

Municipal Services Commission Monthly Meeting
September 28, 2023, 8:00 a.m.
216 Chestnut Street New Castle, Delaware

The meeting was called to order at 8:03 a.m. with Mr. Scott Blomquist, Secretary, presiding.

Present: Sheila A. Shannon, Commissioner
David Atherton Commissioner
Mayor Valarie W. Leary, Commissioner
Scott L. Blomquist, Secretary

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

Also in Attendance: Joseph F. Bonasera, President Summit Financial, HUB International
Jason Denton, Actuary, HUB International
Trish Gildea, Senior Financial Officer, HUB International

Mr. Blomquist convened the meeting at 8:03 a.m. Roll call followed and a quorum to conduct business was declared. (*Stenographer's Note: Commissioner Atherton was at the meeting via ZOOM; however, the connection was unreliable and he was disconnected part-way through the meeting.*)

Minutes

A motion was made by Commissioner Shannon to approve the minutes of the August 17, 2023, meeting as presented. The motion was seconded by Commissioner Leary and unanimously passed.

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

Mr. Natale noted he and Mr. Blomquist are signatories on the M&T bank accounts, and that former Commissioners Knox and Sippel are still listed as signatories as well. He recommended that a motion be made to update the signatories under Universal Resolution BR-1138.

A motion was made by Commissioner Shannon to approve appointing Valarie Leary, Scott Blomquist and Kendrick Natale as signatories under Resolution BR-1138 for M&T Bank Accounts. The motion was seconded by Mayor Leary and unanimously passed.

Mr. Natale reported as of August 31, 2023:

- Total cash on hand: \$2.8M
- Investment Portfolio: \$1.1M, which is a net loss of \$2,000 from prior month. The overall credit worthiness of the underlying securities has not changed.
- M&T Sweep Account: \$1.6M
- Unrestricted cash on hand: 97 days at August 31, 2023, which is two days less than prior month. \$323,000 was paid for the AMI project that will be reimbursed with bond proceeds.
- Check Register Disbursements: Mr. Natale pointed out some particular payments that were fairly large:
 - \$ 24,000 – Strategic Insurance Partners for workmen's compensation insurance.
 - \$721,000 – DEMEC for power purchase and debt purchase on the AMI project.

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- \$323,000 – American Municipal Power for the water side of the AMI project.

Customer Service/Billing

- There were 30 service cuts for non-payment in August. The new AMI system was used to complete and restore most of those service cuts.
- Three customers received the maximum from the New Castle Cares Fund (NCCF). MSC will be remitting the 2024 NCCF allocation of \$10,000 shortly.

Electric Department

- User charges are under budget \$133,000 fiscal year to date.
- kWh sales were down 7.8% (638,000 kWh) from the same period last year
- Consumption was down across all classifications. It was down 288,000 kWh in residential and 351,000 kWh in commercial, which is 6% off the five-year average due mostly to mild weather.
- Operating expenses have a favorable variance \$121,000, which offset the \$133,000 that was under budget on the revenue side.
- New Castle remains the lowest cost residential provider in the state.

Water Department

- User charges have a favorable year-to-date variance of \$24,000.
- Small meter residential was down 680,000 gallons. Commercial meters were up approximately 600,000 gallons. Sales were higher than the five year average due to the sale of 5.5M gallons to Artesian in June.
- Sales are 2.8% higher than the five-year average YTD, and 6.9% higher than the prior year.
- Operating expenses are favorable YTD \$29,000 related to timing differences.
- The change in the net position for water is a positive \$210,000 that is \$221,000 better than anticipated. \$169,000 is related to a grant from the State of Delaware for replacement of the carbon in School Lane.

Electric Department Report – Mr. Bennett reporting

(See attached report)

Developer Projects:

- River Bend – Mr. Blomquist noted that the project is getting close to the number of homes that can be handled by the temporary electric that was installed in 2010 before the system is unbalanced.
- Graver Industries – Graver Industries is a new commercial customer. Mr. Bennett opined that they should be one of the top 5 MSC customers.
- Argo Refiners – Argo Refiners added a new service for increased load in River Edge Industrial Park. MSC installed a new transformer for the increase.

Capital Projects:

- Substation Relay Replacement – Utility Engineers completed their design and MSC is working on final pricing for next year's budget.

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- Van Dyke Village – MSC continues to install conduit and boxes on Casimir Drive, restoring as they go. Approximately seven more houses need to be dug in. The project should be completed in 2024.

Capital Purchases:

- T-12 Bucket Truck – Mr. Blomquist reported that three prices were received and lead times are extremely long. He recommended that they accept the lowest bid of \$378,765. Mr. Blomquist explained the purchasing policy and MSC's experience with the bidders. Expected delivery is 2026.

In response to a question from Commissioner Shannon, it was explained that the cost will hit the budget in 2026, when the truck will be delivered and paid for.

A motion was made by Mayor Leary to place the order for the truck. The motion was seconded by Commissioner Shannon and unanimously passed.

- AMI – Pro Meters has installed most of the electric meters. MSC continues to work on installing the commercial meters and assisting Pro Meters with installation.

Outages:

- There were three unplanned outages in August:
 - August 19 – five customers were without power for approximately 1-3/4 hours.
 - August 27 – 19 customers were without power for approximately 2 hours.
 - September 17 – 20 customers were without power for approximately 2 hours

Repairs and Maintenance:

- Wilmington Road Substation – Monthly inspections are being made. The MSC electric department is recommending that a Relay Coordination Study be done. This needs to be completed before the new relays are installed in 2024. MSC is working on getting the breaker operation times tested.
- Dobbinsville Substation – Monthly inspections are being made. The MSC electric department is recommending that a Relay Coordination Study be done. This needs to be completed before the new relays are installed. MSC is working on getting the breaker operation times tested.

Mr. Blomquist noted that MSC has received the Excellence in Reliability award every year since 2015.

Hub International Pension and Investment Review – Messrs. Bonasera and Denton and Ms. Gildea

Mr. Denton gave an overview of the pension plan:

- The pension plan covers all employees hired prior to April 1, 2016 (12 active employees are in the plan). Fourteen retired employees are receiving benefits under the plan. Seven employees hired subsequent to April 1, 2016 have a 401a defined contribution program.
- The benefits for union and non-union employees in the plan were explained.
- Normal retirement is age 65. Employees with 10 years of service can retire as early as 55 with reduced plan benefits.
- Everyone in the plan is currently vested in their benefit.
- During COVID the asset investments had a significant drop; however, the assets rebounded substantially.

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- This year's results vs the prior two years were reviewed. Mr. Denton explained how "asset smoothing" is used over a five-year period to smooth-in gains and losses to balance contributions and keep the plan well-funded from year-to-year.
- The market value of assets to actuarial accrued liability is improving.

In response to a question from Commissioner Shannon, Mr. Denton stated that "actuarial smoothing" is a standard accounting practice.

Mr. Bonasera stated that their investment policy is to have 65% of plan assets invested in a diversified portfolio of equities and 35% in fixed income. He explained the proposed investment policy 2022-23 and proposed changes instituted effective July 1, 2022, as well as the current investment policy 2022-23. Total Plan Value at 7/31/2023: \$3,788,356.94

Recommendation: Replace JHancock Strategic Income Opportunity (JH2) with PIMCO Income.

Mr. Bonasera explained that their fiduciary role is to ensure that the investments in the portfolio are of high quality and to maintain expenses as low as possible. All investments are institutional funds. All funds are quantitatively and qualitatively monitored on a quarterly basis.

Mr. Bonasera reviewed the Nationwide Fiduciary Series Due Diligence Report, noting that all funds are in the top quarter performance except three (JHancock, American Funds AMCAP, and Invesco Developing Markets). He reviewed those three funds in detail.

Mr. Bonasera stated that in 2022 everything was negative with the exception of commodities. Year-to-date the portfolio is up about 8%.

Mr. Brian Mattaway asked Mr. Bonasera if there is a point in terms of the advisory component that takes into consideration the number of employees in the plan and/or headed to the plan that may drive the asset allocation to sustain itself. Mr. Bonasera explained that if the plan is frozen and will terminate they will use liability driven investments to lock in the funded ratio.

Ms. Gildea was asked join the meeting via phone.

Mayor Leary asked for an update on EV charging station parking spaces, noting that a number of residents have complained that non-EV cars park in those spaces. Mr. Natale explained how monies are collected and how MSC's portion is remitted; noting that receipts from EV charging stations are very minimal. A conversation of enforcement of non-EV cars parking in those spaces ensued.

Mayor Leary reported that the light post at 2nd and Harmony Streets is not working. Mr. Bennett stated that a light was received for it yesterday.

Ms. Gildea reviewed the bond portfolio, noting that the objectives are: low volatility, return in excess of inflation, and time horizon short to intermediate (1-5 years).

- The fund is a mix of intermediate to short high quality bonds, US/non-US bonds, emerging markets bonds, and cash and equivalents.
- The market value of the fund is \$1,085,477.32.

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- Estimated income last year was 1.92% compared to 3.95% for 2023.
- Morningstar ratings were reviewed.

Ms. Gildea stated that the interest rate risk has greatly subsided and the underlying funds are performing relatively well.

Recommendation: Retain existing portfolio exposure and holdings.

Mr. Bonasera will send a letter to MSC documenting their recommendations.

