July 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 Antonina Tantillo, City Administrator, Alternate Commissioner *(via Zoom)* Scott L. Blomquist, Secretary
Absent:	Valarie Leary, Commissioner
Staff in Attendance:	Kendrick Natale, Comptroller Artie Granger, Manager, Electric Utility Jay Guyer, Manager, Water Utility

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

Minutes

June 23, 2026 Board Meeting – **A motion to approve the minutes of the June 23, 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 June 30, 2026:

- An RFP was issued for the grant-funded solar array. A Budget Amendment will be submitted when the costs are known and if it is recommended that the project moves forward.
- The Cash Reserve Study is progressing. It is hoped that UFS will be able to present in August or September.
- MSC should be receiving another $600,000 in settlement funds shortly. The Cash Reserve Study will help in determining the best use for those funds.
- Total Cash On Hand: $8.9M.
- Investment Portfolio: $1.4M, which is roughly the same as prior month.
- 199 days unrestricted cash on hand at June 30th (+10 days from prior month). The water utility had 335 days unrestricted cash on hand (+50 days from prior month) and the electric utility had 153 days unrestricted cash on hand (-3 days from prior month). MSC received approximately $544,000 in settlement funds which meant cash actually rose instead of falling as was anticipated.
- Check Register:
  - $15,320 to Lindsey Manufacturing for pole sensors.
  - $22,662 to Mueller Water Products for the components for the Water Department's new leak detection system.
  - $207,729 to the City of New Castle for the quarterly allocation.

- There were 31 service cuts for non-payment in June. Three (3) customers received approximately $330 each from the New Castle Cares Fund (NCC) and nine (9) customers received approximately $200 each from other agencies or nonprofits.

Electric Department

- User charges are $196,000 above budget.
- June kWh sales were up 11% from compared to year.
- Consumption was about 2.7% higher than the average for June. FYTD consumption is up almost 6% compared to prior year and is on par with the average. The increase in consumption is due to the warmer weather.
- MSC continues to have the lowest residential electric rate in the state. It is 32.3% lower than Delmarva and 6.6% lower than the Co-op.
- Operating expenses have an unfavorable variance of $49,000 on the budgetary basis.
- Power purchases are over budget due to increased sales, which is offset by the additional revenue.

Water Department

- User charges have a favorable variance of $32,000.
- Consumption was 9.7% higher than the same period last year and 5.6% higher than the average for June. YTD consumption is about 7% higher than the prior FYYD and 6.6% higher than the 5-year average due to dryer weather conditions and the heat.
- Operating expenses had an unfavorable variance of $13,000 on the budgetary basis.

First Quarter Financial Statements

Mr. Natale stated that the 1st Quarter Financial Statements will be sent to the City of New Castle and the Trustees.

Electric Department Report – Mr. Granger reporting

(See attached report)

Developer Projects:

- Riverbend Subdivision – Riverbend is moving along, and the next phase is well underway. It is expected that the electrical contractor will be installing the next underground in in the next month. MSC continues working with the developer making electrical connections as needed. In response to a question from Mr. Blomquist, it was noted there were 56 homes in the last phase.

Capital Projects:

- Electric Mapping System – Mr. Granger continues to work on the data migrations.
- Electric SCADA System – Equipment is being installed this week. SEL will be on site next week.

Outages:

- There were no planned or unplanned outages in June. There was one outage in July 19th due to a tree branch during the storm and power was out for approximately 1.25 hours. Commissioner Wik commended staff for getting power back on so quickly under extreme conditions.

Repairs and Maintenance:

- Capacitor Controller Replacement – Mr. Granger will be purchasing five (5) additional controllers to convert all capacitors to the new controllers.
- Dobbinsville Substation – The breaker is still a problem. Utility Engineers is on site to discuss the problem and find a solution. In the meantime relay settings will be installed on the spare breakers. Infrastructure is being transferred to the Verizon poles.

Mr. Granger noted that he has still not heard anything more from Delmarva on some of their projects. He did hear unofficially that they might be repairing the pole line behind the plant. A brief discussion of the pole line ensued.

In response to a question from Commissioner Atherton, Mr. Granger sated that the open lineman position has been filled. The new hire is an apprentice who is currently attending a Ulititrain 15-week Line School course in North East, MD. MSC will enroll him in DEMEC when that course is completed.

In response to a request from Commissioner Atherton, Mr. Granger recommended that he schedule a review of the SCADA system with him in the future.

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

Developer Projects:

- Riverbend Subdivision – The developer is still making progress on the project. Mr. Guyer is waiting for responses back from them on the railroad portion of the project. OOE Approvals to Construct for phases 3 and 4 were received and they have started on phase 3. Ryan Homes is expected to start building on lots around the end of August. Mr. Guyer had a conversation with their building group and a meeting is set up for next week to discuss requirements for water and electric services.
- Delaware Street Railroad Crossing & 8th Street – DelDOT – Mr. Guyer will meet with RE Pierson on site next week to review the project. Mr. Guyer has the OOE Approval to Construct from the Office of Drinking Water and DelDOT's Utility Construction permit.
- William Penn High School Sport Complex – Mr. Guyer reviewed the plans and then met with the engineer to review them. They are looking for ways to cut costs on the overall project.
- Deemer's Landing, 610 West 7th Street Apartments, or The Battery Apartment Complex – There has been no activity on these projects.

MSC Projects:

- School Lane Water Treatment Facility PFAS Treatment System Improvements – Exterior painting of the vessels was completed. Interior coating was evaluated and the contractor completed all repairs of the interior last week. The contractor's electrician is on site this week to do VFD

installs and other wiring. The delivery of carbon will be scheduled when that is completed. Change Order No. 3 was done for the additional repairs on the vessel. They requested a 40-day extension of the contract. Mr. Guyer will be pushing to expedite the work. In response to a question from Commissioner Wik, Mr. Guyer noted that the corrosion was normal for the age of the vessel and explained the process involved.

- Cross Connection Control Program – Progress continues. The device at 600 South Street was replaced. In response to a question from Commissioner Atherton, Mr. Guyer noted that many of them were routine maintenance; and on inspection it was determined that the cost to repair would exceed the cost to replace.
- HB458 – Mr. Guyer reported that HB458 did pass. He noted that the bill no longer requires back flow preventers for low risk residential and commercial services. He stated that he did not agree with it and made his opinion known. Mr. Guyer stated that he has no plans to change anything. He stated that residentially MSC puts in a dual spring check that does not require maintenance or testing and that protects MSC's system from back siphonage and backflow.

  During discussion Mr. Guyer noted that since 1997 MSC has installed a meter-setter and a check-valve as a combination on new service, as well as whenever a customer has replaced water service, upgraded service, or had a leak and had to have maintenance on the service at the entrance of the service coming into the house.
- Lead Service Line Inventory – Water crews have been working getting additional data for the lead service line and updating it.
- 14th Street Water Main Extension to Johnson Way – 8" Main Install – Four (4) of the five (5) services have been installed and the fifth (5th) service will be installed this week. House connections will be completed starting the week of August 3rd.

Operations:

- Outages – There were no planned or unplanned outages in June.
- Consumer Confidence Report – The Consumer Confidence Report was completed and posted on the website. Mr. Guyer sent Certification of Delivery and copies of the CCR to the Public Advocate and the Office of Drinking Water.
- EPA Risk & Resilience Assessment – MSC completed and certified its updated EPA Risk & Resilience Report, and sent the certification to the EPA. MSC's Emergency Response Plan is being reviewed for certification submission by December 31st.
- MSC Leak Detection Program – The Mueller EchoShore-DX permanent leak detection system was deployed on 18 fire hydrants in the down town area and tested to confirm operation. Every day the system collects data between 1:00 a.m. and 3:00 a.m. to analyze for possible leaks. The benefits are twofold: promotes water conservation; plus it monitors MSCs infrastructure allowing us to do asset management. A discussion of MSCs infrastructure ensued.
- PFAS Settlement – The third PFAS settlement payment was approved. Mr. Guyer completed the attestation after looking at the numbers and confirming the points.
- Hydrant Flushing – Annual hydrant flushing was successfully completed with over 1M gallons used and no deficiencies identified.
- Preventive Maintenance – Valve exercising and GIS asset updates continued as part of the preventive maintenance program.

