Municipal Services Commission Monthly Meeting
January 22, 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 Mayor Valarie Leary, Commissioner Antonina Tantillo, City Administrator Scott L. Blomquist, Secretary
Staff in Attendance:	Kendrick Natale, Comptroller Artie Granger, Manager, Electric Utility Ryan Jaeger, Supervisor, Water Utility

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

Minutes

December 18, 2025 – **A motion to approve the minutes of the December 18, 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 noted that the 3rd Quarter Financial Report that will be submitted to the City and the Trustees is attached in the Commissioners' packet.

Mr. Natale reported as of December 31, 2025:

- Total cash on hand as of December 31, 2025: Approximately $8M.
- Investment Portfolio: $1.3M, which is relatively unchanged from prior month.
- 173 Days unrestricted cash on hand as of December 31, 2025, which is up seven (7) days from the prior month. The Water Department had 245 days cash on hand and the Electric Department had 148 days cash on hand.
- Check Register:
    - $6,230 to Schneider Electric Smart Grid Solutions LLC for SCADA licensing for Electric.
    - $30,590 to Tyler Technologies, Inc., for system upgrades.
    - $202,054 to the City of New Castle for the Quarterly Appropriation.
    - $6,858 to Pennoni Associates, Inc., for engineering on Water projects.
    - $66,894 to Nucar for a new electric truck.
- Approximately 190 Deposit Assessments were sent out in December.
- The Billing Audit is underway to ensure that commercial customers are in the correct rate class based on current usage.
- CSRs are working on getting calculations and contracts together for the Budget Billing Program for customers who requested information on that program.
- There were no service cuts in December due to the weather.

Electric Department

- User charges are $129,000 below budget.
- Sales were slightly higher than last year.
- Consumption was down 4% compared to the 5-year average and 3% compared to prior YTD, almost all driven by changes in consumption by Zenith.
- Operating expenses have a favorable variance of $113,000 which offsets the variance in revenue.
- $42,000 is reported in Other Expenses for a project in River Bend. That amount will most likely be capitalized.

Water Department

- User charges have an unfavorable variance of $8,000.
- Consumption is down 4% compared with the same period last year, but is consistent with the 5-year average.
- A 3rd payment was received in connection with the PFAS settlement, bringing the total received up to $2.5M.
- Operating expenses have a favorable variance of $71,000.

Budget

Mr. Natale stated that nothing changed in the Budget Requests as presented to the Commissioners in December. In response to a question from Commissioner Atherton, Mr. Natale explained the overtime numbers for both Water and Electric.

Mr. Natale noted that the $25,000 increase in Water and Electric is for a Cash Reserve Study that will be performed by an independent 3rd party. An in-depth discussion of the Study ensued during which Mr. Natale explained the purpose for and methodology of the Study. Mr. Natale also explained the metrics USF used for the Rate Design it presented; noting that their analysis is fairly generic and is not necessarily specific.

There was further discussion of the actively-managed portfolio managed by HUB International and funds with M&T Bank held in the banking side and investment side of their operations.

Mr. Natale noted that the Water and Electric Rate Designs are revenue neutral

A motion to approve the Electric and Water rate designs for the Fiscal Year 2027 as presented was made by Commissioner Atherton. The motion was seconded by Commissioner Wik and was unanimously passed.

A motion was made to approve the Budget for the Fiscal Year ending March 31, 2027, as shown was made by Commissioner Atherton. The motion was seconded by Mayor Leary and was unanimously passed.

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

Developer Projects:

- Riverbend Subdivision – The Developer has completed the C-Phase loop. MSC is working with the builder to get power to buildings as needed. MSC continues to install infrastructure from Riverbend to the Dobbinsville Substation. MSC has approximately 100' of conduit that can be installed before the developer will need to get manholes in.

Capital Projects:

- Replacement of T-15 – MSC has taken delivery of new T-15. The Old T-15 will be sent down for auction.
- Electric Mapping system – Mr. Granger is reviewing the revised scope and proposal.
- Electric SCADA System – MSC is working with Utility Engineering and SEL to get the project moving.
- Wilmington Road Substation – Utility Engineers expects to have the plans updated for review in February. MSC is planning to begin some site demolition. Mr. Blomquist explained the demolition project.

Outages:

- There was one outage in Centerpoint to repair a switch. The repair was unsuccessful and Compliance Environmental will be asked to recheck the switch to determine where the issue is. Two (2) customers were without power for approximately one (1) hour.
- 14th Street – Verizon asked MSC to inspect a transformer that appeared to be leaking oil. It did show signs of leaking and MSC will send it out for repair. In response to a question from Commissioner Wik, Mr. Granger explained the process, noting that there are several other transformers that will be sent out for repair at the same time.

In response to a question from Commissioner Atherton regarding a customer's concern with the light on Shaw Alley it was noted that MSC does not change the direction or shade street lights. Mr. Granger stated that MSC does not determine where lights are installed and the only light adjustment MSC would do is to determine if the light is property installed and level. Mr. Granger noted that the light from an HPS light and an LED light is different. Mr. Blomquist added that the Police Department has requested that lights be changed from HPS to LED for safety reasons.

In response to a question from Commissioner Atherton regarding EV chargers that have failed, Mr. Blomquist provided background on the acquisition of the EV chargers and explained that with the change in ownership from SemaConnect to Blink communications and customer service is not as good and Blink has been unresponsive in connection with getting failed chargers replaced. In response to a question from Mayor Leary, Mr. Blomquist will provide the Commissioners with a breakdown of EV charger usage. Mr. Natale added that MSC receives approximately $300-$500 from charging stations each month. Mr. Granger will continue to follow-up with Blink.

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

Developer Projects:

- Riverbend Subdivision – MSC is still working to get coordination with Rail Pros. It is hoped that the Agreement will be finalized soon. MSC continues to do water inspections on Phase 2. Lennar Builders continues building on the Phase 2 lots. Royal Cable ripped out a water service while installing communication lines in Phase 2. MSC did the repair in-house and Royal Cable was charged for the work. Clearing for Phase 3 has been done. MSC requested that they do compaction tests when they place fill in the Phase 3 loop.
- Deemers Landing – MSC confirmed that Deemers Landing and the Helm Apartments were sold to Michael's Organization, LLC, in December. Mr. Guyer confirmed that the individual metering plan was communicated to the new owner. Mr. Guyer reached out to Michael's and is waiting for a response. Mr. Blomquist provided background on the project.
- 105 The Strand – New Home Construction – This project is complete and has been reconciled.
- 55 West 8th Street – Water Service Installation – Mr. Jaeger gave the owner a quote and has not heard back from him.
- 610 West 7th Street – 396 Unit Apartment Complex – Messrs. Guyer and Jaeger met with McBride & Ziegler and Freedom Development to discuss plans and updates. MSC has not received any updates from them to date.
- 3 & 5 Buttonwood Avenue – New Homes by CPR Construction – This project is complete and has been reconciled.
- 6, 8, & 12 Arbutus Avenue – 6 new Homes by Feather Group – MSC installed water services and they are waiting for plumbing to be completed to get water samples.
- Delaware Street Railroad Crossing & 8th Street – DelDOT – MSC met with Kleinfelder to discuss the project that needs to be done by May. Kleinfelder will complete revising the plans and set up traffic control plan. Thereafter MSC will put the job out for bid. This will not be part of the DelDOT project. Mr. Jaeger explained the project is to abandon two of the older water mains that cross under the railroad area and tie them into the newer 12" main in the area. DelDOT will repave everything.

