

Municipal Services Commission Monthly Meeting  
February 16, 2023, 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, Commissioner  
Scott L. Blomquist, Secretary

Staff in Attendance: Kendrick Natale, Comptroller  
Jay Guyer, Manager, Water Utility  
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

In response to a question from Commissioner Knox, Messrs. Natale and Guyer explained the second and third bullet points under Mr. Natale's report on the Water Department.

**A motion was made by Mayor Quaranta to approve the minutes of the January 24, 2023, regular session as amended. The motion was seconded by Commissioner Knox and unanimously passed.**

**A motion was made by Mayor Quaranta to approve the minutes of the January 24, 2023, executive session. The motion was seconded by Commissioner Knox and unanimously passed.**

### Comptroller/Treasurer Report – Mr. Natale reporting

*(See attached report)*

- Total cash on hand: \$2.4M
- Investment Portfolio: \$1.168M, which was a net gain of \$24,937 (2.2%) from prior month. Fiscal year to date the value of the investment portfolio is down approximately 4.5%. In response to a question from Mayor Quaranta regarding the rate of return on most portfolios, Mr. Natale explained that MSC is invested in intermediary term bond funds, which is the reason the MSC portfolio is not up as much as stock portfolios. He added that it is not a loss of principle.
- M&T Sweep Account: Currently the mutual fund is paying interest at 4.42%.
- Unrestricted cash on hand: 87 days at January 31, 2023, which is down 14 days from prior month, which is entirely related to a payment of \$300,000 to the AMI vendor in January and the State reimbursing bond proceeds. Cash is currently up over 90 days.

Check Register Disbursements: Mr. Natale pointed out some particular payments that were fairly large such as:

- \$166,000 – City of New Castle quarterly appropriation.
- \$25,000 – Tyler Technologies for AMI integrations.
- \$19,000 – McHenry Pressure Cleaning Systems for the new wash bay at the new utility building.

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Customer Service/Billing

- There were 17 service cuts in January.
- The New Castle Cares Fund did not assist any customers in January, leaving a balance of approximately \$7,000. Eight customers received assistance from other agencies of approximately \$300 each. In response to a question from Mayor Quaranta, Mr. Natale explained that MSC budgets \$10,000 to the New Castle Cares Fund each year.

Electric Department

- User charges are unfavorable FYTD by \$84,000.
- Sales increased by approximately 4.4% (260,000 kWh) from the same period last year. Consumption was up across all classifications. FYTD total billed consumption is in line with prior year.
- New Castle is still the lowest residential electric rate in the State.
- Operating expenses have a favorable variance of \$68,000.
- There is a positive variance in the DEMEC-Substation of \$249,000.
- There is a negative variance in Salaries & Benefits and Repairs & Maintenance due to the delay in Van Dyke.

Water Department

- User charges are unfavorable FYTD by \$55,000.
- Consumption was up 764,000 gallons compared with the same period last fiscal year.
- Consumption is in line with last year's consumption and is approximately 2% lower than the five-year average FYTD.
- Expenses are unfavorable FYTD \$9,000, which is related to timing differences.

Mr. Natale had a preliminary call with the new auditors (CLA) and they will review two issues:

- Whether MSC will need to include fiduciary fund financial statements for the defined benefit statement; and
- How MSC is accounting for the borrowing from DEMEC. CMA feels that may need to be reclassified as a regulatory deferral. The net effect is the same.

Mr. Natale noted that the power purchase agreement is helping to stabilize the electric rates and cash balances. A few calls have been received from customers.

Mr. Blomquist noted that the Water Rate Design was part of the budget; however, MSC did not physically get approval for the water rate increase for the coming fiscal year. Messrs. Blomquist and Natale provided additional details on the Water Rate Design. During discussion Mr. Blomquist stated that another Cost of Service study will be conducted this year. It was noted that a motion, discussion and vote is needed to recommend a change for water rates for fiscal year 2024.

**A motion to approve the recommended water rate change for fiscal year 2024 was made to by Mayor Quaranta and seconded by Commissioner Knox.**

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During discussion it was noted that the increase will begin April 1st and will be reflected on bills in the next billing cycle. In response to a question from Mayor Quaranta, Mr. Blomquist stated that he could not speak to how many more increases will be required without reviewing the Cost of Service study; however, he opined that they are getting close to where they need to be. Commissioner Knox noted that MSC is still well below Artesian and other companies. Mr. Blomquist stated that the Cost of Service study includes a 5-year projection. Further discussion included the impact to Nixon, and the commercial rate was explained.

**The motion on the floor was unanimously carried.**

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

Developer Projects

- Riverbend Subdivision – They are building one or two more houses. The pace has slowed down dramatically. The number of houses that can be built is close to maximum. They are currently selling in undeveloped areas, which is pushing the developer to transfer the lots to the builder. They are currently at the limit for the number of houses the engineers have recommended.

Capital Projects

- Van Dyke Village – Excavating and installation is being completed for this year. Work will begin again in the spring.

Capital Purchases

- Utility Building – MSC is waiting for the venting for the gas heaters and pressure washer.
- T-12 Bucket Truck – Mr. Granger hopes to have additional information at the March meeting. They are still working on getting proposals. Mr. Granger found a substantially cheaper price; however, it is a stock truck and is may be too big to operate in town. The manufacturer estimated a 5-7 year lead time for a custom truck.
- AMI – MSC has received everything with the exception of some relays. Mr. Blomquist noted that he gave City Council an update on AMI at the February Council meeting. He explained that in order to reduce costs installation of both the water and electric meters will be done at the same time.

Operations

- MSC has completed installation of the final two EV chargers.
- MSC is working on routine maintenance.

Outages

- An outage on January 26, 2023 caused by a squirrel caused 11 customers to be without power for approximately 30 minutes.

Repairs and Maintenance

- Dobbinsville Substation – The Dobbinsville Substation is currently up and running. MSC received a replacement relay switch for the circuit switcher. At this time, the substation will be kept in

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service and MSC will coordinate a planned outage if it is necessary. During discussion it was noted that the new apartments would be serviced by Dobbinsville.

- T-2 Bucket Truck – the T-2 bucket truck has been moved back to the MSC shop while they are waiting for a motor.

Mayor Quaranta stated that he had a conversation with Kirsten Higgins, Vice President of Development and Contractor Administration at Tidewater in Kent County regarding MSC's involvement with the Apprenticeship Program at William Penn High School. She was very interested in learning more about the program for one of the Kent County High Schools. Mayor Quaranta gave her the contact information for MSC.

Mayor Quaranta stated that Mr. Barthel will be speaking with an experienced federal grant writer and suggested that MSC reach out to Mr. Barthel regarding grants for MSC. Mr. Granger noted that the Electric Department is working with Baker-Tilley in connection finding and writing grants; and New Castle was not listed as a participating municipality on some of the grants they recommended. During discussion it was noted that the City would need to apply for many of the federal grants on behalf of MSC. Mr. Blomquist stated that he would need to have a conversation with Mr. Barthel to see how they can have New Castle listed as a participant on some of the federal grants.

Mayor Quaranta asked for an update on the situation at 7<sup>th</sup> and South Streets. Mr. Guyer explained that the road was repaired in September; but the curb and sidewalk are still not repaired. Mr. Blomquist opined that nothing would be done until the spring. During discussion Mr. Guyer explained the process and opined that the conflicting pipe is probably an abandoned gas main from New Castle Gas Works from the 1920's or 1930's. MSC has suggested the method they would use.

Water Department Report – Mr. Guyer reporting

*(See attached report)*

Developer Projects

- Riverbend Subdivision – Rail Pros returned the executed water main agreements and Freedom Development has them under development. Water Operators are performing inspections for the rest of Phase 1 water work and MSC is working to reconcile the escrowed funds for the six houses that have already sold.
- Colonial School District – William Penn High and Wallace Wallin School – Mr. Guyer was made aware that the school district is considering a sports complex along Basin Road that would be in conflict with the 20' Water Utility easement that MSC was granted across their property. He reached out to them to determine the likelihood of the complex being developed; noting this would be a good time to redesign and move the mains so there are no conflicts.

MSC Projects

- Advanced Metering Infrastructure – American Municipal Power (AMP) – MSC is participating in weekly meetings with AMP. MSC installed two ERT samples at the utility building, but they are not functioning. MSC is waiting for a solution for that.
- Water System Asset Management Program – The preliminary draft should be received tomorrow.

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- Cross Connection Control Program – Hydro Corp’s Proposal – Many updates have been made to the list of locations that were out of compliance. Messrs. Guyer and Jaeger are reviewing the list and will be sending 3<sup>rd</sup> and Final Notices for compliance.
- Hewlett, Janvier, and Meggison Avenue Water Main Replacement – The plans have been reviewed. MSC met with Pennoni to give them comments and they are updating the plans. The sewer mains were scheduled to be opened last week to do an inspection to avoid conflicts. DeIDOT has been contacted and they agreed to waive the casing requirements for the three Wilmington Road crossings.
- SRF Program – MSC reached out to the DWSRF Administrator and staff in reference to the loan. Messrs. Blomquist and Natale are working on finalizing the loan paperwork.

