

Delmar Utility Commission

Budget
Fiscal Year 2025



July 1, 2024 - June 30, 2025

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INTRODUCTION

The Delmar Utility Commission, hereafter referred to 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 the Town and a limited area outside the Town incorporated 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.

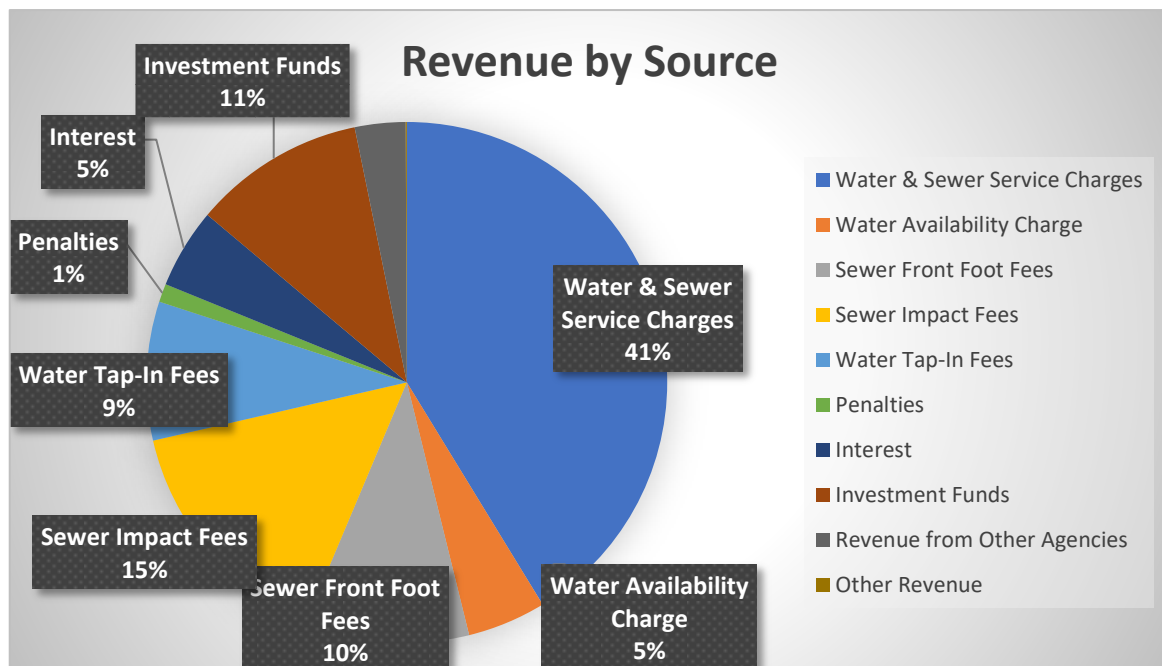
The financial highlights of the Commission are presented in the Budget Message. As a narrative introduction to the budget, the message provides concise and specific data accompanied with explanations of significant financial matters. The budget message is a tool for gaining a greater understanding of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

BUDGET 2024-2025

Operating	\$ 3,648,392.00
Capital	\$ 580,671.00
TOTAL	\$ 4,229,063.00

REVENUE BUDGET, by source

	Budget 2023-2024	Budget 2023-2024	Budget 2022-2023
Water & sewer service charges	\$ 1,745,153.00	\$ 1,415,504.00	\$ 1,406,100.00
Water availability charge	\$ 206,643.00	\$ 199,035.00	\$ 197,260.00
Sewer front foot fees	\$ 431,088.00	\$ 415,828.00	\$ 402,360.00
Sewer impact fees	\$ 637,000.00	\$ 630,000.00	\$ 805,000.00
Water tap-In fees	\$ 364,000.00	\$ 360,000.00	\$ 460,000.00
Penalties	\$ 48,000.00	\$ 40,000.00	\$ 30,000.00
Finance expense, net (interest)	\$ 210,000.00	\$ 144,000.00	\$ 3,500.00
Investment Funds	\$ 451,193.00	\$ 496,000.00	\$ -
Revenue from other agencies	\$ 132,986.00	\$ -	\$ 1,663,427.00
Other revenue	\$ 3,000.00	\$ 3,500.00	\$ 3,000.00
Total Revenues	\$ 4,229,063.00	\$ 3,703,867.00	\$ 4,970,647.00



BUDGET MESSAGE - REVENUES, by source

WATER & SEWER SERVICE CHARGES:

The Delmar Utility Commission service rates for water & sewer will increase in FY 25 for the first time in over ten years. The primary reason for this is due to the increased operating costs. An example of the increased operating

costs is the expense of chemicals for the WWTP. Budgeted numbers for FY 20 were \$72,000.00 while the budget for FY 25 is \$245,000.00.