MSC Projects:

- Cross Connection Control Program – Hydro Corp – Mr. Guyer is fine-tuning the notifications to customers. It is hoped that the mailing will be done by the end of January. MSC is working with Pat Moran at Centerpoint to get some single-check valves replaced with dual-check valves.
- School Lane Water Treatment Facility PFAS Treatment System Improvements – KMP has completed all agreements. They have been reviewed and will be executed for submission shortly. The budget came in lower than the estimate and MSC has asked the Office of Engineering if they can include additional parts into the project. They are waiting for a response.
- Lead Service Line Inventory (LSLI) – EPA Revised Lead and Copper Rule – This project has been halted due to the cold weather. One hundred curb boxes still need to be inspected for the next Phase of the project.
- 14th Street Water Main Extension to Johnson Way – 8" Main Install – Operators soft dug all utilities in the area. Engineering was finished and sent to the Office of Engineering for approval. Two quotes for material have been received and MSC is waiting to hear from a third vendor.

The project will be done in several stages. Mr. Jaeger stated that water quality should improve significantly.

Operations:

- Outages – There were no planned or unplanned outages for the month of December. One leak was fixed under pressure on the 6" Cast Iron Main located in front of 506 West 11th Street.

Reporting:

- Calgon Carbon Corporation (CCC) Pilot Study – MSC received the second rig. Pilot Rig #1 was removed and placed in storage until the treatment facility PFAS Improvement Project is completed.
- STRIDE Group EPA Grant – Samples were collected on November 7th. Results are pending.
- US EPA East Basin Road Groundwater Superfund Site – MSC met with EPA and TetraTech representatives on January 14th. All well sites and the Distribution Entry Point were sampled by both TetraTech and MSC. These will be compared to the EPA tests. MSC also did two (2) distribution confirmation samples (220 Delaware Street and 100 Municipal Blvd.) for PFAS. Results are pending.
- ARC GIS Pro Water System Mapping and Water Model Planning Grant – This project has been reconciled. MSC is working with Pennoni to determine the best method using As-Builts to put the treatment facility into Ersi mapping system.
- PFAS Litigation – Another settlement was received, as reported by Mr. Natale.
- Delaware State & Cybersecurity Grant Program – MSC confirmed that they are submitting all documents correctly. A follow-up meeting is scheduled with cybersecurity representatives to discuss another grant for SCADA.
- Radiation and Granular Activated Carbon – MSC continues to collect monthly background readings on radiation levels. Readings have stayed consistently low and Mr. Jaeger did not foresee any issues with radiation.

System Repairs and Maintenance:

- Water Operator Projects / Tasks worked on during the Month:
    - Operators collected December Monthly Bacteria Samples (10 per month) and Anion Samples as required by ODW for compliance.
    - All Long-Term Water Cuts for December were verified to be turned off.
    - On December 30th, MSC Water Operators completed replacing a 1.5" cooper water service in Riverbend that was damaged by Royal Cable. The cost for replacing the water service was paid by Royal Cable.
    - MSC Water Operators helped customers troubleshoot leaks that were detected from the Meter Leak Detection Report ran weekly by the Customer Service Reps.
    - WUS Jaeger received sampling supplies from ODW State Lab for Compliance PFAS sampling to be completed on January 14th.
    - 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.

- MSC Water Inventory was reviewed and material quote was generated for reordering supplies.
- WUS Jaeger completed the DRWA Team Award Nomination Form. Award winners will be recognized on February 24, 2026 at the first ever Awards Dinner following the Annual DRWA Conference.

- Riverbend Subdivision – Flushed on December 2nd, 18th, and 30th to maintain Chlorine residual.

Equipment:

- New Truck 14 – Truck 14 should be delivered by the end of January or mid-February.
- 1995 Dump Truck – A new steel bed liner was installed in the 1995 GMC Dump Truck. The exterior of the dump bed was painted.

Personnel and Training:

- Mr. Guyer was presented with a 30 Year Service Award at the MSC holiday lunch. He was also presented with a Plaque with a 1920's Watchdog Water Meter that had the dials reset to Mr. Guyer's start date. Mayor Leary suggested that a picture and article be sent to The Weekly. Mr. Jaeger noted that the meter was still functional.

Safety:

- Safety talks are held each morning.
- Mr. Jaeger did a company-wide presentation on Slips, Trips, and Falls on December 17th.
- Messrs. Jaeger and Granger attended the December DFIT meeting.

Secretary's Report – Mr. Blomquist reporting

DEMEC:

- Messrs. Blomquist and Natale attended the January 8th DEMEC meeting.
- Demand January – October was .6% higher than 2024 and was .1% higher than the 2025 budget.
- Unrestricted cash: $83M, which was $23.9M over the target of $59.1M.
- Days cash on hand as of October 31st: 142 days
- Rate Stabilization Reserve: $51.5M, which was 48% higher than October 2024.
- Total income: $220M, which is 19% higher than January – October 2024.
- In October 2025 Beasley Unit 1 ran for 125 Hours and Beasley Unit 2 ran for 136 hours.

New Castle:

- Several meetings were held with CISA over the last month. A remote penetration testing is scheduled for February 23rd through March 6th. MSC is also scheduled to meet with them to discuss a Ransomware Readiness Assessment. CISA will review MSC's updated P-Caps for the second round of VADAR Testing.
- MSC continues to meet with DEMA regarding current grants to ensure MSC is in compliance.
- MSC met with the City to review grants submitted to separate MSC and City IT.

The Commissioners had no additional comments on the News Release regarding Electric and Water Rates for 2026 that will be sent out after the January Board meeting.

With regard to Mr. Blomquist's email to Senator Hansen, Mayor Leary suggested that a copy be sent to Senator Poore.

MSC will meet with Assurance shortly regarding the fiber install in the field.

<u>Public Comment</u>

<u>Phil Gross</u>

- EV Chargers – Mr. Gross asked how he can receive copies of meter readings for the last few years. He noted that New Castle Matters is exploring legal action on completion of the proposed Dog Park, which he opined would require an updated EV charger. He stated he is interested in knowing which chargers get the most use. Mr. Blomquist stated that data is available based on the billing meter by location, but not by individual EV charger. Mr. Natale noted that this information is being compiled to present at the February Board meeting. Mr. Gross will submit a FOIA request.
- Pending Projects – In response to a question from Mr. Gross, Mr. Blomquist stated that MSC has not received any contact regarding River Edge or the project by the liquor store.
- Rate Adjustments – In response to a question from Mr. Gross, Mr. Blomquist stated MSC does rate adjustments each year and the new rate adjustment is designed to be revenue neutral. He added that the average user should not see any increase.
- PFAS – Mr. Gross congratulated MSC on the local TV reports commending MSC for their work on PFAS.
- Board Meeting Recording – In response to a question from Mr. Gross, Mr. Blomquist stated that MSC Board meetings are recorded on Zoom for the purpose of creating the Minutes, but that the recording is not provided or stored. Ms. Tantillo added that the City does not store MSC's documents. Mr. Gross stated he will submit a FOIA request.

