Municipal Services Commission Monthly Meeting
May 21, 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 Scott L. Blomquist, Secretary Valarie Leary, Commissioner
Staff in Attendance:	Kendrick Natale, Comptroller Artie Granger, Manager, Electric Utility Jay Guyer, Manager, Water Utility
Also Present:	Joseph F. Bonasera, President Summit Financial, HUB International Trish Gildea, Senior Financial Officer, HUB International Ashley Veneto, Licensed Security Representative, HUB International Jason Denton, Senior Retirement Consultant, HUB International

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

Minutes
April 16, 2026 Board Meeting – **A motion to approve the minutes of the April 16, 2026, Board meeting as presented was made by Commissioner Atherton. The motion was seconded by Commissioner Leary and was unanimously passed.**

HUB International Review
Mr. Bonasera introduced staff and outlined the Agenda for the review.

Actuarial Overview:
Mr. Denton reviewed the Plan Features, noting that

- The Plan was frozen for new employees 10 years ago.
- Union employees receive 2% per year times the average compensation times years of service. This is capped at $4,800 per month, and has been increased over time through Union negotiations.
- Salaried employees receive the better of 2% per year times the average salary or 1/60th of final average compensation times years of service but not more than 75% of final average compensation minus Social Security offset. This benefit is not capped.
- Death Benefit – If active or terminated employees pass away before they start retirement benefits, 1/2 of their benefit would be paid to their surviving spouse for their lifetime.
- The cost of the Plan has remained almost the same for the last three (3) years.

Mr. Denton noted that MSC has a dwindling number of active employees in the Plan, with 11 active at this time. As that group of employees ages to retirement, the period to fund the Plan becomes smaller.

In response to a question from Commissioner Atherton, Mr. Denton explained that when there are no active employees in the Plan a set funding period would be established to fully fund the Plan. If all retirees are receiving benefits and the Plan has sufficient funds to pay those benefits there is no need to lump sum fund the plan 100% immediately. Typically the plan would be 100% funded over a specified period of time. Mr. Natale stated that with the current funding levels the goal would be to get to 100% when the last active employee retires. Mr. Natale also noted that they could advance fund the Plan.

Mr. Bonasera added that when all active employees are retired and the Plan is fully funded, MSC may choose take the Plan assets and buy annuities and transfer the liability to an insurance company. Mr. Denton added that when there are only or almost only retirees in the Plan the liability is typically transferred to an insurance company. He also noted that MSC is years away from all active employees being retired.

Mr. Denton stated that as of April 1, 2026, the Plan is 85.6% funded; and for government authority plans, anything over 80% is considered to be very strongly funded.

Financial Report

Mr. Bonasera reviewed the Financial Report for the calendar year2025.

Beginning Balance:	$4.1M
Ending Balance:	$4.7M
Personal Rate of Return Before Expenses:	12.30% *(11.9% after expenses)*

First Quarter 2026

Beginning Balance:	$4.7M
Ending Balance:	$4.9M *($5,087,000 as of close 5/20/26)*
Personal Rate of Return Before Expenses:	5.18%

Mr. Bonasera stated that most of the return is driven by the Investment Portfolio in the Plan; which is 60% invested in Stocks and 40% invested in Bonds. He noted that historically Plans with this mix have performed better than plans with an all-stock portfolio.

Mr. Bonasera reviewed how the plan is diversified and made recommendations for 2026.

In response to a question from Commissioner Atherton, Mr. Bonasera explained that if funds do not meet their due diligence criteria they may recommend that they be removed from the portfolio. He added that the reason MFS Growth has not performed well is that they have made a conscious decision to be more conservative and to minimize exposure in tech stocks, but this does mean that it is a low quality fund. He added that JP Morgan and Vanguard will do better because they have a larger exposure in tech stocks.

In terms of Due Diligence, Mr. Bonasera explained the quantitative and qualitative metrics that they use in evaluating investment options, and that they are committed to prudently select, monitor, and, if necessary, terminate investment options.

In response to a question from Commissioner Atherton, Mr. Bonasera said the Vanguard REIT Index through today is up approximately 5%. He added that the first quarter of 2026 was negative.

Plan costs have not changed in 10 years. The Actuarial cost has increased slightly.

Mr. Bonasera reviewed Capital Markets, noting that since March 2009, it has gone up, and as of May 12th it was 7,355. He noted his concern that the market has gone up too quickly, and that there may be some kind of correction.

In 2025 all asset classes were up. Mr. Bonasera stated that the stock market has been very good; noting that in the last 46 years the stock market has been up over 75% of the time.

Mr. Bonasera noted they are seeing the potential for higher interest rates which will affect the bond market. Since 2010 the international market has lagged the US market; but emerging markets are performing well and we may want to consider being a little more into emerging markets.

Mr. Bonasera stated that 20% of the portfolio is in Nationwide Guaranteed Fund (NGF) paying just under 2%. Money Market rates today are paying 3.6% - 3.7%. Mr. Bonasera suggested moving out of NGF and moving those funds into the Money Market account to take advantage of the higher interest rate.

Recommendations:

- Move funds out of the Nationwide Guaranteed Fund and into Federal Government Money Market Fund.
- Remove MSF Growth from the portfolio and move those funds into JP Morgan Large Cap Growth.
- Consider moving 2% a small percentage out of Vanguard Developed Market Index and into the Diversified Fund Advisors Emerging Market.

One (1) fund is on Watch: PIMCO Commodity Real Return

In response to a question from Commissioner Atherton, Mr. Bonasera explained the difference between the National Guaranteed Fund and the Federal Government Money Market Fund.

In response to a question from Commissioner Wik, Mr. Bonasera will run an X-ray Report on the portfolio.

<u>457 and 401(a) Plans</u>
Ms. Veneto gave an overview of the 457 and 401(1) Plans.

401(a) Plan – designed to assist with heath care costs

- Employees hired on or after 4/1/2016 and have worked for 12 months are eligible.
- MSC will match 100% on the first 3% of employee 457 Plan deferrals.
- Non-union:
    - $1,000 per plan year after 10 years of service
    - $1,500 per pan year after 15 years of service
    - $2,000 per plan year after 20 years of service
- 100% immediate vested.
- Retirement withdrawals may be made via lump sum or installments, and partial withdrawals are allowed.
- Retirement: later than age 65 or 5 years of Plan participation.

- Loans are not allowed.

457 Plan
- All employees are eligible. Immediate eligibility for deferrals.
- Pre-tax & Roth deferrals.
- 2026 contribution limit is $24,500; however, employees who are over age 50 are eligible to make an additional $8,000 catch-up contribution. *
- Fully vested immediately.
- Loans: One (1) loan outstanding at a time; interest prime plus 2%; up to 1/2 of the vested balance up to $50,000 max loan; 5 year max payback. A loan can be taken for any reason.
- Rollovers are allowed.
- Retirement: on or after the earlier of age 65 or the date any retirement benefit is provided by the MSC defined benefit pension Plan.
- Retirement withdrawals may be made via lump sum or installments, and partial withdrawals are allowed.

  * Legislative Update: Employees who are over age 50 and who, in 2025 made more than $150,000 in W2 wages, wish to make a catch-up contribution in 2026 the contribution will need to go into the plan as Roth.

Ms. Veneto noted that employees can choose from a variety of investment class options.

Recommendation:
- Remove MFS Growth

One (1) fund on watch: American Funds New World

Mr. Bonasera explained why American Funds New World is on the watch list despite its 5-star Morningside Gold rating.

Bond Portfolio
Ms. Gildea explained that the objective is to have low volatility and return a bit more than inflation which they have been able to do. Currently over half of the account is in intermedia funds which is a change that was made last year; and it was a good move for the portfolio. MSCs yield is 4.14%, which is comparable to last year. Ms. Gildea reviewed funds in the portfolio and gave the percentile rankings of each. Ms. Gildea stated that a prolonged period of inflation is anticipated due to global turmoil and an increase in the national debt; and stated that bonds with shorter duration tend to be less sensitive to rising rates in an inflationary environment.

Recommendation:
- Decrease exposure to Prudential Total Return.
- Add exposure to iShares 1-3Y Treasury Bond ETF to 44% as defensive positioning during an increasingly challenging economic environment.

One (1) fund on watch: PDBAX

In response to a question from Commissioner Atherton, Ms. Gildea stated that the highest Treasury Fund they can buy is three (3) years, but the duration is probably closer to 1.2 to 1.5 years.

Mr. Bonasera will send a formal letter detailing recommendations shortly.

Comptroller/Treasurer Report – Mr. Natale reporting
(See attached report)
Mr. Natale stated that he spoke with Mr. Bonasera about how MSC will invest the funds in the overnight sweep account. The returns on the overnight account are invested in a stable government Money Market Mutual Fund at 3.5%. If more was moved into the portfolio Ms. Gildea manages there would be about a 4% return; but there are very volatile swings in the value of that portfolio based on interest rates. Mr. Bonasera ran the numbers and mentioned that Bond returns YTD are actually negative and Mr. Natale recommended that the half a percentage point is not worth the risk.

