

Municipal Services Commission Monthly Meeting
March 26, 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
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

February 19, 2026 Board Meeting – **A motion to approve the minutes of the February 19, 2026, Board meeting as presented was made by Commissioner Leary. The motion was seconded by Commissioner Atherton and was unanimously passed.**

February 19, 2026 Executive Session – **A motion to approve the minutes of the February 19, 2026, Executive Session was made by Commissioner Wik. The motion was seconded by Commissioner Leary and was unanimously passed.**

Appointments / Elections

The following appointments and elections were considered:

- Reelection of Commission President David Atherton, Reappointment of Scott Blomquist as Commission Secretary and election of Ken Natale as Commission Treasurer.
- Reappointment of Scott Blomquist as DEMEC Board Member and Reappointment of Ken Natale as DEMEC Alternate Member.
- Reappointment of Jay Guyer as Delaware Rural Water Voting Delegate and Ryan Jaeger as Alternate.
- Reappointment of Jay Guyer as Delaware Water/Wastewater Agency Resource Network Delegate and Ryan Jaeger as Alternate.
- Reappointment of Scott Blomquist as Delaware River Basin Commission Voting Delegate and Jay Guyer as Alternate.
- Reappointment of Scott Blomquist and Ken Natale as Trustees for the Pension Plan for the Employees of the Municipal Services Commission.

A motion to approve all reelections and reappointments as presented was made by Commissioner Leary. The motion was seconded by Commissioner Atherton and was unanimously passed.

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Resolutions

RESOLUTION 2026-01 – A RESOLUTION APPROVING THE MSC TO PERSUE A MATCHING PLANNING GRANT TO INCORPORATE VERTICAL ASSETS AT THE WATER TREATMENT FACILITY INTO THE MAPPING SYSTEM AS PART OF THE ASSET MANAGEMENT PLAN.

A motion to approve Resolution 2026-01 as presented was made by Commissioner Wik. The motion was seconded by Commissioner Leary and was unanimously passed.

RESOLUTION 2026-02 – A RESOLUTION SUPPORTING THE TRUSTEES OF THE NEW CASTLE COMMON.

A motion to approve Resolution 2026-01 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 February 28, 2026:

- The 2026 Audit is ongoing. Inventory Validation is next Tuesday. Final Field Work will be done in April. Mr. Natale anticipates everything will be done by May.
- Total cash on hand as of January 31, 2026: Approximately \$8.3M. \$1.79M of that is restricted.
- Investment Portfolio: \$1.4M, which is a gain of about \$17,000 which is 1.2% higher than prior month.
- There were 179 Days unrestricted cash on hand as of February 28, 2026, which is up five (5) days from the prior month. The Water Department had 258 days (+10) cash on hand and the Electric Department had 151 days (+4) cash on hand.
- Check Register:
 - \$20,000 to Ferguson Enterprises for water inventory replenishment.
- There were 15 cuts for non-payment in February. Three (3) customers received approximately \$250 each from the New Castle Cares Fund and three (3) customers received approximately \$460 from other agencies and non-profits.

Electric Department

- User revenues are \$4,000 above budget FYTD.
- Sales for February were approximately 4.5% higher than the same period last year due to the cold snap at the end of January.
- Consumption is about 3% lower than the 5-year average and 2% lower than prior year driven by Zenith's reduction in consumption.
- Operating Expenses have a favorable variance of \$161,000.
- After accounting for non-operating revenues and expenses the increase in net position is about \$336,000 due to delays in some capital spending.

Water Department

- User charges have an unfavorable variance of \$29,000, but are down 2% from last year.

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- Operating expenses have a favorable variance of \$119,000.

Mr. Natale explained non-operating revenues and expenses and how they appear on the Statements.

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

Developer Projects:

- Riverbend Subdivision – Mr. Granger had nothing new to report.

Capital Projects:

- Electric Mapping System – PSE began data conversion. MSC received recommendations for software from ESRI. PSE is working with Assurance Media to get server requirements and obtain ongoing costs. MSC will determine the best fit for the software.
- Electric SCADA System – MSC is waiting for materials to come in.
- Wilmington Road Substation – Mr. Granger is working with Cirillo Bros. to get a cost on concrete and demo. Utility Engineering is working on plans.

Outages:

There were four (4) outages last month:

- February 23 – Two (2) customers were out for about 22 hours due to a delay for DP&L to repair a Philadelphia Gear and Verizon pedestal. Mr. Blomquist explained that Delmarva made a repair that allowed their system to turn on, but MSC was not able to immediately reenergize. Mr. Granger explained the issues Delmarva was experiencing during the storm and how other municipalities were affected. It was noted that MSC now has a liaison with Delmarva and updated phone numbers were obtained. Mr. Blomquist added that there has never been a good history of public power, the co-op, and the investor-owned utilities working together.
- February 25 – One (1) customer was out for about two (2) hours due to a bad connection in a junction box.
- March 7 – One (1) customer was out for about two (2) hours due to a bad connection.
- March 9 – One (1) customer was out for about three (3) hours due to a contractor damaging the service.

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

Developer Projects:

- Riverbend Subdivision – The contractor is still working on finishing Phase 2. Lennar continues to build homes. Freedom continues fill/grading on Phase 3 and those parcels should be ready for Ryan Homes to begin construction in June. Mr. Guyer is reviewing the water main plan for Phases 3 and 4.
- Deemers Landing – Mr. Guyer met with the new property owner, and they are committed to the individual metering program. The plan is to have the rest of Deemers Landing done this year and have the project completed. They will reach out to MSC as they need to have meters installed.

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- 610 West 7th Street – 396 Unit Apartment Complex – Mr. Guyer had nothing to report.
- Delaware Street Railroad Crossing & 8th Street – DeIDOT – Mr. Guyer reviewed plans and returned comments. They are working to include MOT. MSC will determine how to approach getting the work done. Mr. Guyer noted that an outside contractor will be needed for the work. Mr. Guyer spoke with Norfolk Sothern’s contractor, Atlantic Contracting Materials, to see about the feasibility of having them give MSC a proposal. Work needs to be completed by the end of May in order to keep on schedule. MSC is working to move the project along as quickly as possible.
- William Penn High School Sports Complex – Mr. Guyer began reviewing the plans for the new sports complex.
- Wilmington Road Railroad Track Crossing – 900 Block – The contractor is actively working. MSC was able to get the 6” main that runs parallel to the tracks included in the scope of the project for abandonment. There were some issues with MSC’s ability to do work in the railroad right-of-way and special insurance that the railroad requires. ACM provided a proposal to do the work for \$10,250, which Mr. Guyer stated is reasonable. He added that Norfolk Southern wanted ACM to do the excavation regardless because it is only 6’ off the tracks and they will not shut down train traffic. They plan to do that work on March 30th. Four (4) customers will be without water for approximately 4-5 hours. Mr. Guyer will have someone on site to ensure the work is done properly for the water main.

In response to a question from Commissioner Leary, Mr. Guyer explained that gates were initially planned; however, the project has been scaled back to improving and installing the sidewalk, handicap access ramps, and a mill-and-pave of the entire railroad right-of-way length.