<u>Miscellaneous</u>

Ms. Tantillo stated that at the January meeting City Council supported a Resolution to approve the City to apply for a PFAS Awareness Grant to educate the public. She asked Mr. Blomquist for a Letter of Recommendation for the grant. Mr. Jaeger noted that the Office of Drinking Water recently sent out a number of links to educate the public and MSC will be updating their website to include them. Commissioner Wik stated that he and Mr. Guyer are working with a student at Friends School working on an International Baccalaureate Degree who has written an extensive essay on the history of PFAS and how MSC has handled the problem in advance of Federal and State Regulations. He will forward a copy of the essay to Ms. Tantillo.

<u>Next Regular Meeting</u>

The Commissioners set theFebruary Board meeting to be Thursday, February 19, 2026, at 9:00 a.m.

There being no further business to discuss, Mr. Blomquist called for a motion to adjourn.

A motion to adjourn was made by Commissioner Wik and seconded by Commissioner Atherton. The motion passed unanimously and the meeting adjourned at 10:15 a.m.

Kathleen R Weirich

Kathleen R. Weirich
Stenographer

Approved: Scott Blomquist

Comptroller/Treasurer's Report

MSC

Municipal Services Commission
of the City of New Castle

January 22, 2026 Commission Meeting

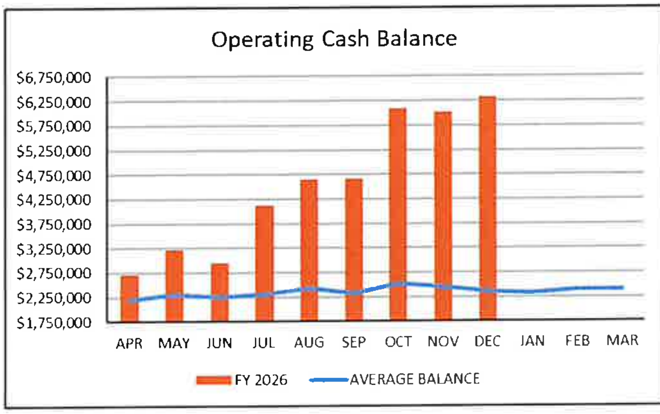
Prepared By: Ken Natale, CPFO on January 15, 2026

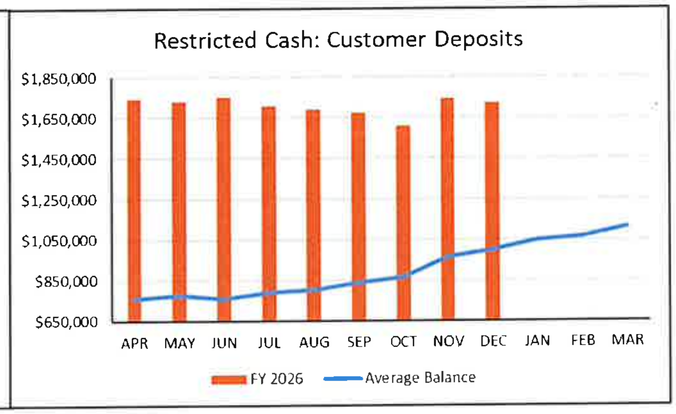
Contents

Cash & Investments

As of December 31, 2025 the cash balances were:

M&T Bank Checking:	$	400,561
M&T Investment Sweep:		5,918,191
M&T Bank Restricted		1,720,759
Petty Cash/Change Fund:		899
Total Cash on Hand:	$	8,040,410





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

Beginning Balance	**$**	**6,013,293**
Cash from customers		1,063,751
Interest Income		17,461
Legal Settlements		417,040
Refunds to customers - deposits	(	921)
Payments to suppliers for goods & services*	(	1,074,956)
Bank service fees	(	556)
Payments to employees for services	(	115,461)
Net Cash Provided (Used)		306,358
Ending Cash Balance	**$**	**6,319,651**

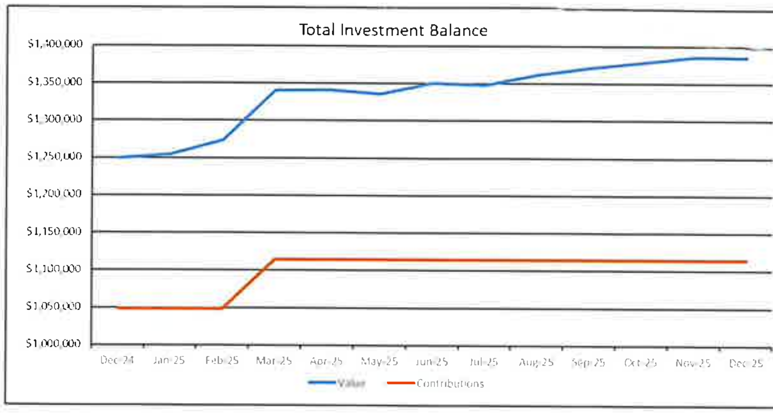
*A detailed check register for the month is available on page 3 of this report.

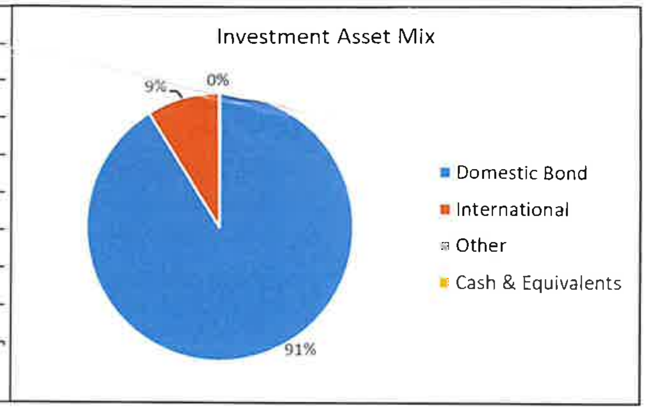
As of December 31, 2025 the value of the Commission's investment portfolio totaled $1,384,670 which is a net loss of $845 (0.0%) from the prior month.

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 3.67% interest and has a stable net asset value of $1.00.

Overall, there were 173 days unrestricted cash on hand at December 31 (+7 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 December 31 had 245 days unrestricted cash on hand (+41 from prior month) while the electric utility had 148 days unrestricted cash on hand (-3 days from the prior month).

Comptroller/Treasurer's Report – January 22, 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		$ 819	0.40%
Mutual Funds			
PGIM Total Return Bond CL A	PDBAX	238,094	4.27%
Fidelity Advisor Total Bond CL	FEPIX	372,575	4.35%
T Rowe Price Global Multi Sector Bond I	PGMSX	121,997	5.19%
Vanguard Intermediate Term Treasury	VFIUX	152,441	3.97%
Exchange Traded Funds			
iShares Trust 1-3 Year Treasury Bond EFT	SHY	498.744	3.50%
Total		**$ 1,384,670**	**4.08%**