- Water Quality Sampling – Routine water quality sampling and regulatory monitoring remain in full compliance.
- MSC Intern – Kyle Robinson began a seven-week internship supporting operations and field activities. Kyle is a University of Delaware Civil Engineering student.
- AWWA Annual Conference – Ryan and Barry attended the 2026 AWWA Annual Conference in DC and brought back a lot of good information about emerging technologies and other programs being offered.
- Safety – Daily safety briefings continue with no significant safety concerns reported.

Regulatory and Agency Engagement:

- Delaware remains under a statewide Drought Watch. They are having a lot of problems down state. The rain has helped the stream flows, but aquifers are still in a declining state. Bi-weekly meetings for the Drought Advisory Subcommittee continue.
- MSC is coordinating with the EPA regarding the East Basin Road Superfund Site. The next meeting will be August 18th. They asked for representatives from MSC and Artesian to be on site. Messrs. Guyer, Jaeger and Blomquist will attend. Mr. Guyer concurred with Commissioner Wik's suggestion that Kyle Robinson be invited to attend as well.
- Regular coordination continues with DEWARN and the Water Operator Advisory Council. Mr. Guyer stated that his term is up on the Advisory Council this year; adding that this was his 3rd 5-year term. He is considering whether to go back on or not.

Secretary's Report – Mr. Blomquist reporting

DEMEC:

- Mr. Natale attended the June 9th DEMEC meeting.
- Demand January – June 2026 was3.3% higher than the same period in 2025.
- Unrestricted Cash: $87M, which was $3.6M over the new target of $83.4.
- RSR Balance: $52M, which was 18.3% higher than June of 2025.
- Total days cash on hand: 145 days.
- Income was $105.6M, which was $23M more than the same period of 2025.
- Beasley Unit #1 ran for 25 hours, and Beasley Unit #2 ran for 2 hours.
- Mr. Blomquist distributed invitations to the Commissioners for the DEMEC Annual Dinner.
- Ms. Heather Contant requested that she attend the August MSC Board meeting.
- Mr. Natale attended the first Cash Reserve Policy Meeting on June 10th.
- Messrs. Blomquist and Natale attended the Legislative and Regulatory Round Table on June 14th.
- There will be a DEMEC Retreat on July 29th.

New Castle:

- Mr. Blomquist is currently reviewing the City Zoning regarding data centers. Commissioner Wik noted that there is a City draft policy regarding data centers; and will forward a copy of the draft to Commissioner Atherton.

  In response to a question from Commissioner Wik, Mr. Blomquist stated that DEMEC worked with legislation to make sure all member concerns were heard. The legislation initially required

very low loads (20MW range) that would require special review. Mr. Blomquist noted his understanding that the bill that passed increased the load to 100MW. Mr. Natale added that DEMEC will be requiring deposits form large customers coming into member service territories because they are entering into multi-year purchase contracts. In order to protect everyone DEMEC will require large loads to post deposits to cover those contracts.

Public Comment

There were no comments from the public.

Next Regular Meeting

The Commissioners set the August Board meeting to be Thursday, August 20, 2026, at 9:00 a.m.

A motion to adjourn was made by Commissioner Atherton and seconded by Commissioner Wik. The motion passed unanimously and the meeting adjourned at 9:40 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

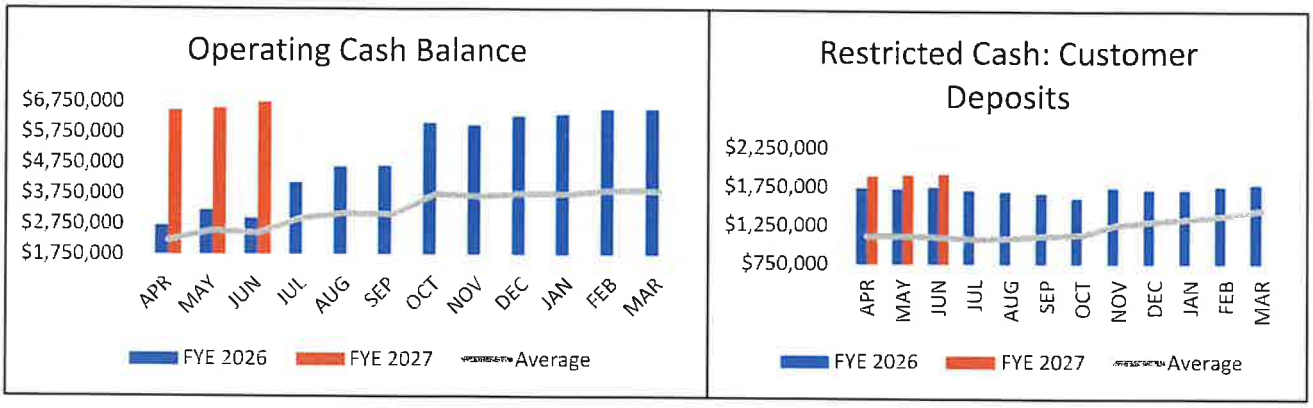
July 21, 2026 Commission Meeting

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

Cash & Investments

As of June 30, 2026 the cash balances were:

M&T Bank - Checking	$	541,260
M&T Investment Sweep		6,474,050
M&T Bank - Restricted		1,921,518
Petty Cash/Change Fund		900
Total Cash on Hand	$	8,937,728



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

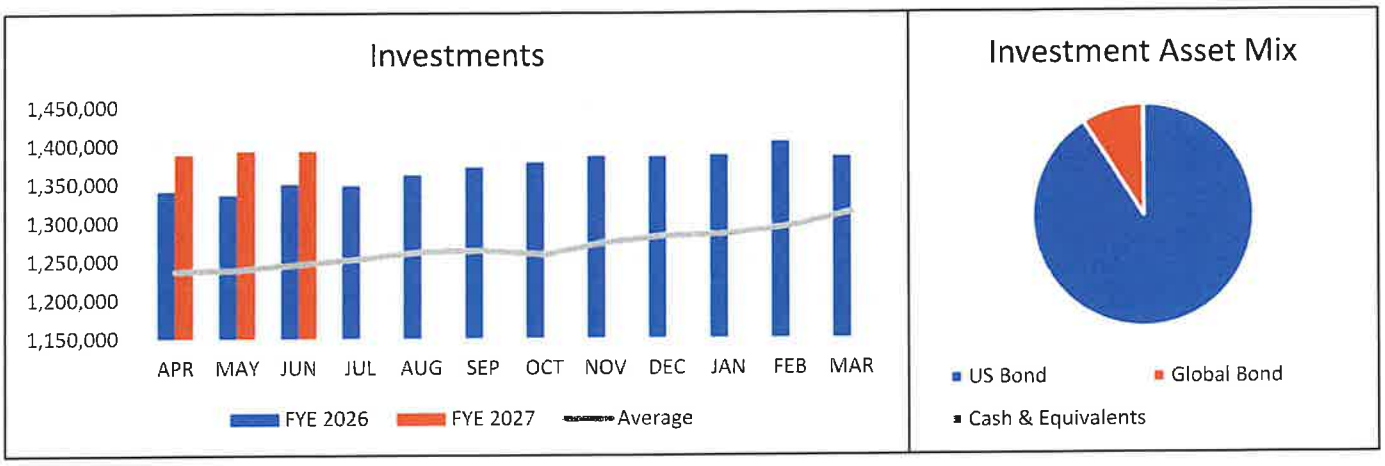
Beginning Balance	$	6,580,469
Cash from customers		1,111,742
Interest Income		18,404
Grant Revenue/Bond Proceeds/Settlements		544,365
Refunds to customers - deposits		(10,548)
Payments to suppliers for goods & services		(1,110,850)
Bank service fees		(2,562)
Payments to employees for services		(114,810)
Net Cash Provided (Used)		435,741
Ending Cash Balance	$	7,016,210

As of June 30 2026 the value of the Commission's investment portfolio totaled $1,392,934 which is a net loss of $289 (0.02%) 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 199 days unrestricted cash on hand at June 30 (+10 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 335 days unrestricted cash on hand (+50 days from the prior month) while the electric utility had 153 days unrestricted cash on hand (-3 days from the prior month).