#### Administrative Office Renovation

- Water Operators are working on the office renovation.

#### Operations

- Outages – There were no planned or unplanned outages in the month of January.
- Calgon Carbon Corporation (CCC) Pilot Study Test – The carbon study is going well. Adam Redding was on site on January 19<sup>th</sup> to perform routine maintenance and changed all carbon and resins. He is simulating the scenario that they will hopefully get installed by adding a third vessel at School Lane.
- Apprenticeship Program – The Apprenticeship Program is going well. Five students are committed to the program. Pennoni Engineering did a presentation on January 30<sup>th</sup>. Students did a tour at MSC on Monday, January 13<sup>th</sup> and did some hands-on exercises. Mayor Quaranta noted that Hodgson High School has a program in construction where they take the students from start to finish on a project; and suggested that MSC could loop in the Water Apprenticeship program with that. Mr. Blomquist noted that MSC contacted a number of high schools last year and did tours for some of them, but Hodgson did not participate. Mr. Guyer added that students interested in engineering were invited to attend the MSC presentation. Mayor Quaranta will provide Mr. Guyer with Ed Capodanno’s contact information.
- EPA Proposal for East Basin Road Groundwater Site – The EPA is in the process of reviewing the 19 comments that were received in regard to the proposal
- House Bill 8 – House Bill 8 is still on hold.
- DNREC Usage Report – Messrs. Guyer and Jaeger completed their review and update of the Report for 2022 and submitted it on January 30<sup>th</sup> with no issues.
- DNREC Tier Hazardous Chemical Report – Messrs. Guyer and Jaeger are working on the Report and will submit it prior to the March 1 deadline.
- DRBC Annual Water Audit – Messrs. Guyer and Jaeger are working on the Annual Report that must be submitted prior to March 31<sup>st</sup>.

#### System Repairs and Maintenance

- Riverbend Subdivision – The Riverbend subdivision was flushed on January 4<sup>th</sup>, 18<sup>th</sup> and 31<sup>st</sup> to maintain chlorine residual.

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Grants and State Revolving Funds

- Water Infrastructure Advisory Council Grants – Messrs. Guyer and Jaeger worked on three NOIs for resubmission for the SRF program. The NOIs were reviewed by Pennoni Associates and submitted on February 13<sup>th</sup>. The goal is to obtain grant funds instead of loans.

Equipment

- There were no equipment issues in January.
- All annual maintenance and repairs were completed on small power tools and equipment.
- Truck 8 – Supervisor Bennett took the lead on this project. He worked through all the details and kept Mr. Guyer updated. They agreed on a Chevy 4500 chassis with an Intercon Crane Body for \$141,000. Lead time is six months for the chassis and nine months for the body. Mr. Guyer commended Mr. Bennett for his work on the project.

Safety

- Morning Tailgate Talks are conducted daily to discuss jobs/tasks.
- Safety Committee – The Safety Committee has been re-established and is holding monthly meetings. It is represented by all groups in the Commission.
- Mr. Jaeger attended the January 17<sup>th</sup> DFIT meeting.

Water Operator Advisory Council

- Mr. Guyer attended the February 2<sup>nd</sup> meeting. Nineteen Water Operator License Applications were reviewed and approved, 12 training courses were discussed and approved, and completing operator certification regulation updates.

In response to a question from Mayor Quaranta regarding the WILMAPCO study Mr. Blomquist stated that in Mr. John Hermes' presentation to City Council he stated DeIDOT's plan was to incorporate the WILMAPCO plan into its 8<sup>th</sup> Street project. Mr. Blomquist noted that Mr. Guyer will follow up with Mr. Hermes to ensure that the original plan for DeIDOT to do the work if MSC supplies the materials is agreeable. Mr. Guyer recommended that a commitment be obtained from DeIDOT before materials are purchased. Mr. Guyer added that he will request updated plans from DeIDOT's Engineer.

Secretary's Report – Mr. Blomquist reporting

- A Delaware State Police Detective / Liaison with the Department of Homeland Security made a presentation to DEMEC on terrorism and covered all of the recent substation attacks and some attacks that were thwarted. Mr. Blomquist has the Detective's contact information if MSC has any issues.
- The University of Delaware made a presentation to DEMEC on offshore wind farms off the coast of Delaware. DEMEC had supported the two students, who reported on offshore wind that was installed off New England.
- The Senate Joint Resolution to have the Delaware SEU develop RFPs to perform a Cost Benefit Analysis of net metering to identify where solar can be installed and submit a report of its findings to the Governor's office was discussed. DEMEC feels that creating and enforcing this law takes away local control of the direction of what municipalities want.
- There is an Act to amend Title 11 of the Delaware Code relative to increasing the penalties for aggravated criminal mischief by knowingly damaging critical infrastructure.

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- The remaining documents for the \$1.49M loan for Hewlett and Janvier were executed today. Closing is scheduled for the week of February 20<sup>th</sup>.
- Funds for the bond bill for carbon exchange have been submitted. MSC expects to receive \$52,800 for carbon exchange.
- The Safety Committee met twice this month and have been reviewing the MSC Safety Manual. The Committee is reviewing manuals provided by DFIT and have decided to use the City of Newark as a template. The Committee will hold its third meeting the week of February 20<sup>th</sup>.

*Managers were thanked and excused from the meeting.*

**A motion to move to executive session was made by Commissioner Knox and seconded by Mayor Quaranta. The motion was unanimously passed and the meeting adjourned to executive session at 9:21 a.m.**

The Commissioners returned to regular session at 9:35 a.m.

Next Regular Meeting


The Commissioners set the next monthly Board meeting to be Thursday, March 30, 2023, at 8:00 a.m.

Adjournment

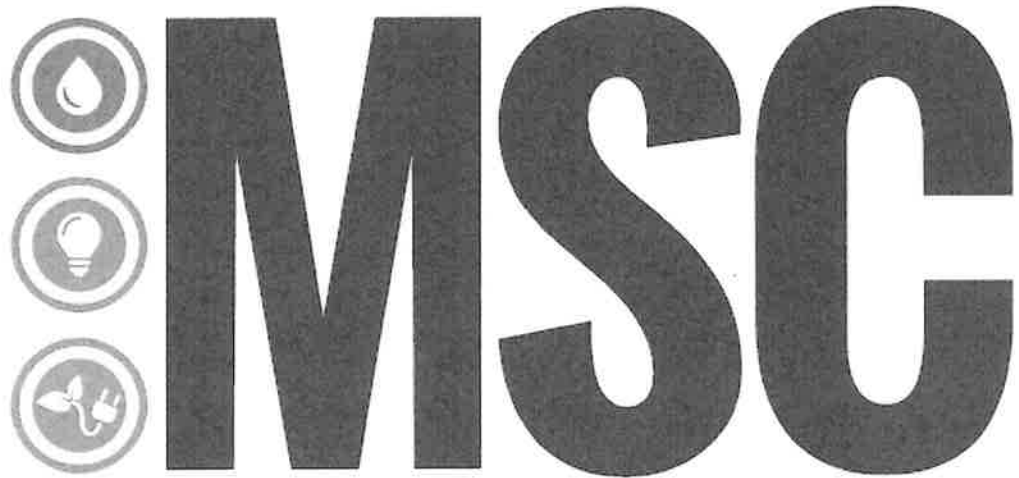
**A motion to adjourn the meeting was made and seconded. The motion received unanimous approval and the meeting was adjourned at 9:37 a.m.**



Kathleen R. Weirich, Stenographer

Approved:   
(Minutes transcribed from notes.)

# Comptroller/Treasurer's Report



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

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**February 16, 2023 Commission Meeting**  
Prepared By: Ken Natale on February 8, 2023



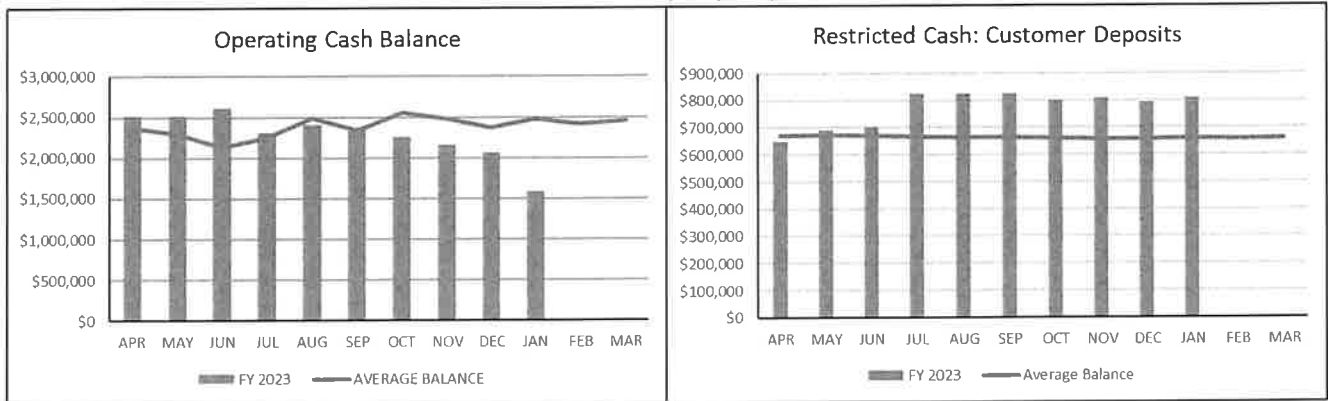
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## Cash & Investments

