

Municipal Services Commission Monthly Meeting
February 19, 2026 – 9:00 a.m.
216 Chestnut Street New Castle, Delaware

The meeting was called to order at 9:00 a.m. with Mr. Scott Blomquist, Secretary, presiding.

Present: David Atherton, Commissioner, President
John Wik, Commissioner
Commissioner Valarie Leary, Commissioner
Antonina Tantillo, City Administrator
Scott L. Blomquist, Secretary

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

Mr. Blomquist convened the meeting at 9:00 a.m. Roll call followed and a quorum to conduct business was declared.

Minutes

January 22, 2026 – **A motion to approve the minutes of the January 22, 2025, Board meeting as presented was made by Commissioner Wik. The motion was seconded by Commissioner Atherton and was unanimously passed.**

Comptroller/Treasurer Report – Mr. Natale reporting

(See attached report)

Mr. Natale reported as of December 31, 2025:

- Total cash on hand as of January 31, 2026: Approximately \$8.1M. \$1.7M of that is restricted.
- Investment Portfolio: \$1.4M, which is a gain of about \$2,000 from prior month.
- 174 Days unrestricted cash on hand as of January 31, 2026, which is up one (1) day from the prior month. The Water Department had 248 days (+4) cash on hand and the Electric Department had 147 days (+1) cash on hand.
- Check Register:
 - Disbursements to Schneider Electric Systems USA and SEL Engineering Services are for electrical SCADA project expenses.
 - Multiple disbursements to Tyler Technologies, Inc., are for quarterly payments and software upgrades and training.
- There were 35 cuts for non-payment in January. Sixteen (16) are ready to be cut this morning. Seven (7) customers received approximately \$263 each from the New Castle Cares Fund and one (1) customer received \$400 from other agencies and non-profits. In response to questions from the Commissioners, Messrs. Natale and Blomquist explained the legislative criteria for cuts, noting that 20-30 cuts a month is normal.

Electric Department

- User charges are \$74,000 below budget. Much of that is offset by decreases in power supply costs.
- The \$78,000 variance in Professional Fees is for software fees.

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Water Department

- User charges have an unfavorable variance of \$11,000.
- Consumption was up about 1% from prior year and remains consistent with the 5-year average.
- Operating expenses have a favorable variance of \$67,000.
- Salaries and Benefits continue to have a positive variance due to insurance costs being less than anticipated.

Government Finance Officers Association

Mr. Natale reported that MSC received the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for last year's Annual Financial Report. This is the 4th year in a row MSC has received this award.

Human Resources

Mr. Jay Jones, who does inventory and mapping for both the Water and Electric departments, is retiring and a job posting will be going out next week to fill his position.

Electric Vehicle Chargers

Mr. Natale reviewed the data on all charging stations for the year 2025. He noted that total revenue would have been approximately \$8,000 had it not been for one (1) charger that was not activated by BLINK for billing. That charger was free for approximately three (3) months. The net revenue to MSC was approximately \$4,400 for 2025.

Mr. Natale stated that the actual cost to MSC for purchase and installation of the EV chargers was approximately \$22,000. At this time all charger locations are fully depreciated. Currently three (3) of the units are not working. If MSC replaces all chargers like-for-like with refurbished units the payback would be approximately two (2) years. Mr. Blomquist stated that BLINK offers maintenance as a service, but he is not confident in their customer service.

A discussion of replacing the chargers ensued. Mr. Granger opined that the maintenance for the chargers would consist of replacing them approximately every five (5) years. Further discussion included finding a vendor that does EV chargers as a service whereby MSC would allow them to install the units and MSC would bill them for the electricity and Level 3 chargers. Ms. Tantillo will research Grants for EV chargers.

Public Comment

Brian Mattaway

Mr. Mattaway thanked MSC for all the work they do, and in particular for their work during the recent snow/ice storm. He noted that he has been monitoring legislation and the General Assembly, and has been attending DEMEC monthly meetings.

Mr. Mattaway congratulated Mr. Guyer on his work anniversary.

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

Capital Projects:

- Electric Mapping system – The Master Service Agreement with Power Systems Engineering and Consultants has been signed. The kick-off meeting is set for February 20th.
- Electric SCADA System – Dobbinsville Substation – A PO was issued to SEL Engineering. The kick-off meeting was held on January 22nd. Most of the materials have been ordered. Meetings are being held every other week.
- Wilmington Road Substation – Mr. Granger hopes to have updated plans to review this month. Plans for site demolition/cleanup are being made.

Outages:

- There were no outages in January.

Repairs and Maintenance:

- The old T-15 was sent to Richie Brother Auction (RBS) and sold for \$20,500. In response to questions from Commissioners, Messrs. Granger and Blomquist explained how RBS works and the process to dispose of old equipment.

System:

- MSC is still working on getting some transformers set up. One transformer was replaced and one is still in the yard.
- A transformer at 900 Centerpoint was replaced to increase the transformer due to the installation of a fire pump.
- New Castle Sewer shut down the Buttonwood Pump Station last week for maintenance.
- MSC is working with Verizon to replace poles in Washington Park.
- An Engineering firm for Delmarva wants to run 3 Phase down Moore's Lane.

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

Developer Projects:

- Riverbend Subdivision – MSC is still working on getting final approval for the Railroad Flagging and Signaling group to do the jack and bore. Lennar continues building homes and grading for Phase 3 has been started. Phase 3 and Phase 4 Water Plans have been received. The review process will begin shortly.
- Deemers Landing – Mr. Guyer reached out to the new owner but has not received a return call. He will continue to work on getting in touch with them regarding their intention with individual metering.
- 610 West 7th Street – 396 Unit Apartment Complex – MSC has not received an update from the Engineer yet.

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- Delaware Street Railroad Crossing & 8th Street – DeIDOT – Mr. Guyer executed and returned the Engineering Services Proposal received from Kleinfelder. He is working on getting some test holes done to confirm the inverts on other utilities. As soon as that is done Kleinfelder assured Mr. Guyer that the plans will be done quickly so MSC can get apply for a Certificate to Construct and a DeIDOT Utility Permit. All this work will be done separately from the DeIDOT and railroad portion of the project. Mr. Guyer hopes to have all the work done by the end of May.
- 104 Gray Street – 6 New Townhomes – Final plans have been received and all of MSC’s concerns have been addressed. The developer will contact MSC when he is ready to start building.
- William Penn High School Sports Complex – Mr. Guyer has had several conversations with the Engineer from Becker Morgan (BM). He requested a preliminary meeting with BM and school officials to review the project. That meeting is still to be scheduled. A preliminary set of plans of all work to be done has been received. There is quite a bit of water line work to be done. Mr. Guyer stated the biggest concern is relocating the two (2) existing water mains that run through an easement on the property. Mr. Guyer will work with them to see how that will be realigned to maintain the loop.
- Wilmington Road Railroad Track Crossing – 900 Block – MSC advised the State Engineer of an abandoned 6” valve and main running parallel to the track that needs to be disconnected from the 8” main. A meeting was held with the Norfolk Southern construction group to see if either they or MSC could do the work to disconnect the 6” main and abandon it permanently from MSCs system. In response to a question from Commissioner Wik, Mr. Guyer stated they are putting in drop-gates. With respect to drop-gates at Ferry Cut Off, Ms. Tantillo stated Norfolk Southern is reevaluating the plans. A discussion of drop-gates in the City ensued.

MSC Projects:

- Cross Connection Control Program – Hydro Corp – The Annual Notification was revised by Messrs. Jaeger and Schlecht and was sent out. A meeting with the representative from CenterPoint was held regarding four (4) devices to be replaced. Two (2) have been done (600 and 700) and 100 and 200 are in the vaults. They are working on getting those scheduled. Zenith replaced their 12” fire service Double Check Valve on January 24th at 400 Lukens Drive.
- School Lane Water Treatment Facility PFAS Treatment System Improvements – Mr. Guyer has been working through the details. The Notice of Award Agreement was executed and returned. KMP Mechanical has been submitting cut sheets of materials to be used. Samples were collected from the acceptance canisters and were sent to Calgon for evaluation to see if the carbon can be regenerated or not. Another progress meeting is scheduled for next week.
In response to a question from Commissioner Wik, Mr. Guyer explained that because the project came in under budget he had submitted a request to include other work that MSC had been planning to do; however, the Office of Engineering denied the request, stating they had to work within the scope of the original work that was proposed. The additional items are in the budget for this year or next year. Mr. Guyer estimated it will cost approximately \$40,000 to rebuild each pump and a quote of \$18,000 was received to replace the pH, Fluoride, and Chlorine Analyzers that are 16 years old.
- Lead Service Line Inventory (LSLI) – EPA Revised Lead and Copper Rule – No additional work has been done due to the weather. In response to a question from Commissioner Wik, Mr. Guyer explained what is required on this project.

