

# Delmar Utility Commission

Budget  
Fiscal Year 2024



July 1, 2023 - June 30, 2024

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## INTRODUCTION

The Delmar Utility Commission, hereafter referred as Commission, is a joint venture of the Mayor & Commissioners of Delmar, MD and the Mayor & Council of Delmar, DE. The Commission is comprised of representatives from both elected bodies and a resident member from each town. As a separate legal entity and enterprise fund, the Commission has separate financial reporting from the Town of Delmar.

The Commission provides water and sewer service to residential and commercial properties in and limited area outside the Town incorporate boundaries of Delmar. Providing quality drinking water, promoting water conservation, managing wastewater collection/treatment, and establishing an equitable service fee structure are the major goals of the Commission. As the Commission monitors and controls expenses, they also must comply with state mandates such as fluoride in water and sewer emission limits. As a growing community, we are also presented with the task of increasing services through efficient and prudent use of available resources.

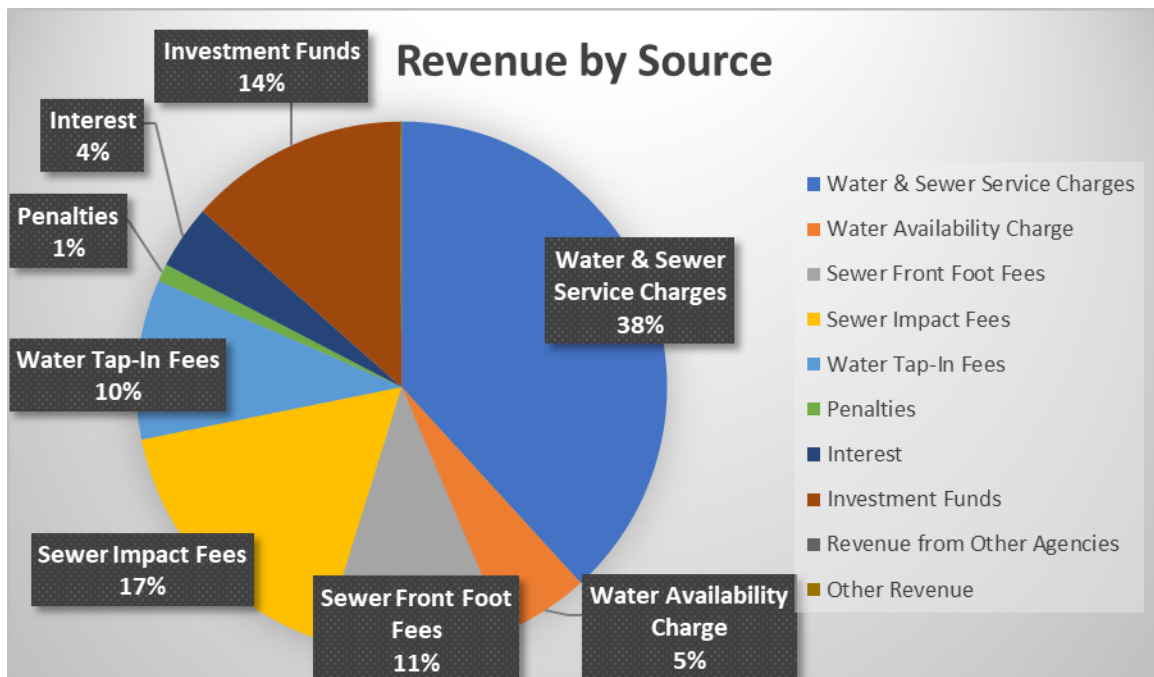
The financial highlights of the Commission are presented in the Budget Message. As a narrative introduction to the budget, the message provides concise and specific data accompanied with explanations of significant financial matters. The budget message is a tool for gaining a greater understanding of the Commission's financial position and improving participation in the budget process.

