

Municipal Services Commission Monthly Meeting
April 27, 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
Sheila A. Shannon, Commissioner
Mayor William B. Blest, 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

A motion was made by Commissioner Shannon to approve the minutes of the March 30, 2023, regular session as amended. The motion was seconded by Mayor Blest and unanimously passed.

Appointments & Elections

Mr. Blomquist noted that the current Commission President is Dr. Sippel, Scott Blomquist the current Commission Secretary and Ken Natale is the current Commission Treasurer.

A motion was made by Commissioner Shannon to approve all appointments below as read into the record:

- **Re-election of Dr. Roy Sippel as MSC President;**
- **Re-appointment of Scott Blomquist as MSC Secretary;**
- **Re-appointment of Ken Natale as MSC Treasurer;**
- **Re-appointment of Scott Blomquist as DEMEC Board Member;**
- **Appointment of Ken Natale as DEMEC Alternate Board Member;**
- **Re-appointment of Jay Guyer as Delaware Rural Water Voting Delegate;**
- **Re-appointment of Ryan Jaeger as Delaware Rural Water Alternate Voting Delegate;**
- **Re-appointment of Jay Guyer as Delaware Water & Waste Water Agency Resource Network Delegate;**
- **Re-appointment of Ryan Jaeger as Delaware Water & Waste Water Agency Resource Network Alternate Delegate;**
- **Re-appointment of Scott Blomquist as Delaware River Basin Commission Voting Delegate;**
- **Re-appointment of Jay Guyer as Delaware River Basin Commission Alternate Voting Delegate;**
- **and**
- **Appointment of Scott Blomquist and Ken Natale as Trustees for the Pension Plan for the Employees of the Municipal Services Commission.**

The motion was seconded by Mayor Blest and unanimously passed.

Comptroller/Treasurer Report – Mr. Natale reporting

(See attached report)

- Total cash on hand: \$2.7M

Municipal Services Commission Monthly Meeting
April 27, 2023, 8:00 a.m.
216 Chestnut Street New Castle, Delaware

- Investment Portfolio: \$1.1M, which was a net gain of \$20,000 from prior month. At the Fiscal Year ended March 31 the portfolio was down 4.2%. This is an accounting loss.
- M&T Sweep Account: Currently the mutual fund is paying interest at 4.88%.
- Unrestricted cash on hand: 99 days at March 31, 2023, which was the same as the prior month.
- Check Register Disbursements: Mr. Natale pointed out some particular payments that were fairly large:
 - \$15,000 – Rummel Klepper and Kahn LLP, related to the Water Department’s asset management program.
 - \$4,500 – Pennoni Associates, related to grant applications for the Water Department.
 - \$5,000 – Saul Ewing Arnstein & Lehr LLP, settlement on the Hewlett & Janvier Bond to replace water mains.
 - \$11,500 – Christiana Excavating, related to Riverbend infrastructure and service laterals being paid out of escrow.
 - \$166,000 – City of New Castle quarterly appropriation.
 - \$34,000 – Department of Human Resources Financial Services, for the employee health insurance program commissions.
 - \$45,700 – American Municipal Power, related to the water side of the AMI project.
 - \$501,000 – DEMEC for power purchase and for the ongoing AMI software fees.
 - \$19,500 – Nationwide Life Insurance Co., monthly pension plan payment for employees hired prior to 2016.

Customer Service/Billing

- There were 29 service cuts in March.
- The New Castle Cares Fund assisted one customer with an average of \$294. An additional four customers received an average of \$248 from other agencies or non-profits.

Electric Department

- User charges are unfavorable for the year by \$54,000.
- kWh sales decreased by approximately 5.4%.
- Consumption was down across all classifications except medium commercial which saw an increase. Total billed consumption was approximately 1% less than prior year.
- MSC’s rates are 28% lower than Delmarva for residential, and 11% lower than the Delaware Co-op, and MSC has the lowest rate in the State.
- Operating expenses have a YTD favorable variance of \$214,000 due to increases in the pension liability.
- There is an unfavorable variance in Repairs and Maintenance of approximately \$159,000.
- Salaries and Benefits show an unfavorable variance of \$76,000.

Water Department

- User charges are unfavorable FYTD by \$60,000.

Municipal Services Commission Monthly Meeting
April 27, 2023, 8:00 a.m.
216 Chestnut Street New Castle, Delaware

- Consumption was up 728,000 gallons compared with the same period last fiscal year, mostly balancing out last month's decreased consumption of 600,000 gallons which related to meter failures and estimated billing. Fiscal year to date consumption is in line with the same time as last year.
- Expenses are unfavorable YTD \$82,000, due to a net increase in pension liability and the added cost of putting the City's logo on water towers.

On the whole there is a decrease in net position of \$280,000 for the year, and a large part of that is related to non-cash accounting transactions.

Mr. Blomquist and Staff explained various processes that MSC is utilizing including the AMI program and how the new technology will improve how reads are made, and the budget process. Mr. Natalie explained the security aspect of the AMI program. Mr. Guyer noted that security was a major concern and AMP meets all the Federal and CISSA (*Certified Information Systems Security Auditor*) guidelines for cybersecurity.

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

Developer Projects:

- Riverbend – MSC met with Freedom Development on site to discuss development of the next area and moving forward with the plan to get the main feed in. The contractor has put in an order for cable, and there is an estimated 54 weeks for delivery. Mr. Blomquist gave a brief history of the Riverbend project.

Capital Projects:

- Substation Relay Replacement – MSC is working with Utility Engineering to complete a design for the relay replacements for both substations. Utility Engineering completed a draft and presented data that will allow MSC to complete the project in several ways. The Dobbinsville substation is scheduled for relay replacement next year and Wilmington Road is scheduled for the following year. The SCADA contractor has been contacted to get information/pricing on that portion of the project.
- Van Dyke Village – MSC started back working on this project, and installation of conduits for the remaining locations on New Amstel is almost complete. Thereafter, conduits will be installed on Casimir Drive. Mr. Blomquist and Staff gave a brief history of the project and the issues with Verizon.

Capital Purchases:

- Replacement T-12 Bucket Truck – Mr. Granger continues to work on proposals for the replacement bucket truck. Lead times are out two to seven years. Mr. Granger noted the estimated cost is \$360-\$370,000.

Outages:

- There were no outages in the last month. Mr. Blomquist explained the outage reporting procedure.

Municipal Services Commission Monthly Meeting
April 27, 2023, 8:00 a.m.
216 Chestnut Street New Castle, Delaware

Repairs and Maintenance:

- T-2 Bucket Truck – The bucket truck, which has been down for approximately 5-6 months, is back in the shop with First State Fleet.

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

Developer Projects

- Riverbend Subdivision – MSC met Freedom Development on site to discuss changes they need to make to the site to comply with new FEMA flood plain requirements. A portion of the main that was installed will have to be abandoned and reinstalled in a new location. MSC is in the process of reviewing the revised plans. Freedom Development has not made any progress on the Norfolk Southern Agreements.
- Sheriffs House Renovation – Riley Construction corrected an issue with the domestic service and they installed the fire side back flow preventer in the correct location.
- Centerpoint Building 800 – Graver Technologies – Mr. Guyer met with the new tenant on site. Their lease will begin May 1st. Mr. Guyer opined that they will be one of MSC's largest customers. Mr. Granger noted that an existing transformer will be relocated to this customer.

MSC Projects

- Advanced Metering Infrastructure – American Municipal Power (AMP) – Weekly meetings are being held with AMP and Pro Meters. MSC is still waiting on the Itron updated articles to review for testing of the new modules. No build- or ship-dates have been received.
- Water System Asset Management Program – Messrs. Guyer and Jaeger are reviewing a draft Asset Management Plan submitted by RK&K and have begun drafting comments and developing estimated costs for future projects associated with the plan goals. Mr. Guyer will forward a copy of the draft to Commissioner Shannon.
- Cross Connection Control Program – Hydro Corp's Proposal – Hydro Corp is still working on making contact with non-compliant customers.
- Hewlett, Janvier, and Meggison Avenue Water Main Replacement – The DeIDOT Utility Permit and the Approval to Construct from the Office of Engineering were both received. MSC met with Pennoni to discuss the Request for Proposal. Pennoni submitted a draft and MSC is in the process of reviewing it.
- Administrative Office Renovation – Water Operators continue work on finishing up work on the Admin renovation.

Operations

- Outages – There were no planned or unplanned outages in the month of March.
- Calgon Carbon Corporation (CCC) Pilot Study Test – The study is ongoing. Adam Redding was on site on March 23rd and did a carbon exchange in one of the vessels, putting in a 60/40/20 blend of three different carbons to see how it performs with PFAS removal. Mr. Guyer will forward available data from Calgon Carbon to Commissioner Shannon.

