12,567,221</u>	<u>12,305,798</u>
Total assets	<u>19,471,530</u>	<u>18,496,600</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	1,558,019	612,601
Accrued liabilities	23,534	60,828
Customer Deposits	958,132	653,883
Due to other funds	-	-
Total current liabilities	<u>2,539,685</u>	<u>1,327,312</u>
Noncurrent liabilities:		
Compensated absences	418,922	398,580
Net pension liability	720,830	474,757
Total noncurrent liabilities	<u>1,139,752</u>	<u>873,337</u>
Total liabilities	<u>3,679,437</u>	<u>2,200,649</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	12,567,221	12,305,798
Unrestricted	6,507,759	6,619,860
Total net position	<u>\$ 19,074,980</u>	<u>\$ 18,925,658</u>

Comptroller/Treasurer's Report – October 27, 2022

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

	2023	2022
Operating Revenues:		
Water sales	\$ 1,177,172	\$ 1,146,428
Power sales	4,917,318	4,899,532
Miscellaneous	33,462	20,444
Total operating revenues	6,127,952	6,066,404
Less: free service	(3,696)	(3,771)
Net operating revenues	6,124,256	6,062,633
Purchase of water and power	3,652,404	3,373,412
Operating Expenses		
Salaries and benefits	1,155,494	999,804
Repairs and maintenance	192,460	(21,050)
Supplies	73,879	60,730
Utilities	30,725	25,775
Insurance	68,907	70,498
Professional fees	62,856	41,546
Administrative	100,447	77,050
Depreciation	350,210	329,406
Total operating expenses	2,034,978	1,583,759
Operating income (loss)	436,874	1,105,462
Nonoperating revenues (expenses):		
Net investment income	13,930	12,364
Realized gain (loss) on investments	-	(290)
Unrealized gain(loss) on investments	(104,145)	12,068
Gain (loss) on disposal of assets	(4,826)	-
Grant income	12,410	55,932
Grant Expense	(12,890)	(55,932)
Miscellaneous	(2,578)	2,785
Appropriations to Mayor & Council of New Castle		
Ordinary	(332,919)	(326,023)
City Services	(17,902)	(16,402)
Special	(7,190)	(8,365)
Total nonoperating revenues (expenses)	(456,110)	(323,863)
Income before capital contributions	(19,236)	781,599
Capital Contributions	-	-
Change in net position	(19,236)	781,599
Net position - beginning	19,094,216	18,144,059
Net position - ending	\$ 19,074,980	\$ 18,925,658

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

	Water		Electric		Total	
	2023	2022	2023	2022	2023	2022
ASSETS:						
Current assets:						
Cash and equivalents	-	-	2,372,194	2,398,785	2,372,194	2,398,785
Investments	169,346	192,580	959,625	1,091,284	1,128,971	1,283,864
Accounts receivable, net	203,270	148,733	1,440,622	772,069	1,643,892	920,802
Inventories	120,850	109,193	670,951	662,870	791,801	772,063
Prepays	46,903	72,632	94,523	88,773	141,426	161,405
Restricted cash	-	-	826,025	653,883	826,025	653,883
Total current assets	540,369	523,138	6,363,940	5,667,664	6,904,309	6,190,802
Noncurrent assets:						
Capital assets not being depreciated:						
Land	45,386	45,386	-	-	45,386	45,386
Construction in progress	208,397	120,953	412,696	1,308,739	621,093	1,429,692
Capital assets net of accumulated depreciation:						
Buildings	121,596	133,150	140,535	154,378	262,131	287,528
Equipment	264,829	264,878	487,468	517,914	752,297	782,792
Infrastructure	7,053,693	7,230,926	3,832,621	2,529,474	10,886,314	9,760,400
Total noncurrent assets	7,693,901	7,795,293	4,873,320	4,510,505	12,567,221	12,305,798
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 September 30, 2022 and 2021**