### **BUDGET 2023-2024**

Operating	\$ 2,978,215.00
Capital	\$ 725,472.00
<b>TOTAL</b>	<b>\$ 3,703,687.00</b>

## REVENUE BUDGET, by source

	Budget 2023-2024	Budget 2022-2023	Budget 2021-2022
Water & sewer service charges	\$ 1,415,504.00	\$ 1,406,100.00	\$ 1,380,000.00
Water availability charge	\$ 199,035.00	\$ 197,260.00	\$ 192,000.00
Sewer front foot fees	\$ 415,828.00	\$ 402,360.00	\$ 402,000.00
Sewer impact fees	\$ 630,000.00	\$ 805,000.00	\$ 350,000.00
Water tap-In fees	\$ 360,000.00	\$ 460,000.00	\$ 200,000.00
Penalties	\$ 40,000.00	\$ 30,000.00	\$ 30,000.00
Finance expense, net (interest)	\$ 144,000.00	\$ 3,500.00	\$ 4,200.00
Investment Funds	\$ 496,000.00	\$ -	\$ -
Revenue from other agencies	\$ -	\$ 1,663,427.00	\$ 998,051.00
Other revenue	\$ 3,500.00	\$ 3,000.00	\$ 3,000.00
<b>Total Revenues</b>	<b>\$ 3,703,867.00</b>	<b>\$ 4,970,647.00</b>	<b>\$ 3,559,251.00</b>



## BUDGET MESSAGE - REVENUES, by source

### WATER & SEWER SERVICE CHARGES:

The Delmar Utility Commission service rates for water & sewer will remain the same in FY 24.

The connection fees for water & sewer will remain the same in FY 24. The water service charge for residential will continue at \$4.00 per 1,000 gallons. The

sewer service charge for residential will continue at \$5.50 per 1,000 gallons. The quarterly availability fee of \$17.45 will remain the same. The quarterly front footage fee will also remain the same, at \$35.00. The Town's overall objective is to maintain the same level of water and sewer service to our customers that they currently receive.

An average water and sewer customer, with quarterly usage of 15,000 gallons, can expect a quarterly bill of \$209.95.

<b>Water</b>	Residential	Commercial
Usage Fees, quarterly	4.00 per 1,000	5.50 per 1,000
Availability Charge, quarterly	17.45 per EDU	17.45 per EDU
Tap-In Fee, performed by owner	\$4,000 per EDU	\$4,000 per EDU
Tap-In Fee, performed by Commission	\$4,500per EDU	\$4,500 per EDU

Notes: 1) Out-of-Town Customers are billed at a 1.5 rate on their usage fees.  
 2) Tap-In Fee rates are the same for all types of residences, specifically, mobile homes are charged the same as standard residences.  
 3) Tap-In Fee rates increase if the connection size is more than one (1) inch in size.

<b>Sewer</b>	Residential	Commercial
Usage fees, quarterly	\$5.50 per 1,000	\$7.00 per 1,000
Non-Metered, quarterly	\$110.00 per EDU	\$110.00 per EDU
Front Foot, quarterly	\$33.00 per EDU	\$33.00 per EDU
Tap-In Fee, performed by owner	\$4,000 per EDU	\$4,000 per EDU
Tap-In Fee, performed by Commission	\$4,500 per EDU	\$4,500 per EDU
Transmission Fee	\$3,000 per EDU	\$3,000 per EDU
Bay Restoration Fee (State of MD)	\$15.00 per EDU	Sliding scale fee

Notes: 1) Out-of-Town Customers are billed at a 1.8 rate for usage and non-metered fees.  
 2) Tap-In Fee rates are the same for all types of residences, specifically, mobile homes are charged the same as standard residences.

***WATER AVAILABILITY CHARGE & SEWER FRONT FOOT FEES:***

These fees are specifically for paying debt that was incurred to maintain and improve the system. These fees can also be used to offset operational deficits. Actual rates are listed on page 5 of the budget message.

***WATER TAP-IN & SEWER IMPACT FEES:***

These revenues are reserved for future replacement, repair, or upgrades of the system. Rates are listed on page 5 of the budget message.

***WATER CUT-ON/CUT-OFF FEES:***

Penalties generated from delinquent accounts will remain the same and include the following:

- 1% monthly interest
- \$10 late notice fees
- \$40 disconnection fees
- \$10 during hours re-connect fees
- \$30 after-hours re-connect fees
- \$25 returned check fees

***FINANCIAL EXPENSE, NET:***

This line-item is adjusted at the end of each fiscal year to include interest income net of interest paid on notes and bonds. For budgeting purposes, only interest income from financial institutions is listed and is based on prior years as well as projected cash available for investing.