Mr. Natale noted that he speaks with the Investment Advisor at M&T several times a year to ensure that fund is the best fund for cash. He added that USF will be conducting a Cash Reserve Study to determine what MSCs risks are and recommend a range of how much cash on hand they should have to deal with any emergency or unanticipated swings in costs.

In response to a question from Commissioner Atherton, Mr. Natale stated that he received two quotes for the Study: USF's quote for the study was $7,000 and GFOA's quote was between $25,000 and $50,000. Mr. Blomquist added that USF already has all the necessary information and there would be much less pressure on Staff. After the Study is complete the Board will have sufficient information to determine if there is too much cash on hand and what should be done with it.

Mr. Natale reported as of April 30, 2026:

- The Audit is basically complete and draft statements are going through CLA's quality control process. That should be completed next week.
- MSC is advertising for a Lineman position and over 140 applications have been received. In response to a question from Commissioner Wik, Mr. Natale noted that MSCs pay scale is comparable to Newark and Delmarva, and higher than some of the municipalities in Sussex County.
- Cash on hand: $8.4M
- There was no change in the Investment Portfolio.
- Cash on Hand: 189 days, which is 11 days lower than prior month. Mr. Natale will bring forward a Budget Amendment in June to roll forward some projects that were not completed last year, which will increase the budget and pull down the day's cash on hand.
- Check Register:
  - $10,000 to Century Engineering for the Ferry Cut Off Railroad Crossing project.
  - $10,000 to Power System Engineering for the Electric GIS mapping and upgrades.
  - $36,400 and $35,000 to Wesco Receivables Corp. for Electric inventory.
  - $10,000 to replenish the New Castle Cares Fund.

    - $10,000 to Atlantic Contracting & Material to abandon the main at the Wilmington Road railroad crossing.
- There were 16 cuts for nonpayment in April. Six (6) customers received assistance from the New Castle Cares Fund.

Electric Department

- User revenues are $49,000 above budget FYTD.
- Consumption was 2.7% higher than last year.
- The positive variance in revenues is offset by the negative variance in purchases of electric for resale.
- The negative variances in salaries and benefits is a timing issue. There should be a positive variance in the operations in both water and electric by year end.

Water Department

- User charges have a favorable variance of $13,000.
- Sales were up 4.8% from the same period last year and were up 8.6% compared to the average, which may have been the result of dryer conditions; although there were three (3) commercial accounts that had significant increases. Mr. Guyer explained the increase could not attribute the increase to anything. Mr. Guyer is looking into these three (3) accounts.

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

Mr. Granger stood on his report; noting items not reflected in the report:

- A lineman left MSC last week.
- Cirillo Bros. completed the concrete foundation at Wilmington Road.
- There was one outage in April. Four (4) customers were without power for about 40 minutes when MSC took the transformer out of service while connecting houses on Arbutus.
- Mr. Granger has had conversations about getting Verizon to work with MSC to replace poles. At the same time, Delmarva is trying to get some work and system upgrades scheduled on Moores Lane which will require Verizon to replace their poles. There are also a few poles on Wilmington Road that will be replaced. MSC will need to transfer to those poles.

  In response to a comment from Commissioner Wik, Mr. Blomquist stated MSC has made many attempts to have Verizon remove abandoned wires from their poles. He added that MSC is not permitted to touch other utilities' infrastructure. Mr. Granger stated that he would reach out to his contact at Verizon to see what can be done. He stated that customers who no longer have their service *(i.e., Verizon or Comcast)* and have abandoned wires at their homes should contact the vendor directly to have the abandoned wires removed.
- In response to a comment from Commissioner Wik, Mr. Granger will look into street lamps with damaged electrical boxes.

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

- Riverbend Subdivision – Mr. Guyer is making progress on the railroad crossing permit. The contractor is starting utility installation of Phase 3.
- Delaware Street Railroad Crossing & 8th Street – DelDOT – Mr. Guyer received final plans. The Office of Engineering approved them and the Approval to Construct was received. He is working through details with DelDOT. The work will not be completed by the end of May and Mr. Guyer submitted a request to the engineer to see if ACM can do the work at the same time they do the repaving and sidewalk improvements.
- 713 East Basin Road – William Penn High School Sports Complex – Mr. Guyer received revised plans last week. He will make final comments and begin the approval process. In response to a question from Commissioner Wik, Mr. Guyer explained where the entrance to the new complex will be; noting the original plan calls for a turn lane in and a turn lane out, and vehicles will not be able to make a left-hand turn. Mr. Blomquist added that it does not cross the School Lane paper street.
- Wilmington Road Railroad Track Crossing – 900 Block – the invoice has been paid.
- 55 West 8th Street Garage – Water Service Installation – Water Operators installed the new water service on April 30th.
- 109 The Strand – New Home – Water Service Installation – Water Operators installed the new water service on May 20th.

MSC Projects:

- Cross Connection Control Program – Hydro Corp – Everything is progressing. Centerpoint will replace the device at Building 1600.
- School Lane Water Treatment Facility PFAS Treatment System Improvements – The temporary system is in and running. All testing is done. It is capable of about 370gpm and is removing PFAS contaminants to a non-detect level in parts per trillion. The unit was placed in service on May 11th. KMP moved in early and started their work. The GAC pumps have been pulled and VFDs and work removing carbon from the filters will start on May 26th. They are actively receiving materials for the job.
- 14th Street Water Main Extension to Johnson Way – 8" Main Install – Phase 1 of the installation is competed. The dead-end on 14th Street has been installed and looped into 13th Street. It was flushed and hydrostatically tested and put in service on May 1st. Approval to Operate was received from the Office of Drinking Water. The next two phases will be done for water services and moving into the interconnection with Centerpoint.

Operations:

- Outages – There were no unplanned outages and there was one (1) planned outage in April.

Reporting:

- ArcGIS Pro Water System Mapping and Water Model Planning Grant – The mapping license was renewed in connection with the Electric Department's plans for the mapping.

- PFAS Litigation – No new settlement funds have been received. Mr. Guyer completed the paperwork for the Tyco settlement and sent it back. MSC received another notice this week from the attorney that the BASF settlement is ready for distribution. Mr. Natale stated he was notified in April that those two disbursements were accrued back to FY26.
- Delaware State and Local Cybersecurity Grant Program (SLCGP) – Mr. Guyer received notice that the grants were closed out and final.
- 2026 Consumer Confidence Report/News Letter – Messrs. Guyer and Jaeger have started working on the Report and News Letter. This year the report will be published on MSC's website and notice will be included in the June bills on how to access them. This will save approximately $18,000 in postage for both newsletters. Customers will be able to contact the office to have a copy mailed or hand-delivered.
- City Ordinance Requiring Residential Fire Sprinklers – Messrs. Guyer and Jaeger are reviewing the requirements. Mr. Guyer consulted with Artesian and the City of Newark regarding their requirements. He contacted the State Fire Marshall yesterday and is waiting for a return call. Mr. Guyer noted that everyone is doing it differently. A discussion of the residential sprinkler systems and the requirements ensued, during which it was noted that residential sprinklers are designed to give residents time to escape; they are not designed to put the fire out.

Personnel and Training:

- A Civil Engineering student at the University of Delaware who went through one the water classes taught by Mr. Jaeger at William Penn High School reached out to Mr. Jaeger regarding the possibility of an internship with the Water Department. A program was put together for him and he will work for the Water Department from July 6th until August 21st.

Local, State, and Federal Agencies:

- WSCC – Water Supply Coordinating Council – The meeting was held on May 5th. The Council acknowledged that conditions are dry. A Drought Advisory Subcommittee meeting was held on May 19th and an Urgent Meeting of the Full Council is scheduled for May 26th to discuss making a recommendation to the Governor that he declare a Drought Watch in the State due to the water conditions.

Secretary's Report – Mr. Blomquist reporting

DEMEC:

- Mr. Natale attended the May 14th DEMEC meeting.
- Demand January 2026: .01% less than the same period in 2025
- Unrestricted cash: $86.9M, which is $27.8M over the target of $59.1M.
- RSR Balance: $52.1M, which was 37.7% higher than January 2025 balance of 38M.
- Total days cash on hand: 145 days
- Income in January: $41.4M, which was $16.3M higher than the same period in 2025.
- Baker Tilley presented the Audit results and DEMEC received an Unmodified Opinion.

New Castle:

- A CISA meeting was scheduled for May 26th.

- The Fiber Install project for the City has been completed. Mr. Natale opined that they are up and running.
- The Operations Crew replaced the roof at 216 Chestnut Street.
- The MSC parking lot will be repaved and some curb work will be done.

