

Municipal Services Commission Monthly Meeting
March 30, 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
Sheila Shannon, 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

Also in Attendance: Councilperson Valarie Leary

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 February 16, 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 February 16, 2023, executive session. The motion was seconded by Commissioner Knox and unanimously passed.

Appointments & Elections

Mr. Blomquist and Commissioner Sippel discussed appointing Mr. Natale as the Alternate Board Member to DEMEC and recommended that the Board approve the appointment.

A motion was made by Mayor Quaranta to have the Board appoint Kendrick Natale as the MSC alternate to the DEMEC Board. The motion was seconded by Commissioner Knox and unanimously passed.

Comptroller/Treasurer Report – Mr. Natale reporting

(See attached report)

- Total cash on hand: \$2.8M
- Investment Portfolio: \$1.1M, which was a net loss of \$18,000 from prior month. YTD the portfolio is down 6.2% due to the portfolio investment in intermediate term bond funds and the rise in interest rates. Mr. Natale stated it is purely an accounting loss. During discussion it was suggested that alternative ideas for the portfolio be assessed during the next investment review.
- M&T Sweep Account: Currently the mutual fund is paying interest at 4.6%.
- Unrestricted cash on hand: 99 days at February 28, 2023, which is up 12 days from prior month.
- Asset Mix: Mr. Natale briefly explained why the investment partners have been reluctant to recommend a change the investment mix.

Municipal Services Commission Monthly Meeting
March 30, 2023, 8:00 a.m.
216 Chestnut Street New Castle, Delaware

- Check Register Disbursements: Mr. Natale pointed out some particular payments that were fairly large:
 - \$42,000 – Anixter for electric inventory.
 - \$34,000 – Department of Human Resources for the Commission’s employee health insurance.
 - \$560,000 – DEMEC for power purchase

Mr. Natale stated that governmental standards related to fiduciary activities require the Commission to report a separate fiduciary fund for the defined pension benefit plan. The previous auditor did not believe that the pension plan should be reported; however, Clifton Larsen Allen (CLA) agrees with Mr. Natale that because the Board has control over the asset mix and benefit levels in the pension fund it should be part of the MSC financial statements. Mr. Natale noted that MSC has traditionally issued comparative statements. He stated that the Board has two options on how to proceed:

- Continue to issue comparative statements for fiscal year 2023 and incur an additional cost of \$3,500 for audit services; or
- Issue non-comparative financial statements for fiscal year 2023.

A motion was made by Mayor Quaranta to authorize staff to spend an additional \$3,500 with the MSC audit firm Clifton Larsen Allen for the purpose of creating comparative financial statements for the pension fund and for reviewing fiscal year 2022. The motion was seconded by Commissioner Knox and unanimously passed.

Customer Service/Billing

- There were 17 service cuts in February.
- The New Castle Cares Fund assisted three customers with an average of \$350 each. An additional two customers received an additional \$385 from other agencies or non-profits.

Electric Department

- User charges are unfavorable FYTD by \$48,000.
- kWh sales decreased by approximately 7.3% (479,000 kWh) from the same period last year.
- Consumption was down across all classifications. FYTD total billed consumption is down approximately 1% from prior year.
- New Castle is still the lowest residential electric rate in the State.
- Operating expenses have a FYTD favorable variance of \$9,000.
- There is a \$249,000 positive variance in the DEMEC substation expense.

Water Department

- User charges are unfavorable FYTD by \$54,000.
- Consumption was down 668,000 gallons compared with the same period last fiscal year, mostly in residential accounts related to water meter failures and estimated reads.

Municipal Services Commission Monthly Meeting
March 30, 2023, 8:00 a.m.
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- Expenses are unfavorable FYTD \$40,000, which is related to the City logo on the water towers not being part of the adopted budget and the Van Dyke project.

In response to questions from Commissioner Shannon, Messrs. Natale and Guyer provided more details on meter failures, the AMP solution, and MSC procedures.

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

Capital Projects:

- Substation Relay Replacement – MSC is working with Utility Engineering on relay replacements for the substations. Bids for the Dobbinsville Substation will be sent out this year for replacement next year. Wilmington Road is planned for the following year.
- Van Dyke Village – MSC will begin on the project shortly and will continue through the summer.

Capital Purchases:

- Replacement T-12 Bucket Truck – Mr. Granger continues to work on proposals for the replacement bucket truck.
- AMI Project – MSC has installed relays and access points as directed by AMP. Commercial meters have been installed for the test program.

Outages:

- There was one outage on 3/20/2023 to repair connections in a transformer. Eleven customers were without power for approximately one hour.

In response to a question from Mayor Quaranta, Mr. Granger stated the Van Dyke project will be approximately 90% complete this year. The project is currently under budget. In response to a question from Mayor Quaranta, Mr. Blomquist stated that reliability has increased with undergrounding.

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

Developer Projects

- Riverbend Subdivision – MSC is waiting for a response from Freedom Development on the Railroad Agreement. Field inspections continue as needed to ensure compliance with MSC standards and installing water meters. MSC reconciled six sold lots with Gemcraft Homes and is working with Freedom Development to release escrow funds.
- Sheriffs House Renovation – The project was reconciled and the contractor was invoiced for MSC inspection and testing services.
- Colonial School District – William Penn High and Wallace Wallin School – Mr. Guyer met with Colonial's engineer, GPI, about the water main replacement project for Wallace Wallin and William Penn High School. The project will be treated as two separate projects, with Wallace Wallin being the priority due to water quality issues. William Penn will require additional direction and guidance from the school district due to the proposed athletic facility that conflicts with MSC's water line easement.

MSC Projects

- Advanced Metering Infrastructure – American Municipal Power (AMP) – Weekly meetings are being held with AMP. The first articles of testing were rejected and MSC is waiting for

Municipal Services Commission Monthly Meeting
March 30, 2023, 8:00 a.m.
216 Chestnut Street New Castle, Delaware

resubmission from Itron. Four test modules were installed and they are working and reading fine. MSC received the first orientation and training for the software.

- Water System Asset Management Program – Messrs. Guyer and Jaeger are reviewing a draft Asset Management Plan submitted by RK&K.
- Cross Connection Control Program – Hydro Corp’s Proposal – Hydro Corp. will send certified inspectors to non-compliant customers in an attempt to get those locations tested and hand-deliver notices and information to them. MSC will bill the customer for that.
- Hewlett, Janvier, and Meggison Avenue Water Main Replacement – Final plans were received. The State waived the requirement for casing on the three Wilmington Road crossings. Pennoni updated the plans and they were submitted to DelDOT for review and to the State Office of Engineering, who has already approved them for construction. MSC has a draft of the RFP and is working on getting it finalized and advertised the week of April 3rd or April 10th. The goal is to start the project in June.
- Administrative Office Renovation – Water Operators are working on the Admin Office renovation.
- MSC Utility Building – New Pole Building – Work on the new pole building is finishing up. Water operators received manufacturer training on the new pressure washer.

Operations

- Outages – There were no planned or unplanned outages in the month of February.
- Calgon Carbon Corporation (CCC) Pilot Study Test – The study is ongoing. Mr. Adam Redding was on site on March 23rd and did an exchange on another of the columns with the new 20/40 blend they are experimenting with. Currently there is a 12-week lead time on the delivery of carbon. Calgon hopes to have a new facility up and running in May.
- Apprenticeship Program – The Apprenticeship Program ended with a field trip to Viola’s 30-million-gallon-a-day water treatment plant. Eight students and two instructors attended, as well as two students from last year. The program will be evaluated to see how to make it even better for next year. Pennoni Engineering, Keystone, and Viola are all committed to participating.
- EPA Proposal for East Basin Road Groundwater Site – The proposal to add the East Basin Road site to the Superfund National Priorities List is still in the review process but is moving forward.
- Office of Enforcement & Compliance Assurance – The USEPA will host two public hearings on the CERCLA program for the Superfund sites. The way the rules are written is that water providers could be considered liable parties for the contamination by flushing hydrants or wells and dumping water on the ground. There is currently no specific exclusion for water utilities; and they are trying to address that. A draft amendment is being prepared. National associations are all working with the legislators to address the issue and keep the focus on the polluters and not the utilities. Mr. Guyer will continue to monitor the matter.
- PFAS Strategic Roadmap – The EPA’s proposal for the first national primary drinking water standards for six PFAS compounds (two additional over the original four) is in the 60-day public comments period. The proposal includes requirements for initial monitoring, compliance monitoring, and public notifications. Mr. Guyer noted that the levels are much more stringent. Messrs. Guyer and Jaeger and participating in all webinars, public hearings and meetings, and

Municipal Services Commission Monthly Meeting
March 30, 2023, 8:00 a.m.
216 Chestnut Street New Castle, Delaware

will continue to follow the proposal through the comment period when it is posted in the Federal Register.

