Municipal Services Commission Monthly Meeting
June 23, 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 Antonina Tantillo, City Administrator, Alternate Commissioner Scott L. Blomquist, Secretary
Absent:	Valarie Leary, Commissioner
Staff in Attendance:	Kendrick Natale, Comptroller Artie Granger, Manager, Electric Utility
Also Present:	Cheri Amoss, Principal, Clifton Larson Allen, LLP

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

Minutes

May 21, 2026 Board Meeting – **A motion to approve the minutes of the May 21, 2026, Board meeting as presented was made by Commissioner Wik. The motion was seconded by Commissioner Atherton and was unanimously passed.**

Comptroller/Treasurer Report – Mr. Natale reporting

(See attached report)

Mr. Natale reported as of May 31, 2026:

- Total Cash On Hand: $8.5M, including restricted cash
- Investment Portfolio: $1.4M, which is a net gain of $4,600 from prior month.
- 189 days unrestricted cash on hand at May 31st. The water utility had 285 days unrestricted cash on hand (+2 days from prior month) and the electric utility had 156 days unrestricted cash on hand (+2 days from prior month). This will decrease after Budget Amendment 1 is adopted.
- Approximately $500,000 was received from another PFAS settlement disbursement.
- Check Register:
    - $10,596 to Environmental Systems Research Institute for the SCADA System.
    - $16,169 to KMB Mechanical for School Lane PFAS upgrades.
- There were 33 service cuts for non-payment in May. Three (3) customers received approximately $330 each from the New Castle Cares Fund (NCC) and three (3) customers received approximately $330 each from other agencies or nonprofits. In response to a question from Commissioner Atherton, Mr. Natalie stated that MSC contributes $10,000 to the NCC annually and individual customers can also donate to the Fund.

Electric Department

- User charges are $116,000 above budget FYTD.
- May kWh sales were up 2.3% from last year.

- Consumption is in line with the average for May. Consumption was about 3% higher than prior year and slightly lower than the average FYTD.
- Operating expenses have an unfavorable variance of $47,000 on the budgetary basis. Mr. Natale noted significant variances.

Water Department

- User charges have a favorable variance of $20,000.
- Consumption was 6% higher than the average for May; 6% higher than prior year FYTD; and 7% higher than the average YTD.
- Operating expenses had a favorable variance of $48,000 on the budgetary basis. Mr. Natale noted significant variances.

Fiscal Year End 2026 Audit Report

Cheri Amoss, Principal with CLA presented the Fiscal Year End 2026 Audit Report. An unmodified Auditor's Opinion on Financial Statements was issued. Ms. Amoss stated this is consistent with the past several years; noting that:

- No material weaknesses or significant deficiencies were noted.
- No management level comments were made.
- There were no audit adjustments, no past audit adjustments, and no findings for the year.

Ms. Amoss reported that one (1) new Standard was issued to the Financial Reporting Model and explained the purpose of GASB 103. She added that there were some reclassifications of how numbers are categorized in the Proprietary Statements and the Statement of Revenues, Expenditures, and Changes in Fund Balances. She added that no numbers changed.

In response to questions from Commissioner Wik regarding GASB 104 and 105, Ms. Amoss explained the purpose of those Standards that will be implemented in 2027.

Ms. Amoss commended Mr. Natale and his staff for their efforts in providing information and helping to make the Audit process smooth.

MSC Annual Comprehensive Financial Report FYE 2026 and 2025

In response to questions from the Commissioners Mr. Natale clarified a number of sections of the Report.

The Commissioners commended Mr. Natale on the report.

Fiscal Year 2027 Budget Amendment No. 1

Mr. Natale noted that a grant received from the Department of Energy is not reflected on the Amendment, but it will be put forward to the Commissioners in another Amendment at the July meeting.

A motion to approve Fiscal Year 2027 Budget Amendment No 1 was made by Commissioner Atherton. The motion was seconded by Commissioner Wik and was unanimously passed.

Electric Department Report – Mr. Granger reporting
(See attached report)
Capital Projects:
- Electric Mapping System – Mr. Granger continues to work with PSC on data migration and conversions.
- Electric SCADA System – SEL Engineering plans to be on site in July. MSC will begin their portion of the project.
- Wilmington Road Substation Upgrades – Cirrillo Brothers has removed the foundations. MSC is in the process of ordering additional material.

Outages:
- There were multiple outages in May and June to date:
    - 5/27 – 6 customers were out for about 1 hour caused by a squirrel.
    - 5/31 – 27 customers were out for about 3/4 of an hour caused by a bird.
    - 6/2 – 20 customers were out for about 3/4 hour caused by a squirrel.
    - 6/13 – 1,351 customers were out for about 1 hour caused by a squirrel.
    - 6/14 – 27 customers were out for about 1-3/4 hour caused by a squirrel.

  A discussion of methods to deter squirrels ensued.

Repairs and Maintenance:
- Capacitor Controller Replacement – Three (3) complete replacement units have been received that will be installed after the SCADA is in operation. An additional five (5) units will be ordered.
- Dobbinsville Substation – Mr. Granger reported that the breaker is still slow to close. He stated it was lubricated but was slow to close two (2) weeks later. The engineer will reach out to the testing company. During discussion, Mr. Blomquist stated that there is a plan to replace the older breakers with magnetic breakers, starting with the Wilmington Road Substation.

Water Department Report – Mr. Blomquist reporting
(See attached report)
Developer Projects:
- Riverbend Subdivision – They are progressing with the permit applications, construction of Phases 2 and 3, water main delivery, and revised plans for Phases 3 and 4.
- 610 West 7th Street – Revised water plans to be submitted for review.
- Delaware Street Railroad Crossing & 8th Street – DelDOT – The project is delayed due to funding. Completion of the water main work is expected to be finished in late August.
- 713 East Basin Road – William Penn High School Sports Complex – Revised plans were received and are under review.
- 109 The Strand – New Home – Water Service Installation – Water service installation was completed.

MSC Projects:

- Cross Connection Control Program – Hydro Corp – Ongoing testing compliance outreach continues, with several fire service device replacements planned.
- School Lane Water Treatment Facility PFAS Treatment System Improvements – Carbon has been removed and vessels have been painted. Corrosion on the inside will be corrected.
- Lead Service Line Inventory – Identification efforts using GIS data has resumed.
- 14th Street Water Main Extension to Johnson Way – 8" Main Install – Phase 1 is completed; all mains have been installed and connected; and water is flowing. They are working through Phase 2 to convert all services from the old main to the new main with copper.
- System Repairs – System repairs include bacteria sampling, hydrant flushing, and infrastructure maintenance.

Operations:

- Outages – There were no planned or unplanned outages in May.
- 216 Chestnut Street – New roof shingles were installed.
- Maintenance – Fire hydrants were flushed and elevated storage tank levels are being monitored.
- Personnel – The intern program was initiated and the new intern will begin in July.

Regulatory and Agency Engagement:

- Water supply conditions are being monitored. A state-wide drought watch has been declared.
- Monthly pumping data was sent to the Water Resource Agency.
- Emergency response and risk assessments are being updated for EPA certification.
- PFAS litigation disbursements were received from settlements with 3M/DuPont and BASF.
- The CCR Report is being updated and is scheduled for online release.

Other Notable Items:

- Safety and personnel training is ongoing.
- Coordination with Delaware Fire Marshal on residential sprinkler requirements.
- The Grant application was submitted and GIS dashboards are in development for asset management.

In response to a question from Commissioner Wik, Mr. Natale stated the next PFAS disbursement should be received in September.

Old Business

HUB International June 15, 2026 Letter – Portfolio Restructuring Recommendations and Action Items
Committee Action Items:

Resolution 1: Large-Cap Growth Restructuring

Motion: To terminate the 6% allocation to MFS Growth and reallocate 3% to JP Morgan Large Cap Growth (new total: 6%) and 3% to Vanguard Large Growth Index (new total: 5%).

Resolution 2: International Equity Optimization

Motion: To reduce the American Funds EuroPacific Growth allocation from 4% to 2% and increase the Emerging Markets allocation from 5% to 7%.

