

Delmar Utility Commission

Budget
Fiscal Year 2027



July 1, 2026 - June 30, 2027

Table of Contents

INTRODUCTION.....	3
REVENUE BUDGET, BY SOURCE.....	4
BUDGET MESSAGE - REVENUES, BY SOURCE.....	4
WATER & SEWER SERVICE CHARGES:.....	4
WATER AVAILABILITY CHARGE & SEWER FRONT FOOT FEES:	6
WATER TAP-IN & SEWER IMPACT FEES:.....	6
WATER CUT-ON/CUT-OFF FEES:	6
FINANCIAL EXPENSE, NET:.....	6
REVENUE FROM OTHER AGENCIES:	6
OTHER REVENUES/MISCELLANEOUS:	6
WATER USAGE HISTORY, IN GALLONS:.....	7
EXPENSES, BY TYPE	7
BUDGET MESSAGE - EXPENSES, BY TYPE	8
SALARIES & WAGES:.....	8
PERSONNEL SERVICES:.....	8
OPERATING EXPENSES:.....	9
CONTRACTED SERVICES:.....	9
DEBT SERVICE.....	9
GROWTH PROJECTIONS -	10

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.

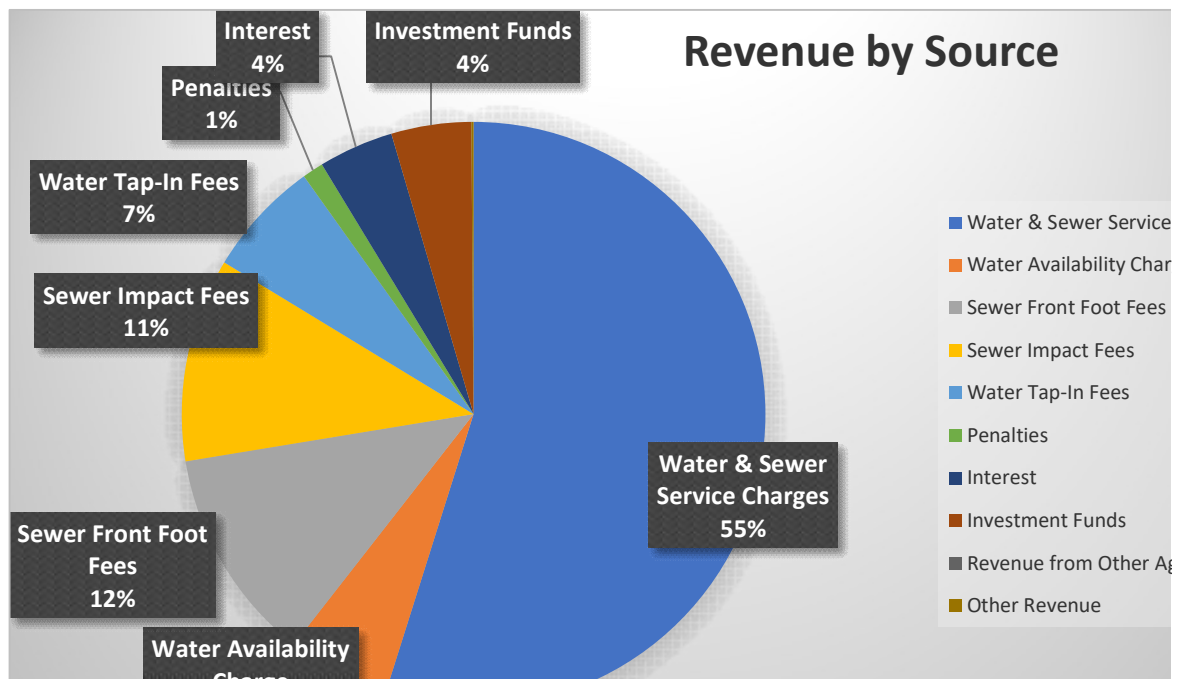
The financial highlights of the Commission are presented in the Budget Message. As a narrative introduction to the budget, the message provides concise and specific data accompanied by explanations of significant financial matters. The budget message is a tool for gaining a greater understanding of the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

