

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
Valarie Leary, Commissioner
Scott L. Blomquist, Secretary

Staff in Attendance: Kendrick Natale, Comptroller
Dave Bennett, Supervisor, Electric Utility
Jay Guyer, Manager, Water Utility
Dawn Lund, Vice President, UFS
Heather Contant, DEMEC Director of Government & Community Relations

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

Minutes

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

Heather Contant, DEMEC

Ms. Contant extended an invitation to the Board members to attend the DEMEC Annual Dinner to be held on Wednesday, September 9th in Dover.

Utility Financial Solutions Presentation

Ms. Lund gave a presentation explaining the methodology used to determine the recommended minimum cash reserve amount for MSC. Ms. Lund explained that a cash reserve policy is one tool that helps with financial stability based on projected risk factors. She added that a good cash reserve policy will have a restorative action in the event the cash reserve dips below the minimum recommended cash reserve amount.

During the presentation Ms. Lund explained that UFS works with a financial advisor to determine the risk range to lay out a dependable methodology that meets, in general, Utility Standards. She also explained that the Capital Improvement Plan risk factor for both Water and Electric is 20% of the total 5-year capital improvement program minus any projected debt issuances. A discussion of depreciation ensued in connection with the Capital Improvement Plan. Ms. Lund suggested that MSC check the National Association of Regulatory Utility Commissioners (NARUC.org) website.

Ms. Lund stated that based on the FY 2027 financial projections, the combined electric and water utilities should maintain a minimum of 150 days cash on hand.

Ms. Lund also commended MSC on how they review finances annually.

Commissioner Atherton stated that he is fine with 150 days cash on hand. Mr. Natale stated that he is also comfortable with UFS's recommendation, noting he and Tricia will be working with staff regarding

depreciation. He explained that using MSC's current methodology his report reflects 195 days cash on hand and using UFS's methodology it would be 230 days cash on hand. Mr. Blomquist added that the Board could set a target of 150 days cash on hand minimum and suggested that the Commissioners make a decision in September.

Comptroller/Treasurer Report – Mr. Natale reporting
(See attached report)

Mr. Natale reported as of July 31, 2026:

- Total Cash On Hand: \$9M, including restricted cash.
- Investment Portfolio: \$1.4M as of July 31st.
- Days Cash on Hand: 195 days unrestricted cash on hand at July 31st. The water utility had 302 days cash on hand (-33 days from prior month) and the electric utility had 158 days cash on hand (+5 days from prior month).
- Check Register:
 - \$82,140 to Southern Corrosion for water tank maintenance.
 - \$380,279 to KMP Mechanical for School Lane.
 - \$32,688 to Maddox Industrial Transformer.
- There were 39 service cuts for non-payment in July. Two (2) customers received approximately \$190 each from the New Castle Cares Fund (NCC) and four (4) customers received assistance from other agencies or nonprofits.

Electric Department

- User charges are \$260,000 above budget YTD.
- July kWh sales were about 2% higher than the same period last year.
- Consumption was 5% higher than the average for July. FYTD consumption is about 4.5% higher than prior year and 2% higher than the average consumption.
- Operating expenses have an unfavorable variance of \$69,000 on the budgetary basis which is almost exclusively the result of increased power purchases from DEMEC.

Water Department

- User charges have a favorable variance of \$56,000.
- Consumption was 8% higher than the same period last year and 12% higher than the average for July. FYTD consumption is about 7% higher than the prior year and 8% higher than the average.

Mr. Guyer estimated an average of 45 days total purchase from Artesian. He added that SRF is actively working to see if MSC can recoup that using the contingency portion of the current Grant, and if not, he will see if they will cover the water purchase under the Bond Bill.

In response to a question from Commissioner Wik regarding the container failure, Mr. Guyer stated that it was taken out of service and MSC provided all requested data to DNREC. He added that DNREC was on site last week and PFAS samples were collected from each of the vessels to determine if it is a design issue. Actual carbon samples were collected from each vessel today that will be analyzed to try and make a determination of why the vessels failed so

quickly. Engineering Consulting Services (ECS) is leading this at DNREC's direction. Mr. Guyer stated that he wants to understand why the system failed before exploring compensation options. Mr. Blomquist explained the steps that were taken to resolve the issue. Mr. Guyer added that he has requested a copy of the Bill of Lading to see what carbon was delivered.

During further discussion, Mr. Guyer opined on whether the size of the vessels was a factor. He noted that Ken Haggerty, Supervisor of Artesian's water quality, told him they are starting to see some of the issues MSC experienced with mercury when running the larger vessels and they are evaluating whether it is better to use the smaller vessels and doing more frequent change-outs.

- Operating expenses had a favorable variance of \$21,000 on the budgetary basis.

Mr. Natale reiterated that he will present options to the Board in September regarding the minimum cash on hand.

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

Developer Projects:

- Riverbend Subdivision – The contractor has started installing primary and secondaries for the next phase.

Capital Projects:

- Electric Mapping System – MSC should have something to look at on the mapping system in the next three (3) months. Right now they are doing BETA conversion. Commissioner Atherton stated they would like a briefing on the system.
- Electric SCADA System – The SCADA system in Dobbinsville is getting close and it is hoped it will be running next month.
- Wilmington Road Substation Upgrades – Commissioner Atherton stated he would like to get this scheduled in terms of cash on hand. Mr. Bennett noted that the final piece of underground to the Dobbinsville Substation should be completed soon, and once that is done the Wilmington Road Substation Upgrades can proceed.

Outages:

- There were two (2) outages in July. One was caused by a bird and seven (7) customers were without power for about 30 minutes. The second was caused by a tree branch and ten (10) customers were without power for about 75 minutes.

Repairs and Maintenance:

- Roof Repair – Steele Roofing finished the roof replacement on the utility building the week of August 10th.

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

Developer Projects:

- Riverbend Subdivision – Phase 3 water main installation has been completed. Plans were updated and will be submitted to the Office of Engineering for approval. Mr. Guyer will review the costs, get the contractor paid, and reconcile that project. Lennar continues construction on Phase 2 lots and plans to be done by October 2026. Ryan Homes began construction on the model home. Mr. Guyer met with them to review water and electric service applications, escrow requirements, meters, inspections, bacteria testing and requirements they will be expected to follow to get service to their homes. Freedom Development plans to deliver Phase 3 lots to Ryan Homes by the end of August 2026; however, Mr. Guyer has doubts that deadline will be met, opining that they will work as quickly as possible get that done. Phase 4 is basically ready from a water perspective and all permits have been received. Mr. Guyer will hold them up on Phase 4 until responses are received on the interconnection under the railroad tracks. Mr. Guyer has requested this information numerous times.
- Delaware Street Railroad Crossing & 8th Street – DelDOT – Work is scheduled for spring 2027. Utility Engineers submitted an estimate of \$298,300 to do the work. Mr. Guyer met them on site and discussed the project. Subsequently, he met with DelDOT's Traffic Engineer, Pierson and the Project Engineer. Doing that work under a complete shut-down of the road would be the safest and most cost-effective method and DelDOT was willing to grant a 10-day complete road closure between October 15th and November 15th. The project will be advertised for expedited bid. Mr. Blomquist noted that the project is already designed. Mr. Blomquist will review the plan with the City Administrator.
- William Penn High School Sport Complex – Mr. Guyer returned comments on the revised utility plans. He noticed this week that an enormous amount of dirt has been hauled in to the site already.
- 1004 Gray Street – They are actively working on footers and foundations for the six (6) townhouses. MSC has addressed water service for them.

MSC Projects:

- Cross Connection Control Program – Progress continues. Second reminder notices went out. Centerpoint Park will replace the fire-side backflow preventer in Building 1600.
- East Basin Road Groundwater Superfund Site – The draft presentation was reviewed and comments were submitted. Messrs. Blomquist, Jaeger and Guyer attended the August 18th public meeting that had approximately 40 attendees. Many health questions were posed and DNREC and EPA will set up another public meeting to have those questions addressed.
- School Lane Treatment Facility – Interior coating repairs were completed and new nozzles and VFD controls were installed. Carbon/resin installation was completed during which approximately 135 cubic feet of resin was lost due to operator (truck driver) error. About 200 cubic feet of resin will be delivered next week. The Pump startup was completed. Pump 1 had no issues; however, a piece of ¾" all threaded rod that was lodged in the bowl assembly of Pump 2 was removed. In response to questions posed by Mr. Guyer, they are expediting the final acceptance report. Mr. Guyer stated he would request a vibration analysis on Pump 1 and Pump 2 to compare them and ensure the integrity of Pump 2. Mr. Guyer hopes to have Keystone on site next week to do final SCADA programming logic and testing done. MSC is working with DNREC and their engineering group to determine the cause of the PFAS breakthrough event on the temporary filter system.