Mr. Blomquist stated that he did not have anything to discuss in Executive Session.

Miscellaneous

- Mr. Natale stated that DEMEC is having a Financial Ratios Class on June 16th, and the Commissioners are invited to attend. The Vice President of USF, Dawn Lund, will be teaching the class.
- Commissioner Leary stated that she attended the Delaware League of Local Governments meeting in Dover and Rob Cote, Senior Vice President of DEMEC, was extraordinarily complimentary about Mr. Natale.

Public Comment

Phil Gross

- In response to questions from Mr. Gross, Mr. Blomquist stated:
  - He is not aware of any new projects in the City.
  - The Board reviews the financials every month. HUB International reviews the MSC financials all the time, and MSC meets with them every six months. If there are material changes in economic outlook Mr. Natale reaches out to HUB to see if they recommend any changes; and HUB reaches out to MSC if they feel there should be any immediate changes in the portfolio(s).
  - MSC is currently the lowest residential electric provider in the State. A Cash Reserve Study will be conducted in the fall, and any changes would likely take effect next year. For MSC rates to decrease the DEMEC wholesale rate would have to decrease. A rate decrease is not expected.

Next Regular Meeting

The Commissioners set the June Board meeting to be Tuesday, June 23, 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 11:12 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

May 21, 2026 Commission Meeting

Prepared By: Ken Natale, CPFO on May 14, 2026

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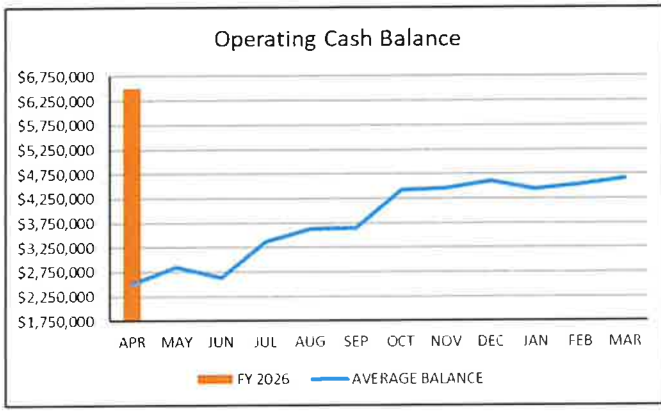
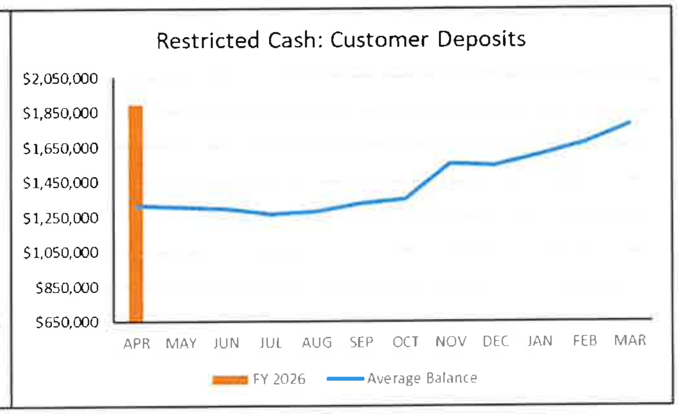
Comptroller/Treasurer's Report – May 14, 2026 **UNAUDITED**

Cash & Investments

As of April 30, 2026 the cash balances were:

M&T Bank Checking:	$	469,887
M&T Investment Sweep:		6,037,666
M&T Bank Restricted		1,895,448
Petty Cash/Change Fund:		898
Total Cash on Hand:	$	8,403,899





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

Beginning Balance	**$**	**6,559,923**
Cash from customers		1,182,142
Interest Income		17,553
Bond Proceeds – DWSRLF		-
Refunds to customers - deposits	(	-)
Payments to suppliers for goods & services*	(	1,006,051)
Bank service fees	(	2,607)
Payments to employees for services	(	139,565)
Net Cash Provided (Used)	(	51,472)
Ending Cash Balance	**$**	**6,508,451**

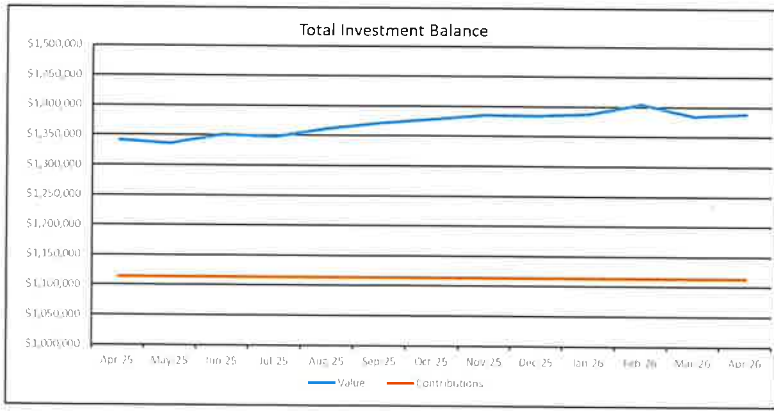
*A detailed check register for the month is available on page 3 of this report.

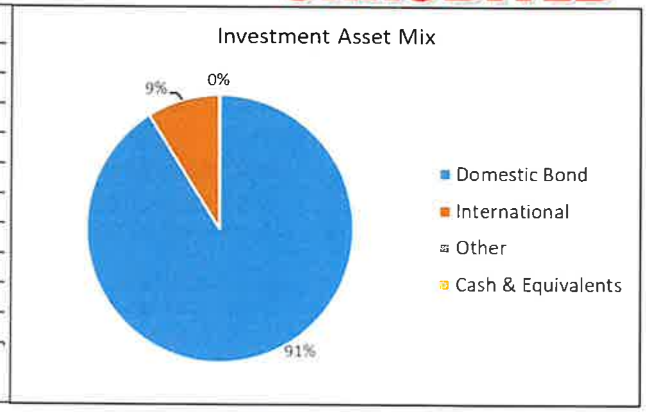
As of April 30, 2026 the value of the Commission's investment portfolio totaled $1,388,543 which is a net gain of $3,853 (0.0%) from the prior month.

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 3.52% interest and has a stable net asset value of $1.00.

Overall, there were 189 days unrestricted cash on hand at April 30 (+11 days from prior month) when including the value of the Commission's investment portfolio which is held in liquid assets (mutual and exchange traded funds), and excluding cash due to developers not held in restricted accounts. The water fund as of April 30 had 283 days unrestricted cash on hand (+25 days from prior month) while the electric utility had 154 days unrestricted cash on hand (+4 days from the prior month) These increases in days cash will fall once a budget adjustment is brought to the board to roll uncompleted capital projects from the prior year into the 2027 budget.

UNAUDITED





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		($ 916)	0.40%
Mutual Funds			
PGIM Total Return Bond CL A	PDBAX	238,780	4.28%
Fidelity Advisor Total Bond CL	FEPIX	373,708	4.33%
T Rowe Price Global Multi Sector Bond I	PGMSX	123,649	5.16%
Vanguard Intermediate Term Treasury	VFIUX	152,284	4.02%
Exchange Traded Funds			
iShares Trust 1-3 Year Treasury Bond EFT	SHY	501,038	3.76%
Total		**$ 1,388,543**	**4.16%**