Days cash was affected by (1) FYE 2027 Budget Amendment 1 affected total budget used in the calculation and normally would have reduced days cash, however, (2) MSC receieved $544,000 in settlement funds causing water cash to rise.



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		$ (1,783)	0.00%
PGIM Total Return Bond CL A	PDBAX	239,962	4.30%
Fidelity Advisor Total Bond CL	FEPIX	375,528	4.32%
T Rowe Price Global Multi Sector Bond I	PGMSX	125,107	4.95%
Vanguard Intermediate Term Treasury	VFIUX	152,377	4.05%
iShares Trust 1-3 Year Treasury Bond EFT	SHY	501,743	3.71%
	Total	**$ 1,392,934**	**4.13%**

June 2026 Check Register

Date	Number	Vendor Name	Amount
06/01/2026	202509	Artesian Water Co Inc	$ 2,220.55
06/01/2026	202510	CirilloBro	17,450.00
06/01/2026	202511	COLONIAL LIFE	599.16
06/01/2026	202512	Consult Dynamics Inc DCA Net	20.00
06/01/2026	202513	Council 81	469.00
06/01/2026	202514	Delta Dental of Delaware Inc	1,675.76
06/01/2026	202515	DEMEC Inc	939.76
06/01/2026	202516	Kathleen R Weirich	360.00
06/01/2026	202517	LINDSEY MANUFACTURING CO	15,320.41
06/01/2026	202518	Principal Financial Group	2,563.74
06/01/2026	202519	SemaConnect LLC	480.00
06/17/2026	202537	Antonio's Lawn Service	1,340.00
06/17/2026	202538	Delaware Solid Waste Authority	197.60
06/17/2026	202539	Delmarva Power	148.34
06/17/2026	202540	DESIGN MANAGEMENT GROUP LLC	2,500.00
06/17/2026	202541	Keystone Engineering Group Inc	1,956.97
06/17/2026	202542	MARKATOS SERVICES	477.00
06/17/2026	202543	MUELLER WATER PRODUCTS INC	22,662.00
06/17/2026	202544	Pennoni Associates Inc.	2,205.25
06/17/2026	202545	Petty Cash	192.94
06/17/2026	202546	POWER SYSTEM ENGINEERING INC	1,545.00
06/17/2026	202547	Trans Union LLC	335.02
06/17/2026	202548	Utility Engineers PC	975.00
06/17/2026	202549	Wesco Receivables Corp.	4,660.58
06/26/2026	202563	City of New Castle	207,729.06
06/26/2026	202564	Consult Dynamics Inc DCA Net	20.00
06/26/2026	202565	Council 81	422.10
06/26/2026	202566	Delta Dental of Delaware Inc	1,807.04
06/26/2026	202567	Division of Public Health	100.00
06/26/2026	202568	Dover Plumbing Supply Co.	3,160.64
06/26/2026	202569	Hire Right Solutions Inc	58.05
06/26/2026	202570	Kendrick Natale II	322.00
06/26/2026	202571	MARKATOS SERVICES	238.50
06/26/2026	202572	McBride & Ziegler Inc.	820.00
06/26/2026	202573	Patricia Malloy	322.00
06/26/2026	202574	Pennoni Associates Inc.	19,982.50
06/26/2026	202575	Premium Power Services, LLC	872.00
06/26/2026	202576	Principal Financial Group	2,271.38
06/26/2026	202577	SemaConnect LLC	720.00
06/26/2026	202578	SPL Suburban Testing Labs Inc	352.00
06/26/2026	202579	Tyler Technologies Inc.	10,013.06
06/01/2026	DFT0002900	Department of Human Resources Financial Servi	48,442.38
06/05/2026	DFT0002916	T. ROWE PRICE RETIREMENT PLAN SERVICE INC	6,970.24
06/05/2026	DFT0002919	United States Treasury	22,675.88
06/05/2026	DFT0002920	M&T ONE CARD	18,634.50

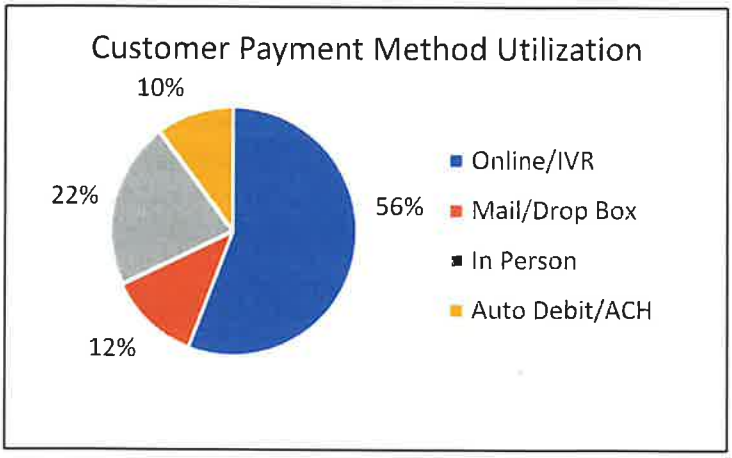
June 2026 Check Register (Continued)

Date	Number	Vendor Name	Amount
06/19/2026	DFT0002921	DEMEC Inc	592,343.49
06/19/2026	DFT0002922	DEMEC Inc	3,022.16
06/19/2026	DFT0002927	T. ROWE PRICE RETIREMENT PLAN SERVICE INC	6,784.70
06/22/2026	DFT0002930	United States Treasury	21,549.11
06/10/2026	DFT0002931	Nationwide Life Ins. Co. of America	23,895.08
06/19/2026	DFT0002933	M&T ONE CARD	13,297.25
06/22/2026	DFT0002934	Delaware Unemployment	42.57
06/23/2026	DFT0002935	Principal Financial Group	287.66
06/24/2026	DFT0002938	Delaware Div. of Revenue	22,401.00
		Total Payments	**$ 1,110,850.43**

Customer Service/Billing

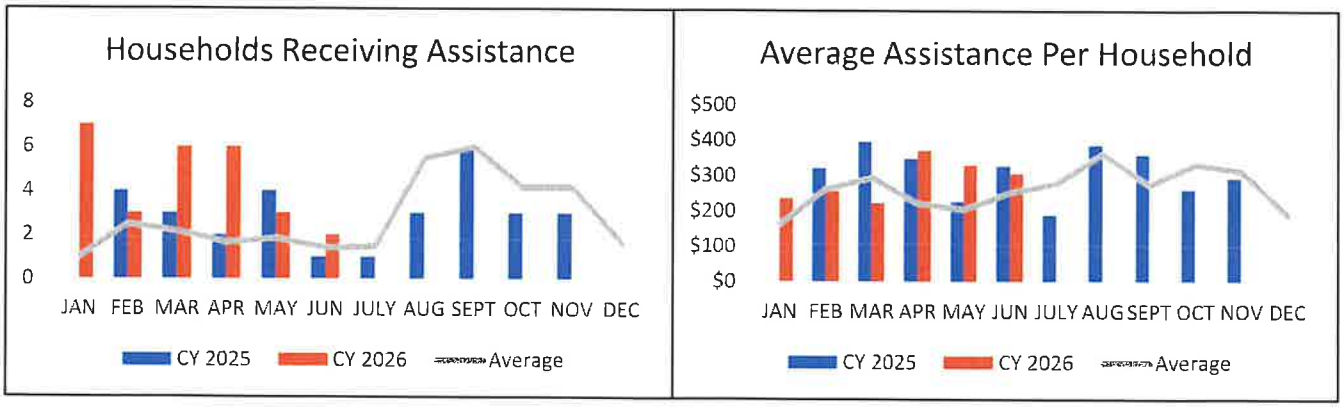
Since the previous meeting, the Customer Service Department processed:

Bills mailed	2,761
Delinquent & Past Due Notices	382
Automated phone notifications	886
Payment arrangements	10
Contracts	3
Service cuts for non-payment	31
Accounts sent to collections	-
Bad debt write-offs	$ -
Applications for service	25



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 June, 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, 9 customers received approximately $197 from other agencies or nonprofits that provide assistance for utility bills.