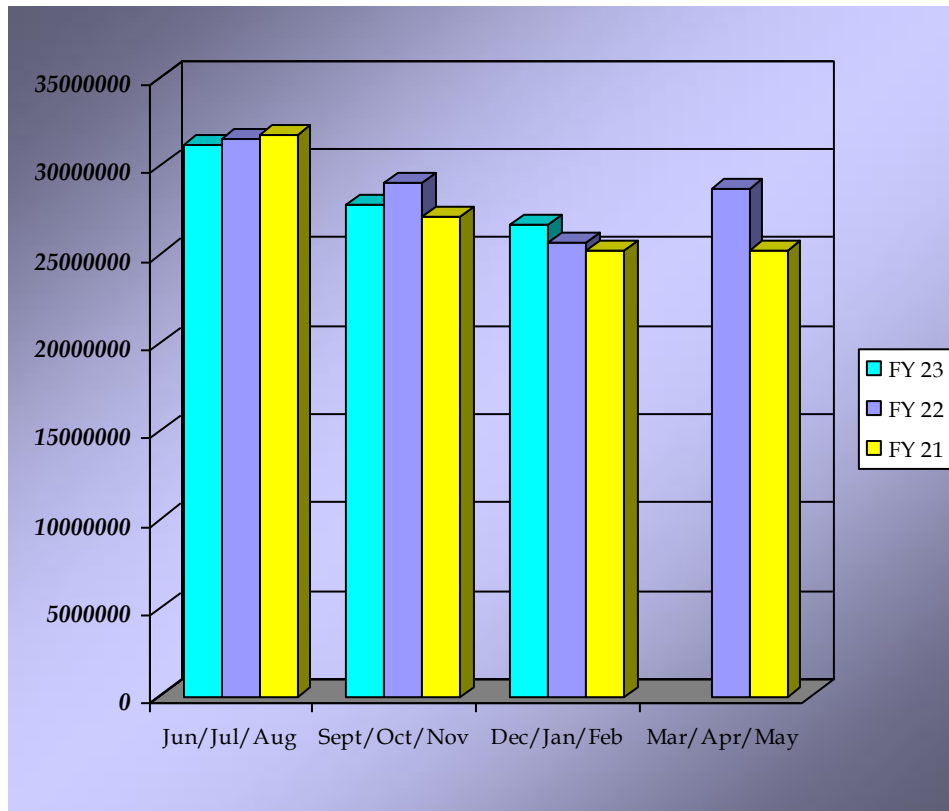
***REVENUE FROM OTHER AGENCIES:***

The Commission is not anticipating revenue from any outside agencies for FY 24 at this time however funding applications may be completed throughout the year for upcoming projects.

***OTHER REVENUES/MISCELLANEOUS:***

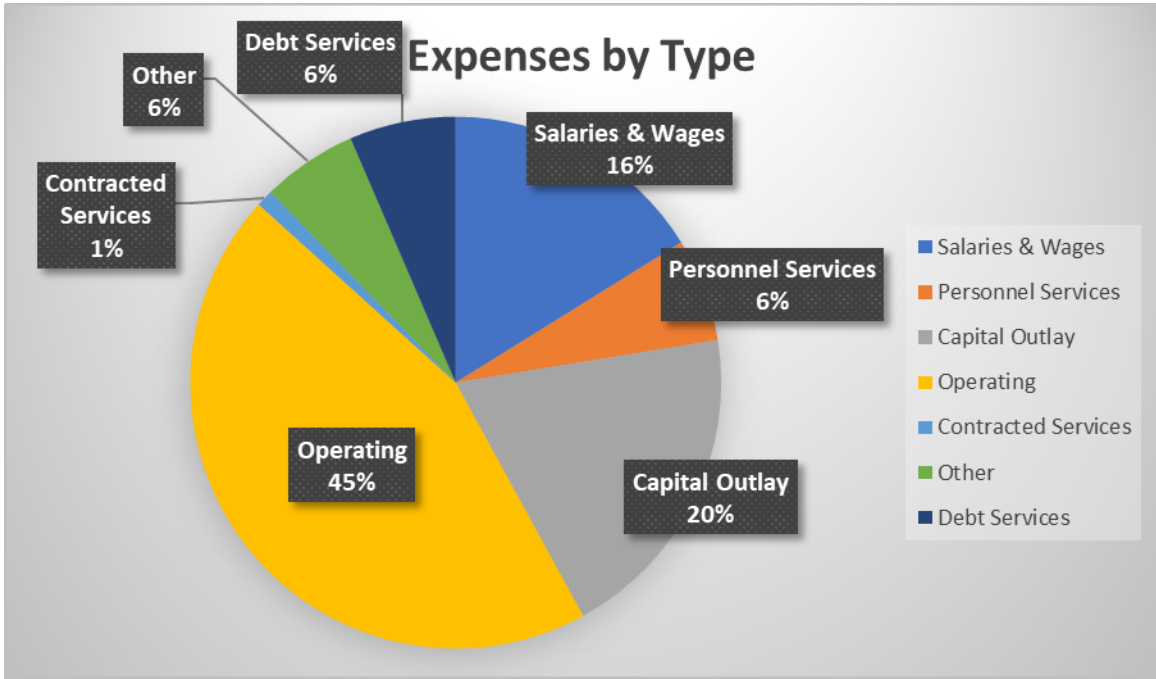
The State of Maryland passed the Governor's Chesapeake Bay Watershed Restoration Fund bill. The purpose of the bill is to provide basic infrastructure upgrades for wastewater treatment plants. The Utility Commission will collect and submit to the State of Maryland an annual \$60 fee per EDU from all sewer customers minus a minimal administrative fee. Miscellaneous income is based on the prior year's revenue.