As of January 31, 2023 the cash balances were:

M&T Bank Checking:	\$	373,601
M&T Investment Sweep:		1,213,890
M&T Bank MMA:		808,436
Petty Cash/Change Fund:		898
<b>Total Cash on Hand:</b>	<b>\$</b>	<b>2,396,825</b>



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

<b>Beginning Balance</b>	<b>\$ 2,064,350</b>
Cash from customers	938,723
Interest Income	5,922
Refunds to customers - deposits	( 1,949)
Payments to suppliers for goods & services*	( 1,322,417)
Bank service fees	( 632)
Payments to employees for services	( 96,506)
<b>Net Cash Provided(Used)</b>	<b>( 476,859)</b>
<b>Ending Cash Balance</b>	<b>\$ 1,587,491</b>

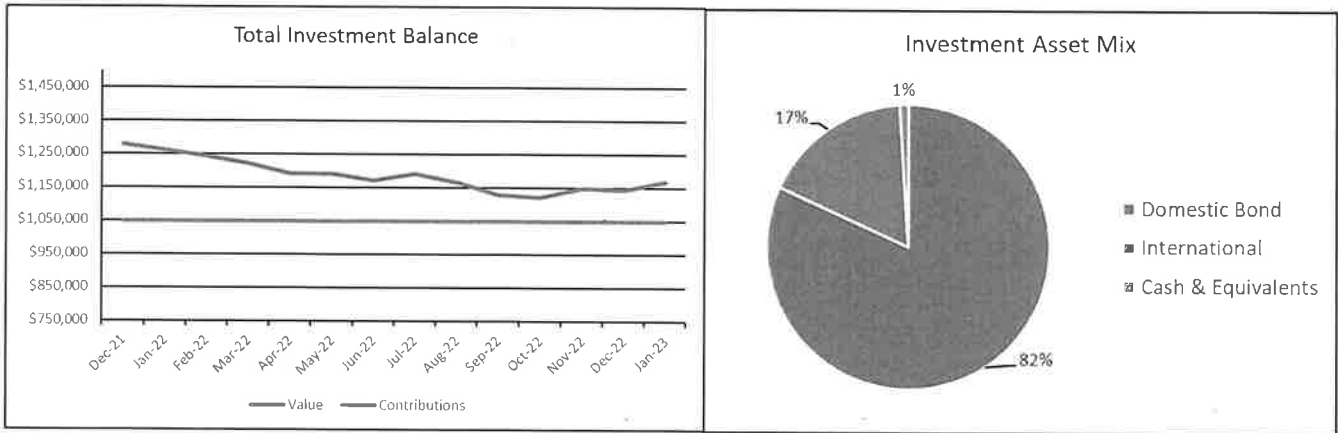
\*A detailed check register for the month is available on page 3-4 of this report.

As of January 31, 2023 the value of the Commission's investment portfolio totaled \$1,168,782 which is a net gain of \$24,937 (2.2%) from the prior month. Fiscal year to date, the value of the investment portfolio is down 4.5%.

The M&T Investment Sweep account is where cash that is not immediately needed for operations is placed to earn interest on the funds. Currently, those funds are invested in a Goldman Sachs Government Money Market Mutual Fund (FGTXX) which currently pays **4.42% interest** and has a stable net asset value of \$1.00.

There was 87 days unrestricted cash on hand at January 31 (-14 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). This drop in cash on hand is due to a timing difference between when a \$300,000 payment to the AMI vendor needed to be made and the State reimbursing bond proceeds. In the coming weeks, the cash on hand is anticipated to be above the 90-day minimum, once the bond proceeds are received.

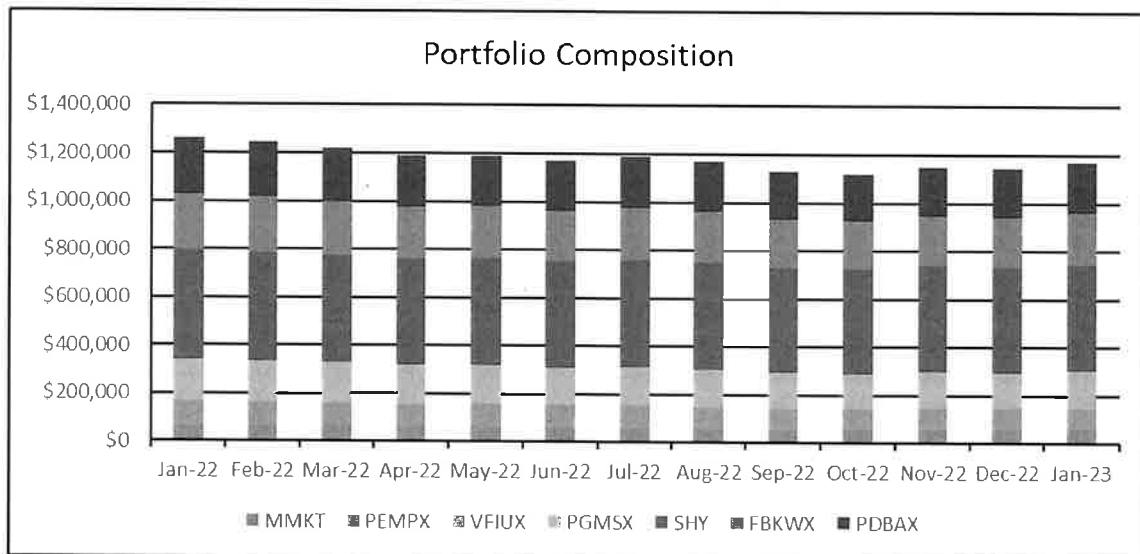
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The “domestic bond” category in the *Investment Asset Mix* chart above, includes US Government instruments and corporate bonds of US based organizations. The “international” category includes debt instruments of foreign governments as well as corporate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

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

Holdings	Symbol	Market Value	Est. Yield
<b>Money Markets</b>			
Insured Cash Accounts		\$ 10,067	0.49%
<b>Mutual Funds</b>			
Fidelity Advisor Total Bond CL Z	FBKW	215,091	3.42%
PGIM Total Return Bond CL A	PDBAX	208,533	4.82%
PIMCO Emerging Markets Bond I2	PEMPX	50,073	7.46%
T Rowe Price Global Multi Sector Bond I	PGMSX	152,540	3.56%
Vanguard Intermediate Term Treasury	VFIUX	90,000	3.58%
<b>Exchange Traded Funds</b>			
iShares Trust 1-3 Year Treasury Bond EFT	SHY	442,478	1.29%
<b>Total</b>		<b>1,168,782</b>	



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<b>JANUARY 2023 CHECK REGISTER</b>			
<b>Number</b>	<b>Date</b>	<b>Vendor Name</b>	<b>Amount</b>
200719	01/04/2023	Anixter	\$ 3,015.56
200720	01/04/2023	Antonio's Lawn Service	945.00
200721	01/04/2023	Artesian Water Co Inc	1,710.24
200722	01/04/2023	Cable Testing Services LLC	3,550.00
200723	01/04/2023	Christiana Excavating Company	6,025.00
200724	01/04/2023	CirilloBro	3,000.00
200725	01/04/2023	City of New Castle	166,459.74
200726	01/04/2023	COLONIAL LIFE	781.34
200727	01/04/2023	Consult Dynamics Inc DCA Net	20.00
200728	01/04/2023	Council 81	400.00
200729	01/04/2023	Delmarva Power	88.02
200730	01/04/2023	Delta Dental of Delaware Inc	1,854.82
200731	01/04/2023	DEMEC Inc	964.99
200732	01/04/2023	Grainger	2,594.78
200733	01/04/2023	JOHN STONESIFER	2,500.00
200734	01/04/2023	Kathleen R Weirich	240.00
200735	01/04/2023	Kendall Electric INC	7,328.00
200736	01/04/2023	Principal Financial Group	2,381.94
200737	01/04/2023	Railroad Management Company IV LLC	610.61
200738	01/04/2023	Security Instrument Corp.	198.00
200739	01/04/2023	Tyler Technologies Inc.	25,690.00
200740	01/04/2023	United Electric Supply Co	79.00
200741	01/04/2023	Utility Engineers PC	5,595.60
200742	01/10/2023	Delmarva Power	641.75
200743	01/10/2023	Guyer Terri Lynn Green	1,000.00
200744	01/10/2023	Hire Right Solutions Inc	854.14
200745	01/10/2023	McHenry Pressure Cleaning Systems Inc	19,002.00
200746	01/10/2023	Pennoni Associates Inc.	597.50
200747	01/10/2023	Trans Union LLC	320.34
200748	01/10/2023	Tyler Technologies Inc.	5,886.35
200749	01/26/2023	Action Unlimited Resource Inc	41.88
200750	01/26/2023	Anixter	3,279.70
200751	01/26/2023	Artesian Water Co Inc	1,667.24
200752	01/26/2023	CANON SOLUTIONS AMERICA INC	2,735.00
200753	01/26/2023	Consult Dynamics Inc DCA Net	20.00
200754	01/26/2023	Council 81	415.50
200755	01/26/2023	Delta Dental of Delaware Inc	1,854.82
200756	01/26/2023	DEMEC Inc	1,079.72
200757	01/26/2023	Department of Human Resources Financial Services	34,173.12
200758	01/26/2023	Diamond Materials	271.00
200759	01/26/2023	Hydro Corp Inc	495.00
200760	01/26/2023	Kendall Electric INC	268.15
200761	01/26/2023	Pitney Bowes Purchase Power	2,015.00
200762	01/26/2023	POWERPLAN	363.50
200763	01/26/2023	Principal Financial Group	2,381.94
200764	01/26/2023	Southern Corrosion Inc	19,640.00
200765	01/26/2023	Transformer Associates Limited	1,625.00
200766	01/26/2023	Tyler Technologies Inc.	503.75