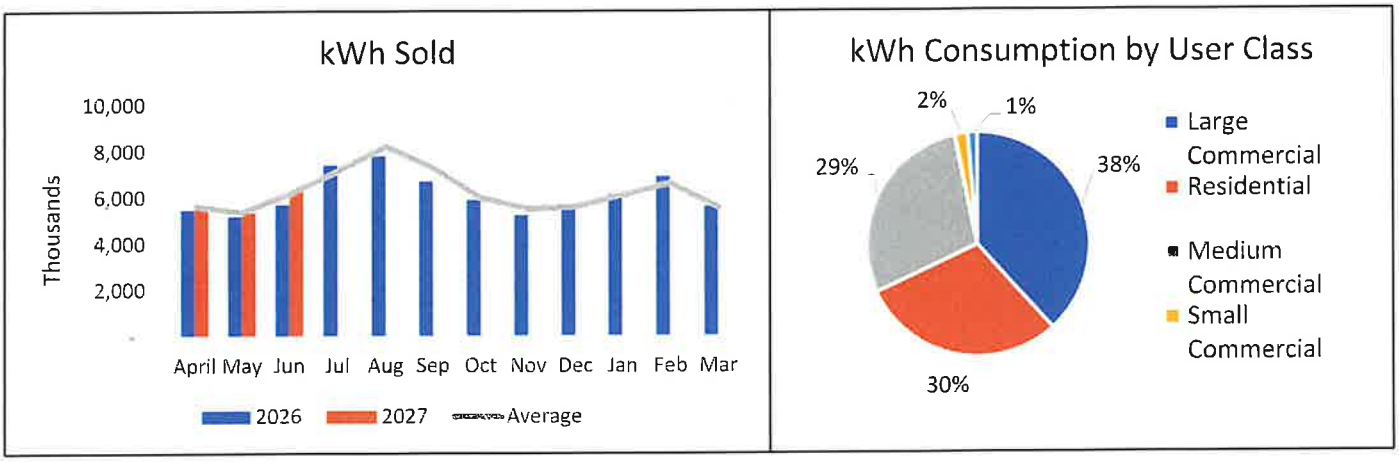
Electric

UNAUDITED

Revenues

User charges are $196,000 above budget fiscal year to date. June kWh sales were 11.27% higher compared to the same period last year. Consumption for the month was 2.77% higher then the average for June. Fiscal year to date, consumption was 5.87% higher then the prior year to date and 0.87% higher 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 32.3% lower than Delmarva Power and 6.6% lower than the Delaware Electric Co-op.



Expenses

Electric operating expenses have an unfavorable variance of $49,000 on the budgetary basis. Significant variances are noted below:

-Power purchases are over budget due to increased sales to customers and offset by sales revenue being over budget.

-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.

-Capital outlays show as under budget due to projects not progressing as quickly as anticipated.

After accounting for non-operating revenues and expenses, there is a decrease in net position on the budgetary basis of $34,000.

When converting from the budgetary basis of accounting to generally accepted accounting principles there is a decrease in net position to $124,000 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) - Electric
As of June 30, 2026

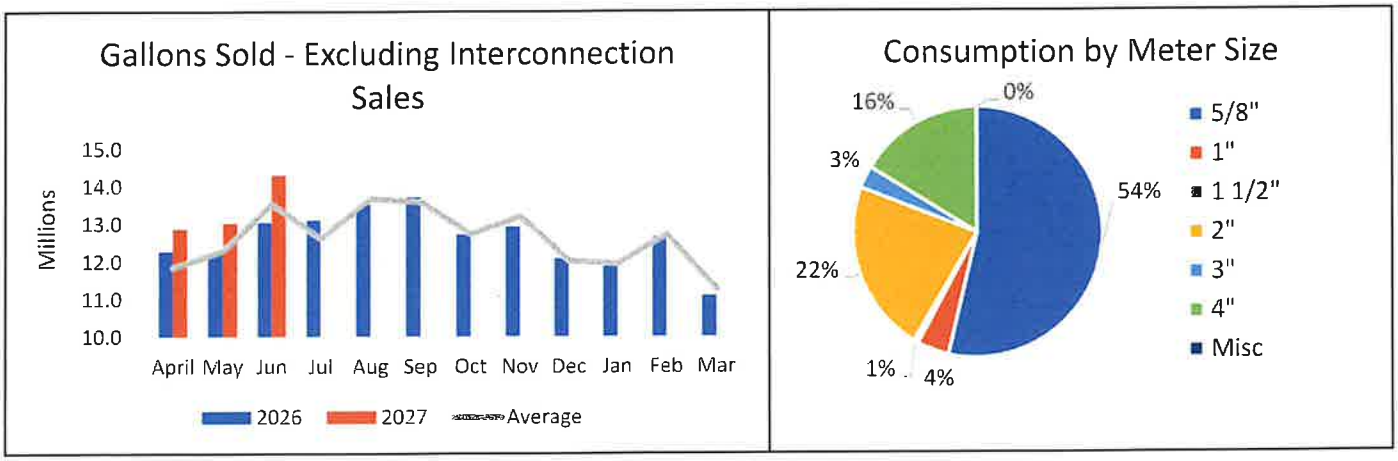
	YTD Budget	YTD Activity	Variance	Total Budget
Operating Revenues				
User Charges	2,427,598	2,623,112	195,514	10,946,000
City & MSC Services	10,110	10,315	205	41,200
Miscellaneous Income	16,434	22,800	6,366	607,466
Total Operating Revenues	2,454,142	2,656,227	202,085	11,594,666
Less: Free Service	1,818	802	1,016	8,000
Net Operating Revenues	2,452,324	2,655,425	203,101	11,586,666
Operating Expenses				
Operations Dept				
Purchase of electric for resale	1,705,387	1,845,683	(140,296)	7,529,304
Salaries and benefits	337,148	297,028	40,120	1,412,682
Professional fees	2,403	6,031	(3,628)	33,302
Repairs and maintenance	23,145	24,684	(1,539)	269,862
Other purchased services	25,669	29,138	(3,469)	57,150
Supplies and materials	6,765	8,119	(1,354)	49,061
Depreciation	-	-	-	-
Total operations	2,100,517	2,210,683	(110,166)	9,351,361
General & administrative				
Salaries and benefits	168,719	156,587	12,132	696,527
Professional fees	86,896	35,982	50,914	253,970
Repairs and maintenance	6,055	5,048	1,007	27,567
Other purchased services	13,392	23,821	(10,429)	49,095
Supplies and materials	2,906	1,354	1,552	14,410
Miscellaneous	5,000	10,662	(5,662)	10,000
Depreciation	-	-	-	-
Debt Service	54,689	42,663	12,026	154,379
Total general & administrative	337,657	276,117	61,540	1,205,948
Total operating expenses	2,438,174	2,486,800	(48,626)	10,557,309
Operating Income	14,150	168,625	154,475	1,029,357
Nonoperating revenue(expense)				
Investment income	35,416	42,405	6,989	153,450
Investment expense	(943)	(1,474)	(531)	(4,000)
Unrealized gain(loss) on investments	-	(3,358)	(3,358)	-
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	(119,229)	(69,733)	49,496	(533,807)
Appropriations				
Mayor and Council	(161,186)	(163,263)	(2,077)	(645,000)
City Services	-	(2,273)	(2,273)	-
Special	-	-	-	-
Contributed Capital	-	-	-	-
Total nonoperating revenue(expense)	(245,942)	(202,403)	43,539	(1,029,357)
Change in Net Position	**(231,792)**	**(33,778)**	**198,014**	-

Water

UNAUDITED

Revenues

User charges have a favorable variance of $32,000 for the fiscal year to date. Consumption for the month of June was 9.7% higher from the same period last year. Consumption for the month was 5.62% higher than the average for June. Fiscal year to date, consumption is 6.95% higher than the prior year's fiscal year to date, and 6.64% 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.