- Lead Service Line Inventory – Work continues on this project.
- 14th Street Water Main Extension to Johnson Way – 8" Main Install – Three (3) of the five (5) services have been completed to the houses. Two (2) more are left to do. A Utility Easement Agreement Amendment will be sent to Centerpoint for review.
- Mueller Echoshore Leak Detection – The program is up and running. MSC will monitor it.

Operations:

- Zero water outages were reported during July.
- Required bacteria and anion samples were collected.
- Long-term water cuts were inspected and verified to be turned off.
- Routine semi-annual PFAS sampling was completed. Follow-up sampling was conducted immediately after the DEP and there was a non-detect on the Artesian system.
- Riverbend was flushed twice to maintain chlorine residuals.
- No equipment issues were reported.
- Daily operator safety Tailgate Talks continued.
- Annual fire extinguisher inspections and certifications were completed in July with identified issues corrected.
- MSC continues its University of Delaware Civil Engineering internship program. MSC's intern, Kyle Robinson, received field exposure to wells, water service installation, Miss Utility locates, customer service, and operational procedures. The internship is scheduled to conclude August 21, 2026. Mr. Guyer stated that Kyle has been a pleasure to work with. Kyle asked about the possibility of coming back during winter break in January 2027. Mr. Guyer introduced Kyle to a contact at Viola Engineering and opined that he might have a job offer from Viola upon completion of his engineering degree.
- Monthly DFIT safety meetings will resume in September 2026.

Regulatory and Agency Engagement:

- Water Supply Coordinating Council – The recent rains have been very beneficial for streams, but aquifers are still struggling and Delaware remains under a statewide Drought Watch.

Secretary's Report – Mr. Blomquist reporting

DEMEC:

- The Annual Board Retreat was July 29th. Updates to the 2021-2026 Strategic Plan, corporate roles, and the Joint Registration Organization (JRO) Agreement for NERC Reliability Standards were discussed. They also discussed HB445 which regulates large energy use facilities.
- Messrs. Blomquist and Natale attended the August 13th DEMEC meeting.
- Demand January through May was 3.1% higher than the same period of 2025.
- Unrestricted Cash: \$85.5 M, which was \$2.6M over the new target of \$83.4M.
- RSR Balance: \$52M, which was 18.3% higher than May of 2025.
- Total Cash on Hand: 142 days.
- Income for May: \$125.2M, which is \$25.7M more than 2025.

- Beasley Unit 1 ran 44 hours in May. Beasley Unit 2 ran 65 hours in May.
- Mark Pryor, DEMEC Operations & Compliance Administrator, reviewed the Regional Greenhouse Gas Initiative (RGGI) Program, which is a plan to phase out fossil fuel; and in which the State requires everyone to participate. Mr. Blomquist explained how the program works, noting that there is some discussion about exiting the program, which would require State approval. He stated that MSC would support the decision to exit the program.
- Under-Frequency Load Shedding was discussed. Mr. Blomquist noted that there have been some changes on the NERC side and compliance testing and reporting that is required. Instead of each utility doing this individually, DEMEC will do the compliance reporting for them. Mr. Blomquist will keep the Board updated.
- Notices were mailed to customers. They were sent to the City Administrator, who passed them on to City Council and uploaded them to the City website.

Public Comment

There were no comments from the public.

Next Regular Meeting

The Commissioners set the September Board meeting to be Thursday, September 24, 2026, at 9:00 a.m.

A motion to adjourn was made by Commissioner Atherton and seconded by Mayor Leary. The motion passed unanimously and the meeting adjourned at 10:34 a.m.



Kathleen R. Weirich

Stenographer

Approved: 

Comptroller/Treasurer's Report

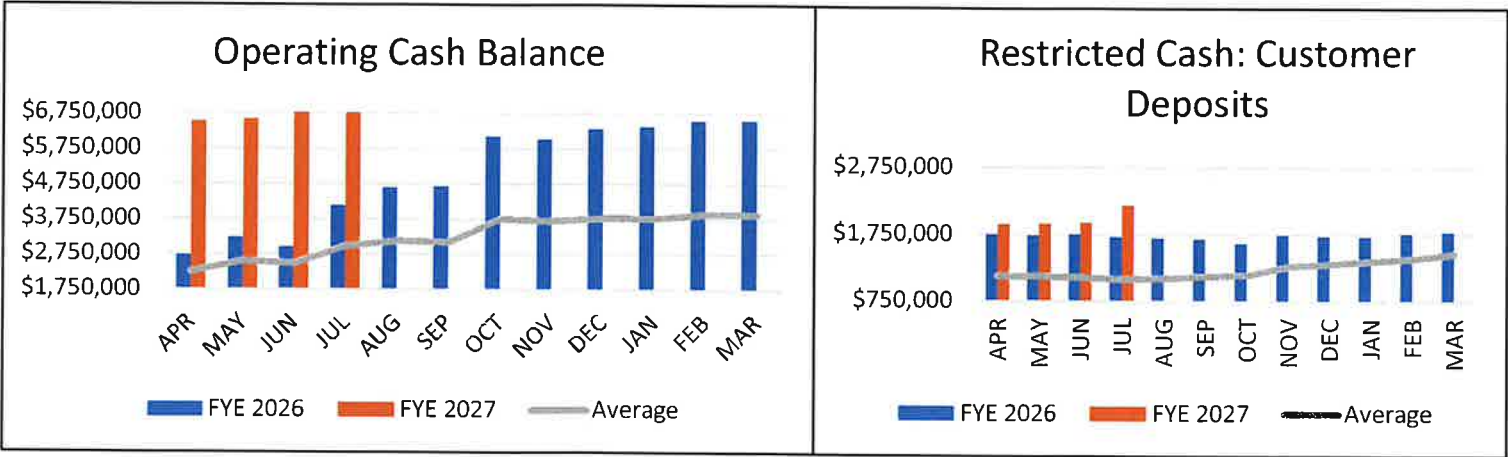


**Municipal Services Commission
of the City of New Castle**

ash & Investments

As of July 31, 2026 the cash balances were:

M&T Bank - Checking	\$	586,014
M&T Investment Sweep		6,493,457
M&T Bank - Restricted		1,923,750
Petty Cash/Change Fund		899
Total Cash on Hand	\$	9,004,120



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

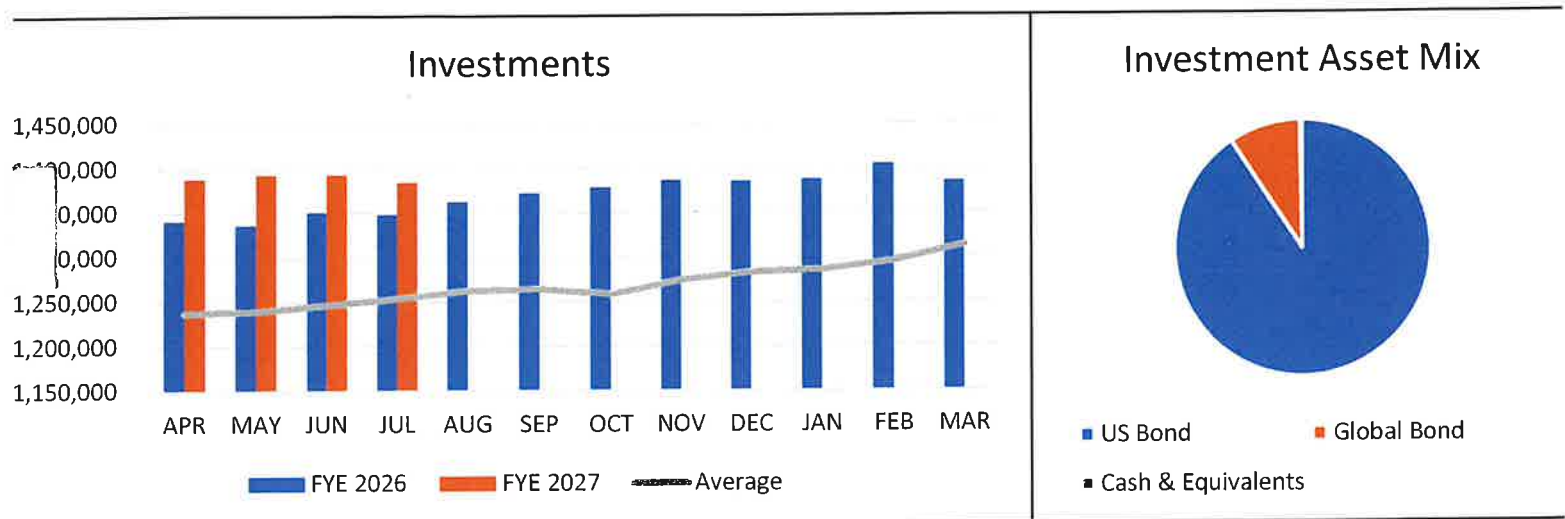
Beginning Balance	\$	7,016,210
Cash from customers		1,744,222
Interest Income		19,407
Grant Revenue/Bond Proceeds/Settlements		-
Refunds to customers - deposits		(5,000)
Payments to suppliers for goods & services		(1,521,288)
Bank service fees		(2,545)
Payments to employees for services		(170,636)
Net Cash Provided (Used)		64,160
Ending Cash Balance	\$	7,080,370

s of July 31, 2026 the value of the Commission's investment portfolio totaled \$1,383,876 which is a net loss of \$9,051 (.65%) from the prior month.