Municipal Services Commission Monthly Meeting
April 27, 2023, 8:00 a.m.
216 Chestnut Street New Castle, Delaware

- Tri-Annual EPA Sanitary Survey – MSC met with a representative from the Office of Drinking Water on April 18th. The Tri-Annual EPA Sanitary Survey was completed, and the final report is pending.
- US Environmental Protection Association (USEPA) – The USEPA officially added the East Basin Road Groundwater Site to the Superfund National Priorities List (NPL) on March 29th. This will open the site up to additional funding and resources. USEPA will work with DNREC to conduct a remedial investigation on the site.
- Drinking Water Standards – The USEPA proposed the first national regulations for drinking water standards for six (6) compounds on March 14th. The proposal is still pending posting in the Federal Register. When it is posted Messrs. Guyer and Jaeger will follow it through the 60-day comment period.
- Annual Billing Audit – The annual billing audit was completed. Nothing major was discovered.
- Annual Inventory Audit – The annual inventory audit was completed on March 29-31. Auditors were on site on March 31st to do check-counts and had no issues.
- Unregulated Contaminant Monitoring (UCMR 5) – MSC completed the first round of UCMR 5 sampling on March 8th. Lab results are pending. Once the results are received MSC will have 60 days to review, and then they will be moved to the Federal Posting and be a permanent part of the record. The next round of sampling is due September 2023.
- Penn Farm – Toby Hagerott, Penn Farm Manager, notified MSC that approximately 100 6th grade students will visit the Farm on May 18th. MSC agreed to have the School Lane facility added to the tour.

System Repairs and Maintenance

- Riverbend Subdivision – Riverbend was flushed on March 28th and April 12th to maintain chlorine residual. Approximately 28,000 gallons were flushed out onto the ground. During discussion Mr. Guyer noted that de-chlorination is not required, although it has been discussed.
- Meter Readings – Monthly meter reads were completed on April 12th. Operators distributed door hangers, got check reads, and followed-up on mis-reads.
- Carbon Filtration System – Calgon Carbon notified MSC that a load of reactivated carbon tested high for radioactivity; therefore, the contaminated load could not be reused, and would need to be disposed of properly. Calgon Carbon responded to the questions MSC sent to them and Mr. Guyer will share that information with the Commissioners. Technicians tested the carbon now in the vessels, and that is also radioactive; therefore, that will also need to be disposed of properly. Mr. Guyer noted that there is some radioactivity in MSC's raw water but does not exceed the EPA's maximum contaminant level (MCL), and as a precaution samples from the three wells will be taken to test the levels going into the filter system. Mr. Guyer noted that the radioactivity could be a form of bio-accumulation on the carbon. A delivery of virgin carbon for Vessel 1 is tentatively scheduled for May, and Calgon will work with MSC for disposal. After discussing the matter with our DWSRF Representatives, MSC was instructed to submit a total package which will be resubmitted to try and get the total cost covered under the bond bill. Messrs. Blomquist and Guyer explained the process being used by MSC. In response to a question from Commissioner Shannon, Mr. Guyer noted that an ion exchange had been considered for the last exchange but they stepped away from it due to some things Calgon observed in the Pilot Study. He added that the cost of ion exchange is approximately 3-4 times more than carbon. MSC will continue to evaluate that option. Mr. Guyer noted that they are

Municipal Services Commission Monthly Meeting
April 27, 2023, 8:00 a.m.
216 Chestnut Street New Castle, Delaware

currently testing parts per trillion, and the USEPA is proposing testing for parts per quadrillion. Mr. Guyer stated that currently MSC is testing at non-detect levels. During discussion the process being used at other water utilities was reviewed, and it was noted that a neighboring utility, who is in the same aquifer, has had zero experience with radioactivity or mercury in their water. It was also noted that they pump harder than MSC, and pump their carbon to complete breakthrough and then exchange everything. Mr. Blomquist noted that it is good to pump slow for the PFAS process, but pumping faster might eliminate the bonding of radioactivity and other compounds. Mr. Guyer noted that MSC uses two 40,000 lb. vessels, whereas all the systems around MSC use two 20,000 lb. vessels; and asked the Calgon engineers if the size of the vessels is having an impact from the perspective of collecting even more compounds that do not show up on a regular water test. The neighboring utility recently did a carbon/resin exchange and Mr. Guyer will monitor how well that works for them.

Grants and State Revolving Funds

- Water Infrastructure Advisory Council Grants – Messrs. Guyer and Jaeger worked with Pennoni in February 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 functionalityThe list was posted this morning and Mr. Guyer opined the expansion of the carbon filtration system will be covered under the grant.
- School Lane Treatment Facility – Messrs. Guyer and Jaeger worked with the University of Delaware to submit an application for a DEMA grant to install a fixed natural gas generator at the School Lane facility. If selected, it would only require a 10% match and MSC would have two years to use the funds. The application was submitted last Friday.

Equipment

- Case Tractor – The tractor was repaired at Hooper’s to correct issues with starting, electrical, and AC, and it was returned to MSC.

Safety

- Tailgate Talks – Morning Tailgate Talks are conducted daily to discuss jobs/tasks.
- Safety Committee – The committee is active again and moving forward.

Local, State and Federal Agencies

- Water Supply Coordinating Council – The Council has sunset, but continues to have provider check-in meetings. The check-in meeting went well. Presentations were made by the Delaware Geological Survey Group (*water conditions compared to Drought Operating Guidelines*), the State of Delaware Climatologist (*weather conditions predicted forecast for precipitation*), and University of Delaware Water Resource Agency (*activities related to water projections for supply and consumption*). Mr. Guyer noted that Northern New Castle County is approximately 2-4” below normal for rainfall at this time. There are areas below the canal that are 4-6” below normal. Mr. Kauffman from the University of Delaware noted that these conditions are very similar to the 2002 drought. The group agreed to meet every few months. MSC and the rest of the northern utilities are prepared. Steve Smailer of DNREC is working on final draft legislation

Municipal Services Commission Monthly Meeting
April 27, 2023, 8:00 a.m.
216 Chestnut Street New Castle, Delaware

to re-authorize the Council; however, it will have to apply State-wide and not just to New Castle County.

- DWARN – The DWARN meeting of April 12th went well. Federal regulations relative to PFAS, lead and copper, consumer confidence reporting, and the East Basin ground water site being added to the Superfund Priorities List were discussed. Rural Water will be hosting special training for anyone in a managerial/supervisory position/DRC for the Water System. Elections were held:
 - Rob Penman, III – Chair
 - Jay Guyer – Vice-Chair
 - Mark Neimeister – Secretary

Secretary's Report – Mr. Blomquist reporting

DEMEC Meeting

- The monthly DEMEC meeting was cancelled.

Mr. Blomquist stated that a vote to have DEMEC and C-Power continue as the exclusive providers for the Demand Response Program is required. Mr. Blomquist recommended that the Commissioners approve.

A motion to approve DEMEC and C-Power as the sole providers for the Demand Response Program was made by Commissioner Shannon. The motion was seconded by Mayor Blest and was unanimously passed.

- Commissioner Tour – A tour of the MSC facilities for the new Commissioners is scheduled for May 2nd.
- Safety Manual Update – Updates to the Safety Manual are almost complete. The Manual is updated every few years. Mr. Blomquist explained that a Safety Committee, consisting of three members of management and three members of operations, was formed to review the Safety Manual.

Next Regular Meeting

The Commissioners set the next monthly Board meeting to be Thursday, May 18, 2023, at 8:00 a.m.

A motion to adjourn was made by Mayor Blest and seconded by Commissioner Shannon. The motion received unanimous approval and the meeting was adjourned at 9:48 a.m.


Kathleen R. Weirich, Stenographer

Approved: 
(Minutes transcribed from notes.)