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- 14th Street Water Main Extension to Johnson Way – 8" Main Install – All materials were ordered and received. Final plans were reviewed and sent to the Office of Engineering. The Approval to Construct was received on Tuesday. Letters will be sent to the public and the project will tentatively start in the first or second week of March. The Easement Agreement was revised and will be reviewed by our attorney. If it is approved it will be sent to McConnell for their input.

Operations:

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

Reporting:

- Calgon Carbon Corporation (CCC) Pilot Study – Several meetings are scheduled with Calgon's Engineer to review the data that has been collected over the past five (5) years; specifically, the carbon and resin data and some of the regenerated carbon that has been run through the system. Mr. Jaeger had a meeting with the Engineer on February 4th. Mr. Guyer opined that the improvements being made at School Lane using carbon and resin will be very beneficial. In response to a question from Commissioner Wik, Mr. Guyer explained the next thing coming through from the EPA is regarding ultra-short 1, 2, and 3 chain compounds. He noted that those chains are going right past the carbon and resin appears to be doing a better job of grabbing the ultra-short chains. He opined it will be even better for the 4, 5, and 6 compounds. There is confidence that MSC should be able to regenerate its carbon to use in the lead vessel and use the resin in the lag vessel as the polisher. Mr. Guyer noted that carbon is about 4X more expensive than resin. During discussion Mr. Guyer noted that the work being done by Calgon is self-funded. Commissioner Wik suggested that if Calgon receives any patents MSC should inquire about benefits to MSC from those patents.
- STRIDE Group EPA Grant – Testing is still being done on water MSC provides to them.
- US EPA East Basin Road Groundwater Superfund Site – MSC worked with TetraTech and collected samples on January 14th. At the same time the semi-annual collection was done for MSCs compliance, confirmation and raw water sampling. Results are pending.
- ArcGIS Pro Water System Mapping and Water Model Planning Grant – Messrs. Guyer and Jaeger have had several meetings with Pennoni and attended several seminars hosted by Esri. He is looking at how we will take our mapping to the next level. Mr. Jaeger wants to start to develop some Dashboards and start doing vertical assets, and use the system as a data depository. Pennoni submitted a proposal that Mr. Jaeger would like to pursue via a matching planning grant. Mr. Guyer will prepare a Resolution for review at the March meeting.
- PFAS Litigation – Mr. Guyer has had new communication regarding the Tyco / BASF settlements. Revised numbers will be released beginning the first week of March. Mr. Guyer will continue to monitor the matter.
- Delaware State & Cybersecurity Grant Program – Mr. Guyer met with DEMA regarding issues with the software limitations to submit both Grant requests for reimbursements for the SCADA Preliminary Engineering Report VLAN Segmentation of IT/OT. The issues were resolved and the reimbursements were revised and submitted. Mr. Natale stated that MSC has received the reimbursements. Mr. Guyer discussed pursuing another grant for the SCADA system.

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- Radiation and Granular Activated Carbon – Monthly radiation readings continue. Results have been consistent.
- DNREC Water Use Report 2025 – The 2025 Report was completed and submitted. DNREC confirmed they received it.
- DNREC Tier II Hazardous Chemical Report 2025 – The 2025 Report was submitted on January 29th.
- DRBC Annual Water Audit 2025 – Mr. Jaeger is reviewing data for the Report and Mr. Guyer will submit it prior to the March 31st due date.
- Annual Water Billing Audit – Mr. Jaeger and Water Operators have been reviewing the spreadsheets. Mr. Jaeger is working with CSR to make some corrections to the Final Report.

System Repairs and Maintenance:

- Water Operator Projects / Tasks worked on during the Month:
 - a. Operators collected January Monthly Bacteria Samples (10 per month) and Anion Samples as required by ODW for compliance.
 - b. All Long-Term Water Cuts for December were verified to be turned off.
 - c. Updated Itron Field Tools to Version 3.0. This software is used to troubleshoot water meters in the field.
 - d. Water Operator Schlecht is reviewing historical MSC Water As-Builts plans (paper) and updating MSC ESRI Mapping software. Paperwork is also being organized into distribution system zone folders.
 - e. MSC Water Inventory was reviewed and material quote was generated for reordering supplies. Materials received on 2/6/26.
 - f. Replaced LED Light at the top of Ships Landing Tank that was installed in 2010 to stay in compliance with FAA requirements.
 - g. Water operators worked on Facility Inspections at all Water Facilities and have been performing general maintenance at them and on equipment.
 - h. MSC crews helped City with snow removal after the storm. Water Operators cleared snow around all MSC Fire Hydrants to ensure they were accessible. They also took inventory of hydrants that will need to be painted this year.
 - i. Operators have been taking care of frozen services as they have been reported. Mr. Guyer explained an issue that occurred at 18 Arbutus. He opined that MSC would reimburse the homeowner for a heat trace and pipe insulation; however, Mr. Guyer informed the resident that this is their responsibility.
- Riverbend Subdivision – Flushed on January 13th and 28th to maintain Chlorine residual.

Equipment:

- New Truck 14 – Mr. Guyer is preparing paperwork to have the T-14 delivered from Nucar.

Personnel and Training:

- Operators attended Continuing Education training to get their licenses renewed.

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Local, State, and Federal Agencies:

- Water Operator Advisory Council – The February 5th meeting went well. Nine (9) Water Operator License Applications were approved. An executive session was held regarding exam questions that DelTech is revising.

Mr. Guyer stated that we are still in a moderate drought that is being monitored. Data is being sent weekly to the University of Delaware. Conditions are setting up for the same situation as last year: dry fall and a dryer winter.

In response to a question from Commissioner Atherton, Mr. Granger stated that the Grit Grant Application was through DEMEC through AMP. None of the funding was approved.

New Business – Application Fee

Mr. Blomquist stated that they are doing Tariff updates and Electric and Water Rate Adjustments are part of it. Mr. Blomquist will send the red-line Tariff to Commissioners in the next month.

Mr. Natali explained that Application Fees have increased to \$14.90 and an increase of the Application Fee is being requested from \$10 to \$15 to cover the cost of running a credit score on applicants.

Secretary's Report – Mr. Blomquist reporting

DEMEC:

- Messrs. Blomquist and Natale attended the February 12th DEMEC meeting.
- Demand January through November was .8% higher than 2024 and about .05% higher than the 2025 Budget.
- Unrestricted cash: \$85.8M, which was \$26.7M over the target of \$59.1M.
- Days cash on hand as of November 30: 147 days
- Rate Stabilization Reserve: \$54.2M, which was 45.5% higher than November 2024.
- Total income: \$239.1M, which is 18.7% higher than the same period in 2024.
- Beasley Unit 1 ran for 32 Hours and Beasley Unit 2 ran for 72 hours.
- The Board approved Resolution 2026-01 authorizing DEMEC to execute the Brighton Mountain Solar Schedule up to 80 MW for a period of 25 years. This will keep us in compliance with State Solar Requirements for all Regulated Utilities until 2038.
- DEMEC thanked members who wrote to Senators regarding SB205. All recommendations were listened to and changes were made to include all redlines that were sent. Mr. Blomquist sent letters to Senators Hansen and Poore.
- Mr. Blomquist continues to meet with DEMA regarding current Grants.

New Castle:

- Mr. Blomquist wrote a Letter of Recommendation for the City regarding the Delaware PFAS Outreach Awareness Grant.
- City Council reappointed Commissioner Atherton to the MSC Board.

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Miscellaneous

Mr. Blomquist stated that MSC is now using Tyler's Meeting Manager. Future meeting Agendas and Reports will be published in Meeting Manager. Commissioners will need to create passwords for access to all documents for Board meetings.

Mr. Blomquist noted that Staff is looking into using AnyTime through Assurance for Board meetings instead of using Zoom.

There being no further business to discuss, Mr. Blomquist called for a motion to move to executive session.

A motion was made by Commissioner Leary to move to executive session. The motion was seconded by Commissioner Wik and the meeting moved to executive session at 10:24 a.m.

The Board came out of executive session at 10:43 a.m. by motion from Commissioner Leary and a second by Commissioner Wik.

A motion was made by Commissioner Leary to authorize management working with DTI and SLCGP to implement CrowdStrike and to implement Cohesity backups. The motion was seconded by Commissioner Atherton and was unanimously passed.

Next Regular Meeting

The Commissioners set the March Board meeting to be Thursday, March 26, 2026, at 9:00 a.m.

A motion to adjourn was made by Commissioner Leary and seconded by Commissioner Wik. The motion passed unanimously and the meeting adjourned at 10:49 a.m.