In response to a question from Commissioner Atherton, Mr. Guyer explained that water goes under the track, and electric is all aerial. Commissioner Leary noted that if gates were installed on all four railroad crossings the City could get a Quiet Zone. She will mention this to the City Administrator; noting that Senator Poore is already involved. A discussion of the challenges of working with the railroads ensued.

- Crozier Fine Arts Warehouse – 1400 Johnson Way, Centerpoint Park – Mr. Guyer noted that they want to move forward with the addition. The private portion of the water main has to be relocated. They have until May 28, 2026, or MSC will need to file for a permit extension.
- The Battery Apartment Complex – 427 West 7th Street (152 Units) – The project is moving forward. Mr. Guyer provided a letter to the engineer confirming MSC’s ability to serve water to the complex.

MSC Projects:

- Cross Connection Control Program – Hydro Corp – Good progress is being made on the devices. Devices have been replaced at Buildings 100, 600 and 700. Building 200 is being scheduled.
- School Lane Water Treatment Facility PFAS Treatment System Improvements – The Notice to Proceed has been executed. The contractor is developing a construction schedule and getting submittals done and approved. MSC was able to get several items covered under the grant: exterior painting of the vessels, upgrading the Gate and Check Valves, and Ground Matting for setting up the Temporary Vessels. The additional \$119,000 will be covered under the SRF Loan which will be converted into a Grant at the end of the project. GAC samples were sent back for testing for the test canisters. At the March 24th Progress Meeting Calgon advised MSC that the

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Lead Vessel GAC must be disposed of due to radiation levels and the Lag Vessel can be regenerated. MSC requested that test results be sent. The contractor will be able to get started around May 15th. MSC is making arrangements to get the temporary system on site and set up.

- 14th Street Water Main Extension to Johnson Way – 8" Main Install – The Approval to Construct was received from the Office of Engineering. Project notices were distributed to customers and the crew started the project on March 9th. Approximately 500' of pipe was installed and the plan is to get 14th Street looped into 13th Street as Phase 1 which will improve water flow in that area and alleviate some of the water quality complaints that had been received.

Operations:

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

Reporting:

- Calgon Carbon Corporation (CCC) Pilot Study – Both Pilot Rigs are out of service.
- STRIDE Group EPA Grant – Stride asked for additional samples for testing for the Rapid Small Scale Column Testing.
- US EPA East Basin Road Groundwater Superfund Site – Samples were collected for Artesian on the 13th and MSC on the 14th. Results are being reviewed now.
- ArcGIS Pro Water System Mapping and Water Model Planning Grant – Messrs. Guyer and Jaeger are reviewing Arc GIS licensing for the water operations. They had a meeting with PSE Engineering to discuss licensing options to ensure the most cost effective solution for both water and electric. Mr. Guyer will keep the Board updated. Mr. Guyer thanked the Commissioners for approving Resolution 2026-01.
- PFAS Litigation – Mr. Guyer had no updated information. The Director of Public Works contacted Mr. Guyer regarding MSC's involvement in the litigation. Mr. Guyer advised the Director that he was not able to discuss the pending litigation and directed him to speak with the attorney MSC is working with.
- Delaware State & Cybersecurity Grant Program – Mr. Guyer is working on closing out the Grants MSC received. There is still one training component left to complete, but FEMA has suspended that program with an undefined timeline for putting the program back in.
- DRBC Annual Water Audit 2025 – The Annual Water Audit was completed and submitted on March 18th. MSC had approximately 4% unaccounted water for the year, which by industry standards is extremely low.

System Repairs and Maintenance:

- Water Operator Projects / Tasks worked on during the Month:
 - Operators collected February Monthly Bacteria Samples (10 per month) and Anion Samples as required by ODW for compliance.
 - All Long-Term Water Cuts for February were verified to be turned off.
 - Water Operators worked on a Pre-Count on water inventory preparing for the March 23rd and 24th Inventory.

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- Water Operator Schlecht is reviewing historical MSC Water As-Built paper plans and updating MSC ESRI Mapping software. Paperwork is also being organized into distribution system zone folders.
- Water Operators completed snow removal at MSC Sites and assisted City Public Works with snow removal.
- Riverbend Subdivision – Riverbend was flushed on February 11th and 26th to maintain Chlorine residual.

Equipment:

- New Truck 14 – The new truck was received, tagged, and titled, and is in service. The old truck was sold at Richie Brothers Auctioneers for \$14,500. Mr. Guyer thanked Messrs. Bennett and Granger for handling the transaction.

Personnel and Training:

- Mr. Guyer reported that the MSC Water Department received the DRWA Team of the Year Award. Mr. Jaeger spearheaded the nomination and did an excellent write-up for the competition. This was the first year the Water Operator / Team Recognition Event was held, with plans for it to be part of the Annual DRWA Conference.
- MSC Water personnel attended the Annual DRWA Water Conference in February.
- Messrs. Guyer and Jaeger attended a two-day virtual Seminar on PFAS Treatment in Drinking Water presented by the National Environmental Management Association on March 10th and 11th. Mr. Guyer stated this was the best PFAS course he has attended to date.

Safety:

- Daily Safety Talks were held.
- Messrs. Granger and Lindberg attended the February 17th DFIT Safety Meeting.

Local, State, and Federal Agencies:

- WSCC – Water Supply Coordinating Council – The next full Council meeting is scheduled for May 6, 2026. Mr. Guyer will attend.
- WRA – Water Resource Agency – Monthly information is being sent to the University of Delaware Water Resource Agency. Conditions are still very dry and water tables are still low in the surrounding states.
- DEWARN – Delaware Water/Wastewater Agency Response Network – The March 18th meeting went well. There was much concern with cyber threats. The Office of Drinking Water updated the members on training opportunities and regulatory changes. The next meeting will be in April.

Public Comment

Brian Mattaway – Mr. Mattaway thanked MSC for the work they do. Mr. Mattaway sent contact information for Mr. Hermes to Mr. Blomquist and Mayor Leary, opining that he may be a source for MSC regarding the railroad project. Mr. Blomquist noted that the MSC has been very involved with him throughout the entire project. Commissioner Leary added that they were discussing the work being done by the Trolley Barn.

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Secretary's Report – Mr. Blomquist reporting

DEMEC:

- Messrs. Blomquist and Natale attended the March 12th DEMEC meeting.
- Demand January through December was 1.3% higher than the same period in 2024.
- December demand was 6.5% higher than the demand in 2024.
- Unrestricted cash: \$84.4M, which was \$25.3M over the target of \$59.1M.
- There were 144 days total cash on hand as of December 31, 2025.
- RSR was \$49.9M, which is 36.6% higher than December 2024.
- Total income December YTD: \$270M, which is 22.5% higher than January-December 2024.
- In December Beasley Unit 1 ran for 106 hours and Beasley Unit 2 ran for 146 hours.
- A DNREC meeting is scheduled for April 7th regarding the Energy Grid Analysis Study.
- Yesterday was DEMEC Day in Dover. Mr. Natale attended.