The water service charge for residential will increase from \$4.00 per 1,000 gallons to \$5.25 per 1,000 gallons. The sewer service charge for residential will increase from \$5.50 per 1,000 gallons to \$6.75 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 for 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 \$247.45.

The connection fees for water & sewer will remain the same in FY 25.

Water	Residential	Commercial
Usage Fees, quarterly	5.25 per 1,000	6.75 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.

Sewer	Residential	Commercial
Usage fees, quarterly	\$6.75 per 1,000	\$8.25 per 1,000
Non-Metered, quarterly	\$131.00 per EDU	\$131.00 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
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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 during hours re-connect fees |
| - \$10 late notice fees | - \$30 after-hours re-connect fees |
| - \$40 disconnection 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 investment.

REVENUE FROM OTHER AGENCIES:

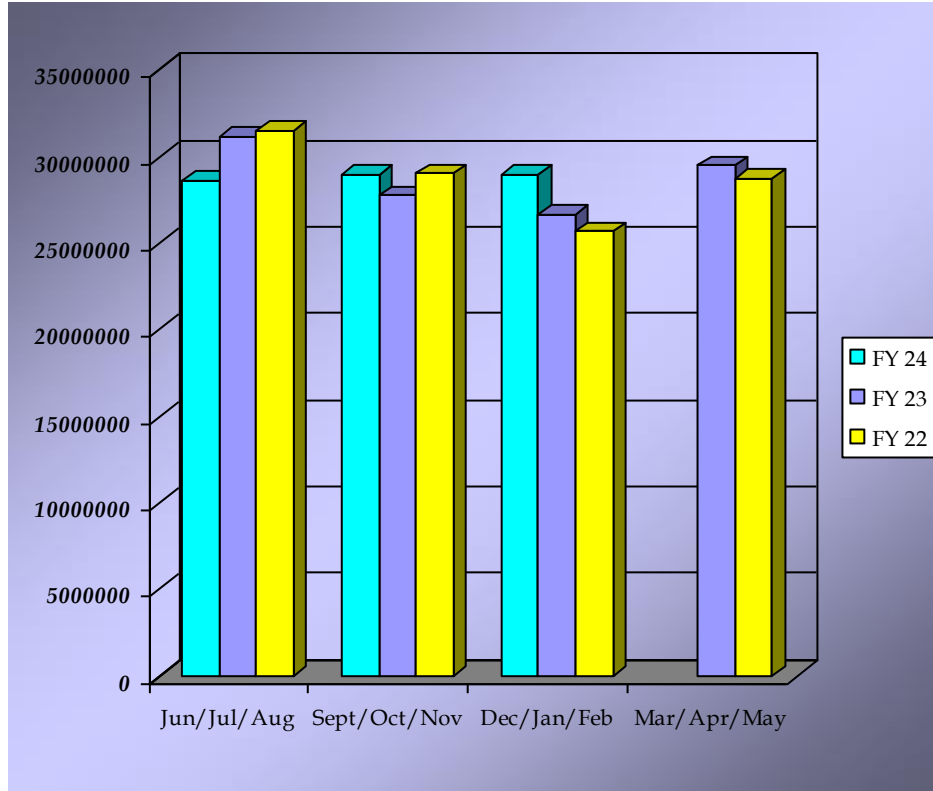
The Commission will be receiving funding from the respective states' ARPA funding to complete specified Capital Outlay projects.