- DNREC Tier II Hazardous Chemical Report 2022 – Messrs. Guyer and Jaeger filed the report and there were no issues or comments reported.
- DRBC Annual Water Audit – The Report was updated and was submitted before the deadlines.
- Unregulated Contaminant Monitoring Rule 5 – Sampling was done on March 8th and lab results are pending. Once results are posted on the website, there will be 60 days to comment. Thereafter they will be uploaded to the Drinking Water Watch website and will be considered final; and any contaminants MSC detects will have to be reported in the Consumer Confidence Report, even if it is not one of the six regulated compounds. The second round of sampling is scheduled for September 2023.

School Lane Generator

- Mr. Guyer was contacted by an administrator at the University of Delaware regarding an opportunity to apply for a 75/25 grant through DEMA for a generator at School Lane. Messrs. Guyer and Jaeger are reviewing this internally. The deadline for submission is April 22, 2023. Mr. Guyer stated this item is not in the budget.

System Repairs and Maintenance

- Riverbend Subdivision – Riverbend was flushed on February 23rd and March 16th to maintain chlorine residual.
- Meter Readings – Approximately 900 meters have failed.
- Carbon Filtration System – Mr. Guyer reported that MSC's first load of carbon sent to Calgon Carbon Corporation (CCC) to be regenerated was contaminated and could not be recertified to be used for a domestic drinking water process. The load must be disposed. A full spectrum of testing will be run on all MSC water. Mr. Guyer had a conversation with CCC representatives and some concessions were made on costs for a load of virgin carbon. A CCC technician will test the existing vessels. Mr. Guyer will speak with SRF representatives regarding grant funding and will update the Commissioners at the April meeting.

Grants and State Revolving Funds

- Water Infrastructure Advisory Council Grants – Messrs. Guyer and Jaeger worked with Pennoni to submit three NOIs for DWSRF funding in February. MSC's projects were ranked as follows:
 - #5 – PFAS Treatment system Improvements – School Lane Treatment Facility
 - #11 – Lead Service line Inventory – Physical Survey for Inventory Preparation
 - #16 – SACADA System Improvements – Update software and functionalityMr. Guyer will keep the Commissioners updated.

Equipment

- Case Tractor – the tractor was delivered to Hooper's for maintenance.

Personnel and Training

- Messrs. Guyer, Jaeger and the Water Operators attended the annual Delaware Rural Water Association Conference and Training on February 22nd and 23rd.
- CPR and AED training was completed on March 16th and 27th.

Municipal Services Commission Monthly Meeting
March 30, 2023, 8:00 a.m.
216 Chestnut Street New Castle, Delaware

- Mr. Jaeger and Water Operators attended an Aeration Training Course on March 21st to have the endorsement added to their Water Operator License.

Safety

- Tailgate Talks – Morning Tailgate Talks are conducted daily to discuss jobs/tasks.
- Safety Committee – The committee continues to work on a draft of the safety manual.
- DFIT – Mr. Blomquist and Water Operator Greg Spiess attended the March 14th DFIT Safety Meeting.

Water Operator Advisory Council

- The March 2nd meeting went well.

New Business

Performance Bonds for Developer Deposits Discussion

Mr. Blomquist explained the current developer deposit process and stated that there have been internal discussions about doing performance bonds that would streamline and facilitate the process for larger projects. Mr. Granger explained the components of the process. Mr. Blomquist stated that MSC's attorney felt it was a good thing to do. He noted they are not thinking of eliminating the current process, but adding this as another option. Mayor Quaranta suggested that a policy be created and piloted. Mr. Blomquist stated that they are seeking conceptual approval from the Board to investigate the process. After discussion, the Board approved Mr. Blomquist to proceed with an investigation of a new performance bond process.

Secretary's Report – Mr. Blomquist reporting

DEMEC Meeting

- January–December demand was up approximately 1.4%.
- Total cash and investments increased 53% from January-December over the same period in 2021.
- RSR Balance is 14.2M, which is a decrease of 22% over 2021 due to the Indian River Power Plant.
- Power Sales are up 9.5 % over 2021 due to the increase in the wholesale rate.
- Approval was received the Kent County Conservation District for the Training Yard. It is now up to the town of Smyrna to issue a Building Permit.
- Indian River Power Plant – In discussion with DEMEC the Public Advocate was unable to say if Indian River did or did not run through the polar vortex that occurred in December-January, and there was discussion at the DEMEC meeting as to whether there is a need for Indian River to remain operational if they were not needed at such a time.

Public Comment

Phil Gross – 1301 13th Street

In response to a question from Mr. Gross, Mr. Guyer stated that the EPA levels of our drinking water are available in the Consumer Confidence Report published on the MSC website, and they are reported in the MSC Newsletter.

In response to a question from Mr. Gross, Mr. Granger explained the work still to be done for the Van Dyke project and noted several small projects are on the drawing board.

Municipal Services Commission Monthly Meeting
March 30, 2023, 8:00 a.m.
216 Chestnut Street New Castle, Delaware

In response to a question from Mr. Gross regarding the generator at the School Lane Substation, Mr. Granger stated that the generator only powers that facility.

Miscellaneous

Bank Failures – Mr. Natale stated that in light of recent bank failures, he wanted to report that M&T Bank's exposure to long term treasury bonds is significantly less than the industry average, and their customer mix of customers above the FDIC cap is also significantly below the industry average. He stated that MSC's balances are above FDIC coverage, but they are fully collateralized. Mayor Quaranta added that those banks were heavily concentrated in the tech sector.

Mr. Blomquist thanked Commissioner Knox for his expertise and his many years of service to the MSC. Mr. Blomquist also welcomed Ms. Shannon as the new MSC Commissioner and thanked Mayor Quaranta for his service to the MSC.

Next Regular Meeting

The Commissioners set the next monthly Board meeting to be Thursday, April 27, 2023, at 8:00 a.m.

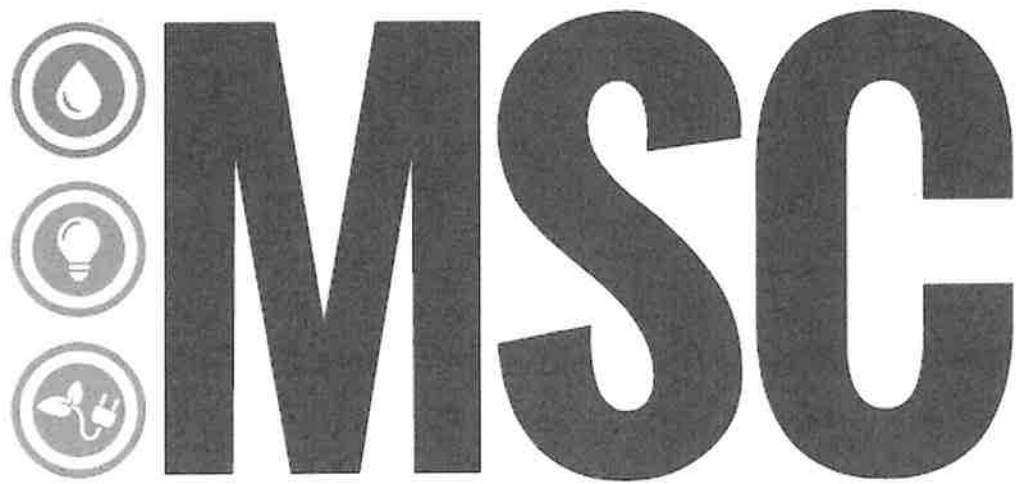
A motion to adjourn was made by Commissioner Sippel and seconded by Mayor Quaranta. The motion received unanimous approval and the meeting was adjourned at 9:33 a.m.



Kathleen R. Weirich, Stenographer

Approved: 
(Minutes transcribed from notes.)