Comptroller/Treasurer's Report



April 27, 2023 Commission Meeting
Prepared By: Ken Natale on April 20, 2023

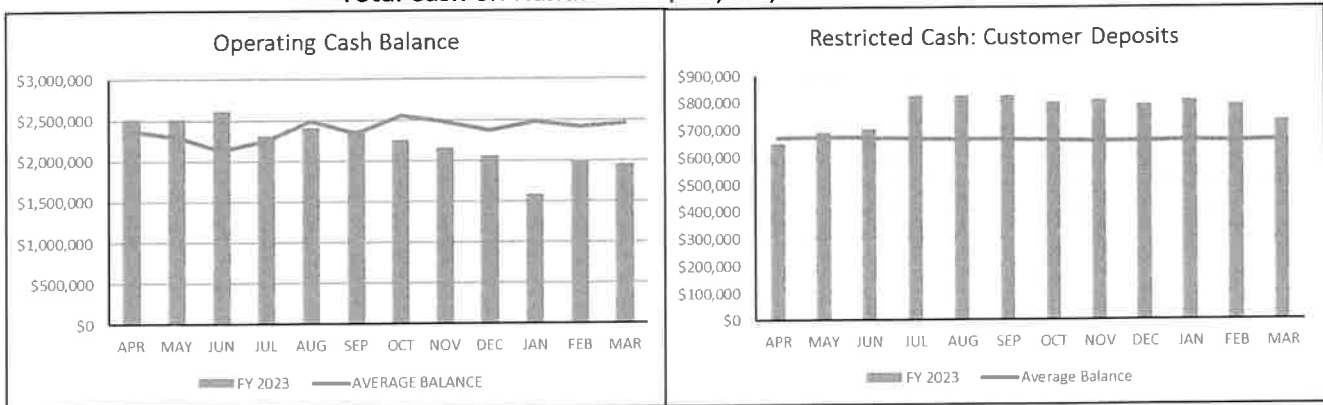
Contents

Cash & Investments	1
Check Register.....	2
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

Cash & Investments

As of March 31, 2023 the cash balances were:

M&T Bank Checking:	\$ 224,267
M&T Investment Sweep:	1,730,306
M&T Bank MMA:	733,959
Petty Cash/Change Fund:	899
Total Cash on Hand:	\$ 2,689,431



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

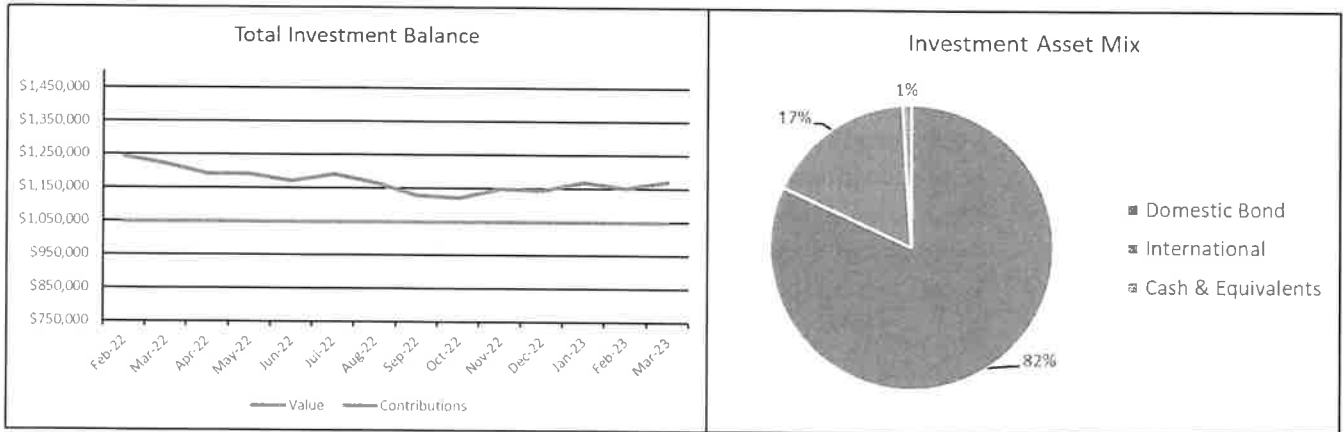
Beginning Balance	\$ 1,985,347
Cash from customers	1,152,185
Interest Income	6,418
Bond Proceeds	45,754
Refunds to customers - deposits	(60,069)
Payments to suppliers for goods & services*	(974,398)
Bank service fees	(615)
Payments to employees for services	(139,400)
Net Cash Provided(Used)	<u>29,875</u>
Ending Cash Balance	\$ 1,955,472

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

As of March 31, 2023 the value of the Commission’s investment portfolio totaled \$1,170,779 which is a net gain of \$20,076 (1.7%) from the prior month. Fiscal year to date, the value of the investment portfolio is down 4.2%.

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 **4.88% interest** and has a stable net asset value of \$1.00.

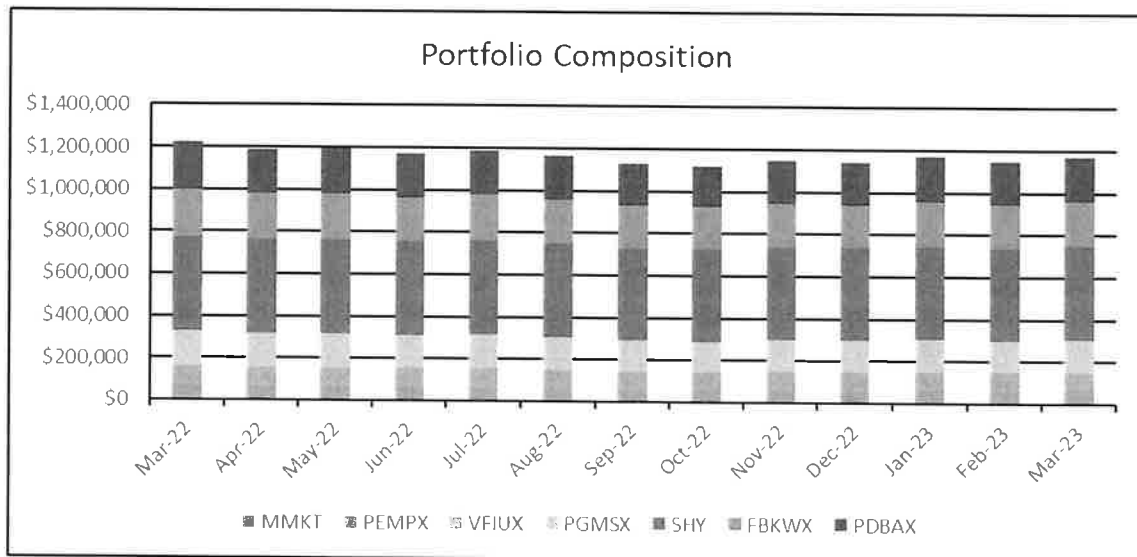
There was 99 days unrestricted cash on hand at March 31 (no change from prior month) when including the value of the Commission’s investment portfolio which is held in liquid assets (mutual and exchange traded funds).



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		\$ 10,076	0.55%
Mutual Funds			
Fidelity Advisor Total Bond CL Z	FBKWX	214,281	3.60%
PGIM Total Return Bond CL A	PDBAX	207,346	4.93%
PIMCO Emerging Markets Bond I2	PEMPX	49,411	7.47%
T Rowe Price Global Multi Sector Bond I	PGMSX	153,689	3.49%
Vanguard Intermediate Term Treasury	VFIUX	89,823	3.55%
Exchange Traded Funds			
iShares Trust 1-3 Year Treasury Bond EFT	SHY	446,153	1.30%
Total		\$1,170,780	