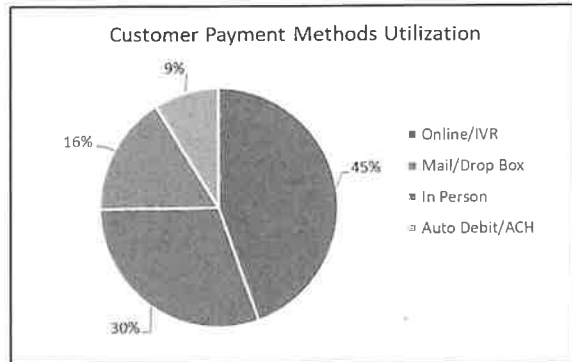
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<b>JANUARY 2023 CHECK REGISTER</b>			
<b>Number</b>	<b>Date</b>	<b>Vendor Name</b>	<b>Amount</b>
DFT0001851	01/06/2023	Maryland Child Support Account	184.62
DFT0001852	01/06/2023	Nationwide Retirement Sol	4,403.54
DFT0001855	01/06/2023	United States Treasury	17,555.78
DFT0001856	01/03/2023	Delaware Div. of Revenue	13,878.00
DFT0001860	01/19/2023	DEMEC Inc	549,359.23
DFT0001861	01/12/2023	American Municipal Power Inc	301,538.86
DFT0001862	01/03/2023	OpenEdge	1,592.60
DFT0001863	01/10/2023	Nationwide Life Ins. Co. of America	19,513.25
DFT0001864	01/20/2023	Maryland Child Support Account	184.62
DFT0001865	01/20/2023	Nationwide Retirement Sol	4,398.97
DFT0001868	01/20/2023	United States Treasury	17,088.18
DFT0001869	01/11/2023	M&T ONE CARD	20,085.51
DFT0001870	01/31/2023	COMPTROLLER OF MARYLAND	702.20
DFT0001871	01/20/2023	BRINKS CAPITAL	589.00
DFT0001877	01/31/2023	Delaware Div. of Revenue	15,958.00
DFT0001878	01/25/2023	M&T ONE CARD	18,219.20
<b>TOTAL PAYMENTS</b>			<b>\$ 1,322,416.60</b>

**Customer Service/Billing**

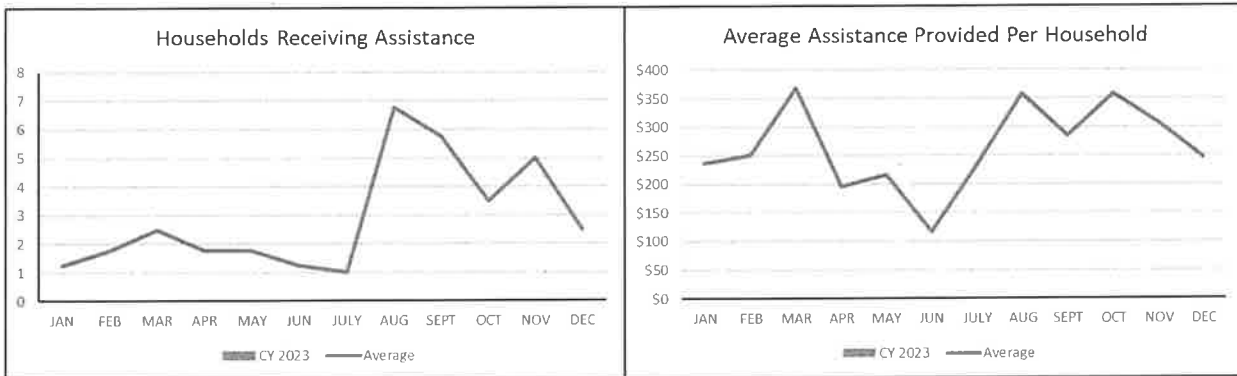
Since the previous meeting, the Customer Service Department processed:

Bills sent	3,216
Delinquent & past due notices	368
Automated phone notifications	268
Payment arrangements	64
Contracts	0
Service cuts – January	17
Accounts sent to collections	3
Electric bad debt write-offs	\$0.00
Applications for service	10



**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 January, the fund did not assist any customers. The maximum allowed by the program is \$400. The balance in the fund as of January 31 was \$6,897.



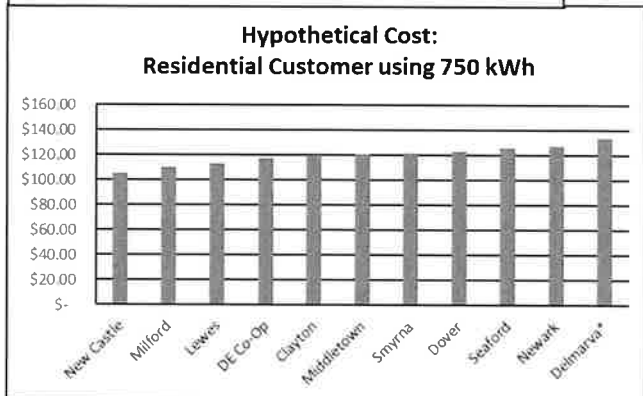
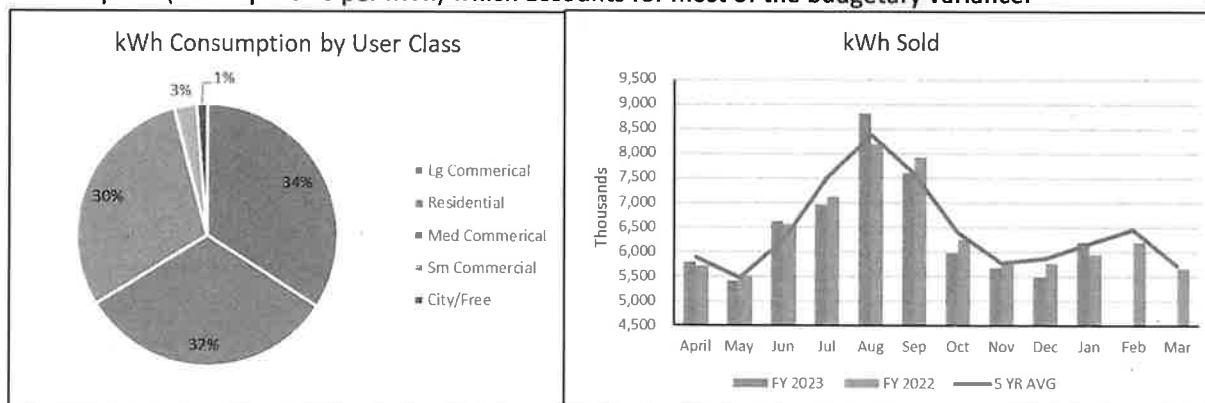
In addition to assistance provided through the New Castle Cares fund, eight customers received an average of \$308 from other agencies or nonprofits that provide assistance for utility bills.

Below is a condensed aging report for *active* customers as of February 7, 2022

Total	Current	30 Days	60 Days	90 Days	120 Days
\$368,731	\$350,239	\$18,492	\$0	\$0	\$0

## Electric Revenues

User charges are unfavorable fiscal year to date (\$84,000). January kWh sales increased by approximately 4.4% (260,000 kWh) from the same period last year. Consumption was up across all customer classifications, except small commercial which saw a small decline (4,000 kWh). Fiscal year to date, total billed electric consumption is in line with last year's consumption fiscal year to date (-0.30%). 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 27% lower than Delmarva\* and 11% 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 favorable variance (\$68,000). In total, there is a favorable budget variance in operating expenses of \$68,000. There is a positive variance in "DEMEC-Substation Expense" of \$249,000 which is described below. This is offset by unfavorable variances in Operation's Repairs and Maintenance (\$145,000) related to a delay in the Van Dyke Village undergrounding project and an increased \$83,000 in depreciation expenses. These two categories are "non-cash" outlays as the R&M variance would have capitalized the "cost" of using MSC owned equipment to the Van Dyke project, which are required accounting entries and does not necessarily represent actual "costs" to the Commission.