Comptroller/Treasurer's Report – May 14, 2026

APRIL 2026 CHECK REGISTER

Date	Number	Vendor Name	Amount
04/13/2026	202431	CENTURY ENGINEERING A KLEINFELDER CO	$ 10,174.00
04/13/2026	202432	Consult Dynamics Inc DCA Net	20.00
04/13/2026	202433	Delmarva Power	90.78
04/13/2026	202434	Delta Dental of Delaware Inc	1,871.76
04/13/2026	202435	DEMEC Inc	979.09
04/13/2026	202436	DESIGN MANAGEMENT GROUP LLC	500.00
04/13/2026	202437	Ferguson Enterprises Inc	2,985.00
04/13/2026	202438	Kathleen R Weirich	217.50
04/13/2026	202439	Keystone Engineering Group Inc	420.00
04/13/2026	202440	Pennoni Associates Inc.	5,936.75
04/13/2026	202441	Petty Cash	84.21
04/13/2026	202442	POWER SYSTEM ENGINEERING INC	10,840.00
04/13/2026	202443	Principal Financial Group	2,704.04
04/13/2026	202444	RPW SOLUTIONS LLC	945.00
04/13/2026	202445	StrategicInsurancePartners	875.58
04/13/2026	202446	Tyler Technologies Inc.	253.50
04/13/2026	202447	Utility Engineers PC	3,000.00
04/13/2026	202448	Wesco Receivables Corp.	36,399.50
04/13/2026	202449	WHITE CAP / TRI Supply & Equipment	254.88
04/17/2026	202451	Ferguson Enterprises Inc	639.00
04/17/2026	202452	Kendall Electric INC	3,641.15
04/17/2026	202453	New Castle Cares Fund	10,000.00
04/17/2026	202454	Sunbelt Rentals Inc.	18.00
04/17/2026	202455	Trans Union LLC	269.56
04/22/2026	202456	Artesian Water Co Inc	2,391.97
04/22/2026	202457	ATLANTIC CONTRACTING & MATERIAL CO INC	10,250.00
04/22/2026	202458	Consult Dynamics Inc DCA Net	20.00
04/22/2026	202459	Council 81	469.00
04/22/2026	202460	Delta Dental of Delaware Inc	1,793.04
04/22/2026	202461	Dover Plumbing Supply Co.	1,334.26
04/22/2026	202462	Ferguson Enterprises Inc	225.00
04/22/2026	202463	Jolly Jumpers LLC	415.00
04/22/2026	202464	Kathleen R Weirich	262.00
04/22/2026	202465	Principal Financial Group	2,423.44
04/22/2026	202467	Wesco Receivables Corp.	35,155.00
04/01/2026	DFT0002829	Department of Human Resources Financial Services	49,256.08
04/10/2026	DFT0002842	T. ROWE PRICE RETIREMENT PLAN SERVICE INC	6,743.35
04/10/2026	DFT0002844	Delaware Div. of Revenue	7,530.78
04/10/2026	DFT0002845	United States Treasury	44,894.20
04/16/2026	DFT0002846	BRINKS CAPITAL	934.26
04/10/2026	DFT0002850	Contractors Materials LLC	2,700.42
04/10/2026	DFT0002851	M&T ONE CARD	29,049.33
04/10/2026	DFT0002852	Martin Marietta Materials Inc	3,744.88
04/01/2026	DFT0002853	Pitney Bowes Purchase Power	10,000.00
04/17/2026	DFT0002855	DEMEC Inc	608,587.85
04/14/2026	DFT0002857	Principal Financial Group	292.68
04/16/2026	DFT0002860	Delaware Dept. of Labor	2,755.00
04/24/2026	DFT0002864	M&T ONE CARD	1,751.08

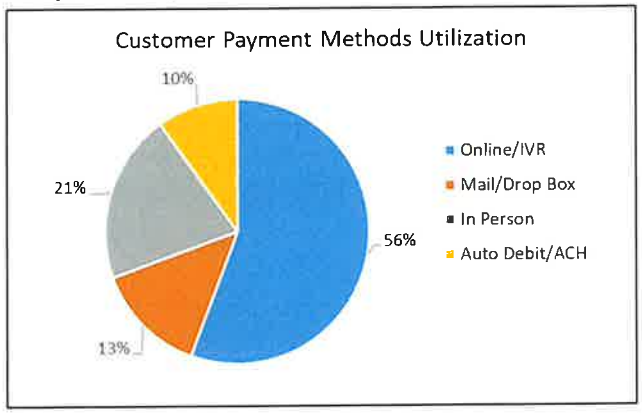
APRIL 2026 CHECK REGISTER

Date	Number	Vendor Name	Amount
04/24/2026	DFT0002868	T. ROWE PRICE RETIREMENT PLAN SERVICE INC	6,943.71
04/24/2026	DFT0002871	United States Treasury	22,661.55
04/24/2026	DFT0002876	Contractors Materials LLC	1,037.97
04/24/2026	DFT0002877	M&T ONE CARD	12,831.42
04/24/2026	DFT0002878	Martin Marietta Materials Inc	1,138.77
04/24/2026	DFT0002879	New Castle Glass, Inc	150.08
04/30/2026	DFT0002880	Delaware Div. of Revenue	19,292.00
04/29/2026	DFT0002882	Nationwide Life Ins. Co. of America	23,895.12
04/30/2026	DFT0002890	Delaware Div. of Revenue	637.00
04/30/2026	DFT0002891	COMPTROLLER OF MARYLAND	1,365.84
		TOTAL PAYMENTS	**$ 1,006,051.38**

Customer Service/Billing

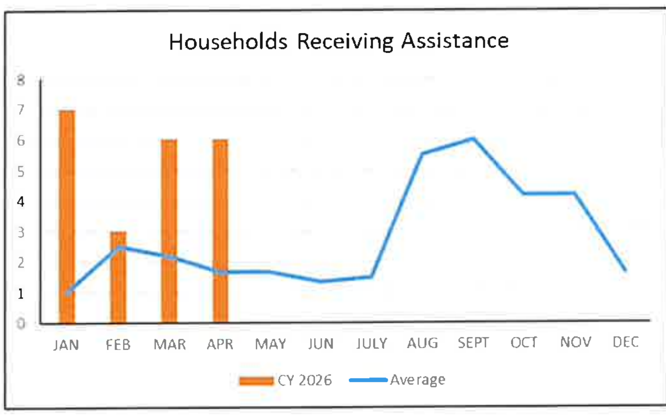
Since the previous meeting, the Customer Service Department processed:

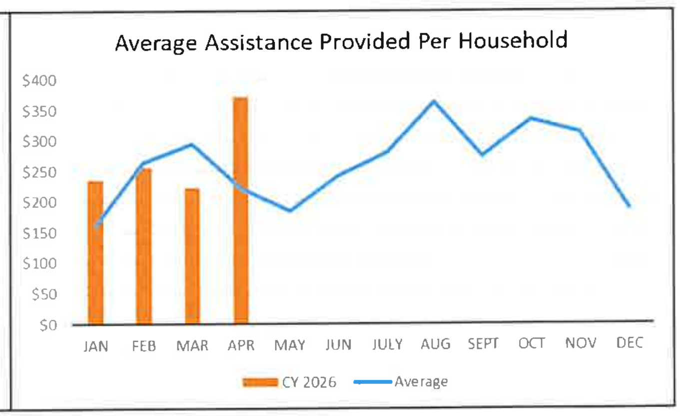
Bills sent	2,746
Delinquent & past due notices	474
Automated phone notifications	928
Payment arrangements	8
Contracts	3
Service cuts for non-payment	16
Accounts sent to collections	3
Electric bad debt write-offs	$114
Applications for service	22



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 March, the fund assisted six customers with an average amount of $371. The maximum allowed by the program is $400. The current balance in the fund is $476.



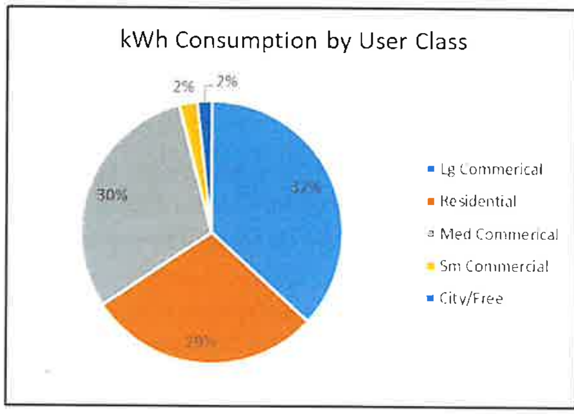


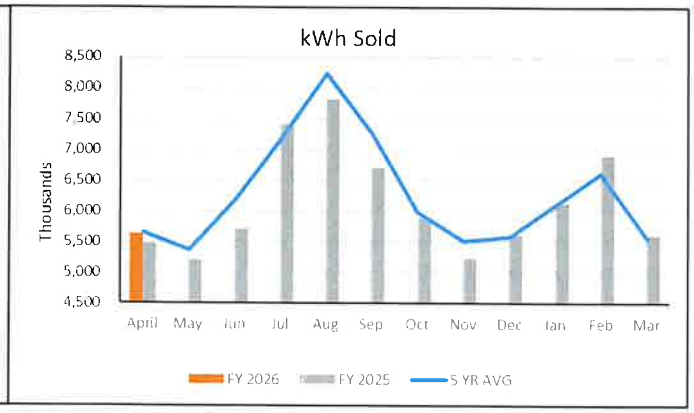
In addition to assistance provided through the New Castle Cares fund, one customer received approximately $430 from other agencies or nonprofits that provide assistance for utility bills.

Electric Revenues

User charges are $49,000 above budget fiscal year to date. April kWh sales were 2.7% higher compared to the same period last year. This increase is due to weather. Consumption for the fiscal year was approximately in line with the 5-year average year to date, and 2.7% lower than the prior year to date.

The latest statewide residential rate comparison completed by DEMEC shows that MSC's residential electric rate is the lowest in the state. MSC's residential rate is 33% lower than Delmarva and 6.6% lower than the Delawar Electric Co-op.