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

Developer Projects

- Riverbend Subdivision – Railroad crossing permit applications were resubmitted to Norfolk Southern. The 8" main was installed and inspected and it is in compliance. Bacteria testing was completed and it is ready to go into service
- Sheriffs House Renovation – Fire service was turned on. The domestic service will be turned on in the next week or so.
- Colonial School District – Mr. Guyer is working on getting as-built notes to forward to the Office of Engineering for the 8" water main install. The project is being reconciled and Colonial School District will be billed for time and materials.
- DelDOT School Lane Trail – Rt. 273 to Rt. 13 – MSC received the utility agreement and made some recommendations and requests for changes. The amended copy was returned and executed. Construction will be March 2024.
- 106 Brylgon Avenue – MSC is waiting for the contractor to call and bacterial testing to be done.
- 104/106 East 4th Street – MSC is waiting for the contractor to call and bacterial testing to be done.
- Flats at Riveredge / Riveredge Park – A planning meeting was held on September 6th with CDA Engineering and Parkway Gravel. 451 units are being proposed. They are working on water and electric plans.
- Charter School of New Castle / 160 Lukens Drive, Riveredge Park – They are installing 2 modular classroom structures. Water service is being extended to both. MSC is coordinating inspection of both domestic and fire systems and will make sure bacterial testing is done.
- The Battery Apartment Complex / 427 West 7th Street – 152 units are proposed. Preliminary plans were reviewed and comments returned to the engineer.
- South Street at 8th Street Railroad Tracks / Norfolk Southern – Norfolk Southern mobilized on August 14th. They honored MSC's request and did not do any vibratory compaction over the water main when the blacktop was redone.
- Deemers Landing and The Helm Apartment Complexes – The property owner received all materials and started plumbing operations to install individual metering in each unit. MSC is providing the meter bases.

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MSC Projects

- AMI – Weekly meetings are being held. Data is being reviewed and using IP Keys MDM Portal and what Pro Meters portals. Pro Meter technicians started installing water meters on September 5th and are approximately 18% complete as of last week. Water operators continue to install meters / modules in pits / vaults and have converted 260 water meters to the AMI system.
- Asset Management Program – Mr. Guyer met with the RK&K engineer on September 8th and the final draft should be submitted to MSC tomorrow for final review. The project will be closed out and responsibility for maintaining it going forward will be assumed.
- Cross Connection Control Program – Hydro Corp’s Proposal – Second Notices were sent out and MSC is reaching out to non-compliant customers to ensure they understand the program and what is required of them.
- Hewlett, Janvier, and Meggison Avenue Water Main Replacement – Notice of Award documents were executed and returned to MSC by RE Pierson Construction. A pre-construction meeting is scheduled for September 29th where a Notice to Proceed will be agreed upon and issued. They have started submitting materials and parts for the project.
- School Lane Treatment Facility PFAS Treatment System Improvements – Based on observations from the August 30th carbon exchange and levels of radioactivity detected in the spent carbon Calgon Carbon Engineer Adam Redding has recommended changing over to an all resin based treatment. Messrs. Guyer and Jaeger met with Pennoni and MSC’s DWSRF representative to discuss changing the project scope of the SRF funded PFAS Treatment System Improvements to right-size the pumps and do some modifications to the vessels and switch to an all-resin system. DWSRF agreed to MSC amending the project scope of work and will accept the revised DWSRF agreed to Application as soon as it can be prepared.

Operations

- Outages – there were no planned or unplanned outages for the month of August.
- Calgon Carbon Corporation (CCC) Pilot Study Test – The study is ongoing. Data continues to be collected and analyzed.
- Drinking Water Standards – The EPA proposed the national primary drinking water standards for six PFAS compounds on March 14th. Mr. Guyer is following the proposed regulation. Over 122,000 comments were received on the proposed regulation. EPA remains committed to adopting a regulation by the end of 2023.
- Unregulated Contaminant Monitoring Rule 5 (UCMR5) – MSC completed the second round of UCMR5 sampling on September 11th. Results have not yet been posted.
- East Basin Road Groundwater Site Superfund – Mr. Guyer attended a meeting virtually on August 22nd. The EPA and DNREC did a very poor job of communicating this meeting. A follow-up meeting with all parties was held on site and they agreed to improve communications. They want to start the exploratory process and establish the extent of the contamination and build on what DNREC has already done. It was agreed to hold quarterly meetings. Mr. Blomquist noted that an investigation will need to be done before any work is done, and opined that it may take up to a decade.
- Delaware Rural Water Association (DRWA) Apprenticeship Program – Messrs. Guyer and Jaeger will be working with DRWA and Colonial School District at William Penn High School again this

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year. Water tours, presentations by Pennoni and our SCADA representative, as well as facility and site walk-throughs will be conducted. The program has been assigned a Course ID and it is now a regular curriculum virtual credit program. Eighteen students have signed up for the course.

System Repairs and Maintenance

- Riverbend Subdivision – Riverbend was flushed on August 9th and 23rd to maintain chlorine residual.
- Monthly Meter Reads – Monthly meter reads were done on September 12th. Operators followed up on check / missed reads as needed.
- Carbon Filtration System – The exchange was completed on August 30th and 31st. New carbon was backwashed and flushed. CCC was on site both days using a Geiger counter to take and record radioactivity readings.
- Van Dyke Village – Water operators rotate working with the Electric crew on the Van Dyke Village Electric Undergrounding Project.

Grants and State Revolving Funds

- School Lane Water Treatment Facility Natural Gas Generator – A Request for Information was received from our DEMA representative. Mr. Guyer worked with Messrs. Jaeger, Granger and Bennett, and the University of Delaware group to get data recollected and resubmitted by September 19th. Unfortunately on August 30th FEMA funding reached critical level and they went into an Immediate Needs Funding Program so no new projects are being funded until some of the natural disasters and other items can be remediated.

Personnel and Training

- Evaluations – Messrs. Jaeger, Guyer and Blomquist completed Water Operator and Facility Person Evaluations on September 20th and 21st.

Safety

- Tailgate Talks – Morning Tailgate Talks are conducted daily to discuss jobs/tasks each day with potential hazards and control measures.
- DEFIT Safety Meetings – Meetings resumed on September 19th.

Local, State and Federal Agencies

- Water Supply Coordinating Council (WSCC) – The next meeting date is pending based on weather conditions. Stream flows are still low and some of the monitoring wells have not yet completely recovered.
- WRA / Water Resource Agency – Data is being sent to the University of Delaware weekly.
- Water Operator Advisory Council – The September 6th meeting went well. The group discussed Federal regulations on 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. Rural Water and ODW gave updates on their programs. The Tri-Com conference went well.

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- Water Operator Advisory Council – The September 7th meeting went well. Two new appointed members were welcomed to the Council. Council now has a full Council. Monthly meetings are being held.

Secretary's Report – Mr. Blomquist reporting

DEMEC

- Messrs. Blomquist and Natale attended the September 14th DEMEC meeting.
- Demand January – May is down 4%.
- Unrestricted cash is \$24.3M, which is \$5.7M below the target of \$30M.
- Total income is \$72.2M, which is \$23M, or 24%, lower than the same period in 2022 due to decreases in PJM and generation markets.
- DEMEC has 22% green energy in the Municipal Renewable Portfolio.
- We will need to vote on a President of the MSC Board in the near future. Commissioner Shannon stated that regretfully, this may be her last meeting, noting that it was an honor to work with the Commission. The actual date that she will be moving from New Castle is still TBD and she will attend the October Commission meeting if she can. Commissioner Shannon expressed her regret at having to leave the Board. Board members expressed their appreciation for Commissioner Shannon's contributions to the Board and their regret at her departure.
- Mr. Blomquist reported that a resident in Van Dyke Village lodged a complaint with the Governor's office regarding her driveway and an area in which MSC had worked. After investigation, it was agreed that the cracks in her driveway were already there before the work was performed. She is demanding that MSC replace her driveway, but MSC discussed the matter with the MSC Attorney and is standing firm. Mr. Blomquist will keep the Board updated.
- Mr. Blomquist met with Union representatives last week and will update the Board when more information is available.

Next Regular Meeting

Mr. Blomquist noted that the October DEMEC meeting is scheduled for October 12th. The next MSC meeting will be held on Thursday, October 26th.

A motion to adjourn was made by Mayor Leary and seconded by Commissioner Shannon. The motion received unanimous approval and the meeting was adjourned at 10:34 a.m.

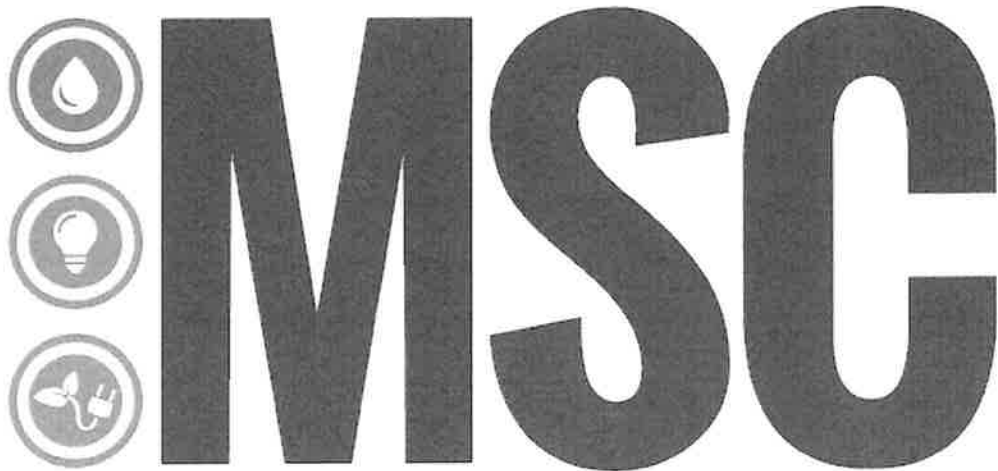


Kathleen R. Weirich, Stenographer

Approved: 

(Minutes transcribed from notes.)