The DEMEC-Substation expense line shows a positive variance of \$249,000. In December, DEMEC paid off the bond for the Dobbinsville Substation and the substation was transferred to MSC as an asset valued at approximately \$3.6 million, to be depreciated over the remaining 10 years of the substation's estimated useful life. In the current year, DEMEC will have been paid \$561,000 which was budgeted. The variance showing on the budget to actual report is related to accounting entries that are required under the "regulatory accounting" standards used to account for the financing of the substation which enabled MSC to not report this financing as debt of the MSC due to Charter restrictions that were in effect at the time.

Comptroller/Treasurer's Report – February 16, 2023

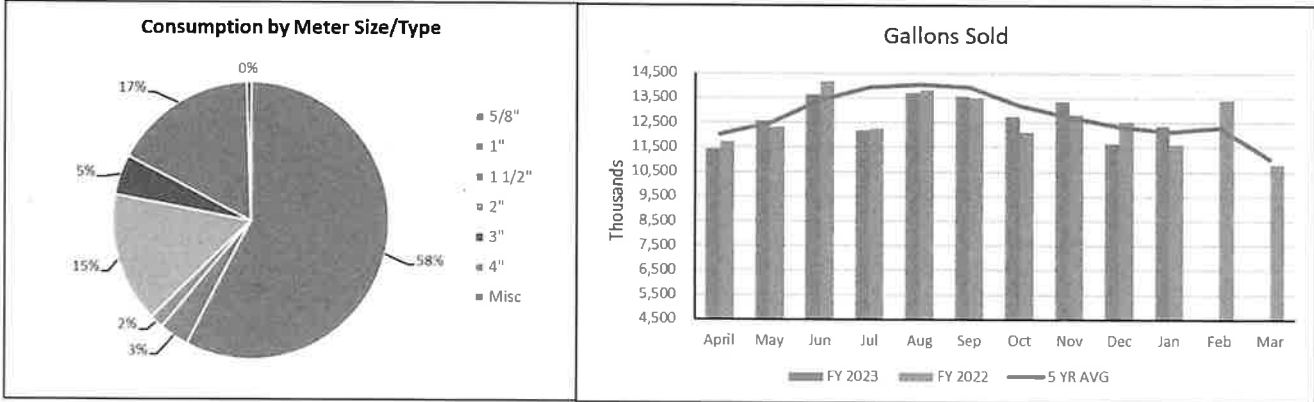
**Municipal Services Commission  
Budget to Actual Comparison – Electric  
As of January 31, 2023**

	YTD Budget	YTD Activity	Variance	Total Budget
<b>Operating Revenues</b>				
User charges	7,714,500	7,631,143	(83,357)	9,149,590
City service charges	37,937	39,231	1,294	45,450
MSC service charges	33,647	35,501	1,854	42,500
Miscellaneous income	31,420	47,249	15,829	36,570
<i>Total Operating Revenues</i>	<u>7,817,504</u>	<u>7,753,124</u>	<u>(64,380)</u>	<u>9,274,110</u>
Less: Free Service	2,694	5,285	(2,591)	4,000
<i>Net Operating Revenues</i>	<u>7,814,810</u>	<u>7,747,839</u>	<u>(66,971)</u>	<u>9,270,110</u>
<b>Operating Expenses</b>				
Purchase of Power	5,382,400	5,377,905	4,495	6,400,000
DEMEC - Substation	561,271	312,169	249,102	561,271
<i>Operations</i>				
Salaries and benefits	622,662	634,966	(12,304)	742,650
Insurance	53,791	48,035	5,756	63,681
Utilities	8,673	8,018	655	11,700
Repairs and maintenance	(105,030)	40,246	(145,276)	(111,130)
Supplies and materials	63,876	58,712	5,164	71,399
Professional fees	40,594	47,486	(6,892)	50,000
Depreciation	243,653	326,588	(82,935)	292,500
<i>Operations total</i>	<u>928,219</u>	<u>1,164,051</u>	<u>(235,832)</u>	<u>1,120,800</u>
<i>General &amp; administrative</i>				
Salaries and benefits	408,481	394,985	13,496	485,100
Insurance	17,834	19,313	(1,479)	21,400
Utilities	9,468	13,460	(3,992)	11,500
Repairs and maintenance	13,202	14,292	(1,090)	14,700
Supplies and materials	25,606	22,821	2,785	30,000
Professional fees	75,857	54,939	20,918	87,500
Misc	82,000	68,519	13,481	98,375
Depreciation	24,990	18,249	6,741	30,000
<i>Total general &amp; administrative</i>	<u>657,438</u>	<u>606,578</u>	<u>50,860</u>	<u>778,575</u>
<i>Total operating expenses</i>	<u>7,529,328</u>	<u>7,460,703</u>	<u>68,625</u>	<u>8,860,646</u>
<b>Operating income</b>	<u>285,482</u>	<u>287,136</u>	<u>1,654</u>	<u>409,464</u>
<b>Nonoperating revenue(expense)</b>				
Investment income	17,872	39,679	21,807	20,000
Investment expense	(2,500)	(2,014)	486	(2,500)
Unrealized gain(loss) on investment	13,328	(67,295)	(80,623)	16,000
Realized gain(loss) on sale of asset	-	7,346	7,346	-
Grant expense	-	(480)	(480)	-
Other Expense	-	(798)	(798)	-
<b>Appropriations</b>				
Mayor and Council	(450,000)	(444,073)	5,927	(540,000)
Special	-	(5,158)	(5,158)	-
Contributed Capital	-	-	-	-
<i>Total nonoperating revenue(expense)</i>	<u>(421,300)</u>	<u>(472,793)</u>	<u>(51,493)</u>	<u>(506,500)</u>
<b>Change in Net Position</b>	<b>(135,818)</b>	<b>(185,657)</b>	<b>(49,839)</b>	<b>(97,036)</b>



**Water Revenues**

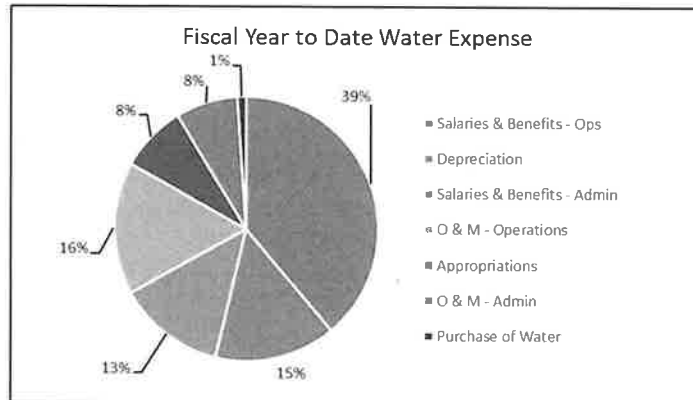
User charges are unfavorable fiscal year to date (\$55,000). Water consumption for the month was up 764,000 gallons when compared with the same period last fiscal year, most of the increased usage was in commercial accounts. Fiscal year to date, water consumption is in line with last year's consumption at this point (+0.28%), and 2.32% 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 (\$9,000) 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. There is a large variance in salaries and benefits (\$46,000) due to delays in working on the Van Dyke electrical undergrounding project which would have seen those costs capitalized and removed from the expenses.

Water has an unfavorable variance in non-operating revenue (expense) of \$30,000. \$14,000 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. \$15,000 is related to appropriations to the City and Trustees being greater than anticipated at this point in the year.