**WATER USAGE HISTORY, in gallons:**



**EXPENSES, by type**

	<b>Budget 2023-2024</b>	<b>Budget 2022-2023</b>	<b>Budget 2021-2022</b>
Salaries and wages	\$ 598,797.00	\$ 476,243.00	\$ 418,699.00
Personnel services	\$ 232,404.00	\$ 196,015.00	\$ 186,359.00
Capital outlay	\$ 725,472.00	\$ 2,294,955.00	\$ 1,532,345.00
Operating	\$ 1,653,841.00	\$ 1,535,249.00	\$ 977,895.00
Contracted services	\$ 38,500.00	\$ 27,400.00	\$ 22,400.00
Other	\$ 214,652.00	\$ 209,080.00	\$ 202,700.00
Debt services	\$ 240,201.00	\$ 231,705.00	\$ 218,853.00
<b>Total Expenses</b>	<b>\$ 3,703,867.00</b>	<b>\$ 4,970,647.00</b>	<b>\$ 3,559,251.00</b>



**BUDGET MESSAGE - EXPENSES, by type**

***SALARIES & WAGES:***

A cost-of-living adjustment of 6% was included in this year’s budget. As well, an additional position for Town Hall and Public Works was created. The WTP will also have a new part-time position.

Department	Full-Time	Part-Time
Executive & Financial	7	0
Public Works & WWTP	9	1
<b>TOTALS</b>	<b>16</b>	<b>1</b>

***PERSONNEL SERVICES:***

Personnel services includes FICA, health insurance premiums, life insurance, long-term care insurance, pension contributions, training, uniforms, and workers compensation insurance.

The Town will continue to cover 100% of the cost for the employee for health, life, and dental insurance. In FY 23 the Town began covering 50% of dependent costs and will cover 70% for FY 24. New for FY 24 will be composite rates for insurance costs, which will result in overall better rates for all employees. In doing so, insurance premiums will no longer be expensed specific to the department and will now be categorized under “Miscellaneous.” The general pension contributions shall be 8% of wages for employees.