Comptroller/Treasurer's Report



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

September 28, 2023 Commission Meeting
Prepared By: Ken Natale, CPFO on September 20, 2023

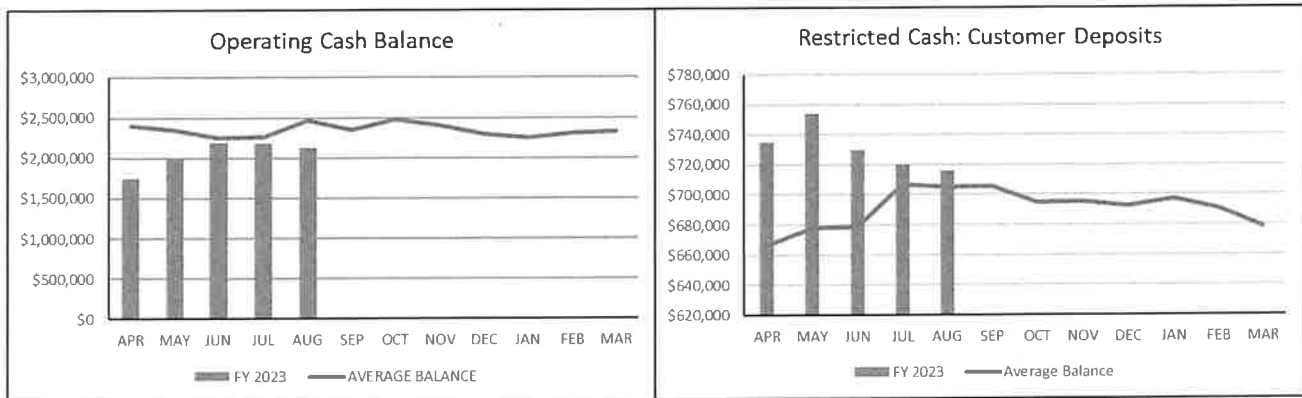
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Cash & Investments

As of August 31, 2023 the cash balances were:

M&T Bank Checking:	\$	490,989
M&T Investment Sweep:		1,635,000
M&T Bank MMA:		715,925
Petty Cash/Change Fund:		899
Total Cash on Hand:	\$	2,842,814



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

Beginning Balance	\$	2,178,676
Cash from customers		1,367,143
Interest Income		7,207
Bond Proceeds		-
Refunds to customers - deposits	(32,627)
Payments to suppliers for goods & services*	(1,294,658)
Bank service fees	(573)
Payments to employees for services	(98,280)
Net Cash Provided (Used)	(51,788)
Ending Cash Balance	\$	2,126,888

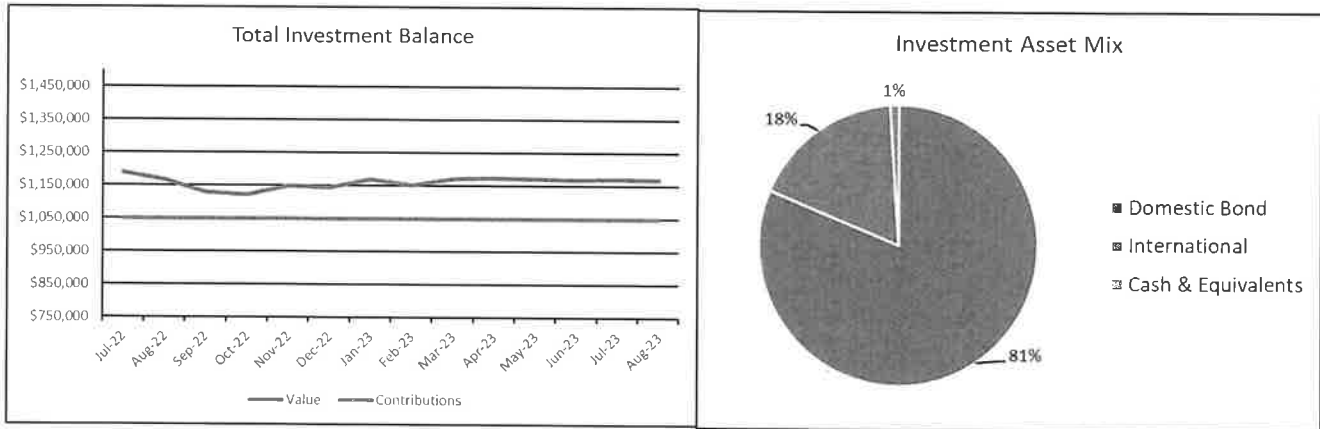
*A detailed check register for the month is available on page 3 of this report.

As of August 31, 2023 the value of the Commission's investment portfolio totaled \$1,169,786 which is a net loss of \$2,032 (0.2%) from the prior month.

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 5.21% interest and has a stable net asset value of \$1.00.

There was 97 days unrestricted cash on hand at August 31 (-2 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).

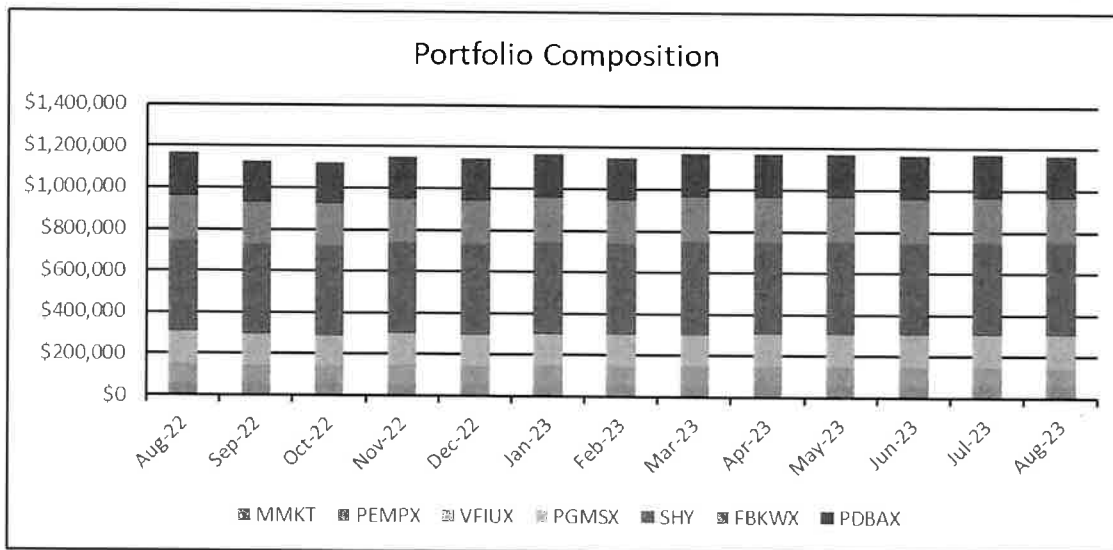
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The "domestic bond" category in the *Investment Asset Mix* chart above, includes US Government instruments and corporate bonds of US based organizations. The "international" category includes debt instruments of foreign governments as well as corporate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

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

Holdings	Symbol	Market Value	Est. Yield
Money Markets			
Insured Cash Accounts		\$ 8,746	0.80%
Mutual Funds			
Fidelity Advisor Total Bond CL Z	FBKWX	213,269	4.21%
PGIM Total Return Bond CL A	PDBAX	206,552	5.47%
PIMCO Emerging Markets Bond I2	PEMPX	50,431	7.96%
T Rowe Price Global Multi Sector Bond I	PGMSX	157,455	4.29%
Vanguard Intermediate Term Treasury	VFIUX	86,811	4.36%
Exchange Traded Funds			
iShares Trust 1-3 Year Treasury Bond EFT	SHY	446,522	2.31%
Total		\$1,169,786	