Expenses

Water operating expenses have an unfavorable year to date variance of $13,000 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.
-Capital outlays show as under budget due to projects not progressing as quickly as anticipated.

After accounting for non-operating revenues and expenses, there is an increase in net position on the budgetary basis of $710,000.

When converting from the budgetary basis of accounting to generally accepted accounting principles there is an increase in net position of $728,000 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 June 30, 2026

	YTD Budget	YTD Activity	Variance	Total Budget
Operating Revenues				
User Charges	740,479	772,380	31,901	3,011,600
City & MSC Services	8,813	9,141	328	37,000
Miscellaneous Income	6,345	696,528	690,183	891,225
Total Operating Revenues	755,637	1,478,049	722,412	3,939,825
Less: Free Service	989	562	427	4,000
Net Operating Revenues	754,648	1,477,487	722,839	3,935,825
Operating Expenses				
Operations Dept				
Purchase of water for resale	6,000	7,047	(1,047)	24,000
Salaries and benefits	307,726	283,894	23,832	1,301,139
Professional fees	11,472	6,877	4,595	62,300
Repairs and maintenance	64,493	114,303	(49,810)	245,901
Other purchased services	20,320	23,840	(3,520)	45,000
Supplies and materials	7,315	10,571	(3,256)	53,332
Depreciation	-	-	-	-
Total operations	417,326	446,532	(29,206)	1,731,672
General & administrative				
Salaries and benefits	98,917	94,172	4,745	403,337
Professional fees	39,703	26,737	12,966	217,622
Repairs and maintenance	5,253	4,130	1,123	23,973
Other purchased services	12,717	19,490	(6,773)	42,670
Supplies and materials	2,135	1,108	1,027	13,375
Miscellaneous	-	(199)	199	-
Depreciation	-	-	-	-
Debt Service	8,362	5,234	3,128	40,722
Total general & administrative	167,087	150,672	16,415	741,699
Total operating expenses	584,413	597,204	(12,791)	2,473,371
Operating Income	170,235	880,283	710,048	1,462,454
Nonoperating revenue(expense)				
Investment income	19,098	25,554	6,456	78,550
Investment expense	(118)	(260)	(142)	(500)
Unrealized gain(loss) on investments	-	(593)	(593)	-
Realized gain(loss) on sale of asset	-	-	-	-
Gain(loss) on disposal of asset	-	-	-	-
Grant income	-	-	-	1,135,728
Grant expense	-	(19,983)	(19,983)	-
Other Expense	-	(6,085)	(6,085)	-
Capital Outlays	(306,065)	(112,682)	193,383	(2,455,232)
Appropriations				
Mayor and Council	(43,982)	(44,466)	(484)	(176,000)
City Services	(10,989)	(11,958)	(969)	(45,000)
Special	-	-	-	-
Contributed Capital	-	-	-	-
Total nonoperating revenue(expense)	(342,056)	(170,473)	171,583	(1,462,454)
Change in Net Position	**(171,821)**	**709,810**	**881,631**	**-**

UNAUDITED

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

	2027	2026
ASSETS:		
Current assets:		
Cash and equivalents	$ 7,016,210	$ 2,952,225
Investments	1,392,934	1,350,594
Accounts receivable, net	1,467,645	1,291,541
Inventories	1,248,056	1,004,574
Prepaids	29,429	40,029
Restricted cash	1,921,518	1,749,280
Total current assets	13,075,792	8,388,243
Noncurrent assets:		
Capital assets not being depreciated:		
Land	43,796	43,796
Construction in progress	687,466	168,869
Capital assets net of accumulated depreciation:		
Buildings	620,074	636,159
Equipment	1,060,391	763,084
Infrastructure	19,160,131	16,040,970
Total noncurrent assets	21,571,858	17,652,878
Total assets	34,647,650	26,041,121
DEFERRED OUTFLOWS OF RESOURCES		
Pension	305,710	501,638
Total deferred outflows	305,710	501,638
LIABILITIES		
Current liabilities:		
Accounts payable	878,649	778,706
Accrued liabilities	58,079	57,884
Customer Deposits	1,930,961	1,791,409
Total current liabilities	2,867,689	2,627,999
Noncurrent liabilities:		
Due to other funds	-	-
Due within one year	163,861	109,529
Due in more than one year	2,302,242	2,787,341
Total noncurrent liabilities	2,466,103	2,896,870
Total liabilities	5,333,792	5,524,869
DEFERRED INFLOWS OF RESOURCES		
Pension	464,218	309,547
Total deferred inflows	464,218	309,547
NET POSITION		
Net investment in capital assets	20,483,046	16,662,548
Unrestricted	8,672,304	4,045,795
Total net position	$ 29,155,350	$ 20,708,343

UNAUDITED

Municipal Services Commission
Statement of Revenues, Expenses and Changes in Net Position
For the 3 months ending June 30, 2026 and 2025

	2027	2026
Operating Revenues:		
Water sales	$ 781,521	$ 753,958
Power sales	2,633,426	2,484,428
Miscellaneous	711,036	46,776
Total operating revenues	4,125,983	3,285,162
Less: free service	(1,364)	(3,255)
Net operating revenues	4,124,619	3,281,907
Operating Expenses		
Purchase of water and power	1,852,730	1,777,099
Salaries and benefits	794,555	835,463
Repairs and maintenance	125,360	148,557
Professional fees	98,110	179,422
Supplies	21,152	28,516
Other purchased services	96,289	78,734
Miscellaneous	10,463	2,621
Depreciation	357,211	328,405
Total operating expenses	3,355,870	3,378,817
Operating income (loss)	768,749	(96,910)
Noncapital subsidies		
Intergovernmental	-	-
Appropriations to Mayor & Council of New Castle:		
Ordinary	(207,729)	(202,054)
City & Trustee Services	(14,231)	(11,383)
Special	-	-
Total noncapital subsidies	(221,960)	(213,437)
Operating income(loss) and noncapital subsidies	546,789	(310,347)
Other nonoperating revenues (expenses):		
Investment earnings	62,275	35,635
Gain(loss) on disposal of fixed assets	-	-
Grant revenue - restricted for capital assets	-	-
Capital contributions	-	-
Special appropriation - capital related	-	(2,384)
Interest expense	(5,080)	(3,841)
Total other nonoperating revenues (expenses)	57,195	29,410
Increase (decrease) in net position	603,984	(280,937)
Net position - beginning	28,551,366	20,989,281
Net position - ending	$ 29,155,350	$ 20,708,344

UNAUDITED

Municipal Services Commission
Combining Statement of Net Position by Department
As of June 30, 2026 and 2025