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

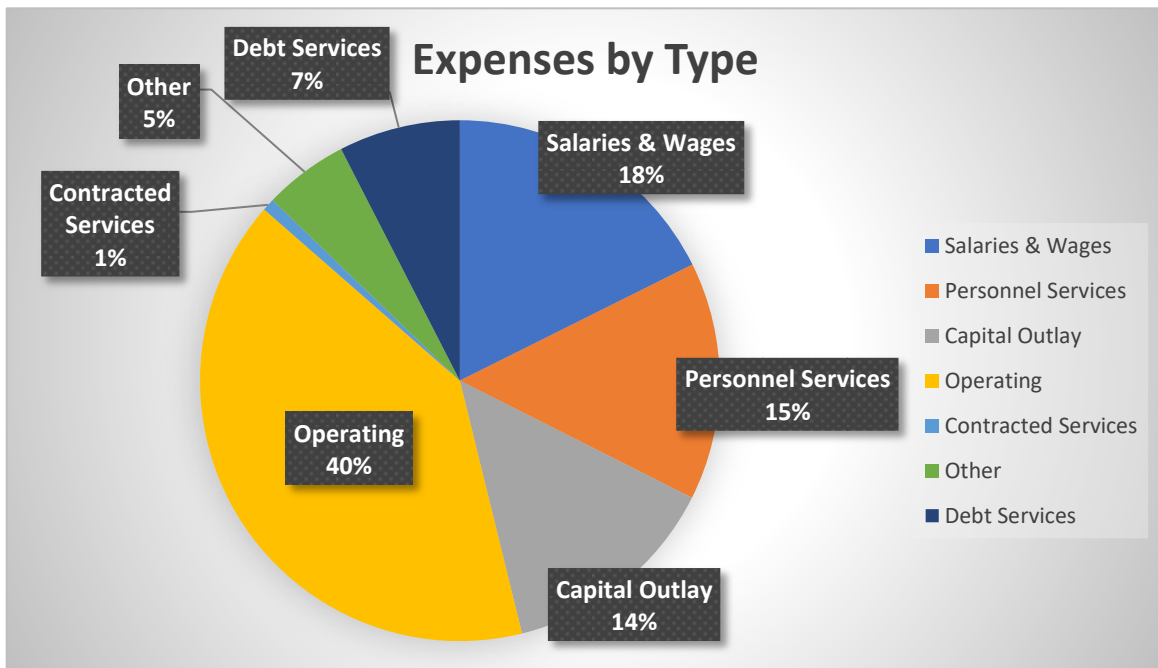
upgrades for wastewater treatment plants. The Utility Commission will collect and submit to the State of Maryland an annual \$60 fee per EDU from all sewer customers minus a minimal administrative fee. Miscellaneous income is based on the prior year's revenue.

WATER USAGE HISTORY, in gallons:



EXPENSES, by type

	Budget 2024-2025	Budget 2023-2024	Budget 2022-2023
Salaries and wages	\$ 746,377.00	\$ 598,797.00	\$ 476,243.00
Personnel services	\$ 624,770.00	\$ 232,404.00	\$ 196,015.00
Capital outlay	\$ 580,671.00	\$ 725,472.00	\$ 2,294,955.00
Operating	\$ 1,702,906.00	\$ 1,653,841.00	\$ 1,535,249.00
Contracted services	\$ 32,500.00	\$ 38,500.00	\$ 27,400.00
Other	\$ 222,352.00	\$ 214,652.00	\$ 209,080.00
Debt services	\$ 319,487.00	\$ 240,201.00	\$ 231,705.00
Total Expenses	\$ 4,229,063.00	\$ 3,703,867.00	\$ 4,970,647.00



BUDGET MESSAGE - EXPENSES, by type

SALARIES & WAGES:

A cost-of-living adjustment of 6% was included in this year’s budget. Also, an additional position for Public Works was created. WTP will also have a new full-time position.

Department	Full-Time	Part-Time
Executive & Financial	7	0
Public Works & WWTP	11	1
TOTALS	18	1

PERSONNEL SERVICES:

Personnel services include 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. The Town will continue to offer coverage for dependents with a shared cost to the employee based on composite ratings. The Town will join the State of Delaware Pension Plan for municipal employees, which will require a 3% contribution by the employee and a 5.7% contribution by the employer.

CAPITAL OUTLAY:

Description	Total Cost	Department
Neptune 360 Meter Reading Enhancements	\$40,000.00	Administrative-Town Hall
Control Building Roof Replacement	\$65,000.00	WWTP
(2) ½ Ton Crew Cab 4X4 Trucks	\$92,986.00	WWTP
New HVAC Unit-Filter Building	\$12,000.00	WWTP
YSI MLSS Probe & MIQ Controller	\$12,000.00	WWTP
ENR Filter Compressor	\$14,000.00	WWTP
(2) Small Wet Well Pumps & Motors	\$35,333.00	WTP
Part II SCADA System	\$61,476.00	WTP
Well Improvements-All Wells	\$87,923.00	WTP
VFD	\$34,495.00	WTP
Flow Meters-2A & 3A	\$17,000.00	WTP
Submersible Pump System-2A	\$25,725.00	WTP
(2) Peristaltic Pumps	\$29,483.00	WTP
New Check Valve-Wet Well Pump #4	\$6,800.00	WTP
Well House & Breakroom Roof	\$8,650.00	Public Works

OPERATING EXPENSES:

Operating costs are anticipated to increase due to current inflation.

CONTRACTED SERVICES:

The Town of Delmar will maintain the current contract with Lank, Johnson & Tull for an independent audit. Additional accounting services are also performed throughout the year for an hourly rate.

Although the Town reserves the right to solicit a Request for Proposal, 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 is projected to 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 MDE. Short-term loans will consist of vehicle leases for our Public Works Dept.

GROWTH PROJECTIONS -

Delmar, DE is anticipating additional connections with the construction of Stillwater and Delmar, MD is anticipating additional connections with additional construction within Wood Creek and Pond's Edge.

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