Comptroller/Treasurer's Report – January 22, 2026

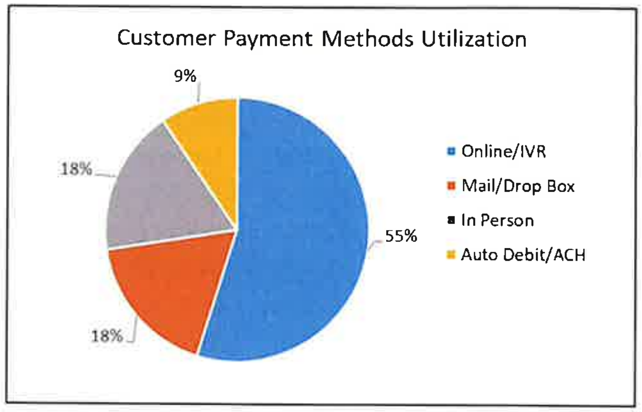
DECEMBER 2025 CHECK REGISTER

Date	Number	Vendor	Amount
12/08/2025	202259	CANON SOLUTIONS AMERICA INC	$ 674.31
12/08/2025	202260	Cummins Sales and Service	578.60
12/08/2025	202261	Delmarva Power	342.00
12/08/2025	202262	Diamond Materials	1,014.16
12/08/2025	202263	Railroad Management Company IV LLC	678.89
12/08/2025	202264	Schneider Electric Smart Grid Solutions LLC	6,230.80
12/08/2025	202265	Tyler Technologies Inc.	30,590.55
12/08/2025	202266	Utility Engineers PC	1,220.29
12/08/2025	202267	VersaLift East, LLC	3,817.77
12/08/2025	202268	COLONIAL LIFE	599.16
12/22/2025	202278	Antonio's Lawn Service	670.00
12/22/2025	202279	Associated Truck Parts	148.89
12/22/2025	202280	City of New Castle	202,054.53
12/22/2025	202281	Council 81	499.40
12/22/2025	202282	Guyer Terri Lynn Green	1,000.00
12/22/2025	202283	Heartline Press	5,846.48
12/22/2025	202284	Jesco INC.	2,111.85
12/22/2025	202285	Kathleen R Weirich	180.00
12/22/2025	202286	KDI Inc.	235.02
12/22/2025	202287	Pennoni Associates Inc.	6,858.70
12/22/2025	202288	Principal Financial Group	2,452.34
12/22/2025	202289	Trans Union LLC	345.93
12/22/2025	202290	Transformer Associates Limited	1,751.00
12/22/2025	202291	Tyler Technologies Inc.	2,465.00
12/01/2025	DFT0002732	Department of Human Resources Financial Services	49,256.08
12/05/2025	DFT0002745	T. ROWE PRICE RETIREMENT PLAN SERVICE INC	7,017.06
12/05/2025	DFT0002748	United States Treasury	22,116.16
12/01/2025	DFT0002749	Delaware Div. of Revenue	409.86
12/05/2025	DFT0002750	M&T ONE CARD	10,490.46
12/05/2025	DFT0002751	Contractors Materials LLC	334.18
12/05/2025	DFT0002752	Delaware Brick	308.45
12/02/2025	DFT0002753	OpenEdge	1,738.75
12/02/2025	DFT0002754	OpenEdge	203.70
12/16/2025	DFT0002755	BRINKS CAPITAL	921.10
12/09/2025	DFT0002756	Nationwide Life Ins. Co. of America	23,703.60
12/11/2025	DFT0002757	NuCar	66,894.00
12/19/2025	DFT0002760	T. ROWE PRICE RETIREMENT PLAN SERVICE INC	6,994.59
12/19/2025	DFT0002763	United States Treasury	22,250.75
12/19/2025	DFT0002764	DEMEC Inc	544,347.00
12/17/2025	DFT0002765	Pitney Bowes Purchase Power	10,000.00
12/19/2025	DFT0002766	M&T ONE CARD	14,489.91
12/19/2025	DFT0002767	Martin Marietta Materials Inc	618.36
12/31/2025	DFT0002768	COMPTROLLER OF MARYLAND	1,313.75
12/31/2025	DFT0002769	Delaware Div. of Revenue	19,183.00
		TOTAL PAYMENTS	**$ 1,074,956.43**

Customer Service/Billing

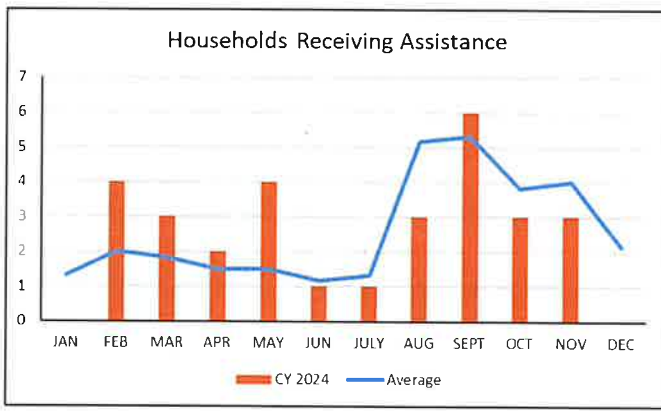
Since the previous meeting, the Customer Service Department processed:

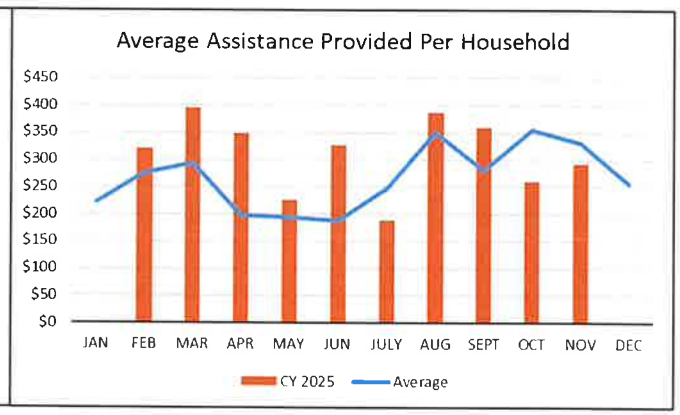
Bills sent	3,267
Delinquent & past due notices	398
Automated phone notifications	745
Payment arrangements	8
Contracts	3
Service cuts for non-payment	0
Accounts sent to collections	61
Electric bad debt write-offs	$0.00
Applications for service	22



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 December, the fund assisted zero customers. The maximum allowed by the program is $400. The current balance in the fund is $7,000.





In addition to assistance provided through the New Castle Cares fund, three customers received an average of $200 from other agencies or nonprofits that provide assistance for utility bills.

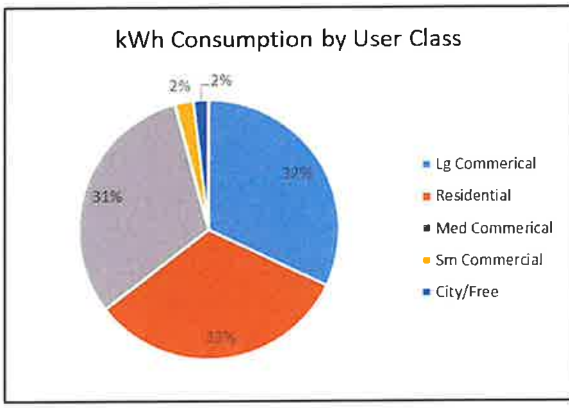
UNAUDITED

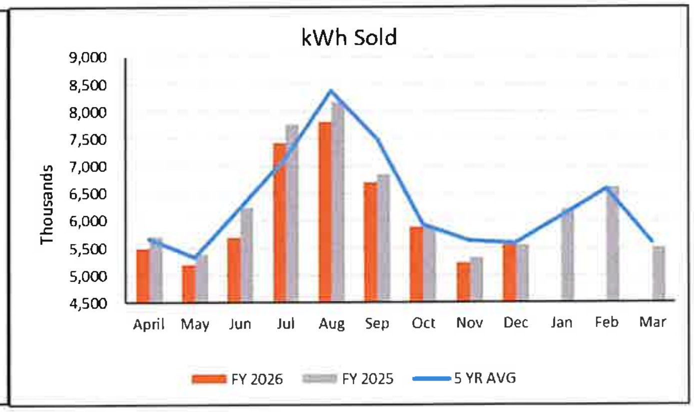
Electric Revenues

User charges are $129,000 below budget fiscal year to date. December kWh sales were 1.0% higher compared to the same period last year. Consumption for the fiscal year to date was approximately 4.1% lower than the 5-year average year to date, and 3.2% lower than the prior year to date.