BUDGET 2026-2027

Operating	\$ 3,695,385.00
Capital	\$ 155,700.00
TOTAL	\$ 3,851,085.00

REVENUE BUDGET, by source

	Budget 2026-2027	Budget 2025-2026	Budget 2024-2025
Water & sewer service charges	\$ 2,113,585.00	\$ 1,855,878.00	\$ 1,745,153.00
Water availability charge	\$ 219,000.00	\$ 214,532.00	\$ 206,643.00
Sewer front foot fees	\$ 456,500.00	\$ 446,908.00	\$ 431,088.00
Sewer impact fees	\$ 434,000.00	\$ 651,000.00	\$ 637,000.00
Water tap-In fees	\$ 248,000.00	\$ 372,000.00	\$ 364,000.00
Penalties	\$ 45,000.00	\$ 50,000.00	\$ 48,000.00
Finance expense, net (interest)	\$ 160,000.00	\$ 189,000.00	\$ 210,000.00
Investment Funds	\$ 170,000.00	\$ 438,597.00	\$ 451,193.00
Revenue from other agencies	\$ -	\$ -	\$ 132,986.00
Other revenue	\$ 5,000.00	\$ 5,000.00	\$ 3,000.00
Total Revenues	\$ 3,851,085.00	\$ 4,222,915.00	\$ 4,229,063.00



BUDGET MESSAGE - REVENUES, by source

WATER & SEWER SERVICE CHARGES:

The Delmar Utility Commission service rates for water will remain the same for FY 27 however due to increased operating costs, there will be an increase to sewer rates.

The water service charge for residential will remain at \$5.25 per 1,000 gallons. The sewer service charge for residential will increase to \$8.00 per 1,000 gallons. The quarterly availability fee of \$17.45 and the quarterly front footage

fee of \$35.00 will remain the same. 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 \$269.95.

The connection fees for water & sewer will remain the same in FY 27.

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	\$8.00 per 1,000	\$9.50 per 1,000
Non-Metered, quarterly	\$152.00 per EDU	\$152.00 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 investment.

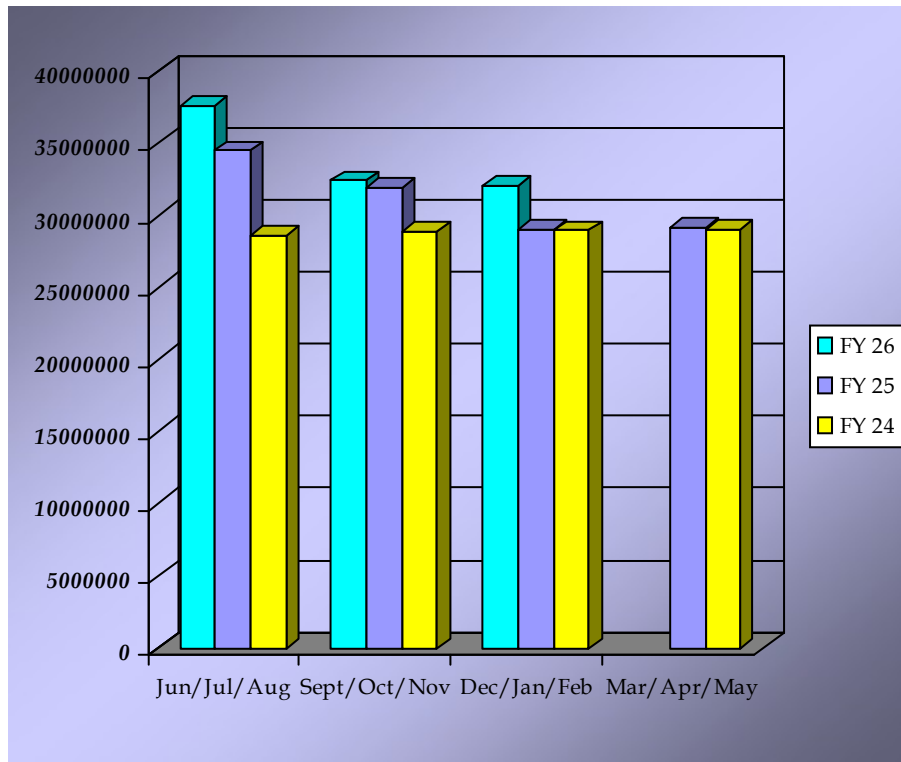
REVENUE FROM OTHER AGENCIES:

The Commission will continue to apply for grants and low interest loans from MDE and DNREC's Office of Drinking Water for any large infrastructure projects.

