

Utility Commission
April 1, 2024
DELMAR TOWN HALL & VIA TELECONFERENCE

The regular scheduled meeting of the Delmar Utility Commission was called to order by Commissioner Shaffer. This meeting is available to the public, in person with limited seating and via teleconference. The phone number and access code has been provided to all the members as well as the public. In attendance was Commission Members Moore and Dewald. Key personnel: Town Mgr. Jeff Fleetwood, and Clerk II, Valerie Seefried. Guests: Mayor Bauer. Absent: Council Member Lanier.

Commissioner Shaffer called the meeting to order. A quorum was established with three members present.

Approval of Minutes

A motion was made, seconded (Dewald/Moore) and carried to approve the March 4, 2024 meeting minutes. Commissioner Shaffer took a vote and the motion was passed with 3 Ayes 1 Absent (Lanier).

Unfinished Business –

None.

New Business –

Commissioner Shaffer shared after reviewing the FY'25 budges and a FY'25 presentation by Chief Finance Officer, Heather Chandler, and Town Mgr. Fleetwood, there is a specific line item that has increased by \$173,000 alone for chemicals. This comparison was from FY'20 to FY'25. They also reviewed their deficit and also realized 2014 was the last rate increase. So, the Utility Commission had a brief discussion and looked at an increase of \$1.25 to help settle the deficit and cover chemical costs etc. Town Mgr. Fleetwood added the utility (water/sewer) fund for the town is supposed to work as a business. He explained the way tax money from the citizens of the town should not be used for the utility. Utility should be run specifically based off of the rates that the town charges. The operation expense exceeded the revenues by \$500,000. He said the town is in the red from an operating end. He further said this is not taking into account any impact fees, EDU fees, etc. because those fees should technically be used for capital. A conversation ensued.

Commissioner Shaffer called for a motion to open the discussion for public comments for \$1.25 rate increase. A motion was made/seconded (Dewald/Moore) and carried by a vote of 3 Ayes 1 Absent (Lanier).

There were no public comments.

Commissioner Shaffer called for a motion to close the discussion for public comments. A motion was made/seconded (Dewald/Moore) and carried by a vote of 3 Ayes 1 Absent (Lanier).

Commissioner Shaffer called for a motion for a referral to the DE and MD elected bodies to increase the utility rate by \$1.25. A motion was made/seconded (Moore/Dewald) and carried by a vote of 3 Ayes 1 Absent (Lanier).

Town Mgr. Fleetwood shared other utility bills capture funding for capital. He said anyone in the Town of Delmar that uses Delmarva Power, there is a specific line item on the bill that reads capital fee. He further said the town needs to institute a utility fee where that money is obligated, and the fee goes into a separate account that it will only be used for capital. Also, it will be done through the elected body but only for capital because it is not specified on the utility bills. A conversation occurred.

Commissioner Shaffer proposed a potential increase per EDU in the future for residential homes. Town Mgr. Fleetwood added he spoke to the following municipalities respective Town Mgr.'s and their prices per EDU's are: Georgetown, DE \$9,000, Snow Hill, MD \$11,000, Berlin, MD \$18,600, Laurel, DE \$10,000, Fruitland, MD \$9,800, and Seaford, DE \$9,046. He said the town's also have impact fees and they vary. A conversation ensued.

Town Manager Report

Town Mgr. Fleetwood said he appreciated the recommendation to the elected bodies for the rate increase of \$1.25.

Town Mgr. Fleetwood reported: 1.) The Rt.54 and Ninth St. dip in the road is going to be fixed Thursday or Friday of this week. 2.) The town received final approval for \$1,800,000 at 2% interest for 20 years for Phase 3 for the DE side INI issue. 3.) The elected body in the last budget meeting has approved informally the FY'25 budget. The first reading of the budgets will be at the Joint Council meeting Monday, April 22nd at 6:30 p.m. The budgets will be adopted on May 13th.

Commission Comments –

Commission Member Moore had no comment.

- 1.) Commission Member Dewald brought her award to the meeting, read the inscription, and said her award is the highest award in the field of Public Health.

Public Comments –

None.

Adjournment –

A motion was made, seconded (Dewald/Moore) and carried to adjourn. The motion passed with 3 Ayes 1 Absent (Lanier).

Submitted by:

Vondell Spencer
Clerk of Council