Fiscal year to date, billed consumption is down 2 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. December demand charges were down 13% 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 ($113,000) 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 $9,000 negative variance in repairs and maintenance is due to increased expense for "lines and poles" fiscal year to date compared with prior years. 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 $217,000 which is $378,000 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 $170,000 which is the result of non-cash transactions, such as depreciation, changes in compensated absences and converting capital outlays to capital assets.

Comptroller/Treasurer's Report – January 22, 2026

Municipal Services Commission
Budget to Actual Comparison (non-GAAP) – Electric
As of December 31, 2025

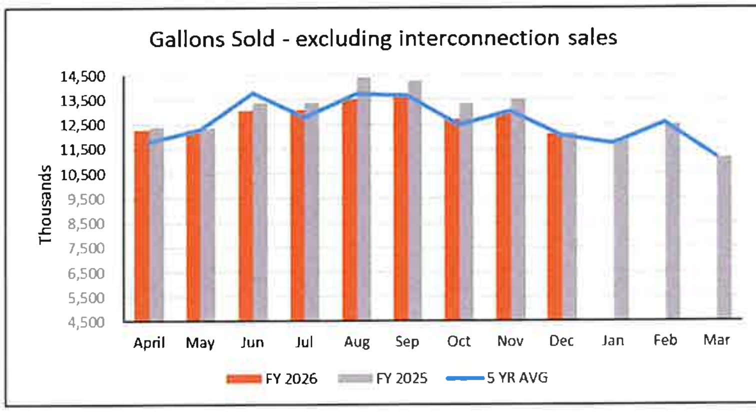
UNAUDITED

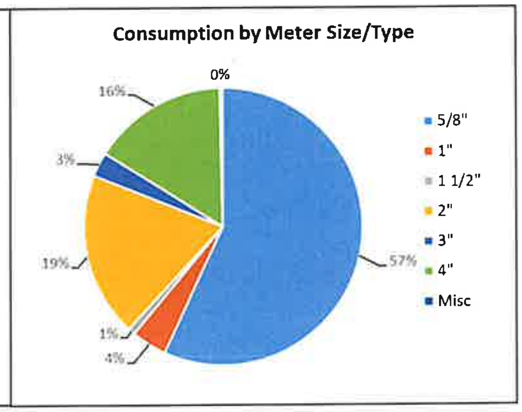
	YTD Budget	YTD Activity	Variance	Total Budget
Operating Revenues				
User Charges	8,325,791	8,197,172	(128,619)	10,909,814
City & MSC Services	31,019	30,945	(74)	41,200
Miscellaneous Income	229,642	256,725	27,083	878,550
Total Operaing Revenues	8,586,452	8,484,842	(101,610)	11,829,564
Less: Free Service	4,270	5,714	(1,444)	8,000
Net Operating Revenues	8,582,182	8,479,128	(103,054)	11,821,564
Operating Expenses				
Operations Dept				
Purchase of electric for resale	5,758,003	5,648,736	109,267	7,644,720
Salaries and benefits	1,007,008	944,519	62,489	1,338,634
Professional fees	48,962	27,464	21,498	63,404
Repairs and maintenance	84,504	93,779	(9,275)	262,812
Other purchased services	46,300	43,531	2,769	46,660
Supplies and materials	39,270	41,451	(2,181)	48,262
Total operations	6,984,047	6,799,480	184,567	9,404,492
General & administrative				
Salaries and benefits	480,578	448,674	31,904	636,880
Professional fees	100,929	179,637	(78,708)	216,944
Repairs and maintenance	16,390	17,881	(1,491)	22,481
Other purchased services	42,530	38,305	4,225	47,170
Supplies and materials	11,479	8,425	3,054	14,410
Miscellaneous	10,000	33,098	(23,098)	10,000
Debt Service	92,265	99,692	(7,427)	123,069
Total general & administrative	754,171	825,712	(71,541)	1,070,954
Total operating expenses	7,738,218	7,625,192	113,026	10,475,446
Operating Income	843,964	853,936	9,972	1,346,118
Nonoperating revenue(expense)				
Investment income	82,686	121,205	38,519	104,500
Investment expense	(2,959)	(2,154)	805	(4,000)
Unrealized gain(loss) on investment	-	9,391	9,391	-
Realized gain(loss) on investment	-	(601)	(601)	-
Gain(loss) on disposal of asset	-	17,143	17,143	-
Grant income	59,976	-	(59,976)	80,000
Other Expense	-	(42,077)	(42,077)	-
Capital outlays	(672,279)	(488,572)	183,707	(896,618)
Appropriations				
Mayor and Council	(472,311)	(446,959)	25,352	(630,000)
Special	-	(4,300)	(4,300)	-
Contributed Capital	-	200,090.00	200,090	-
Total nonoperating revenue(expense)	(1,004,887)	(636,834)	368,053	(1,346,118)
Change in Net Position	**(160,923)**	**217,102**	**378,025**	**-**

Water Revenues

User charges have an unfavorable variance of $8,000 for the fiscal year. Consumption for the month of December was down 4.0% 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 2.9% from the prior year's fiscal year to date. Fiscal year to date, sales to Artesian account for $20,000 of the $2,000 favorable variance in user charges, without the sales to Artesian, the $8,000 unfavorable variance above would be a $28,000 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 December, 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 ($71,000) 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 $6.8 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.

Comptroller/Treasurer's Report – January 22, 2026

UNAUDITED

Municipal Services Commission
Budget to Actual Comparison (non GAAP) – Water
As of December 31, 2025

	YTD Budget	YTD Activity	Variance	Total Budget
Operating Revenues				
User Charges	2,279,503	2,275,558	(3,945)	3,040,436
City & MSC Services	31,591	27,687	(3,904)	40,223
Miscellaneous Income	20,140	2,612,010	2,591,870	1,138,586
Total Operaing Revenues	2,331,234	4,915,255	2,584,021	4,219,245
Less: Free Service	2,958	3,016	(58)	4,000
Net Operating Revenues	2,328,276	4,912,239	2,583,963	4,215,245
Operating Expenses				
Operations Dept				
Purchase of water for resale	18,000	21,111	(3,111)	24,000
Salaries and benefits	938,487	885,924	52,563	1,242,438
Professional fees	42,408	27,423	14,985	57,540
Repairs and maintenance	154,435	172,097	(17,662)	229,381
Other purchased services	51,350	43,451	7,899	51,350
Supplies and materials	38,577	34,671	3,906	49,782
Total operations	1,243,257	1,184,677	58,580	1,654,491
General & administrative				
Salaries and benefits	279,570	267,092	12,478	371,652
Professional fees	142,909	136,448	6,461	186,407
Repairs and maintenance	13,696	14,518	(822)	18,911
Other purchased services	36,833	32,409	4,424	41,230
Supplies and materials	10,417	6,812	3,605	13,375
Miscellaneous	-	10,822	(10,822)	-
Debt Service	18,000	20,428	(2,428)	36,000
Total general & administrative	501,425	488,529	12,896	667,575
Total operating expenses	1,744,682	1,673,206	71,476	2,322,066
Operating Income	583,594	3,239,033	2,655,439	1,893,179
Nonoperating revenue(expense)				
Investment income	13,815	32,710	18,895	17,500
Investment expense	(370)	(380)	(10)	(500)
Unrealized gain(loss) on investments	-	1,657	1,657	-
Grant income	-	25,000	25,000	-
Grant expense	-	(82,750)	(82,750)	-
Other Expense	-	(12,628)	(12,628)	-
Capital Outlays	(1,266,702)	(76,553)	1,190,149	(1,689,179)
Appropriations				
Mayor and Council	(131,947)	(159,205)	(27,258)	(176,000)
City Services	(33,674)	(35,131)	(1,457)	(45,000)
Contributed Capital	-	3,067,232.00	3,067,232	-
Total nonoperating revenue(expense)	(1,418,878)	2,759,952	4,178,830	(1,893,179)
Change in Net Position	**(835,284)**	**5,998,985**	**6,834,269**	**-**