ie 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 (GTX) which currently pays 3.57% interest and has a stable net asset value of \$1.00.

verall, there were 195 days unrestricted cash on hand at July 31 (-4 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 including cash due to developers not held in restricted accounts. The water utility had 302 days unrestricted cash on hand (-33 days from the prior month) while the electric utility had 158 days unrestricted cash on hand (+5 days from prior month).

hen the Commission adopts the methodology of the cash reserve study, days cash will be calculated based on budgeted operating expenses only (does not include depreciation). This would have resulted in days cash being reported as 230 days overall, 479 days for water and 172 days for 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		\$ 4,212	0.40%
PGIM Total Return Bond CL A	PDBAX	230,625	4.29%
Fidelity Advisor Total Bond CL	FEPIX	370,887	4.32%
T Rowe Price Global Multi Sector Bond I	PGMSX	124,589	4.95%
Vanguard Intermediate Term Treasury	VFIUX	151,035	4.04%
iShares Trust 1-3 Year Treasury Bond EFT	SHY	502,528	3.68%
Total		\$ 1,383,876	4.10%

July 2026 Check Register

Date	Number	Vendor Name	Amount
07/13/2026	202580	Southern Corrosion Inc	\$ 82,140.43
07/14/2026	202581	Antonio's Lawn Service	2,570.00
07/14/2026	202582	Artesian Water Co Inc	2,434.15
07/14/2026	202583	CENTURY ENGINEERING A KLEINFELDER CO	308.00
07/14/2026	202584	Delmarva Power	138.61
07/14/2026	202585	DEMEC Inc	1,112.13
07/14/2026	202586	DESIGN MANAGEMENT GROUP LLC	6,000.00
07/14/2026	202587	FALCON TECHNICAL SERVICE INC	860.00
07/14/2026	202588	Hoober Inc	172.45
07/14/2026	202589	JanPro Cleaning Systems of Delaware	620.00
07/14/2026	202590	Kathleen R Weirich	172.50
07/14/2026	202591	MADDOX INDUSTRIAL TRANSFORMER LLC	32,688.12
07/14/2026	202592	Patricia Malloy	210.27
07/14/2026	202593	Reliable Equipment &	22.00
07/14/2026	202594	RPW SOLUTIONS LLC	945.00
07/14/2026	202595	Sunbelt Rentals Inc.	572.07
07/14/2026	202596	Tyler Technologies Inc.	1,222.50
07/14/2026	202597	Wesco Receivables Corp.	3,322.27
07/17/2026	202598	Council 81	422.10
07/17/2026	202599	MADDOX INDUSTRIAL TRANSFORMER LLC	2,445.63
07/17/2026	202600	Pennoni Associates Inc.	889.75
07/17/2026	202602	Trans Union LLC	442.93
07/31/2026	202603	Artesian Water Co Inc	2,425.25
07/31/2026	202604	Austin & Pruitt Fire	627.80
07/31/2026	202605	Clark & Sons Inc	270.00
07/31/2026	202606	Consult Dynamics Inc DCA Net	20.00
07/31/2026	202607	Contractors Materials LLC	349.89
07/31/2026	202608	Delta Dental of Delaware Inc	1,807.04
07/31/2026	202609	Ferguson Enterprises Inc	3,000.00
07/31/2026	202610	Kathleen R Weirich	172.50
07/31/2026	202611	Kendall Electric INC	2,189.02
07/31/2026	202612	KMP Mechanical	380,279.30
07/31/2026	202613	MUELLER WATER PRODUCTS INC	2,322.00
07/31/2026	202614	NuCar Parts Distributors	103.60
07/31/2026	202615	POWER SYSTEM ENGINEERING INC	4,550.00
07/31/2026	202616	SPL Suburban Testing Labs Inc	747.50
07/01/2026	DFT0002925	Department of Human Resources Financial Servi	49,248.58
07/02/2026	DFT0002946	T. ROWE PRICE RETIREMENT PLAN SERVICE INC	6,826.29
07/02/2026	DFT0002949	United States Treasury	21,427.02
07/07/2026	DFT0002951	United States Treasury	448.60
07/16/2026	DFT0002952	BRINKS CAPITAL	989.39
07/13/2026	DFT0002954	Nationwide Life Ins. Co. of America	23,895.08
07/03/2026	DFT0002957	M&T ONE CARD	20,914.74
07/17/2026	DFT0002961	T. ROWE PRICE RETIREMENT PLAN SERVICE INC	6,730.51
07/17/2026	DFT0002964	United States Treasury	21,715.39

July 2026 Check Register (Continued)

Date	Number	Vendor Name	Amount
07/17/2026	DFT0002966	DEMEC Inc	720,700.76
07/15/2026	DFT0002967	Pitney Bowes Purchase Power	10,000.00
07/17/2026	DFT0002969	M&T ONE CARD	23,292.60
07/31/2026	DFT0002971	Principal Financial Group	282.65
07/20/2026	DFT0002974	Principal Financial Group	2,417.58
07/31/2026	DFT0002975	T. ROWE PRICE RETIREMENT PLAN SERVICE INC	6,804.15
07/31/2026	DFT0002977	Delaware Div. of Revenue	4,421.32
07/31/2026	DFT0002978	United States Treasury	21,554.55
07/31/2026	DFT0002979	COMPTROLLER OF MARYLAND	2,156.94
07/29/2026	DFT0002980	Delaware Div. of Revenue	24,127.00
07/31/2026	DFT0002982	M&T ONE CARD	14,759.62

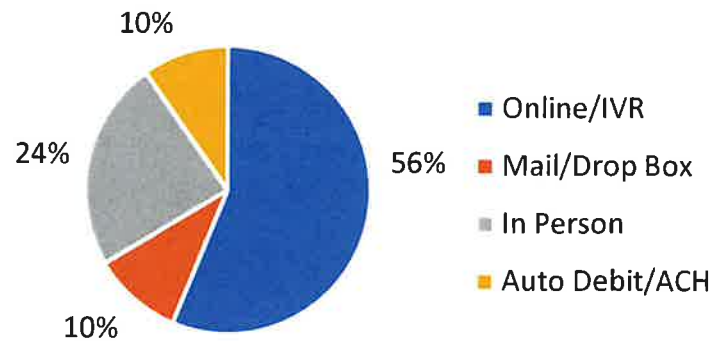
Total Payments	\$	1,521,287.58
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Customer Service/Billing

Since the previous meeting, the Customer Service Department processed:

Bills mailed	2,738
Delinquent & Past Due Notices	401
Automated phone notifications	874
Payment arrangements	11
Contracts	3
Service cuts for non-payment	39
Accounts sent to collections	6
Bad debt write-offs	\$ -
Applications for service	16

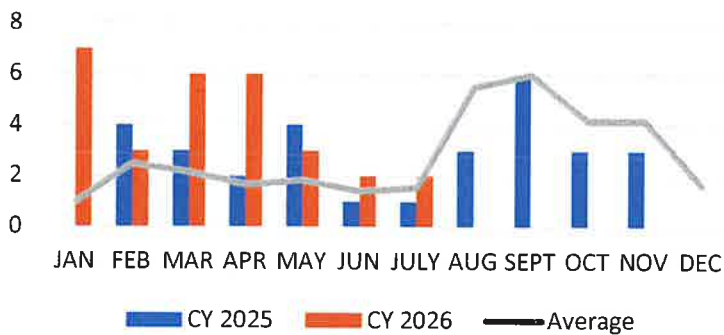
Customer Payment Method Utilization



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 July, the fund assisted 2 customers with an average amount of \$189. The maximum allowed by the program is \$400. The current balance in the fund is \$7,496.