New Castle:

- Mr. Blomquist submitted a grant through DEMA for Cohesity Backups. They are waiting for implementation on that.
- MSC has a Cloud Strike Account now.
- The CISA meeting scheduled for April 19th was cancelled.
- The City received a grant to separate from the MSC IT infrastructure. The fiber install will begin next week. Mr. Blomquist explained the purpose for the separation.
- The Ransomware Penetration Testing was completed. Follow-up was positive. They were unable to break in. When MSC allowed them in past the firewall there were a few things they were able to do at the 2nd and 3rd levels. MSC will work on their recommendations.
- Several more cybersecurity tests will be held in the future.
- Mr. Natale is working on getting Commissioners set up for Meeting Manager.

Mr. Blomquist stated that he did not have anything for executive session.

Next Regular Meeting

The Commissioners set the April Board meeting to be Thursday, April 16, 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 10:13 a.m.

Kathleen R. Weirich

Kathleen R. Weirich
Stenographer

Approved: _____

Scott Blomquist

Comptroller/Treasurer's Report



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

March 26, 2026 Commission Meeting
Prepared By: Ken Natale, CPFO on March 19, 2026

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Cash & Investments

As of February 28, 2026 the cash balances were:

M&T Bank Checking:	\$ 542,144
M&T Investment Sweep:	6,002,043
M&T Bank Restricted	1,764,237
Petty Cash/Change Fund:	898
Total Cash on Hand:	\$ 8,309,322



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

Beginning Balance	\$ 6,380,859
Cash from customers	1,174,651
Interest Income	16,382
Legal Settlements	0
Refunds to customers - deposits	(5,548)
Payments to suppliers for goods & services*	(901,276)
Bank service fees	(2,637)
Payments to employees for services	(117,346)
Net Cash Provided (Used)	<u>164,226</u>
Ending Cash Balance	\$ 6,545,085

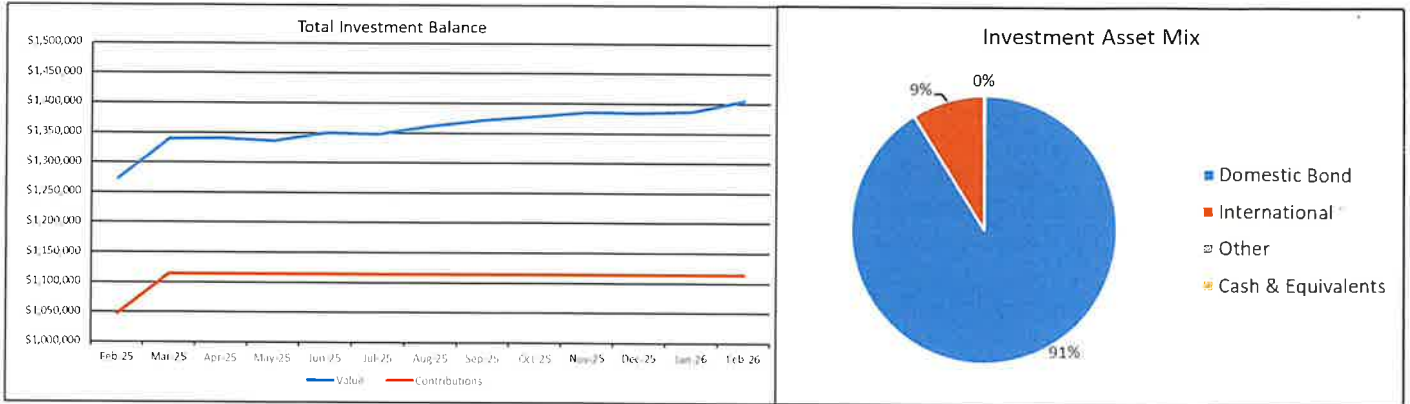
*A detailed check register for the month is available on page 3 of this report.

As of February 28, 2026 the value of the Commission's investment portfolio totaled \$1,404,236 which is a net gain of \$17,314 (1.2%) 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 3.55% interest and has a stable net asset value of \$1.00.

Overall, there were 179 days unrestricted cash on hand at February 28 (+5 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 February 28 had 258 days unrestricted cash on hand (+10 from prior month) while the electric utility had 151 days unrestricted cash on hand (+4 days from the prior month).

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The “domestic bond” category in the *Investment Asset Mix* chart above, includes US Government instruments and corporate bonds of US based organizations. The “international” category includes debt instruments of foreign governments as well as corporate bonds issued by foreign corporations. The “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	242,899	4.25%
Fidelity Advisor Total Bond CL	FEPIX	379,789	4.31%
T Rowe Price Global Multi Sector Bond I	PGMSX	124,037	5.31%
Vanguard Intermediate Term Treasury	VFIUX	155,135	3.99%
Exchange Traded Funds			
iShares Trust 1-3 Year Treasury Bond EFT	SHY	502,424	3.79%
Total		\$ 1,404,236	4.17%

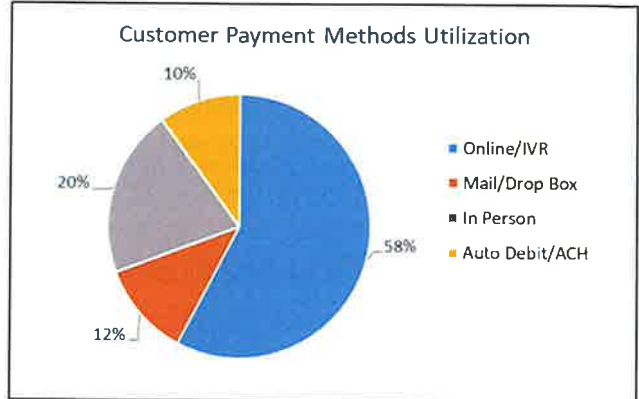
FEBRUARY 2026 CHECK REGISTER

DATE	NUMBER	VENDOR	AMOUNT
02/17/2026	202350	Delmarva Power	\$ 1,354.75
02/17/2026	202351	Division of Public Health	100.00
02/17/2026	202352	Division of Public Health	100.00
02/17/2026	202353	Ferguson Enterprises Inc	20,691.60
02/17/2026	202354	KDI Inc.	309.59
02/17/2026	202355	Keen Compressed Gas Co	61.00
02/17/2026	202356	MARKATOS SERVICES	477.00
02/17/2026	202357	Pennonni Associates Inc.	2,235.00
02/17/2026	202358	Security Instrument Corp.	296.85
02/17/2026	202359	T. ROWE PRICE RETIREMENT PLAN SERVICE INC	550.00
02/17/2026	202360	T. ROWE PRICE RETIREMENT PLAN SERVICE INC	257.50
02/17/2026	202361	T. ROWE PRICE RETIREMENT PLAN SERVICE INC	257.50
02/17/2026	202362	Tyler Technologies Inc.	507.50
02/17/2026	202363	Utility Engineers PC	2,431.28
02/17/2026	202364	Wesco Receivables Corp.	2,082.92
02/01/2026	DFT0002778	Department of Human Resources Financial Services	49,256.08
02/27/2026	DFT0002795	STATE OF DELAWARE/DNREC	12,071.00
02/02/2026	DFT0002796	COMPTROLLER OF MARYLAND	2,093.95
02/13/2026	DFT0002797	T. ROWE PRICE RETIREMENT PLAN SERVICE INC	7,183.64
02/13/2026	DFT0002800	United States Treasury	22,429.77
02/10/2026	DFT0002801	Nationwide Life Ins. Co. of America	23,703.60
02/16/2026	DFT0002802	BRINKS CAPITAL	934.26
02/13/2026	DFT0002803	M&T ONE CARD	6,579.81
02/19/2026	DFT0002806	DEMEC Inc	673,308.52
02/27/2026	DFT0002809	T. ROWE PRICE RETIREMENT PLAN SERVICE INC	7,201.88
02/27/2026	DFT0002812	United States Treasury	22,914.73
02/27/2026	DFT0002813	COMPTROLLER OF MARYLAND	1,349.94
02/27/2026	DFT0002814	Delaware Div. of Revenue	21,038.00
02/27/2026	DFT0002815	M&T ONE CARD	19,498.59
TOTAL PAYMENTS			\$901,276.26