MARCH 2023 CHECK REGISTER

Number	Date	Vendor Name	Amount
200823	03/03/2023	COLONIAL LIFE	\$ 781.34
200824	03/03/2023	Consult Dynamics Inc DCA Net	20.00
200825	03/03/2023	Delaware Dept. of Labor	22.11
200826	03/03/2023	Kendall Electric INC	411.62
200827	03/03/2023	MORRIS JAMES LLP	255.50
200828	03/03/2023	Principal Financial Group	2,381.94
200829	03/03/2023	Rummel Klepper and Kahl LLP	15,532.50
200830	03/03/2023	Utility Financial Solutions LLC	1,927.50
200833	03/10/2023	Delaware River Basin Comm	528.00
200834	03/10/2023	Delaware State Escheator	908.94
200835	03/10/2023	Delmarva Power	598.80
200836	03/10/2023	Dover Plumbing Supply Co.	1,032.30
200837	03/10/2023	Kendall Electric INC	134.58
200838	03/10/2023	Pennoni Associates Inc.	4,486.25
200839	03/10/2023	Pivot Occupational Health	78.00
200840	03/10/2023	Tyler Technologies Inc.	145.00
200841	03/10/2023	Utility Engineers PC	930.00
200847	03/17/2023	Council 81	415.50
200848	03/17/2023	FLOOR COATING ETC INC	3,000.00
200849	03/17/2023	Kendall Electric INC	1,942.64
200850	03/17/2023	SAUL EWING ARNSTEIN & LEHR LLP	5,018.00
200851	03/17/2023	Schneider Electric Smart Grid Solutions LLC	2,894.60
200852	03/17/2023	Trans Union LLC	205.17
200854	03/31/2023	Artesian Water Co Inc	1,726.78
200855	03/31/2023	Christiana Excavating Company	11,475.00
200856	03/31/2023	City of New Castle	166,459.73
200857	03/31/2023	COLONIAL LIFE	1,172.01
200858	03/31/2023	Consult Dynamics Inc DCA Net	20.00
200859	03/31/2023	Delta Dental of Delaware Inc	1,854.82
200860	03/31/2023	DEMEC Inc	943.31
200861	03/31/2023	Department of Human Resources Financial Services	34,173.12
200862	03/31/2023	McCollom D'Emilio Smith Uebler LLC	1,590.00
200863	03/31/2023	Pitney Bowes Purchase Power	4,035.00
200864	03/31/2023	Principal Financial Group	2,490.05
200865	03/31/2023	StrategicInsurancePartners	1,659.67
200866	03/31/2023	Walter Granger	350.00
DFT0001894	03/01/2023	American Municipal Power Inc	45,754.06
DFT0001898	03/03/2023	Maryland Child Support Account	184.62
DFT0001899	03/03/2023	Nationwide Retirement Sol	4,351.36
DFT0001902	03/03/2023	United States Treasury	16,859.84
DFT0001904	03/16/2023	BRINKS CAPITAL	589.00
DFT0001905	03/10/2023	M&T ONE CARD	597.04
DFT0001906	03/03/2023	M&T ONE CARD	10,018.06
DFT0001907	03/17/2023	DEMEC Inc	501,012.10
DFT0001908	03/17/2023	DEMEC Inc	89.28
DFT0001909	03/17/2023	Maryland Child Support Account	184.62
DFT0001910	03/17/2023	Nationwide Retirement Sol	4,425.40
DFT0001913	03/17/2023	United States Treasury	17,083.83

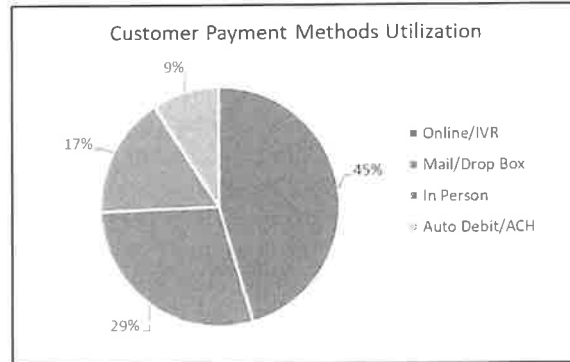
MARCH 2023 CHECK REGISTER

Number	Date	Vendor Name	Amount
DFT0001914	03/02/2023	OpenEdge	1,686.20
DFT0001915	03/15/2023	Nationwide Life Ins. Co. of America	19,513.25
DFT0001916	03/17/2023	M&T ONE CARD	34,849.19
DFT0001921	03/31/2023	Maryland Child Support Account	184.62
DFT0001922	03/31/2023	Nationwide Retirement Sol	4,357.36
DFT0001925	03/31/2023	United States Treasury	17,525.10
DFT0001926	03/31/2023	COMPTROLLER OF MARYLAND	1,518.82
DFT0001927	03/29/2023	Delaware Dept. of Labor	2,394.00
DFT0001928	03/31/2023	M&T ONE CARD	19,620.22
Total Payments			\$ 974,397.75

Customer Service/Billing

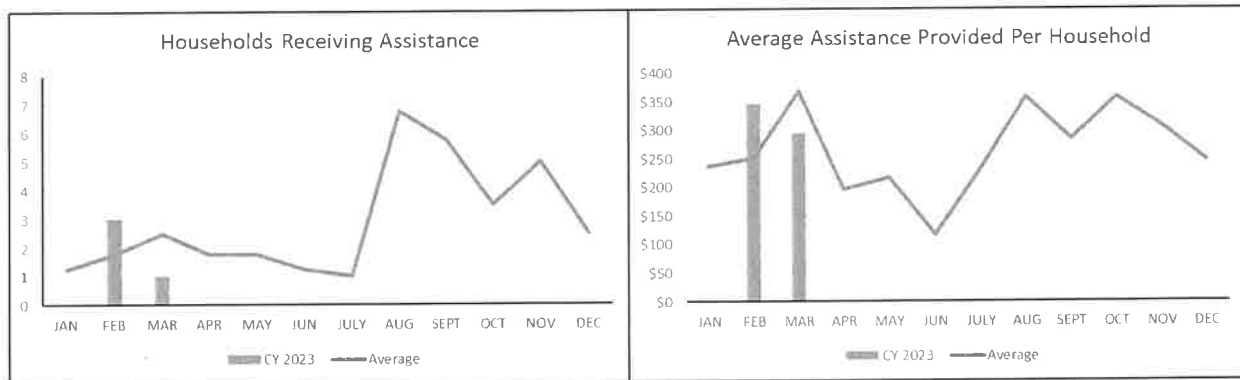
Since the previous meeting, the Customer Service Department processed:

Bills sent	3,222
Delinquent & past due notices	328
Automated phone notifications	273
Payment arrangements	75
Contracts	0
Service cuts – March	29
Accounts sent to collections	2
Electric bad debt write-offs	\$0.00
Applications for service	26



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 March, the fund assisted one customer with an average of \$294. The maximum allowed by the program is \$400.



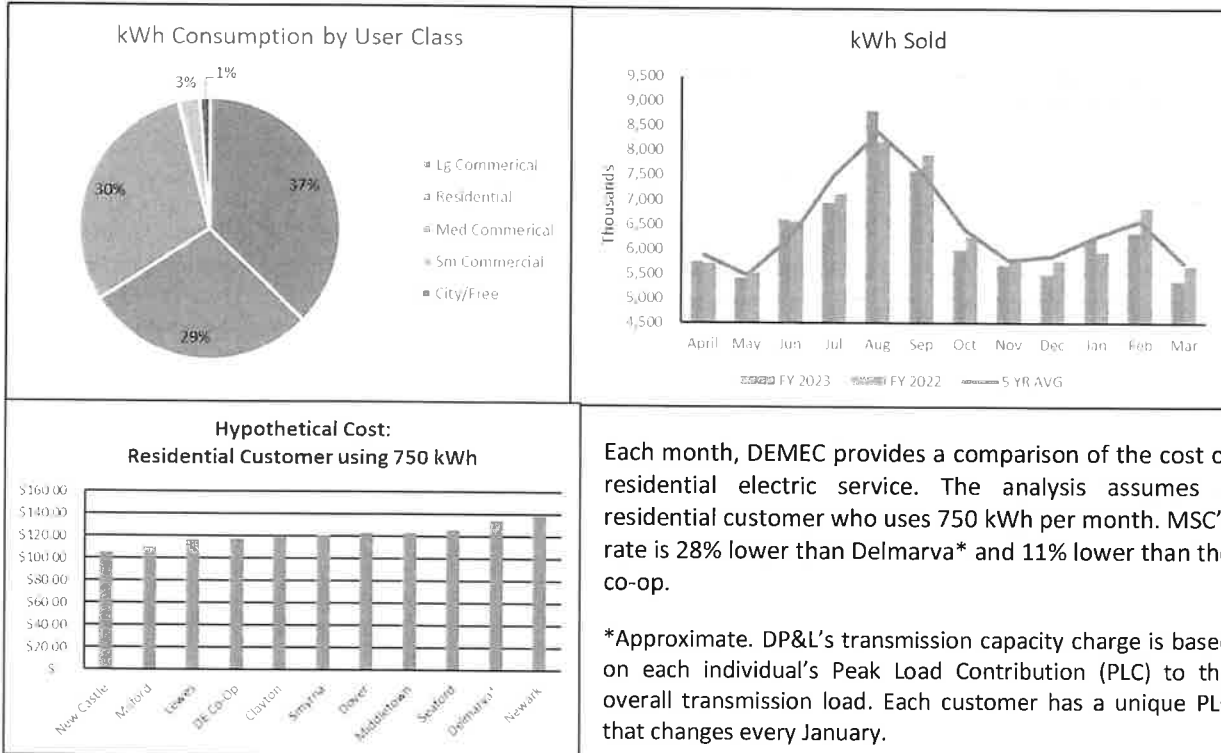
In addition to assistance provided through the New Castle Cares fund, four customers received an average of \$248 from other agencies or nonprofits that provide assistance for utility bills.