Electric Expenses

Electric operating expenses have an unfavorable variance ($131,000) on the budgetary basis. Variances related to power purchase ($41,000) are due to increased consumption by customers year to date. Variances in salaries & benefits ($32,000) are related to timing differences for salary accruals, a positive variance in operations salaries & benefits by the end of the year is expected due to not filling a vacant position. Variances in debt service ($22,000) are due to timing of when invoices were processed for debt payments and will be eliminated in May. Other variances are also the result of timing and are expected to be reduced/eliminated as the year progresses.

After accounting for non-operating revenues and expenses, there is a decrease in net position on the budgetary basis of $70,000.

When converting from the budgetary basis of accounting to generally accepted accounting principles there is a decrease in net position to $97,000 which is the result of non-cash transactions, such as depreciation, changes in compensated absences and converting capital outlays to capital assets.

 UNAUDITED

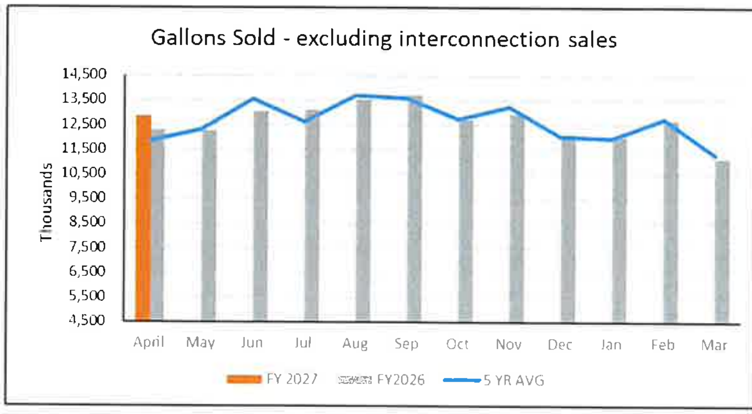
Municipal Services Commission
Budget to Actual Comparison (non GAAP) – Electric
As of April 30, 2026

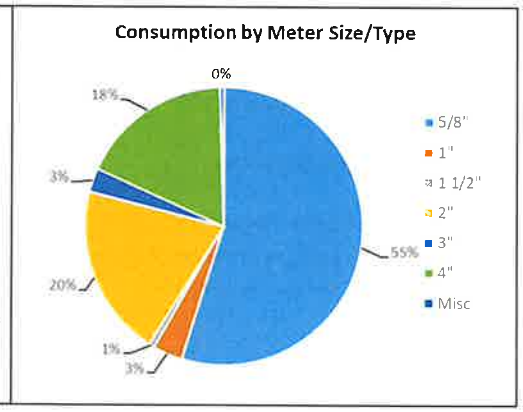
	YTD Budget	YTD Activity	Variance	Total Budget
Operating Revenues				
User Charges	787,718	837,035	49,317	10,946,000
City & MSC Services	3,440	3,438	(2)	41,200
Miscellaneous Income	23,272	786	(22,486)	303,909
Total Operaing Revenues	814,430	841,259	26,829	11,291,109
Less: Free Service	841	260	581	8,000
Net Operating Revenues	813,589	840,999	27,410	11,283,109
Operating Expenses				
Operations Dept				
Purchase of electric for resale	508,228	549,001	(40,773)	7,529,304
Salaries and benefits	87,706	110,250	(22,544)	1,412,682
Professional fees	683	6,031	(5,348)	33,302
Repairs and maintenance	7,301	6,995	306	269,862
Other purchased services	20,409	29,138	(8,729)	57,150
Supplies and materials	762	5,488	(4,726)	49,061
Total operations	625,089	706,903	(81,814)	9,351,361
General & administrative				
Salaries and benefits	44,351	54,298	(9,947)	696,527
Professional fees	15,425	12,940	2,485	253,970
Repairs and maintenance	2,021	905	1,116	27,567
Other purchased services	8,539	23,795	(15,256)	49,095
Supplies and materials	499	660	(161)	14,410
Miscellaneous	5,000	10,915	(5,915)	10,000
Debt Service	7,500	29,449	(21,949)	154,379
Total general & administrative	83,335	132,962	(49,627)	1,205,948
Total operating expenses	708,424	839,865	(131,441)	10,557,309
Operating Income	105,165	1,134	(104,031)	725,800
Nonoperating revenue(expense)				
Investment income	11,852	13,989	2,137	153,450
Investment expense	(943)	(737)	206	(4,000)
Unrealized gain(loss) on investment:	-	94	94	-
Realized gain(loss) on investment	-	-	-	-
Gain(loss) on disposal of asset	-	-	-	-
Grant income	-	-	-	-
Grant expense	-	-	-	-
Other Expense	-	-	-	-
Capital outlays	(19,180)	(29,319)	(10,139)	(230,250)
Appropriations				
Mayor and Council	(53,729)	(54,421)	(692)	(645,000)
Special	-	-	-	-
Contributed Capital	-	-	-	-
Total nonoperating revenue(expense)	(62,000)	(71,098)	(9,098)	(725,800)
Change in Net Position	**43,165**	**(69,964)**	**(113,129)**	-

 UNAUDITED

Water Revenues

User charges have a favorable variance of $13,000 for the fiscal year to date. Consumption for the month of April was up 4.8% from the same period last year. Fiscal year to date, sales are up 8.6% compared to the five-year average and up 4.8% from the prior year's fiscal year to date. Drier than normal conditions are most likely responsible for much of the increase in user's consumption; however, the water department is further looking into increased consumption in 3 commercial accounts to see if there is another reason for their increased consumption in April.





Water Expenses

Water operating expenses have an unfavorable year to date variance ($13,000) on the budgetary basis. Variances in salaries & benefits ($27,000) are related to timing differences for salary accruals, a positive variance in operations salaries & benefits by the end of the year is expected due to not filling a vacant position. Variances in debt service ($6,000) are due to timing of when invoices were processed for debt payments and will be eliminated in May. Other variances are also the result of timing and are expected to be reduced/eliminated as the year progresses.

After accounting for non-operating revenues and expenses, there is a decrease in net position on the budgetary basis of $54,000.

When converting from the budgetary basis of accounting to generally accepted accounting principles there is a decrease in net position of $40,000 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 – May 14, 2026

UNAUDITED

Municipal Services Commission
Budget to Actual Comparison (non GAAP) – Water
As of April 30, 2026

	YTD Budget	YTD Activity	Variance	Total Budget
Operating Revenues				
User Charges	234,504	247,781	13,277	3,011,600
City & MSC Services	2,938	2,988	50	37,000
Miscellaneous Income	37,712	5,399	(32,313)	796,471
Total Operaing Revenues	275,154	256,168	(18,986)	3,845,071
Less: Free Service	355	2	353	4,000
Net Operating Revenues	274,799	256,166	(18,633)	3,841,071
Operating Expenses				
Operations Dept				
Purchase of water for resale	2,000	2,392	(392)	24,000
Salaries and benefits	81,103	101,797	(20,694)	1,301,139
Professional fees	2,951	5,762	(2,811)	62,300
Repairs and maintenance	39,347	9,379	29,968	245,901
Other purchased services	16,796	23,840	(7,044)	45,000
Supplies and materials	1,662	1,711	(49)	53,332
Total operations	143,859	144,881	(1,022)	1,731,672
General & administrative				
Salaries and benefits	25,958	32,596	(6,638)	403,337
Professional fees	20,258	9,632	10,626	217,622
Repairs and maintenance	1,744	740	1,004	23,973
Other purchased services	8,116	19,469	(11,353)	42,670
Supplies and materials	397	540	(143)	13,375
Miscellaneous	-	(144)	144	-
Debt Service	-	5,698	(5,698)	40,722
Total general & administrative	56,473	68,531	(12,058)	741,699
Total operating expenses	200,332	213,412	(13,080)	2,473,371
Operating Income	74,467	42,754	(31,713)	1,367,700
Nonoperating revenue(expense)				
Investment income	6,335	8,174	1,839	78,550
Investment expense	(118)	(130)	(12)	(500)
Unrealized gain(loss) on investments	-	17	17	-
Realized gain(loss) on sale of asset	-	-	-	-
Gain(loss) on disposal of asset	-	-	-	-
Grant income	-	-	-	-
Grant expense	-	-	-	-
Other Expense	-	(1,765)	(1,765)	-
Capital Outlays	(102,022)	(84,318)	17,704	(1,224,750)
Appropriations				
Mayor and Council	(14,661)	(14,822)	(161)	(176,000)
City Services	(3,677)	(3,865)	(188)	(45,000)
Contributed Capital	-	-	-	-
Total nonoperating revenue(expense)	(114,143)	(96,709)	17,434	(1,367,700)
Change in Net Position	**(39,676)**	**(53,955)**	**(14,279)**	-