Customer Service/Billing

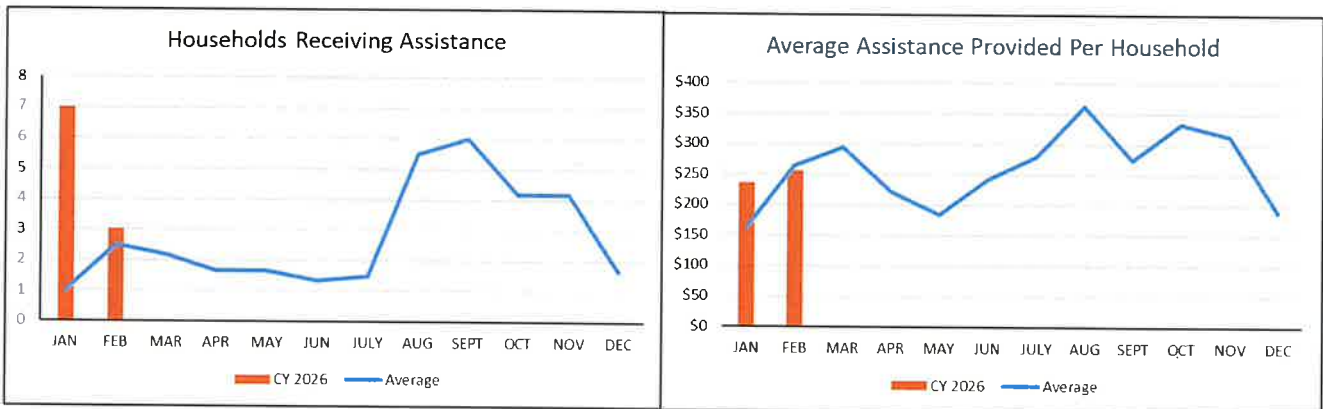
Since the previous meeting, the Customer Service Department processed:

Bills sent	3,275
Delinquent & past due notices	425
Automated phone notifications	388
Payment arrangements	2
Contracts	3
Service cuts for non-payment	15
Accounts sent to collections	0
Electric bad debt write-offs	\$256
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 February, the fund assisted three customers with an average amount of \$256. The maximum allowed by the program is \$400. The current balance in the fund is \$4,388.



In addition to assistance provided through the New Castle Cares fund, three customers received approximately \$460 each from other agencies or nonprofits that provide assistance for utility bills.

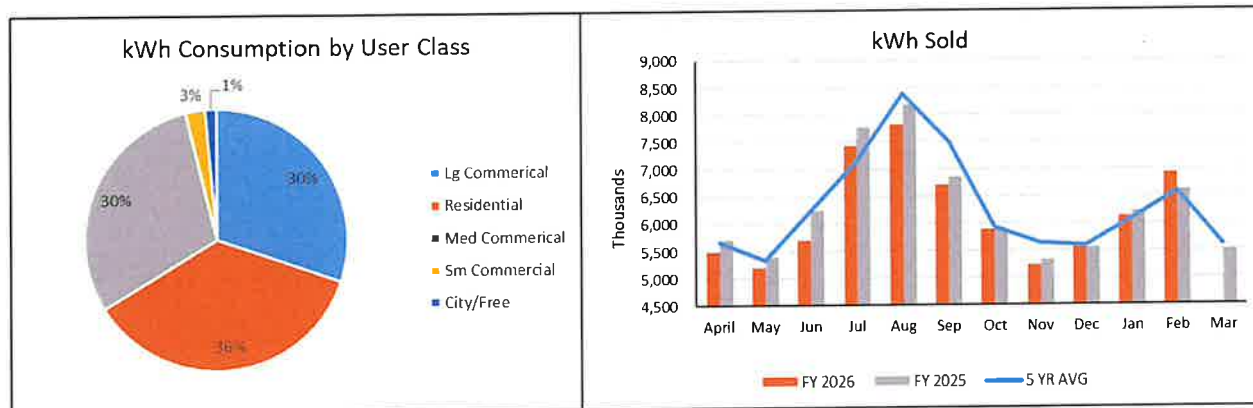
UNAUDITED

Electric Revenues

User charges are \$4,000 above budget fiscal year to date. February kWh sales were 4.5% higher compared to the same period last year. This increase is due to cold weather at the end of January and beginning of February. Consumption for the fiscal year to date was approximately 2.9% lower than the 5-year average year to date, and 2.3% lower than the prior year to date.

Fiscal year to date, billed consumption is down 1.5 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.

February demand charges were down 10% 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 (\$161,000) 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. Year-end accruals for pension valuations may impact these variances. The \$18,000 negative variance in miscellaneous expense is related to changes in how the allowance for bad debts is calculated. The \$74,000 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 \$336,000 which is \$650,000 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 two retired trucks 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 \$187,000 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 – March 26, 2026

Municipal Services Commission
Budget to Actual Comparison (non GAAP) – Electric
As of February 28, 2026