Kathleen R. Weirich
Stenographer

Approved: _____



Comptroller/Treasurer's Report



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

February 19, 2026 Commission Meeting
Prepared By: Ken Natale, CPFO on February 12, 2026

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Cash & Investments

As of January 31, 2026 the cash balances were:

M&T Bank Checking:	\$ 594,299
M&T Investment Sweep:	5,785,662
M&T Bank Restricted	1,717,126
Petty Cash/Change Fund:	898
Total Cash on Hand:	\$ 8,097,985



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

Beginning Balance	\$ 6,319,651
Cash from customers	1,312,796
Interest Income	17,471
Legal Settlements	0
Refunds to customers - deposits	(24,963)
Payments to suppliers for goods & services*	(1,065,485)
Bank service fees	(1,732)
Payments to employees for services	(176,879)
Net Cash Provided (Used)	<u>61,208</u>
Ending Cash Balance	\$ 6,380,859

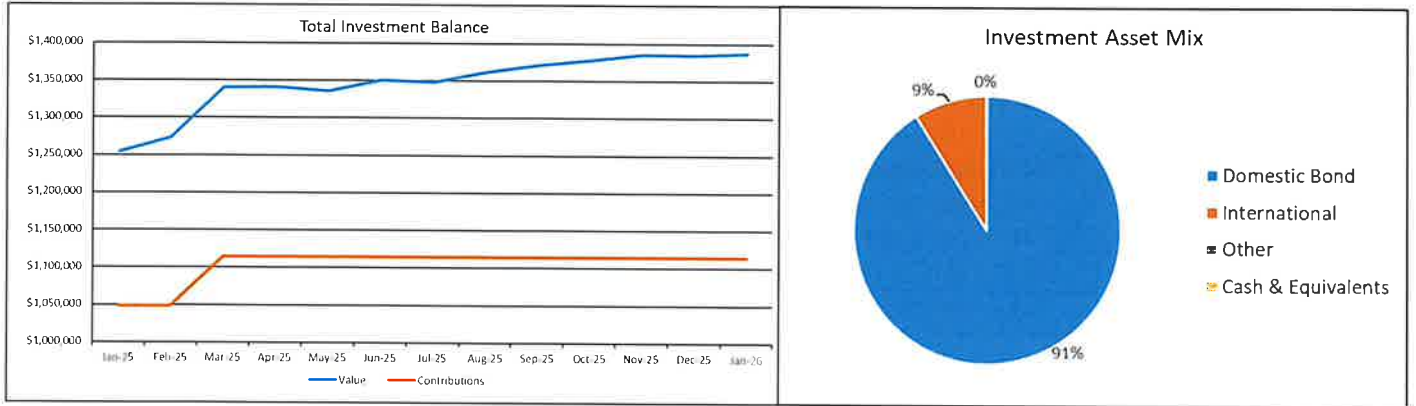
*A detailed check register for the month is available on page 3 of this report.

As of January 31, 2026 the value of the Commission's investment portfolio totaled \$1,386,922 which is a net gain of \$2,252 (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 3.58% interest and has a stable net asset value of \$1.00.

Overall, there were 174 days unrestricted cash on hand at January 31 (+1 day from prior month) when including the value of the Commission's investment portfolio which is held in liquid assets (mutual and exchange traded funds), and excluding cash due to developers not held in restricted accounts. The water fund as of January 31 had 248 days unrestricted cash on hand (+4 from prior month) while the electric utility had 147 days unrestricted cash on hand (-1 days from the prior month).

Comptroller/Treasurer's Report – February 19, 2026



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 “other” category is Prudential Financial, Inc. stocks, due to current market instability, the investment advisors have recommended delaying the liquidation of these stocks until the end of the second quarter.

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

Holdings	Symbol	Market Value	Est. Yield
Money Markets			
Insured Cash Accounts		(\$ 48)	0.40%
Mutual Funds			
PGIM Total Return Bond CL A	PDBAX	238,739	4.28%
Fidelity Advisor Total Bond CL	FEPIX	373,082	4.32%
T Rowe Price Global Multi Sector Bond I	PGMSX	123,042	5.34%
Vanguard Intermediate Term Treasury	VFIUX	152,339	3.99%
Exchange Traded Funds			
iShares Trust 1-3 Year Treasury Bond EFT	SHY	499,768	3.80%
Total		\$ 1,386,922	4.18%

JANUARY 2026 CHECK REGISTER

Date	Number	Vendor	Amount
1/9/2026	202294	Artesian Water Co Inc	\$ 2,305.10
1/9/2026	202295	Associated Truck Parts	54.91
1/9/2026	202296	Consult Dynamics Inc DCA Net	20.00
1/9/2026	202297	Delmarva Power	1,125.36
1/9/2026	202298	DEMEC Inc	988.91
1/9/2026	202299	Grainger	201.42
1/9/2026	202300	Hydro Corp Inc	495.00
1/9/2026	202301	Kendrick Natale II	204.60
1/9/2026	202302	Keystone Engineering Group Inc	2,857.56
1/9/2026	202303	RPW SOLUTIONS LLC	862.50
1/9/2026	202304	SCHNEIDER ELECTRIC SYSTEMS USA INC.	10,111.80
1/9/2026	202305	Security Instrument Corp.	320.00
1/9/2026	202306	SFS Tools and Safety LLC	695.00
1/9/2026	202307	Tyler Technologies Inc.	15,781.00
1/9/2026	202324	Delta Dental of Delaware Inc	1,871.76
1/16/2026	202325	Ad Craft Sign, Inc.	325.00
1/16/2026	202326	Council 81	515.90
1/16/2026	202327	Office of Drinking Water	1,000.00
1/16/2026	202328	SEL ENGINEERING SERVICES INC	87,742.00
1/16/2026	202329	Trans Union LLC	397.20
1/16/2026	202330	Tyler Technologies Inc.	8,236.30
1/16/2026	202331	Wesco Receivables Corp.	5,748.05
1/30/2026	202338	Artesian Water Co Inc	2,483.10
1/30/2026	202339	Consult Dynamics Inc DCA Net	20.00
1/30/2026	202340	Delta Dental of Delaware Inc	1,871.76
1/30/2026	202341	DEMEC Inc	1,072.33
1/30/2026	202342	Kathleen R Weirich	217.50
1/30/2026	202343	KDI Inc.	236.75
1/30/2026	202344	MARKATOS SERVICES	238.50
1/30/2026	202345	Newark Kubota Inc	6.74
1/30/2026	202346	Pennoni Associates Inc.	4,140.00
1/30/2026	202347	Premium Power Services, LLC	1,606.00
1/30/2026	202348	Principal Financial Group	2,853.02
1/30/2026	202349	Tyler Technologies Inc.	1,015.00
1/1/2026	DFT0002758	Department of Human Resources Financial Services	49,256.08
1/2/2026	DFT0002770	T. ROWE PRICE RETIREMENT PLAN SERVICE INC	7,161.11
1/2/2026	DFT0002773	United States Treasury	21,765.36
1/2/2026	DFT0002775	M&T ONE CARD	24,817.19

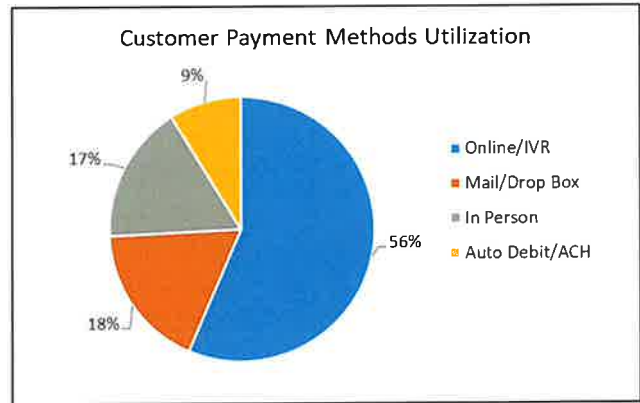
JANUARY 2026 CHECK REGISTER

Date	Number	Vendor	Amount
1/9/2026	DFT0002776	Nationwide Life Ins. Co. of America	23,703.60
1/2/2026	DFT0002777	OpenEdge	1,631.25
1/16/2026	DFT0002780	T. ROWE PRICE RETIREMENT PLAN SERVICE INC	6,673.50
1/16/2026	DFT0002783	United States Treasury	21,710.25
1/16/2026	DFT0002784	DEMEC Inc	654,644.24
1/16/2026	DFT0002785	BRINKS CAPITAL	921.10
1/16/2026	DFT0002786	M&T ONE CARD	9,458.95
1/30/2026	DFT0002787	T. ROWE PRICE RETIREMENT PLAN SERVICE INC	6,524.50
1/30/2026	DFT0002790	United States Treasury	23,310.51
1/28/2026	DFT0002791	COLONIAL LIFE	599.16
1/28/2026	DFT0002792	COLONIAL LIFE	898.74
1/30/2026	DFT0002793	Delaware Div. of Revenue	19,575.00
1/30/2026	DFT0002794	M&T ONE CARD	35,214.69
TOTAL PAYMENTS			\$1,065,485.30