 UNAUDITED

Municipal Services Commission
Statement of Net Position
As of April 30, 2026 and 2025

	2027	2026
ASSETS:		
Current assets:		
Cash and equivalents	$ 6,508,451	$ 2,717,111
Investments	1,388,543	1,340,870
Accounts receivable, net	1,138,791	925,250
Inventories	1,181,073	1,007,890
Prepaids	29,429	90,506
Restricted cash	1,895,448	1,740,773
Total current assets	12,141,735	7,822,400
Noncurrent assets:		
Capital assets not being depreciated:		
Land	43,796	43,796
Construction in progress	542,131	115,319
Capital assets net of accumulated depreciation:		
Buildings	630,323	641,569
Equipment	1,155,992	804,021
Infrastructure	19,531,389	16,213,190
Total noncurrent assets	21,903,631	17,817,895
Total assets	34,045,366	25,640,295
DEFERRED OUTFLOWS OF RESOURCES		
Pension	305,710	501,638
Total deferred outflows	305,710	501,638
LIABILITIES		
Current liabilities:		
Accounts payable	769,354	674,416
Accrued liabilities	56,337	44,391
Customer Deposits	1,907,892	1,768,668
Total current liabilities	2,733,583	2,487,475
Noncurrent liabilities:		
Due within one year	163,861	109,529
Due in more than one year	2,337,619	2,301,471
Total noncurrent liabilities	2,501,480	2,411,000
Total liabilities	5,235,063	4,898,475
DEFERRED INFLOWS OF RESOURCES		
Pension	464,218	309,547
Total deferred inflows	464,218	309,547
NET POSITION		
Net investment in capital assets	20,796,753	16,978,893
Unrestricted	7,855,042	3,955,018
Total net position	$ 28,651,795	$ 20,933,911

 UNAUDITED

Municipal Services Commission
Statement of Revenues, Expenses, and Changes in Net Position
As of April 30, 2026 and 2025

	2027	2026
Operating Revenues:		
Water sales	$ 250,769	$ 262,278
Power sales	840,472	790,781
Miscellaneous	4,420	42,852
Total operating revenues	1,095,661	1,095,911
Less: free service	(262)	(1,068)
Net operating revenues	1,095,399	1,094,843
Operating Expenses		
Purchase of water and power	551,393	530,036
Salaries and benefits	340,346	301,692
Repairs and maintenance	18,119	106,784
Professional fees	34,365	19,409
Supplies	8,399	7,060
Other purchased services	96,242	12,175
Miscellaneous	10,771	(530)
Depreciation	(119,897)	109,838
Total operating expenses	939,738	1,086,464
Operating income (loss)	155,661	8,379
Noncapital subsidies		
Intergovernmental	-	-
Appropriations to Mayor & Council of New Castle:		
Ordinary	(69,243)	(67,352)
City & Trustee Services	(4,569)	(3,845)
Total noncapital subsidies	(73,812)	(71,197)
Operating income(loss) and noncapital subsidies	81,849	(62,818)
Other nonoperating revenues (expenses):		
Investment earnings	21,408	8,728
Gain(loss) on disposal of fixed assets	-	-
Grant revenue - restricted for capital assets	-	-
Capital contributions	-	-
Special appropriation - capital related	-	-
Interest expense	(2,828)	(1,280)
Total other nonoperating revenues (expenses)	18,580	7,448
Increase (decrease) in net position	100,429	(55,370)
Net position - beginning	28,551,366	20,989,281
Net position - ending	$ 28,651,795	$ 20,933,911

UNAUDITED

Municipal Services Commission
Combining Balance Sheet by Department
As of April 30, 2026 and 2025

	Water		Electric		Total	
	2027	2026	2027	2026	2027	2026
ASSETS:						
Current assets:						
Cash and equivalents	2,834,765	-	3,673,686	2,717,111	6,508,451	2,717,111
Investments	208,281	201,130	1,180,262	1,139,740	1,388,543	1,340,870
Accounts receivable, net	697,384	400,849	441,407	524,401	1,138,791	925,250
Inventories	311,653	295,062	869,420	712,828	1,181,073	1,007,890
Prepaids	4,500	36,724	24,929	53,782	29,429	90,506
Restricted cash	-	-	1,895,448	1,740,773	1,895,448	1,740,773
Total current assets	4,056,583	933,765	8,085,152	6,888,635	12,141,735	7,822,400
Noncurrent assets:						
Capital assets not being depreciated:						
Land	43,796	43,796	-	-	43,796	43,796
Construction in progress	239,370	115,225	305,045	94	544,415	115,319
Capital assets net of accumulated depreciation:						
Buildings	284,446	291,960	340,753	349,609	625,199	641,569
Equipment	460,251	505,543	646,709	298,478	1,106,960	804,021
Infrastructure	11,610,196	8,868,463	7,735,555	7,344,727	19,345,751	16,213,190
Total noncurrent assets	12,638,059	9,824,987	9,028,062	7,992,908	21,666,121	17,817,895
Total assets	16,694,642	10,758,752	17,113,214	14,881,543	33,807,856	25,640,295
DEFERRED OUTFLOWS OF RESOURCES						
Pension	129,242	223,882	176,468	277,756	305,710	501,638
Total deferred outflows	129,242	223,882	176,468	277,756	305,710	501,638

(Continued)

UNAUDITED

Municipal Services Commission
Combining Balance Sheet by Department
As of April 30, 2026 and 2025

	Water		Electric		Total	
	2027	2026	2027	2026	2027	2026
LIABILITIES						
Current liabilities						
Accounts payable	87,795	44,768	681,558	629,648	769,354	674,416
Accrued liabilities	25,592	19,976	30,745	24,415	56,337	44,391
Customer Deposits	-	-	1,907,892	1,768,668	1,907,892	1,768,668
Due to other funds	-	567,041	-	(567,041)	-	-
Total current liabilities	113,387	631,785	2,620,195	1,855,690	2,733,583	2,487,475
Noncurrent liabilities:						
Due within one year	23,784	24,937	140,078	84,592	163,861	109,529
Due in more than one year.	1,107,819	1,139,725	1,229,800	1,161,746	2,337,619	2,301,471
Total noncurrent liabilities	1,131,602	1,164,662	1,369,878	1,246,338	2,501,480	2,411,000
Total liabilities	1,244,989	1,796,447	3,990,073	3,102,028	5,235,063	4,898,475
DEFERRED INFLOWS OF RESOURCES						
Pension	215,551	140,839	248,667	168,708	464,218	309,547
Total deferred inflows	215,551	140,839	248,667	168,708	464,218	309,547
NET POSITION						
Net investment in capital assets	12,061,214	9,407,456	8,498,029	7,571,437	20,559,243	16,978,893
Unrestricted	3,302,130	(362,108)	4,552,912	4,317,126	7,855,042	3,955,018
Total net position	15,363,344	9,045,348	13,050,941	11,888,563	28,414,285	20,933,911

UNAUDITED

Municipal Services Commission
Combining Schedules of Revenues, Expenses, and Changes in Net Position by Department
For the one Month ending April 30, 2026 and 2025

	Water		Electric		Total	
	2027	2026	2027	2026	2027	2026
Operating Revenues:						
Charges for services	$ 250,769	$ 262,278	$ 840,472	$ 790,781	$ 1,091,241	$ 1,053,059
Miscellaneous	3,634	2,597	786	40,255	4,420	42,852
Total operating revenues	254,403	264,875	841,258	831,036	1,095,661	1,095,911
Less: free service	(2)	(277)	(260)	(791)	(262)	(1,068)
Net operating revenues	254,401	264,598	840,998	830,245	1,095,399	1,094,843
Operating Expenses						
Purchase of water and power	2,392	1,873	549,001	528,163	551,393	530,036
Salaries and benefits	158,630	140,867	179,632	160,825	338,262	301,692
Repairs and maintenance	10,019	90,119	7,900	16,665	17,919	106,784
Professional fees	15,394	8,484	18,971	10,925	34,365	19,409
Supplies	2,251	2,105	6,148	4,955	8,399	7,060
Other purchased services	43,309	5,479	52,933	6,696	96,242	12,175
Miscellaneous	(144)	587	10,915	(1,117)	10,771	(530)
Depreciation	51,361	46,850	68,536	62,988	119,897	109,838
Total operating expenses	283,212	296,364	894,036	790,100	1,177,248	1,086,464
Operating income (loss)	(28,811)	(31,766)	(53,038)	40,145	(81,849)	8,379

(Continued)

UNAUDITED

Municipal Services Commission
Combining Schedules of Revenues, Expenses, and Changes in Net Position by Department
For the one Month ending April 30, 2026 and 2025