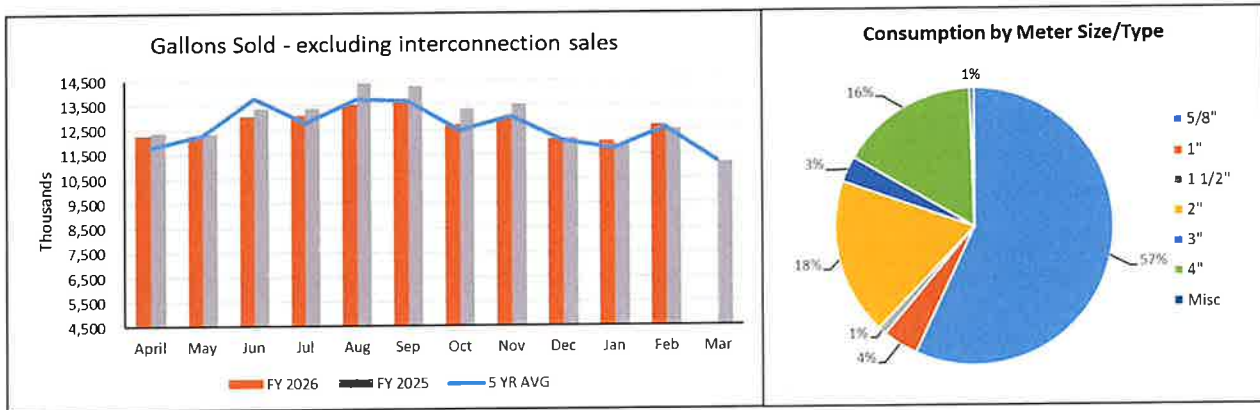
UNAUDITED

	YTD Budget	YTD Activity	Variance	Total Budget
Operating Revenues				
User Charges	10,079,224	10,083,300	4,076	10,909,814
City & MSC Services	37,867	37,822	(45)	41,200
Miscellaneous Income	235,945	282,134	46,189	878,550
<i>Total Operating Revenues</i>	<u>10,353,036</u>	<u>10,403,256</u>	<u>50,220</u>	<u>11,829,564</u>
Less: Free Service	6,812	8,016	(1,204)	8,000
<i>Net Operating Revenues</i>	<u>10,346,224</u>	<u>10,395,240</u>	<u>49,016</u>	<u>11,821,564</u>
Operating Expenses				
<i>Operations Dept</i>				
Purchase of electric for resale	7,006,386	6,920,575	85,811	7,644,720
Salaries and benefits	1,230,455	1,145,873	84,582	1,338,634
Professional fees	58,971	32,435	26,536	63,404
Repairs and maintenance	134,201	124,634	9,567	262,812
Other purchased services	46,584	43,638	2,946	46,660
Supplies and materials	45,137	46,869	(1,732)	48,262
<i>Total operations</i>	<u>8,521,734</u>	<u>8,314,024</u>	<u>207,710</u>	<u>9,404,492</u>
<i>General & administrative</i>				
Salaries and benefits	585,440	542,411	43,029	636,880
Professional fees	117,618	192,149	(74,531)	216,944
Repairs and maintenance	20,176	20,954	(778)	22,481
Other purchased services	45,536	38,317	7,219	47,170
Supplies and materials	13,270	10,390	2,880	14,410
Miscellaneous	10,000	28,033	(18,033)	10,000
Debt Service	112,768	119,223	(6,455)	123,069
<i>Total general & administrative</i>	<u>904,808</u>	<u>951,477</u>	<u>(46,669)</u>	<u>1,070,954</u>
<i>Total operating expenses</i>	<u>9,426,542</u>	<u>9,265,501</u>	<u>161,041</u>	<u>10,475,446</u>
Operating Income	<u>919,682</u>	<u>1,129,739</u>	<u>210,057</u>	<u>1,346,118</u>
Nonoperating revenue(expense)				
Investment income	96,685	142,275	45,590	104,500
Investment expense	(4,000)	(2,891)	1,109	(4,000)
Unrealized gain(loss) on investment:	-	19,927	19,927	-
Realized gain(loss) on investment	-	(601)	(601)	-
Gain(loss) on disposal of asset	-	35,100	35,100	-
Grant income	73,304	-	(73,304)	80,000
Other Expense	-	(43,881)	(43,881)	-
Capital outlays	(821,674)	(497,690)	323,984	(896,618)
Appropriations				
Mayor and Council	(577,269)	(553,050)	24,219	(630,000)
Special	-	(4,300)	(4,300)	-
Contributed Capital	-	200,090.00	200,090	-
<i>Total nonoperating revenue(expense)</i>	<u>(1,232,954)</u>	<u>(793,513)</u>	<u>439,441</u>	<u>(1,346,118)</u>
Change in Net Position	(313,272)	336,226	649,498	-

Water Revenues

User charges have an unfavorable variance of \$29,000 for the fiscal year. Consumption for the month of February was up 2.0% 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 2.2% from the prior year's fiscal year to date. Fiscal year to date, sales to Artesian account for \$20,000 of the \$29,000 unfavorable variance in user charges, without the sales to Artesian, the \$29,000 unfavorable variance above would be a \$49,000 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 (\$119,000) 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. Year-end accruals for pension valuations may impact these variances. The \$10,000 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 \$6.1 million which is \$7.1 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 \$5.8 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 February 28, 2026

	YTD Budget	YTD Activity	Variance	Total Budget
Operating Revenues				
User Charges	2,783,522	2,758,265	(25,257)	3,040,436
City & MSC Services	37,678	33,839	(3,839)	40,223
Miscellaneous Income	23,827	2,629,627	2,605,800	1,138,586
<i>Total Operating Revenues</i>	<u>2,845,027</u>	<u>5,421,731</u>	<u>2,576,704</u>	<u>4,219,245</u>
Less: Free Service	3,679	3,592	87	4,000
<i>Net Operating Revenues</i>	<u>2,841,348</u>	<u>5,418,139</u>	<u>2,576,791</u>	<u>4,215,245</u>
Operating Expenses				
<i>Operations Dept</i>				
Purchase of water for resale	22,000	25,943	(3,943)	24,000
Salaries and benefits	1,143,155	1,071,034	72,121	1,242,438
Professional fees	52,957	36,371	16,586	57,540
Repairs and maintenance	191,780	190,605	1,175	229,381
Other purchased services	51,350	43,451	7,899	51,350
Supplies and materials	43,366	38,859	4,507	49,782
<i>Total operations</i>	<u>1,504,608</u>	<u>1,406,263</u>	<u>98,345</u>	<u>1,654,491</u>
<i>General & administrative</i>				
Salaries and benefits	340,906	323,045	17,861	371,652
Professional fees	172,104	145,760	26,344	186,407
Repairs and maintenance	16,853	17,032	(179)	18,911
Other purchased services	39,677	32,419	7,258	41,230
Supplies and materials	11,956	8,420	3,536	13,375
Miscellaneous	-	10,318	(10,318)	-
Debt Service	18,000	40,868	(22,868)	36,000
<i>Total general & administrative</i>	<u>599,496</u>	<u>577,862</u>	<u>21,634</u>	<u>667,575</u>
<i>Total operating expenses</i>	<u>2,104,104</u>	<u>1,984,125</u>	<u>119,979</u>	<u>2,322,066</u>
Operating Income	<u>737,244</u>	<u>3,434,014</u>	<u>2,696,770</u>	<u>1,893,179</u>
Nonoperating revenue(expense)				
Investment income	16,168	53,672	37,504	17,500
Investment expense	(500)	(510)	(10)	(500)
Unrealized gain(loss) on investments	-	3,517	3,517	-
Grant income	-	52,678	52,678	-
Grant expense	-	(82,750)	(82,750)	-
Other Expense	-	(14,701)	(14,701)	-
Capital Outlays	(1,548,192)	(178,061)	1,370,131	(1,689,179)
Appropriations				
Mayor and Council	(161,269)	(187,816)	(26,547)	(176,000)
City Services	(41,234)	(42,845)	(1,611)	(45,000)
Contributed Capital	-	3,067,232.00	3,067,232	-
<i>Total nonoperating revenue(expense)</i>	<u>(1,735,027)</u>	<u>2,670,416</u>	<u>4,405,443</u>	<u>(1,893,179)</u>
Change in Net Position	(997,783)	6,104,430	7,102,213	-