Comptroller/Treasurer's Report



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

March 30, 2023 Commission Meeting
Prepared By: Ken Natale on March 21, 2023

Contents

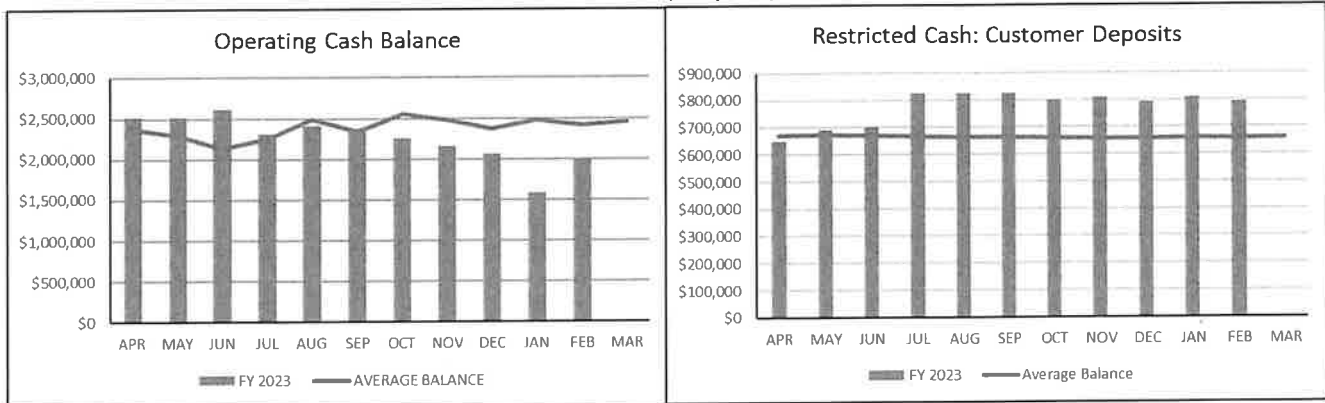
Cash & Investments	1
Check Register.....	3
FY 2023 Audit Question	4
Customer Service/Billing.....	5
New Castle Cares	5
Electric Revenues.....	6
Electric Expenses.....	6
Budget to Actual Comparison – Electric	7
Water Revenues.....	8
Water Expenses	8
Budget to Actual Comparison – Water	9
Statement of Net Position	10
Statement of Revenues, Expenses, and Changes in Net Position	11
Combining Balance Sheet by Fund	12
Combining Schedules of Revenues, Expenses, and Changes in Net Position by Fund	14
Capital & Projects Budget to Actual.....	16

Comptroller/Treasurer's Report – March 30, 2023

Cash & Investments

As of February 28, 2023 the cash balances were:

M&T Bank Checking:	\$	516,280
M&T Investment Sweep:		1,469,067
M&T Bank MMA:		792,542
Petty Cash/Change Fund:		898
Total Cash on Hand:	\$	2,778,787



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

Beginning Balance	\$	1,587,491
Cash from customers		1,030,310
Interest Income		5,177
Bond Proceeds		296,218
Refunds to customers - deposits	(42,961)
Payments to suppliers for goods & services*	(798,266)
Bank service fees	(647)
Payments to employees for services	(92,245)
Net Cash Provided(Used)		397,586
Ending Cash Balance	\$	1,985,347

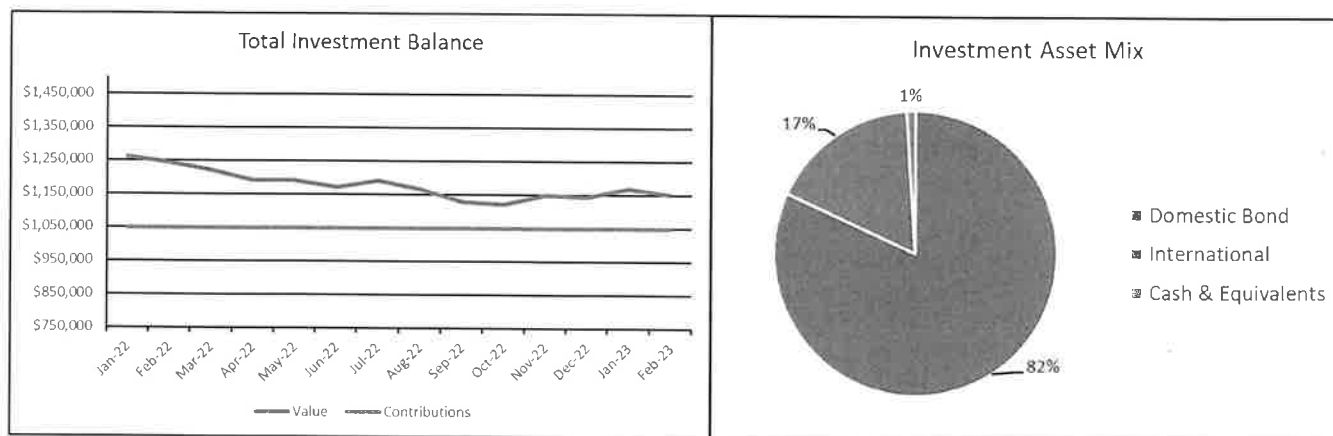
*A detailed check register for the month is available on page 3-4 of this report.

As of February 28, 2023 the value of the Commission's investment portfolio totaled \$1,150,704 which is a net loss of \$18,078 (1.6%) from the prior month. Fiscal year to date, the value of the investment portfolio is down 6.2%.

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 **4.60% interest** and has a stable net asset value of \$1.00.

There was 99 days unrestricted cash on hand at February 28 (+12 days from prior month) when including the value of the Commission's investment portfolio which is held in liquid assets (mutual and exchange traded funds).

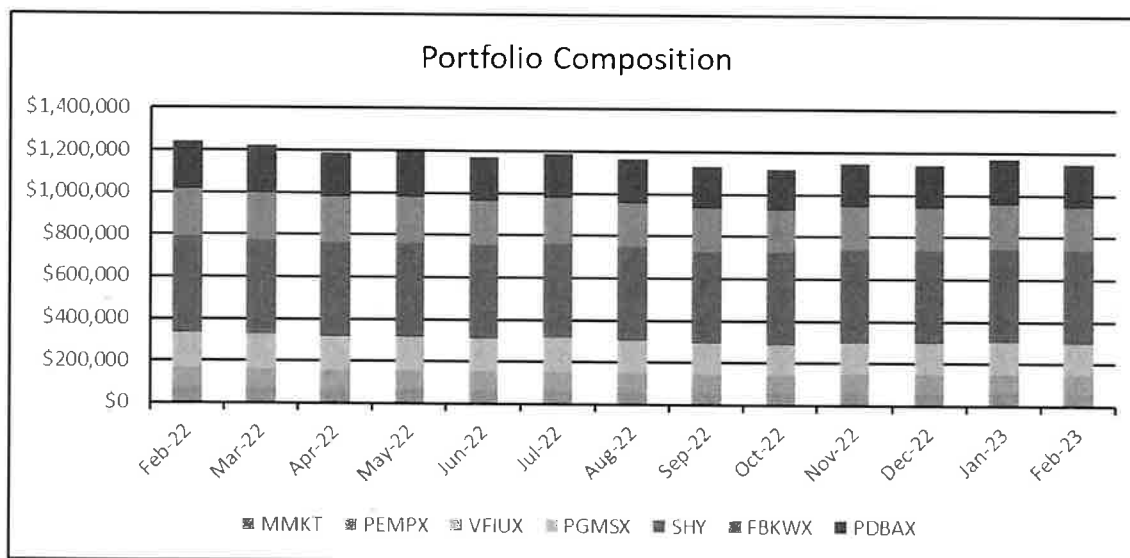
Comptroller/Treasurer's Report – March 30, 2023



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			
Insured Cash Accounts		\$ 10,071	0.55%
Mutual Funds			
Fidelity Advisor Total Bond CL Z	FBKWX	210,449	3.44%
PGIM Total Return Bond CL A	PDBAX	203,580	4.78%
PIMCO Emerging Markets Bond I2	PEMPX	48,809	7.27%
T Rowe Price Global Multi Sector Bond I	PGMSX	151,358	3.50%
Vanguard Intermediate Term Treasury	VFIUX	87,520	3.85%
Exchange Traded Funds			
iShares Trust 1-3 Year Treasury Bond EFT	SHY	438,917	1.30%
Total		1,150,704	