**CAPITAL OUTLAY:**

<u>Description</u>	<u>Total Cost</u>	<u>Department</u>
Concrete Installation-4 Drying Beds	\$ 55,000.00	WWTP
ChemScan UV-4200	\$ 80,000.00	WWTP
Secondary E. Clarifier H-Drive Replacement	\$ 80,000.00	WWTP
Methanol Pump	\$ 20,000.00	WWTP
Anoxic Flygt Mixer	\$ 35,000.00	WWTP
Ammonia Probe-E. Aeration Tank	\$ 15,000.00	WWTP
New Catwalk & Ladder @ Influent Screen	\$ 8,000.00	WWTP
2 Lightnin Mixers	\$ 30,000.00	WWTP
20 Building Lights/10 Street Lights	\$ 25,000.00	WWTP
Mixer for Influent Wet Well	\$ 25,000.00	WWTP
Secondary Clarifier Weir Wash Booster Pumps	\$ 24,000.00	WWTP
Weir Washer Automated Cleaning System	\$ 48,000.00	WWTP
Mitsubishi HVAC System	\$ 20,000.00	WWTP
Wet Well Pumps	\$ 21,790.00	WTP
Nema Motor Starter	\$ 6,267.00	WTP
Backup VFD (Office Area)	\$ 18,420.00	WTP
Wet Well Check Valve Replacement	\$ 25,520.00	WTP
Painting of Pump Manifold Piping	\$ 1,800.00	WTP
Remove Lead Valves	\$ 12,400.00	WTP
Replace 8" Gate Valve (WTP Yard)	\$ 8,500.00	WTP
Chlorine Pump Pipe Replacement	\$ 3,651.00	WTP
Water Heater Replacement	\$ 22,012.00	WTP
Replace Soda Ash Line	\$ 3,968.00	WTP
Replace Submersible Pump-Well 3A	\$ 22,820.00	WTP
Replace Submersible Pump-Well 3B	\$ 15,263.00	WTP
Foskey Lane Well Project	\$ 9,100.00	WTP
Pro-Coat Pump Room Walls	\$ 12,300.00	WTP
Pro-Coat Pump Room Floors	\$ 16,667.00	WTP
Pro-Coat Well House 3B	\$ 15,992.00	WTP
Pro-Coat Well House 3A & Piping	\$ 18,092.00	WTP

Pro-Coat Foskey Lane Well House	\$ 17,231.00	WTP
Pro-Coat Public Works Office Building	\$ 22,272.00	WTP
Pro-Coat Exterior Tank Roof	\$ 30,300.00	WTP
Well Holding Tank Crack Injection	\$ 6,700.00	WTP
Glass/Window Replacement-WTP, PW Office & Well Houses	\$ 20,050.00	WTP
Replace Exterior Doors on Well Houses	\$ 20,000.00	WTP
Slide Gate @ Foskey Lane Tower/PW Shop	\$ 25,000.00	WTP
Sportster Cargo Trailer	\$ 7,400.00	Public Works
Site Work/Paving @ New PW Shop	\$ 34,480.00	Public Works
Electrical Work @ New PW shop	\$ 7,200.00	Public Works
Inspection Camera	\$ 5,000.00	Public Works
Relocate Maryland Ave. Hydrant	\$ 6,000.00	Public Works
Backup Pump for Wood Creek LS	\$ 18,000.00	Public Works
10 Lift Station Hoists	\$ 17,100.00	Public Works
2 Odophos LMI Pumps	\$ 6,000.00	Public Works

***OPERATING EXPENSES:***

Operating costs are anticipated to increase due to current inflation.

***CONTRACTED SERVICES:***

The Town of Delmar will contract with Lank, Johnson & Tull for an independent audit at a total estimated cost of \$8,500.00. Additional accounting services are also performed throughout the year for an hourly rate.

Although the Town reserves the right to solicit Request for Proposals, its engineering services are performed by Davis, Bowen & Friedel, Inc. Costs for “on-call services” & special projects vary based upon the requests and needs of the town. These costs were budgeted based on prior year activity.

***OTHER EXPENSES:***

Property & Liability Insurance are projected to be increase slightly.

## **DEBT SERVICE**

The Delmar Utility Commission has a variety of loans primarily for the purpose of upgrades to our water and sewer mains and treatment facilities. Those lenders consist of USDA, the Delaware Office of Drinking Water and DNREC. As of June 30, 2022 the long-term debt balance was \$2,382,569.00. In FY 23 a loan with the State of Maryland (MDE) was obtained for a sewer main project which totaled \$1,699,104.00 with 50% loan forgiveness, leaving a balance to be repaid in the amount of \$849,552.00. Short-term loans will consist of vehicle leases for our Public Works Dept. as two new vehicle loans were approved for FY 24. A previous lease with Ford Motor Credit was paid off in FY 23 as well as another lease was added. A current loan from the Bank of Delmarva for a Bobcat will be paid in full in November 2023.

## **GROWTH PROJECTIONS -**

Additional connections are anticipated for 1 major project within Delmar, MD, which is the continuation of the expansion of Pond's Edge. Delmar, DE is anticipating additional connections with the construction of Stillwater.

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