Resolution 3: Nationwide Fixed Fund

Motion: To terminate the Fixed Fund contract and transfer assets into a Federal Government Money Market Fund

A motion was made by Commissioner Wik to approve all recommended motions as submitted:

- **Resolution for Large-Cap Growth Restructuring to terminate the 6% allocation to MFS Growth and reallocate 3% to JP Morgan Large Cap Growth (new total: 6%) and 3% to Vanguard Large Growth Index (new total: 5%).**
- **Resolution for International Equity Optimization to reduce the American Funds EuroPacific Growth allocation from 4% to 2% and increase the Emerging Markets allocation from 5% to 7%.**
- **Resolution for Nationwide Fixed Fund to terminate the Fixed Fund contract and transfer assets into a Federal Government Money Market Fund.**

The motion was seconded by Commissioner Atherton and was unanimously passed.

HUB International May 25, 2026 Letter – 457 and 401a Fund recommendation 2026
Committee Action Items:

Resolution 1: Large-Cap Growth

Motion: To remove MFS Growth from the large cap growth options.

A motion to approve the recommended motion as presented in the Resolution for Large-Cap Growth to remove MFS Growth from the large cap growth options was made by Commissioner Wik. The motion was seconded by Commissioner Atherton and was unanimously passed.

Secretary's Report – Mr. Blomquist reporting

DEMEC:

- The DEMEC meeting was held on June 11th.
- Demand January – March 2026 was3.6% higher than the same period in 2025.
- Unrestricted Cash: $85.9M, which was $26.8M over the target of $59.1M.
- RSR Balance: $50.5M, which was 18% higher than March of 2025.
- Total days cash on hand: 143 days.
- Income February and March was $86.9M, which was $24.1M more than the same period of 2025.

- PFM presented their Cash Reserves Study and the recommended unrestricted cash reserves was changed to $83.4M (180 days cash on hand). The current level is $85.9M. A discussion of the recommended unrestricted cash reserves ensued.
- Mr. Blomquist distributed invitations to the Commissioners for the Middletown Floating Solar Ribbon Cutting on July 31st.

New Castle:

- Mr. Blomquist and Ms. Tantillo met with CISA on June 18th. MSC scored very well on the last penetration testing.
- Mr. Blomquist attended the June 9th City Council meeting with Heather Contant from DEMEC. Ms. Contant gave Council the same presentation she made to MSC.
- Messrs. Blomquist and Atherton attended the DEMEC Joint Council Meeting on June 2nd.
- Cirrillo Bros. will repave and re-curb the parking lot at 216 Chestnut Street in July.

In response to a comment from Commissioner Atherton, a discussion of the PSC Utility Rates as they relate to MSC ensued.

Public Comment

There were no comments from the public.

Next Regular Meeting

The Commissioners set the July Board meeting to be Tuesday, July 21, 2026, at 9:00 a.m.

A motion to adjourn was made by Commissioner Wik and seconded by Commissioner Atherton. The motion passed unanimously and the meeting adjourned at 9:54 a.m.

Kathleen R. Weirich

Kathleen R. Weirich
Stenographer

Approved: Scott Blomquist

Comptroller/Treasurer's Report

MSC

Municipal Services Commission
of the City of New Castle

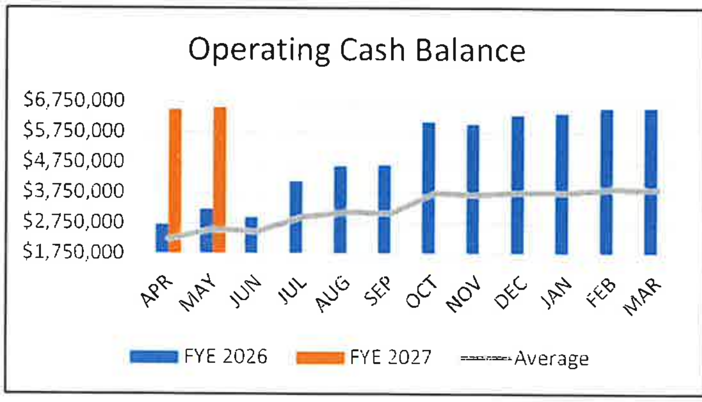
June 23, 2026 Commission Meeting

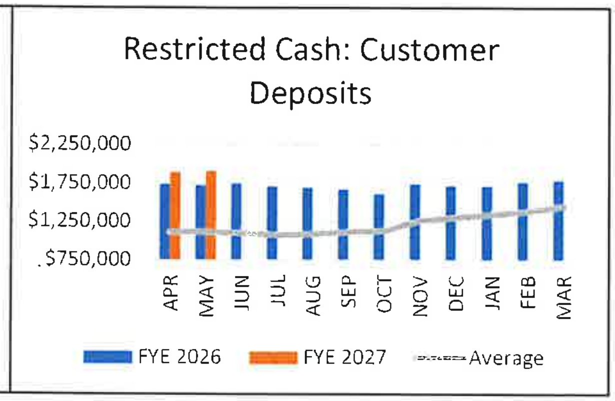
Prepared By: Ken Natale, CPFO on June 5, 2026

Cash & Investments

As of May 31, 2026 the cash balances were:

M&T Bank - Checking	$	523,924
M&T Investment Sweep		6,055,647
M&T Bank - Restricted		1,907,946
Petty Cash/Change Fund		898
Total Cash on Hand	$	8,488,415





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

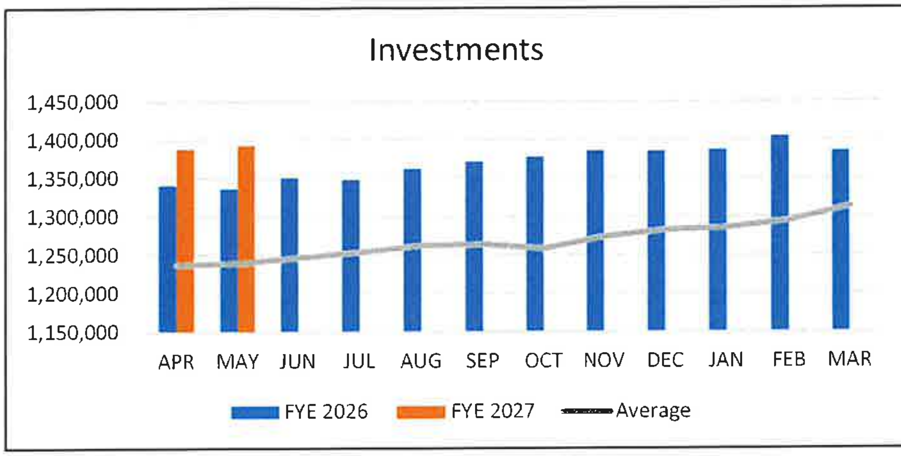
Beginning Balance	$	6,508,451
Cash from customers		1,086,179
Interest Income		17,981
Grant Revenue/Bond Proceeds/Settlements		-
Refunds to customers - deposits		(643)
Payments to suppliers for goods & services		(912,339)
Bank service fees		(2,704)
Payments to employees for services		(116,456)
Net Cash Provided (Used)		72,018
Ending Cash Balance	$	6,580,469

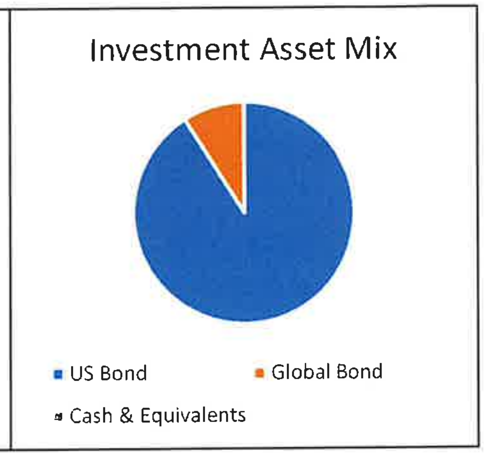
As of May 31 2026 the value of the Commission's investment portfolio totaled $1,393,223 which is a net gain of $4,680 (0.34%) from the prior month.