Below is a condensed aging report for active customers as of April 20, 2023

Total	Current	30 Days	60 Days	90 Days	120 Days
\$1,083,535	\$865,200	\$218,267	\$68	\$0	\$0

Electric Revenues

User charges are unfavorable for the year (\$54,000). March kWh sales decreased by approximately 5.4% (290,000 kWh) from the same period last year. Consumption was down across all customer classifications except medium commercial which saw a small increase. In FYE 2023, total billed electric consumption was approximately 1% less than last year’s consumption. 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 was also propped up by the Power Purchase Adjustment enacted by the Commissioners beginning in January 2023, which is averaging \$48,000 per month in additional revenue.



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 28% 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 unfavorable variance (\$401,000). There is a positive variance in “DEMEC-Substation Expense” of \$249,000 which is described below. This is offset by unfavorable variances in Repairs and Maintenance (\$159,000) related to a delay in the Van Dyke Village undergrounding project. Additionally, salaries and benefits show unfavorable variances totaling \$263,000 which is the result of an increase in the net pension liability from the actuarial valuation of the plan at year end. These 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. These variances are the result of required accounting entries and does not necessarily represent actual current cash outlays to the Commission.

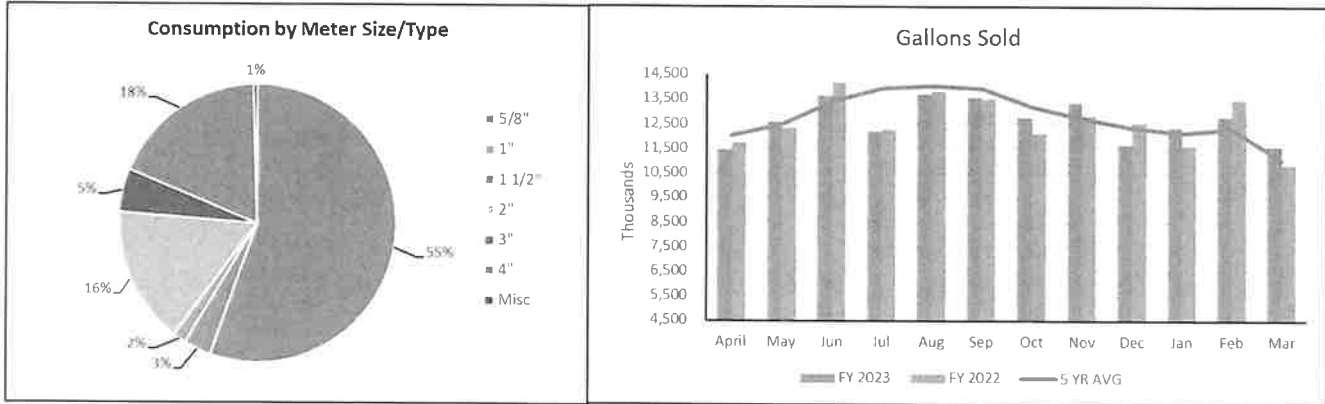
The DEMEC-Substation expense line shows a positive variance of \$249,000. In December, DEMEC paid off the bond for the Dobbinsville Substation and the substation was transferred to MSC as an asset valued at approximately \$3.6 million, to be depreciated over the remaining 10 years of the substation’s 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.

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

	YTD Budget	YTD Activity	Variance	Total Budget
Operating Revenues				
User charges	9,149,590	9,090,441	(59,149)	9,149,590
City service charges	45,450	47,703	2,253	45,450
MSC service charges	42,500	45,661	3,161	42,500
Miscellaneous income	36,570	38,126	1,556	36,570
<i>Total Operating Revenues</i>	<u>9,274,110</u>	<u>9,221,931</u>	<u>(52,179)</u>	<u>9,274,110</u>
Less: Free Service	4,000	6,802	(2,802)	4,000
<i>Net Operating Revenues</i>	<u>9,270,110</u>	<u>9,215,129</u>	<u>(54,981)</u>	<u>9,270,110</u>
Operating Expenses				
Purchase of Power	6,400,000	6,404,534	(4,534)	6,400,000
DEMEC - Substation	561,271	312,169	249,102	561,271
<i>Operations</i>				
Salaries and benefits	742,650	935,109	(192,459)	742,650
Insurance	63,681	42,122	21,559	63,681
Utilities	11,700	11,437	263	11,700
Repairs and maintenance	(111,130)	48,252	(159,382)	(111,130)
Supplies and materials	71,399	65,553	5,846	71,399
Professional fees	50,000	76,142	(26,142)	50,000
Depreciation	292,500	554,060	(261,560)	292,500
<i>Operations total</i>	<u>1,120,800</u>	<u>1,732,675</u>	<u>(611,875)</u>	<u>1,120,800</u>
<i>General & administrative</i>				
Salaries and benefits	485,100	556,441	(71,341)	485,100
Insurance	21,400	19,332	2,068	21,400
Utilities	11,500	15,782	(4,282)	11,500
Repairs and maintenance	14,700	19,520	(4,820)	14,700
Supplies and materials	30,000	28,858	1,142	30,000
Professional fees	87,500	74,843	12,657	87,500
Misc	98,375	77,742	20,633	98,375
Depreciation	30,000	19,826	10,174	30,000
<i>Total general & administrative</i>	<u>778,575</u>	<u>812,344</u>	<u>(33,769)</u>	<u>778,575</u>
<i>Total operating expenses</i>	<u>8,860,646</u>	<u>9,261,722</u>	<u>(401,076)</u>	<u>8,860,646</u>
Operating income	<u>409,464</u>	<u>(46,593)</u>	<u>(456,057)</u>	<u>409,464</u>
Nonoperating revenue(expense)				
Investment income	20,000	59,807	39,807	20,000
Investment expense	(2,500)	(2,014)	486	(2,500)
Unrealized gain(loss) on investment	16,000	(70,509)	(86,509)	16,000
Realized gain(loss) on sale of asset	-	(4,888)	(4,888)	-
Grant income	-	-	-	-
Grant expense	-	(480)	(480)	-
Other Expense	-	(1,128)	(1,128)	-
Appropriations				
Mayor and Council	(540,000)	(532,888)	7,112	(540,000)
City Services	-	-	-	-
Special	-	(5,158)	(5,158)	-
Contributed Capital	-	-	-	-
<i>Total nonoperating revenue(expense)</i>	<u>(506,500)</u>	<u>(557,258)</u>	<u>(50,758)</u>	<u>(506,500)</u>
Change in Net Position	<u>(97,036)</u>	<u>(603,851)</u>	<u>(506,815)</u>	<u>(97,036)</u>

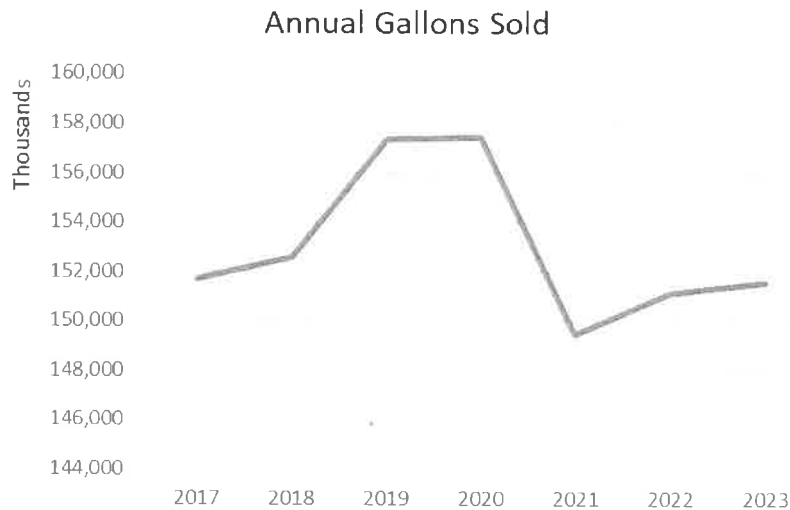
Water Revenues

User charges are unfavorable for the year (\$60,000). Water consumption for the month was up 728,000 gallons when compared with the same period last fiscal year, most of the change is probably related to timing difference from estimated meter readings due to failing radios, last month showed a decrease of 600,000 gallons from the prior year. Fiscal year to date, water consumption is in line with last year’s consumption at this point (-0.28%), and 1.31% 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 operating expenses have an unfavorable year to date variance (\$190,000). There is a large variance in salaries and benefits (\$245,000) due to an increase in the net pension liability from the actuarial valuation of the plan at year end. 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 (\$45,000) 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.