UNAUDITED

**Municipal Services Commission
Statement of Net Position
As of February 28, 2026 and 2025**

	2026	2025
ASSETS:		
Current assets:		
Cash and equivalents	\$ 6,545,085	\$ 2,492,657
Investments	1,404,236	1,273,152
Accounts receivable, net	708,585	1,023,592
Inventories	1,149,372	1,015,578
Prepays	86,786	124,496
Restricted cash	1,764,237	1,586,385
Total current assets	<u>11,658,301</u>	<u>7,515,860</u>
Noncurrent assets:		
Capital assets not being depreciated:		
Land	43,796	43,796
Construction in progress	857,215	768,208
Capital assets net of accumulated depreciation:		
Buildings	615,802	646,979
Equipment	582,670	558,750
Infrastructure	18,470,575	15,863,210
Total noncurrent assets	<u>20,570,058</u>	<u>17,880,943</u>
Total assets	<u>32,228,359</u>	<u>25,396,803</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	866,787	730,160
Accrued liabilities	-	27,159
Customer Deposits	1,764,237	1,613,103
Total current liabilities	<u>2,631,024</u>	<u>2,370,422</u>
Noncurrent liabilities:		
Due within one year	109,529	102,456
Due in more than one year	2,710,940	2,104,433
Total noncurrent liabilities	<u>2,820,469</u>	<u>2,206,889</u>
Total liabilities	<u>5,451,493</u>	<u>4,577,311</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	19,779,009	17,075,404
Unrestricted	7,189,948	3,722,120
Total net position	<u>\$ 26,968,957</u>	<u>\$ 20,797,524</u>

UNAUDITED

Municipal Services Commission
Statement of Revenues, Expenses, and Changes in Net Position
As of February 28, 2026 and 2025

	2026	2025
Operating Revenues:		
Water sales	\$ 2,792,104	\$ 2,699,777
Power sales	10,121,122	9,822,797
Miscellaneous	2,853,179	86,827
Total operating revenues	<u>15,766,405</u>	<u>12,609,401</u>
Less: free service	(11,608)	(10,815)
Net operating revenues	<u>15,754,797</u>	<u>12,598,586</u>
Operating Expenses		
Purchase of water and power	6,946,518	6,962,386
Salaries and benefits	3,077,726	2,760,733
Repairs and maintenance	345,811	282,340
Professional fees	577,957	387,135
Supplies	104,538	90,990
Other purchased services	157,825	133,145
Miscellaneous	38,351	16,146
Depreciation	1,232,971	1,173,564
Total operating expenses	<u>12,481,697</u>	<u>11,806,439</u>
Operating income (loss)	<u>3,273,100</u>	<u>792,147</u>
Noncapital subsidies		
Intergovernmental	52,678	-
Appropriations to Mayor & Council of New Castle:		
Ordinary	(740,866)	(669,015)
City Services	(42,845)	(41,289)
Special	(4,300)	(12,706)
Total noncapital subsidies	<u>(735,333)</u>	<u>(723,010)</u>
Operating income(loss) and noncapital subsidies	<u>2,537,767</u>	<u>69,137</u>
Nonoperating revenues (expenses):		
Investment earnings	215,389	168,756
Gain(loss) on disposal of fixed assets	35,100	1,772
Grant revenue - restricted for capital assets	-	1,807,669
Capital contributions	3,267,322	-
Interest expense	(75,902)	(21,702)
Total nonoperating revenues (expenses)	<u>3,441,909</u>	<u>1,956,495</u>
Increase (decrease) in net position	5,979,676	2,025,632
Net position - beginning	<u>20,989,281</u>	<u>18,771,892</u>
Net position - ending	<u>\$ 26,968,957</u>	<u>\$ 20,797,524</u>

UNAUDITED

Comptroller/Treasurer's Report – March 26, 2026

**Municipal Services Commission
Combining Balance Sheet by Department
As of February 28, 2026 and 2025**

	Water		Electric		Total	
	2026	2025	2026	2025	2026	2025
ASSETS:						
Current assets:						
Cash and equivalents	2,791,039	-	3,754,046	2,492,657	6,545,085	2,492,657
Investments	210,635	190,973	1,193,601	1,082,179	1,404,236	1,273,152
Accounts receivable, net	152,583	218,454	556,002	805,138	708,585	1,023,592
Inventories	356,110	300,096	793,262	715,482	1,149,372	1,015,578
Prepays	35,483	50,866	51,303	73,630	86,786	124,496
Restricted cash	-	-	1,764,237	1,586,385	1,764,237	1,586,385
Total current assets	3,545,850	760,389	8,112,451	6,755,471	11,658,301	7,515,860
Noncurrent assets:						
Capital assets not being depreciated:						
Land	43,796	43,796	-	-	43,796	43,796
Construction in progress	263,778	251,798	593,437	516,410	857,215	768,208
Capital assets net of accumulated depreciation:						
Buildings	280,242	294,420	335,560	352,559	615,802	646,979
Equipment	381,364	250,805	201,306	307,945	582,670	558,750
Infrastructure	11,656,375	8,934,591	6,814,200	6,928,619	18,470,575	15,863,210
Total noncurrent assets	12,625,555	9,775,410	7,944,503	8,105,533	20,570,058	17,880,943
Total assets	16,171,405	10,535,799	16,056,954	14,861,004	32,228,359	25,396,803
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 February 28, 2026 and 2025**

	Water		Electric		Total	
	2026	2025	2026	2025	2026	2025
LIABILITIES						
Current liabilities						
Accounts payable	116,081	35,797	750,706	694,363	866,787	730,160
Accrued liabilities	-	12,222	-	14,937	-	27,159
Customer Deposits	-	-	1,764,237	1,613,103	1,764,237	1,613,103
Due to other funds		518,217	-	(518,217)	-	0
Total current liabilities	116,081	566,236	2,514,943	1,804,185	2,631,024	2,370,422
Noncurrent liabilities:						
Due within one year	24,937	22,197	84,592	80,259	109,529	102,456
Due in more than one year.	1,226,994	1,014,253	1,483,946	1,090,180	2,710,940	2,104,433
Total noncurrent liabilities	1,251,931	1,036,450	1,568,538	1,170,439	2,820,469	2,206,889
Total liabilities	1,368,012	1,602,686	4,083,481	2,974,625	5,451,493	4,577,311
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	12,216,377	9,403,629	7,562,632	7,671,775	19,779,009	17,075,404
Unrestricted	2,670,059	(489,975)	4,519,889	4,212,095	7,189,948	3,722,120
Total net position	14,886,436	8,913,654	12,082,521	11,883,870	26,968,957	20,797,524

UNAUDITED

**Municipal Services Commission
Combining Schedules of Revenues, Expenses, and Changes in Net Position by Department
For the eleven months ending February 28, 2026 and 2025**