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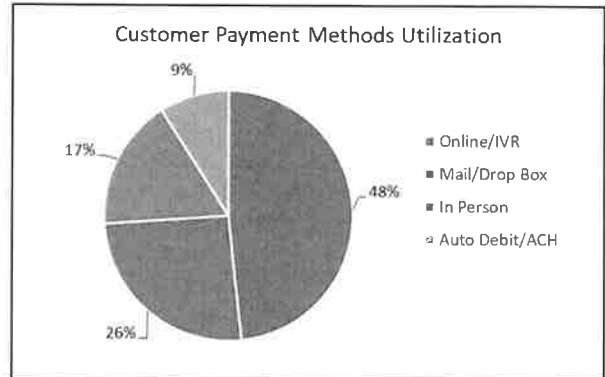
AUGUST 2023 CHECK REGISTER			
Number	Date	Vendor Name	Amount
201053	08/15/2023	Antonio's Lawn Service	\$ 2,670.00
201054	08/15/2023	Council 81	415.50
201055	08/15/2023	Delmarva Power	110.56
201056	08/15/2023	Dover Plumbing Supply Co.	5,289.47
201057	08/15/2023	Government Finance Officers Association	85.00
201058	08/15/2023	Grainger	284.18
201059	08/15/2023	Hooper Inc	384.66
201060	08/15/2023	New Castle County	523.12
201061	08/15/2023	Pennoni Associates Inc.	872.50
201062	08/15/2023	Petty Cash	196.21
201063	08/15/2023	Security Instrument Corp.	296.85
201064	08/15/2023	Trans Union LLC	393.63
201065	08/15/2023	Utility Engineers PC	360.00
201066	08/15/2023	Wesco Receivables Corp.	14,176.20
201077	08/30/2023	Anixter	249.00
201078	08/30/2023	Artesian Water Co Inc	1,921.95
201079	08/30/2023	COLONIAL LIFE	781.34
201080	08/30/2023	Consult Dynamics Inc DCA Net	20.00
201081	08/30/2023	Delaware Labor Law Poster Service	212.00
201082	08/30/2023	Delta Dental of Delaware Inc	1,767.06
201083	08/30/2023	DEMEC Inc	1,448.67
201084	08/30/2023	Department of Human Resources Financial Services	35,614.34
201085	08/30/2023	Diamond Materials	551.02
201086	08/30/2023	Kathleen R Weirich	210.00
201087	08/30/2023	Principal Financial Group	2,490.05
201088	08/30/2023	StrategicInsurancePartners	24,036.00
201089	08/30/2023	Terex Utilities Inc	1,902.96
201090	08/30/2023	TRI Supply & Equipment	285.00
DFT0002053	08/02/2023	OpenEdge	1,613.05
DFT0002063	08/02/2023	M&T ONE CARD	26,175.65
DFT0002064	08/02/2023	Martin Marietta Materials Inc	562.53
DFT0002065	08/02/2023	Bruce Industrial Co Inc	1,347.00
DFT0002047	08/04/2023	Maryland Child Support Account	184.62
DFT0002048	08/04/2023	Nationwide Retirement Sol	4,938.81
DFT0002051	08/04/2023	United States Treasury	18,135.17
DFT0002054	08/10/2023	Nationwide Life Ins. Co. of America	22,897.42
DFT0002052	08/18/2023	BRINKS CAPITAL	589.00
DFT0002055	08/18/2023	Maryland Child Support Account	184.62
DFT0002056	08/18/2023	Nationwide Retirement Sol	4,969.15
DFT0002059	08/18/2023	United States Treasury	18,314.83
DFT0002066	08/18/2023	DEMEC Inc	721,006.51
DFT0002073	08/18/2023	BILLOWS ELECTRIC SUPPLY	181.08
DFT0002074	08/18/2023	Compliance Environmental Inc	5,900.00
DFT0002075	08/18/2023	Contractors Materials LLC	329.97
DFT0002076	08/18/2023	M&T ONE CARD	20,493.40
ACH200001	08/27/2023	American Municipal Power Inc	323,627.86
ACH200002	08/27/2023	STATE OF DELAWARE/DNREC	3,862.34
DFT0002067	08/31/2023	COMPTROLLER OF MARYLAND	1,066.02
DFT0002077	08/31/2023	Delaware Div. of Revenue	20,732.00
		TOTAL PAYMENTS	\$ 1,294,658.30

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Customer Service/Billing

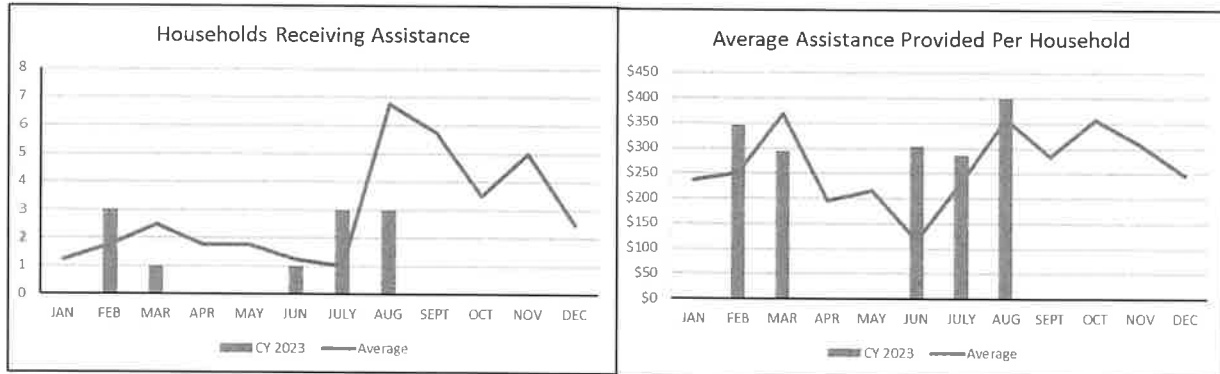
Since the previous meeting, the Customer Service Department processed:

Bills sent	3,222
Delinquent & past due notices	410
Automated phone notifications	222
Payment arrangements	28
Contracts	0
Service cuts – August	30
Accounts sent to collections	0
Electric bad debt write-offs	\$0.00
Applications for service	38



New Castle Cares

The Salvation Army oversees the New Castle Cares Fund which is funded by the Commission to assist households having trouble making their utility payments. During the month of August, the fund assisted three customers with approximately \$400. The maximum allowed by the program is \$400. The current balance in the fund is \$3,175.



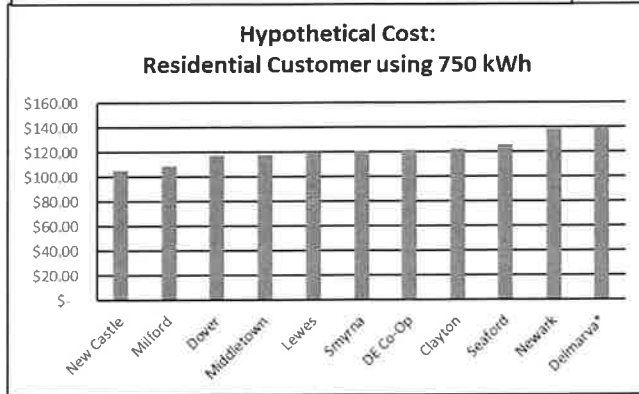
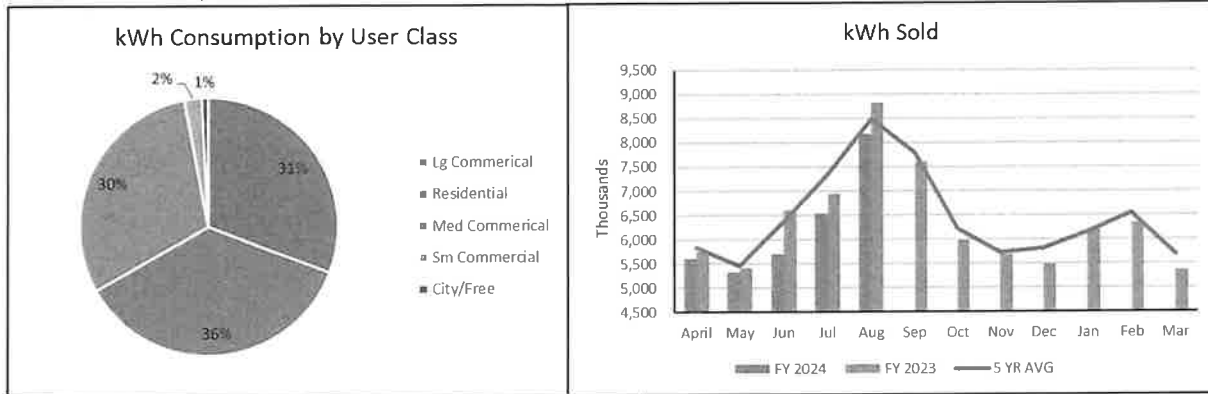
In addition to assistance provided through the New Castle Cares fund, three customers received an average of \$343 from other agencies or nonprofits that provide assistance for utility bills.

Below is a condensed aging report for active customers as of September 18, 2023:

Total	Current	30 Days	60 Days	90 Days	120 Days
\$131,458	\$123,751	\$5,004	\$1,612	\$837	\$254

Electric Revenues

User charges are \$133,000 under budget fiscal year to date. August kWh sales decreased by approximately 7.8% (639,000 kWh) from the same period last year. Consumption was down in across all classifications. Residential consumption was down 288,000 kWh and 351,000 kWh in commercial classifications. Consumption is approximately 6.6% lower than the 5-year average the prior year to date due to the mild weather compared to historical averages. This decrease in consumption is consistent with decreased consumption across DEMEC members as a whole.

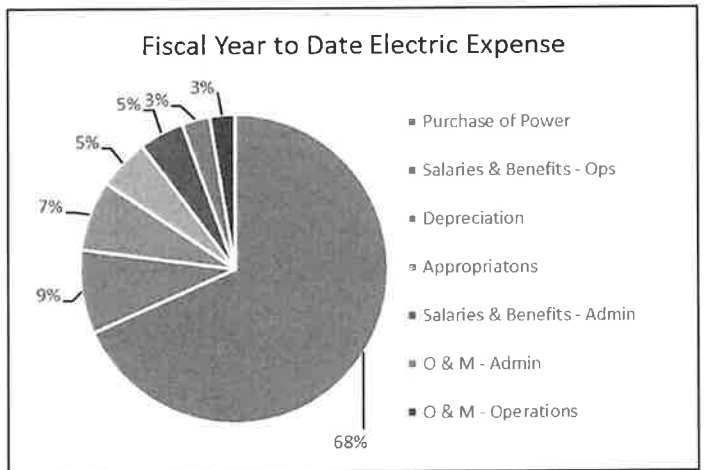


Each month, DEMEC provides a comparison of the cost of residential electric service. The analysis assumes a residential customer who uses 750 kWh per month. MSC's rate is 30.0% lower than Delmarva* and 13.4% lower than the co-op.