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

	YTD Budget	YTD Activity	Variance	Total Budget
Operating Revenues				
User Charges	2,366,000	2,298,229	(67,771)	2,366,000
City Service Charges	26,000	34,877	8,877	26,000
MSC Service Charges	5,000	3,518	(1,482)	5,000
Miscellaneous Income	(138,861)	40,605	179,466	(138,861)
<i>Total Operating Revenues</i>	2,258,139	2,377,229	119,090	2,258,139
Less: Free Service	4,000	3,791	209	4,000
<i>Net Operating Revenues</i>	2,254,139	2,373,438	119,299	2,254,139
Operating Expenses				
Purchase of water	26,000	22,924	3,076	26,000
<i>Operations Dept</i>				
Salaries and benefits	779,862	991,036	(211,174)	779,862
Insurance	52,103	40,449	11,654	52,103
Utilities	26,895	25,877	1,018	26,895
Repairs and maintenance	117,752	186,790	(69,038)	117,752
Supplies and materials	106,327	66,446	39,881	106,327
Professional fees	55,214	43,967	11,247	55,214
Depreciation	332,400	312,930	19,470	332,400
<i>Total operations</i>	1,470,553	1,667,495	(196,942)	1,470,553
<i>General & administrative</i>				
Salaries and benefits	283,500	318,230	(34,730)	283,500
Insurance	17,500	15,817	1,683	17,500
Utilities	9,100	12,638	(3,538)	9,100
Repairs and maintenance	12,000	15,971	(3,971)	12,000
Supplies and materials	22,400	20,490	1,910	22,400
Professional fees	40,000	28,702	11,298	40,000
Miscellaneous	104,450	80,374	24,076	104,450
Depreciation	20,000	12,755	7,245	20,000
<i>Total general & administrative</i>	508,950	504,977	3,973	508,950
<i>Total operating expenses</i>	2,005,503	2,195,396	(189,893)	2,005,503
Operating Income	248,636	178,042	70,594	248,636
Nonoperating revenue (expense)				
Investment income	4,000	10,182.00	6,182	4,000
Investment expense	(500)	(355.00)	145	(500)
Unrealized gain(loss) on investment	2,900	(12,443.00)	(15,343)	2,900
Realized gain(loss) on sale of asset	-	(13,771.00)	(13,771)	-
Grant income	-	39,521.00	39,521	-
Grant expense	-	(39,521.00)	(39,521)	-
Other Expense	-	(3,800.00)	(3,800)	-
Appropriations				
Mayor and Council	(126,000)	(132,951.00)	(6,951)	(126,000)
City Services	(32,000)	(35,732.00)	(3,732)	(32,000)
Special	-	(5,551.00)	(5,551)	-
<i>Total nonoperating revenue (expense)</i>	(151,600)	(194,421)	(42,821)	(151,600)
Change in Net Position	97,036	(16,379)	(113,415)	97,036

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

	<u>2023</u>	<u>2022</u>
ASSETS:		
Current assets:		
Cash and equivalents	\$ 1,955,472	\$ 2,514,386
Investments	1,170,779	1,221,548
Accounts receivable, net	797,136	758,053
Inventories	834,639	760,618
Prepays	142,121	169,249
Restricted cash	733,959	645,790
Total current assets	<u>5,634,106</u>	<u>6,069,644</u>
Noncurrent assets:		
Capital assets not being depreciated:		
Land	43,796	45,386
Construction in progress	932,724	68,668
Capital assets net of accumulated depreciation:		
Buildings	710,253	274,850
Equipment	790,191	761,226
Infrastructure	14,437,131	11,022,923
Total noncurrent assets	<u>16,914,095</u>	<u>12,173,053</u>
Total assets	<u>22,548,201</u>	<u>18,242,697</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension	223,967	319,164
Regulatory accounting - substation	-	3,436,566
Total deferred outflows	<u>223,967</u>	<u>3,755,730</u>
LIABILITIES		
Accounts payable	625,166	597,376
Accrued liabilities	24,281	62,482
Customer Deposits	744,862	645,790
Noncurrent liabilities:		
Due within one year	84,922	10,525
Due in more than one year	2,579,395	1,115,195
Total liabilities	<u>4,058,626</u>	<u>2,431,368</u>
DEFERRED INFLOWS OF RESOURCES		
Pension	239,556	472,843
Total deferred inflows	<u>239,556</u>	<u>472,843</u>
NET POSITION		
Investment in capital assets	16,914,095	12,173,053
Unrestricted	1,559,891	6,921,163
Total net position	<u>\$ 18,473,986</u>	<u>\$ 19,094,216</u>

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

	2023	2022
Operating Revenues:		
Water sales	\$ 2,336,624	\$ 2,254,039
Power sales	9,183,805	8,969,087
Miscellaneous	78,731	93,475
Total operating revenues	11,599,160	11,316,601
Less: free service	(10,593)	(8,471)
Net operating revenues	11,588,567	11,308,130
Purchase of water and power	6,739,628	6,142,627
Operating Expenses		
Salaries and benefits	2,800,816	2,044,435
Repairs and maintenance	333,051	197,293
Supplies	156,342	92,308
Utilities	65,732	57,840
Insurance	117,718	143,830
Professional fees	144,111	158,069
Administrative	200,149	92,579
Depreciation	899,571	644,639
Total operating expenses	4,717,490	3,430,993
Operating income (loss)	131,449	1,734,510
Nonoperating revenues (expenses):		
Net investment income	67,620	26,786
Realized gain (loss) on investments	-	(47,722)
Unrealized gain(loss) on investments	(82,952)	(62,552)
Gain (loss) on disposal of assets	(18,659)	-
Grant income	39,521	134,769
Grant Expense	(40,001)	(11,816)
Miscellaneous	(4,928)	(27,484)
Appropriations to Mayor & Council of New Castle		
Ordinary	(665,839)	(652,046)
City Services	(35,732)	(35,057)
Special	(10,709)	(111,779)
Total nonoperating revenues (expenses)	(751,679)	(786,901)
Income before capital contributions	(620,230)	947,609
Capital Contributions	-	2,548
Change in net position	(620,230)	950,157
Net position - beginning	19,094,216	18,144,059
Net position - ending	\$ 18,473,986	\$ 19,094,216

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

	Water		Electric		Total
	2023	2022	2023	2022	
ASSETS:					
Current assets:					
Cash and equivalents	-	-	1,955,472	2,514,386	2,514,386
Investments	175,616	183,233	995,163	1,038,315	1,221,548
Accounts receivable, net	131,289	153,203	665,847	604,850	758,053
Inventories	191,867	104,230	642,772	656,388	760,618
Prepays	49,040	59,375	93,081	109,874	169,249
Restricted cash	-	-	733,959	645,790	645,790
Total current assets	547,812	500,041	5,086,294	5,569,603	6,069,644
Noncurrent assets:					
Capital assets not being depreciated:					
Land	43,796	45,386	-	-	45,386
Construction in progress	465,279	67,293	467,445	1,375	68,668
Capital assets net of accumulated depreciation:					
Buildings	323,177	127,393	387,076	147,457	274,850
Equipment	257,140	298,940	533,051	462,286	761,226
Infrastructure	6,952,525	7,079,992	7,484,606	3,942,931	11,022,923
Total noncurrent assets	8,041,917	7,619,004	8,872,178	4,554,049	12,173,053
DEFERRED OUTFLOWS OF RESOURCES					
Pension	100,786	143,624	123,181	175,540	319,164
Regulatory accounting - substation	-	-	-	3,436,566	3,436,566
Total deferred outflows	100,786	143,624	123,181	3,612,106	3,755,730

(Continued)

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

	Water		Electric		Total	
	2023	2022	2023	2022	2023	2022
LIABILITIES						
Accounts payable	44,928	35,728	580,238	561,648	625,166	597,376
Accrued liabilities	11,511	28,927	12,770	33,555	24,281	62,482
Customer Deposits	(3,130)	-	747,992	645,790	744,862	645,790
Due to other funds	814,157	843,636	(814,157)	(843,636)	-	-
Noncurrent liabilities:						
Due within one year	5,634	4,736	79,288	5,789	84,922	10,525
Due in more than one year	1,139,726	550,595	1,439,669	564,601	2,579,395	1,115,195
Total liabilities	2,012,826	1,463,622	2,045,800	967,746	4,058,626	2,431,368
DEFERRED INFLOWS OF RESOURCES						
Pension	107,800	212,779	131,756	260,064	239,556	472,843
Total deferred inflows	107,800	212,779	131,756	260,064	239,556	472,843
NET POSITION						
Investment in capital assets	8,041,917	7,619,004	8,872,178	4,554,049	16,914,095	12,173,053
Unrestricted	(1,472,028)	(1,032,736)	3,031,919	7,953,899	1,559,891	6,921,163
Total net position	6,569,889	6,586,268	11,904,097	12,507,948	18,473,986	19,094,216