Comptroller/Treasurer's Report – March 30, 2023

FEBRUARY 2023 CHECK REGISTER			
Number	Date	Vendor Name	Amount
200781	02/09/2023	Baker Tilly US LLP	\$ 1,272.50
200782	02/09/2023	CANON SOLUTIONS AMERICA INC	700.00
200783	02/09/2023	City of New Castle	464.45
200784	02/09/2023	COLONIAL LIFE	781.34
200785	02/09/2023	Delaware Solid Waste Authority	991.10
200786	02/09/2023	Delmarva Power	109.91
200787	02/09/2023	First State Fleet Service	1,905.97
200788	02/09/2023	Grainger	164.42
200789	02/09/2023	Kendall Electric INC	237.37
200790	02/09/2023	Keystone Engineering Group Inc	1,769.60
200791	02/09/2023	New Castle County	523.12
200792	02/09/2023	Pennoni Associates Inc.	132.50
200793	02/09/2023	Pennsylvania Globe &	189.72
200794	02/09/2023	Security Instrument Corp.	296.85
200795	02/09/2023	Terex Utilities Inc	4,513.34
200796	02/09/2023	Tyler Technologies Inc.	145.00
200809	02/24/2023	Anixter	42,607.18
200810	02/24/2023	Artesian Water Co Inc	1,812.78
200811	02/24/2023	AUI Inc	255.00
200812	02/24/2023	Council 81	415.50
200813	02/24/2023	Delta Dental of Delaware Inc	1,854.82
200814	02/24/2023	DEMEC Inc	1,115.26
200815	02/24/2023	Department of Human Resources Financial Services	34,173.12
200816	02/24/2023	Hire Right Solutions Inc	152.85
200817	02/24/2023	Kathleen R Weirich	375.00
200818	02/24/2023	Pitney Bowes Purchase Power	2,015.00
200819	02/24/2023	SCHNEIDER ELECTRIC SYSTEMS USA INC.	7,367.19
200820	02/24/2023	Trans Union LLC	215.84
200821	02/24/2023	Tyler Technologies Inc.	145.00
200822	02/24/2023	United Electric Supply Co	168.50
DFT0001872	02/03/2023	Maryland Child Support Account	184.62
DFT0001873	02/03/2023	Nationwide Retirement Sol	4,378.96
DFT0001876	02/03/2023	United States Treasury	16,840.20
DFT0001879	02/02/2023	OpenEdge	1,534.30
DFT0001880	02/17/2023	DEMEC Inc	559,519.53
DFT0001882	02/16/2023	BRINKS CAPITAL	589.00
DFT0001883	02/10/2023	M&T ONE CARD	21,575.23
DFT0001886	02/17/2023	Maryland Child Support Account	184.62
DFT0001887	02/17/2023	Nationwide Retirement Sol	4,362.01
DFT0001890	02/17/2023	United States Treasury	16,752.03
DFT0001891	02/17/2023	COMPTROLLER OF MARYLAND	815.01
DFT0001892	02/17/2023	DEMEC Inc	2,204.73
DFT0001893	02/14/2023	Nationwide Life Ins. Co. of America	19,513.25
DFT0001895	02/24/2023	M&T ONE CARD	26,167.48
DFT0001903	02/28/2023	Delaware Div. of Revenue	16,775.00
		Total Payments	\$ 798,266.20

FY 2023 Audit Question – action needed

Preliminary work has begun on the FYE 2023 audit. One issue that has come up is related to the Commission's defined benefit pension plan. The Governmental Accounting Standards Board issued Statement Number 84 which relates to fiduciary activities and was supposed to be implemented during Fiscal Year 2020. This statement requires the Commission to report a separate Fiduciary Fund for the defined benefit pension plan.

The Commission's previous auditors did not believe the pension fund should be reported in the financial statements. However, the audit team from Clifton Larsen Allen LLP agree with staff that a Fiduciary Fund should have been being reported to comply with Statement No. 84.

Due to the fact that the previous auditors did not actually audit financial statements for the pension, if the Commission reports comparative financial statements for FYE 2023, the audit fees will increase by \$3,500 to account for CLA needing to audit two years of the pension plan. If the Commission does not issue comparative financial statements, then the audit fee for the basic financial statement audit will remain \$19,750.

There is no statutory, regulatory, or charter requirement for MSC to issue comparative financial statements. In speaking with Kathy Walls, Finance Coordinator for the City, the City issues comparative financial statements to provide a comparison of the City's financial position over multiple periods to determine trends. However, the City's financial statements also do not include the "Management Discussion and Analysis" section that is required under governmental accounting standards and is meant to explain in narrative format the "why" behind changes in the balance sheet, and in revenue and expense categories. Nor does the City's financial statement include the recommended "Statistical Section" which is meant to show ten years of information to help financial statement users determine trends.

As we issued an Annual Comprehensive Financial Report for last fiscal year and will do so going forward, users of the financial statements should have all the information they need to understand the financial condition of the MSC and to determine key trends in financial position without the need for comparative financial statements. However, the statements belong to the Commission and staff is requesting direction from the Commissioners on how to proceed.

The options are:

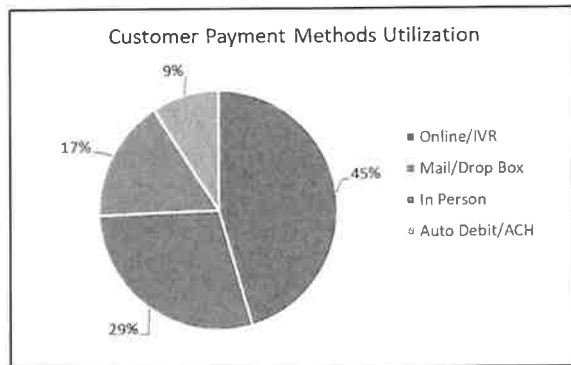
1. Continue to issue comparative statements for fiscal year 2023 and incur an additional cost of \$3,500 for audit services; or.
2. Issue non-comparative financial statements for fiscal year 2023.

A decision on this question is requested at the March Commission meeting to facilitate audit planning and to ensure that audit can be completed on time to meet bond covenants for the State Drinking Water Revolving Loan fund.

Customer Service/Billing

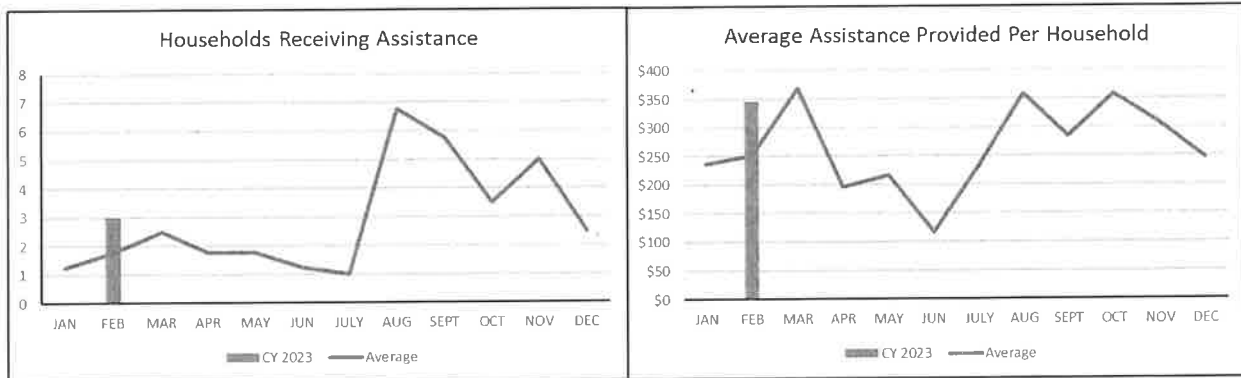
Since the previous meeting, the Customer Service Department processed:

Bills sent	3,213
Delinquent & past due notices	389
Automated phone notifications	320
Payment arrangements	68
Contracts	0
Service cuts – February	17
Accounts sent to collections	6
Electric bad debt write-offs	\$0.00
Applications for service	19



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 February, the fund assisted three customers with an average of \$350. The maximum allowed by the program is \$400. The balance in the fund as of February 28 was \$5,859.



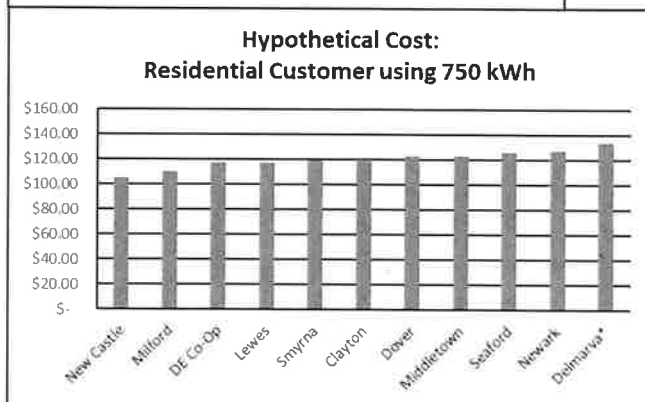
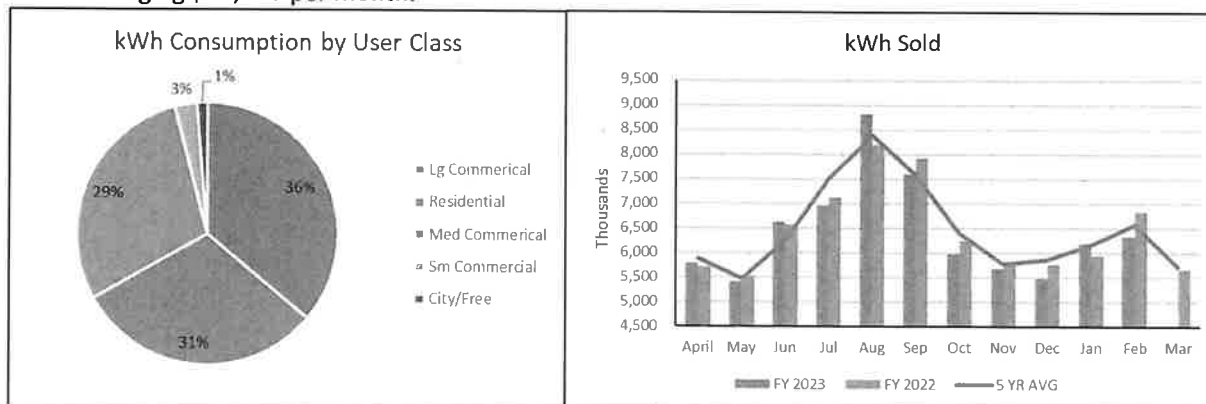
In addition to assistance provided through the New Castle Cares fund, two customers received an average of \$385 from other agencies or nonprofits that provide assistance for utility bills.