	Water		Electric		Total	
	2023	2022	2023	2022	2023	2022
LIABILITIES						
Current liabilities:						
Accounts payable	119,075	23,566	1,438,944	589,035	1,558,019	612,601
Accrued liabilities	10,590	27,373	12,944	33,455	23,534	60,828
Customer Deposits	53,789	-	904,343	653,883	958,132	653,883
Due to other funds	763,524	1,293,893	(763,524)	(1,293,893)	-	-
Total current liabilities	946,978	1,344,832	1,592,707	(17,520)	2,539,685	1,327,312
Noncurrent liabilities:						
Compensated absences	241,662	71,744	177,260	326,836	418,922	398,580
Net pension liability	324,373	213,641	396,457	261,116	720,830	474,757
Total noncurrent liabilities	566,035	285,385	573,717	587,952	1,139,752	873,337
DEFERRED INFLOWS OF RESOURCES						
Pension	212,779	296,763	260,064	362,711	472,843	659,474
Total deferred inflows	212,779	296,763	260,064	362,711	472,843	659,474
NET POSITION						
Investment in capital assets	7,693,901	7,795,293	4,873,320	4,510,505	12,567,221	12,305,798
Unrestricted	(1,041,799)	(1,329,666)	7,549,558	7,949,526	6,507,759	6,619,860
Total net position	6,652,102	6,465,627	12,422,878	12,460,031	19,074,980	18,925,658

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

	Water		Electric		Total	
	2023	2022	2023	2022	2023	2022
Operating Revenues:						
Charges for services	\$ 1,177,172	\$ 1,146,428	\$ 4,917,318	\$ 4,899,532	\$ 6,094,490	\$ 6,045,960
Miscellaneous	9,710	7,419	23,752	13,025	33,462	20,444
Total operating revenues	1,186,882	1,153,847	4,941,070	4,912,557	6,127,952	6,066,404
Less: free service	(1,917)	(1,913)	(1,779)	(1,858)	(3,696)	(3,771)
Net operating revenues	1,184,965	1,151,934	4,939,291	4,910,699	6,124,256	6,062,633
Purchase of water and power	11,823	12,577	3,640,581	3,360,835	3,652,404	3,373,412
Operating Expenses						
Salaries and benefits	552,624	500,088	602,870	499,716	1,155,494	999,804
Repairs and maintenance	118,391	42,977	74,069	(64,027)	192,460	(21,050)
Supplies	38,447	25,648	35,432	35,082	73,879	60,730
Utilities	18,373	16,764	12,352	9,011	30,725	25,775
Insurance	31,008	31,724	37,899	38,774	68,907	70,498
Professional fees	36,642	19,338	26,214	22,208	62,856	41,546
Administrative	41,737	10,425	58,710	66,625	100,447	77,050
Depreciation	162,524	171,509	187,686	157,897	350,210	329,406
Total operating expenses	999,746	818,473	1,035,232	765,286	2,034,978	1,583,759
Operating income (loss)	173,396	320,884	263,478	784,578	436,874	1,105,462

(Continued)

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

	Water		Electric		Total	
	2023	2022	2023	2022	2023	2022
Nonoperating revenues (expenses):						
Net investment income	2,190	1,770	11,740	10,594	13,930	12,364
Realized gain (loss) on investments	-	(43)	-	(247)	-	(290)
Unrealized gain(loss) on investments	(15,622)	1,810	(88,523)	10,258	(104,145)	12,068
Gain (loss) on disposal of assets	(2,172)	-	(2,654)	-	(4,826)	-
Grant income	12,410	1,379	-	54,553	12,410	55,932
Grant Expense	(12,410)	(1,379)	(480)	(54,553)	(12,890)	(55,932)
Miscellaneous	(2,310)	(59)	(268)	2,844	(2,578)	2,785
Appropriations to Mayor & Council of New Castle						
Ordinary	(66,475)	(58,820)	(266,444)	(267,203)	(332,919)	(326,023)
City Services	(17,902)	(16,402)	-	-	(17,902)	(16,402)
Special	(5,271)	(977)	(1,919)	(7,388)	(7,190)	(8,365)
Total nonoperating revenues (expenses)	(107,562)	(72,721)	(348,548)	(251,142)	(456,110)	(323,863)
Income before capital contributions	65,834	248,163	(85,070)	533,436	(19,236)	781,599
Capital Contributions	-	-	-	-	-	-
Change in net position	65,834	248,163	(85,070)	533,436	(19,236)	781,599
Net position - beginning	6,586,268	6,217,464	12,507,948	11,926,595	19,094,216	18,144,059
Net position - ending	\$ 6,652,102	\$ 6,465,627	\$12,422,878	\$12,460,031	\$19,074,980	\$18,925,658