	Water		Electric		Total	
	2027	2026	2027	2026	2027	2026
Noncapital subsidies						
Intergovernmental	-	-	-	-	-	-
Appropriations to Mayor & Council of New Castle:						
Ordinary	(14,822)	(14,306)	(54,421)	(53,046)	(69,243)	(67,352)
City & Trustee Services	(3,865)	(3,845)	(704)	-	(4,569)	(3,845)
Total noncapital subsidies	(18,687)	(18,151)	(55,125)	(53,046)	(73,812)	(71,197)
Operating income(loss) and noncapital subsidies	(47,498)	(49,917)	(108,163)	(12,901)	(155,661)	(62,818)
Other nonoperating revenues (expenses):						
Investment earnings	8,061	1,449	13,347	7,279	21,408	8,728
Gain(loss) on disposal of fixed assets	-	-	-	-	-	-
Grant revenue - restricted for capital assets	-	-	-	-	-	-
Capital contributions	-	-	-	-	-	-
Special appropriations - capital related	-	-	-	-	-	-
Interest expense	(350)	-	(2,478)	(1,280)	(2,828)	(1,280)
Total other nonoperating revenues (expenses)	7,711	1,449	10,869	5,999	18,580	7,448
Increase (decrease) in net position	(39,787)	(48,468)	(97,294)	(6,902)	(137,081)	(55,370)
Net position - beginning	15,403,131	9,093,816	13,148,235	11,895,465	28,551,366	20,989,281
Net position - ending	$15,363,344	$ 9,045,348	$13,050,941	$11,888,563	$28,414,285	$20,933,911

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

May 21, 2026

Prepared by: Jay Guyer on May 14, 2026

1. Developer Projects

A. Riverbend Subdivision

1. WUM Guyer continues working on completing the Rail Pros Flagging and Signaling Track Control Coordination application. Following several phone calls with the Track Engineer, WUM Guyer forwarded Freedom Development a detailed list of additional information to be submitted related to the boring equipment, shoring, and track surveying. Operator Schlecht is performing inspection and testing of Phase II services as required. Lennar Builders continues construction on Phase II lots. Freedom Developer's (FD) contractor is nearly complete filling / grading work on Phase 3. Sanitary Sewer materials are being delivered to the site. FD plans to start delivering building lots to Ryan Homes in June 2026. Revised water plans for Phase 3 and 4 were received on May 11th. Upon approval, the plans will be submitted to the Delaware Office of Engineering (OOE) with an application requesting issuance of an Approval to Construct.

B. Deemers Landing and Helm Apartment Complexes

1. No updates on this project at this time.

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

1. No updates on this project at this time.

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

1. Kleinfelder Engineering (KE) submitted revised water plans for MSC review. The approved plans were forwarded to the Delaware Office of Engineering (OOE) for an Approval to Construct and to Del DOT Utility Section requesting issuance of a Utility Construction Permit. WUM Guyer received OOE's Approval to Construct on May 13th and continues coordinating with Del DOT regarding the Utility Permit that remains pending. WUM Guyer discussed the water main work with Del DOT / Norfolk Southern's contractor Atlantic Contracting Materials (ACM) who is interested in providing a proposal for performing the work. ACM advised that completion of the work by the end of May is not feasible for their schedule. WUM Guyer consulted KE inquiring if ACM can coordinate performing the water main work with in their scope of work as a separate project, response pending.

E. 713 East Basin Road - William Penn High School Sports Complex

1. WUM Guyer continued coordinating with Becker Morgan Group Engineers (BM) regarding comments on the preliminary plans. Revised plans were received from BM on May 11th. WUM Guyer completed the New Castle County Water Capacity Certification Form for the project and returned to the BM. On May 11th, BM's

contractor started soft-digging operations along RT 273 / Frenchtown Road to located and confirm existing utilities for the proposed entrance into the sports complex.

F. Wilmington Road Railroad Track Crossing – 900 Block

1. WUM Guyer received and approved a $10,250.00 invoice from ACM for their work completed on March 30th.

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

1. No updates on this project at this time.

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

1. No updates on this project at this time.

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

1. Operators completed the new water service installation on April 30th. A bacteria sample will be collected when the customer is ready and the project will be reconciled.

J. 109 The Strand – New Home - Water Service Installation

1. WUM Guyer met onsite with K & M Contracting to review water service installation requirements for the new home under construction. At the contractor's request, MSC provided a quote for the water service installation which was accepted. Installation will be scheduled pending submission of escrow funds.

2. <u>MSC Projects</u>

A. Cross Connection Control (CCC) Program – Hydro Corp

1. WUS Jaeger and Operator Schlecht met with the Centerpoint Point (CP) Representative to review replacement of the 8" fire service CCC device at Building 200. Coordination with the tenant was completed and Wayman Fire Protection performed the replacement on April 18th. Operator Schlecht operated valves necessary to shut down and restore water service to the building.

B. School Lane Water Treatment Facility PFAS Treatment System Improvements

1. MSC completed Site preparation activities the week of April 6th for the ground protection matting. The temporary filter vessels were delivered on April 14th. The filters were connected into MSC's water supply, filled, backwashed, bacteria tested, and PFAS tested. The unit is capable of 370gpm and is removing the PFAS contaminants to a non-detect level. WUM Guyer communicated with DNREC, ODW, and OOE throughout the commissioning process of the temporary treatment system. The unit was placed in service on May 11th and MSC's carbon filter system turned over to KMP Mechanical (KMP) to start their work. KMP submitted a revised Construction

Schedule and material cut sheets have been reviewed / approved for ordering. WUM Guyer and WUS Jaeger continue coordinating with KMP and Pennoni Associates. The April 24th progress meeting went well, the next meeting is scheduled for May 26th.

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

1. Work has resumed on this project identifying 20% of MSC's water services identified using our predictive modeling to maintain our compliance as time permits. Operators worked on this project several days during this past month continuing to update our GIS Mapping System data.

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

1. Water Operators started installing water main on March 9th completing the 13th and Oak Street tie in on April 15th completing Phase I of this project. The main was filled, hydrostatically tested, flushed, and duplicate bacteria samples collected. Information was forwarded to the Office of Engineering which issued an Approval to Operate on April 30th. The main was flushed and placed in service on May 1st. 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 was 1 planned and no unplanned water outages for the month of April 2026. See attached Outage Report.

B. Reporting

1. Calgon Carbon Corporation (CCC) Pilot Study – Pilot Study Rigs 1 and 2 remain out of service. Met on site with our CCC Engineer to review options for temporarily setting up the Pilot Rigs to continue testing during the Filter Improvements Project. She will be back onsite after the temporary system is running to re-evaluate.

2. STRIDE Group EPA Grant – On April 8th STRIDE's Scientists collected an additional 100 gallons of MSC water supply for the Rapid Small Scale Column Testing (RSSCT).

3. US EPA East Basin Road Groundwater Superfund Site – EPA submitted to the Trustees a Site Access Agreement for two (2) of their properties requesting access to perform Remedial Investigative Activities including soil sampling, water sampling, and potential monitoring well installation. MSC reviewed the Agreement at the request of the Trustees and returned comments.

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Water Department Commission Meeting Report

May 21, 2026

Prepared by: Jay Guyer on May 14, 2026

4. ARC GIS Pro Water System Mapping and Water Modeling Project - WUS Jaeger received additional information for the ESRI / Arc GIS Licensing options and reviewed with our Pennoni Engineers and MSC's Electric Department Engineers PSE. A 3-year agreement for the licensing was executed. The Matching Planning Grant Application will be presented at the June 17th WIAC Meeting for approval. WUS Jaeger and WUM Guyer started reviewing vertical asset data for School Lane Treatment Facility to be added to our GIS mapping system and held preliminary meeting with Pennoni.

5. PFAS Litigation (Executive Session) – WUM Guyer continues following the 3M / DuPont and Tyco / BASF communications related to the suit and settlements. WUM Guyer received notification our first disbursement from the Tyco Action Fund was ready. WUM Guyer reviewed the settlement and calculations, agreed with the amount, and submitted the Tyco First Payment Attestation so the funds would be deposited in our account. WUM Guyer was advised by our attorney that the BASF First Payment letter is being prepared and will be sent in the next several weeks.

6. Delaware State and Local Cybersecurity Grant Program (SLCGP) - WUM Guyer received notice from DEMA on April 29th that all funding requirements have been met for both grants and are being closed out. Copies of the Close Out Letters were to accounting.

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 have remained consistent throughout the 12 months of monitoring. Last reads were collected in February and were stopped since the SLTF GAC Project started. It doesn't appear like these reads made any significant difference to Calgon's approach to reactivating vs landfill disposal.

8. 2026 Consumer Confidence Report / News Letter - WUM Guyer and WUS Jaeger are downloading the information and starting to update the 2026 Consumer Confidence Report which needs to be available to customers by June 30th. The report will be published on MSC's web site and notice will be included in the June Bills on how to directly access the CCR.