Below is a condensed aging report for active customers as of March 22, 2023

Total	Current	30 Days	60 Days	90 Days	120 Days
\$863,867	\$786,724	\$77,143	\$0	\$0	\$0

Electric Revenues

User charges are unfavorable fiscal year to date (\$48,000). February kWh sales decreased by approximately 7.3% (497,000 kWh) from the same period last year. Consumption was down across all customer classifications. Fiscal year to date, total billed electric consumption is approximately 1% less than 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. The budgetary variance is also decreasing due to the Power Purchase Adjustment enacted by the Commissioners beginning in January 2023, which is averaging \$48,000 per month.



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 (\$9,000). 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 Salaries and Benefits (\$42,000) and Repairs and Maintenance (\$157,000) related to a delay in the Van Dyke Village undergrounding project. 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.

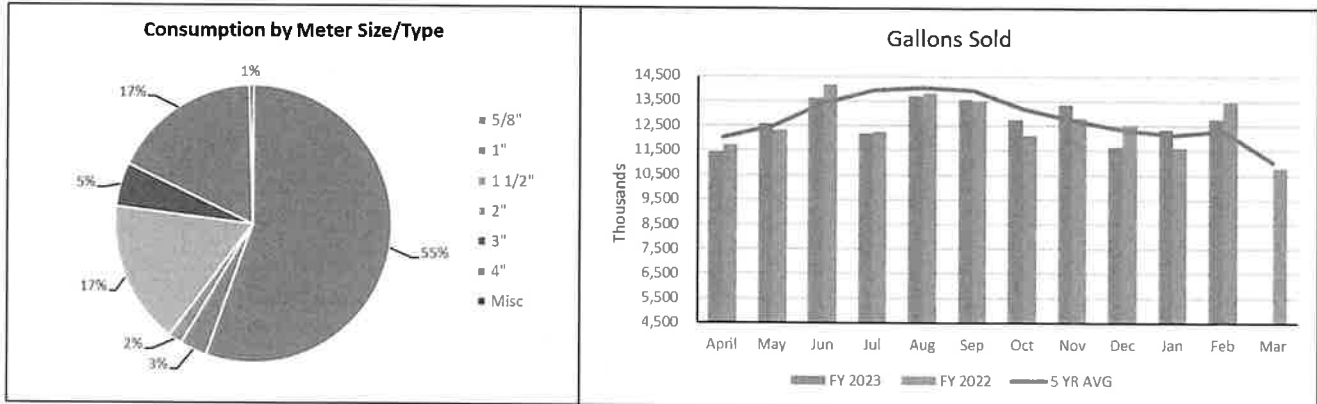
Comptroller/Treasurer's Report – March 30, 2023

**Municipal Services Commission
Budget to Actual Comparison – Electric
As of February 28, 2023**

	YTD Budget	YTD Activity	Variance	Total Budget
Operating Revenues				
User charges	8,464,943	8,411,639	(53,304)	9,149,590
City service charges	41,773	43,467	1,694	45,450
MSC service charges	38,203	41,407	3,204	42,500
Miscellaneous income	33,389	49,163	15,774	36,570
<i>Total Operating Revenues</i>	<u>8,578,308</u>	<u>8,545,676</u>	<u>(32,632)</u>	<u>9,274,110</u>
Less: Free Service	3,408	6,147	(2,739)	4,000
<i>Net Operating Revenues</i>	<u>8,574,900</u>	<u>8,539,529</u>	<u>(35,371)</u>	<u>9,270,110</u>
Operating Expenses				
Purchase of Power	5,888,000	5,873,271	14,729	6,400,000
DEMEC - Substation	561,271	312,168	249,103	561,271
<i>Operations</i>				
Salaries and benefits	663,775	705,343	(41,568)	742,650
Insurance	59,085	41,625	17,460	63,681
Utilities	9,930	9,734	196	11,700
Repairs and maintenance	(115,684)	41,786	(157,470)	(111,130)
Supplies and materials	67,932	59,838	8,094	71,399
Professional fees	46,477	52,208	(5,731)	50,000
Depreciation	<u>268,018</u>	<u>386,323</u>	<u>(118,305)</u>	<u>292,500</u>
<i>Operations total</i>	<u>999,533</u>	<u>1,296,857</u>	<u>(297,324)</u>	<u>1,120,800</u>
<i>General & administrative</i>				
Salaries and benefits	443,361	444,160	(799)	485,100
Insurance	19,639	19,313	326	21,400
Utilities	10,517	14,003	(3,486)	11,500
Repairs and maintenance	13,614	17,429	(3,815)	14,700
Supplies and materials	27,221	25,136	2,085	30,000
Professional fees	82,213	59,613	22,600	87,500
Misc	88,860	72,176	16,684	98,375
Depreciation	<u>27,489</u>	<u>19,038</u>	<u>8,451</u>	<u>30,000</u>
<i>Total general & administrative</i>	<u>712,914</u>	<u>670,868</u>	<u>42,046</u>	<u>778,575</u>
<i>Total operating expenses</i>	<u>8,161,718</u>	<u>8,153,164</u>	<u>8,554</u>	<u>8,860,646</u>
Operating income	<u>413,182</u>	<u>386,365</u>	<u>(26,817)</u>	<u>409,464</u>
Nonoperating revenue(expense)				
Investment income	18,740	46,742	28,002	20,000
Investment expense	(2,500)	(2,014)	486	(2,500)
Unrealized gain(loss) on investment	14,661	(85,136)	(99,797)	16,000
Realized gain(loss) on sale of asset	-	7,340	7,340	-
Grant income	-	-	-	-
Grant expense	-	(480)	(480)	-
Other Expense	-	(850)	(850)	-
Appropriations				
Mayor and Council	(495,000)	(488,481)	6,519	(540,000)
City Services	-	-	-	-
Special	-	(5,158)	(5,158)	-
Contributed Capital	-	-	-	-
<i>Total nonoperating revenue(expense)</i>	<u>(464,099)</u>	<u>(528,037)</u>	<u>(63,938)</u>	<u>(506,500)</u>
Change in Net Position	(50,917)	(141,672)	(90,755)	(97,036)

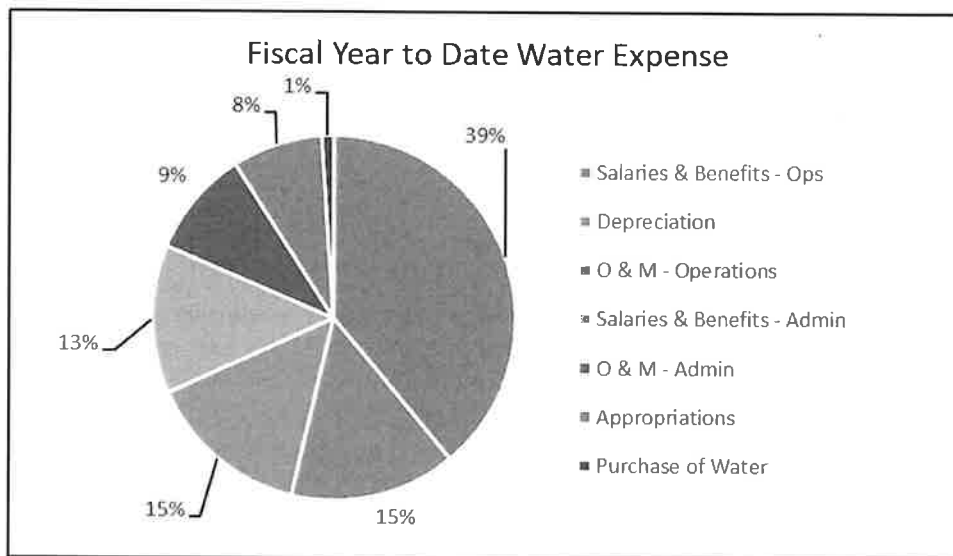
Water Revenues

User charges are unfavorable fiscal year to date (\$54,000). Water consumption for the month was down 668,000 gallons when compared with the same period last fiscal year, most of the decrease in usage is from residential accounts and is probably related to estimated meter readings due to failing radios. Fiscal year to date, water consumption is in line with last year's consumption at this point (-0.22%), and 1.79% 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 (\$40,000). There is a large variance in salaries and benefits (\$72,000) due to delays in working on the Van Dyke electrical undergrounding project which would have seen those costs capitalized and removed from the expenses. Additionally, the costs for adding the city's logo to the water towers was not part of the adopted budget and is in the repairs and maintenance line (\$24,000). Most of the remaining variance in repairs and maintenance (\$71,000) is related to delays on the Van Dyke electrical undergrounding the water department is assisting with that would have seen certain costs capitalized for use of MSC owned equipment.