UNAUDITED

Municipal Services Commission
Statement of Net Position
As of December 31, 2025 and 2024

	2026	2025
ASSETS:		
Current assets:		
Cash and equivalents	$ 6,319,651	$ 2,881,882
Investments	1,384,670	1,249,305
Accounts receivable, net	796,059	803,610
Inventories	1,080,934	1,017,779
Prepaids	65,589	104,730
Restricted cash	1,720,759	1,364,216
Total current assets	11,367,662	7,421,522
Noncurrent assets:		
Capital assets not being depreciated:		
Land	43,796	43,796
Construction in progress	746,589	576,841
Capital assets net of accumulated depreciation:		
Buildings	620,845	652,390
Equipment	627,746	588,346
Infrastructure	18,650,301	16,033,968
Total noncurrent assets	20,689,278	17,895,341
Total assets	32,056,940	25,316,863
DEFERRED OUTFLOWS OF RESOURCES		
Pension	501,638	327,027
Total deferred outflows	501,638	327,027
LIABILITIES		
Current liabilities:		
Accounts payable	758,373	891,718
Accrued liabilities	58,432	54,615
Customer Deposits	1,748,149	1,427,737
Total current liabilities	2,564,954	2,374,070
Noncurrent liabilities:		
Due within one year	109,529	102,456
Due in more than one year	2,732,453	2,141,608
Total noncurrent liabilities	2,841,982	2,244,064
Total liabilities	5,406,937	4,618,134
DEFERRED INFLOWS OF RESOURCES		
Pension	309,547	348,995
Total deferred inflows	309,547	348,995
NET POSITION		
Net investment in capital assets	19,884,989	17,045,113
Unrestricted	6,957,105	3,631,648
Total net position	$ 26,842,094	$ 20,676,761

UNAUDITED

Municipal Services Commission
Statement of Revenues, Expenses, and Changes in Net Position
As of December 31, 2025 and 2024

	2026	2025
Operating Revenues:		
Water sales	$ 2,303,245	$ 2,223,527
Power sales	8,228,117	8,030,127
Miscellaneous	2,814,030	36,690
Total operating revenues	13,345,392	10,290,344
Less: free service	(8,730)	(7,705)
Net operating revenues	13,336,662	10,282,639
Operating Expenses		
Purchase of water and power	5,669,847	5,698,196
Salaries and benefits	2,549,846	2,213,527
Repairs and maintenance	290,861	244,673
Professional fees	453,722	337,101
Supplies	91,359	81,506
Other purchased services	157,696	133,145
Miscellaneous	43,920	11,547
Depreciation	1,003,125	967,799
Total operating expenses	10,260,376	9,687,494
Operating income (loss)	3,076,286	595,145
Noncapital subsidies		
Intergovernmental	25,000	-
Appropriations to Mayor & Council of New Castle:		
Ordinary	(606,164)	(547,376)
City Services	(35,131)	(33,935)
Special	(4,300)	(10,795)
Total noncapital subsidies	(620,595)	(592,106)
Operating income(loss) and noncapital subsidies	2,455,691	3,039
Nonoperating revenues (expenses):		
Investment earnings	161,828	128,570
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	(49,171)	(50,831)
Total nonoperating revenues (expenses)	3,397,122	1,882,860
Increase (decrease) in net position	5,852,813	1,904,869
Net position - beginning	20,989,281	18,771,892
Net position - ending	$ 26,842,094	$ 20,676,761

UNAUDITED

Municipal Services Commission
Combining Balance Sheet by Department
As of December 31, 2025 and 2024

	Water		Electric		Total	
	2026	2025	2026	2025	2026	2025
ASSETS:						
Current assets:						
Cash and equivalents	2,637,943	-	3,681,708	2,881,882	6,319,651	2,881,882
Investments	207,701	187,396	1,176,969	1,061,909	1,384,670	1,249,305
Accounts receivable, net	277,109	156,223	518,950	647,387	796,059	803,610
Inventories	272,128	302,707	808,806	715,072	1,080,934	1,017,779
Prepaids	24,462	40,564	41,127	64,166	65,589	104,730
Restricted cash	-	-	1,720,759	1,364,216	1,720,759	1,364,216
Total current assets	3,419,343	686,890	7,948,319	6,734,632	11,367,662	7,421,522
Noncurrent assets:						
Capital assets not being depreciated:						
Land	43,796	43,796	-	-	43,796	43,796
Construction in progress	162,270	129,435	584,319	447,406	746,589	576,841
Capital assets net of accumulated depreciation:						
Buildings	282,536	296,880	338,309	355,510	620,845	652,390
Equipment	405,421	262,379	222,325	325,967	627,746	588,346
Infrastructure	11,729,995	9,000,727	6,920,306	7,033,241	18,650,301	16,033,968
Total noncurrent assets	12,624,018	9,733,217	8,065,259	8,162,124	20,689,278	17,895,341
Total assets	16,043,362	10,420,107	16,013,578	14,896,756	32,056,940	25,316,863
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 December 31, 2025 and 2024

	Water		Electric		Total	
	2026	2025	2026	2025	2026	2025
LIABILITIES						
Current liabilities						
Accounts payable	52,906	123,071	705,467	768,647	758,373	891,718
Accrued liabilities	26,294	24,576	32,138	30,039	58,432	54,615
Customer Deposits	15,820	17,855	1,732,329	1,409,882	1,748,149	1,427,737
Due to other funds		376,615	-	(376,615)	-	-
Total current liabilities	95,020	542,117	2,469,934	1,831,953	2,564,954	2,374,070
Noncurrent liabilities:						
Due within one year	24,937	22,197	84,592	80,259	109,529	102,456
Due in more than one year.	1,229,760	1,018,241	1,502,693	1,123,368	2,732,453	2,141,608
Total noncurrent liabilities	1,254,697	1,040,438	1,587,285	1,203,627	2,841,982	2,244,064
Total liabilities	1,349,717	1,582,554	4,057,219	3,035,580	5,406,937	4,618,134
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	12,214,841	9,353,166	7,670,148	7,691,947	19,884,989	17,045,113
Unrestricted	2,561,847	(535,072)	4,395,258	4,166,720	6,957,105	3,631,648
Total net position	14,776,688	8,818,094	12,065,406	11,858,667	26,842,094	20,676,761