	Water		Electric		Total	
	2027	2026	2027	2026	2027	2026
ASSETS:						
Current assets:						
Cash and equivalents	3,403,153	-	3,613,057	2,952,225	7,016,210	2,952,225
Investments	208,940	202,589	1,183,994	1,148,005	1,392,934	1,350,594
Accounts receivable, net	885,162	325,734	582,483	965,807	1,467,645	1,291,541
Inventories	343,900	285,648	904,156	718,926	1,248,056	1,004,574
Prepaids	4,500	11,671	24,929	28,358	29,429	40,029
Restricted cash	-	-	1,921,518	1,749,280	1,921,518	1,749,280
Total current assets	4,845,655	825,642	8,230,137	7,562,601	13,075,792	8,388,243
Noncurrent assets:						
Capital assets not being depreciated:						
Land	43,796	43,796	-	-	43,796	43,796
Construction in progress	332,516	161,154	354,950	7,715	687,466	168,869
Capital assets net of accumulated depreciation:						
Buildings	282,115	289,501	337,959	346,658	620,074	636,159
Equipment	433,890	480,495	626,501	282,589	1,060,391	763,084
Infrastructure	11,536,437	8,802,348	7,623,694	7,238,622	19,160,131	16,040,970
Total noncurrent assets	12,628,754	9,777,294	8,943,104	7,875,584	21,571,858	17,652,878
Total assets	17,474,409	10,602,936	17,173,241	15,438,185	34,647,650	26,041,121
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 June 30, 2026 and 2025

	Water		Electric		Total	
	2027	2026	2027	2026	2027	2026
LIABILITIES						
Current liabilities						
Accounts payable	102,326	36,732	776,323	741,974	878,649	778,706
Accrued liabilities	26,925	26,048	31,154	31,836	58,079	57,884
Customer Deposits	9,443	9,602	1,921,518	1,781,807	1,930,961	1,791,409
Due to other funds	-	329,640	-	(329,640)	-	-
Total current liabilities	138,694	402,022	2,728,995	2,225,977	2,867,689	2,627,999
Noncurrent liabilities:						
Due within one year	23,784	24,937	140,077	84,592	163,861	109,529
Due in more than one year.	1,094,445	1,245,509	1,207,797	1,541,832	2,302,242	2,787,341
Total noncurrent liabilities	1,118,229	1,270,446	1,347,874	1,626,424	2,466,103	2,896,870
Total liabilities	1,256,923	1,672,468	4,076,869	3,852,401	5,333,792	5,524,869
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	12,113,439	9,195,995	8,369,607	7,466,553	20,483,046	16,662,548
Unrestricted	4,017,738	(182,483)	4,654,566	4,228,279	8,672,304	4,045,795
Total net position	16,131,177	9,013,512	13,024,173	11,694,832	29,155,350	20,708,343

UNAUDITED

Municipal Services Commission
Combining Statement of Revenues, Expenses and Changes in Net Position
For the 3 months ending June 30, 2026 and 2025

	Water		Electric		Total	
	2027	2026	2027	2026	2027	2026
Operating Revenues:						
Charges for services	$ 781,521	$ 753,958	$ 2,633,426	$ 2,484,428	$ 3,414,947	$ 3,238,386
Miscellaneous	690,443	4,500	20,593	42,276	711,036	46,776
Total operating revenues	1,471,964	758,458	2,654,019	2,526,704	4,125,983	3,285,162
Less: free service	(562)	(886)	(802)	(2,369)	(1,364)	(3,255)
Net operating revenues	1,471,402	757,572	2,653,217	2,524,335	4,124,619	3,281,907
Operating Expenses						
Purchase of water and power	7,047	6,042	1,845,683	1,771,057	1,852,730	1,777,099
Salaries and benefits	346,389	375,375	448,166	460,088	794,555	835,463
Repairs and maintenance	95,628	115,188	29,732	33,369	125,360	148,557
Professional fees	53,597	100,604	44,513	78,818	98,110	179,422
Supplies	11,679	14,802	9,473	13,714	21,152	28,516
Other purchased services	43,330	36,731	52,959	42,003	96,289	78,734
Miscellaneous	(199)	-	10,662	2,621	10,463	2,621
Depreciation	153,812	140,472	203,399	187,933	357,211	328,405
Total operating expenses	711,283	789,214	2,644,587	2,589,603	3,355,870	3,378,817
Operating income (loss)	760,119	(31,642)	8,630	(65,268)	768,749	(96,910)

(Continued)

UNAUDITED

Municipal Services Commission
Combining Statement of Revenues, Expenses and Changes in Net Position
For the 3 months ending June 30, 2026 and 2025

	Water		Electric		Total	
	2027	2026	2027	2026	2027	2026
Noncapital subsidies						
Intergovernmental	-	-	-	-	-	-
Appropriations to Mayor & Council of New Castle:						
Ordinary	(44,466)	(42,917)	(163,263)	(159,137)	(207,729)	(202,054)
City & Trustee Services	(11,958)	(11,383)	(2,273)	-	(14,231)	(11,383)
Special						
Total noncapital subsidies	(56,424)	(54,300)	(165,536)	(159,137)	(221,960)	(213,437)
Operating income(loss) and noncapital subsidies	703,695	(85,942)	(156,906)	(224,405)	546,789	(310,347)
Other nonoperating revenues (expenses):						
Investment earnings	24,701	5,638	37,574	29,997	62,275	35,635
Gain(loss) on disposal of fixed assets	-	-	-	-	-	-
Grant revenue - restricted for capital assets	-	-	-	-	-	-
Capital contributions	-	-	-	-	-	-
Special appropriations - capital related	-	-	-	(2,384)	-	(2,384)
Interest expense	(350)	-	(4,730)	(3,841)	(5,080)	(3,841)
Total other nonoperating revenues (expenses)	24,351	5,638	32,844	23,772	57,195	29,410
Increase (decrease) in net position	728,046	(80,304)	(124,062)	(200,633)	603,984	(280,937)
Net position - beginning	15,403,131	9,093,816	13,148,235	11,895,465	28,551,366	20,989,281
Net position - ending	$ 16,131,177	$ 9,013,512	$ 13,024,173	$ 11,694,832	$ 29,155,350	$ 20,708,344

MUNICIPAL SERVICES COMMISSION

CITY OF NEW CASTLE, DELAWARE 19720-0208
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Water Department Commission Meeting Report

July 21, 2026

Prepared by: Jay Guyer on July 13, 2026

Executive Summary of the July 21, 2026 Water Department Commission Report

Developer Projects

- Riverbend Subdivision remains the most active development project with significant progress: Delaware Office of Engineering issued Approvals to Construct for Phases 3 and 4. Phase 3 sanitary sewer installation is complete and water main installation began July 13. Developer provided $252,261 in escrow funding for Phase 3 water improvements. Ryan Homes is expected to receive Phase 3 lots by the end of July, with Phase 4 development to follow. Rail Pros railroad coordination and permit application activities continue, while Phase II inspection and testing are nearing completion.
- Delaware Street Railroad Crossing/8th Street (DelDOT) experienced delays due to State funding, moving construction to Spring 2027. MSC is pursuing an alternate contractor after Atlantic Contracting Materials declined to bid and continues working with DelDOT to finalize utility permits.
- William Penn High School Sports Complex revised utility plans were received and are under MSC review.
- No significant activity was reported for Deemers Landing, 610 West 7th Street Apartments, or The Battery Apartment Complex.

MSC Projects

- School Lane PFAS Treatment System Improvements continue progressing: Exterior vessel rehabilitation has been completed. Interior vessel coating repairs begin July 16 following contractor inspections. New vertical turbine pumps, motors, piping, and instrumentation have been installed. Delivery of variable frequency drive controls is expected the week of July 20. Change Order No. 3 includes interior coating repairs and a requested 30-day schedule extension.
- Cross Connection Control Program continues improving compliance through customer outreach, annual testing, and replacement of aging backflow prevention devices.
- Lead Service Line Inventory work has resumed with field verification and GIS updates supporting EPA compliance requirements.
- 14th Street Water Main Extension Phase II service replacements are nearly complete with four of five services installed up to the curb stop.