Comptroller/Treasurer's Report – February 16, 2023

**Municipal Services Commission  
Budget to Actual Comparison – Water  
As of January 31, 2023**

	YTD Budget	YTD Activity	Variance	Total Budget
<b>Operating Revenues</b>				
User Charges	1,974,854	1,919,973	(54,881)	2,366,000
City Service Charges	21,658	29,551	7,893	26,000
MSC Service Charges	4,174	3,268	(906)	5,000
Miscellaneous Income	12,899	24,422	11,523	(138,861)
<b>Total Operating Revenues</b>	<b>2,013,585</b>	<b>1,977,214</b>	<b>(36,371)</b>	<b>2,258,139</b>
Less: Free Service	3,290	3,284	6	4,000
<b>Net Operating Revenues</b>	<b>2,010,295</b>	<b>1,973,930</b>	<b>(36,365)</b>	<b>2,254,139</b>
<b>Operating Expenses</b>				
Purchase of water	22,126	19,385	2,741	26,000
<i>Operations Dept</i>				
Salaries and benefits	650,204	697,079	(46,875)	779,862
Insurance	44,478	44,564	(86)	52,103
Utilities	22,243	19,911	2,332	26,895
Repairs and maintenance	56,774	134,093	(77,319)	117,752
Supplies and materials	90,659	56,437	34,222	106,327
Professional fees	47,135	35,998	11,137	55,214
Depreciation	276,889	255,284	21,605	332,400
<b>Total operations</b>	<b>1,188,382</b>	<b>1,243,366</b>	<b>(54,984)</b>	<b>1,470,553</b>
<i>General &amp; administrative</i>				
Salaries and benefits	239,051	236,584	2,467	283,500
Insurance	14,641	15,802	(1,161)	17,500
Utilities	7,498	10,740	(3,242)	9,100
Repairs and maintenance	10,790	11,692	(902)	12,000
Supplies and materials	19,103	16,228	2,875	22,400
Professional fees	34,358	22,028	12,330	40,000
Miscellaneous	86,648	60,517	26,131	104,450
Depreciation	16,660	12,032	4,628	20,000
<b>Total general &amp; administrative</b>	<b>428,749</b>	<b>385,623</b>	<b>43,126</b>	<b>508,950</b>
<b>Total operating expenses</b>	<b>1,639,257</b>	<b>1,648,374</b>	<b>(9,117)</b>	<b>2,005,503</b>
<b>Operating Income</b>	<b>371,038</b>	<b>325,556</b>	<b>45,482</b>	<b>248,636</b>
<b>Nonoperating revenue(expense)</b>				
Investment income	3,562	6,635	3,073	4,000
Investment expense	(500)	(355)	145	(500)
Unrealized gain(loss) on investment	2,417	(11,875)	(14,292)	2,900
Realized gain(loss) on sale of asset	-	(2,172)	(2,172)	-
Grant income	-	20,098	20,098	-
Grant expense	-	(20,098)	(20,098)	-
Other Expense	-	(3,111)	(3,111)	-
Appropriations				
Mayor and Council	(104,958)	(110,792)	(5,834)	(126,000)
City Services	(26,702)	(29,801)	(3,099)	(32,000)
Special	-	(5,551)	(5,551)	-
Contributed Capital	-	-	-	-
<b>Total nonoperating revenue(expense)</b>	<b>(126,181)</b>	<b>(157,022)</b>	<b>(30,841)</b>	<b>(151,600)</b>
<b>Change in Net Position</b>	<b>244,857</b>	<b>168,534</b>	<b>(76,323)</b>	<b>97,036</b>

Comptroller/Treasurer's Report – February 16, 2023

**Municipal Services Commission  
Statement of Net Position  
As of January 31, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
<b>ASSETS:</b>		
Current assets:		
Cash and equivalents	\$ 1,588,389	\$ 2,707,798
Investments	1,168,782	1,260,000
Accounts receivable, net	1,635,894	629,067
Inventories	816,038	751,088
Prepays	172,701	173,812
Restricted cash	808,436	653,007
Total current assets	<u>6,190,240</u>	<u>6,174,772</u>
Noncurrent assets:		
Capital assets not being depreciated:		
Land	45,386	45,386
Construction in progress	1,308,667	1,676,389
Capital assets net of accumulated depreciation:		
Buildings	253,652	279,089
Equipment	772,364	726,604
Infrastructure	14,385,540	9,628,457
Total noncurrent assets	<u>16,765,609</u>	<u>12,355,925</u>
Total assets	<u>22,955,849</u>	<u>18,530,697</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension	319,164	164,836
Regulatory accounting - substation	-	3,124,345
Total deferred outflows	<u>319,164</u>	<u>3,289,181</u>
<b>LIABILITIES</b>		
Accounts payable	649,013	696,094
Accrued liabilities	46,826	45,770
Customer Deposits	953,260	660,191
Noncurrent liabilities:		
Due within one year	83,614	-
Due in more than one year	1,992,364	867,952
Total liabilities	<u>3,725,077</u>	<u>2,270,007</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension	472,843	659,474
Total deferred inflows	<u>472,843</u>	<u>659,474</u>
<b>NET POSITION</b>		
Investment in capital assets	16,765,609	12,355,925
Unrestricted	2,311,484	6,534,472
Total net position	<u>\$ 19,077,093</u>	<u>\$ 18,890,397</u>

Comptroller/Treasurer's Report – February 16, 2023

**Municipal Services Commission**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**As of January 31, 2023 and 2022**

	2023	2022
Operating Revenues:		
Water sales	\$ 1,952,792	\$ 1,889,159
Power sales	7,705,875	7,579,844
Miscellaneous	71,671	75,810
Total operating revenues	9,730,338	9,544,813
Less: free service	(8,569)	(6,591)
Net operating revenues	9,721,769	9,538,222
Purchase of water and power	5,709,459	5,405,427
Operating Expenses		
Salaries and benefits	1,963,614	1,721,611
Repairs and maintenance	259,069	21,468
Supplies	130,701	125,379
Utilities	52,129	46,301
Insurance	127,714	121,545
Professional fees	109,772	64,704
Administrative	144,465	135,799
Depreciation	612,154	536,572
Total operating expenses	3,399,618	2,773,379
Operating income (loss)	612,692	1,359,416
Nonoperating revenues (expenses):		
Net investment income	43,945	22,619
Realized gain (loss) on investments	-	3,055
Unrealized gain(loss) on investments	(79,171)	(20,865)
Gain (loss) on disposal of assets	5,174	-
Grant income	20,098	58,588
Grant Expense	(20,578)	(4,035)
Miscellaneous	(3,909)	(25,568)
Appropriations to Mayor & Council of New Castle		
Ordinary	(554,865)	(543,371)
City Services	(29,800)	(28,990)
Special	(10,709)	(74,512)
Total nonoperating revenues (expenses)	(629,815)	(613,079)
Income before capital contributions	(17,123)	746,337
Capital Contributions	-	-
Change in net position	(17,123)	746,337
Net position - beginning	19,094,216	18,144,060
Net position - ending	\$ 19,077,093	\$ 18,890,397

Comptroller/Treasurer's Report – February 16, 2023

**Municipal Services Commission  
Combining Balance Sheet by Fund  
As of January 31, 2022 and 2023**

	Water		Electric		Total
	2023	2022	2023	2022	
<b>ASSETS:</b>					
Current assets:					
Cash and equivalents	-	-	1,588,389	2,707,798	2,707,798
Investments	175,317	189,000	993,465	1,071,000	1,260,000
Accounts receivable, net	449,282	141,843	1,186,612	487,224	629,067
Inventories	193,393	105,263	622,645	645,825	751,088
Prepays	62,544	79,134	110,157	94,678	173,812
Restricted cash	-	-	808,436	653,007	653,007
<b>Total current assets</b>	<b>880,536</b>	<b>515,240</b>	<b>5,309,704</b>	<b>5,659,532</b>	<b>6,174,772</b>
Noncurrent assets:					
Capital assets not being depreciated:					
Land	45,386	45,386	-	-	45,386
Construction in progress	640,547	103,445	668,120	1,572,944	1,676,389
Capital assets net of accumulated depreciation:					
Buildings	117,731	129,326	135,921	149,763	279,089
Equipment	239,193	243,902	533,171	482,702	726,604
Infrastructure	7,019,903	7,143,741	7,365,637	2,484,716	9,628,457
<b>Total noncurrent assets</b>	<b>8,062,760</b>	<b>7,665,800</b>	<b>8,702,849</b>	<b>4,690,125</b>	<b>12,355,925</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension	143,624	74,176	175,540	90,660	164,836
Regulatory accounting - substation	-	-	-	3,124,345	3,124,345
<b>Total deferred outflows</b>	<b>143,624</b>	<b>74,176</b>	<b>175,540</b>	<b>3,215,005</b>	<b>3,289,181</b>

(Continued)

**Municipal Services Commission  
Combining Balance Sheet by Fund  
As of January 31, 2023 and 2022**

	Water		Electric		Total	
	2023	2022	2023	2022	2023	2022
<b>LIABILITIES</b>						
Accounts payable	34,381	34,975	614,632	661,119	649,013	696,094
Accrued liabilities	21,072	20,597	25,754	25,173	46,826	45,770
Customer Deposits	58,166	-	895,094	660,191	953,260	660,191
Due to other funds	1,147,536	1,115,116	(1,147,536)	(1,115,116)	-	-
Noncurrent liabilities:						
Due within one year	5,634	-	77,980	-	83,614	-
Due in more than one year.	852,550	284,416	1,139,814	583,536	1,992,364	867,952
Total current liabilities	2,119,339	1,455,104	1,605,738	814,903	3,725,077	2,270,007
<b>DEFERRED INFLOWS OF RESOURCES</b>						
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
<b>NET POSITION</b>						
Investment in capital assets	8,062,760	7,665,800	8,702,849	4,690,125	16,765,609	12,355,925
Unrestricted	(1,307,958)	(1,162,451)	3,619,442	7,696,923	2,311,484	6,534,472
Total net position	6,754,802	6,503,349	12,322,291	12,387,048	19,077,093	18,890,397

**Municipal Services Commission**  
**Combining Schedules of Revenues, Expenses, and Changes in Net Position by Fund**  
**For the ten months ending January 31, 2023 and 2022**