UNAUDITED

Municipal Services Commission
Combining Schedules of Revenues, Expenses, and Changes in Net Position by Department
For the nine months ending December 31, 2025 and 2024

	Water		Electric		Total	
	2026	2025	2026	2025	2026	2025
Operating Revenues:						
Charges for services	$ 2,303,245	$ 2,223,527	$ 8,228,117	$ 8,030,127	$10,531,362	$10,253,654
Miscellaneous	2,599,382	4,522	214,648	32,168	2,814,030	36,690
Total operating revenues	4,902,627	2,228,049	8,442,765	8,062,295	13,345,392	10,290,344
Less: free service	(3,016)	(2,409)	(5,714)	(5,296)	(8,730)	(7,705)
Net operating revenues	4,899,611	2,225,640	8,437,051	8,056,999	13,336,662	10,282,639
Operating Expenses						
Purchase of water and power	21,111	15,920	5,648,736	5,682,276	5,669,847	5,698,196
Salaries and benefits	1,139,369	1,061,590	1,410,477	1,151,937	2,549,846	2,213,527
Repairs and maintenance	179,201	222,511	111,660	22,162	290,861	244,673
Professional fees	246,621	156,369	207,101	180,732	453,722	337,101
Supplies	41,483	44,530	49,876	36,976	91,359	81,506
Other purchased services	75,860	62,568	81,836	70,577	157,696	133,145
Miscellaneous	10,822	10	33,098	11,537	43,920	11,547
Depreciation	428,264	380,506	574,862	587,293	1,003,125	967,799
Total operating expenses	2,142,730	1,944,004	8,117,646	7,743,490	10,260,376	9,687,494
Operating income (loss)	2,756,881	281,636	319,405	313,509	3,076,286	595,145

(Continued)

UNAUDITED

Municipal Services Commission
Combining Schedules of Revenues, Expenses, and Changes in Net Position by Department
For the nine months ending December 31, 2025 and 2024

	Water		Electric		Total	
	2026	2025	2026	2025	2026	2025
Noncapital subsidies						
Intergovernmental	25,000	-	-	-	25,000	-
Appropriations to Mayor & Council of New Castle:						
Ordinary	(159,205)	(142,035)	(446,959)	(405,341)	(606,164)	(547,376)
City Services	(35,131)	(33,935)	-	-	(35,131)	(33,935)
Special	-	-	(4,300)	(10,795)	(4,300)	(10,795)
Total noncapital subsidies	(169,336)	(175,970)	(451,259)	(416,136)	(620,595)	(592,106)
Operating income(loss) and noncapital subsidies	2,587,545	105,666	(131,854)	(102,627)	2,455,691	3,039
Nonoperating revenues (expenses):						
Investment earnings	33,987	24,234	127,841	104,336	161,828	128,570
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	(5,892)	(2,027)	(43,279)	(48,804)	(49,171)	(50,831)
Total nonoperating revenues (expenses)	3,095,327	1,788,838	301,795	94,022	3,397,122	1,882,860
Increase (decrease) in net position	5,682,872	1,890,174	169,941	14,695	5,852,813	1,904,869
Net position - beginning	9,093,816	6,927,920	11,895,465	11,843,972	20,989,281	18,771,892
Net position - ending	$14,776,688	$ 8,818,094	$12,065,406	$11,858,667	$26,842,094	$20,676,761

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

January 22, 2026

Prepared by: Jay Guyer on January 14, 2026

1. Developer Projects

A. Riverbend Subdivision

1. WUM Guyer received information from Freedom Development and updated the Rail Pros Flagging and Signaling Track Control Coordination application. Rail Pros responded with a request for additional information. Operator Schlecht continues performing inspection and testing of Phase II services as required. Lennar Builders continues construction on Phase II lots. FD's contractor completed clearing the Phase III land and fill/grading work has started with plans for Ryan Homes to start building in June 2026. WUM Guyer requested FD forward compaction test results to evaluate for water main installation and questioned when revised water plans would be available for review.

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 reached out to the previous owner and confirmed the individual metering plan was communicated to the new owner who agreed to it. WUM Guyer will reach out to the MO contact to confirm their intentions of completing the meter project.

C. 105 The Strand - New Home Construction

1. Bacteria samples were collected and the project reconciled. Project is complete.

D. 55 West 8th Street Garage - Water Service Installation

1. WUM Guyer has nothing to update on this project.

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

1. Freedom Development (FD) and their Engineer McBride & Ziegler (MZ) have MSC's latest Comments to revise the water plans. WUM Guyer has not received revised plans and has no further update on this project.

F. 3 and 5 Buttonwood Avenue – New Homes by CPR Construction

1. Water service installation is complete and bacteria samples were collected. The project has been reconciled and is complete.

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

1. Water Operators installed the new ¾ water services for the 6 homes being constructed. Bacteria samples will be collected when the builder requests.

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

January 22, 2026

Prepared by: Jay Guyer on January 14, 2026

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

1. WUM Guyer reached out to Del DOT's Engineer Kleinfelder requesting updated water plans for the RR Crossing. Plans were received and comments returned. 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. This will be treated as a separate project from the Del DOT Railroad and Traffic Improvements Project. Water work needs to be completed by the end of May.

2. <u>MSC Projects</u>

A. Cross Connection Control Program – Hydro Corp

1. Cross Connection Control (CCC) Program – WUM Guyer is working on a final draft of the new notification to be mailed to customers. WUM Guyer followed up with Centerpoint's Representative on scheduling device replacement at Centerpoint 100 and 200. He is following up with their Fire Protection contractor.

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 to review internally. WUM Guyer has not received a response and will follow up with OOE. WUM Guyer discussed the project with our Engineer and requested they resend the Notice of Award, Agreement, Payment Bond, and Performance Bond paperwork to KMP Mechanical requesting they complete and return to get the project moving forward. When received a Notice to Proceed will be issued and a Construction Schedule developed.

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. Water Operators completed 15 soft dig holes to confirm existing utility locations and excavating conditions. Comments on the plans were returned to Pennoni and revised plans will be sent to the Office of Engineering requesting an Approval to Construct. A material list was generated and sent to several suppliers for costs and availability. 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.

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

January 22, 2026

Prepared by: Jay Guyer on January 14, 2026

3. Operations

A. Outages

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

B. Reporting

1. Calgon Carbon Corporation (CCC) Pilot Study – CCC's Engineer was on site December 12th to change out the GAC media for regeneration and remove Pilot Study Rig 1 from service in preparation for our Filter System Improvements project. The second Pilot Study Rig 2 was delivered to SL Treatment Facility on December 11th. The rigs will be put back in service after the System Improvements Project is complete. 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.

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 collected our compliance, confirmation, and raw water sampling at the same time.

4. ARC GIS Pro Water System Mapping and Water Model Planning Grant - WUS Jaeger and WUM Guyer completed reconciling the project and submitted for reimbursement.

5. PFAS Litigation (Executive Session) – WUM Guyer received an e-mail confirmation from our Attorney at SL Environmental Law Group that our first payment from the DuPont Phase One Action Fund Settlement was processed. The settlement payment was received on December 29th. 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 (DSLCG) - 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. A follow up meeting is scheduled with our DEMA representative on January 21st to review the reports and requests.

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.