Operations

- No planned or unplanned water outages occurred during the reporting period.
- MSC successfully completed and submitted the 2026 Consumer Confidence Report before all regulatory deadlines.
- MSC completed and certified its updated EPA Risk and Resilience Assessment under the American Water Infrastructure Act and is updating its Emergency Response Plan.

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Water Department Commission Meeting Report

July 21, 2026

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Operations (Continued)

- The Mueller EchoShore-DX permanent leak detection system is being deployed, providing continuous monitoring of older distribution mains to improve leak detection and reduce water loss.
- MSC received notification that the third 3M PFAS settlement payment has been approved pending final review and payment attestation.
- Annual hydrant flushing was successfully completed with over 1 million gallons used and no deficiencies identified.
- Valve exercising and GIS asset updates continued as part of the preventive maintenance program.
- Routine water quality sampling and regulatory monitoring remained in full compliance.
- MSC welcomed a University of Delaware Civil Engineering intern for a seven-week internship supporting operations and field activities.
- Staff attended the 2026 AWWA Annual Conference, earning continuing education credits and evaluating emerging water industry technologies.
- Daily safety briefings continue with no significant safety concerns reported.

Regulatory and Agency Engagement

- Delaware remains under a statewide Drought Watch, with MSC continuing participation in Water Supply Coordinating Council meetings as drought conditions are monitored.
- MSC continues coordinating with EPA regarding the East Basin Road Superfund Site, including participation in a public information meeting planned for August.
- Regular coordination continues with DEWARN, the Water Operator Advisory Council, and other state agencies to support emergency preparedness, regulatory compliance, and operator training.

Other Notable Items

- Completion of Riverbend Phase 3 water infrastructure and commencement of Phase 4.
- Progress of School Lane PFAS Treatment System improvements and revised project schedule.
- DelDOT utility permit issuance and contractor selection for the Delaware Street Railroad Crossing project.
- Continued deployment and optimization of the permanent leak detection system.
- Finalization of PFAS settlement payment documentation and receipt of funds.

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Water Department Commission Meeting Report

July 21, 2026

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1. Developer Projects

A. Riverbend Subdivision

1. WUM Guyer is working on completing the Rail Pros Flagging and Signaling Track Control Coordination application. The Track Engineer sent an updated list of outstanding items MSC needs to provide for the Permit Application which was forwarded to Freedom Development (FD) and Civil Engineering Associates CEA). Operator Schlecht is performing inspection and testing of Phase II services as requested. Lennar Builders continues construction on Phase II lots with plans to be built out in October 2026. Revised water plans for Phase 3 and 4 were received on May 11th and applications for Approval to Construct were submitted to Delaware Office of Engineering (OOE) on June 19th. OOE issued Approvals to Construct of Phase 3 and Phase 4 the week of July 7th. FD's contractor completed Phase 3 Sanitary Sewer and Storm Water installation the week of June 29th. Water main materials delivered to the site were checked by Inspector Schlecht. Several parts were not MSC standard and exchanged for the correct ones. Installation began on July 13th. FD provided information for the Phase 3 water main installation and an estimate for the escrow funds was provided. FD submitted a check for the amount of $252,261.09 for escrow. FD plans to deliver Phase 3 building lots to Ryan Homes by the end of July 2026 then start Phase 4 which Ryan Homes has purchased.

B. Deemers Landing and Helm Apartment Complexes

1. WUM Guyer has no update on this project.

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

1. WUM Guyer has no update on this project.

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

1. MSC and Kleinfelder / Century Engineering (KE) discussed the project construction schedule. KE indicated the State experienced a timing delay for the funds being released which has the project scheduled for the Spring 2027. WUM Guyer was contacted by Atlantic Contracting Materials (ACM) who is working on a proposal to complete the water main work advised that due to timing and new commitments, they will not be able to provide a proposal. WUM Guyer and WUS Jaeger discussed alternative contractors and reached out to RE Pierson who is interested in providing a proposal to do the work. A conference call is being scheduled and project details will be forwarded for their review. KE reached out to Del DOT Engineering about the delay in responding to the Utility Permit being issued. WUM Guyer is working with the Del DOT Engineer on getting the permit issued including approval from the Traffic Control Division.

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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 being reviewed and WUM Guyer will follow up with BM for clarification on several items.

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

1. WUM Guyer has no updates on this project.

2. MSC Projects

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

1. HydroCorp mailed out Second Reminder Notices for Annual Testing / Certification of backflow prevention assemblies on June 2nd. Operator Schlecht is reviewing the status report summarizing testing compliance and 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. Medori Enterprises contractor completed replacing the fire side device at 600 South Street (old B & E Property) on July 13th as part of the building renovations.

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. Southern Corrosion completed the exterior cleaning and recoating of the vessels and piping on June 14th. Concerns about the interior coating prompted inspections be performed by several contractors. Southern Corrosion provided a proposal for cleaning and spot repair above the below the cone which was reviewed and accepted. They are scheduled to start the interior coating repairs on July 16th taking approximately 7 days to complete. AC Schultes installed the new VTP pump assemblies and motors. KMP Crews completed the 6" pipe, 8" pipe, and Mag meter installation in the GAC Pump Room. KMP advised the VFD Controls are scheduled for delivery the week of July 20th and continue working to coordinate with Calgon Carbon for the nozzle work and carbon / resin installation. Change Order 3 was submitted for the interior Vessel coating repairs and included a request for an additional 30 days be added to the schedule to compensate for the delay.

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.

Water Department Commission Meeting Report

July 21, 2026

Prepared by: Jay Guyer on July 13, 2026

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

1. Water Operators completed inspecting the 5 houses for water service upgrades. Phase 2 water service installation begin the week of July 6th with MSC's crew completing 4 of the 5 installations. The 5th service install is being scheduled then the services from the curb stops into the homes will be scheduled. When completed the existing 2" service on 13th Street 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 June 2026. See attached Outage Report.

B. Reporting

1. Calgon Carbon Corporation (CCC) Pilot Study - WUM Guyer has no updates on this project.

2. STRIDE Group EPA Grant – On July 10th, STRIDE's Lead Research Engineer and several scientists visited School Lane Water Treatment Facility to observe the temporary PFAS filter system in operation and see the interior of the Calgon vessels. WUM Guyer has no updates on this project.

3. US EPA East Basin Road Groundwater Superfund Site – WUM Guyer was contacted by the new Remedial Investigator about the site, next steps, and planning a public meeting to update the community on the Site Inspection, Remedial Investigation progress and next steps. EPA indicated they would like Representatives from both MSC and Artesian to attend the meeting tentatively scheduled for August 18th from 5:00pm to 7:30pm at the RT 9 Library. WUM Guyer will plan to attend for MSC.

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. Work on this project has been stopped until the DWSRF Group issues the Planning Grant Purchase Order around mid-July.

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 3M Third Settlement disbursement was cleared for payment. WUM Guyer is reviewing the settlement calculations and if agreeable, will sign the Payment Attestation and return to the attorney.

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Water Department Commission Meeting Report

July 21, 2026

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6. 2026 Consumer Confidence Report - WUM Guyer and WUS Jaeger completed updating the 2026 Consumer Confidence Report (CCR) after the Office of Drinking Water (ODW) furnished our data revisions / corrections. The customer statement / notice was included in the June utility bill notifying customers how to view the CCR report and obtain a copy if needed. The 2026 CCR was uploaded to the MSC Website on June 26th prior to the June 30th deadline. Certification of Delivery for ODW and Public Advocate were completed and e-mailed including a copy of the report.