Customer Service/Billing

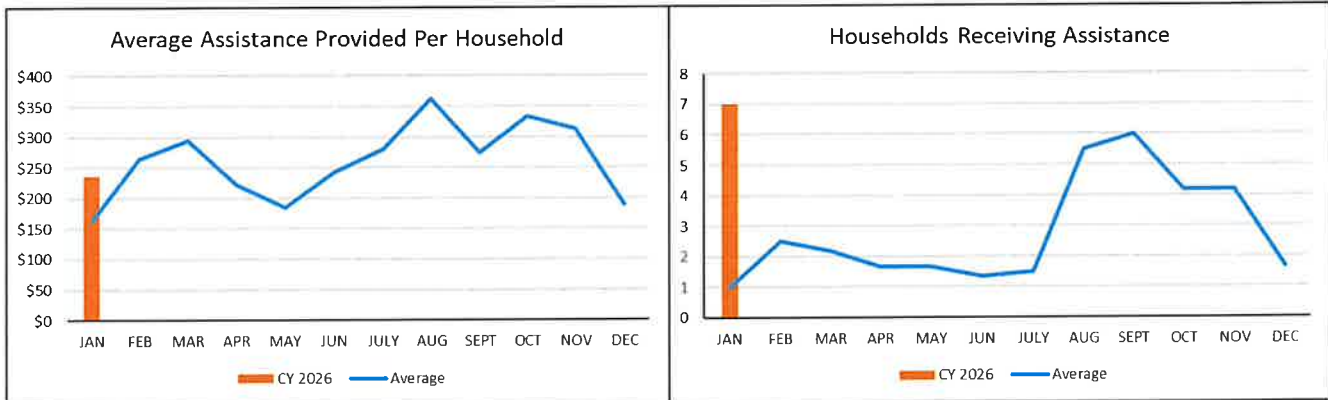
Since the previous meeting, the Customer Service Department processed:

Bills sent	3,291
Delinquent & past due notices	399
Automated phone notifications	858
Payment arrangements	4
Contracts	3
Service cuts for non-payment	35
Accounts sent to collections	6
Electric bad debt write-offs	\$0.00
Applications for service	16



New Castle Cares

The Salvation Army oversees the New Castle Cares Fund which is funded by the Commission to assist households having trouble making their utility payments. During the month of January, the fund assisted seven customers with an average amount of \$263. The maximum allowed by the program is \$400. The current balance in the fund is \$5,158.



In addition to assistance provided through the New Castle Cares fund, one customer received an approximately \$400 from other agencies or nonprofits that provide assistance for utility bills.

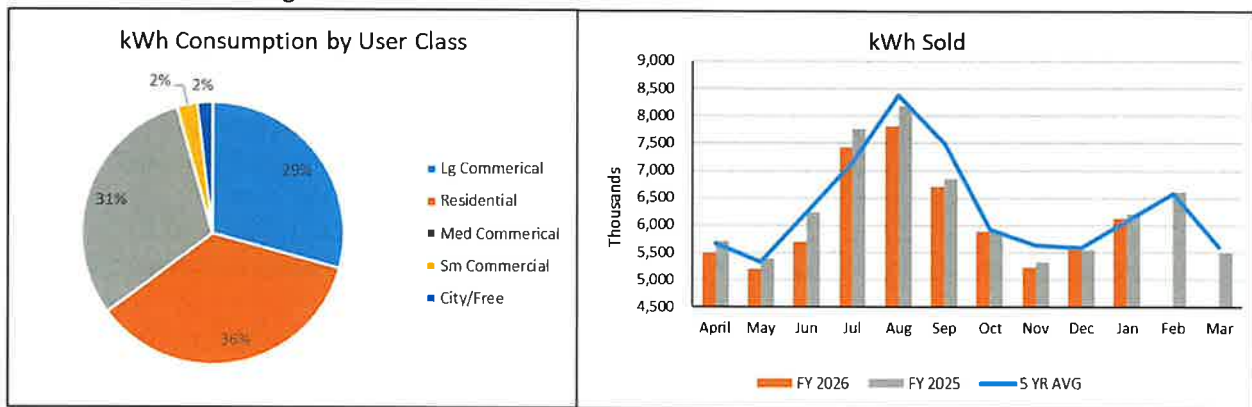
UNAUDITED

Electric Revenues

User charges are \$74,000 below budget fiscal year to date. January kWh sales were 1.0% lower compared to the same period last year. Consumption for the fiscal year to date was approximately 3.7% lower than the 5-year average year to date, and 3.0% lower than the prior year to date.

Fiscal year to date, billed consumption is down 1.8 million kWh. That amount tracks with a reduction in kWh billed to MSC from DEMEC.

Cooler than normal summer temperatures were part of the reason for this decrease in consumption. January demand charges were down 14.3% for MSC's largest commercial customer compared to the prior year. According to the customer, this is the result of the imposition of tariffs by the federal government which have caused them to reduce their production. In the current month, this decrease was partially offset by an increase in consumption by residential and other large commercial customers.



Electric Expenses

Electric operating expenses have a favorable variance (\$116,000) on the budgetary basis. Variances related to power purchase are due to decreased consumption by customers year to date. The positive variances in salaries and benefits is related to health insurance premiums not increasing as much as anticipated in July, changes in employee enrollments, and timing of salary accruals. The \$23,000 negative variance in miscellaneous expense is related to changes in how the allowance for bad debts is calculated. The \$78,000 negative variance in administrative professional fees is the result of changes in timing of payments for software licensing and \$7,000 unplanned expense to make changes to the AMI system's programming to accommodate the special billing rate for the General Service Customer class. In total it is not anticipated that electric expenses will be over budget at fiscal year-end.

After accounting for non-operating revenues and expenses, there is an increase in net position on the budgetary basis of \$136,000 which is \$427,000 better than anticipated. This is driven by capital projects proceeding not as quickly as anticipated, the donation of \$200,000 in materials for Riverbend Infrastructure, and gains from the sale of a retired truck and higher than anticipated interest revenue.

When converting from the budgetary basis of accounting to generally accepted accounting principles there is a decrease in the increase in net position to \$72,000 which is the result of non-cash transactions, such as depreciation, changes in compensated absences and converting capital outlays to capital assets.