Households Receiving Assistance



Average Assistance Per Household

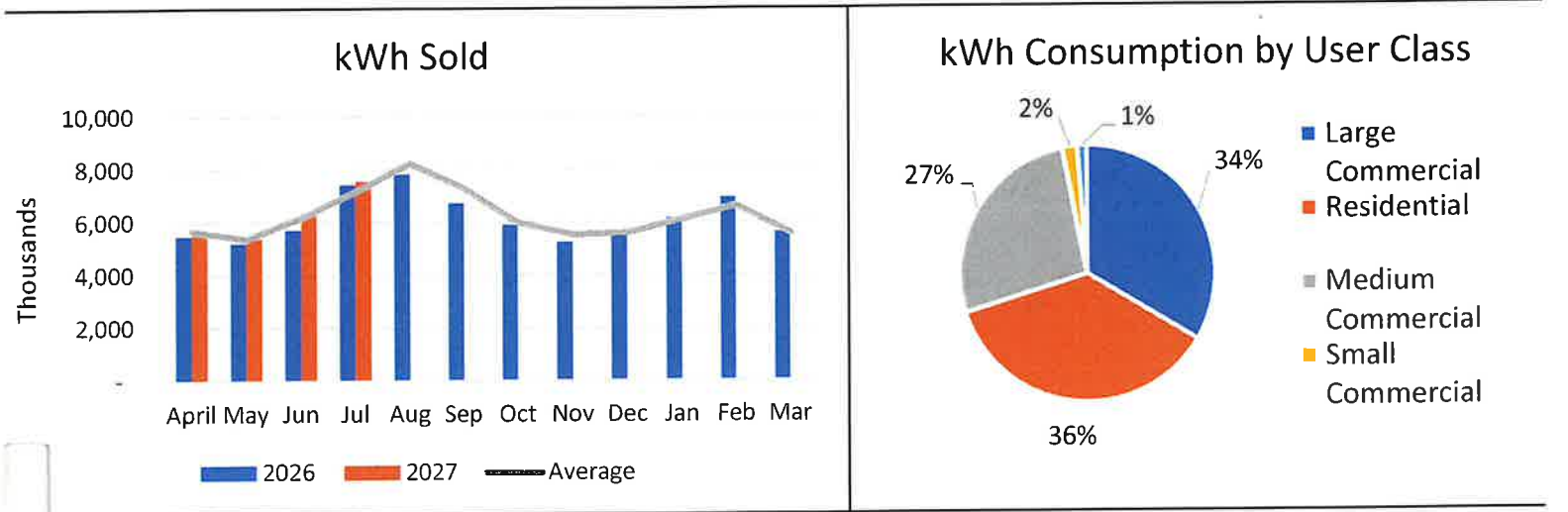


In addition to assistance provided through the New Castle Cares Fund, 4 customers received approximately \$245 from other agencies or nonprofits that provide assistance for utility bills.

venues

er charges are \$260,000 above budget fiscal year to date. July kWh sales were 1.68% higher compared to the sam
d last year. Consumption for the month was 5.41% higher then the average for July. Fiscal year to date, consumptic
.56% higher then the prior year to date and 2.21% higher then the average consumption fiscal year to date. Th
ge in consumption can be attributed to warmer and drier weather conditions compared with the prior year.

ie latest statewide residential rate comparison completed by DEMEC shows that MSC's residential electric rate is th
west in the state. MSC's residential rate is 32.3% lower than Delmarva Power and 6.6% lower than the Delawar
ectric Co-op.



spenses

ectric operating expenses have an unfavorable variance of \$69,000 on the budgetary basis. Significant variances ar
sted 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.

ter accounting for non-operating revenues and expenses, there is an increase in net position on the budgetary basis
is \$18,000.

hen converting from the budgetary basis of accounting to generally accepted accounting principles there is a de
net position to \$59,000 which is the result of non-cash transactions, such as depreciation and changes in compensa
nces as well as converting capital outlays to capital assets and reducing the outstanding debt on the Statement
osition.

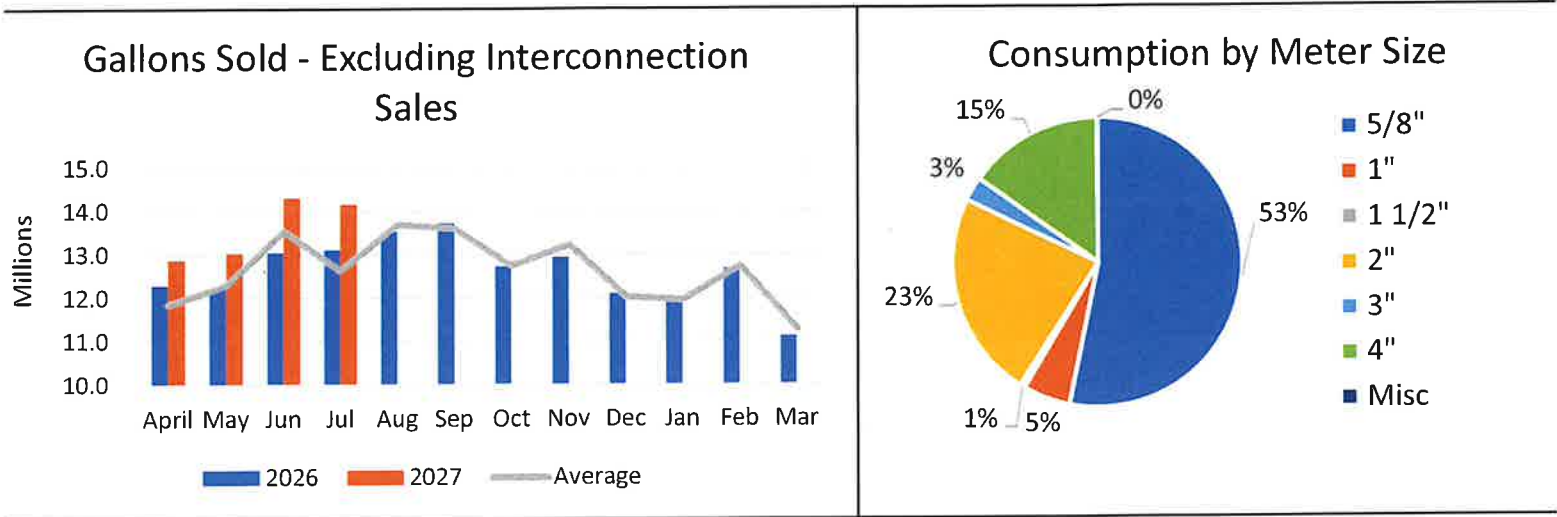
Municipal Services Commission
Budget to Actual Comparison (non GAAP) - Electric

As of July 31, 2026

	YTD Budget	YTD Activity	Variance	Total Budget
Operating Revenues				
User Charges	3,538,664	3,798,936	260,272	10,946,000
City & MSC Services	13,814	13,753	(61)	41,200
Miscellaneous Income	22,809	26,449	3,640	607,466
Total Operating Revenues	3,575,287	3,839,138	263,851	11,594,666
Less: Free Service	2,220	1,157	1,063	8,000
Net Operating Revenues	3,573,067	3,837,981	264,914	11,586,666
Operating Expenses				
<i>Operations Dept</i>				
Purchase of electric for resale	2,461,329	2,663,396	(202,067)	7,529,304
Salaries and benefits	445,701	393,659	52,042	1,412,682
Professional fees	3,832	6,031	(2,199)	33,302
Repairs and maintenance	35,340	38,009	(2,669)	269,862
Other purchased services	31,766	29,138	2,628	57,150
Supplies and materials	13,166	13,659	(493)	49,061
Depreciation	-	-	-	-
Total operations	2,991,134	3,143,892	(152,758)	9,351,361
<i>General & administrative</i>				
Salaries and benefits	221,394	207,363	14,031	696,527
Professional fees	126,196	56,489	69,707	253,970
Repairs and maintenance	10,398	6,795	3,603	27,567
Other purchased services	18,401	28,505	(10,104)	49,095
Supplies and materials	4,510	3,257	1,253	14,410
Miscellaneous	5,000	12,091	(7,091)	10,000
Depreciation	-	-	-	-
Debt Service	62,189	50,163	12,026	154,379
Total general & administrative	448,088	364,663	83,425	1,205,948
Total operating expenses	3,439,222	3,508,555	(69,333)	10,557,309
Operating Income	133,845	329,426	195,581	1,029,357
Nonoperating revenue(expense)				
Investment income	47,026	55,421	8,395	153,450
Investment expense	(1,943)	(1,479)	464	(4,000)
Unrealized gain(loss) on investments	-	(14,951)	(14,951)	-
Realized gain(loss) on investment	-	-	-	-
Gain(loss) on disposal of asset	-	-	-	-
Grant income	-	-	-	-
Grant expense	-	-	-	-
Other Expense	-	(1,031)	(1,031)	-
Capital outlays	(215,770)	(78,553)	137,217	(533,807)
Appropriations				
Mayor and Council	(214,914)	(217,684)	(2,770)	(645,000)
City Services	-	(3,001)	(3,001)	-
Special	-	-	-	-
Contributed Capital	-	-	-	-
Total nonoperating revenue(expense)	(385,601)	(261,278)	124,323	(1,029,357)
Change in Net Position	(251,756)	68,148	319,904	-

Revenues

Water charges have a favorable variance of \$56,000 for the fiscal year to date. Consumption for the month of July was 12.08% higher from the same period last year. Consumption for the month was 12.08% higher than the average for July year to date, consumption is 7.22% higher than the prior year's fiscal year to date, and 8.01% 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 and a large commercial customer increased consumption.