7. City Ordinance Requiring Residential Fire Sprinklers – WUM Guyer continues reviewing MSC's requirements for residential fire sprinkler water services and contacted the Delaware State Fire Marshals Office Technical Advisor about the State requirements. WUM Guyer will reach out to MSC's Attorney for legal guidance on terminating water service and extent of liability MSC could be held accountable for if there were a structure fire incident and water service was terminated. MSC will review options and make a recommendation on revising our Technical Water Specifications and Standard Water Details.

8. American Water Infrastructure Act – WUM Guyer and WUS Jaeger reviewed and updated MSC's Risk and Resilience Assessment (RRA), completed the Self Certification Notification and forwarded it to the US EPA on June 29th. This is a Self-Certification process with the RRA Certification Statement due to the EPA by June 30th. MSC's Emergency Response Plan (ERP) has been updated and that Certification Statement due to the EPA by December 31st. EPA reserves the right to request a copy of the documents.

9. Distribution System Monitoring and Leak Detection – MSC received our Mueller Echo Shore – DX Permanent Leak Detection equipment in late June and developed a deployment plan with our Mueller Field Specialist. On July 8th, Water Operators started installing 18 leak detection nodes on fire hydrants in the down town area on some of the oldest main in our system. WUM Guyer an WUS Jaeger are working with Mueller to complete software setup and node configuration and testing. Once installed, the system will monitor the area of the distribution system for possible water leaks generating reports on locations that may require further investigation. The system is scalable by adding additional nodes to hydrants expanding the monitoring area.

10. Verisk - Insurance Services Office – WUM Guyer was contacted by a representative from the Verisk – ISO in reference to updating MSC's water system information used for developing Community Hazard Mitigation Services. These services are used to develop community ISO Fire Protection Ratings Insurance Company's use to determine insurance rates for customers. The last survey was completed in 2018. WUM Guyer will review the request and furnish the updated survey information.

MUNICIPAL SERVICES COMMISSION

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Water Department Commission Meeting Report

July 21, 2026

Prepared by: Jay Guyer on July 13, 2026

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 began Annual Fire Hydrant Flushing and Maintenance on June 1st and completed on June 15th. Elevated Storage Tank levels were monitored during flushing and the schedule adjusted to accommodate School Lane Treatment Facility being limited to a max of 350gpm supply. Total water used for flushing was 1,012,460 gallons with no hydrant issues noted. GIS data was updated to reflect the latest flushing data.
   d. Operators continued with the MSC Valve Exercising Program, operating 50 valves in the Shawtown Area. Information was uploaded into the GIS Mapping System.

2. Riverbend Subdivision - Flushed on June 9th (part of the annual hydrant flushing program) and 22nd to maintain Chlorine residual.

D. Equipment

1. Case CX-70 Tractor clutch assembly was replaced the week of June 22nd and the tractor used to cut the Well Head Protected areas June on June 26th.

E. Personnel and Training

1. MSC Water Operations has accepted a University of Delaware Civil Engineering Student intern to explore the water profession. Kyle Robinson started on June 29th and was oriented on MSC safety policies related to operations and has been getting exposure to field operations related to well duties, water service installation, Miss Utility locates, and customer service work orders. The internship will last 7 weeks terminating on August 21st.

2. WUS Jaeger and Operator Granger attended the 2026 AWWA Annual Conference & Expo in Washington, DC on June 22-24. Both attended training courses earning continuing education hours for their licenses and collected information related to new technologies for the water industry for MSC to explore.

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 – Summer Break, monthly safety meetings will resume in September 2026.

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4. Local, State, and Federal Agencies

A. WSCC - Water Supply Coordinating Council

1. The next WSCC Full Council meeting is scheduled for September depending upon water conditions throughout the Delaware River 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 23rd WSCC Drought Advisory Subcommittee meeting went well. Members received updates on water conditions and weather forecasts for the state and region. Drought watch conditions persist with Sussex County indicators close to Drought Warning. Several monitoring wells in Sussex County are reported to have run dry. Sub Committee Meetings will be scheduled every 2-3 weeks due to the Governors State Wide Drought Watch being declared. The next meeting is scheduled for July 14th.

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 June 24th DEWARN Meeting went well. The group approved the April Meeting Minutes, reviewed the annual WARNS Chairs Meeting scheduled for September 2, updating DEWARN membership agreements and documentation, chemical supply chain delivery issues/concerns, ODW regulation updates, and DRWA training updates.

2. The next DEWARN meeting will be scheduled in September, date TBD.

D. Water Operator Advisory Council

1. The July 7th special Advisory Council Meeting with Del-Tech Representatives went well. Council met with Del-Tech Reps and their course instructors to review the Chemical Feed training course materials covered the examination questions.

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

End of Report

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Monthly Water Works Report
June 1 - 30, 2026
Prepared By: Jay Guyer on July 13, 2026

Water Production

Month	Year	FT 300 Raw Total Gallons	Adjusted Finished Total Gallons
June	2025	17,813,200	17,629,440
June	2026	15,224,000	15,124,940
Difference		-2,589,200	-2,504,500
Percentage Difference		-17.0	-16.6

	Gallons
Raw	15,224,000
Finished	15,124,940
Difference	-99,060
Percentage Difference	0.7

NOTE: MSC 2026 Annual Hydrant Flushing was started on June 1st and completed on June 15th.

	Basin Road	Frenchtown Road	School Lane	Cross Roads
Well(s) in Operation	Reserve Status	XXX	Resting	Resting
Days Pumped		30	0	0

Note: MSC sold water to Artesian Water Company from June 25 to June 30, 2025

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	1.37 ppm	1.40 ppm	1.0 - 4.0 ppm
Average pH	7.8	7.5	6.5 - 8.5 on a 0 - 14 Scale
Average Fluoride Residual	0.68 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	96
	# Completed	96
	# of Damages	0
Building Permit Review (Water Related Conflicts)	# Reviewed	No Data Available
	# Approved	0
	# Not Approved	0

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Monthly Water Outages / Interruptions Report

June 1 - 30, 2026

Prepared By: Jay Guyer on July 13, 2026

Planned Outage / Interruptions

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

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

Unplanned Outage / Interruptions

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

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

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ELECTRIC DEPARTMENT COMMISSION REPORT

July 21, 2026

Prepared by Artie Granger on July 14, 2026

1. **Developer Projects:**

   A. Riverbend Subdivision:

   I. The next phase is well underway. MSC expects the electrical infrastructure to begin installation shortly.
   II. MSC has been providing inspections for Lennar's contractor who is making connections.
   III. MSC will install meters as requested.

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. MSC is working on installing wiring before Utility Engineering and SEL Engineering get on site. They hope to be complete with preliminary work this week.
   II. The current timetable for SEL Engineering to do work on site is July 2026
   III. 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.
   IV. MSC has schedule progress meetings for this project.
   V. MSC will continue to provide required information to either SEL or our engineers to keep this project moving.
   VI. 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. 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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3. **Outages :**

- MSC has had no outages that we were aware of this past month.

SAIDI (minutes)	SAIFI (number of interruptions)	CAIDI (minutes)	ASAI (percent)
37.22134	0.6105191	60.96671	99.9929

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.

. **Repairs and Maintenance:**

A. **Capacitor Controller Replacement**

I. MSC is waiting to install capacitor controllers until the Dobbinsville SCADA is up and running.
II. 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.
III. MSC will also place an order for the remaining 5 units that need to be replaced.
IV. MSC will work on ordering the remaining capacitors as well as additional materials.

B. **Wilmington Road Substation:**

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

C. **Dobbinsville Substation:**

I. MSC is still having a problem with the breaker being slow to close. MSC is working with Utility Engineering to find a solution. A temporary fix will be to install relay settings on the spare breaker and Dobbinsville and use that one.
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.

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ELECTRIC DEPARTMENT COMMISSION REPORT

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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. The Verizon poles in Washington Park have been placed by Verizon's contractor. MSC will begin to move our infrastructure.
- 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.

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.