**Municipal Services Commission
Budget to Actual Comparison (non GAAP) – Electric
As of January 31, 2026**

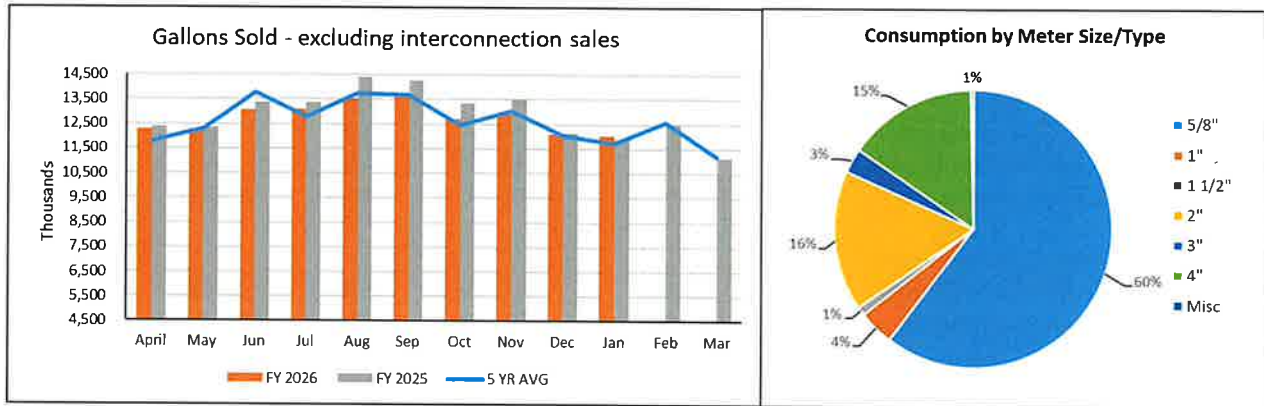
UNAUDITED

	YTD Budget	YTD Activity	Variance	Total Budget
Operating Revenues				
User Charges	9,169,300	9,095,671	(73,629)	10,909,814
City & MSC Services	34,390	34,384	(6)	41,200
Miscellaneous Income	233,012	269,815	36,803	878,550
<i>Total Operating Revenues</i>	9,436,702	9,399,870	(36,832)	11,829,564
Less: Free Service	5,385	6,710	(1,325)	8,000
<i>Net Operating Revenues</i>	9,431,317	9,393,160	(38,157)	11,821,564
Operating Expenses				
<i>Operations Dept</i>				
Purchase of electric for resale	6,415,449	6,302,672	112,777	7,644,720
Salaries and benefits	1,110,795	1,061,446	49,349	1,338,634
Professional fees	52,094	27,721	24,373	63,404
Repairs and maintenance	107,591	106,089	1,502	262,812
Other purchased services	46,425	43,638	2,787	46,660
Supplies and materials	43,267	44,607	(1,340)	48,262
<i>Total operations</i>	7,775,621	7,586,173	189,448	9,404,492
<i>General & administrative</i>				
Salaries and benefits	529,809	503,443	26,366	636,880
Professional fees	109,591	187,740	(78,149)	216,944
Repairs and maintenance	18,706	19,267	(561)	22,481
Other purchased services	44,217	38,305	5,912	47,170
Supplies and materials	12,828	10,059	2,769	14,410
Miscellaneous	10,000	32,812	(22,812)	10,000
Debt Service	102,516	109,051	(6,535)	123,069
<i>Total general & administrative</i>	827,667	900,677	(73,010)	1,070,954
<i>Total operating expenses</i>	8,603,288	8,486,850	116,438	10,475,446
Operating Income	828,029	906,310	78,281	1,346,118
Nonoperating revenue(expense)				
Investment income	89,776	139,078	49,302	104,500
Investment expense	(4,000)	(2,891)	1,109	(4,000)
Unrealized gain(loss) on investment	-	9,128	9,128	-
Realized gain(loss) on investment	-	(601)	(601)	-
Gain(loss) on disposal of asset	-	17,143	17,143	-
Grant income	66,640	-	(66,640)	80,000
Grant expense	-	(87,742)	(87,742)	-
Other Expense	-	(44,079)	(44,079)	-
Capital outlays	(746,977)	(496,309)	250,668	(896,618)
Appropriations				
Mayor and Council	(524,790)	(500,005)	24,785	(630,000)
Special	-	(4,300)	(4,300)	-
Contributed Capital	-	200,090	200,090	-
<i>Total nonoperating revenue(expense)</i>	(1,119,351)	(770,488)	348,863	(1,346,118)
Change in Net Position	(291,322)	135,822	427,144	-

Water Revenues

User charges have an unfavorable variance of \$11,000 for the fiscal year. Consumption for the month of January was up 1.0% compared with the same period last year. Fiscal year to date, excluding sales to Artesian, sales are consistent with the five-year average and down 2.5% from the prior year's fiscal year to date. Fiscal year to date, sales to Artesian account for \$20,000 of the \$11,000 unfavorable variance in user charges, without the sales to Artesian, the \$11,000 unfavorable variance above would be a \$31,000 negative variance. In August MSC received \$732,000 in miscellaneous revenue related to the first installment of a PFAS settlement. In October, MSC received a second installment payment of \$1.4 million. In January, MSC received \$417,000 in settlement funds.

Finance staff is working with the independent auditors to determine if these revenues should continue to be reported as miscellaneous operating revenues or if they can be reported elsewhere on the statement of Revenues Expenses and Changes in Net Position. Additionally, staff is working with the auditors to determine if there is a reasonable estimate of the full settlement that should be booked as current year revenue. As a result, this presentation, and amount may change as more information becomes available.



Water Expenses

Water operating expenses have a favorable year to date variance (\$67,000) on the budgetary basis. The positive variances in salaries and benefits is related to health insurance premiums not increasing as much as anticipated in July, changes in employee enrollments, and timing of salary accruals. The \$11,000 variance in Miscellaneous is related to estimated bad debt expense for tenant accounts in collections which are unlikely to be recovered. Other variances are the result of timing differences and are expected to be eliminated as the year progresses.

After accounting for non-operating revenues and expenses, there is an increase in net position on the budgetary basis of \$6 million which is \$6.9 million better than anticipated. This is a combination of miscellaneous revenues from the PFAS settlement discussed above as well as donated water infrastructure in Riverbend.

When converting from the budgetary basis of accounting to generally accepted accounting principles there is a decrease in the increase in net position to \$5.7 million which is the result of non-cash transactions, such as depreciation, changes in compensated absences and converting capital outlays to capital assets.

**Municipal Services Commission
Budget to Actual Comparison (non GAAP) – Water
As of January 31, 2026**

	YTD Budget	YTD Activity	Variance	Total Budget
Operating Revenues				
User Charges	2,519,913	2,513,137	(6,776)	3,040,436
City & MSC Services	35,101	30,763	(4,338)	40,223
Miscellaneous Income	21,552	2,615,729	2,594,177	1,138,586
<i>Total Operating Revenues</i>	<u>2,576,566</u>	<u>5,159,629</u>	<u>2,583,063</u>	<u>4,219,245</u>
Less: Free Service	3,290	3,303	(13)	4,000
<i>Net Operating Revenues</i>	<u>2,573,276</u>	<u>5,156,326</u>	<u>2,583,050</u>	<u>4,215,245</u>
Operating Expenses				
<i>Operations Dept</i>				
Purchase of water for resale	20,000	23,594	(3,594)	24,000
Salaries and benefits	1,036,306	993,888	42,418	1,242,438
Professional fees	47,431	30,442	16,989	57,540
Repairs and maintenance	172,877	182,722	(9,845)	229,381
Other purchased services	51,350	43,451	7,899	51,350
Supplies and materials	42,674	38,261	4,413	49,782
<i>Total operations</i>	<u>1,370,638</u>	<u>1,312,358</u>	<u>58,280</u>	<u>1,654,491</u>
<i>General & administrative</i>				
Salaries and benefits	308,381	299,926	8,455	371,652
Professional fees	157,084	142,852	14,232	186,407
Repairs and maintenance	15,621	15,652	(31)	18,911
Other purchased services	38,429	32,409	6,020	41,230
Supplies and materials	11,602	8,149	3,453	13,375
Miscellaneous	-	10,609	(10,609)	-
Debt Service	18,000	30,640	(12,640)	36,000
<i>Total general & administrative</i>	<u>549,117</u>	<u>540,237</u>	<u>8,880</u>	<u>667,575</u>
<i>Total operating expenses</i>	<u>1,919,755</u>	<u>1,852,595</u>	<u>67,160</u>	<u>2,322,066</u>
Operating Income	<u>653,521</u>	<u>3,303,731</u>	<u>2,650,210</u>	<u>1,893,179</u>
Nonoperating revenue(expense)				
Investment income	14,981	35,813	20,832	17,500
Investment expense	(500)	(510)	(10)	(500)
Unrealized gain(loss) on investments	-	1,611	1,611	-
Grant income	-	52,678	52,678	-
Grant expense	-	(82,750)	(82,750)	-
Other Expense	-	(12,690)	(12,690)	-
Capital Outlays	(1,407,447)	(84,924)	1,322,523	(1,689,179)
Appropriations				
Mayor and Council	(146,608)	(173,510)	(26,902)	(176,000)
City Services	(37,526)	(39,019)	(1,493)	(45,000)
Contributed Capital	-	3,067,232.00	3,067,232	-
<i>Total nonoperating revenue(expense)</i>	<u>(1,577,100)</u>	<u>2,763,931</u>	<u>4,341,031</u>	<u>(1,893,179)</u>
Change in Net Position	(923,579)	6,067,662	6,991,241	-

UNAUDITED

**Municipal Services Commission
Statement of Net Position
As of January 31, 2026 and 2025**

	2026	2025
ASSETS:		
Current assets:		
Cash and equivalents	\$ 6,380,859	\$ 2,479,373
Investments	1,386,922	1,254,238
Accounts receivable, net	713,469	902,834
Inventories	1,079,429	1,019,709
Prepays	65,589	124,496
Restricted cash	1,717,126	1,493,368
Total current assets	<u>11,343,394</u>	<u>7,274,018</u>
Noncurrent assets:		
Capital assets not being depreciated:		
Land	43,796	43,796
Construction in progress	762,697	722,552
Capital assets net of accumulated depreciation:		
Buildings	618,324	649,685
Equipment	604,374	573,333
Infrastructure	18,560,438	15,948,584
Total noncurrent assets	<u>20,589,629</u>	<u>17,937,950</u>
Total assets	<u>31,933,023</u>	<u>25,211,968</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension	501,638	327,027
Total deferred outflows	<u>501,638</u>	<u>327,027</u>
LIABILITIES		
Current liabilities:		
Accounts payable	774,047	775,375
Accrued liabilities	29,249	36,208
Customer Deposits	1,749,993	1,545,641
Total current liabilities	<u>2,553,289</u>	<u>2,357,224</u>
Noncurrent liabilities:		
Due within one year	109,529	102,456
Due in more than one year	2,690,560	2,131,086
Total noncurrent liabilities	<u>2,800,089</u>	<u>2,233,542</u>
Total liabilities	<u>5,353,378</u>	<u>4,590,766</u>
DEFERRED INFLOWS OF RESOURCES		
Pension	309,547	348,995
Total deferred inflows	<u>309,547</u>	<u>348,995</u>
NET POSITION		
Net investment in capital assets	19,818,960	17,087,724
Unrestricted	6,952,776	3,511,510
Total net position	<u>\$ 26,771,736</u>	<u>\$ 20,599,234</u>

UNAUDITED

Municipal Services Commission
Statement of Revenues, Expenses, and Changes in Net Position
As of January 31, 2026 and 2025