	Water		Electric		Total	
	2026	2025	2026	2025	2026	2025
Operating Revenues:						
Charges for services	\$ 2,792,104	\$ 2,699,777	\$10,121,122	\$ 9,822,797	\$12,913,226	\$12,522,574
Miscellaneous	2,614,926	38,947	238,253	47,880	2,853,179	86,827
Total operating revenues	5,407,030	2,738,724	10,359,375	9,870,677	15,766,405	12,609,401
Less: free service	(3,592)	(2,933)	(8,016)	(7,882)	(11,608)	(10,815)
Net operating revenues	5,403,438	2,735,791	10,351,359	9,862,795	15,754,797	12,598,586
Operating Expenses						
Purchase of water and power	25,943	19,727	6,920,575	6,942,659	6,946,518	6,962,386
Salaries and benefits	1,377,665	1,331,437	1,700,061	1,429,296	3,077,726	2,760,733
Repairs and maintenance	200,223	247,955	145,588	34,385	345,811	282,340
Professional fees	264,881	185,165	313,076	201,970	577,957	387,135
Supplies	47,279	48,610	57,259	42,380	104,538	90,990
Other purchased services	75,870	62,568	81,955	70,577	157,825	133,145
Miscellaneous	10,318	6,327	28,033	9,819	38,351	16,146
Depreciation	528,235	460,676	704,736	712,888	1,232,971	1,173,564
Total operating expenses	2,530,414	2,362,465	9,951,283	9,443,974	12,481,697	11,806,439
Operating income (loss)	2,873,024	373,326	400,076	418,821	3,273,100	792,147

(Continued)

UNAUDITED

**Municipal Services Commission
Combining Schedules of Revenues, Expenses, and Changes in Net Position by Department
For the eleven months ending February 28, 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	(187,816)	(137,110)	(553,050)	(531,905)	(740,866)	(669,015)
City Services	(42,845)	(41,289)	-	-	(42,845)	(41,289)
Special	-	-	(4,300)	(12,706)	(4,300)	(12,706)
Total noncapital subsidies	(177,983)	(178,399)	(557,350)	(544,611)	(735,333)	(723,010)
Operating income(loss) and noncapital subsidies	2,695,041	194,927	(157,274)	(125,790)	2,537,767	69,137
Nonoperating revenues (expenses):						
Investment earnings	56,679	30,141	158,710	138,615	215,389	168,756
Gain(loss) on disposal of fixed assets	-	-	35,100	1,772	35,100	1,772
Grant revenue - restricted for capital assets	-	1,766,631	-	41,038	-	1,807,669
Capital contributions	3,067,232	-	200,090	-	3,267,322	-
Interest expense	(26,332)	(5,965)	(49,570)	(15,737)	(75,902)	(21,702)
Total nonoperating revenues (expenses)	3,097,579	1,790,807	344,330	165,688	3,441,509	1,956,495
Increase (decrease) in net position	5,792,620	1,985,734	187,056	39,898	5,979,676	2,025,632
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>\$14,886,436</u>	<u>\$ 8,913,654</u>	<u>\$12,082,521</u>	<u>\$11,883,870</u>	<u>\$26,968,957</u>	<u>\$20,797,524</u>

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

March 26, 2026

Prepared by: Jay Guyer on March 20, 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 continues fill/grading work on Phase 3 with plans for Ryan Homes to start building in June 2026. WUM Guyer received revised Water Main Plans for Phase 3 and Phase 4 and will start the review process.

B. Deemers Landing and Helm Apartment Complexes

1. WUM Guyer and WUS Jaeger met with the new property owners Michael's Organization, LLC (MO). MO confirmed they are committed to completing the meter project at Deemers Landing. They are developing a plan with intentions of completing by the end of 2026. They will keep MSC updated on their progress.

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. MSC completed several test holes to identify existing utilities and forwarded the information to Del DOT's Engineer Kleinfelder Engineering. Draft plans were submitted to MSC and are being reviewed. Final plans will be submitted to Delaware Office of Engineering (OOE) for an Approval to Construct and Del DOT Utility Section for a Utility Construction Permit. WUM Guyer discussed the water main work for the project with Norfolk Southern's contractor Atlantic Contracting Materials who is interested in providing a proposal for performing the work. The water work needs to be completed by the end of May.

F. 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. Preliminary plans for the proposed sports complex were received on February 6th. WUM Guyer is reviewing the plans and will return comments to the engineer.

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Water Department Commission Meeting Report

March 26, 2026

Prepared by: Jay Guyer on March 20, 2026

G. Wilmington Road Railroad Track Crossing – 900 Block

1. WUM Guyer discussed abandoning the water main that runs parallel to the railroad tracks with the States Engineer and planning this work to coincide with work for replacing the crossing signals at the tracks. WUM Guyer is coordinating with Century Engineering, Norfolk Southern (NS) Engineer, and NS Contractor Atlantic Contracting Materials (ACM) to perform the water main work. ACM is scheduled to be onsite March 23rd through April 10th. Due to insurance requirements, WUM Guyer requested ACM provide a proposal to abandon the 6" valve and main running parallel to the track. WUM Guyer is waiting for ACM to submit their proposal.

H. Crozier Fine Arts Warehouse – 1400 Johnson Way, Centerpoint Park

1. WUM Guyer was contacted by City Building Official Jeff Bergstrom and the Building owners engineer in reference to the water main relocation for the building expansion. They are planning to move forward and plan to start with the water main work. WUM Guyer advised them the Approval to Construct was valid through May 28, 2026.

I. The Battery Apartment Complex – 427 West 7th Street (152 Units)

1. WUM Guyer was contacted by the project engineer about water availability and if MSC would provide a letter confirming the available water supply. WUM Guyer requested information related to the domestic and fire system design and estimated demands be forwarded for review.

2. MSC Projects

A. Cross Connection Control Program – Hydro Corp

1. Cross Connection Control (CCC) Program – Hydrocorp mailed the revised Annual Notification's to MSC customers the week of February 16th. WUS Jaeger and Operator Schlecht met with Centerpoint's Representative to review and schedule device replacement at Centerpoint (CP) Buildings 100, 200, 600, and 700. Devices at CP Buildings 100, 600, and 700 have been replaced. CP Building 200 is being scheduled.

B. School Lane Water Treatment Facility PFAS Treatment System Improvements

1. The Notice to Proceed was executed on February 26th and KMP is developing a Construction Schedule and submitting cut sheets for review/approval. A Change Order Form was updated and executed to include the Exterior Vessel Painting, updated Check Valves and Gate Valves, and Ground Matting for setting up the Temporary Vessels. On February 17th, MSC assisted KMP with collecting GAC samples from both test canisters and returning to CCC to be tested for possible GAC Reactivation. Updated Reimbursement Request Form 2 was updated, reviewed, and submitted which is still in the review process. The next Progress meeting is scheduled for March 24th.

MUNICIPAL SERVICES COMMISSION

CITY OF NEW CASTLE, DELAWARE 19720-0208

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Water Department Commission Meeting Report

March 26, 2026

Prepared by: Jay Guyer on March 20, 2026

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

1. No update on when work will resume on this project identifying 20% of MSC's water services identified using our predictive modeling to maintain our compliance.

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

1. MSC received Approval to Construct from the Office of Engineering. Customer Notices discussing the project details were distributed to customers in the work area on March 4th and 5th. The project started on March 9th at the dead end on 14th Street with plans to complete the loop and tie into 13th And Oak Street. Operators are keeping As-Built installation notes to update our GIS Mapping. 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 when ready.