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 3.50% interest and has a stable net asset value of $1.00.

Overall, there were 189 days unrestricted cash on hand at May 31 (+1 days from the 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 utility had 285 days unrestricted cash on hand (+2 days from the prior month) while the electric utility had 156 days unrestricted cash on hand (+2 days from the prior month).

Days cash will fall once FYE 2027 Budget Amendment No. 1 is adopted by the board to roll uncompleted capital projects from the prior year into the FYE 2027 budget. When the budget amendment is processed, days cash will fall by 21 days overall (75 days in water and 3 days in electric).





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

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

Holdings	Symbol	Market Value		Est. Yield
Insured Cash Accounts		$	(915)	0.40%
PGIM Total Return Bond CL A	PDBAX		241,227	4.25%
Fidelity Advisor Total Bond CL	FEPIX		374,591	4.33%
T Rowe Price Global Multi Sector Bond I	PGMSX		124,734	5.04%
Vanguard Intermediate Term Treasury	VFIUX		152,166	4.03%
iShares Trust 1-3 Year Treasury Bond EFT	SHY		501,420	3.73%
	Total	**$**	**1,393,223**	**4.13%**

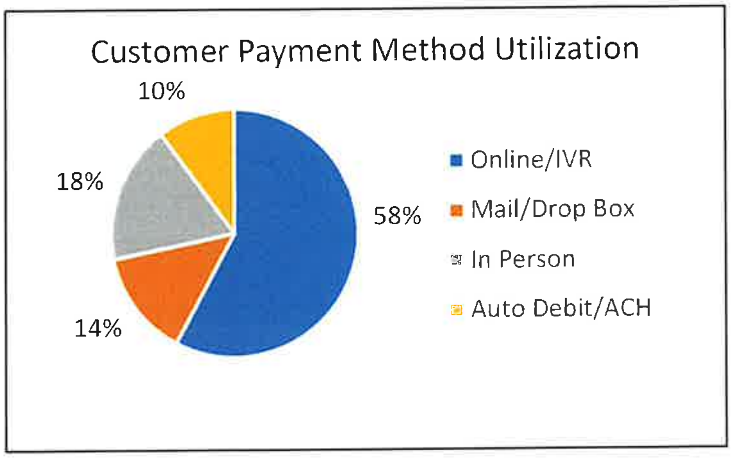
May 2026 Check Register

Date	Number	Vendor Name	Amount
05/01/2026	202468	M&T Bank	27,646.61
05/15/2026	202469	Antonio's Lawn Service	2,235.00
05/15/2026	202470	CENTURY ENGINEERING A KLEINFELDER CO	8,233.00
05/15/2026	202471	COLONIAL LIFE	599.16
05/15/2026	202472	Delmarva Power	189.46
05/15/2026	202473	DEMEC Inc	983.87
05/15/2026	202474	Diamond Materials	1,031.68
05/15/2026	202475	Environmental Systems Research Inst Inc	10,596.71
05/15/2026	202476	Ferguson Enterprises Inc	42,187.50
05/15/2026	202477	Hire Right Solutions Inc	232.20
05/15/2026	202478	Jack Henry & Associates Inc./Profit Stars	2,152.90
05/15/2026	202479	Johnson Controls Security Solutions	3,577.82
05/15/2026	202480	KDI Inc.	431.87
05/15/2026	202481	Kendall Electric INC	5,360.00
05/15/2026	202482	KMP Mechanical	16,169.00
05/15/2026	202483	MARKATOS SERVICES	715.50
05/15/2026	202484	Pennoni Associates Inc.	6,362.50
05/15/2026	202485	POWER SYSTEM ENGINEERING INC	4,200.00
05/15/2026	202486	Principal Financial Group	363.81
05/15/2026	202487	Security Instrument Corp.	296.85
05/15/2026	202488	SemaConnect LLC	960.00
05/15/2026	202489	Sunbelt Rentals Inc.	309.91
05/15/2026	202490	T. ROWE PRICE RETIREMENT PLAN SERVICE INC	550.00
05/15/2026	202491	T. ROWE PRICE RETIREMENT PLAN SERVICE INC	257.50
05/15/2026	202492	TAG TECH INC - SEA TECHNOLOGY	1,175.00
05/15/2026	202493	Trans Union LLC	324.11
05/15/2026	202494	United Electric Supply Co	18.00
05/15/2026	202495	Utility Engineers PC	1,000.00
05/15/2026	202496	Wesco Receivables Corp.	4,155.06
05/15/2026	202497	WHITE CAP / TRI Supply & Equipment	679.14
05/01/2026	DFT0002866	Department of Human Resources Financial Servi	49,256.08
05/08/2026	DFT0002886	T. ROWE PRICE RETIREMENT PLAN SERVICE INC	6,951.80
05/08/2026	DFT0002889	United States Treasury	22,618.57
05/08/2026	DFT0002892	M&T ONE CARD	35,171.86
05/18/2026	DFT0002893	BRINKS CAPITAL	921.10
05/11/2026	DFT0002895	Nationwide Life Ins. Co. of America	23,895.08
05/19/2026	DFT0002899	DEMEC Inc	562,633.44
05/22/2026	DFT0002902	T. ROWE PRICE RETIREMENT PLAN SERVICE INC	6,932.48
05/22/2026	DFT0002905	United States Treasury	22,582.04
05/29/2026	DFT0002906	COMPTROLLER OF MARYLAND	1,420.02
05/20/2026	DFT0002907	DEMEC Inc	4,420.39
05/22/2026	DFT0002912	M&T ONE CARD	12,839.19
05/29/2026	DFT0002913	Delaware Div. of Revenue	19,703.00
		TOTAL PAYMENTS $	**912,339.21**

Customer Service/Billing

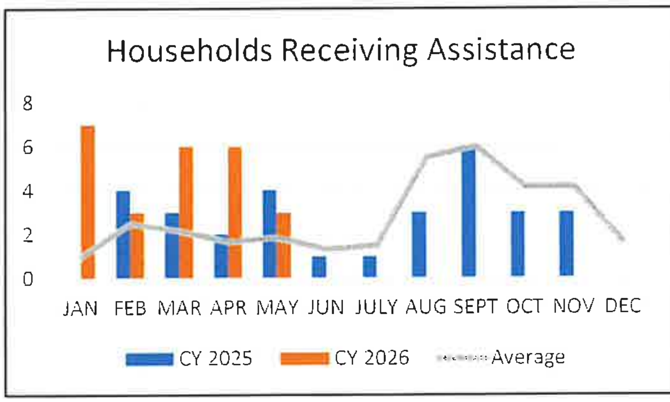
Since the previous meeting, the Customer Service Department processed:

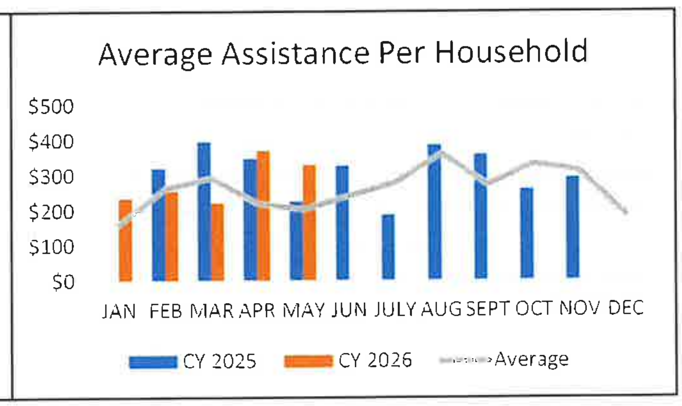
Bills mailed	2,752
Delinquent & Past Due Notices	403
Automated phone notifications	621
Payment arrangements	7
Contracts	3
Service cuts for non-payment	33
Accounts sent to collections	3
Bad debt write-offs	$ -
Applications for service	20



New Castle Cares

The Salvation Army oversees the New Castles Cares Fund which is funded by the Commission to assist households having trouble making their utility payments. During the month of May, the fund assisted 3 customers with an average amount of $330. The maximum allowed by the program is $400. The current balance in the fund is $9,576.