*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 (\$53,000). \$121,000 is related to decreased power purchase costs due to lower than anticipated consumption. The negative variance in operations' salaries & benefits is related mostly to increases in Compensated Absences as a result of vacation accruals that occurred in June. Other variances are the result of timing differences and are expected to decrease in future months. After accounting for non-operating revenues and expenses, there is a decrease in net position of \$203,000, which is what was expected at this point in the year. The Electric Department needed to replace the motor in one of their trucks, this expense was approved by the Commissioners in the prior fiscal year, however, due to supply chain disruptions, the repair was no able to be completed until May of 2023, meaning the expense will fall in the current budget year. This will result in the repairs and maintenance expense line being over budget in future months (approximately \$20,000).



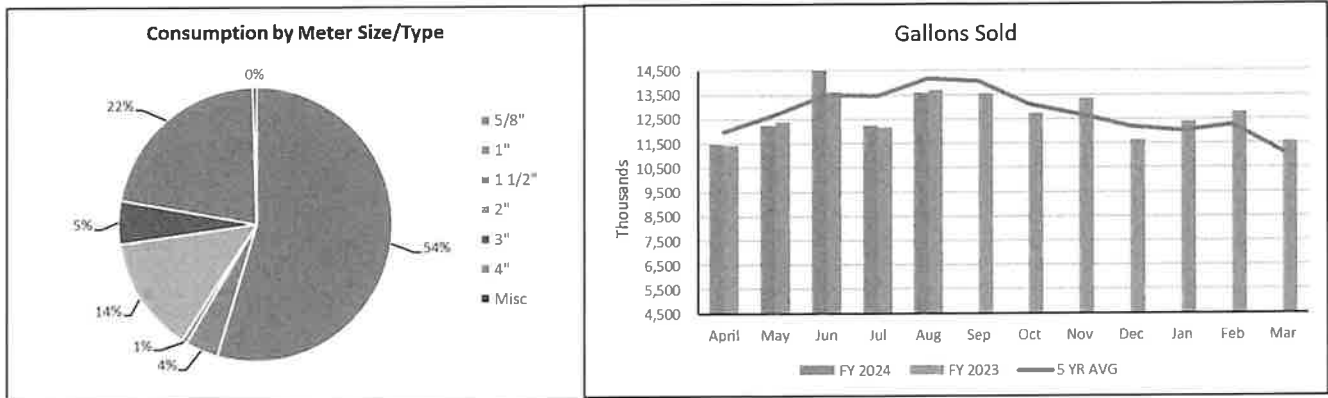
Comptroller/Treasurer's Report – September 28, 2023

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

	YTD Budget	YTD Activity	Variance	Total Budget
Operating Revenues				
User charges	4,226,597	4,092,756	(133,841)	9,624,301
City service charges	22,413	21,652	(761)	52,000
MSC service charges	15,419	16,399	980	41,000
Miscellaneous income	32,177	31,180	(997)	61,210
<i>Total Operating Revenues</i>	<u>4,296,606</u>	<u>4,161,987</u>	<u>(134,619)</u>	<u>9,778,511</u>
Less: Free Service	2,752	2,189	563	8,000
<i>Net Operating Revenues</i>	<u>4,293,854</u>	<u>4,159,798</u>	<u>(134,056)</u>	<u>9,770,511</u>
Operating Expenses				
Purchase of Power	3,033,000	2,911,172	121,828	6,751,000
<i>Operations</i>				
Salaries and benefits	319,894	374,199	(54,305)	872,468
Insurance	28,780	33,650	(4,870)	51,186
Utilities	3,430	3,733	(303)	11,700
Repairs and maintenance	(55,202)	(7,129)	(48,073)	(82,900)
Supplies and materials	23,691	47,403	(23,712)	73,600
Professional fees	31,514	32,961	(1,447)	112,250
Depreciation	296,756	309,580	(12,824)	712,500
<i>Operations total</i>	<u>648,863</u>	<u>794,397</u>	<u>(145,534)</u>	<u>1,750,804</u>
<i>General & administrative</i>				
Salaries and benefits	210,553	199,536	11,017	518,853
Insurance	13,283	10,732	2,551	22,770
Utilities	4,852	4,087	765	11,731
Repairs and maintenance	4,633	3,263	1,370	7,860
Supplies and materials	10,237	14,393	(4,156)	29,500
Professional fees	108,678	62,260	46,418	141,340
Misc	42,193	31,284	10,909	95,328
Depreciation	11,662	3,739	7,923	28,000
<i>Total general & administrative</i>	<u>406,091</u>	<u>329,294</u>	<u>76,797</u>	<u>855,382</u>
<i>Total operating expenses</i>	<u>4,087,954</u>	<u>4,034,863</u>	<u>53,091</u>	<u>9,357,186</u>
Operating income	<u>205,900</u>	<u>124,935</u>	<u>(80,965)</u>	<u>413,325</u>
Nonoperating revenue(expense)				
Investment income	30,420	43,325	12,905	80,000
Investment expense	(1,215)	(1,151)	64	(2,500)
Unrealized gain(loss) on investment:	-	(14,825)	(14,825)	-
Grant expense	-	-	-	-
Other Expense	-	(101)	(101)	-
Appropriations				
Mayor and Council	(233,240)	(227,201)	6,039	(560,000)
Special	-	(3,665)	(3,665)	-
<i>Total nonoperating revenue(expense)</i>	<u>(204,035)</u>	<u>(203,618)</u>	<u>417</u>	<u>(482,500)</u>
Change in Net Position	1,865	(78,683)	(80,548)	(69,175)

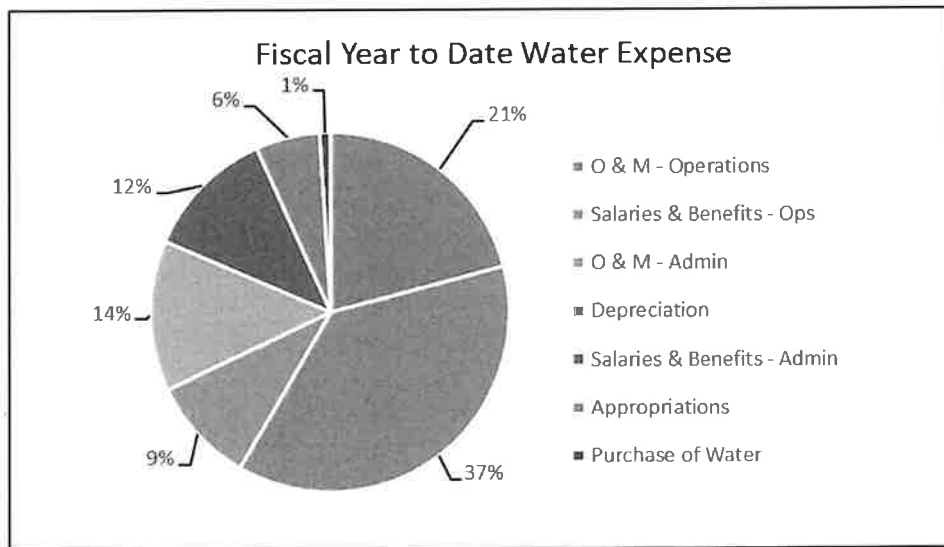
Water Revenues

User charges have a favorable variance of \$24,000 fiscal year to date. Water consumption for the month was down 91,000 gallons from the same period last year. Consumption was down in smaller (residential meters) by 685,000 gallons while consumption was up in larger (commercial) meters by 595,000 gallons. Fiscal year to date, water sales are 2.8% higher than the five-year average and 6.9% higher than the prior year. The favorable variance is entirely related to selling water to Artesian in the beginning of June (4.5 million gallons).



Water Expenses

Water operating expenses have a favorable year to date variance (\$29,000). These variances are the result of timing differences and are expected to decrease as the year progresses. When considering nonoperating revenues and expenses, there is an increase in net position of \$211,000, which is \$221,000 better than anticipated at this point in the year. \$169,000 of that variance is related to grant from the State of Delaware for replacement spent carbon at the School Lane Treatment Facility. The new filter media has been capitalized in line with the Commission's policy as the new carbon has an estimated useful life in excess of a year.