Expenses

Operating expenses have a favorable year to date variance of \$21,000 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.
- Repairs & Maintenance show over budget due to timing of payment for tank Maintenance contract

After accounting for non-operating revenues and expenses, there is an increase in net position on the budgetary basis of \$180,000.

When converting from the budgetary basis of accounting to generally accepted accounting principles there is an increase in net position of \$787,000 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.

Municipal Services Commission
Budget to Actual Comparison (non GAAP) - Water

As of July 31, 2026

	YTD Budget	YTD Activity	Variance	Total Budget
Operating Revenues				
User Charges	987,507	1,042,987	55,480	3,011,600
City & MSC Services	11,751	12,217	466	37,000
Miscellaneous Income	8,498	695,692	687,194	891,225
Total Operating Revenues	1,007,756	1,750,896	743,140	3,939,825
Less: Free Service	1,353	848	505	4,000
Net Operating Revenues	1,006,403	1,750,048	743,645	3,935,825
Operating Expenses				
<i>Operations Dept</i>				
Purchase of water for resale	8,000	9,472	(1,472)	24,000
Salaries and benefits	404,749	384,614	20,135	1,301,139
Professional fees	19,458	8,264	11,194	62,300
Repairs and maintenance	83,009	129,761	(46,752)	245,901
Other purchased services	24,435	23,840	595	45,000
Supplies and materials	14,092	19,375	(5,283)	53,332
Depreciation	-	-	-	-
Total operations	553,743	575,326	(21,583)	1,731,672
<i>General & administrative</i>				
Salaries and benefits	129,653	124,780	4,873	403,337
Professional fees	78,339	42,566	35,773	217,622
Repairs and maintenance	9,082	5,552	3,530	23,973
Other purchased services	17,471	23,990	(6,519)	42,670
Supplies and materials	4,500	2,665	1,835	13,375
Miscellaneous	-	414	(414)	-
Depreciation	-	-	-	-
Debt Service	8,362	5,234	3,128	40,722
Total general & administrative	247,407	205,201	42,206	741,699
Total operating expenses	801,150	780,527	20,623	2,473,371
Operating Income	205,253	969,521	764,268	1,462,454
Nonoperating revenue(expense)				
Investment income	25,390	36,580	11,190	78,550
Investment expense	(243)	(261)	(18)	(500)
Unrealized gain(loss) on investments	-	(2,638)	(2,638)	-
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	-	(4,144)	(4,144)	-
Capital Outlays	(454,559)	(523,342)	(68,783)	(2,455,232)
Appropriations				
Mayor and Council	(58,643)	(59,288)	(645)	(176,000)
City Services	(14,652)	(16,326)	(1,674)	(45,000)
Special	-	-	-	-
Contributed Capital	-	-	-	-
Total nonoperating revenue(expense)	(502,707)	(589,402)	(86,695)	(1,462,454)
Change in Net Position	(297,454)	380,119	677,573	-

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

	2027	2026
ASSETS:		
Current assets:		
Cash and equivalents	\$ 7,080,370	\$ 4,126,151
Investments	1,383,876	1,348,053
Accounts receivable, net	1,452,183	1,913,033
Inventories	1,231,757	1,169,435
Prepays	41,089	40,029
Restricted cash	1,923,750	1,709,641
Total current assets	13,113,025	10,306,342
Noncurrent assets:		
Capital assets not being depreciated:		
Land	43,796	43,796
Construction in progress	1,125,153	175,392
Capital assets net of accumulated depreciation:		
Buildings	617,513	633,454
Equipment	1,038,055	742,614
Infrastructure	19,067,354	15,954,966
Total noncurrent assets	21,891,871	17,550,222
Total assets	35,004,896	27,856,564
DEFERRED OUTFLOWS OF RESOURCES		
Pension	305,710	501,638
Total deferred outflows	305,710	501,638
LIABILITIES		
Current liabilities:		
Accounts payable	929,161	1,165,912
Accrued liabilities	21,449	56,947
Customer Deposits	2,182,076	2,271,473
Total current liabilities	3,132,686	3,494,332
Noncurrent liabilities:		
Due to other funds	-	-
Due within one year	163,861	109,529
Due in more than one year	2,270,025	2,754,984
Total noncurrent liabilities	2,433,886	2,864,513
Total liabilities	5,566,572	6,358,845
DEFERRED INFLOWS OF RESOURCES		
Pension	464,218	309,547
Total deferred inflows	464,218	309,547
NET POSITION		
Net investment in capital assets	20,717,060	16,559,892
Unrestricted	8,562,756	5,129,918
Total net position	\$ 29,279,816	\$ 21,689,810

Municipal Services Commission
Statement of Revenues, Expenses and Changes in Net Position
For the 4 months ending July 31, 2026 and 2025

	2027	2026
Operating Revenues:		
Water sales	\$ 1,055,204	\$ 1,026,603
Power sales	3,812,688	3,654,515
Miscellaneous	716,967	961,717
Total operating revenues	5,584,859	5,642,835
Less: free service	(2,005)	(4,220)
Net operating revenues	5,582,854	5,638,615
Operating Expenses		
Purchase of water and power	2,672,868	2,620,487
Salaries and benefits	1,047,150	1,072,960
Repairs and maintenance	139,402	180,555
Professional fees	133,333	213,222
Supplies	38,956	42,574
Other purchased services	105,473	88,011
Miscellaneous	12,505	33,878
Depreciation	474,885	437,584
Total operating expenses	4,624,572	4,689,271
Operating income (loss)	958,282	949,344
Noncapital subsidies		
Intergovernmental	-	-
Appropriations to Mayor & Council of New Castle:		
Ordinary	(276,972)	(269,406)
City & Trustee Services	(19,327)	(17,661)
Special		
Total noncapital subsidies	(296,299)	(287,067)
Operating income(loss) and noncapital subsidies	661,983	662,277
Other nonoperating revenues (expenses):		
Investment earnings	72,673	43,373
Gain(loss) on disposal of fixed assets	-	-
Grant revenue - restricted for capital assets	-	-
Capital contributions	-	-
Special appropriation - capital related	-	-
Interest expense	(6,206)	(5,121)
Total other nonoperating revenues (expenses)	66,467	38,252
Increase (decrease) in net position	728,450	700,529
Net position - beginning	28,551,366	20,989,281
Net position - ending	\$ 29,279,816	\$ 21,689,810

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

	Water		Electric		Total	
	2027	2026	2027	2026	2027	2026
Plant assets:						
Land and equivalents	\$ 3,298,280	\$ 5,138	\$ 3,782,090	\$ 4,121,013	\$ 7,080,370	\$ 4,126,111
Accounts receivable, net	207,581	202,208	1,176,295	1,145,845	1,383,876	1,348,047
Inventory	846,695	998,540	605,488	914,493	1,452,183	1,913,031
Prepaid expenses	332,307	281,383	899,450	888,052	1,231,757	1,169,431
Restricted cash	11,285	11,671	29,804	28,358	41,089	40,031
Total current assets	4,696,148	1,498,940	1,923,750	1,709,641	1,923,750	1,709,641
Noncurrent assets:						
Land	43,796	43,796	-	-	43,796	43,796
Construction in progress	761,383	165,697	363,770	9,695	1,125,153	175,391
Capital assets net of accumulated depreciation:						
Buildings	280,950	288,272	336,563	345,182	617,513	633,454
Equipment	420,709	467,970	617,346	274,644	1,038,055	742,631
Infrastructure	11,499,591	8,769,297	7,567,763	7,185,669	19,067,354	15,954,961
Total noncurrent assets	13,006,429	9,735,032	8,885,442	7,815,190	21,891,871	17,550,242
Total assets	17,702,577	11,233,972	17,302,319	16,622,592	35,004,896	27,856,514
LIABILITIES AND FUND BALANCES						
Current liabilities:						
Accounts payable	129,242	223,882	176,468	277,756	305,710	501,631
Deferred outflows	129,242	223,882	176,468	277,756	305,710	501,631