	Water		Electric		Total	
	2023	2022	2023	2022	2023	2022
<b>Operating Revenues:</b>						
Charges for services	\$ 1,952,792	\$ 1,889,159	\$ 7,705,875	\$ 7,579,844	\$ 9,658,667	\$ 9,469,003
Miscellaneous	24,422	39,591	47,249	36,219	71,671	75,810
Total operating revenues	1,977,214	1,928,750	7,753,124	7,616,063	9,730,338	9,544,813
Less: free service	(3,284)	(2,978)	(5,285)	(3,613)	(8,569)	(6,591)
Net operating revenues	1,973,930	1,925,772	7,747,839	7,612,450	9,721,769	9,538,222
Purchase of water and power	19,385	20,230	5,690,074	5,385,197	5,709,459	5,405,427
<b>Operating Expenses</b>						
Salaries and benefits	933,663	851,273	1,029,951	870,338	1,963,614	1,721,611
Repairs and maintenance	150,875	81,956	108,194	(60,488)	259,069	21,468
Supplies	70,630	59,341	60,071	66,038	130,701	125,379
Utilities	30,651	28,352	21,478	17,949	52,129	46,301
Insurance	60,366	55,931	67,348	65,614	127,714	121,545
Professional fees	47,678	28,088	62,094	36,616	109,772	64,704
Administrative	67,810	34,156	76,655	101,643	144,465	135,799
Depreciation	267,316	272,075	344,838	264,497	612,154	536,572
Total operating expenses	1,628,989	1,411,172	1,770,629	1,362,207	3,399,618	2,773,379
Operating income (loss)	325,556	494,370	287,136	865,046	612,692	1,359,416

(Continued)

**Municipal Services Commission  
Combining Schedules of Revenues, Expenses, and Changes in Net Position by Fund  
For the ten months ending January 31, 2023 and 2022**

	Water		Electric		Total
	2023	2022	2023	2022	
Nonoperating revenues (expenses):					
Net investment income	6,280	3,071	37,665	19,548	43,945
Realized gain (loss) on investments	-	458	-	2,597	3,055
Unrealized gain(loss) on investments	(11,876)	(2,793)	(67,295)	(18,072)	(79,171)
Gain (loss) on disposal of assets	(2,172)	-	7,346	-	5,174
Grant income	20,098	4,035	-	54,553	20,098
Grant Expense	(20,098)	(4,035)	(480)	-	(20,578)
Miscellaneous	(3,111)	(25,522)	(798)	(46)	(3,909)
Appropriations to Mayor & Council of New Castle					
Ordinary	(110,792)	(98,125)	(444,073)	(445,246)	(554,865)
City Services	(29,800)	(28,990)	-	-	(29,800)
Special	(5,551)	(56,584)	(5,158)	(17,928)	(10,709)
Total nonoperating revenues (expenses)	<u>(157,022)</u>	<u>(208,485)</u>	<u>(472,793)</u>	<u>(404,594)</u>	<u>(629,815)</u>
Income before capital contributions	168,534	285,885	(185,657)	460,452	(17,123)
Capital Contributions	-	-	-	-	-
Change in net position	168,534	285,885	(185,657)	460,452	(17,123)
Net position - beginning	6,586,268	6,217,464	12,507,948	11,926,596	19,094,216
Net position - ending	<u>\$ 6,754,802</u>	<u>\$ 6,503,349</u>	<u>\$12,322,291</u>	<u>\$12,387,048</u>	<u>\$19,077,093</u>
					<u>746,337</u>
					<u>(613,079)</u>
					<u>746,337</u>



Comptroller/Treasurer's Report – February 16, 2023

**Municipal Services Commission  
Capital & Projects Budget to Actual  
As of January 31, 2023**

Project	Total Approved Budget	Materials as of 1/31/2023	Remaining Budget as of 1/31/2023	Total Capitalized To Date (1)	Status
Vandyke Village Undergrounding	\$ 886,000.00	\$ 675,686.01	\$ 210,313.99	\$ 1,050,884	In Progress
AMI System - Electric	665,000	42,050	622,950	-	In Progress
Debt Principal Pymt - 6months DEMEC	30,000	38,136	(8,136)	-	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 Intstall
T-10 Replacement Ram 3500	-	91,640	(91,640)	91,640	Completed
WIAC AMP Grant - MSC Asset Management \$100,000 RK&K Engineering (approved 07-01-19)	100,000	71,505	28,495	-	In Progress
AMI System - Water	1,281,000	317,775	963,225	-	In Progress
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	113,183	(13,183)	-	Completed
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	186,761	16,739	-	Construction
Water	166,500	152,804	13,696	-	Construction
2 Way Radio Replacement					
Electric	8,250	7,829	421	-	Complete
Water	6,750	6,406	344	-	Complete

Comptroller/Treasurer's Report – February 16, 2023

**Municipal Services Commission  
Capital & Projects Budget to Actual  
As of January 31, 2023**

Project		Total Approved Budget	Materials as of 1/31/2023	Remaining Budget as of 1/31/2023	Total Capitalized To Date (1)	Status
Admin Conference Room Furnishings						
	Electric	8,250	9,865	(1,615)	-	Complete
	Water	6,750	8,071	(1,321)	-	Complete
Phone System Replacement						
	Electric	8,250	914	7,336	-	In Progress
	Water	6,750	748	6,002	-	In Progress
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	19,505	(805)	-	In Progress
	Water	15,300	15,958	(658)	-	In Progress
Accounting Policies/Procedures manual						
	Electric	3,328	1,075	2,252	-	In Progress
	Water	2,723	880	1,843	-	In Progress
		\$ 4,077,150.00	\$ 1,791,441.85	\$ 2,285,708.15		

(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	12/2/2022
Penn Farm Invoice Reimburse Delaware Sol	\$ 1,155.00	\$ 215.90	9/16/2022	10/21/2022
Penn Farm Steet Lights	\$ 1,450.00	\$ 782.30	10/25/2022	11/3/2022

# 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

February 16, 2023

Prepared by: Jay Guyer on February 9, 2023

### 1. Developer Projects

#### A. Riverbend Subdivision

1. WUM Guyer followed up with Rail Pros on the returned executed Railroad Water and Electric Crossing Agreements. Freedom Development has the documents under review and is working on the required insurance certificates and payments Rail Pros requires for them to counter sign the agreements. Water Operators are performing field inspections for the remaining Phase I water services installations (main to curb stop) to ensure compliance with MSC standards. MSC is working with Gemcraft Homes to reconcile the 6 sold lots so unused escrow funds can be refunded.

#### B. Sheriffs House Renovation – Market Street

1. Certification of the backflow preventers is pending. WUM Guyer has nothing to update on this project.

#### C. Colonial School District – William Penn High and Wallace Wallin School

1. WUM Guyer contacted Colonial in reference to their proposed Sports Complex which if constructed will conflict with our easement agreement for our 8” finished water and 6” raw water mains that cross their property along the South Eastern side of the school. WUM Guyer has nothing else to update on this project.

### 2. MSC Projects

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

1. MSC, DEMEC, and AMP are having weekly meetings to discuss the planning and implementation of the AMI metering system. AMP is waiting on Itron to provide an estimated delivery date for our Water ERT Modules. MSC customer account list for water meters is being reviewed and sorted by meters AMP and MSC will each install.

#### B. Water System Asset Management Program

1. RK&K continues updating Task 6 - Developing Asset Rehabilitation and Replacement Costs and Task 7 – Prepare Water Infrastructure Asset Management Plan for delivery to MSC to review and comment on.

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## Water Department Commission Meeting Report

February 16, 2023

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### C. Cross Connection Control Program – Hydro Corp

1. WUM Guyer and WUS Jaeger continue reviewing and reaching out to the customers that are non-compliant with testing/certification of their Backflow Prevention Devices. An updated list has been requested from Hydro Corp. After review, Third/Final notices for non-compliance will be mailed to them.

### D. Hewlett, Janvier, and Megginson Avenue Water Main Replacement

1. WUM Guyer and WUS Jaeger reviewed the Hewlett, Janvier, and Megginson Avenue Water Main replacement draft plans and met with Pennoni Associates (PA) to review our comments. PA is revising the design based upon our comments, conflicting utilities, and scheduled traffic control for February 8<sup>th</sup> on Wilmington Road to access several sewer manholes for survey and inspection. WUM Guyer contacted Del DOT several times in reference to Utility Requirements for the roadway crossings but has not received a response.
2. MSC representatives met with the DWSRF Program Administrator and staff to review the next steps for the Hewlett Water Main Project Loan and several other projects. MSC should start receiving documents for finalizing the loan.

### E. Administrative Office Renovation

1. MSC Water Operators started working on the Admin Office Renovation that included painting the Comptroller's office, remodeling the CSR Supervisors Office, the CSR work station area, new flooring and painting in the hallway.

## 3. Operations

### A. Outages

1. There were no planned or unplanned water outages for the month of January 2023. Water outage report is attached.

### B. Reporting

1. Calgon Carbon Corporation (CCC) Pilot Study – The Study is ongoing collecting and transmitting daily data to CCC. MSC collects monthly PFAS samples for evaluation and comparison. Adam Redding was on site January 19<sup>th</sup> and performed routine maintenance on the Pilot System including changing the carbon / resins.