In addition to assistance provided through the New Castle Cares Fund, 3 customers received approximately $327 from other agencies or nonprofits that provide assistance for utility bills.

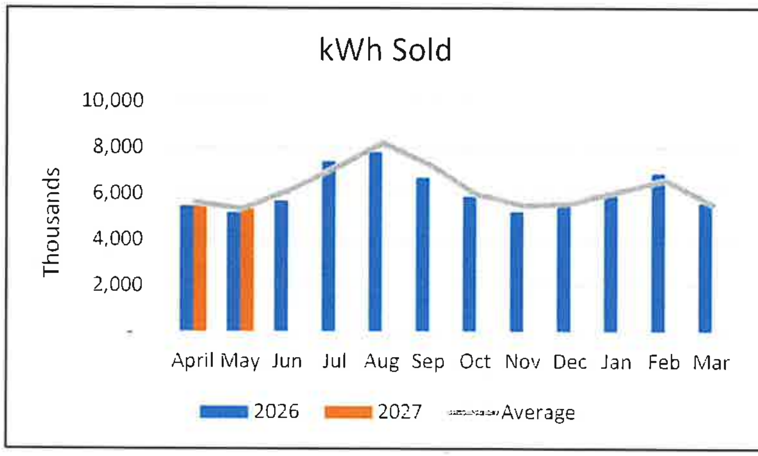
Electric

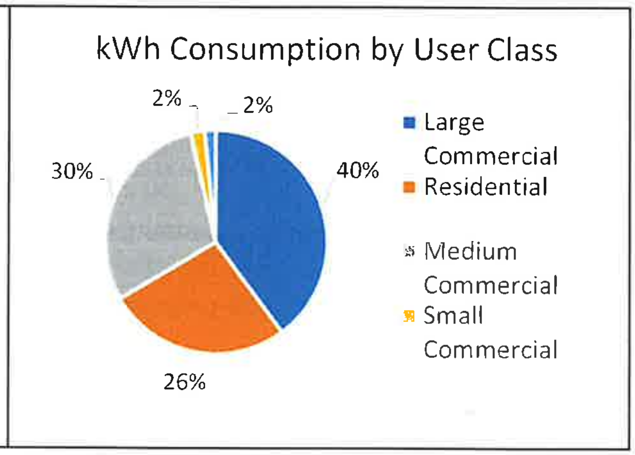
UNAUDITED

Revenues

User charges are $116,000 above budget fiscal year to date. May kWh sales were 3.26% higher compared to the same period last year. Consumption for the month was .06% higher then the average for May. Fiscal year to date, consumption was 2.99% higher then the prior year to date and .19% lower then the average consumption fiscal year to date. The change in consumption can be attributed to warmer and drier weather conditions compared with the prior year.

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 33.0% lower than Delmarva Power and 6.6% lower than the Delaware Electric Co-op.





Expenses

Electric operating expenses have an unfavorable variance of $47,000 on the budgetary basis. Significant variances are noted below:

-Power purchases are over budget due to increased sales to customers.

-Salaries & benefits are under budget due to timing differences for salary accruals and vacant positions

- Debt service shows under budget due to making a partial payment in the prior year on the M&T borrowing.

-Other variances are 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 $87,000.

When converting from the budgetary basis of accounting to generally accepted accounting principles there is a decrease in net position to $105,000 which is the result of non-cash transactions, such as depreciation and changes in compensated absences as well as converting capital outlays to capital assets and reducing the outstanding debt on the Statement of Net Position.

UNAUDITED

Municipal Services Commission
Budget to Actual Comparision (non GAAP) - Electric
As of May 31, 2026

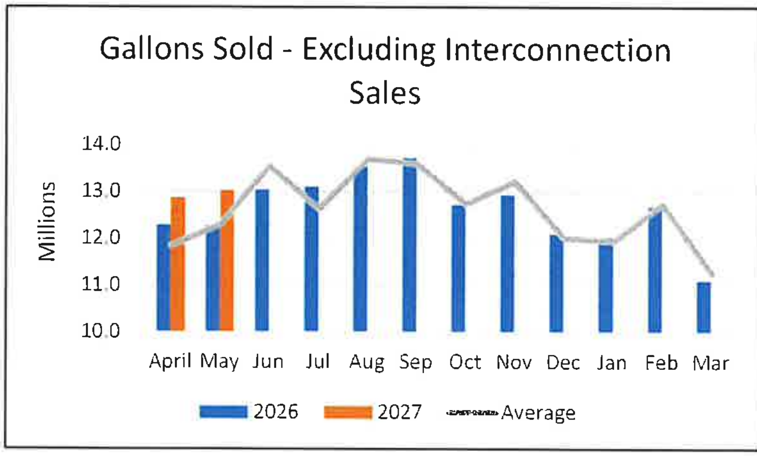
	YTD Budget	YTD Activity	Variance	Total Budget
Operating Revenues				
User Charges	1,531,022	1,646,766	115,744	10,946,000
City & MSC Services	6,728	6,877	149	41,200
Miscellaneous Income	10,078	17,040	6,962	303,909
Total Operating Revenues	1,547,828	1,670,683	122,855	11,291,109
Less: Free Service	1,490	537	953	8,000
Net Operating Revenues	1,546,338	1,670,146	123,808	11,283,109
Operating Expenses				
Operations Dept				
Purchase of electric for resale	1,069,161	1,133,867	(64,706)	7,529,304
Salaries and benefits	229,220	209,106	20,114	1,412,682
Professional fees	1,366	6,031	(4,665)	33,302
Repairs and maintenance	13,611	16,891	(3,280)	269,862
Other purchased services	25,659	29,138	(3,479)	57,150
Supplies and materials	3,056	7,392	(4,336)	49,061
Depreciation	-	-	-	-
Total operations	1,342,073	1,402,425	(60,352)	9,351,361
General & administrative				
Salaries and benefits	114,560	105,765	8,795	696,527
Professional fees	35,123	25,131	9,992	253,970
Repairs and maintenance	3,696	3,996	(300)	27,567
Other purchased services	11,847	23,821	(11,974)	49,095
Supplies and materials	1,405	863	542	14,410
Miscellaneous	5,000	10,676	(5,676)	10,000
Depreciation	-	-	-	-
Debt Service	47,189	35,163	12,026	154,379
Total general & administrative	218,820	205,415	13,405	1,205,948
Total operating expenses	1,560,893	1,607,840	(46,947)	10,557,309
Operating Income	(14,555)	62,306	76,861	725,800
Nonoperating revenue(expense)				
Investment income	23,336	27,896	4,560	153,450
Investment expense	(943)	(737)	206	(4,000)
Unrealized gain(loss) on investments	-	184	184	-
Realized gain(loss) on investment	-	-	-	-
Gain(loss) on disposal of asset	-	-	-	-
Grant income	-	-	-	-
Grant expense	-	(2,500)	(2,500)	-
Other Expense	-	(2,207)	(2,207)	-
Capital outlays	(38,360)	(61,515)	(23,155)	(230,250)
Appropriations				
Mayor and Council	(107,457)	(108,842)	(1,385)	(645,000)
City Services	-	(1,505)	(1,505)	-
Special	-	-	-	-
Contributed Capital	-	-	-	-
Total nonoperating revenue(expense)	(123,424)	(149,226)	(25,802)	(725,800)
Change in Net Position	**(137,979)**	**(86,920)**	**51,059**	-

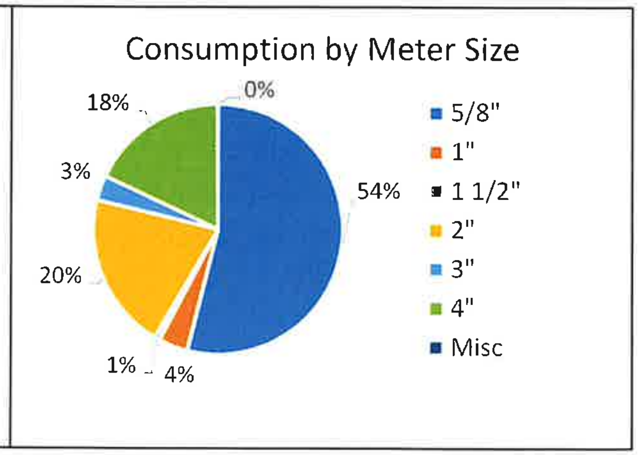
Water

UNAUDITED

Revenues

User charges have a favorable variance of $20,000 for the fiscal year to date. Consumption for the month of May was 6.2% higher from the same period last year. Consumption for the month was 5.89% higher than the average for May. Fiscal year to date, consumption is 5.48% higher than the prior year's fiscal year to date, and 7.21% higher than the average year to date. The change in consumption can be contributed to warmer and drier weather conditions compared with the prior year. However, the water department is further looking into increased consumption in three commercial accounts to see if there is another reason for their increased consumption.