Comptroller/Treasurer's Report – September 28, 2023

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

	YTD Budget	YTD Activity	Variance	Total Budget
Operating Revenues				
User Charges	1,008,898	1,038,097	29,199	2,456,543
City Service Charges	15,044	11,904	(3,140)	37,000
MSC Service Charges	1,705	-	(1,705)	3,500
Miscellaneous Income	7,837	14,213	6,376	28,790
Total Operating Revenues	1,033,484	1,064,214	30,730	2,525,833
Less: Free Service	1,667	1,595	72	4,000
Net Operating Revenues	1,031,817	1,062,619	30,802	2,521,833
Operating Expenses				
Purchase of water	11,818	9,573	2,245	26,000
<i>Operations Dept</i>				
Salaries and benefits	362,279	375,334	(13,055)	920,789
Insurance	30,997	30,820	177	56,968
Utilities	11,689	13,072	(1,383)	28,770
Repairs and maintenance	71,389	115,534	(44,145)	172,112
Supplies and materials	49,076	34,294	14,782	131,435
Professional fees	37,705	15,982	21,723	86,502
Depreciation	127,616	134,128	(6,512)	306,400
Total operations	660,751	719,164	(28,413)	1,702,976
<i>General & administrative</i>				
Salaries and benefits	125,007	117,953	7,054	305,605
Insurance	10,868	8,781	2,087	18,630
Utilities	4,089	3,343	746	9,961
Repairs and maintenance	6,968	2,670	4,298	11,610
Supplies and materials	6,573	10,291	(3,718)	20,400
Professional fees	21,036	14,962	6,074	35,884
Miscellaneous	88,409	55,776	32,633	137,094
Depreciation	7,914	1,806	6,108	19,000
Total general & administrative	270,864	215,582	55,282	558,184
Total operating expenses	973,433	944,319	29,114	2,287,160
Operating Income	58,384	118,300	59,916	234,673
Nonoperating revenue(expense)				
Investment income	5,642	7,615	1,973	15,000
Investment expense	(243)	(203)	40	(500)
Unrealized gain(loss) on investment	-	(2,616)	(2,616)	-
Grant income	-	168,510	168,510	-
Other Expense	-	(6,519)	(6,519)	-
Appropriations				
Mayor and Council	(58,310)	(57,516)	794	(140,000)
City Services	(16,248)	(15,467)	781	(40,000)
Special	-	(1,445)	(1,445)	-
Total nonoperating revenue(expense)	(69,159)	92,359	161,518	(165,500)
Change in Net Position	(10,775)	210,659	221,434	69,173

Comptroller/Treasurer's Report – September 28, 2023

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

	<u>2024</u>	<u>2023</u>
ASSETS:		
Current assets:		
Cash and equivalents	\$ 2,126,889	\$ 2,402,490
Investments	1,169,786	1,167,268
Accounts receivable, net	1,163,867	1,710,721
Inventories	829,113	800,314
Prepays	79,866	154,092
Restricted cash	715,925	824,540
Total current assets	<u>6,085,446</u>	<u>7,059,425</u>
Noncurrent assets:		
Capital assets not being depreciated:		
Land	43,796	45,386
Construction in progress	1,506,836	505,101
Capital assets net of accumulated depreciation:		
Buildings	695,784	264,251
Equipment	722,104	710,905
Infrastructure	14,259,284	10,906,078
Total noncurrent assets	<u>17,227,804</u>	<u>12,431,721</u>
Total assets	<u>23,313,250</u>	<u>19,491,146</u>
 DEFERRED OUTFLOWS OF RESOURCES		
Pension	574,627	319,164
Regulatory accounting - substation	-	3,436,566
Total deferred outflows	<u>574,627</u>	<u>3,755,730</u>
 LIABILITIES		
Current liabilities:		
Accounts payable	1,022,431	1,652,849
Accrued liabilities	68,799	61,525
Customer Deposits	849,843	959,603
Total current liabilities	<u>1,941,073</u>	<u>2,673,977</u>
Noncurrent liabilities:		
Due within one year	96,050	84,922
Due in more than one year	2,654,576	1,056,740
Total noncurrent liabilities	<u>2,750,626</u>	<u>1,141,662</u>
Total liabilities	<u>4,691,699</u>	<u>3,815,639</u>
 DEFERRED INFLOWS OF RESOURCES		
Pension	250,334	472,843
Total deferred inflows	<u>250,334</u>	<u>472,843</u>
 NET POSITION		
Net investment in capital assets	16,229,001	12,431,721
Unrestricted	2,716,843	6,526,673
Total net position	<u>\$ 18,945,844</u>	<u>\$ 18,958,394</u>

Comptroller/Treasurer's Report – September 28, 2023

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

	2024	2023
Operating Revenues:		
Water sales	\$ 1,050,001	\$ 968,843
Power sales	4,130,807	3,982,679
Miscellaneous	45,393	26,657
Total operating revenues	5,226,201	4,978,179
Less: free service	(3,784)	(3,068)
Net operating revenues	5,222,417	4,975,111
 Purchase of water and power	 2,920,745	 3,030,339
Operating Expenses		
Salaries and benefits	1,067,022	970,235
Repairs and maintenance	171,974	169,353
Supplies	83,327	70,415
Utilities	24,235	21,966
Insurance	83,983	55,762
Professional fees	74,711	57,258
Administrative	103,932	84,918
Depreciation	449,253	291,755
Total operating expenses	2,058,437	1,721,662
Operating income (loss)	243,235	223,110
Nonoperating revenues (expenses):		
Net investment income	49,586	10,616
Realized gain (loss) on investments	-	-
Unrealized gain(loss) on investments	(17,441)	(63,393)
Gain (loss) on disposal of assets	-	(4,826)
Grant income	168,510	10,320
Grant Expense	-	(10,800)
Miscellaneous	(6,620)	(2,124)
Appropriations to Mayor & Council of New Castle		
Ordinary	(284,717)	(277,433)
City Services	(15,467)	(14,907)
Special	(5,110)	(6,385)
Total nonoperating revenues (expenses)	(111,259)	(358,932)
Income before capital contributions	131,976	(135,822)
Capital Contributions	-	-
Change in net position	131,976	(135,822)
Net position - beginning	18,813,868	19,094,216
Net position - ending	\$ 18,945,844	\$ 18,958,394

**Municipal Services Commission
Combining Balance Sheet by Department
As of August 31, 2023 and 2022**

	Water		Electric		Total	
	2024	2023	2024	2023	2024	2023
ASSETS:						
Current assets:						
Cash and equivalents	-	-	2,126,889	2,402,490	2,126,889	2,402,490
Investments	175,468	175,090	994,318	992,178	1,169,786	1,167,268
Accounts receivable, net	577,423	178,854	586,444	1,531,867	1,163,867	1,710,721
Inventories	164,306	123,385	664,807	676,929	829,113	800,314
Prepays	22,568	52,488	57,298	101,604	79,866	154,092
Restricted cash	-	-	715,925	824,540	715,925	824,540
Total current assets	939,765	529,817	5,145,681	6,529,608	6,085,446	7,059,425
Noncurrent assets:						
Capital assets not being depreciated:						
Land	43,796	45,386	-	-	43,796	45,386
Construction in progress	835,662	166,944	671,174	338,157	1,506,836	505,101
Capital assets net of accumulated depreciation:						
Buildings	316,604	122,562	379,180	141,689	695,784	264,251
Equipment	235,618	272,171	486,486	438,734	722,104	710,905
Infrastructure	7,027,124	7,073,667	7,232,160	3,832,411	14,259,284	10,906,078
Total noncurrent assets	8,458,804	7,680,730	8,769,000	4,750,991	17,227,804	12,431,721
Total assets	9,398,569	8,210,547	13,914,681	11,280,599	23,313,250	19,491,146
DEFERRED OUTFLOWS OF RESOURCES						
Pension	258,583	143,624	316,044	175,540	574,627	319,164
Regulatory accounting - substation	-	-	-	3,436,566	-	3,436,566
Total deferred outflows	258,583	143,624	316,044	3,612,106	574,627	3,755,730

(Continued)

**Municipal Services Commission
Combining Balance Sheet by Department
As of August 31, 2023 and 2022**

	Water		Electric		Total	
	2024	2023	2024	2023	2024	2023
LIABILITIES						
Current liabilities						
Accounts payable	218,319	86,013	804,112	1,566,836	1,022,431	1,652,849
Accrued liabilities	30,961	27,686	37,838	33,839	68,799	61,525
Customer Deposits	119,885	48,389	729,958	911,214	849,843	959,603
Due to other funds	762,690	812,430	(762,690)	(812,430)	-	-
Total current liabilities	1,131,855	974,519	809,218	1,699,459	1,941,073	2,673,977
Noncurrent liabilities:						
Due within one year	15,592	-	80,458	-	96,050	-
Due in more than one year.	1,463,901	555,332	1,190,675	586,330	2,654,576	1,141,662
Total noncurrent liabilities	1,479,493	555,332	1,271,133	586,330	2,750,626	1,141,662
Total liabilities	2,611,348	1,529,851	2,080,351	2,285,788	4,691,699	3,815,639
DEFERRED INFLOWS OF RESOURCES						
Pension	112,650	212,779	137,684	260,064	250,334	472,843
Total deferred inflows	112,650	212,779	137,684	260,064	250,334	472,843
NET POSITION						
Net investment in capital assets	7,837,233	7,680,730	8,391,768	4,750,991	16,229,001	12,431,721
Unrestricted	(904,079)	(1,069,189)	3,620,922	7,595,862	2,716,843	6,526,673
Total net position	6,933,154	6,611,541	12,012,690	12,346,853	18,945,844	18,958,394

**Municipal Services Commission
Combining Schedules of Revenues, Expenses, and Changes in Net Position by Department
For the five months ending August 31, 2023 and 2022**