9. City Ordinance Requiring Residential Fire Sprinklers – WUM Guyer and WUS Jaeger continue reviewing MSC's requirements for residential fire sprinkler water services. Artesian Water and City of Newark were consulted regarding their requirements. MSC will make a decision and follow up revising our Technical Water Specifications and Standard Water Details.

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Water Department Commission Meeting Report

May 21, 2026

Prepared by: Jay Guyer on May 14, 2026

C. System Repairs and Maintenance

1. Water Operator Projects / Tasks worked on during the Month:
   a. Operators collected March Monthly Bacteria Samples (10 per month) and Anion Samples as required by ODW for compliance.
   b. All Long-Term Water Cuts for March were verified to be turned off.
   c. Operators and Linemen completed pavement restoration at 7 locations where MSC completed work.

2. Riverbend Subdivision - Flushed on April 10th and 22nd to maintain Chlorine residual.

D. Equipment

1. No Equipment issues to report.

E. Personnel and Training

1. MSC Water Operations has accepted a University of Delaware Civil Engineering Student intern to explore the water profession. The internship will last 7 weeks, starting July 6th till August 21st. The student attended the after-school Water Management Program at William Penn High School 4 years ago that was taught by WUS Jaeger and noted that experience played a big part of his interest in the water industry. WUM Guyer and WUS Jaeger are working through the details of the internship.

2. No other personnel or training issues to report.

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. MSC Safety Committee – Met on May 5th with Rita O'Connor of DFIT in attendance. February Meeting Minutes were approved, Safety Goals, Awards, Monthly Operations Meetings, and Training needed for 2026, incidents and near misses were discussed.

3. DFIT Safety Meetings – The next meeting is scheduled for May 19th which will be a tour for Auto Port Truck and Equipment facility in Wilmington. WUM Guyer and Linemen Lindberg will attend for MSC.

4. <u>Local, State, and Federal Agencies</u>

A. WSCC - Water Supply Coordinating Council

1. The May 5th meeting went well. Council was updated on Water Conditions by DGS, the Forecast Synopsis by the State Climatologist, and Basin Water Conditions by DRBC. A presentation was made on Delawares Climate Action Plan, the Northern

Delaware Drought Operating Guidelines, and updated Drought Monitoring capabilities.

2. The next WSCC Full Council meeting will be scheduled for September depending upon water conditions throughout the Basin.

3. The next New Castle County WSCC Subcommittee meeting is pending.

4. The next WSCC Drought Advisory Subcommittee meeting is scheduled for May 19th to review very dry /drought conditions in Delaware and surrounding states.

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 April 30th DEWARN Meeting wen well. The group approved the March Meeting Minutes, reviewed DEWARN agreements and documentation, chemical supply chain delivery concerns, ODW updates on regulations, and elected officers for 2026. Paul Peris of Tidewater will serve as Chair, Jay Guyer of MSC as Vice Chair, and Mark Neimester of Newark will serve as Secretary.

2. The next DEWARN meeting will be scheduled in June, day TBD.

D. Water Operator Advisory Council

1. The May 7th Meeting went well. Council approved the February Meeting Minutes, reviewed 10 Water Operator applications, and reviewed/approved 26 new training courses. Council discussed new training courses with Del-Tech Representatives.

2. The next Regular Advisory Council Meeting is scheduled for August 13th.

E. WIAC - Water Infrastructure Advisory Council

1. The next WIAC meeting is scheduled for June 17, 2026. MSC's Matching Planning Grant will be presented for final approval.

End of Report

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Monthly Water Works Report
April 1 - 30, 2026
Prepared By: Jay Guyer on May 14, 2026

Water Production

Month	Year	FT 300 Raw Total Gallons	Adjusted Finished Total Gallons
April	2025	12,025,700	11,844,503
April	2026	12,593,800	12,497,221
	Difference	568,100	652,718
	Percentage Difference	4.5	5.2

	Gallons
Raw	12,593,800
Finished	12,497,221
Difference	-96,579
Percentage Difference	0.8

	Basin Road	Frenchtown Road	School Lane	Cross Roads
Well(s) in Operation	Reserve Status	XXX / Resting	XXX	XXX / Resting
Days Pumped		2	28	3

Reserve	Not Used / Emergency
OOS	Out of Service
Resting	Not Run this Cycle
XXX	Run and No. of Days

Water Quality

	MSC Average	Goal / Target Level	Range
Average Chlorine Residual	1.34 ppm	1.40 ppm	1.0 - 4.0 ppm
Average pH	7.2	7.5	6.5 - 8.5 on a 0 - 14 Scale
Average Fluoride Residual	0.75 ppm	0.80 ppm	0.60 - 1.00 ppm

General Water System Report

Routine Bacteria Sampling (Office of Drinking Water)	# Collected	10
	Results	10 **Absent**
		0 **Present**
Miss Utility Locate Requests (Water and Electric Locates)	# Received	107
	# Completed	107
	# of Damages	0
Building Permit Review (Water Related Conflicts)	# Reviewed	72
	# Approved	72
	# Not Approved	0

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Monthly Water Outages / Interruptions Report

April 1 - 30, 2026

Prepared By: Jay Guyer on May 14, 2026

Planned Outage / Interruptions

Date	Approximate Duration Hours / Minutes	Location	No. of Customers	Comments
4/15/2026	8:00am to 11:30pm 3 Hours 30 minutes	W 13th Street and Oak Street - 6" Dead End Water Main	40 - Res. 0 - Comm.	Outage to connect the existing 6" main to the new 6" installed on Oak Street to loop 13th St to 14th St and insert new valve at Hydrant # 67.

Unplanned Outage / Interruptions

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

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

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ELECTRIC DEPARTMENT COMMISSION REPORT

May 21, 2026

Prepared by Artie Granger on May 14, 2026

1. Developer Projects:

A. Riverbend Subdivision:

I. MSC has been providing inspections for Lennar's contractor who is making connections.
II. MSC will install meters as requested.
III. Freedom has selected a contractor to do the electric for the next phase.
IV. MSC has received updated plans and is reviewing. MSC will make changes as needed.
V. MSC has received material submittals and will review and approve as needed.

B. 2,4,6,8,10 & 12 Arbutus

I. This project has been completed.

C. The Battery Apartments

I. There is nothing to update on this project.

2. Capital Projects:

a. Electric Mapping System

I. MSC has moved forward with getting the ESRI mapping software.
II. MSC is working with Assurance Media to get a virtual server set up and running. This is the recommendation from both the firms that water and electric are working with.
III. PSE continues to work on the data conversions.

b. Electric SCADA System

I. MSC has begun to take delivery of some materials. Some materials have been received by SEL and they are working on initial set up at their office.
II. MSC has schedule progress meetings for this project.
III. MSC will continue to provide required information to either SEL or our engineers to keep this project moving.

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c. **Wilmington Road Substation Upgrades**

I. Cirrillo Brothers is actively working on removing the larger foundations.
II. MSC is working with Utility Engineering to get the trough specified so we could possibly get trough ordered and installed.
III. Utility Engineering is planning on having updated plans for review sometime shortly.
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:

- 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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ELECTRIC DEPARTMENT COMMISSION REPORT

May 21, 2026

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3. **Outages :**

MSC had one outage this past month. MSC took an outage to connect the new houses on Arbutus. MSC had 4 customers out for about 40 minutes.

SAIDI (minutes)	SAIFI (number of interruptions)	CAIDI (minutes)	ASAI (percent)
11.19108	0.1224101	90.68208	99.9978

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. **Capacitor Controller Replacement**

I. MSC will work on ordering the remaining capacitors as well as additional materials.
II. MSC has begun to work on replacing our existing auto capacitor controllers. At this time, we have eight auto capacitor banks. As part of the 25/26 FYE we have ordered 3 replacement capacitor controllers. Materials are beginning to be received and we will install when we get all of the components.

B. **Wilmington Road Substation:**

I. One Monday 4/6 we had a lighting arrestor fail on the 320 circuit. This caused a trip and reclose on this circuit. MSC Electric removed an arrestor from a spare circuit and replaced the failed one.
II. MSC has had conversations with Utility Engineering and they do not feel that the arrestors need to be replace. MSC had ordered a replacement / spare.
III. The electric department has performed the monthly inspections at this location.

C. **Dobbinsville Substation:**

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

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ELECTRIC DEPARTMENT COMMISSION REPORT

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D. **System**

I. The transformer that was leaking has been sent to Maddox. Maddox has given MSC a $500.00 credit for the transformer.
II. 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.
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 hear 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.
VI. MSC has had some preliminary conversations with Delmarva and contractors about a couple of upgrade project in our area.
   - Replace / repair the pole line along the tracks behind the utility building. MSC has met about this project multiple times over the years.
   - MSC has had conversations about Delmava extending a circuit down Moores Lane.