Expenses

Water operating expenses have a favorable year to date variance of $48,000 on the budgetary basis. Significant variances are noted below:

-Salaries & benefits are under budget due to timing differences for salary accruals and vacant positions
- Debt service shows under budget due to making a partial payment in the prior year on the M&T borrowing.
-Other variances are 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 an increase in net position on the budgetary basis of $30,000.

When converting from the budgetary basis of accounting to generally accepted accounting principles there is an increase in net position of $68,000 which is the result of non-cash transactions, such as depreciation and changes in compensated absences as well as converting capital outlays to capital assets and reducing the outstanding debt on the Statement of Net Position.

UNAUDITED

Municipal Services Commission
Budget to Actual Comparison (non GAAP) - Water As of May 31, 2026

	YTD Budget	YTD Activity	Variance	Total Budget
Operating Revenues				
User Charges	477,695	497,878	20,183	3,011,600
City & MSC Services	5,876	6,065	189	37,000
Miscellaneous Income	4,243	7,647	3,404	796,471
Total Operating Revenues	487,814	511,590	23,776	3,845,071
Less: Free Service	685	281	404	4,000
Net Operating Revenues	487,129	511,309	24,180	3,841,071
Operating Expenses				
Operations Dept				
Purchase of water for resale	4,000	4,613	(613)	24,000
Salaries and benefits	208,558	193,243	15,315	1,301,139
Professional fees	6,173	6,657	(484)	62,300
Repairs and maintenance	56,110	18,485	37,625	245,901
Other purchased services	20,320	23,840	(3,520)	45,000
Supplies and materials	4,146	9,127	(4,981)	53,332
Depreciation	-	-	-	-
Total operations	299,307	255,965	43,342	1,731,672
General & administrative				
Salaries and benefits	66,594	63,535	3,059	403,337
Professional fees	25,737	19,084	6,653	217,622
Repairs and maintenance	3,180	3,270	(90)	23,973
Other purchased services	11,255	19,490	(8,235)	42,670
Supplies and materials	1,053	706	347	13,375
Miscellaneous	-	(167)	167	-
Depreciation	-	-	-	-
Debt Service	8,362	5,234	3,128	40,722
Total general & administrative	116,181	111,152	5,029	741,699
Total operating expenses	415,488	367,117	48,371	2,473,371
Operating Income	71,641	144,192	72,551	1,367,700
Nonoperating revenue(expense)				
Investment income	12,662	16,854	4,192	78,550
Investment expense	(118)	(130)	(12)	(500)
Unrealized gain(loss) on investments	-	32	32	-
Realized gain(loss) on sale of asset	-	-	-	-
Gain(loss) on disposal of asset	-	-	-	-
Grant income	-	-	-	-
Grant expense	-	-	-	-
Other Expense	-	(6,085)	(6,085)	-
Capital Outlays	(204,043)	(87,076)	116,967	(1,224,750)
Appropriations				
Mayor and Council	(29,322)	(29,644)	(322)	(176,000)
City Services	(7,304)	(7,938)		(45,000)
Special	-	-		-
Contributed Capital	-	-	-	-
Total nonoperating revenue(expense)	(228,125)	(113,987)	114,138	(1,367,700)
Change in Net Position	**(156,484)**	**30,205**	**186,689**	-

UNAUDITED

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

	2027	2026
ASSETS:		
Current assets:		
Cash and equivalents	$ 6,580,469	$ 3,221,873
Investments	1,393,223	1,336,148
Accounts receivable, net	1,148,804	1,043,414
Inventories	1,210,119	1,015,949
Prepaids	29,429	30,029
Restricted cash	1,907,946	1,728,436
Total current assets	12,269,990	8,375,849
Noncurrent assets:		
Capital assets not being depreciated:		
Land	43,796	43,796
Construction in progress	652,173	162,743
Capital assets net of accumulated depreciation:		
Buildings	622,636	638,864
Equipment	1,082,726	783,552
Infrastructure	19,252,934	16,127,075
Total noncurrent assets	21,654,265	17,756,030
Total assets	33,924,255	26,131,879
DEFERRED OUTFLOWS OF RESOURCES		
Pension	305,710	501,638
Total deferred outflows	305,710	501,638
LIABILITIES		
Current liabilities:		
Accounts payable	817,100	767,993
Accrued liabilities	60,145	57,163
Customer Deposits	1,917,389	1,771,437
Total current liabilities	2,794,634	2,596,593
Noncurrent liabilities:		
Due to other funds	-	-
Due within one year	163,861	109,529
Due in more than one year	2,293,131	2,775,796
Total noncurrent liabilities	2,456,992	2,885,325
Total liabilities	5,251,626	5,481,918
DEFERRED INFLOWS OF RESOURCES		
Pension	464,218	309,547
Total deferred inflows	464,218	309,547
NET POSITION		
Net investment in capital assets	20,559,078	16,274,480
Unrestricted	7,955,043	4,567,572
Total net position	$ 28,514,121	$ 20,842,052

UNAUDITED

Municipal Services Commission
Statement of Revenues, Expenses and Changes in Net Position
For the 2 months ending May 31, 2026 and 2025

	2027	2026
Operating Revenues:		
Water sales	$ 503,943	$ 493,941
Power sales	1,653,642	1,594,557
Miscellaneous	16,395	46,115
Total operating revenues	2,173,980	2,134,613
Less: free service	(818)	(2,187)
Net operating revenues	2,173,162	2,132,426
Operating Expenses		
Purchase of water and power	1,138,480	1,082,540
Salaries and benefits	520,187	563,718
Repairs and maintenance	20,157	122,257
Professional fees	59,403	43,756
Supplies	18,088	21,028
Other purchased services	96,289	58,969
Miscellaneous	10,509	(2,487)
Depreciation	239,511	219,127
Total operating expenses	2,102,624	2,108,908
Operating income (loss)	70,538	23,518
Noncapital subsidies		
Intergovernmental	-	-
Appropriations to Mayor & Council of New Castle:		
Ordinary	(138,486)	(134,704)
City & Trustee Services	(9,443)	(7,622)
Special		
Total noncapital subsidies	(147,929)	(142,326)
Operating income(loss) and noncapital subsidies	(77,391)	(118,808)
Other nonoperating revenues (expenses):		
Investment earnings	44,100	11,663
Gain(loss) on disposal of fixed assets	-	-
Grant revenue - restricted for capital assets	-	(37,362)
Capital contributions	-	-
Special appropriation - capital related	-	(162)
Interest expense	(3,954)	(2,560)
Total other nonoperating revenues (expenses)	40,146	(28,421)
Increase (decrease) in net position	(37,245)	(147,229)
Net position - beginning	28,551,366	20,989,281
Net position - ending	$ 28,514,121	$ 20,842,052

UNAUDITED

Municipal Services Commission
Combining Statement of Net Position by Department
As of May 31, 2026 and 2025