	2026	2025
Operating Revenues:		
Water sales	\$ 2,543,900	\$ 2,445,584
Power sales	9,130,055	8,878,991
Miscellaneous	2,828,775	59,887
Total operating revenues	14,502,730	11,384,462
Less: free service	(10,013)	(9,248)
Net operating revenues	14,492,717	11,375,214
Operating Expenses		
Purchase of water and power	6,326,266	6,379,121
Salaries and benefits	2,854,066	2,491,110
Repairs and maintenance	316,316	256,770
Professional fees	559,247	372,605
Supplies	101,076	84,544
Other purchased services	157,803	133,145
Miscellaneous	43,421	18,125
Depreciation	1,118,882	1,070,901
Total operating expenses	11,477,077	10,806,321
Operating income (loss)	3,015,640	568,893
Noncapital subsidies		
Intergovernmental	52,678	-
Appropriations to Mayor & Council of New Castle:		
Ordinary	(673,515)	(608,196)
City Services	(39,019)	(37,588)
Special	(4,300)	(12,069)
Total noncapital subsidies	(664,156)	(657,853)
Operating income(loss) and noncapital subsidies	2,351,484	(88,960)
Nonoperating revenues (expenses):		
Investment earnings	181,628	142,619
Gain(loss) on disposal of fixed assets	17,143	1,772
Grant revenue - restricted for capital assets	-	1,803,349
Capital contributions	3,267,322	-
Interest expense	(35,122)	(46,819)
Total nonoperating revenues (expenses)	3,430,971	1,900,921
Increase (decrease) in net position	5,782,455	1,827,342
Net position - beginning	20,989,281	18,771,892
Net position - ending	\$ 26,771,736	\$ 20,599,234

UNAUDITED

Comptroller/Treasurer's Report – February 19, 2026

**Municipal Services Commission
Combining Balance Sheet by Department
As of January 31, 2026 and 2025**

	Water		Electric		Total	
	2026	2025	2026	2025	2026	2025
ASSETS:						
Current assets:						
Cash and equivalents	2,704,436	-	3,676,423	2,479,373	6,380,859	2,479,373
Investments	208,038	188,136	1,178,884	1,066,102	1,386,922	1,254,238
Accounts receivable, net	251,794	156,877	461,675	745,957	713,469	902,834
Inventories	278,622	302,145	800,807	717,564	1,079,429	1,019,709
Prepays	24,462	50,866	41,127	73,630	65,589	124,496
Restricted cash	-	-	1,717,126	1,493,368	1,717,126	1,493,368
Total current assets	3,467,352	698,024	7,876,042	6,575,994	11,343,394	7,274,018
Noncurrent assets:						
Capital assets not being depreciated:						
Land	43,796	43,796	-	-	43,796	43,796
Construction in progress	170,641	240,033	592,056	482,519	762,697	722,552
Capital assets net of accumulated depreciation:						
Buildings	281,389	295,650	336,935	354,035	618,324	649,685
Equipment	393,017	256,592	211,357	316,741	604,374	573,333
Infrastructure	11,693,185	8,967,654	6,867,253	6,980,930	18,560,438	15,948,584
Total noncurrent assets	12,582,028	9,803,725	8,007,601	8,134,225	20,589,629	17,937,950
Total assets	16,049,380	10,501,749	15,883,643	14,710,219	31,933,023	25,211,968
DEFERRED OUTFLOWS OF RESOURCES						
Pension	223,882	140,270	277,756	186,757	501,638	327,027
Total deferred outflows	223,882	140,270	277,756	186,757	501,638	327,027

(Continued)

UNAUDITED

**Municipal Services Commission
Combining Balance Sheet by Department
As of January 31, 2026 and 2025**

	Water		Electric		Total	
	2026	2025	2026	2025	2026	2025
LIABILITIES						
Current liabilities						
Accounts payable	45,370	27,906	728,678	747,469	774,047	775,375
Accrued liabilities	13,162	16,294	16,087	19,914	29,249	36,208
Customer Deposits	15,820	6,618	1,734,173	1,539,023	1,749,993	1,545,641
Due to other funds	-	553,332	-	(553,332)	-	-
Total current liabilities	74,352	604,151	2,478,938	1,753,073	2,553,289	2,357,224
Noncurrent liabilities:						
Due within one year	24,937	22,197	84,592	80,259	109,529	102,456
Due in more than one year.	1,228,853	1,013,711	1,461,707	1,117,376	2,690,560	2,131,086
Total noncurrent liabilities	1,253,789	1,035,908	1,546,299	1,197,635	2,800,089	2,233,542
Total liabilities	1,328,141	1,640,058	4,025,237	2,950,708	5,353,378	4,590,766
DEFERRED INFLOWS OF RESOURCES						
Pension	140,839	159,729	168,708	189,266	309,547	348,995
Total deferred inflows	140,839	159,729	168,708	189,266	309,547	348,995
NET POSITION						
Net investment in capital assets	12,172,850	9,423,674	7,646,110	7,664,050	19,818,960	17,087,724
Unrestricted	2,631,432	(581,442)	4,321,344	4,092,952	6,952,776	3,511,510
Total net position	14,804,282	8,842,232	11,967,454	11,757,002	26,771,736	20,599,234

UNAUDITED

**Municipal Services Commission
Combining Schedules of Revenues, Expenses, and Changes in Net Position by Department
For the ten months ending January 31, 2026 and 2025**

	Water		Electric		Total	
	2026	2025	2026	2025	2026	2025
Operating Revenues:						
Charges for services	\$ 2,543,900	\$ 2,445,584	\$ 9,130,055	\$ 8,878,991	\$11,673,955	\$11,324,575
Miscellaneous	2,603,039	18,110	225,736	41,777	2,828,775	59,887
Total operating revenues	5,146,939	2,463,694	9,355,791	8,920,768	14,502,730	11,384,462
Less: free service	(3,303)	(2,666)	(6,710)	(6,582)	(10,013)	(9,248)
Net operating revenues	5,143,636	2,461,028	9,349,081	8,914,186	14,492,717	11,375,214
Operating Expenses						
Purchase of water and power	23,594	17,802	6,302,672	6,361,319	6,326,266	6,379,121
Salaries and benefits	1,277,400	1,207,683	1,576,666	1,283,427	2,854,066	2,491,110
Repairs and maintenance	190,960	235,807	125,356	20,963	316,316	256,770
Professional fees	256,044	179,137	303,203	193,468	559,247	372,605
Supplies	46,410	45,822	54,666	38,722	101,076	84,544
Other purchased services	75,860	62,568	81,943	70,577	157,803	133,145
Miscellaneous	10,609	9,302	32,812	8,823	43,421	18,125
Depreciation	478,625	420,596	640,257	650,305	1,118,882	1,070,901
Total operating expenses	2,359,502	2,178,717	9,117,575	8,627,604	11,477,077	10,806,321
Operating income (loss)	2,784,134	282,311	231,506	286,582	3,015,640	568,893

(Continued)

UNAUDITED

**Municipal Services Commission
Combining Schedules of Revenues, Expenses, and Changes in Net Position by Department
For the ten months ending January 31, 2026 and 2025**

	Water		Electric		Total	
	2026	2025	2026	2025	2026	2025
Noncapital subsidies						
Intergovernmental	52,678	-	-	-	52,678	-
Appropriations to Mayor & Council of New Castle:						
Ordinary	(173,510)	(124,657)	(500,005)	(483,539)	(673,515)	(608,196)
City Services	(39,019)	(37,588)	-	-	(39,019)	(37,588)
Special	-	-	(4,300)	(12,069)	(4,300)	(12,069)
Total noncapital subsidies	(159,851)	(162,245)	(504,305)	(495,608)	(664,156)	(657,853)
Operating income(loss) and noncapital subsidies	2,624,283	120,066	(272,799)	(209,026)	2,351,484	(88,960)
Nonoperating revenues (expenses):						
Investment earnings	36,914	26,285	144,714	116,334	181,628	142,619
Gain(loss) on disposal of fixed assets	-	-	17,143	1,772	17,143	1,772
Grant revenue - restricted for capital assets	-	1,766,631	-	36,718	-	1,803,349
Capital contributions	3,067,232	-	200,090	-	3,267,322	-
Interest expense	(17,963)	(2,165)	(17,159)	(44,654)	(35,122)	(46,819)
Total nonoperating revenues (expenses)	3,086,183	1,790,751	344,788	110,170	3,430,971	1,900,921
Increase (decrease) in net position	5,710,466	1,914,312	71,989	(86,970)	5,782,455	1,827,342
Net position - beginning	9,093,816	6,927,920	11,895,465	11,843,972	20,989,281	18,771,892
Net position - ending	<u>\$14,804,282</u>	<u>\$ 8,842,232</u>	<u>\$11,967,454</u>	<u>\$11,757,002</u>	<u>\$26,771,736</u>	<u>\$20,599,234</u>

Comptroller/Treasurer's Report – February 19, 2026

MUNICIPAL SERVICES COMMISSION

CITY OF NEW CASTLE, DELAWARE 19720-0208

P.O. BOX 208

<http://newcastlemsc.delaware.gov>

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

Water Department Commission Meeting Report

February 19, 2026

Prepared by: Jay Guyer on February 12, 2026

1. Developer Projects

A. Riverbend Subdivision

1. WUM Guyer continues working on completing the Rail Pros Flagging and Signaling Track Control Coordination application. Operator Schlecht continues performing inspection and testing of Phase II services as required. Lennar Builders continues construction on Phase II lots. Freedom Developer's (FD) contractor completed clearing the Phase III land and fill/grading work has started with plans for Ryan Homes to start building in June 2026.