Comptroller/Treasurer's Report – October 27, 2022

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

Project	Total Approved Budget	Materials as of 9/30/2022	Remaining Budget as of 9/30/2022	Total Capitalized To Date (1)	Status
Vandyke Village Undergrounding	\$ 886,000.00	\$ 490,431.80	\$ 395,568.20	\$ 1,050,884	In Progress
AMI System - Electric	665,000	2,140	662,860	-	Not Started
Debt Principal Pymt - 6months DEMEC	30,000	6,356	23,644	-	In Progress
Dobbinsville 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	63,817	36,183	-	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 Reloc 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	133,206	70,294	-	Constructor
Water	166,500	108,986	57,514	-	Constructor

Comptroller/Treasurer's Report – October 27, 2022

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

Project		Total Approved Budget	Materials as of 9/30/2022	Remaining Budget as of 9/30/2022	Total Capitalized To Date (1)	Status
2 Way Radio Replacement						
	Electric	8,250	-	8,250	-	Ordered
	Water	6,750	-	6,750	-	Ordered
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	3,050	5,200	-	PO Issued
	Water	6,750	2,496	4,254	-	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	16,205	2,495	-	In Progress
	Water	15,300	13,258	2,042	-	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	\$ 1,065,070.63	\$ 2,890,179.37		

(1) Includes capitalized labor and equipment costs.

Special Appropriatons

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	
Penn Farm Invoice Reimburse Delaware Sol	\$ 1,155.00	\$ 215.90	9/16/2022	

MUNICIPAL SERVICES COMMISSION

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Water Department Commission Meeting Report

October 27, 2022

Prepared by: Jay Guyer on October 20, 2022

1. Developer Projects

A. Riverbend Subdivision

1. WUM Guyer reviewed the latest submission of the Railroad Water Crossing and Rail Pros Agreement. Comments we returned to Rail Pros who will work with the project engineer on revisions and resubmission. MSC received the 1" E Series Water Meters for the subdivision and started changing them out. Completed water services are being reviewed and reconciled.

B. Sheriffs House Renovation – Market Street

1. WUM Guyer reached out to the project engineer who will forward revised project plans for the water. MSC met and assisted Willetts Fire Protection with performing an updated flow test for the project.

C. 107 The Strand – New House

1. The Builder hired Cirillo Brothers to install the water service for their new house. Money was escrowed and the service installed. The project will be reconciled when the meter is installed, service turned on, flushed, and bacteria sample collected.

2. MSC Projects

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

1. MSC Managers and Supervisors had our Initial Touch Point Meeting with AMP to review the project and define roles for all of the team members. MSC has started receiving water meters and supplies for the installation.

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

1. WUM Guyer and WUS Jaeger reviewed a copy of the spreadsheet with the customers scheduled to Third/Final notices for non-compliance. WUS Jaeger is reaching out to the customers to review the program and ensure they received their notices. Customers are responding positively to being contacted and having their devices tested and certified.

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C. PFAS Sampling - Carbon Filtration System

1. Non-compliance PFAS Sampling of the carbon filtration system to determine carbon consumption was completed on September 14th. The results were received on September 22nd and reviewed. PFOA is starting to break through the lead Vessel however is not detected at the lag Vessel 25% test port. WUM Guyer will start planning a Vessel 1 carbon exchange.

D. Van Dyke UG Electric Project

1. Water Operators are assisting the Electric crew with conduit installation, blacktop and concrete restoration, and site restoration of disturbed areas.

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.

F. 51 East 2nd Street – Subdividing Property

1. The property owner is sub-dividing the lot and existing house into 2 properties/houses. The owner requested MSC provide a cost to install the water service for the second house. Money was escrowed and MSC Water Operators installed the service. The project will be reconciled when the meter is installed, service turned on, flushed, and bacteria sample collected.