(Continued)

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

	Water		Electric		Total	
	2027	2026	2027	2026	2027	2026
LIABILITIES						
Current liabilities						
Accounts payable	35,724	49,228	893,437	1,116,684	929,161	1,165,914
Accrued liabilities	21,449	25,626	-	31,321	21,449	56,947
Customer Deposits	261,704	188,825	1,920,372	2,082,648	2,182,076	2,271,417
Due to other funds	-	-	-	-	-	-
Total current liabilities	318,877	263,679	2,813,809	3,230,653	3,132,686	3,494,381
Noncurrent liabilities:						
Due within one year	23,784	24,937	140,077	84,592	163,861	109,529
Due in more than one year	1,083,251	1,231,838	1,186,774	1,523,146	2,270,025	2,754,914
Total noncurrent liabilities	1,107,035	1,256,775	1,326,851	1,607,738	2,433,886	2,864,514
Total liabilities	1,425,912	1,520,454	4,140,660	4,838,391	5,566,572	6,358,895
NET INFLOWS OF RESOURCES						
Commission	215,551	140,839	248,667	168,708	464,218	309,547
Deferred inflows	215,551	140,839	248,667	168,708	464,218	309,547
POSITION						
Investment in capital assets	12,496,000	9,153,733	8,221,060	7,406,159	20,717,060	16,559,892
restricted	3,694,356	642,828	4,868,400	4,487,090	8,562,756	5,129,946
Net position	\$ 16,190,356	\$ 9,796,561	\$ 13,089,460	\$ 11,893,249	\$ 29,279,816	\$ 21,689,838

Municipal Services Commission
Combining Statement of Revenues, Expenses and Changes in Net Position
For the 4 months ending July 31, 2026 and 2025

	Water		Electric		Total	
	2027	2026	2027	2026	2027	2026
Operating Revenues:						
Charges for services	\$ 1,055,204	\$ 1,026,603	\$ 3,812,688	\$ 3,654,515	\$ 4,867,892	\$ 4,681,111
Miscellaneous	691,549	737,097	25,418	224,620	716,967	961,717
Capital operating revenues	1,746,753	1,763,700	3,838,106	3,879,135	5,584,859	5,642,818
Less: free service	(848)	(1,222)	(1,157)	(2,998)	(2,005)	(4,212)
Operating revenues	1,745,905	1,762,478	3,836,949	3,876,137	5,582,854	5,638,613
Operating Expenses						
Purchase of water and power	9,472	8,841	2,663,396	2,611,646	2,672,868	2,620,411
Salaries and benefits	466,226	480,068	580,924	592,892	1,047,150	1,072,911
Repairs and maintenance	94,598	128,827	44,804	51,728	139,402	180,511
Professional fees	70,813	112,407	62,520	100,815	133,333	213,211
Supplies	22,040	26,132	16,916	16,442	38,956	42,511
Other purchased services	47,830	41,231	57,643	46,780	105,473	88,011
Miscellaneous	414	9,339	12,091	24,539	12,505	33,811
Depreciation	205,004	187,277	269,881	250,307	474,885	437,511
Capital operating expenses	916,397	994,122	3,708,175	3,695,149	4,624,572	4,689,211
Operating income (loss)	829,508	768,356	128,774	180,988	958,282	949,341

(Continued)

UNAUDITED

Municipal Services Commission
Combining Statement of Revenues, Expenses and Changes in Net Position
For the 4 months ending July 31, 2026 and 2025

	Water		Electric		Total	
	2027	2026	2027	2026	2027	2026
ncapital subsidies						
Intergovernmental	-	-	-	-	-	-
Appropriations to Mayor & Council of New Castle:						
Ordinary	(59,288)	(57,223)	(217,684)	(212,183)	(276,972)	(269,401)
City & Trustee Services	(16,326)	(15,277)	(3,001)	(2,384)	(19,327)	(17,661)
Special						
Capital noncapital subsidies	(75,614)	(72,500)	(220,685)	(214,567)	(296,299)	(287,061)
Operating income(loss) and noncapital subsidies	753,894	695,856	(91,911)	(33,579)	661,983	662,276
Other nonoperating revenues (expenses):						
Investment earnings	33,681	6,889	38,992	36,484	72,673	43,367
Gain(loss) on disposal of fixed assets	-	-	-	-	-	-
Grant revenue - restricted for capital assets	-	-	-	-	-	-
Capital contributions	-	-	-	-	-	-
Special appropriations - capital related	-	-	-	-	-	-
Interest expense	(350)	-	(5,856)	(5,121)	(6,206)	(5,171)
Capital other nonoperating revenues (expenses)	33,331	6,889	33,136	31,363	66,467	38,296
Change (decrease) in net position	787,225	702,745	(58,775)	(2,216)	728,450	700,529
Net position - beginning	15,403,131	9,093,816	13,148,235	11,895,465	28,551,366	20,989,201
Net position - ending	\$ 16,190,356	\$ 9,796,561	\$ 13,089,460	\$ 11,893,249	\$ 29,279,816	\$ 21,689,830

Water Department Commission Meeting Report

August 20, 2026

Prepared by: Jay Guyer on August 13, 2026

Executive Summary of the August 20, 2026 Water Department Commission Report

Summary

- Water system operations remained stable during July 2026.
- No planned or unplanned water outages occurred during the month.
- No significant equipment issues were reported.
- Required water quality sampling, maintenance, safety, and regulatory activities continued.
- Major infrastructure and development projects continue to progress.
- The School Lane PFAS Treatment System remains the most significant operational and capital project requiring management attention.
- Statewide Drought Watch conditions continue, requiring ongoing monitoring of water supply and aquifer conditions.

Developer Projects

- **Riverbend Subdivision** - Phase 3 water main and service installation has been completed. WUM Guyer will update the plans and submit them to the Office of Engineering for Approval to Operate. Phase 3 water main costs will be reviewed and the \$252,261.09 escrow balance reconciled. Lennar continues construction on Phase II lots, with anticipated buildout in October 2026. Ryan Homes has begun construction of its model home and estimates approximately 45 days for new home delivery. MSC met with Ryan Homes to review water service applications, escrow requirements, inspections, meters, and bacteria testing. Freedom Development plans to deliver Phase 3 lots to Ryan Homes by the end of August 2026. Phase 4 has been purchased by Ryan Homes. The railroad flagging/signaling and track-control coordination process remains outstanding. Freedom Development has not responded to outstanding requests for information. MSC has advised Freedom Development that the interconnection must be completed before Phase 4 water main construction can begin.
- **Delaware Street Railroad Crossing** - Railroad construction remains scheduled for Spring 2027. RE Pierson submitted a \$298,300 proposal for the water main work. The proposal assumes approval of a road-closure detour. MSC provided required information to DelDOT and received the Utility Permit. A meeting with DelDOT's Traffic Engineer and RE Pierson was scheduled for August 14, 2026, regarding the requested detour.
- **William Penn High School Sports Complex** revised utility plans were received, reviewed and comments returned.
- **Other Developer Projects** - No significant activity was reported for Deemers Landing, 610 West 7th Street Apartments, or The Battery Apartment Complex.
- **1004 Gray Street – Six Townhomes** - Foundation construction has begun. Water service applications, escrow requirements, and service inspections are being coordinated.