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2. WUM Guyer and WUS Jaeger continue working with the Delaware Rural Water Association (DRWA) Apprenticeship Program at William Penn High School. MSC hosted a Pennoni Engineering presentation on January 30<sup>th</sup> at the High School and a Facilities tour is scheduled for February 13<sup>th</sup> for the students.
3. WUM Guyer continues following the US Environmental Protection Association (USEPA) proposal to add the East Basin Road Groundwater Site to the Superfund National Priorities List (NPL). The EPA received 19 comments and are in the process of reviewing them.
4. House Bill 8 – Delaware Legislation directing the establishment of a State Maximum Contaminant Level (MCL) for the PFAS contaminants PFOA and PFOS remains on hold pending EPA's determination on federal regulations.
5. EPA Revised Lead and Copper Rule Requirements – WUM Guyer has nothing to update on this item.
6. DNREC Water Use Report 2022 – WUM Guyer and WUS Jaeger completed review/update of the DNREC Annual Water Use Report for 2022 and submitted on January 30<sup>th</sup> prior to the March 31, 2022 due date.
7. DNREC Tier Hazardous Chemical Report 2022 – WUM Guyer and WUS Jaeger are reviewing and updating the DNREC Tier II Hazardous Chemical Report for 2022 which is due by March 1, 2023.
8. DRBC Annual Water Audit 2022 – WUM Guyer and WUS Jaeger will start revising and updating the DRBC Annual Water Audit Report for 2022. The report is due March 31, 2023.

### C. System Repairs and Maintenance

1. Riverbend Subdivision – Flushed on January 4<sup>th</sup>, 18<sup>th</sup>, and 31<sup>st</sup> to maintain Chlorine Residual.
2. Monthly Meter Reading – Monthly meter reads will be completed on February 13<sup>th</sup>. Operators are handing out door hangers and will follow up on check / missed reads.

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## Water Department Commission Meeting Report

February 16, 2023

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### D. Grants and State Revolving Funds

1. WUM Guyer and WUS Jaeger are working on updating three (3) Notices of Intent (NOI's) for submission to the DWSRF Program by the February 15<sup>th</sup> deadline. The goal is to apply for and receive grants or loans with principle forgiveness. The projects being submitted consist of the following:
  - a. PFAS Treatment System Improvements - School Lane Treatment Facility
  - b. Lead Service Line Inventory – Physical Survey for Inventory Preparation
  - c. SCADA System Improvements – Update Software and Functionality

### E. Equipment

1. No equipment issues to report for the month of January 2023.
2. Annual maintenance and repairs on all small power tools and equipment has been performed and issues corrected.
3. Truck 8 – EUS Bennett took the lead on this project, specs developed, and bids solicited. The successful bidder was GM for the chassis at a cost of \$63,370.64 and Intercon for the Utility Crane Body at a cost of \$78,419.00. Total Cost is \$141,789.64.

### F. Personnel and Training

1. No personnel issues to report at this time.

### G. 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. The MSC Safety Committee has been reformed and held their first meeting on February 3<sup>rd</sup>. By – laws drafted, officers elected, and the committee started reviewing a draft safety manual provided by our DFIT Representative to develop a new Safety Manual for MSC.
3. WUM Jaeger attended the January 17<sup>th</sup> DFIT Safety Meeting and plans to attend the February 17<sup>th</sup> meeting.

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## Water Department Commission Meeting Report

February 16, 2023

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### 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 as re-authorization of the group is pending.

#### B. WRA – Water Resource Agency

1. WUM Guyer stopped sending weekly pump data to the WRA Staff.

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

1. The next DEWARN meeting is tentatively scheduled for February 14, 2023.

#### D. Water Operator Advisory Council

1. The February 2<sup>nd</sup> meeting went well. Council reviewed 19 Water Operator License Applications and approved/denied based upon the regulations, approved the December 1<sup>st</sup> 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 discussed progress reviewing the Operator Certification Regulations and scheduled the next meeting. Council discussed Sub-Category Endorsement Training for Water System Operators and options for filling the vacant Council seats.
2. The next Advisory Council meeting is scheduled for March 2, 2023.
3. The next meeting of the Advisory Council Sub - Committee reviewing/updating the Water Operator Certification Regulations is scheduled for February 28, 2023.

#### E. WIAC - Water Infrastructure Advisory Council

1. The next WIAC meeting is scheduled for March 15, 2023

### End of Report

**Attachments:** January 2023 Water Works Report  
January 2023 Water Outage Tracking Sheet

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**Monthly Water Works Report**  
**January 1 - 31, 2023**  
 Prepared By: Jay Guyer on February 9, 2023

Water Production		FT 300		Gallons	
Month	Year	Raw	Adjusted	Raw	Finished
January	2022	12,448,900	12,083,770	12,883,700	12,707,304
January	2023	12,883,700	12,707,304	12,707,304	12,707,304
Difference		434,800	623,534	-176,396	-176,396
Percentage Difference		3.4	4.9		1.4

Well(s) in Operation	Basin Road	Frenchtown Road	School Lane	Cross Roads
Days Pumped	Reserve	XXX	OOS	XXX
		20		11

Water Quality	MSC Average	Goal	Range
Average Chlorine Residual	1.38 ppm	1.00 ppm	0.90 - 1.20 ppm
Average pH	7.3	7.6	7.4 - 7.8
Average Fluoride Residual	0.80 ppm	1.00 ppm	0.60 - 1.00 ppm

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

Miss Utility Locate Requests (Water and Electric Locates)	# Received	# Completed	# of Damages
	73	73	0

Building Permit Review (Water Related Conflicts)	# Reviewed	# Approved	# Not Approved
	30	30	0



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**Monthly Water Outages / Interruptions Report**  
**January 1 - 31, 2023**

Prepared By: Jay Guyer on February 9, 2023

**Planned Outage / Interruptions**

**Approximate  
Duration**

**Date Hours / Minutes**

**Location**

**No. of**

**Customers**

**Comments**

No Planned Outages or Interruptions for the Month of January 2023.

**Unplanned Outage / Interruptions**

**Approximate  
Duration**

**Date Hours / Minutes**

**Location**

**No. of**

**Customers**

**Comments**

No Unplanned Outages or Interruptions for the Month of January 2023.



**ELECTRIC DEPARTMENT COMMISSION REPORT**

**February 16, 2023**

**Prepared by Artie Granger on February 09, 2023**

**1. Developer Projects:**

**A. Riverbend Subdivision:**

- I. MSC Electric has had limited conversation about this project. Conversation has only been about connecting the houses that are currently under construction.

**2. Capital Projects:**

**3. Van Dyke Village:**

- a. MSC will continue to work on finishing up “punch list” items that come up from customers or need completed.

**4. Grant Opportunities:**

- a. Baker Tilley notified MSC that there is no significant changes.

**5. Capital Purchases:**

**I. MSC Utility Building**

1. The new building is substantially complete.
2. MSC will continue to work on punch list items as time allows.

**II. Replacement T-12 Bucket truck**

1. MSC has continued to work getting proposals for the replacement bucket truck.
2. MSC has been told that lead times are very long.
3. Once we have proposals together we will bring to the commission to discuss ordering the truck. We hope to have this together for the next commission meeting.

**ELECTRIC DEPARTMENT COMMISSION REPORT**

**February 16, 2023**

**Prepared by Artie Granger on February 09, 2023**

III. **AMI**

- I. MSC has received most of the AMI material. We have heard that AMI relays have shipped and this should be the last thing needed to install the base network for the AMI system. MSC will wait to hear from AMP about installation locations.

6. **Operations:**

- a. MSC has been working on installing the last two EV Chargers at the parking lot where the recycle bins were.
- b. MSC has been catching up on a lot of small maintenance that is needed. IE Street lights, wire repairs etc. This is work that we have made a list of needs and have been addressing.

7. **Outages :**

- I. There was one outage on 1/26/2023. This was caused by a squirrel and caused about 11 customers to be out of power for about 30 minutes.

<b>SAIDI (minutes)</b>	<b>SAIFI (number of interruptions)</b>	<b>CAIDI (minutes)</b>	<b>ASAI (percent)</b>
49.216	1.53	32.159	99.9906%

- II. 01/1/22 – 01/1/23

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.

**ELECTRIC DEPARTMENT COMMISSION REPORT**

**February 16, 2023**

**Prepared by Artie Granger on February 09, 2023**

**8. Repairs and Maintenance:**

**A. Wilmington Road Substation:**

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

**B. Dobbinsville Substation:**

- I. The electric department has performed the monthly inspections at this location.
- II. MSC has received the replacement relay switch for the 138 KV circuit switcher. At this time we will leave the substation in service and we will coordinate replacement with a planned outage for the substation.
- III. Dobbinsville substation is back in service and there is load on the substation.

**C. T-2 Bucket Truck**

- I. MSC T-2 Trouble bucket has been moved back to our shop. MSC will keep it inside until we hear that the replacement motor is in and then we will get it moved back to First State Fleet for repairs.