Comptroller/Treasurer's Report – March 30, 2023

**Municipal Services Commission
Budget to Actual Comparison – Water
As of February 28, 2023**

	YTD Budget	YTD Activity	Variance	Total Budget
Operating Revenues				
User Charges	2,176,348	2,114,669	(61,679)	2,366,000
City Service Charges	23,824	32,496	8,673	26,000
MSC Service Charges	4,587	3,518	(1,069)	5,000
Miscellaneous Income	14,246	26,421	12,174	(138,861)
<i>Total Operating Revenues</i>	<u>2,219,005</u>	<u>2,177,104</u>	<u>(41,901)</u>	<u>2,258,139</u>
Less: Free Service	3,679	3,536	143	4,000
<i>Net Operating Revenues</i>	<u>2,215,326</u>	<u>2,173,568</u>	<u>(41,758)</u>	<u>2,254,139</u>
Operating Expenses				
Purchase of water	24,146	21,198	2,948	26,000
<i>Operations Dept</i>				
Salaries and benefits	700,365	772,115	(71,750)	779,862
Insurance	48,760	39,320	9,440	52,103
Utilities	24,572	23,054	1,518	26,895
Repairs and maintenance	66,108	160,762	(94,654)	117,752
Supplies and materials	96,877	62,957	33,920	106,327
Professional fees	51,271	40,259	11,012	55,214
Depreciation	304,578	280,548	24,030	332,400
<i>Total operations</i>	<u>1,292,531</u>	<u>1,379,015</u>	<u>(86,484)</u>	<u>1,470,553</u>
<i>General & administrative</i>				
Salaries and benefits	259,691	261,416	(1,725)	283,500
Insurance	16,111	15,802	309	17,500
Utilities	8,324	11,184	(2,860)	9,100
Repairs and maintenance	11,127	14,260	(3,133)	12,000
Supplies and materials	20,174	17,946	2,228	22,400
Professional fees	37,516	24,448	13,068	40,000
Miscellaneous	94,390	65,015	29,375	104,450
Depreciation	18,326	12,394	5,932	20,000
<i>Total general & administrative</i>	<u>465,659</u>	<u>422,465</u>	<u>43,194</u>	<u>508,950</u>
<i>Total operating expenses</i>	<u>1,782,336</u>	<u>1,822,678</u>	<u>(40,342)</u>	<u>2,005,503</u>
Operating Income	<u>432,990</u>	<u>350,890</u>	<u>82,100</u>	<u>248,636</u>
Nonoperating revenue(expense)				
Investment income	3,741	7,881.00	4,140	4,000
Investment expense	(500)	(355.00)	145	(500)
Unrealized gain(loss) on investment	2,658	(15,024.00)	(17,682)	2,900
Realized gain(loss) on sale of asset	-	(2,172.00)	(2,172)	-
Grant income	-	35,630.00	35,630	-
Grant expense	-	(35,630.00)	(35,630)	-
Other Expense	-	(3,111.00)	(3,111)	-
Appropriations				
Mayor and Council	(115,454)	(121,872.00)	(6,418)	(126,000)
City Services	(29,340)	(32,767.00)	(3,427)	(32,000)
Special	-	(5,551.00)	(5,551)	-
Contributed Capital	-	42,522.00	42,522	-
<i>Total nonoperating revenue(expense)</i>	<u>(138,895)</u>	<u>(130,449)</u>	<u>8,446</u>	<u>(151,600)</u>
Change in Net Position	294,095	220,441	(73,654)	97,036

Comptroller/Treasurer's Report – March 30, 2023

**Municipal Services Commission
Statement of Net Position
As of February 28, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
ASSETS:		
Current assets:		
Cash and equivalents	\$ 1,986,245	\$ 2,633,332
Investments	1,150,704	1,243,485
Accounts receivable, net	1,399,312	821,029
Inventories	842,768	756,407
Prepays	167,736	166,677
Restricted cash	792,542	638,691
Total current assets	<u>6,339,307</u>	<u>6,259,621</u>
Noncurrent assets:		
Capital assets not being depreciated:		
Land	45,386	45,386
Construction in progress	1,348,129	1,663,203
Capital assets net of accumulated depreciation:		
Buildings	251,532	276,970
Equipment	765,987	776,933
Infrastructure	14,317,454	9,573,191
Total noncurrent assets	<u>16,728,488</u>	<u>12,335,683</u>
Total assets	<u>23,067,795</u>	<u>18,595,303</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension	319,165	164,836
Regulatory accounting - substation	-	3,124,345
Total deferred outflows	<u>319,165</u>	<u>3,289,181</u>
LIABILITIES		
Accounts payable	714,116	707,775
Accrued liabilities	54,824	44,980
Customer Deposits	839,718	645,875
Noncurrent liabilities:		
Due within one year	84,922	59,699
Due in more than one year	2,047,552	818,717
Total liabilities	<u>3,741,132</u>	<u>2,277,046</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	16,728,488	12,335,683
Unrestricted	2,444,497	6,612,281
Total net position	<u>\$ 19,172,985</u>	<u>\$ 18,947,964</u>

Comptroller/Treasurer's Report – March 30, 2023

Municipal Services Commission
Statement of Revenues, Expenses, and Changes in Net Position
As of February 28, 2023 and 2022

	2023	2022
Operating Revenues:		
Water sales	\$ 2,150,683	\$ 2,084,947
Power sales	8,496,513	8,325,598
Miscellaneous	75,584	81,102
Total operating revenues	10,722,780	10,491,647
Less: free service	(9,683)	(7,685)
Net operating revenues	10,713,097	10,483,962
Purchase of water and power	6,206,637	5,922,311
Operating Expenses		
Salaries and benefits	2,183,034	1,922,197
Repairs and maintenance	296,566	40,224
Supplies	140,945	137,382
Utilities	57,974	52,196
Insurance	116,059	132,688
Professional fees	113,336	75,560
Administrative	162,988	153,088
Depreciation	698,303	590,486
Total operating expenses	3,769,205	3,103,821
Operating income (loss)	737,255	1,457,830
Nonoperating revenues (expenses):		
Net investment income	52,253	24,264
Realized gain (loss) on investments	-	(29,042)
Unrealized gain(loss) on investments	(100,160)	(39,025)
Gain (loss) on disposal of assets	5,168	-
Grant income	35,630	126,988
Grant Expense	(36,110)	(4,035)
Miscellaneous	(3,960)	(26,069)
Appropriations to Mayor & Council of New Castle		
Ordinary	(610,353)	(597,709)
City Services	(32,767)	(32,105)
Special	(10,709)	(77,193)
Total nonoperating revenues (expenses)	(701,008)	(653,926)
Income before capital contributions	36,247	803,904
Capital Contributions	42,522	-
Change in net position	78,769	803,904
Net position - beginning	19,094,216	18,144,060
Net position - ending	\$ 19,172,985	\$ 18,947,964

**Municipal Services Commission
Combining Balance Sheet by Fund
As of February 28, 2023 and 2022**

	Water		Electric		Total	
	2023	2022	2023	2022	2023	2022
ASSETS:						
Current assets:						
Cash and equivalents	-	-	1,986,245	2,633,332	1,986,245	2,633,332
Investments	172,605	186,523	978,099	1,056,962	1,150,704	1,243,485
Accounts receivable, net	216,521	184,275	1,182,791	636,754	1,399,312	821,029
Inventories	192,857	104,810	649,911	651,597	842,768	756,407
Prepays	60,438	75,005	107,298	91,672	167,736	166,677
Restricted cash	-	-	792,542	638,691	792,542	638,691
Total current assets	642,421	550,613	5,696,886	5,709,008	6,339,307	6,259,621
Noncurrent assets:						
Capital assets not being depreciated:						
Land	45,386	45,386	-	-	45,386	45,386
Construction in progress	687,260	90,259	660,869	1,572,944	1,348,129	1,663,203
Capital assets net of accumulated depreciation:						
Buildings	116,765	128,360	134,767	148,610	251,532	276,970
Equipment	233,096	305,046	532,891	471,887	765,987	776,933
Infrastructure	6,977,126	7,106,894	7,340,328	2,466,297	14,317,454	9,573,191
Total noncurrent assets	8,059,633	7,675,945	8,668,855	4,659,738	16,728,488	12,335,683
DEFERRED OUTFLOWS OF RESOURCES						
Pension	143,625	74,176	175,540	90,660	319,165	164,836
Regulatory accounting - substation	-	-	-	3,124,345	-	3,124,345
Total deferred outflows	143,625	74,176	175,540	3,215,005	319,165	3,289,181

(Continued)