OTHER REVENUES/MISCELLANEOUS:

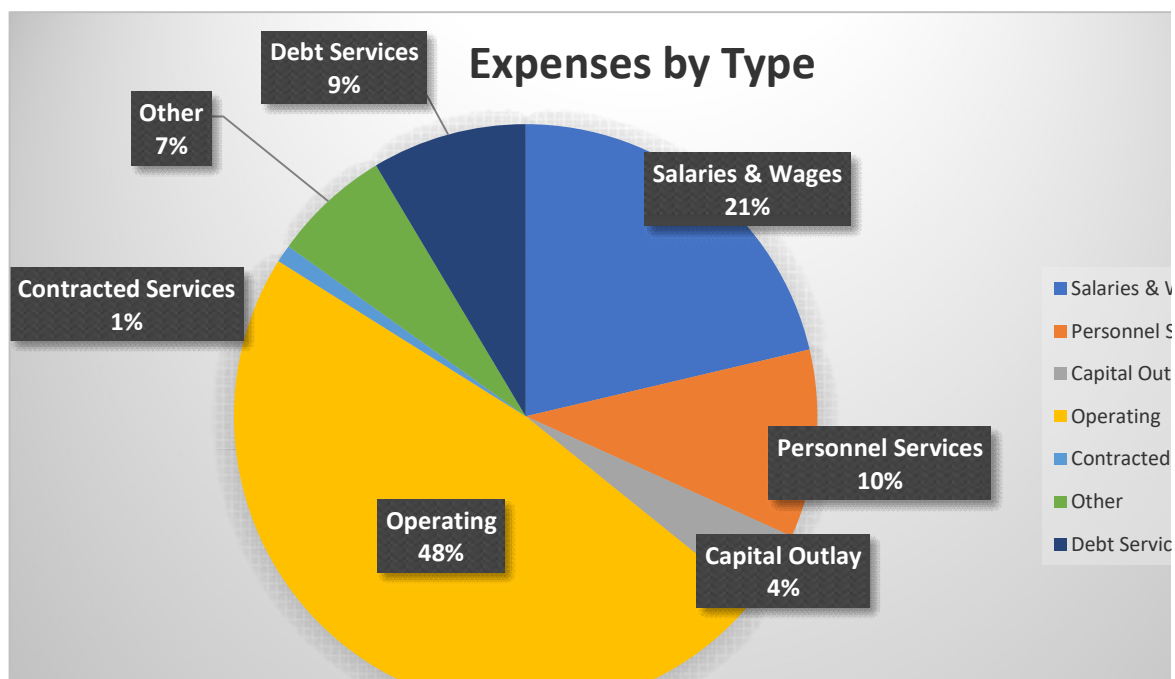
The State of Maryland passed the Governor's Chesapeake Bay Watershed Restoration Fund bill. The purpose of the bill is to provide basic infrastructure upgrades for wastewater treatment plants. The Utility Commission will collect and submit to the State of Maryland an annual \$60 fee per EDU from all 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 2026-2027	Budget 2025-2026	Budget 2024-2025
Salaries and wages	\$ 821,025.00	\$ 851,069.00	\$ 746,377.00
Personnel services	\$ 400,781.00	\$ 754,447.00	\$ 624,770.00
Capital outlay	\$ 155,700.00	\$ 360,763.00	\$ 580,671.00
Operating	\$ 1,853,872.00	\$ 1,654,111.00	\$ 1,702,906.00
Contracted services	\$ 37,776.00	\$ 39,776.00	\$ 32,500.00
Other	\$ 251,860.00	\$ 243,260.00	\$ 222,352.00
Debt services	\$ 330,071.00	\$ 319,489.00	\$ 319,487.00
Total Expenses	\$ 3,851,085.00	\$ 4,222,915.00	\$ 4,229,063.00



BUDGET MESSAGE - EXPENSES, by type

SALARIES & WAGES:

A cost-of-living adjustment of 3% was included in this year's budget.

Department	Full-Time	Part-Time
Executive & Financial	7	0
Public Works & WWTP	12	2
TOTALS	19	2

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 6.03% contribution by the employer.

CAPITAL OUTLAY:

<u>Description</u>	<u>Total Cost</u>	<u>Department</u>
Roots Blower	\$52,000.00	WWTP
Parts for Grit Classifier	\$26,000.00	WWTP
Replacement Valve-Surge Tank	\$36,000.00	WWTP
Hoists for Sand Filter Reject & Effluent	\$13,000.00	WWTP
Soda Ash Pump	\$9,200.00	WTP
Yaskawa VFD w/Filter & Fan	\$7,500.00	WTP
Insulate/Upgrade PW Breakroom	\$9,000.00	PW-Utility Portion
Emergency Lighting-New Truck	\$3,000.00	PW-Utility Portion

OPERATING EXPENSES:

Operating costs are expected 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 Kiltel Estates.

Delmar Utility Commission
100 S. Pennsylvania Avenue
Delmar, MD/DE 21875

Telephone: (410) 896-2777 or (302) 846-2664
Fax: (410) 896-9055

Email: townhall@townofdelmar.us
Website: www.townofdelmar.us