	Water		Electric		Total
	2024	2023	2024	2023	
Operating Revenues:					
Charges for services	\$ 1,050,001	\$ 968,843	\$ 4,130,807	\$ 3,982,679	\$ 5,180,808
Miscellaneous	14,213	8,167	31,180	18,490	45,393
Total operating revenues	1,064,214	977,010	4,161,987	4,001,169	5,226,201
Less: free service	(1,595)	(1,572)	(2,189)	(1,496)	(3,784)
Net operating revenues	1,062,619	975,438	4,159,798	3,999,673	5,222,417
Operating Expenses					
Purchase of water and power	9,573	9,633	2,911,172	3,020,706	2,920,745
Salaries and benefits	493,287	463,688	573,735	506,547	1,067,022
Repairs and maintenance	120,129	111,899	51,845	57,454	171,974
Supplies	43,815	35,446	39,512	34,969	83,327
Utilities	16,415	13,606	7,820	8,360	24,235
Insurance	39,601	25,093	44,382	30,669	83,983
Professional fees	27,684	34,349	47,027	22,909	74,711
Administrative	57,881	33,953	46,051	50,965	103,932
Depreciation	135,934	135,392	313,319	156,363	449,253
Total operating expenses	944,319	863,059	4,034,863	3,888,942	4,979,182
Operating income (loss)	118,300	112,379	124,935	110,731	243,235

(Continued)

Municipal Services Commission
Combining Schedules of Revenues, Expenses, and Changes in Net Position by Department
For the five months ending August 31, 2023 and 2022

	Water		Electric		Total	
	2024	2023	2024	2023	2024	2023
Nonoperating revenues (expenses):						
Net investment income	7,412	1,693	42,174	8,923	49,586	10,616
Realized gain (loss) on investments	-	-	-	-	-	-
Unrealized gain(loss) on investments	(2,616)	(9,509)	(14,825)	(53,884)	(17,441)	(63,393)
Gain (loss) on disposal of assets	-	(2,172)	-	(2,654)	-	(4,826)
Grant income	168,510	10,320	-	-	168,510	10,320
Grant Expense	-	(10,320)	-	(480)	-	(10,800)
Miscellaneous	(6,519)	(1,964)	(101)	(160)	(6,620)	(2,124)
Appropriations to Mayor & Council of New Castle						
Ordinary	(57,516)	(55,396)	(227,201)	(222,037)	(284,717)	(277,433)
City Services	(15,467)	(14,907)	-	-	(15,467)	(14,907)
Special	(1,445)	(4,851)	(3,665)	(1,534)	(5,110)	(6,385)
Total nonoperating revenues (expenses)	92,359	(87,106)	(203,618)	(271,826)	(111,259)	(358,932)
Income before capital contributions	210,659	25,273	(78,683)	(161,095)	131,976	(135,822)
Change in net position	210,659	25,273	(78,683)	(161,095)	131,976	(135,822)
Net position - beginning	6,722,495	6,586,268	12,091,373	12,507,948	18,813,868	19,094,216
Net position - ending	<u>\$ 6,933,154</u>	<u>\$ 6,611,541</u>	<u>\$12,012,690</u>	<u>\$12,346,853</u>	<u>\$18,945,844</u>	<u>\$18,958,394</u>

Comptroller/Treasurer's Report – September 28, 2023

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

Project	Total Approved Budget	Materials as of 3/31/2024	Remaining Budget as of 3/31/2024	Total Capitalized To Date (1)	Status
Vandyke Village Undergrounding	\$ 886,000.00	\$ 650,639.00	\$ 235,361.00	\$ 1,391,935	In Progress
AMI System - Electric	665,000	475,728	189,272	-	In Progress
Dobbinsville Relay Replacement	85,000	37,127	47,873	-	In Progress
Stake Body Truck	90,000	-	90,000	-	PO Issued
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	710,465	570,535	-	In Progress
Toyota Pallet Lift	10,500	11,428	(928)	11,428	Complete
T-8 Replacement	150,000	-	150,000	-	In Progress
	\$ 3,267,500.00	\$ 1,976,315.40	\$ 1,291,184.60		

(1) Includes capitalized labor and equipment costs.

Special Appropriations

City & Trustee Projects	Donated Labor & Equipment	Billable Material	Invoiced Date	Paid Date
City of New Castle - Repairs & Maintenance	\$ 5,110.00	\$ -	n/a	n/a

MUNICIPAL SERVICES COMMISSION

CITY OF NEW CASTLE, DELAWARE 19720-0208

P.O. BOX 208

<http://newcastlemsc.delaware.gov>

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

Water Department Commission Meeting Report

September 28, 2023

Prepared by: Jay Guyer on September 21, 2023

1. Developer Projects

A. Riverbend Subdivision

1. Freedom Development's Engineer Civil Engineering Associates submitted the Railroad Crossing Permit Applications to Norfolk Southern for the water and electric loops with Centerpoint Boulevard. Per their engineer, no action is required by MSC at this time. Christiana Excavating completed the 8" water main installation. MSC's inspector was on-site observing the water main installation ensuring compliance with MSC standards. MSC is collecting samples for bacteria testing. WUM Guyer is working to reconcile the project for Phase 1 of the installation.

B. Sheriffs House Renovation – Market Street

1. The domestic service remains off and the fire service has been turned on at the request of the contractor. When domestic service is restored WUM Guyer will reconcile the project.

C. Colonial School District – Wallace Wallin School Water Service Replacement

1. WUM Guyer is updating the water plans with As-Built notes to forward to the Office of Engineering requesting an Approval to Operate. The project is being reconciled and an invoice will be sent to Colonial for reimbursement of MSC expenses related to inspection and testing.

D. Del DOT School Lane Trail – RT273 to RT13

1. WUM Guyer and GM Blomquist received a Utility Agreement from DelDOT outlining expectations for the project. The agreement was reviewed and returned with comments. The agreement was amended and an executed copy returned to MSC. Construction is scheduled to begin March 2024.

E. 106 Brylgon Avenue – New Home

1. The home is complete, the Builder will call when he is ready for a bacteria test.

F. 104 / 106 East 4th Street – 2 New Homes

1. The homes are completed, the Builder will call when he is ready for bacteria testing.

G. Flats at Riveredge – Riveredge Park

1. MSC had a planning meeting on September 6th with representatives from CDA Engineering and Parkway Gravel to review preliminary plans for the proposed 451 unit residential subdivision in Riveredge Park. The project will include commercial space, apartments, twin homes, town homes, and single family homes. Water and electric utility plans are being developed for submission.

MUNICIPAL SERVICES COMMISSION

CITY OF NEW CASTLE, DELAWARE 19720-0208

P.O. BOX 208

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

Water Department Commission Meeting Report

September 28, 2023

Prepared by: Jay Guyer on September 21, 2023

H. Charter School of New Castle – 160 Lukens Drive, Riveredge Park

1. The Charter School of New Castle is installing 2 modular classroom structures. MSC met with the contractor EDIS and is coordinating inspection of the domestic and fire system installation being tapped off of the existing private mains.

I. The Battery Apartment Complex – 427 West 7th Street

1. Preliminary water supply plans for the 152 unit apartment complex were received for input on water system layout. The plans were reviewed and preliminary comments returned to the engineer.

J. South Street at 8th Street Railroad Tracks – Norfolk Southern

1. Norfolk Southern (NS) construction crews mobilized the week of August 14th and completely rebuilt the railroad crossing. MSC met with NS contractor on site to review water main location and requirements for working around them. The work was completed without incident.

K. Deemers Landing and Helm Apartment Complexes

1. The property owner received the materials and started the plumbing alterations for the conversion process of individually metering each unit in both complexes. Meters will be installed over the next year and when ready the master meter will be stopped and the new individual meters activated.

2. MSC Projects

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

1. MSC, DEMEC, AMP, and Pro Meters have weekly meetings to discuss the conversion progress and issues being encountered with implementation of the AMI metering system. WUM Guyer and WUS Jaeger use the IP Keys MDM Portal and Pro Meters Portal to review MSC meter data. Pro Meter Technicians started installing water meters on September 5th and are approximately 18% complete. MSC Water Operators continue installing the water meters / modules in pits / vaults. MSC Operators have converted 260 water meters to the AMI System.

B. Water System Asset Management Program

1. WUM Guyer and WUS Jaeger reviewed the draft Asset Management Plan and returned comments to RK & K Engineering. Met with RK & K representatives on September 8th to review our comments on the plan. A final draft will be prepared and submitted.

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Water Department Commission Meeting Report

September 28, 2023

Prepared by: Jay Guyer on September 21, 2023

C. Cross Connection Control Program – Hydro Corp

1. Cross Connection Control (CCC) Program – HydroCorp mailed out the second notices to MSC customers with testable devices due for certification. WUM Guyer and WUM Jaeger are working to contact non-compliant customers to confirm contact information.

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

1. A Notice of Award and project documents were drafted and sent to RE Pierson Construction, Inc. (REP) requesting they execute and return it along with the Performance Bond and Insurance Certificates. Project documents were received reviewed, executed and returned to REP. A preconstruction meeting is scheduled for September 29th where a Notice to Proceed will be agreed upon and issued. REP has started submitting part and material submittals for review/approval.