**Municipal Services Commission
Combining Balance Sheet by Fund
As of February 28, 2023 and 2022**

	Water		Electric		Total	
	2023	2022	2023	2022	2023	2022
LIABILITIES						
Accounts payable	102,107	45,323	612,010	662,452	714,116	707,775
Accrued liabilities	24,667	20,241	30,156	24,739	54,824	44,980
Customer Deposits	8,345	-	831,373	645,875	839,718	645,875
Due to other funds	782,252	1,095,704	(782,252)	(1,095,704)	-	-
Noncurrent liabilities:						
Due within one year	5,634	26,865	79,288	32,834	84,922	59,699
Due in more than one year.	903,187	259,435.06	1,144,365	559,282	2,047,552	818,717
Total liabilities	1,826,191	1,447,567	1,914,941	829,479	3,741,132	2,277,046
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	8,059,633	7,675,945	8,668,855	4,659,738	16,728,488	12,335,683
Unrestricted	(1,252,924)	(1,119,541)	3,697,421	7,731,822	2,444,497	6,612,281
Total net position	6,806,709	6,556,404	12,366,276	12,391,560	19,172,985	18,947,964

Municipal Services Commission
Combining Schedules of Revenues, Expenses, and Changes in Net Position by Fund
For the eleven months ending February 28, 2023 and 2022

	Water		Electric		Total	
	2023	2022	2023	2022	2023	2022
Operating Revenues:						
Charges for services	\$ 2,150,683	\$ 2,084,947	\$ 8,496,513	\$ 8,325,598	\$10,647,196	\$10,410,545
Miscellaneous	26,421	41,014	49,163	40,088	75,584	81,102
Total operating revenues	2,177,104	2,125,961	8,545,676	8,365,686	10,722,780	10,491,647
Less: free service	(3,536)	(3,222)	(6,147)	(4,463)	(9,683)	(7,685)
Net operating revenues	2,173,568	2,122,739	8,539,529	8,361,223	10,713,097	10,483,962
Purchase of water and power	21,198	22,480	6,185,439	5,899,831	6,206,637	5,922,311
Operating Expenses						
Salaries and benefits	1,033,531	943,385	1,149,503	978,812	2,183,034	1,922,197
Repairs and maintenance	181,349	94,173	115,217	(53,949)	296,566	40,224
Supplies	78,372	67,026	62,573	70,356	140,945	137,382
Utilities	34,237	31,770	23,737	20,426	57,974	52,196
Insurance	55,121	60,945	60,938	71,743	116,059	132,688
Professional fees	50,356	36,220	62,980	39,340	113,336	75,560
Administrative	75,572	38,119	87,416	114,969	162,988	153,088
Depreciation	292,942	298,896	405,361	291,590	698,303	590,486
Total operating expenses	1,801,480	1,570,534	1,967,725	1,533,287	3,769,205	3,103,821
Operating income (loss)	350,890	529,725	386,365	928,105	737,255	1,457,830

(Continued)

Municipal Services Commission
Combining Schedules of Revenues, Expenses, and Changes in Net Position by Fund
For the eleven months ending February 28, 2023 and 2022

	Water		Electric		Total	
	2023	2022	2023	2022	2023	2022
Nonoperating revenues (expenses):						
Net investment income	7,525	3,318	44,728	20,946	52,253	24,264
Realized gain (loss) on investments	-	(31,639)	-	2,597	-	(29,042)
Unrealized gain(loss) on investments	(15,024)	(5,517)	(85,136)	(33,508)	(100,160)	(39,025)
Gain (loss) on disposal of assets	(2,172)	-	7,340	-	5,168	-
Grant income	35,630	72,435	-	54,553	35,630	126,988
Grant Expense	(35,630)	(4,035)	(480)	-	(36,110)	(4,035)
Miscellaneous	(3,111)	(26,025)	(850)	(44)	(3,960)	(26,069)
Appropriations to Mayor & Council of New Castle						
Ordinary	(121,872)	(107,952)	(488,481)	(489,757)	(610,353)	(597,709)
City Services	(32,767)	(32,105)	-	-	(32,767)	(32,105)
Special	(5,551)	(59,265)	(5,158)	(17,928)	(10,709)	(77,193)
Total nonoperating revenues (expenses)	<u>(172,972)</u>	<u>(190,785)</u>	<u>(528,037)</u>	<u>(463,141)</u>	<u>(701,008)</u>	<u>(653,926)</u>
Income before capital contributions	177,918	338,940	(141,672)	464,964	36,247	803,904
Capital Contributions	42,522	-	-	-	42,522	-
Change in net position	220,441	338,940	(141,672)	464,964	78,769	803,904
Net position - beginning	6,586,268	6,217,464	12,507,948	11,926,596	19,094,216	18,144,060
Net position - ending	<u>\$ 6,806,709</u>	<u>\$ 6,556,404</u>	<u>\$12,366,276</u>	<u>\$12,391,560</u>	<u>\$19,172,985</u>	<u>\$18,947,964</u>

Comptroller/Treasurer's Report – March 30, 2023

**Municipal Services Commission
Capital & Projects Budget to Actual
As of February 28, 2023**

Project	Total Approved Budget	Materials as of 2/28/2023	Remaining Budget as of 2/28/2023	Total Capitalized To Date (1)	Status
Vandyke Village Undergrounding	\$ 886,000.00	\$ 489,278.00	\$ 396,722.00	\$ 1,050,884	In Progress
AMI System - Electric	665,000	44,736	620,264	-	In Progress
Debt Principal Pymt - 6months DEMEC	30,000	38,136	(8,136)	-	In Progress
Dobbinsville Relay Replacement	85,000	12,912	72,088	-	In Progress
Stake Body Truck	90,000	-	90,000	-	PO Issued
Overhead/Underground Fault Indicators	10,000	9,731	269	9,731	Completed
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	87,037	12,963	-	In Progress
AMI System - Water	1,281,000	357,281	923,719	-	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	93,543	6,457	-	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	198,390	5,110	-	Construction
Water	166,500	141,880	24,620	-	Construction
2 Way Radio Replacement					
Electric	8,250	7,829	421	-	Complete
Water	6,750	6,406	344	-	Complete

Comptroller/Treasurer's Report – March 30, 2023

**Municipal Services Commission
Capital & Projects Budget to Actual
As of February 28, 2023**

Project		Total Approved Budget	Materials as of 2/28/2023	Remaining Budget as of 2/28/2023	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	-	Complete
	Water	6,750	748	6,002	-	Complete
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	\$ 1,657,609.96	\$ 2,419,540.04		

(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 Street Lights	\$ 1,450.00	\$ 782.30	10/25/2022	11/3/2022

MUNICIPAL SERVICES COMMISSION

CITY OF NEW CASTLE, DELAWARE 19720-0208

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Water Department Commission Meeting Report

March 23, 2023

Prepared by: Jay Guyer on March 30, 2023

1. Developer Projects

A. Riverbend Subdivision

1. WUM Guyer followed up with Freedom Development in reference to the Railroad Agreement documents they have under review but had no response. Water Operators are performing field inspections as needed (main to curb stop) to ensure compliance with MSC standards and installing water meters. MSC reconciled 6 sold lots with Gemcraft Homes and is working with Freedom Development to release escrow funds for their contractors 3rd pay request.

B. Sheriffs House Renovation – Market Street

1. This project was reconciled and the Contractor Riley Construction was invoiced for MSC inspection and testing services provided for the project.

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

1. WUM Guyer met with Colonial's Engineer GPI about the water main replacement project for Wallace Wallin and William Penn High School. It was agreed the project should be treated as two (2) separate projects with Wallace Wallin being the priority due to the water quality issues and William Penn will be require additional direction and guidance from the school district. GPI will complete the water plans and forward copies for MSC review and approval.

2. MSC Projects

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

1. MSC, DEMEC, AMP, and Pro Meters have weekly meetings to discuss planning and implementation of the AMI metering system. MSC and AMP rejected first Article Testing of the Water ERT Modules and are waiting on Itron to provide updated Articles for review and testing. AMP is requesting expedited manufacturing / delivery of the Water ERT Modules however no estimated delivery date has been provided. MSC installed 4 – 500W Water Modules at 2 different locations which the network recognized and returned meter readings. Staff attended the first orientation and training for the IP Keys Software.

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B. Water System Asset Management Program

1. RK&K Prepared and forwarded a draft Asset Management Plan. WUM Guyer and WUS Jaeger have started reviewing the draft adding comments where needed.

C. Cross Connection Control Program – Hydro Corp

1. WUM Guyer and WUS Jaeger completed review and reaching out to customer who are non-compliant with testing / certification of their Backflow Prevention Devices. An updated list was received from Hydro Corp. WUM Guyer and WUS Jaeger discussed the non-compliant customers with Hydro Corp who recommended sending an approved tester to the locations to make customer contact. Final notices for non-compliance will be hand delivered during customer contact.