B. Deemers Landing and Helm Apartment Complexes

1. WUM Guyer confirmed Deemers Landing and the Helm Apartments were sold and settled on in December. The new owner is Michael's Organization, LLC (MO). WUM Guyer will reach out to the MO contact to confirm their intentions of completing the meter project.

C. 610 West 7th Street – 396 Unit Apartment Complex

1. WUM Guyer has not received revised plans or new communication from Engineer McBride & Ziegler (MZ) and has no further update on this project.

D. 6, 8, and 12 Arbutus Avenue – 6 New Homes by Feather Group

1. Water services have been installed for the 6 homes and bacteria samples will be collected when the builder requests.

E. Delaware Street Railroad Crossing and 8th Street – Del DOT

1. WUM Guyer received a proposal for engineering services from Del DOT's Engineer Kleinfelder, reviewed, and returned an executed agreement. A follow up meeting with Kleinfelder on January 15th defined next steps for the project including responsibility for certain items and the process to be followed for completing the work which will be treated as a separate project from the Del DOT Railroad and Traffic Improvements Project. MSC is planning to complete several test holes to identify existing utilities. Final plans will be prepared and submitted to the Office of Engineering for an Approval to Construct and to Del DOT for a Utility Permit. Water work needs to be completed by the end of May.

F. 1004 Gray Street – 6 New Townhomes

1. WUM Guyer received a response letter and revised plans addressing MSC comments on the water services and meter locations for the 6 new town homes. MSC reached out to the engineer and developer/builder advising them to contact MSC when they are ready to start to construction.

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

February 19, 2026

Prepared by: Jay Guyer on February 12, 2026

G. William Penn High School Sports Complex

1. WUM Guyer was contacted by Becker Morgan Group Engineers (BM) in reference to the proposed sports complex at William Penn High School. The engineer forwarded initial plans for the project and WUM Guyer had several follow up conversations with him in reference to existing easements for water mains and existing water services for the high school and administrative building. WUM Guyer requested a preliminary meeting be scheduled with BM and school officials to review the project. Preliminary plans for the proposed sports complex were received on February 6th. WUM Guyer will start the review process.

H. Wilmington Road Railroad Track Crossing – 900 Block

1. WUM Guyer discussed with the State Engineer planned work for replacing the crossing signals at the track with new gates. The work is planned for late February / early March and will involve lane restrictions. MSC advised the engineer of the abandoned 6” valve and main running parallel to the track that needs to be disconnected from the 8” main. The engineer set up a meeting with Norfolk Southern’s (NS) construction group to review the possibility of MSC performing the water main work. Following the meeting, they are taking the request back to their supervisor. WUM Guyer is waiting for confirmation from NS.

2. MSC Projects

A. Cross Connection Control Program – Hydro Corp

1. Cross Connection Control (CCC) Program – WUM Jaeger and Operator Schlecht revised the Annual Notification to be mailed to customers and forwarded to Hydrocorp. The revised Notification will be sent out the week of February 16th. WUS Jaeger and Operator Schlecht met with Centerpoint’s Representative to review and schedule device replacement at Centerpoint 100, 200, 600, and 700. ZPC / Mayzon located at 400 Lukens Drive, Riveredge Park replaced their 12” fire service Double Check Valve on January 24th.

B. School Lane Water Treatment Facility PFAS Treatment System Improvements

1. WUM Guyer and WUS Jaeger forward a letter outlining the additional work to be performed under the loan/grant for the Office of Engineering (OOE) to review internally. The OOE advised only work listed as alternative in the original proposal can be added to the project. WUM Guyer forwarded the proposal for painting the vessel exteriors to our engineer and KMP Mechanical. Our Engineer resent the Notice of Award, Agreement, Payment Bond, and Performance Bond paperwork to KMP Mechanical requesting they complete and return. WUM Guyer counter signed the documents and returned the executed NOA to KMP. A date to issue the Notice to

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February 19, 2026

Prepared by: Jay Guyer on February 12, 2026

Proceed is being discussed, KMP is developing a Construction Schedule, and they are submitting cut sheets for review/approval.

C. Lead Service Line Inventory (LSLI) - EPA Revised Lead and Copper Rule -

1. Water Operators have ceased working on Phase 2 of the Lead Service Line Inventory due to weather. Work on collecting service line data will resume in early Spring when weather permits with plans to inspect approximately 100 or 20% of the 500 services identified using our predictive modeling to maintain our compliance.

D. 14th Street Water Main Extension to Johnson Way – 8” Main Install

1. WUM Guyer and WUS Jaeger received preliminary plans from Pennoni on December 5th for review and comment. WUM Guyer and WUS Jaeger reviewed the plans and walked the site. Comments on the plans were returned to Pennoni and revised plans were sent to the Office of Engineering requesting an Approval to Construct. Material for the project was ordered and received. WUM Guyer is revising the Utility Easement Agreement and will forward to MSC’s attorney with the updated Easement Exhibit. A draft copy will be sent to McConnell Development for review and comment when ready.

3. Operations

A. Outages

1. There were no planned or unplanned water outages for the month of January 2025. See attached Outage Report.

B. Reporting

1. Calgon Carbon Corporation (CCC) Pilot Study – Pilot Study Rigs 1 and 2 are both out of service until the System Improvements Project is completed then they will be put back in service. WUM Guyer and WUS Jaeger have several meetings scheduled with CCC’s engineer to review study data collected to understand the carbon and resin performance. WUS Jaeger had the first meeting with the CCC engineer on February 4th to start data review.
2. STRIDE Group EPA Grant – STRIDES Rapid Small Scale Column Testing (RSSCT) continues using MSC supplied water collected on November 7th. WUM Guyer has no additional updates on this project.
3. US EPA East Basin Road Groundwater Superfund Site – Following the coordination meeting, EPA’s Engineer Tetra Tech scheduled the first round of sampling. They forwarded a copy of their approved site sampling plan for our review and coordinated sample collection between Artesian on January 13th and MSC on the 14th. MSC

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collected our compliance, confirmation, and raw water sampling at the same time. MSC is waiting for results to be returned.

4. ARC GIS Pro Water System Mapping and Water Modeling Project - WUS Jaeger and WUM Guyer are reviewing our current Arc GIS licensing and options for renewing for water operations. WUM Guyer and WUS Jaeger had a planning meeting with Pennoni to discuss adding vertical assets to the mapping, using the system as a data depository for all MSC assets and options for dashboards for added user benefit. Also discussed applying for a new Matching Planning Grant to assist with costs associated with the vertical asset mapping of MSC's facilities.
5. PFAS Litigation (Executive Session) – WUM Guyer continues following the 3M / DuPont and Tyco / BASF communications related to the suit and settlements.
6. Delaware State and Local Cybersecurity Grant Program (DSLCCG) - WUM Guyer completed Quarterly Progress Reports and submitted Grant Reimbursement Requests for both SCADA Preliminary Engineering Report and VLAN's Segmentation of IT / OT Systems projects. The follow up meeting with our DEMA representative on January 21st went well and the reimbursements were adjusted and submitted. MSC has receive reimbursement for both projects. WUM Guyer will work with our DEMA representative to close out both grants.
7. Radiation and Granular Activated Carbon – MSC continues collecting monthly background readings around the carbon vessels and at the carbon vessel sample taps at School Lane Water Treatment Facility. Radiation testing results at the vessels has remained consistent throughout the 11 months of testing.
8. DNREC Water Use Report 2025 – WUS Jaeger updated the DNREC Annual Water Use Report for 2025 and WUM Guyer reviewed then submitted on January 27th prior to the January 31st due date. WUM Guyer has requested confirmation from DNREC they received the updated report.
9. DNREC Tier II Hazardous Chemical Report 2025 – WUS Jaeger updated the annual DNREC Tier II Hazardous Chemical Report for 2025 and WUM Guyer reviewed then submitted on January 29th prior to the March 1st due date. WUM Guyer received confirmation from DNREC they received the updated report.
10. DRBC Annual Water Audit 2025 – WUS Jaeger updated the DRBC Annual Water Audit Report for 2025 and WUM Guyer is reviewing the data and will submit it prior to the March 31 due date.

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11. Annual Water Billing Audit – WUS Jaeger working with Operator Schlecht are reviewing the Water Billing and Meter Audit spreadsheets for accuracy. Discrepancies are documented and forwarded to the Main Office for clarification/confirmation/resolution.