	Water		Electric		Total	
	2027	2026	2027	2026	2027	2026
ASSETS:						
Current assets:						
Cash and equivalents	2,861,058	-	3,719,411	3,221,873	6,580,469	3,221,873
Investments	208,983	200,422	1,184,240	1,135,726	1,393,223	1,336,148
Accounts receivable, net	701,288	280,745	447,516	762,669	1,148,804	1,043,414
Inventories	345,287	296,686	864,832	719,263	1,210,119	1,015,949
Prepaids	4,500	7,171	24,929	22,858	29,429	30,029
Restricted cash	-	-	1,907,946	1,728,436	1,907,946	1,728,436
Total current assets	4,121,116	785,024	8,148,874	7,590,825	12,269,990	8,375,849
Noncurrent assets:						
Capital assets not being depreciated:						
Land	43,796	43,796	-	-	43,796	43,796
Construction in progress	305,441	156,695	346,732	6,048	652,173	162,743
Capital assets net of accumulated depreciation:						
Buildings	283,280	290,731	339,356	348,133	622,636	638,864
Equipment	447,070	493,019	635,656	290,533	1,082,726	783,552
Infrastructure	11,573,309	8,835,400	7,679,625	7,291,675	19,252,934	16,127,075
Total noncurrent assets	12,652,896	9,819,641	9,001,369	7,936,389	21,654,265	17,756,030
Total assets	16,774,012	10,604,665	17,150,243	15,527,214	33,924,255	26,131,879
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 Statement of Net Position by Department
As of May 31, 2026 and 2025

	Water		Electric		Total	
	2027	2026	2027	2026	2027	2026
LIABILITIES						
Current liabilities						
Accounts payable	56,462	65,866	760,638	702,127	817,100	767,993
Accrued liabilities	27,855	25,723	32,290	31,440	60,145	57,163
Customer Deposits	9,443	9,602	1,907,946	1,761,835	1,917,389	1,771,437
Due to other funds	-	310,235	-	(310,235)	-	-
Total current liabilities	93,760	411,426	2,700,874	2,185,167	2,794,634	2,596,593
Noncurrent liabilities:						
Due within one year	23,784	24,937	140,077	84,592	163,861	109,529
Due in more than one year.	1,099,136	1,244,756	1,193,995	1,531,040	2,293,131	2,775,796
Total noncurrent liabilities	1,122,920	1,269,693	1,334,072	1,615,632	2,456,992	2,885,325
Total liabilities	1,216,680	1,681,119	4,034,946	3,800,799	5,251,626	5,481,918
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	12,137,581	9,238,342	8,421,497	7,036,138	20,559,078	16,274,480
Unrestricted	3,333,442	(231,753)	4,621,601	4,799,325	7,955,043	4,567,572
Total net position	15,471,023	9,006,589	13,043,098	11,835,463	28,514,121	20,842,052

UNAUDITED

Municipal Services Commission
Combining Statement of Revenues, Expenses and Changes in Net Position
For the 2 months ending May 31, 2026 and 2025

	Water		Electric		Total	
	2027	2026	2027	2026	2027	2026
Operating Revenues:						
Charges for services	$ 503,943	$ 493,941	$ 1,653,642	$ 1,594,557	$ 2,157,585	$ 2,088,498
Miscellaneous	1,562	3,645	14,833	42,470	16,395	46,115
Total operating revenues	505,505	497,586	1,668,475	1,637,027	2,173,980	2,134,613
Less: free service	(281)	(555)	(537)	(1,632)	(818)	(2,187)
Net operating revenues	505,224	497,031	1,667,938	1,635,395	2,173,162	2,132,426
Operating Expenses						
Purchase of water and power	4,613	3,766	1,133,867	1,078,774	1,138,480	1,082,540
Salaries and benefits	230,941	259,709	289,246	304,009	520,187	563,718
Repairs and maintenance	(730)	98,554	20,887	23,703	20,157	122,257
Professional fees	25,741	19,342	33,662	24,414	59,403	43,756
Supplies	9,833	9,996	8,255	11,032	18,088	21,028
Other purchased services	43,330	26,429	52,959	32,540	96,289	58,969
Miscellaneous	(167)	1,231	10,676	(3,718)	10,509	(2,487)
Depreciation	102,595	93,666	136,916	125,461	239,511	219,127
Total operating expenses	416,156	512,693	1,686,468	1,596,215	2,102,624	2,108,908
Operating income (loss)	89,068	(15,662)	(18,530)	39,180	70,538	23,518

(Continued)

UNAUDITED

Municipal Services Commission
Combining Statement of Revenues, Expenses and Changes in Net Position
For the 2 months ending May 31, 2026 and 2025

	Water		Electric		Total	
	2027	2026	2027	2026	2027	2026
Noncapital subsidies						
Intergovernmental	-	-	-	-	-	-
Appropriations to Mayor & Council of New Castle:						
Ordinary	(29,644)	(28,612)	(108,842)	(106,092)	(138,486)	(134,704)
City & Trustee Services	(7,938)	(7,622)	(1,505)	-	(9,443)	(7,622)
Special						
Total noncapital subsidies	(37,582)	(36,234)	(110,347)	(106,092)	(147,929)	(142,326)
Operating income(loss) and noncapital subsidies	51,486	(51,896)	(128,877)	(66,912)	(77,391)	(118,808)
Other nonoperating revenues (expenses):						
Investment earnings	16,756	2,031	27,344	9,632	44,100	11,663
Gain(loss) on disposal of fixed assets	-	-	-	-	-	-
Grant revenue - restricted for capital assets	-	(37,362)	-	-	-	(37,362)
Capital contributions	-	-	-	-	-	-
Special appropriations - capital related	-	-	-	(162)	-	(162)
Interest expense	(350)	-	(3,604)	(2,560)	(3,954)	(2,560)
Total other nonoperating revenues (expenses)	16,406	(35,331)	23,740	6,910	40,146	(28,421)
Increase (decrease) in net position	67,892	(87,227)	(105,137)	(60,002)	(37,245)	(147,229)
Net position - beginning	15,403,131	9,093,816	13,148,235	11,895,465	28,551,366	20,989,281
Net position - ending	$ 15,471,023	$ 9,006,589	$ 13,043,098	$ 11,835,463	$ 28,514,121	$ 20,842,052

MUNICIPAL SERVICES COMMISSION

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

Fiscal Year 2027 Budget Amendment No. 1

Account Number	Description	Amount	Explanation
01-100-400-80-85	CAPITAL OUTLAYS WATER	$ 1,184,010	SCHOOL LANE TREATMENT FACILITY PFAS UPGRADES CARRY FORWARD
01-100-331-50-00	CAPITAL GRANT REVENUE WATER	$ 1,135,728	
01-100-399-00-00	BUDGETTARY RESERVE WATER	$ 48,282	
01-200-400-80-85	CAPITAL OUTLAYS ELECTRIC	$ 96,460	MAPPING/OUTAGE MANAGEMENT SYSTEM CARRY FORWARD
01-200-399-00-00	BUDGETARY RESERVE ELECTRIC	$ 96,460	
01-200-400-80-85	CAPITAL OUTLAYS ELECTRIC	$ 25,815	CAPACITOR BANKS CARRY FORWARD
01-200-399-00-00	BUDGETARY RESERVE ELECTRIC	$ 25,815	
01-200-400-80-85	CAPITAL OUTLAYS ELECTRIC	$ 10,000	FAULT INDICATORS CARRY FORWARD
01-200-399-00-00	BUDGETARY RESERVE ELECTRIC	$ 10,000	
01-200-400-80-85	CAPITAL OUTLAYS ELECTRIC	$ 114,484	DOBBINSVILLE SUBSTATION UPGRADES CARRY FORWARD
01-200-399-00-00	BUDGETARY RESERVE ELECTRIC	$ 114,484	
01-100-400-80-85	CAPITAL OUTLAYS WATER	$ 46,472	216 CHESTNUT IMPROVEMENTS CARRY FORWARD
01-100-399-00-00	BUDGETARY RESERVE WATER	$ 46,472	
01-200-400-80-85	CAPITAL OUTLAYS ELECTRIC	$ 56,798	
01-200-~~400-80-85~~ 399-00-00	BUDGETARY RESERVE ELECTRIC	$ 56,798	

Summary of Changes:

	Water	Electric
Revenues	$1,230,482	$303,557
Expense	$1,230,482	$303,557

Prepared: 06/09/2026 - Presented: 06/23/2026 - Approved: 6/23/26 *- Processed* ________

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Water Department Commission Meeting Report

June 23, 2026

Prepared by: Jay Guyer on June 15, 2026

Executive Summary of the June 23, 2026 Water Department Commission Report

Developer Projects

- Riverbend Subdivision: progressing with permit applications, construction of Phase II and III, water main delivery, and revised plans for Phases 3 and 4.
- 610 West 7th Street: revised water plans to be submitted for review.
- Delaware Street Railroad Crossing: delays due to funding, with plans to complete water main work in late August.
- William Penn High School: received revised plans, under review.
- 109 The Strand: water service installation completed, awaiting bacteria testing.