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

	Water		Electric		Total	
	2023	2022	2023	2022	2023	2022
Operating Revenues:						
Charges for services	\$ 2,336,624	\$ 2,254,039	\$ 9,183,805	\$ 8,969,087	\$11,520,429	\$11,223,126
Miscellaneous	40,605	48,457	38,126	45,018	78,731	93,475
Total operating revenues	2,377,229	2,302,496	9,221,931	9,014,105	11,599,160	11,316,601
Less: free service	(3,791)	(3,474)	(6,802)	(4,997)	(10,593)	(8,471)
Net operating revenues	2,373,438	2,299,022	9,215,129	9,009,108	11,588,567	11,308,130
Purchase of water and power	22,924	24,187	6,716,704	6,118,440	6,739,628	6,142,627
Operating Expenses						
Salaries and benefits	1,309,266	993,611	1,491,550	1,050,824	2,800,816	2,044,435
Repairs and maintenance	209,087	102,627	123,964	94,666	333,051	197,293
Supplies	84,406	73,472	71,936	18,836	156,342	92,308
Utilities	38,515	35,061	27,217	22,779	65,732	57,840
Insurance	56,265	65,959	61,453	77,871	117,718	143,830
Professional fees	56,798	51,787	87,313	106,282	144,111	158,069
Administrative	92,450	45,428	107,699	47,151	200,149	92,579
Depreciation	325,685	325,947	573,886	318,692	899,571	644,639
Total operating expenses	2,172,472	1,693,892	2,545,018	1,737,101	4,717,490	3,430,993
Operating income (loss)	178,042	580,943	(46,593)	1,153,567	131,449	1,734,510

(Continued)

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

	Water		Electric		Total	
	2023	2022	2023	2022	2023	2022
Nonoperating revenues (expenses):						
Net investment income	9,827	3,696	57,793	23,090	67,620	26,786
Realized gain (loss) on investments	-	(34,807)	-	(12,915)	-	(47,722)
Unrealized gain(loss) on investments	(12,443)	(9,046)	(70,509)	(53,506)	(82,952)	(62,552)
Gain (loss) on disposal of assets	(13,771)	-	(4,888)	-	(18,659)	-
Grant income	39,521	80,216	-	54,553	39,521	134,769
Grant Expense	(39,521)	(11,816)	(480)	-	(40,001)	(11,816)
Miscellaneous	(3,800)	(27,302)	(1,128)	(182)	(4,928)	(27,484)
Appropriations to Mayor & Council of New Castle						
Ordinary	(132,951)	(117,778)	(532,888)	(534,268)	(665,839)	(652,046)
City Services	(35,732)	(35,057)	-	-	(35,732)	(35,057)
Special	(5,551)	(60,245)	(5,158)	(51,534)	(10,709)	(111,779)
Total nonoperating revenues (expenses)	<u>(194,421)</u>	<u>(212,139)</u>	<u>(557,258)</u>	<u>(574,762)</u>	<u>(751,679)</u>	<u>(786,901)</u>
Income before capital contributions	(16,379)	368,804	(603,851)	578,805	(620,230)	947,609
Capital Contributions	-	-	-	2,548	-	2,548
Change in net position	(16,379)	368,804	(603,851)	581,353	(620,230)	950,157
Net position - beginning	6,586,268	6,217,464	12,507,948	11,926,595	19,094,216	18,144,059
Net position - ending	<u>\$ 6,569,889</u>	<u>\$ 6,586,268</u>	<u>\$11,904,097</u>	<u>\$12,507,948</u>	<u>\$18,473,986</u>	<u>\$19,094,216</u>

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

Project	Total Approved Budget	Materials as of 3/31/2023	Remaining Budget as of 3/31/2023	Total Capitalized To Date (1)	Status
Vandyke Village Undergrounding	\$ 886,000.00	\$ 616,265.70	\$ 269,734.30	\$ 1,391,935	In Progress
AMI System - Electric	665,000	467,445	197,555	-	In Progress
Debt Principal Pymt - 6months DEMEC	30,000	44,492	(14,492)	-	In Progress
Dobbinville Relay Replacement	85,000	29,852	55,148	-	In Progress
Stake Body Truck	90,000	-	90,000	-	Awaiting Delivery
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	90,928	9,072	-	In Progress
AMI System - Water	1,281,000	357,353	923,647	-	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	-	Awaiting Delivery
T-8 Replacement	92,500	-	92,500	-	Cancelled
60'x120' Pole Building for storage					
Electric	203,500	210,272	(6,772)	-	Completed
Water	166,500	151,573	14,927	-	Completed
2 Way Radio Replacement					
Electric	8,250	7,829	421	-	Complete
Water	6,750	6,406	344	-	Complete

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

Project		Total Approved Budget	Materials as of 3/31/2023	Remaining Budget as of 3/31/2023	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	-	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)	-	Complete
	Water	15,300	15,958	(658)	-	Complete
Accounting Policies/Procedures manual						
	Electric	3,328	1,075	2,252	-	Cancelled
	Water	2,723	880	1,843	-	Cancelled
		\$ 4,077,150.00	\$ 2,256,140.66	\$ 1,821,009.34		

(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

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

April 27, 2023

Prepared by: Jay Guyer on April 20, 2023

1. Developer Projects

A. Riverbend Subdivision

1. On April 17th, MSC met on-site with Freedom Development and their contractor to discuss North Heron Circle Improvements, which consist of raising the elevation of the road and houses to comply with new FEMA flood plain requirements. Freedom Development proposed to relocate the existing water main to the inside right of way and keep the water main installation on that side around North Heron Circle to avoid drainage pipes. MSC accepted this proposed location and will inspect the installation to ensure it complies with MSC specifications. Freedom Development indicated that they have not moved forward with the Railroad Agreement documents. Water Operators are performing field inspections as needed (curb stop to house) to ensure compliance with MSC standards and installing water meters.

B. Sheriffs House Renovation – Market Street

1. WUS Jaeger and WUM Guyer have been working with Riley Construction's Warren Bailey to get the domestic water meter and backflow device installed at the correct location. Also confirmed the correct double check valve was installed on the fire service at the correct location.

C. Centerpoint Building 800 – Graver Technologies

1. McConnell Development Inc. contacted MSC to advise that their new customer, Graver Technologies lease will begin May 1st. A meeting is scheduled for April 26th to discuss utility requirements and considerations as they move forward with renovating the building.

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 are waiting on Itron to provide updated Articles for review and testing. AMP received confirmation the 500W's modules are being built in "Network" Mode and requested expedited manufacturing of the modules however no ship date has been provided. Once a ship date is provided, AMP will work with Pro Meters to schedule installers to be onsite.

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

April 27, 2023

Prepared by: Jay Guyer on April 20, 2023

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 and developing estimated costs for future projects associated with the plan goals.

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. Hydro Corp is working to make customer contact with non-compliant customers. WUM Guyer will follow up with Hydro-Corp on contact and final notices.

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

1. MSC received DelDOT Utility Permit as required for work on the 3 Wilmington Road Crossings. Delaware Office of Engineering reviewed the project plans and sent an Approval to Construct letter. WUM Guyer and WUS Jaeger met with Pennoni to discuss the Draft Request for Proposal (RFP), final RFP documents are scheduled to be completed the week of April 24th and preliminary Project Schedule revises the RFP being advertised the first week of May.

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.

3. Operations

A. Outages

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

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

April 27, 2023

Prepared by: Jay Guyer on April 20, 2023

and comparison. Adam Redding was on site March 23rd exchanging carbon in one column with a new carbon blend.

2. On April 18th, WUM Guyer and WUS Jaeger met with Sharon Sheers, an Environmental Health Specialist II from the Office of Drinking Water. She was on-site to perform the Tri-Annual EPA Sanitary Survey on our Water System which consisted of visiting all of the water sites to review a checklist of items under the following categories: Cyber Security, Source Water, Treatment Plant, Distribution System, Storage, Monitoring/Reporting/Data Verification, Management & Operations, Emergency Response, and Operator Certifications. MSC will receive a written report of the sanitary survey from the ODW.
3. The US Environmental Protection Association (USEPA) has officially added the East Basin Road Groundwater Site to the Superfund National Priorities List (NPL) on March 29th. The State of Delaware requested EPA list the site on the NPL due to the resources available under EPA's Superfund program, which includes the ability to be able to identify responsible parties and determine the source of groundwater contamination. EPA's next step in the Superfund Process is a remedial investigation which is a more in-depth study to determine the extent of contamination, as well as the risks posed to human health and the environment. EPA will work closely with Delaware Natural Resources and Environmental Control throughout the process.
4. 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. WUM Guyer and WUS Jaeger will continue to follow the proposal through the comment period after it is posted in the Federal Register.
5. WUS Jaeger worked with CSR Supervisor McHugh to review the Annual Billing Audit. All water accounts were reviewed for billing accuracy. CSR Supervisor McHugh corrected accounts as necessary.
6. On March 29-31st, Water Operators completed the Annual Inventory Audit. All material on inventory was counted and a deviation report was completed. Auditors were on-site on March 31st to review inventory information and perform check counts.
7. MSC completed our first round of Unregulated Contaminant Monitoring Rule 5 (UCMR 5) sampling on March 8th. Lab results are still pending. The second round of sampling is schedule for September 2023.