E. School Lane Treatment Facility PFAS Treatment System Improvements

1. Based upon observations from the August 30th carbon exchange and levels of radioactivity detected in the spent carbon, Calgon Carbon Corporation Engineer Adam Redding has recommended changing over to an all resin based filter media. WUM Guyer and WUS Jaeger met with our engineer Pennoni Associates and our Drinking Water State Revolving Fund (DWSRF) representative to discuss changing the project scope of the SRF funded PFAS Treatment System Improvements. DWSRF agreed to MSC amending the project scope of work and will accept the revised DWSRF Full Application as soon as we can have it prepared. DWSRF did confirm the project is approved for full principle forgiveness of \$1,135,920.00.

3. Operations

A. Outages

1. There were no planned and unplanned water outages for the month of August 2023.

B. Reporting

1. Calgon Carbon Corporation (CCC) Pilot Study – The Study is ongoing collecting and transmitting daily data to CCC. MSC collects bi-weekly PFAS samples delivering them to the STRIDE Lab for testing, evaluation, and comparison.
2. 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 is following the proposed regulation after the comment period ended. Over 122,000 comments were received on the proposed regulation. EPA remains committed to adopting a regulation by the end of 2023.

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3. MSC completed our second round of Unregulated Contaminant Monitoring Rule 5 (UCMR 5) sampling on September 11th. Results being posted to the EPA Central Data Exchange web site are pending.
4. US EPA East Basin Road Groundwater Superfund Site – WUM Guyer attended the initial Community meeting virtually on August 22nd. WUM Guyer scheduled a meeting with representatives of the Artesian Water Company, the EPA, and DNREC to discuss improving communications going forward and next steps for the site evaluation. All parties agreed quarterly meetings would be beneficial going forward.
5. WUM Guyer and WUS Jaeger will be working with the Delaware Rural Water Association (DRWA) Apprenticeship Program and Colonial School District at William Penn High School again this year. WUS Jaeger is scheduling tours of MSC Water Facilities, the Veolia Water Treatment Plant in Stanton and presentations by our engineer consultants from Pennoni Associates and Keystone Engineering. The first day of class was September 11th and will run through January 24, 2024.

C. System Repairs and Maintenance

1. Riverbend Subdivision – Flushed on August 9th and 23rd to maintain Chlorine Residual.
2. Monthly Meter Reading – Monthly meter reads were completed on September 12th. Operators followed up on check / missed reads as needed.
3. Carbon Filtration System – Calgon Carbon Corporation (CCC) was on-site to complete the carbon exchange on August 30th and 31st. It was completed without incident, the new load of carbon was backwashed / flushed to lower the pH then placed in service as the lag vessel. CCC engineer Adam Redding was on site both days using a Geiger counter to take and record the radioactivity readings of the new delivery of virgin carbon, the spent carbon in vessel 1, existing carbon in vessel 2, and the pilot test system. He is working on compiling the information collected so CCC can develop a procedure for addressing radioactive carbon moving forward.
4. Water Operators rotate working with the Electric Crew on the Van Dyke Village Electric Undergrounding Project as needed assisting with equipment operation, excavation, conduit installation, and restoration.

D. Grants and State Revolving Funds

1. School Lane Water Treatment Facility Natural Gas Generator – WUM Guyer received a Request for Information (RFI) from our DEMA Representative. After a follow up phone call with our DEMA Representative to discuss the RFI, WUM Guyer and EUM

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Granger worked with our University of Delaware Representative drafting a response that was returned on September 19th. On August 30th, FEMA Funding reached a critical level and an Immediate Needs Funding (INF) was implanted due to the increasing number of natural disasters FEMA was responding to providing support. The project will continue to be reviewed and added to the funding list when FEMA lifts the INF.

E. Equipment

1. No equipment issues to report for the month of August.

F. Personnel and Training

1. WUS Jaeger, WUM Guyer, and GM Blomquist completed Water Operator and Facility Person Evaluations on September 20th and 21st.

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. DEFIT Safety Meetings resumed with the first meeting on held September 19th.

3. Local, State, and Federal Agencies

A. WSCC - Water Supply Coordinating Council

1. The next Northern New Castle County Water Providers Check-In Meeting is pending weather conditions. The Delaware Geological Survey (DGS) and Delaware State Climatologist are tracking and sending weekly Water Condition updates to the Northern New Castle County water purveyors.

B. WRA – Water Resource Agency

1. WUM Guyer sends weekly pumping demand data to the University of Delaware WRA Staff.

C. DEWARN – Delaware Water/Wastewater Agency Response Network

1. The September 6th meeting went well. The chair updated the group on Warn activities and national 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. Office of Drinking Water (ODW) and Delaware Rural Water Association (DRWA) gave updates on their activities and training programs. The

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Water Department Commission Meeting Report

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Chesapeake Section AWWA Tri-Con Conference in OC, MD was well attended. There were no Warn activations for local utilities over the last quarter.

2. The next DEWARN meeting is scheduled for December.

D. Water Operator Advisory Council

1. The September 7th Meeting went well. 2 new appointed members were welcomed to the Council. Council reviewed 8 Water Operator License Applications, approved the July 13th meeting minutes, reviewed and approved 6 training courses from various providers. The Sub Committee discussed progress reviewing the Operator Certification Regulations and written examination questions.
2. The next Advisory Council meeting is scheduled for October 5th.

E. WIAC - Water Infrastructure Advisory Council

1. The next WIAC meeting is scheduled for September 20, 2023.

End of Report

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Monthly Water Works Report
August 1 - 31, 2023
Prepared By: Jay Guyer on September 21, 2023

Water Production		FT 300		Gallons	
Month	Year	Raw Total Gallons	Adjusted Finished Total Gallons	Raw Finished	Difference
August	2022	14,273,400	14,163,497	13,641,400	
August	2023	13,641,400	13,575,738	13,575,738	
Difference		-632,000	-587,759	-65,662	
Percentage Difference		-4.6	-4.3		-0.48%

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

Water Quality	MSC Average	Goal / Target Level	Range
Average Chlorine Residual	1.50 ppm	1.40 ppm	1.0 - 4.0 ppm
Average pH	7.2	7.5	6.5 - 8.5 on a 0 - 14 Scale
Average Fluoride Residual	0.86 ppm	0.80 ppm	0.60 - 1.00 ppm

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

Miss Utility Locate Requests (Water and Electric Locates)	# Collected	# Results	# Received	# Completed	# of Damages
	10	10	83	83	0
	0	0	0	0	0

Building Permit Review
(Water Related Conflicts)

# Reviewed	# Approved	# Not Approved
34	34	0

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Monthly Water Outages / Interruptions Report

August 1 - 31, 2023

Prepared By: Jay Guyer on September 21, 2023

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

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

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

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

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ELECTRIC DEPARTMENT COMMISSION REPORT

September 28, 2023

Prepared by Artie Granger on September 20, 2023

1. Developer Projects:

A. Riverbend Subdivision:

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

B. Graver Industries

- I. This is a new customer that is going into Centerpoint Blvd. MSC will be installing a new transformer to allow for this customer.

C. Agro Refiners

- I. This is an existing customer in River Edge Industrial Park that has added a new service for increased loads. MSC has installed a new transformer to allow for this increase.

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.
 1. MSC has received a draft copy for both substations.
 2. MSC has been working on getting information together from the SCAD integrator to get the costs together for their portion of these projects.
 3. MSC Electric department has budgetary numbers together for the Dobbinsville substation together to submit to the capital budget.

b. Van Dyke Village:

- I. MSC has continued to install conduit and boxes on Casimir Drive. MSC has been completing restoration as we finish conduits for each transformer.

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ELECTRIC DEPARTMENT COMMISSION REPORT

September 28, 2023

Prepared by Artie Granger on September 20, 2023

3. Capital Purchases:

I. Replacement T-12 Bucket truck

1. MSC is looking for approval to place an order for the replacement bucket truck. This truck is scheduled for replacement in the future but do to long lead times we are asking for approval to order so we can receive it close to the scheduled time.

II. AMI

1. Pro Meters has installed most of the electric meters. MSC has continued to work on installing the commercial meters as well as assisting Pro Meters with installations.

4. Operations:

5. Outages :

- i. MSC has had three outages since our last commission report.
 - i. On 8/19 MSC had an outage which was caused by a squirrel causing 5 customers to be out for about 1 3/4 hours.
 - ii. On 8/27 MSC had an outage which was cause by a mouse in a pad mounted switch causing about 19 customers to be out for about 2 hours.
 - iii. On 9/17 MSC had an outage which caused about 20 customers to be off for 2 hours this was caused by a squirrel which caused a fuse to blow.

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ELECTRIC DEPARTMENT COMMISSION REPORT

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SAIDI (minutes)	SAIFI (number of interruptions)	CAIDI (minutes)	ASAI (percent)
41.261	0.534	77.238	99.9921%

II. 08/1/22 – 08/1/23

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.

6. Repairs and Maintenance:

A. Wilmington Road Substation:

- I. The electric department has performed the monthly inspections at this location.
- II. MSC Electric department feels that a Relay Coordination study needs to be completed. This has not been done in the last 11 years. This will need to be completed before we get the relays at the substation replaced.
- III. MSC is working on getting the breaker operation times tested.

B. Dobbinville Substation:

- I. The electric department has performed the monthly inspections at this location.
- II. MSC Electric department feels that a Relay Coordination study needs to be completed. This will also need to be completed before the relays at the substation are replaced. The relays at Dobbinville are scheduled to be replaced next year. This also needs to be completed to try to address some issues we have had with the substation. MSC would like to move ahead with the relay coordination study for this substation.
- III. MSC is working on getting the breaker operation times tested.