3. Operations

A. Outages

1. There were no planned or unplanned water outages for the month of February 2026. 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. No update don this project.
2. STRIDE Group EPA Grant – STRIDE's Scientists have reached out to schedule picking up additional supply of MSC water for the Rapid Small Scale Column Testing (RSSCT). MSC will schedule collection of additional water supply.
3. US EPA East Basin Road Groundwater Superfund Site – Following the coordination meeting, EPA's Engineer Tetra Tech scheduled the first round of sampling. Tetra Tech completed sample collection from Artesian on January 13th and MSC on the 14th. MSC collected our compliance, confirmation, and raw water sampling at the same time. MSC has received the results which are under review.
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 MSC's Electric Department Engineers PSE to discuss licensing options. A resolution has been drafted for consideration to approve MSC applying for the Matching Planning Grant. WUS Jaeger completed the Matching Planning Grant Application to assist with costs associated with the vertical asset mapping of MSC's facilities.

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Water Department Commission Meeting Report

March 26, 2026

Prepared by: Jay Guyer on March 20, 2026

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 has been working with our DEMA representative to close out both grants. Final grant closing is pending MSC's completion of FEMA training which has been placed on hold by the organization.
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. DRBC Annual Water Audit 2025 – WUS Jaeger updated the DRBC Annual Water Audit Report for 2025. WUM Guyer reviewed / revised the report and submitted on March 18th. DRBC sent a receipt confirmation.

C. System Repairs and Maintenance

1. Water Operator Projects / Tasks worked on during the Month:
 - a. Operators collected February Monthly Bacteria Samples (10 per month) and Anion Samples as required by ODW for compliance.
 - b. All Long-Term Water Cuts for February were verified to be turned off.
 - c. Water Operators worked on an Pre-Count on water inventory preparing for the March 23rd and 24th Inventory.
 - d. Water Operator Schlecht is reviewing historical MSC Water As-Built paper plans and updating MSC ESRI Mapping software. Paperwork is also being organized into distribution system zone folders.
 - e. Water Operators completed snow removal at MSC Sites and assisted City Public Works with snow removal
2. Riverbend Subdivision - Flushed on February 11th and 26th to maintain Chlorine residual.

D. Equipment

1. New Truck 14 – MSC received the new truck, transferred tools, and placed it in service. Old T-14 has been delivered to Richie Brothers Auctioneers for their March 25th auction. EUM Granger and EUS Bennett are handling this transaction.
2. No other Equipment issues to report.

E. Personnel and Training

1. No Personnel issues to report.

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2. MSC Water Department received the DRWA Team of the Year Award. This was the first time this Water Operator / Team recognition event was held with plans for it to be part of the Annual DRWA Conference
3. MSC Water personnel attended the Annual DRWA Water Conference and Technical Sessions in Harrington Delaware.
4. WUM Guyer and WUS Jaeger attended the PFAS Treatment in Drinking Water: Best Available Technologies, Strategies, and Alternatives for Removing PFAS from Public Water Systems presented by NEMA. This was a 2-day virtual training seminar was held March 10th and 11th.

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 Granger and Linemen Lindberg attended the 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 May 6, 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 March 18th DEWARN meeting went well. . Meeting Minutes were approved, the Chairmen updated members on the National Meeting including a Cyber Threats, and chemical shortages for treatment processes, and activations since the last meeting. ODW and DRWA updated the members on activities and upcoming training and events, regulatory activities.

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2. The next DEWARN meeting will be scheduled in April and will include election of new officers.

D. Water Operator Advisory Council

1. The next Advisory Council Meeting is scheduled for April 2nd to review Del Tech Training Course content and Exam questions.

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

February 1 - 29, 2026

Prepared By: Jay Guyer on March 20, 2026

Water Production Month	FT 300		Adjusted Finished Total Gallons	Gallons	
	Raw Total Gallons	Year		Raw	Finished
February 2025	12,041,900	2025	11,160,914	10,929,400	10,929,400
February 2026	10,929,400	2026	10,882,170	10,882,170	10,882,170
Difference	-1,112,500		-278,744	-47,230	-47,230
Percentage Difference	-10.2		-2.6	0.4	0.4

Note: No comments at this time.

Well(s) in Operation Days Pumped	Basin Road Reserve Status	Frenchtown Road XXX	School Lane XXX	Cross Roads Resting	Reserve OOS XXX	Not Used Out of Service Run and No. of Days
		24	4			

Water Quality	MSC Average	Goal	Range
Average Chlorine Residual	1.35 ppm	1.40 ppm	1.0 - 4.0 ppm
Average pH	7.5	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
(Office of Drinking Water)

# Collected	# Absent	# Present
10	10	0

Miss Utility Locate Requests
(Water and Electric Locates)

# Received	# Completed	# of Damages
66	66	0

Building Permit Review
(Water Related Conflicts)

# Reviewed	# Approved	# Not Approved
11	11	0

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Monthly Water Outages / Interruptions Report

February 1 - 29, 2026

Prepared By: Jay Guyer on March 20, 2026

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

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

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

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

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ELECTRIC DEPARTMENT COMMISSION REPORT

March 26, 2026

Prepared by Artie Granger on March 18, 2026

1. Developer Projects:

A. Riverbend Subdivision:

- I. Nothing new to report.
- II. MSC will continue to install infrastructure as materials and weather permits.
- III. 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. PSE has begun data conversions. MSC has received recommendations for the mapping software from ESRI. PSE is working with Assurance Media to get server requirements to determine ongoing costs. MSC will decide what we feel that best fit for software will be.

b. Electric SCADA System

- I. MSC has schedule progress meetings for this project. At this time materials have been ordered and SEL is working with our engineers to make sure that all of the SCADA points will be pointed to the correct outputs.
- II. MSC will continue to provide required information to either SEL or our engineers to keep this project moving.

c. Wilmington Road Substation Upgrades

- I. MSC is continuing to work on the plan to get the foundations removed for the proposed underground. MSC is working with Cirrillo Brothers to dispose of concrete as well as waiting for a proposal from Cirrillo Brothers for the demo of foundations should we want to go that route.
- II. Utility Engineering is planning on having updated plans for review sometime shortly.
- III. MSC is planning on beginning some site demolition to allow for the proposed underground cable trough to be installed.
- IV. 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 had 4 outages this month. 2/23 storm we had 2 customers out for about 22 hours, 2/25 we had one customer out for about 2 hours due to a bad connection in a junction box, 3/7 we had one customer out for about 2 hours due to a bad connection and on 3/9 we had one customer out for about 3 hours due to a contractor damaging the service

SAIDI (minutes)	SAIFI (number of interruptions)	CAIDI (minutes)	ASAI (percent)
10.56117	0.1175662	89.83167	99.9979

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. This transformer has been replaced. MSC is working on getting it sent out to be repaired / replaced.
 - MSC has ordered a couple of replacement transformers and the same company will coordinate the delivery of the new with the pick up of the old units.

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- 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.
 - MSC has been informed that this project is in engineering and we are waiting to here more on the scheduling.
- 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 cleaned and repainted some of our stock transformers that were showing signs of fading and rusting.