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

April 27, 2023

Prepared by: Jay Guyer on April 20, 2023

8. Toby Hagerott, Penn Farm Manager, contacted WUM Guyer to discuss Penn Farm Day on May 18th. Toby indicated that about 100 - 6th Graders will be visiting the farm and rotating through multiple stations. The students will be broken up into groups of 10 and will spend about 10 - 15 minutes at each station. MSC agreed to have our School Lane Treatment Facility as a tour station.

C. System Repairs and Maintenance

1. Riverbend Subdivision – Flushed on March 28th and April 12th to maintain Chlorine Residual.
2. Monthly Meter Reading – Monthly meter reads were completed on April 12th. 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 had a meeting on March 28th to further discuss. CCC sent a sample of the carbon to Eurofins Laboratory to perform a Gamma Spectrometry test to measure the levels of Gamma emitting radionuclides in the carbon. MSC received the results on April 18th for our review and CCC sent the results to the disposal company for a quote. WUM Guyer requested an updated cost for disposal and delivery of Virgin F400 Carbon, CCC indicated that they should have a quote by the week of April 24th. 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. On March 31st, CCC field technician was on-site to perform the radiological testing of the vessels using a Geiger meter. Based on CCC testing they indicated that this carbon won't be acceptable for reactivation and will also need to be disposed of properly. MSC is working with CCC to better understand this issue.

D. Grants and State Revolving Funds

1. WUM Guyer and WUS Jaeger worked with our Engineer Penmoni Associates to submit three (3) Notices of Intent (NOI's) for DWSRF Funding in February. A total of 39 NOI's were submitted to DWSRF 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

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

April 27, 2023

Prepared by: Jay Guyer on April 20, 2023

16 - SCADA System Improvements – Update Software and Functionality
Publishing of the 2023 PPL on the DWSRF Web is pending.

2. WUM and WUS Jaeger worked with the Grant Assistance Program at the University of Delaware to complete the application process to receive a grant to install a fixed natural gas generator at the School Lane Treatment Facility. The grant is administered through the Delaware Emergency Management Agency (DEMA) through the Hazard Mitigation Grant Program (IIMGP). As part of the Hurricane Ida funding provided to DEMA they have reopened the HMGP for additional projects which if selected only require a 10% match and the HMGP will cover 90%. If the application is Approved, the MSC will have 2 years to use the funds.

E. Equipment

1. The Case Tractor was repaired at Hooper's in Middletown. Repairs associated with starting, electrical, and AC were corrected.

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 Committce continues meeting biweekly reviewing a draft safety manual to revise and update MSC's Safety Manual, Job Briefing Forms, and Safety Training.

3. Local, State, and Federal Agencies

A. WSCC - Water Supply Coordinating Council

1. The April 10th Northern New Castle County Water Providers virtual Check-In Meeting went well. Presentations were made by the Delaware Geological Survey group in reference to Water Conditions compared to the Drought Operating Guidelines and the State of Delaware Climatologist reported on weather conditions predicted forecast for precipitation, and University of Delaware Water Resource agency reported on their activities related to water projections for supply and

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

April 27, 2023

Prepared by: Jay Guyer on April 20, 2023

consumption. The Individual Water Utilities reported on Conditions and Activities for their organizations. Overall conditions throughout the State are dry due to deficit precipitation over the last 6 / 12 month periods. The group agreed to monitoring conditions and scheduling the next meeting based upon observations.

2. The next Northern New Castle County Water Providers Check-In Meeting will be scheduled for July or August depending upon weather conditions.
3. DNREC is developing the new Water Supply Coordinating Council re-authorization documents to start the legislation process.

B. WRA – Water Resource Agency

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

C. DEWARN – Delaware Water/Wastewater Agency Response Network

1. The April 12th DEWARN meeting went well and was well attended. The chair updated the group on Warn activities meeting events. The group discussed new Federal regulations related to PFAS, Lead and Copper Rule revisions, Consumer Confidence Reporting revisions, and the East Basin Road Ground Water Site being added to the Superfund Program National Priorities List. DRWA updated the group on their new training initiatives and programs available. Elections were held and Rob Penman, III (Veolia) will remain Chair, Jay Guyer (MSC) will remain Vice-Chair, and Mark Neimcister (City of Newark) will remain Secretary.
2. The next DEWARN meeting is tentatively scheduled for July.

D. Water Operator Advisory Council

1. The next Advisory Council meeting is scheduled for May 4th.

E. WIAC - Water Infrastructure Advisory Council

1. The next WIAC meeting is scheduled for June 21, 2023.

End of Report

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

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

www.newcastlemsc.com
 Office: 302 323-2330 Utility Building: 302-323-2333 Fax: 302-323-2337

Monthly Water Works Report
March 1 - 31, 2023
 Prepared By: Jay Guyer on April 20, 2023

Water Production		FT 300		Gallons	
Month	Year	Raw Total Gallons	Adjusted Finished Total Gallons	Raw Finished	Difference
March	2022	11,786,400	11,735,685	12,197,200	12,021,904
March	2023	12,197,200	12,021,904	12,021,904	-175,296
Percentage Difference		410,800	286,219	1.4	
		3.4	2.4		

Well(s) in Operation	Basin Road	Frenchtown Road	School Lane	Cross Roads
Days Pumped	Reserve Status	XXX	Resting	XXX
		8		23

Water Quality	MSC Average	Goal	Range
Average Chlorine Residual	1.43 ppm	1.00 ppm	0.90 - 1.20 ppm
Average pH	7.4	7.6	7.4 - 7.8
Average Fluoride Residual	0.83 ppm	1.00 ppm	0.60 - 1.00 ppm

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

# Collected Results	10
# Absent	10
# Present	0

Miss Utility Locate Requests
 (Water and Electric Locates)

# Received	78
# Completed	78
# of Damages	0

Building Permit Review
 (Water Related Conflicts)

# Reviewed	16
# Approved	16
# Not Approved	0

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

Office: 302 323-2330 www.newcastlemsc.com Utility Building: 302-323-2333 Fax: 302-323-2337

Monthly Water Outages / Interruptions Report
March 1 - 31, 2023

Prepared By: Jay Guyer on April 20, 2023

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

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

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

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

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

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

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

ELECTRIC DEPARTMENT COMMISSION REPORT

April 27, 2023

Prepared by Artie Granger on April 20, 2023

1. Developer Projects:

A. Riverbend Subdivision:

- I. MSC Met on site to discuss the development of the next area. MSC discussed plans moving forward for the electric.

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.
- II. A draft has been completed by Utility Engineering. They have come up with information that will allow MSC to get this project complete in a few different ways.
 - 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.
- III. MSC has contacted our SCADA contractor to get information / pricing on the SCADA portion of the relay replacement project.

b. Van Dyke Village:

- I. MSC has started back working on this project. MSC has begun installing conduits for the remaining locations on New Amstel. MSC will then begin to install conduits on Casmir Drive.

3. Capital Purchases:

- I. 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.

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

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

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

ELECTRIC DEPARTMENT COMMISSION REPORT

April 27, 2023

Prepared by Artie Granger on April 20, 2023

3. Once we have proposals together we will bring to the commission to discuss ordering the truck.

II. **AMI**

1. MSC has installed the relays and access points as directed by AMP.
2. MSC has installed a few AMI meters though out are service area, these are being used to help verify that the system is working.

4. **Operations:**

5. **Outages :**

- I. There was no outages in the last month.

SAIDI (minutes)	SAIFI (number of interruptions)	CAIDI (minutes)	ASAI (percent)
46.685	1.496	31.213	99.991%

- II. 04/1/22 – 04/1/23

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.

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

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

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

ELECTRIC DEPARTMENT COMMISSION REPORT

April 27, 2023

Prepared by Artie Granger on April 20, 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. First State Fleet notified MSC that the replacement motor was in. We had the truck moved to their shop so they can get the motor replaced. MSC will continue to follow up with the repairs so we can get an expected completion date.