3. Operations

A. Outages

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

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2. WUM Guyer and WUS Jaeger were advised that the Delaware Rural Water Association (DRWA) Apprenticeship Coordinator has assumed a new role and there will be a new representative assigned to the Pre Apprenticeship Program. WUM Guyer will reach out to the new coordinator to determine their intention for the Colonial School District Fall Pre-Apprenticeship Water Operators Course.
3. WUM Guyer and WUS Jaeger reviewed the Hewlett and Janvier Water Main replacement project and met with Pennoni Associates on site to walk the project. Pennoni has called in Miss Utilities for the project and has started designing and engineering the replacement.
4. WUM Guyer was contacted by the US EPA Region 3 Community Involvement Branch Chief in reference to the US EPA publishing in the Federal Register a proposal to add the East Basin Road Groundwater Site in New Castle Delaware to the Superfund National Priorities List (NPL). Citizens should have received a mailing from the EPA notifying them of the proposal, comment period, and meeting dates. WUM Guyer participated in the October 6th meeting and is drafting a response for submission by the November 8th deadline.
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. WUM Guyer has nothing to update on this legislation.
6. WUM Guyer has nothing to update after forwarding several NOI's to the representatives from the University of Delaware, Biden School for Public Administration for their review and recommendations on improving them.
7. EPA Revised Lead and Copper Rule Requirements – WUM Guyer and WUS Jaeger have been reviewing the EPA Revised Lead and Copper Rule requirements for testing in Schools and Day Cares. Colonial School District recently made the local news when several of their facilities had fixtures with lead levels which exceeded the action levels. After reviewing the results it was determined the cause was related to older water mains and fixtures in the facility. MSC met with representatives of Colonial School District to review the results and offer support and guidance on resolving the issue. WUM Guyer and WUS Jaeger reached out to the State Department of Health to discuss the issue and are working on developing a plan for moving forward to work with all Schools and Day Cares in our service area. WUS Jaeger was contacted by St. Peters School and Harvest Christian Academy in reference to their water supply and systems. We are also working on a solution to assist with completing the lead service

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Water Department Commission Meeting Report

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line inventory component of the new regulation. RK & K's GIS Specialist that has been working on our Asset Management Program for the last 2 years provided a quote to Integrate MSC's current GIS Data into ESRI's free Lead and Copper Line Inventory Solution for a cost of approximately \$5,000.00. Starting in 2024, MSC will have to demonstrate that we have inventoried all of our water services from the main to the first valve inside the customers house and identified the pipe material.

C. System Repairs and Maintenance

1. Riverbend Subdivision – Flushed on September 19th and 28th to maintain Chlorine Residual.
2. Monthly Meter Reading – Monthly meter reads completed on October 12th. Water Operators followed up on check reads and missed reads as needed.
3. Tank Maintenance – Southern Corrosion's Paint Crew completed the Gray Street Tank (GST) painting and have mobilized to the Million Gallon Tank (MGT). The GST was disinfected, filled, overflowed, and bacteria and VOC samples collected. Bacteria results came back absent and the VOC results are pending. When the results are received, GST will be placed in service and MGT will be drained. The exterior MGT has been cleaned, prepped, and primed. Painting will start when the tank is emptied.

D. Grants and State Revolving Funds

1. Water Infrastructure Advisory Council (WIAC) Grants – WUM Guyer and WUS Jaeger completed review of Task 4 Level of Service and Key Performance Indicators information and returned comment to RK & K. They will incorporate them into the worksheet and forward a revised draft 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. The Clark Forklift failed its annual inspection due to brake issues. Repair parts were ordered and the repair will be completed when they are received.

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G. Personnel and Training

1. No personnel issues to report at this time.
2. WUS Jaeger, WUM Guyer, and GM Blomquist completed Water Operator and Facility Person Evaluations on September 27th and 29th.
3. Managers and Supervisors are discussing options to develop an Employee Health and Wellness program.

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.
2. Managers and Supervisors are discussing reorganizing the Safety Committee to review our safety manual, policies, procedures, and identify safety training needs.

3. Local, State, and Federal Agencies

A. WSCC - Water Supply Coordinating Council

1. The next meeting of the Northern New Castle County Water Providers has not been scheduled.

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 December 13th.

D. Water Operator Advisory Council

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

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Water Department Commission Meeting Report

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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: September 2022 Water Works Report
September 2022 Water Outage Tracking Sheet

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Monthly Water Works Report
September 1 - 30, 2022
 Prepared By: Jay Guyer on October 13, 2022

Water Production		FT 300		Gallons	
Month	Year	Raw	Adjusted Finished	Raw	Finished
September	2021	12,163,000	11,957,165	12,581,800	12,410,481
September	2022	12,581,800	12,410,481	12,581,800	12,410,481
Difference		418,800	453,316	-171,319	
Percentage Difference		3.3	3.7	Percentage Difference	1.4