Water Department Commission Meeting Report

August 20, 2026

Prepared by: Jay Guyer on August 13, 2026

MSC Projects

- **Cross Connection Control** - HydroCorp issued second reminder notices for annual backflow testing/certification. MSC continues monitoring customer compliance and providing education. Centerpoint Park is coordinating replacement of an 8-inch fire-side backflow preventer.
- **East Basin Road Groundwater Superfund Site** - MSC reviewed EPA's draft presentation for the August 18, 2026 public meeting. MSC participated in a coordination meeting with EPA, DNREC, and Artesian. GM Blomquist, WUS Jaeger, and WUM Guyer plan to represent MSC at the public meeting.
- **PFAS Litigation** - MSC continues monitoring 3M/DuPont and Tyco/BASF litigation and settlement matters. The 3M Third Settlement payment has been cleared for payment. Settlement calculations were reviewed and accepted. Payment Attestation was executed and returned to counsel on July 17. Receipt of payment remains pending.
- **School Lane Treatment Facility Carbon Filter improvements** - Permanent PFAS treatment improvements are nearing completion. Interior coating repairs were completed. New vessel nozzles and VFD controls were installed. Carbon/resin installation is substantially complete. Some resin was lost during the slurry process; Calgon Carbon is arranging a makeup delivery. GAC Pump 1 started successfully and is operating as designed. GAC Pump 2 experienced startup issues and corrective work was performed. Pump 2 startup is scheduled for August 14, 2026. A substantial completion review is scheduled for August 19, 2026. WUM Guyer is submitting as-built information and requesting an Approval to Operate.
- **Temporary PFAS Carbon Filter System** - Routine testing identified PFAS breakthrough above federal and state maximum contaminant levels in the temporary carbon filtration system. MSC immediately shut down the temporary system. Water supply was transitioned to the Artesian interconnection. Expedited follow-up testing confirmed PFAS removal to non-detect levels. MSC coordinated with DNREC and the Office of Drinking Water regarding the issue. WUM Guyer is working with DNREC's engineer to determine the cause of the rapid breakthrough. MSC is coordinating removal of the temporary treatment system. A customer notification has been prepared for inclusion with August customer bills.
- **Lead Service Line Inventory** - Work has resumed to identify approximately 20% of MSC water services using predictive modeling. Operators continue updating GIS records. Work is being performed to maintain compliance with the revised EPA Lead and Copper Rule.
- **14th Street Water Main Extension** - Five homes were inspected for required water service upgrades. Phase 2 installation from the water main to curb stops is complete. **Three of five services** have been completed from curb stops into the homes. Remaining services will be completed then the existing 2-inch service on 13th Street will be abandoned and final paving will be completed. An amendment to the Utility Easement Agreement is under legal review.
- **Mueller Echoshore Leak Detection** - MSC completed installation of 18 permanent Mueller Echo Shore-DX leak detection nodes on downtown fire hydrants. All nodes have been tested and confirmed to be collecting and transmitting data. The system can be expanded to additional hydrants. WUM Guyer and WUS Jaeger will evaluate results and develop a long-term plan.

Water Department Commission Meeting Report

August 20, 2026

Prepared by: Jay Guyer on August 13, 2026

Operations

- Zero water outages were reported during July.
- Required bacteria and anion samples were collected.
- Long-term water cuts were inspected and verified to be turned off.
- Routine semi-annual PFAS sampling was completed.
- Riverbend was flushed twice to maintain chlorine residuals.
- No equipment issues were reported.
- Daily operator safety Tailgate Talks continued.
- Annual fire extinguisher inspections and certifications were completed in July with identified issues corrected.
- MSC continues its University of Delaware Civil Engineering internship program. The intern has received field exposure to wells, water service installation, Miss Utility locates, customer service, and operational procedures. The internship is scheduled to conclude August 21, 2026.
- Monthly DFIT safety meetings will resume in September 2026.

Regulatory and Agency Engagement

- **Water Supply Coordinating Council** - Delaware remains under a statewide Drought Watch. Recent rainfall has helped maintain streamflow's and keep the salt line below the Brandywine. Aquifer conditions remain a concern. Kent and Sussex County indicators are approaching Drought Warning conditions. Several Sussex County monitoring wells have not recovered. WSCC Drought Advisory Subcommittee meetings continue approximately every 2–3 weeks. Continued monitoring of water conditions and potential conservation requirements is warranted.

Water Department Commission Meeting Report

August 20, 2026

Prepared by: Jay Guyer on August 12, 2026

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 which was forwarded to Freedom Development (FD) and Civil Engineering Associates CEA). Due to no response from FD, WUM Guyer advised them the interconnection needs to be completed before Phase 4 water main work can be started. 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. MSC Representatives met with Ryan Homes Representatives to review the service application process, escrow money requirements, process of requesting inspections, water meter installation, and bacteria testing. Ryan Homes has started construction on their model home and estimates 45 days start to finish for their new home delivery. FD's contractor completed Phase 3 Water main and service installation. WUM Guyer will update the plans and submit them to the Office of Engineering (OOE) requesting an Approval to Operate. Phase 3 Water Main installation costs will be reviewed and the escrow funds of \$252,261.09 will be reconciled. FD plans to deliver Phase 3 building lots to Ryan Homes by the end of August 2026 then start Phase 4 which Ryan Homes has purchased.

B. Deemers Landing – Water Metering Project

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. Kleinfelder / Century Engineering (KE) discussed the project construction schedule confirming the railroad work is scheduled for the Spring 2027. WUM Guyer and WUS Jaeger discussed with KE contractors to do the work and reached out to RE Pierson (REP) who was interested in the project. WUM Guyer met with REP representatives onsite to review and walk the project area. REP provided a proposal for the sum of \$298,300.00 to complete the water main work with some assumptions including the State permitting a road closure detour around the site. KE reached out to Del DOT Engineering about the Utility Permit and WUM Guyer provided the requested information and received the Utility Permit. WUM Guyer discussed the detour permit request with KE who scheduled an August 14th meeting Del DOT's Traffic Engineer and REP to justify the detour request.

Water Department Commission Meeting Report

August 20, 2026

Prepared by: Jay Guyer on August 12, 2026

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

1. WUM Guyer reviewed the revised plans and forwarded comments to Becker Morgan Group Engineers (BM). WUM Guyer has had several follow up conference calls with BM to discuss water main and service location and layout.

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

1. WUM Guyer has no updates on this project.

G. 1004 Gray Street – 6 Townhomes

1. MSC Met with the builder to review the project including requirements for applying for water and electric service. The builder will apply for water service and forward costs for the water service installation so an amount to be escrowed can be created. Construction on the foundations has started and the builder will coordinate inspection of the 6 new water services.

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 educating them about MSC's Cross Connection Control Program and testing / certification / replacement requirements. Centerpoint Park is coordinating replacement of the fire side 8" backflow preventer device for Building 1600.

B. School Lane Water Treatment Facility PFAS Treatment System Improvements

1. MSC is on site as needed inspecting work performed by KMP and their sub-contractors. Southern Corrosion (SC) mobilized on July 16th to perform the interior coating repairs and completing them on July 19th. Calgon Carbon's crew completed installing the new nozzles and MSC Operators disinfected, filled, flushed, and bacteria tested both vessels. KMP's sub-contractor completed installing the new VFD Controls. Calgon Carbon (CC) was on site August 7th completing the carbon / resin installation. A problem with the slurry process resulted in some resin loss. CC is scheduling a make-up delivery of resin to be slurried in before system start up. Following routine PFAS testing on the Temporary Carbon Filter System, it was discovered PFAS contaminants were passing through the filter above the Federal and State Maximum Contaminant Level. MSC immediately shutdown the temporary system and started using the Artesian Interconnection to supply water to our system. Follow up rush sampling was completed to confirm the PFAS chemicals were being removed to non-detect levels. WUM Guyer followed up with Department of Natural Resources & Environmental Control (DNREC) and Office of Drinking Water (ODW) who loaned the temporary

Water Department Commission Meeting Report

August 20, 2026

Prepared by: Jay Guyer on August 12, 2026

system to MSC. A Customer Notice has been drafted, reviewed and will be included in the August bills to customers. WUM Guyer is working with DNREC's engineer to determine why the temporary system experienced breakthrough so quickly and is coordinating with KMP for the matting and removal of the temporary filter system. KMP, Schneider Electric VFD Rep, Beyers Electric, AC Schultes, Keystone Engineering, and MSC were on site August 11th for pump and VFD startup and testing. GAC Pump 1 started up without incident operating as designed and GAC Pump 2 experienced several issues. AC Schultes was back on-site August 12th to correct the pump issues. GAC Pump 2 start up is rescheduled for August 14th. A meeting to review substantial project completion is scheduled for August 19th to determine a system start up date. WUM Guyer is submitting as-built plans and project information to the Office of Engineering requesting an Approval to Operate be issued.

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 completed inspecting the 5 houses for water service upgrades. Phase 2 water service installation from the main to the curb stop was completed the week of July 13th. Operators have completed installing 3 of the 5 services from the curb stop into the house. When service installation is completed, the existing 2" service on 13th Street will be abandoned and final paving on 13th and 14th street will be scheduled. WUM Guyer is reviewing a draft amendment to the original Utility Easement Agreement from MSC's attorney. A final draft will be sent to McConnell Development for review / comment / execution.