C. System Repairs and Maintenance

1. Water Operator Projects / Tasks worked on during the Month:
 - a. Operators collected January Monthly Bacteria Samples (10 per month) and Anion Samples as required by ODW for compliance.
 - b. All Long-Term Water Cuts for December were verified to be turned off.
 - c. Updated Itron Field Tools to Version 3.0. This software is used to troubleshoot water meters in the field.
 - d. Water Operator Schlecht is reviewing historical MSC Water As-Builts plans (paper) and updating MSC ESRI Mapping software. Paperwork is also being organized into distribution system zone folders.
 - e. MSC Water Inventory was reviewed and material quote was generated for reordering supplies. Materials received on 2/6/26.
 - f. Replaced LED Light at the top of Ships Landing Tank to stay in compliance with FAA requirements.
 - g. Water operators worked on Facility Inspections at all Water Facilities and have been performing general maintenance at them and on equipment.
 - h. MSC crews helped City with snow removal after the storm. Water Operators cleared snow around all MSC Fire Hydrants to ensure they were accessible. They also took inventory of hydrants that will need to be painted this year.
 - i. Operators have been taking care of frozen services as they have been reported usually turning them off at the first valve in the house or at the curb stop.
2. Riverbend Subdivision - Flushed on January 13th and 28th to maintain Chlorine residual.

D. Equipment

1. New Truck 14 – The Truck is at NuCar. WUM Guyer is working on the paperwork to take delivery.
2. No other Equipment issues to report.

E. Personnel and Training

1. No Personnel issues to report.
2. Water Operators Granger and Brewster attended Continuing Education training at DRWA.

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3. WUM Guyer and WUS Jaeger attended the DelDOT Annual Utility Summit.

F. Safety

1. MSC Water Operators hold daily morning Tailgate Talks discussing jobs / tasks to be performed each day with potential hazards and control measures to be taken.
2. DFIT Safety Meetings – Operator Brewster and Linemen Guessford attended the January 20th DFIT Safety Meeting. Operator Granger and Linemen Lindberg will attend the next meeting on February 17th at the Ken County Public Safety Building.

4. Local, State, and Federal Agencies

A. WSCC - Water Supply Coordinating Council

1. The next WSCC Full Council meeting is tentatively scheduled for March 2026.
2. The next New Castle County WSCC Subcommittee meeting is pending.
3. The next WSCC Drought Advisory Subcommittee meeting is pending as the Subcommittee monitors water conditions and will restart meetings when needed.

B. WRA – Water Resource Agency

1. WUM Guyer sends monthly pumping demand data to the University of Delaware Water Resource Agency (WRA).

C. DEWARN – Delaware Water/Wastewater Agency Response Network

1. The next DEWARN meeting will be scheduled in March.

D. Water Operator Advisory Council

1. The February 5th meeting went well. Nine (9) Water Operator License Applications, forty (40) Training Courses were reviewed / approved. An executive session was entered into to review Del Tech Training Course content and Exam questions.
2. The next Advisory Council Meeting is scheduled for March 5th for Regulation Review.

E. WIAC - Water Infrastructure Advisory Council

1. The next WIAC meeting is scheduled for March 25, 2026.

End of Report

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Monthly Water Works Report

January 1 - 31, 2026

Prepared By: Jay Guyer on February 12, 2026

Water Production		FT 300		Gallons	
Month	Year	Raw Total Gallons	Adjusted Finished Total Gallons	Raw Finished	Difference
January	2025	14,778,500	14,600,722	11,279,700	11,279,700
January	2026	11,279,700	11,202,892	11,202,892	11,202,892
	Difference	-3,498,800	-3,397,830		-76,808
	Percentage Difference	-31.0	-30.3		0.7

Note: MSC sold water to Artesian via the School Lane Interconnection 1-26 to 1-30-2025 totaling 2,344,196 gallons.

Well(s) in Operation Days Pumped	Basin Road Reserve	Frenchtown Road Resting	School Lane XXXX	Cross Roads XXXX	Reserve OOS XXX	Not Used Out of Service Run and No. of Days
			29	2		

Water Quality	MSC Average	Goal	Range
Average Chlorine Residual	1.36 ppm	1.40 ppm	1.0 - 4.0 ppm
Average pH	7.4	7.5	6.5 - 8.5 on a 0 - 14 Scale
Average Fluoride Residual	0.70 ppm	0.80 ppm	0.60 - 1.00 ppm

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

Collected Results
10
10 Absent
0 Present

Miss Utility Locate Requests (Water and Electric Locates)

# Received	# Completed	# of Damages
41	41	0

Building Permit Review (Water Related Conflicts)

# Reviewed	# Approved	# Not Approved
27	27	0

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Monthly Water Outages / Interruptions Report
January 1 - 31, 2026

Prepared By: Jay Guyer on February 12, 2026

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

No Planned Outages or Interruptions for the Month of January 2026.

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

No Unplanned Outages or Interruptions for the Month of January 2026.

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ELECTRIC DEPARTMENT COMMISSION REPORT

February 12, 2026

Prepared by Artie Granger on February 19, 2026

1. Developer Projects:

A. Riverbend Subdivision:

- I. Nothing new to report.
- II. The builder has continued to build and MSC will continue to provide power as needed.
- III. MSC has continued to install developer provided materials to install the feed from the Dobbinsville Substation to the development. At this time, we have most of the materials installed.
- IV. MSC will continue to work with the developer to get material and coordinate the installation of manholes and the directional drill under the wetlands.

2. Capital Projects:

a. Electric Mapping System

- I. MSC has signed the master services agreement with Power Systems Engineering and Consultants" PSE".
- II. MSC is planning on having a kick off meeting the week of the 16th. MSC has looped IT into this project as we will need to send and receive data while working on the mapping system.

b. Electric SCADA System

- I. MSC has issued a PO to SEL Engineering Services and had a kick off meeting on 1/22.
- II. SEL is working with Utility Engineering to be a bill of materials finalized and get materials ordered. This is expected to be completed within the next week or so.

c. Wilmington Road Substation Upgrades

- I. Utility Engineering is planning on having updated plans for review sometime in February.
- II. MSC is planning on beginning some site demolition to allow for the proposed underground cable trough to be installed.
- III. MSC is preparing to take Wilmington Road Substation off line for some needed upgrades. This is scheduled to take place in FY 2026/2027 The general scope of this project will be:

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- Relay replacement
 - This is due to the existing relays being out of warranty and continued serviceability issues.
- Control wiring
 - This is due to the wiring in place has been installed since the transformer was installed. We have multiple challenges with the existing wiring.
- Distribution Breakers
 - Scheduled replacement to maintain reliability.
- 138KV Breaker
 - Scheduled replacement to maintain reliability.
- Cable Trough and Raceways
 - Cable trough has been installed for the original substation and made work. This replacement will improve installation and maintenance.
- Install Nitrogen system on transformer.
 - Automates the nitrogen blanket for the transformer.
- Scada upgrades
 - Update SCADA system to replace unserviceable equipment. Separate SCADA system from the water departments system.
- Buss Structure cleaning and inspections
 - Make sure additional repairs are not needed.
- Transformer Inspections
 - Repair nitrogen leak in transformer
 - Transformer has a small nitrogen leak that needs located and repaired.
- Testing and Inspections of substation

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3. **Outages :**

MSC has no outage this past month.

SAIDI (minutes)	SAIFI (number of interruptions)	CAIDI (minutes)	ASAI (percent)
9.574768	0.1165349	82.16224	99.9981

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.

4. **Repairs and Maintenance:**

A. **T-15 Pickup:**

- I. The old T-15 truck was brought to Richie Brother Auction and sold for \$20,500.00

B. **Wilmington Road Substation:**

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

C. **Dobbinsville Substation:**

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

D. **System**

- I. MSC Electric was informed of a transformer that showed signs of leaking. MSC will be replacing the transformer and working on getting the transformer repaired.
- II. This transformer has been replaced. MSC is working on getting it sent out to be repaired / replaced.
- III. MSC has begun conversations with Verizon to work on getting them to replace poles in Washington Park. We plan on starting with our transformer poles and then we will prioritize replacement of additional pole. MSC met Verizon on site to discuss this.

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- IV. MSC has been doing routine street light cleaning and maintenance. MSC will be repainting some of the street light poles that need it.
- V. MSC has assisted the city in snow removal from the recent storm. MSC has worked to assist the city in any way possible during this snow event.
- VI. MSC changed out a transformer for 900 Center Point on Feb, 7th. The customer needed a larger transformer after they installed a larger fire pump, it went from a 150kva to a 225kva transformer. Since this work was done on a Saturday the customer had to pay for labor and equipment. There was no charge for the transformer and material used.
- VII. New Castle County sewer department had a scheduled shut down on the Buttonwood pump house on Feb, 12th from 7am to 3pm. This was for maintenance on their primary switch gear. They do this every couple of years.