Well(s) in Operation	Basin Road	Frenchtown Road	School Lane	Cross Roads
Days Pumped	Reserve Status	XXX	XXX	Resting
		6	24	

Water Quality	MSC Average	Goal / Target Level	Range
Average Chlorine Residual	1.41 ppm	1.00 ppm	0.90 - 1.20 ppm
Average pH	7.2	7.6	7.4 - 7.8
Average Fluoride Residual	0.90 ppm	0.70 ppm	0.60 - 1.00 ppm

General Water System Report
 Routine Bacteria Sampling
 (Office of Drinking Water)

# Collected	Results
10	10 Absent
0	0 Present

Miss Utility Locate Requests
 (Water and Electric Locates)

# Received	# Completed	# of Damages
90	90	0

Building Permit Review
 (Water Related Conflicts)

# Reviewed	# Approved	# Not Approved
31	31	0

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Monthly Water Outages / Interruptions Report

September 1 - 30, 2022

Prepared By: Jay Guyer on October 20, 2022

Planned Outage / Interruptions

**Approximate
Duration**

Date Hours / Minutes

Location

No. of

Customers

Comments

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

Unplanned Outage / Interruptions

**Approximate
Duration**

Date Hours / Minutes

Location

No. of

Customers

Comments

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

ELECTRIC DEPARTMENT COMMISSION REPORT

October 27, 2022

Prepared by Artie Granger on October 19, 2022

1. Developer Projects:

a. 90 Lukens Dr:

- I. There is nothing additional or new on this project.

B. Riverbend Subdivision:

- I. MSC worked with the contractor to get the primary and secondary cables relocated as needed. MSC worked with the contractor to get the primary cable repaired as needed. This repair has been completed.
- II. MSC has continued to work with the contractor to turn on houses as requested. This seems to be going well.

C. Potential New Customers

- I. MSC along with city officials meet with a potential new tenant in Center Point Industrial Park. This customer would be proposed to be a large commercial customer. MSC is will continue to work with the customer to determine what their loads will be.
- II. MSC has been working with an electrical contractor in the River Edge Industrial Park to assist where needed. This is an existing customer that is anticipating substantially increasing their electrical loads. MSC is trying to get additional information on their loads.

2. Capital Projects:

a) Van Dyke Village:

- a. MSC has continued to install conduits on New Amstel. MSC will finish up installing conduit for this year.
- b. MSC will begin to work on installing wiring and preparing for the conversions of the locations where conduits were installed.

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ELECTRIC DEPARTMENT COMMISSION REPORT

October 27, 2022

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b) Grant Opportunities:

- a. Baker Tilley notified MSC that there is no significant changes until the second quarter of 2023.

3. Capital Purchases:

I. MSC Utility Building

1. All of the concrete work has been completed. MSC is beginning to work on the inside. IE: Wiring, wall coverings and prep for garage doors.
2. MSC has placed orders for interior and exterior lighting. MSC will begin to work on the interior fit out as well.

II. MSC Replacement Radios

- i. MSC has received the radios and this is complete.

III. T-10 Utility Truck Replacement

1. MSC is anticipating picking up the truck this week.

IV. New Stake Body

1. MSC has received the new stake body.

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ELECTRIC DEPARTMENT COMMISSION REPORT

October 27, 2022

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4. Operations:

a. Outages :

- I. There were 1 outages the past month. A contractor while digging on the Strand located a conduit that was unmarked. The contractor began to cut the conduit out of the way and discovered that it was a live electric line. MSC removed the wire, repaired the conduit and installed new wiring. The one customer was without power for approximately 2 hours.

SAIDI (minutes)	SAIFI (number of interruptions)	CAIDI (minutes)	ASAI (percent)
48.16	1.52	31.674	99.9908%

- 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.

5. Repairs and Maintenance:

A. Wilmington Road Substation:

- I. The electric department has performed the monthly inspections at this location.

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ELECTRIC DEPARTMENT COMMISSION REPORT

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B. Dobbinville Substation:

- I. The electric department has performed the monthly inspections at this location.
- II. MSC has put load back on Dobbbinsville. MSC system is back to running as normal.
- III. During testing of the transformer one of the bushings is testing marginal. After reviewing the results with Utility Engineering, there recommendation is to get the bushing replaced. The bushing has been ordered and once it comes in we will work with Utility Engineering to replace it and then re-test the transformer.