3. Operations

A. Outages

1. There were no planned and no unplanned water outages for the month of July 2026. See attached Outage Report.

B. Reporting

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

Water Department Commission Meeting Report

August 20, 2026

Prepared by: Jay Guyer on August 12, 2026

2. STRIDE Group EPA Grant – STRIDE’s Lead Research Engineer and several scientists continue using MSC water supply for pilot system studies. WUM Guyer has no updates on this project.
3. US EPA East Basin Road Groundwater Superfund Site – WUM Guyer received a draft copy of EPA’s presentation for the August 18th public meeting. It was reviewed and comments returned to the new Remedial Investigator. MSC, Artesian, DNREC, and EPA Representatives had a virtual meeting on August 7th to review presentation comments and discuss the public meeting. EPA indicated they would like Representatives from both MSC and Artesian to attend the meeting. GM Blomquist, WUS Jaeger, and WUM Guyer will plan to attend for MSC.
4. Esri Water System Mapping and Vertical Asset Management Project - MSC received the Planning Grant Purchase Order from the DWSRF group and had a planning meeting with Pennoni Associates (PA) to start working on mapping our vertical assets. Information to be included in the mapping and formatting was discussed.
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 reviewed the settlement calculations and agreed with the quantities presented. The Payment Attestation was executed and returned to the attorney on July 17th. Receipt of payment is pending.
6. City Ordinance Requiring Residential Fire Sprinklers – WUM Guyer continues reviewing MSC’s requirements for residential fire sprinkler water services. WUM Guyer reached 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. WUM Guyer received a draft determination letter from our attorney and is reviewing. MSC will review options and make a recommendation on revising our Technical Water Specifications and Standard Water Details.
7. American Water Infrastructure Act – WUM Guyer is reviewing and updating MSC’s Emergency Response Plan (ERP). The Certification Statement is due to the EPA by December 31st. EPA reserves the right to request a copy of the documents.
8. Distribution System Monitoring and Leak Detection – MSC completed installing the Mueller Echo Shore – DX Permanent Leak Detection nodes on 18 fire hydrants in the downtown area to monitor the oldest mains in the distribution system. The leak detection system is configured, tested, and confirmed all nodes are collecting and

Water Department Commission Meeting Report

August 20, 2026

Prepared by: Jay Guyer on August 12, 2026

transmitting data. MSC received our Simulation and Commissioning Report from Mueller. The system is scalable by adding additional nodes to hydrants expanding the monitoring area. WUM Guyer and WUS Jaeger will evaluate the system and develop a long-term plan for future deployments.

9. 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. The representative provided information they have on file for MSC's water system. WUM Guyer is updating the information in their system.

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 July were checked and verified to be turned off.
 - c. Operators collected water samples for routine semi-annual PFAS testing. See comments above related to the results.
2. Riverbend Subdivision - Flushed on July 14th and 28th to maintain Chlorine residual.

D. Equipment

1. No equipment issues to report.

E. Personnel and Training

1. MSC Water Operations accepted a University of Delaware Civil Engineering Student intern to explore the water profession. Kyle Robinson started on June 29th and was oriented to 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.

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. Annual Fire Extinguisher Inspection & Certification - Austin & Pruitt Fire Safety performed the annual inspection and certification for all MSC fire extinguishers. Problems detected were documented and corrected.

Water Department Commission Meeting Report

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3. DFIT Safety Meetings – Summer Break, monthly safety meetings will resume in September 2026.

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 voluntary conservation.
3. The next New Castle County WSCC Subcommittee meeting is pending.
4. The July 14th and 28th WSCC Drought Advisory Subcommittee meeting went well. Members received updates on water conditions and weather forecasts for the state and region. Recent rains have helped to maintain stream flow levels and keep the salt line below the Brandywine but has done little to help the aquifers. Drought watch conditions persist with Kent and Sussex County indicators close to Drought Warning. Several monitoring wells in Sussex County have not recovered. Sub Committee Meetings will continue being scheduled every 2-3 weeks due to the Governors State Wide Drought Watch being declared. The next meeting is scheduled for August 13th.

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 September, date TBD.

D. Water Operator Advisory Council

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

End of Report

Monthly Water Works Report

July 1 - 31, 2026

Prepared By: Jay Guyer on August 13, 2026

Water Production	FT 300					
	Raw		Adjusted Finished		Gallons	
	Total Gallons		Total Gallons			
	July	2025	12,975,200	12,833,993	Raw	14,275,600
	July	2025	14,275,600	14,326,404	Finished	14,326,404
Difference			1,300,400	1,492,411	Difference	50,804
Percentage Difference			9.1	10.4	Percentage Difference	-0.4
Note: School Lane Carbon Filtration System is OOS for conversion to hybrid carbon and anion resin system. Filters were washed, prepped, exteriors painted, interiors repaired, filled disinfected, and bacteria tested.						
Well(s) in Operation Days Pumped	Basin Road		Frenchtown Road		School Lane	
	Reserve Status		XXX		Resting	
			31		Resting	
Water Quality	MSC Average		Goal / Target Level		Range	
	Average Chlorine Residual		1.37 ppm		1.0 - 4.0 ppm	
	Average pH		7.7		6.5 - 8.5 on a 0 - 14 Scale	
General Water System Report	Average Fluoride Residual		0.75 ppm		0.60 - 1.00 ppm	
	Routine Bacteria Sampling (Office of Drinking Water)		# Collected Results		10 10 Absent 0 Present	
	Miss Utility Locate Requests (Water and Electric Locates)		# Received # Completed # of Damages		69 69 0	
Building Permit Review (Water Related Conflicts)		# Reviewed # Approved # Not Approved		Data not available Data not available Data not available		

Monthly Water Outages / Interruptions Report

July 1 - 31, 2026

Prepared By: Jay Guyer on August 13, 2026

Planned Outage / Interruptions

Date	Approximate Duration Hours / Minutes	Location	No. of Customers	Comments
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No Planned Outages or Interruptions for the Month of July 2026.

Unplanned Outage / Interruptions

Date	Approximate Duration Hours / Minutes	Location	No. of Customers	Comments
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No Unplanned Outages or Interruptions for the Month of July 2026.

ELECTRIC DEPARTMENT COMMISSION REPORT

August 20, 2026

Prepared by Artie Granger on August 12, 2026

1. Developer Projects:

A. Riverbend Subdivision:

- I. MSC is working with Freedom to either get escrow funds or bonding for the next phase.
- II. MSC expects the electrical infrastructure installation to begin shortly.
- III. MSC has been providing inspections for Lennar's contractor who is making connections.
- IV. MSC is working with the next builder to make sure that they have what is needed to continue.
- V. MSC will install meters as requested.

2. Capital Projects:

a. Electric Mapping System

- I. There is nothing new to report.
- II. PSC Continues to work on the data migration and conversions.
- III. MSC has moved forward with getting the ESRI mapping software.
- IV. 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.
- V. PSE continues to work on the data conversions.

b. Electric SCADA System

- I. MSC has worked with SEL Engineering and Utility Engineers to install the new SCADA equipment. SEL and Utility Engineers are planning on trying to get this completed within the next couple of weeks. Most of the equipment has been installed and configured.
- II. MSC has schedule progress meetings for this project.
- III. MSC will continue to provide required information to either SEL or our engineers to keep this project moving.

c. Wilmington Road Substation Upgrades

- I. There is nothing new to report on this.
- II. Cirrillo Brothers has removed the foundations.
- III. MSC is working with Utility Engineering to get the trough specified so we could possibly get trough ordered and installed.

ELECTRIC DEPARTMENT COMMISSION REPORT

August 20, 2026

Prepared by Artie Granger on August 12, 2026

- 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

ELECTRIC DEPARTMENT COMMISSION REPORT

August 20, 2026

Prepared by Artie Granger on August 12, 2026

3. Outages :

- MSC has had two outages this past month. One was caused by a bird and there were 7 customers out for 30 minutes. And one by a tree branch that caused 10 customers to lose power for about 75 minutes.

SAIDI (minutes)	SAIFI (number of interruptions)	CAIDI (minutes)	ASAI (percent)
36.98414	0.5974562	61.90268	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.

4. Repairs and Maintenance:

A. Roof Replacement

- I. MSC had Steele Roofing replace the roof on the utility building. This was completed the week of August 10th.

B. 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.

C. Wilmington Road Substation:

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

D. Dobbinsville Substation:

ELECTRIC DEPARTMENT COMMISSION REPORT

August 20, 2026

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- 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 at Dobbinsville and use that one.
 - II. The electric department has performed the monthly inspections at this location.
- E. **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.
 - III. MSC has started to transfer infrastructure to the new poles.
 - 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.
 - IV. MSC has been doing routine street light cleaning and maintenance. MSC will be repainting some of the street light poles that need it.
 - V. MSC has cleaned and repainted some of our stock transformers that were showing signs of fading and rusting.
 - VI. MSC has had some preliminary conversations with Delmarva and contractors about a couple of upgrade project in our area.
 - There has been no updates on this.
 - 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.
 - VII. MSC has been working with our office to get a work order module up and running.