MSC Projects

- Cross Connection Control: ongoing testing compliance outreach, with several fire service device replacements planned.
- School Lane PFAS Treatment: removal of carbon, vessel inspections, and upcoming repairs.
- Lead Service Line Inventory: resumed identification efforts using GIS data.
- 14th Street Water Main Extension: inspecting homes, planning to install new services, and revising easement agreements.
- System repairs include bacteria sampling, hydrant flushing, and infrastructure maintenance.

Operations

- No water system outages reported in May.
- Water system maintenance included roof replacement at 216 Chestnut Street, hydrant flushing, and monitoring elevated storage tank levels.
- Equipment repairs: Case CX70 tractor clutch assembly replacement scheduled.
- Personnel: intern program initiated; staff completed backflow recertification and attended industry conferences.
- Safety: daily morning hazard talks and safety meetings held.

Regulatory and Agency Engagement

- Water supply conditions monitored; drought watch declared statewide.
- Water Resource Agency: monthly pumping data sent.
- Emergency response and risk assessments are being updated for EPA certification.
- PFAS litigation: received disbursements from settlements with 3M/DuPont and BASF.
- Public communication: CCR report updated and scheduled for online release.

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Water Department Commission Meeting Report

June 23, 2026

Prepared by: Jay Guyer on June 15, 2026

- Local and state agencies: meetings scheduled for water supply coordination, water system mapping, and operator advisory councils.

Other Notable Items

- Safety and personnel training ongoing.
- Coordination with Delaware Fire Marshal on residential sprinkler requirements.
- Grant application submitted and GIS dashboards in development for asset management.

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Water Department Commission Meeting Report

June 23, 2026

Prepared by: Jay Guyer on June 15, 2026

1. Developer Projects

A. Riverbend Subdivision

1. WUM Guyer is working on completing the Rail Pros Flagging and Signaling Track Control Coordination application. Following several phone calls with the new Track Engineer assigned our Permit, a list of outstanding items MSC needs to provide for the Permit Application was forwarded. WUM Guyer met with Freedom Development (FD) and Civil Engineering Associates CEA) to review outstanding items and who was going to provide the information needed. Operator Schlecht is performing inspection and testing of Phase II services as requested. Lennar Builders continues construction on Phase II lots. FD's contractor completed filling / grading work on Phase 3 and started Sanitary Sewer installation the week of June 1st. Water main materials are being delivered to the site. FD plans to deliver building lots to Ryan Homes by the end of July 2026. Revised water plans for Phase 3 and 4 were received on May 11th. The revised water plans were reviewed and applications for Approval to Construct will be submitted to the Delaware Office of Engineering (OOE).

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. WUM Guyer was notified by McBride & Ziegler Engineering they plan to submit revised Water Plans for Review and Approval.

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

1. MSC and Kleinfelder Engineering (KE) met on May 29th to review the project and construction schedule. KE indicated the State experienced a timing delay for the funds being released possibly delaying the roadwork portion for the project until September or October. WUM Guyer contacted Del DOT regarding the Utility Permit and has not received a response. KE will reach out to the Del DOT Engineer about the delay in issuing a Utility Permit. WUM Guyer discussed the water main work with Del DOT / Norfolk Southern's contractor Atlantic Contracting Materials (ACM) who is working on a proposal to complete the work. If agreeable, they would plan to complete the work in late August providing temporary roadway patching.

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

1. WUM Guyer received revised project plans from Becker Morgan Group Engineers (BM) addressing MSC comments. The plans are currently being reviewed and WUM Guyer will follow up with BM for the next steps.

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Water Department Commission Meeting Report

June 23, 2026

Prepared by: Jay Guyer on June 15, 2026

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

1. No updates on this project at this time.

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

1. Operators completed the new water service installation on May 20th. A bacteria sample will be collected when the customer is ready and the project will be reconciled.

2. MSC Projects

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

1. On June 2nd, HydroCorp sent out Second Reminder Notices for Annual Testing / Certification of backflow prevention assemblies. Operator Schlecht is reviewing the status report summarizing testing compliance. He continues working with customers to educate them about MSC Cross Connection Control Program and testing / certification / replacement requirements. Centerpoint Park is planning to replace the fire side device for Building 1600 and Medori Enterprises is planning to replace the fire side device at 600 South Street (old B& E Property).

B. School Lane Water Treatment Facility PFAS Treatment System Improvements

1. MSC has been on site as needed inspecting work performed by KMP and their sub-contractors. KMP has removed all piping, pumps, and motors from the GAC Control Building. The Mag Meter on the Process Water supply plumbing has been installed. Calgon Carbon was on-site the week of May 25th and removed 80,000 lbs. of carbon from the vessels. Radiation levels on the carbon were acceptable for the carbon to be reactivated and MSC did not have to pay disposal fees for the carbon to be shipped to a landfill. Calgon indicated that the carbon was not acceptable for Customer Reactivation since there were low levels of radiation. This carbon will go into Calgon's pool for reactivation. Calgon's Field Service Crew also removed the septa nozzles from both vessels. Internal vessel paint lining was inspected by Calgon on June 8th. They will provide a report with recommendations on repairs needed on the internal vessel paint lining. Southern Corrosion is schedule to start painting the exterior of the vessels and piping on June 12th.

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 inspecting the 5 houses for their water service upgrades. Phase 2 is tentatively scheduled to begin the week of July 6th with MSC's crew working on installing the 5 new water services to the customer's homes. When completed the existing 2" service on 13th Street which supplies the homes from rear yards will be abandoned. 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 and no unplanned water outages for the month of May 2026. See attached Outage Report.

B. Reporting

1. Calgon Carbon Corporation (CCC) Pilot Study – Pilot Study Rigs 1 and 2 remain out of service. MSC virtually met with our CCC Engineer Elisa Mayerberger to review additional historic data they have been collecting from the Pilot Study. Her presentation was very informative and reinforced MSC is taking the right approach with the Carbon / Resin based system for future treatment of PFAS contamination.

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). WUM Guyer has not further updates on this project.

3. US EPA East Basin Road Groundwater Superfund Site – WUM Guyer discussed with the DNREC contact progress on the Site Inspection and Remedial Investigation. They advised there is a new Remedial Investigator assigned to the Site. She was going to reach out and discuss with him scheduling an Update meeting and follow up with MSC and Artesian Water.

4. Esri Water System Mapping and Vertical Asset Management Project - Pennoni GIS Team received Treatment Facility Plans and begun vertical data conversion into the mapping system. WUS Jaeger and WUM Guyer started reviewing vertical asset data for accuracy. Pennoni have also begun to create Dashboards which allow users to monitor real-time operations and track key performance indicators. Examples of these dashboards will include fire hydrant flushing, valve exercising, and service line inventory. Dashboards will be created for recurring asset inspections. The Matching Planning Grant Application will be presented at the June 17th WIAC Meeting.

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 transmitted and receipt confirmed. WUM Guyer received notice the first BASF Settlement Payment was prepared. The settlement and calculations were reviewed, agreeable, the BASF Payment Attestation completed and returned. Receipt of the BASF payment is pending.

6. 2026 Consumer Confidence Report - WUM Guyer and WUS Jaeger continue working on updating the 2026 Consumer Confidence Report. Several errors in our data were observed. The Office of Drinking was notified and revisions / corrections were completed. A notice was included in the June utility bill notifying customers how to view the CCR report which will be available on our web site by June 30th.