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

1. WUM Guyer was advised by Del DOT Engineers they would waive the casing requirement for the 3 Wilmington Road Crossings. Pennoni Associates revised the design based upon MSC and Del DOT comments and field survey work. A Draft Request for Proposal (RFP) was forwarded from Pennoni for review and comment. A preliminary Project Schedule was developed with the RFP being advertised April 3rd.

E. Administrative Office Renovation

1. MSC Water Operators continue 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.

F. MSC Utility Building – New Pole Building

1. MSC Water Operators are working on the final fit out and finish of the new Pole Building and received manufacturer training on the new Pressure Washer.

3. Operations

A. Outages

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

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Water Department Commission Meeting Report

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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 March 23rd exchanging carbon in one column with a new carbon blend.
2. WUM Guyer and WUS Jaeger continue working with the Delaware Rural Water Association (DRWA) Apprenticeship Program at William Penn High School. MSC coordinated a field trip to Veolia's 30 MGD Water Treatment Facility in Stanton on March 20th. This was the final class / facility tour MSC will conduct for the students this year. We will coordinate a meeting with School Staff to evaluate the program.
3. The US Environmental Protection Association (USEPA) proposal to add the East Basin Road Groundwater Site to the Superfund National Priorities List (NPL) is still in the review process.
4. The USEPA Office of Enforcement and Compliance Assurance is hosting two (2) public hearings seeking input on the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) for per- and polyfluoroalkyl substances (PFAS) contamination. The input received will be reviewed and considered by EPA in drafting a CERCLA PFAS enforcement discretion policy related to responsible parties' financial obligations under PFAS contamination response actions.
5. On March 14th, the US EPA proposed the first national primary drinking water standards for six (6) PFAS compounds as part of their PFAS Strategic Roadmap. The proposal is now in the 60 day review period. Proposed MCL's are PFOA – 4.0ppt, PFOS – 4.0ppt, PFHxS – 9.0ppt, HFPO-DA (GenX) – 10.0ppt, PFNA – 10.0ppt, and PFBS – 2,000.0ppt. The proposal includes requirements for Initial Monitoring, Compliance Monitoring, and Public Notifications. WUM Guyer and WUS Jaeger will continue to follow the proposal through the comment period when it is posted in the Federal Register.
6. DNREC Tier Hazardous Chemical Report 2022 – WUM Guyer and WUS Jaeger updated and reviewed the 2022 DNREC Tier II Hazardous Chemical Report. The final report was filed on February 24th before the March 1st due date.
7. DRBC Annual Water Audit 2022 – WUM Guyer and WUS Jaeger updated and reviewed the 2022 DRBC Annual Water Audit Report. The final report was filed on March 14th before the March 31st due date.

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8. MSC completed our first round of Unregulated Contaminant Monitoring Rule 5 (UCMR 5) sampling on March 8th. Lab results are pending. The second round of sampling is schedule for September 2023.

C. System Repairs and Maintenance

1. Riverbend Subdivision – Flushed on February 23rd and March 16th to maintain Chlorine Residual.
2. Monthly Meter Reading – Monthly meter reads were completed on March 13th. Operators handed out door hangers and followed up on check / missed reads.
3. Carbon Filtration System – WUM Guyer and WUS Jaeger MSC was scheduling a Carbon exchange for Vessel 1 that would use the first load of reactivated carbon. MSC was notified by Calgon Carbon Corporation (CCC) the load of carbon was contaminated, could not be reused, and would need to be disposed. WUM Guyer and WUS Jaeger forwarded questions to CCC for a response and have scheduled a meeting for March 28th to further discuss. WUM Guyer requested an updated cost for disposal and delivery of Virgin F400 Carbon. WUM Guyer updated our DWSRF Representative of the issue with the reactivated carbon and will forward the new costs for the exchange so it can be submitted for reimbursement under a new grant.

D. Grants and State Revolving Funds

1. WUM Guyer and WUS Jaeger worked with our Engineer Pennoni Associates to submit three (3) Notices of Intent (NOI's) for DWSRF Funding in February. A total of 39 NOI's were submitted to DWRSF for the 2023 Project Priority List (PPL). MSC's projects were reviewed and ranked by DWSRF Staff as follows:
 - # 5 - PFAS Treatment System Improvements - School Lane Treatment Facility
 - # 11 - Lead Service Line Inventory – Physical Survey for Inventory Preparation
 - # 16 - SCADA System Improvements – Update Software and FunctionalityThe 2023 PPL will be published on the DWSRF Web site within the next 30 days.

E. Equipment

1. The Case Tractor was delivered Hooper's in Middletown for evaluation and repairs associated with starting, electrical, and AC.

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F. Personnel and Training

1. No personnel issues to report at this time.
2. WUM Guyer, WUS Jaeger, and Water Operators attended the Annual Delaware Rural Water Association Conference and Training on February 22nd and 23rd.
3. CPR and AED Training was scheduled for all MSC Staff on March 16th and 27th.
4. WUS Jaeger and Water Operators attended an Aeration Training Course on March 21st to have the endorsement added to their Water Operator License.

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 continues meeting weekly reviewing a draft safety manual to revise and update MSC's Safety Manual.
3. GM Blomquist and Water Operator Greg Spiess attended the March 14th DFIT Safety Meeting.

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 April 12, 2023.

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Water Department Commission Meeting Report

March 23, 2023

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D. Water Operator Advisory Council

1. The March 2nd meeting went well. Council reviewed 17 Water Operator License Applications, approved the February 2nd meeting minutes, reviewed and approved 10 training courses from Del Tech, Delaware Rural Water Association, American Water Works Association, and the US EPA. Council discussed candidates and options for filling the vacant Council Seats. The Sub Committee discussed progress reviewing the Operator Certification Regulations and written examination questions.
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 and the Written Examinations is scheduled for April 20th.

E. WIAC - Water Infrastructure Advisory Council

1. The March 15th Full WIAC meeting went well. The DWSRF Project Priority List was presented and approved by the Full Council. MSC 3 projects submitted in February were included on the list.
2. The next WIAC meeting is scheduled for June 21, 2023.

End of Report

Attachments: February 2023 Water Works Report
February 2023 Water Outage Tracking Sheet

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Monthly Water Works Report
February 1 - 28, 2023
Prepared By: Jay Guyer on March 23, 2023

Water Production		FT 300		Gallons	
Month	Year	Raw Total Gallons	Adjusted Finished Total Gallons	Raw Finished	Difference
February	2022	10,852,100	10,786,539	11,361,700	11,361,700
February	2023	11,361,700	11,281,380	11,281,380	11,281,380
	Difference	509,600	494,841	-80,320	-80,320
	Percentage Difference	4.5	4.4		0.7

Well(s) in Operation	Basin Road	Frenchtown Road	School Lane	Cross Roads
Days Pumped	Reserve Status	XXX	Resting	Resting
		28		

Water Quality	MSC Average	Goal	Range
Average Chlorine Residual	1.38 ppm	1.00 ppm	0.90 - 1.40 ppm
Average pH	7.4	7.6	7.4 - 7.8
Average Fluoride Residual	0.84 ppm	1.00 ppm	0.60 - 1.00 ppm

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

# Collected Results	10	10 Absent	0 Present

Miss Utility Locate Requests
 (Water and Electric Locates)

# Received	# Completed	# of Damages
59	59	0

Building Permit Review
 (Water Related Conflicts)

# Reviewed	# Approved	# Not Approved
14	14	0

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Monthly Water Outages / Interruptions Report
February 1 - 28, 2023

Prepared By: Jay Guyer on March 23, 2023

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

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

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

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

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ELECTRIC DEPARTMENT COMMISSION REPORT

March 30, 2023

Prepared by Artie Granger on March 22, 2023

1. Developer Projects:

A. Riverbend Subdivision:

- I. MSC Electric has had no contact about this project.

2. Capital Projects:

a. Substation Relay Replacement

- I. MSC has been working with Utility Engineering to complete a design for the relay replacements for both substations.
 - i. Dobbinsville Substation is scheduled for relay replacement next year.
 1. This project will replace aging relays.
 - ii. Wilmington Road is scheduled for the year after.
 1. This project will replace aging relays as well as aging control wiring.

b. Van Dyke Village:

- I. MSC plans on continuing with this project beginning shortly and will continue throughout the summer.

3. 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.

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ELECTRIC DEPARTMENT COMMISSION REPORT

March 30, 2023

Prepared by Artie Granger on March 22, 2023

III. **AMI**

1. MSC has installed the relays and access points as directed by AMP.
2. MSC has installed 3 commercial meters to use a tests for the AMI system.
3. MSC has been working with AMP to make sure that this project keeps moving.

4. **Operations:**

- a. 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.

5. **Outages :**

- I. There was one outage on 3/20/2023. This was a scheduled outage to repair connections in transformer.

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

- II. 02/1/22 – 02/1/23

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.

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ELECTRIC DEPARTMENT COMMISSION REPORT

March 30, 2023

Prepared by Artie Granger on March 22, 2023

6. 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.

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.