C. System Repairs and Maintenance

1. Water Operator Projects / Tasks worked on during the Month:
   a. Operators collected December 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. On December 30th, MSC Water Operators completed replacing a 1.5" cooper water service in Riverbend that was damaged by Royal Cable. The cost for replacing the water service was paid by Royal Cable.
   d. MSC Water Operators helped customers troubleshoot leaks that were detected from the Meter Leak Detection Report ran weekly by the Customer Service Reps.
   e. WUS Jaeger received sampling supplies from ODW State Lab for Compliance PFAS sampling to be completed on January 14th.
   f. 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.
   g. MSC Water Inventory was reviewed and material quote was generated for reordering supplies.
   h. WUS Jaeger completed the DRWA Team Award Nomination Form. Award winners will be recognized on February 24, 2026 at the first ever Awards Dinner following the Annual DRWA Conference.

2. Riverbend Subdivision - Flushed on December 2nd, 18th, and 30th to maintain Chlorine residual.

D. Equipment

1. New Truck 14 – The Truck is at Intercon Truck for the Utility Body installation. Anticipated completion and delivery is the middle of February.

2. Water Operator's Granger and Spiess installed a new steel bed liner in the 1995 GMC Dump Truck and painted the exterior of the Dump Bed.

3. No other Equipment issues to report.

E. Personnel and Training

1. WUM Guyer was presented with a 30 Year Service Award at MSC Holiday Lunch.

2. No Personnel issues to report.

Water Department Commission Meeting Report

January 22, 2026

Prepared by: Jay Guyer on January 14, 2026

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. On December 17th, WUS Jaeger reviewed a preventative Slips, Trips, and Falls presentation with MSC Water & Electric crew.

2. DFIT Safety Meetings – On December 16th, WUS Jaeger and Operator Granger attended the December DFIT Safety Meeting. The next meeting is scheduled for January 20th at the Milford Public Works Facility. MSC will have a representative attend to report on our behalf.

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 December 2025 DEWARN Meeting went well. Meeting Minutes were approved and the Chairmen updated members on the National Meeting including a website template available for use, activations since the last meeting. ODW and DRWA updated the members on activities and upcoming training and events.

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

D. Water Operator Advisory Council

1. The next Advisory Council meeting date is pending.

E. WIAC - Water Infrastructure Advisory Council

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

End of Report

MUNICIPAL SERVICES COMMISSION
CITY OF NEW CASTLE, DELAWARE 19720-0208
P.O. BOX 208
www.newcastlemsc.com
Office: 302 323-2330 Utility Building: 302-323-2333 Fax: 302-323-2337

Monthly Water Works Report
December 1 - 31, 2025
Prepared By: Jay Guyer on January 14, 2026

Water Production

Month	Year	FT 300 Raw Total Gallons	Adjusted Finished Total Gallons
December	2024	11,969,800	11,840,614
December	2025	12,087,200	12,010,818
	Difference	117,400	170,204
	Percentage Difference	1.0	1.4

	Gallons
Raw	12,087,200
Finished	12,010,818
Difference	-76,382
Percentage Difference	0.6

	Basin Road	Frenchtown Road	School Lane	Cross Roads
Well(s) in Operation	Reserve Status	XXX	OOS - Resting	XXX
Days Pumped		1		30

Reserve	Not Used
OOS	Out of Service
XXX	Run and No. of Days

Water Quality

	MSC Average	Goal / Target Level	Range
Average Chlorine Residual	1.35 ppm	1.40 ppm	1.0 - 4.0 ppm
Average pH	7.3	7.5	6.5 - 8.5 on a 0 - 14 Scale
Average Fluoride Residual	0.75 ppm	0.80 ppm	0.60 - 1.00 ppm

General Water System Report

Routine Bacteria Sampling	# Collected	10	
(Office of Drinking Water)	Results	10	**Absent**
		0	**Present**
Miss Utility Locate Requests	# Received	58	
(Water and Electric Locates)	# Completed	58	
	# of Damages	0	
Building Permit Review	# Reviewed	28	
(Water Related Conflicts)	# Approved	28	
	# Not Approved	0	

MUNICIPAL SERVICES COMMISSION
CITY OF NEW CASTLE, DELAWARE 19720-0208
P.O. BOX 208
www.newcastlemsc.com
Office: 302 323-2330 Utility Building: 302-323-2333 Fax: 302-323-2337

Monthly Water Outages / Interruptions Report
December 1 - 31, 2025
Prepared By: Jay Guyer on January 14, 2025

Planned Outage / Interruptions

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

No Planned Outages or Interruptions for the Month of December 2025.

Unplanned Outage / Interruptions

Date	Approximate Duration Hours / Minutes	Location	No. of Customers	Comments
12/5/2025	2 Hrs / 30 Mins	506 West 11th Street, Washington Park	18	Water Main Break reported at 6:20am. Crew mobilized, excavated 40" to the top of the 6" main and repaired a circumfruntial crack with a Stainless Steel Repair Clamp.

MUNICIPAL SERVICES COMMISSION
CITY OF NEW CASTLE, DELAWARE 19720-0208
P.O. BOX 208
http://newcastlemsc.delaware.gov/
Office: 302 323-2330 Utility Building: 302-323-2333 Fax: 302-323-2337

ELECTRIC DEPARTMENT COMMISSION REPORT

January 22, 2026

Prepared by Artie Granger on January 15, 2026

1. **Developer Projects:**

   A. **Riverbend Subdivision:**

      I. The developer has completed the C- Phase Loop.
      II. The builder has continued to build and MSC will continue to provide power as needed.
      III. The Developer has began clearing for the next phase.
      IV. 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.
      V. 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. **Replacement of T-15**

      I. MSC has taken delivery of new T-15.
      II. MSC is planning on sending the old T-15 to Richie Brothers Auction. We hope to get it put into the next auction for this area which is Feb.4th and 5th.

   b. **Electric Mapping System**

      I. MSC Electric is reviewing revised scope and proposal. This project should begin moving shortly.

   c. **Electric SCADA System**

      I. MSC has continued to work with Utility Engineers to get this moving.
      II. MSC has issued a PO to SEL Engineering Services and we have a kick off meeting scheduled for next week.

   d. **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.

MUNICIPAL SERVICES COMMISSION
CITY OF NEW CASTLE, DELAWARE 19720-0208
P.O. BOX 208
http://newcastlemsc.delaware.gov/
Office: 302 323-2330 Utility Building: 302-323-2333 Fax: 302-323-2337

ELECTRIC DEPARTMENT COMMISSION REPORT

January 22, 2026

Prepared by Artie Granger on January 15, 2026

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:

- 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

MUNICIPAL SERVICES COMMISSION
CITY OF NEW CASTLE, DELAWARE 19720-0208
P.O. BOX 208
http://newcastlemsc.delaware.gov/
Office: 302 323-2330 Utility Building: 302-323-2333 Fax: 302-323-2337

ELECTRIC DEPARTMENT COMMISSION REPORT

January 22, 2026

Prepared by Artie Granger on January 15, 2026

3. **Outages :**

MSC has one outage this past month. This was due to a scheduled outage in Centerpoint to repair a switch. There were 2 customers out for 1 hour.

SAIDI (minutes)	SAIFI (number of interruptions)	CAIDI (minutes)	ASAI (percent)
9.939115	0.1199725	82.84528	99.99818

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. **Wilmington Road Substation:**

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

B. **Dobbinsville Substation:**

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

C. **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. MSC has began 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.
III. MSC has been doing routine street light cleaning and maintenance. MSC will be repainting some of the street light poles that need it.