7. City Ordinance Requiring Residential Fire Sprinklers – WUM Guyer continues reviewing MSC's requirements for residential fire sprinkler water services. Contacted the Delaware State Fire Marshals Office Technical Advisor about the State requirements for Residential Sprinklers. MSC will review options, make a decision, and follow up revising our Technical Water Specifications and Standard Water Details.

8. American Water Infrastructure Act – WUM Guyer is reviewing and updating MSC's Risk and Resilience Assessment (RRA) and Emergency Response Plan (ERP) for certification to the US EPA they are updated and current. This is a Self-Certification process with the RRA Certification Statement due to the EPA by June 30th and the ERP Certification Statement due to the EPA by December 31st. EPA reserves the right to request a copy of the documents.

C. System Repairs and Maintenance

1. Water Operator Projects / Tasks worked on during the Month:
   a. Operators collected May Monthly Bacteria Samples (10 per month) and Anion Samples as required by ODW for compliance.
   b. All Long-Term Water Cuts for May were verified to be turned off.
   c. Operators and Linemen completed replacing the Roof at 216 Chestnut Street Office.
   d. Operators began Annual Fire Hydrant Flushing and Maintenance on Monday, June 1st. Storage tank levels are being monitored during flushing and the schedule adjusted to accommodate School Alne Treatment Facility being limited to a max of 350gpm supply.

2. Riverbend Subdivision - Flushed on May 6th and 22nd to maintain Chlorine residual.

Water Department Commission Meeting Report

June 23, 2026

Prepared by: Jay Guyer on June 15, 2026

D. Equipment

1. Case CX-70 Tractor clutch assembly needs replacing at an estimated cost of \$3,8500.00. The replacement was scheduled for June 17th through 19th.

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. WUM Guyer and WUS Jaeger are working through the details of duties for the intern.

2. On May 28th WUM Guyer and WUS Jaeger attended the ASSE Backflow Prevention Administrator Recertification course and passed the exam.

3. WUS Jaeger and Operator Granger will be attending the AWWA Annual Conference & Expo in Washington, DC on June 22-24.

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 – The May 19th at the Auto Port Truck and Equipment Facility in Wilmington was attended by Linemen Lindberg and Miguel Ronquillo. This was last meeting for Summer Break with monthly safety meetings resuming in September.

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

A. WSCC - Water Supply Coordinating Council

1. The next WSCC Full Council meeting is scheduled for September depending upon water conditions throughout the Basin.

2. On June 3rd at the recommendation of the WSCC Drought Advisory Sub-committee and his Drought Advisory Committee, the Governor declared a Drought Watch for the entire state encouraging conservation.

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

4. The June 16th WSCC Drought Advisory Subcommittee meeting went well. Members received updates on water conditions and weather forecasts for the state. Drought watch conditions persist with Sussex County indicators close to Drought Warning. Weekly meetings are scheduled due to the Governors State Wide Drought Watch being declared. The next meeting is scheduled for June 23rd.

MUNICIPAL SERVICES COMMISSION

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Water Department Commission Meeting Report

June 23, 2026

Prepared by: Jay Guyer on June 15, 2026

B. WRA – Water Resource Agency

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

C. DEWARN – Delaware Water/Wastewater Agency Response Network

1. The next DEWARN meeting will be scheduled in June, date TBD.

D. Water Operator Advisory Council

1. The next special Advisory Council Meeting with Del-Tech Representatives is scheduled for July 7th to review new training courses and exams.

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
May 1 - 31, 2026
Prepared By: Jay Guyer on June 15, 2026

Water Production

Month	Year	FT 300 Raw Total Gallons	Adjusted Finished Total Gallons
May	2025	15,435,500	15,229,487
May	2026	12,319,300	12,291,861
	Difference	-3,116,200	-2,937,626
	Percentage Difference	-25.3	-23.9

	Gallons
Raw	12,319,300
Finished	12,291,861
Difference	-27,439
Percentage Difference	0.2

Note: MSC sold water to Artesian via the School Lane Interconnection 5-5 to 5-9-2025 totaling 2,472,287 gallons.

	Basin Road	Frenchtown Road	School Lane	Cross Roads
Well(s) in Operation	Reserve Status	XXX	XXX	Resting
Days Pumped		23	8	0

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	1.35 ppm	1.40 ppm	1.0 - 4.0 ppm
Average pH	7.7	7.5	6.5 - 8.5 on a 0 - 14 Scale
Average Fluoride Residual	0.72 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	100
	# Completed	100
	# of Damages	0
Building Permit Review (Water Related Conflicts)	# Reviewed	-----
	# Approved	-----
	# Not Approved	0

Access to the City Building Permit Software has been interrupted due to new security requirements. JG is working with JAB to retore access to review permits.

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Monthly Water Outages / Interruptions Report

May 1 - 31, 2026

Prepared By: Jay Guyer on June 15, 2026

Planned Outage / Interruptions

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

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

Unplanned Outage / Interruptions

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

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

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ELECTRIC DEPARTMENT COMMISSION REPORT

June 26, 2026

Prepared by Artie Granger on June 16, 2026

1. **Developer Projects:**

A. Riverbend Subdivision:

I. There is nothing new to update on this project.
II. MSC has been providing inspections for Lennar's contractor who is making connections.
III. MSC will install meters as requested.
IV. Freedom has selected a contractor to do the electric for the next phase.
V. MSC has received updated plans and is reviewing. MSC will make changes as needed.
VI. MSC has received material submittals and will review and approve as needed.

2. **Capital Projects:**

a. Electric Mapping System

I. PSC Continues to work on the data migration and conversions.
II. MSC has moved forward with getting the ESRI mapping software.
III. 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.
IV. PSE continues to work on the data conversions.

b. Electric SCADA System

I. The current timetable for SEL Engineering to do work on site is July 2026
II. 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.
III. MSC has schedule progress meetings for this project.
IV. MSC will continue to provide required information to either SEL or our engineers to keep this project moving.
V. MSC will be working on getting wiring completed for this project. MSC will be working with our engineers hopefully next week.

c. Wilmington Road Substation Upgrades

I. Cirrillo Brothers has removed the foundations.
II. MSC is working with Utility Engineering to get the trough specified so we could possibly get trough ordered and installed.

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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

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3. **Outages :**

MSC had multiple outages this past month. These customer numbers are approximate. The outages were as follows:

- 5/27 6 – customers out for about 1 hour caused by a squirrel
- 5/31 – 27 customers out for about ¾ of an hour caused by a bird
- 6/2 – 20 customers out for about ¾ hour caused by a squirrel
- 6/13 – 1351 customers out for about 1 hour caused by a squirrel
- 6/14 – 27 customers our for about 1 ¾ hour caused by a squirrel

SAIDI (minutes)	**SAIFI (number of interruptions)**	**CAIDI (minutes)**	**ASAI (percent)**
11.81707	0.1289103	91.66898	99.9977

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 has received 3 complete replacement units. MSC will begin to plan installation of these units. MSC will also work on getting them integrated with the new SCADA system.
II. MSC will also place an order for the remaining 5 units that need to be replaced.
III. MSC will work on ordering the remaining capacitors as well as additional materials.
IV. 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. The electric department has performed the monthly inspections at this location.

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C. **Dobbinsville Substation:**

I. The large outage this weekend was caused by a squirrel in the substation. MSC will explore options to install cover in the substations to try to mitigate these types of problems.
II. During the outage over the weekend, we noticed that we are still having an issue with the breaker. MSC will discuss problem with our engineers to find a solution. MSC will also look at the breaker to determine to the best of our ability if there are parts that were not lubricated.
III. This substation had a breaker that was closing slow. MSC had a contractor come and diagnose the problem. Breaker needed to be lubricated. MSC will add lubrication to the breakers quarterly.

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

D. **System**

I. MSC will continue to inspect our system and continue to install animal guard as we find problem area.
II. 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.
III. MSC has been doing routine street light cleaning and maintenance. MSC will be repainting some of the street light poles that need it.
IV. MSC has cleaned and repainted some of our stock transformers that were showing signs of fading and rusting.
V. 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.