

Proposed Allegany County Utility Budget Fiscal Year 2024

County Commissioner Meeting May 11, 2023

1. The proposed FY24 Utilities Division budget is separated into the Sanitary (\$9.1 mil) and Water (\$2.1) budgets. The Sanitary budget continues to operate in a deficit and the Water budget offsets the deficit. The proposed budget includes the Sanitary budget \$1,508,000 in the negative and the Water budget \$710,000 in the positive.
2. The proposed budget was discussed with the Allegany County Sanitary Commission on April 4, 2023. The Sanitary Commission recommended the budget that is presented this evening.
3. Our utility rates are affected by increased costs for operating the system. These costs consist of:
 - a. Maintaining aged infrastructure
 - b. Utility costs, electric, gas, internet
 - c. Manpower and equipment
 - d. Water loss
 - e. Extended periods of wet weather (treatment, Cumberland surcharge)
4. Examples of increased costs from FY23 to FY24 are as follows:
 - a. Water department manpower and indirect costs increased \$137,600 (13.7%)
 - b. Sanitary department manpower and indirect costs increased \$350,600 (15.2%)
 - c. Electric increased \$99,000 (29.9%)
 - d. Chemicals for wastewater treatment increased \$30,000 (19.4%)
5. County purchases water from Frostburg, Cumberland, Keyser, and Westernport. We anticipate water rate increases of 10% from Cumberland and 5% from Keyser. We anticipate the Frostburg water rate to remain unchanged and the water surcharge which is passed on to County customers to decrease by \$17/year.
6. Nearly half of all County sewer customers are treated by Cumberland WWTP.
7. Proposed rate increases for water will increase the operating budget \$152,000.
8. Proposed rate increases for sewer will increase the operating budget \$565,000.
9. There will be a \$1/quarter rate increase for water and sewer associated with debt service payments for the Mattingly Building purchase. This is not included in the operating budget.
10. Average bill for County customers would be: \$705 (Water) and \$649 (Sewer.)
11. The average annual utility bill increase for County residents is \$97, which is 10.4%.
12. Current **commercial sewer** rates are \$4.75 per thousand in Mexico Farms District and \$4.00 per thousand in all other Districts. Proposed increase is 10% for commercial sewer. For comparison purposes, an annual residential bill at \$5.00 per thousand would be estimated at \$250 (50,000-gallon water usage) versus our average proposed residential bill of \$649.
13. Proposed rate increases for commercial sewer will increase the operating budget \$70,000.
14. Consideration: median household income is \$49,000 (based on the average of the median from 2016 to 2020). Funding agencies consider a 2% cost for each utility a reasonable rate. Based on 2% of \$49,000, our rates would be \$980 each.
15. Allegany County customers have comparable rates to municipalities and private companies within the County.

FY24 Annual Customer Cost - Water

		FY23 Annual Customer Cost	FY24 Annual Customer Cost	FY24 Annual Customer Increase	
District	Water Service Areas	Water	Water	Water	Water Increase Notes
Bedford Road	Bedford Road	\$ 793.00	\$ 869.00	\$ 76.00	Increase rate from \$7.06 to \$8.50 (Average rate paid to Cumberland is \$10.36); 9.6% increase
Borden/Mt. Savage	Borden/Zihlman	\$ 689.00	\$ 675.60	\$ (13.40)	Decrease surcharge from \$9.75 to \$8.30/month for Frostburg.
Bowling Green	Bowling Green	\$ 646.50	\$ 691.00	\$ 44.50	Increase rate from \$5.89 to \$6.70 (Average rate paid to Cumberland is \$5.08); 6.9% increase
Bedford Road	Bowman's Addition	\$ 721.00	\$ 797.00	\$ 76.00	Increase rate from \$7.06 to \$8.50 (Average rate paid to Cumberland is \$7.58); 10.5% increase
Georges Creek	Carlos, Klondike, Shaft	\$ 689.00	\$ 675.60	\$ (13.40)	Decrease surcharge from \$9.75 to \$8.30/month for Frostburg.
Jennings Run	Cash Valley	\$ 646.50	\$ 710.50	\$ 64.00	Increase rate from \$5.89 to \$6.61 (Average rate paid to Cumberland is \$5.01); \$24 increase for debt service to cover Ellerslie waterline project; 9.9% increase
Braddock Run	Consol	\$ 689.00	\$ 675.60	\$ (13.40)	Decrease surcharge from \$9.75 to \$8.30/month for Frostburg.
Cresaptown	Cresaptown	\$ 563.38	\$ 597.62	\$ 34.24	Increase rate from \$5.89 to \$6.61 (Average rate paid to Cumberland is \$5.14); 6.1% increase
Braddock Run	Clarysville	\$ 703.40	\$ 695.52	\$ (7.88)	Decrease surcharge from \$3.95 to \$2.96/month for Frostburg.
Braddock Run	Eckhart	\$ 659.40	\$ 651.52	\$ (7.88)	Decrease surcharge from \$3.95 to \$2.96/month for Frostburg.
Jennings Run	Corriganville, Ellerslie	\$ 646.50	\$ 710.50	\$ 64.00	Increase rate from \$5.89 to \$6.61 (Average rate paid to Cumberland is \$5.01); \$24 increase for debt service to cover Ellerslie waterline project; 9.9% increase
Franklin	Franklin	\$ 788.50	\$ 792.50	\$ 4.00	
Braddock Run	Grahamtown	\$ 689.00	\$ 675.60	\$ (13.40)	Decrease surcharge from \$9.75 to \$8.30/month for Frostburg.
Route 36	Hoffman	\$ 689.00	\$ 675.60	\$ (13.40)	Decrease surcharge from \$9.75 to \$8.30/month for Frostburg.
McCoole	McCoole	\$ 600.00	\$ 629.50	\$ 29.50	Increase rate from \$4.00 to \$4.51 (Rate paid to Keyser will increase from \$3.58 to \$3.76 on 1/1/24); 4.9% increase
Mexico Farms	Mexico Farms	\$ 673.00	\$ 749.00	\$ 76.00	Increase rate from \$7.06 to \$8.50 (Average rate paid to Cumberland is \$7.80); 11.3% increase
Jennings Run	Mount Savage	\$ 689.00	\$ 675.60	\$ (13.40)	Decrease surcharge from \$9.75 to \$8.30/month for Frostburg.
Oldtown Road	Oldtown Road	\$ 662.50	\$ 714.00	\$ 51.50	Increase rate from \$5.89 to \$6.84 (Average rate paid to Cumberland is \$5.18); 7.8% increase
Rawlings	Rawlings	\$ 678.50	\$ 718.50	\$ 40.00	Increase rate from \$5.89 to \$6.61 (Average rate paid to Cumberland is \$5.01); 5.9% increase
Route 36	Route 36	\$ 689.00	\$ 714.00	\$ 25.00	\$38.40 increase for debt service to cover Route 36 waterline project; Decrease surcharge from \$9.75 to \$8.30/qtr for Frostburg; 3.6% increase

NOTES:

1. All Water and Sewer Districts will have a \$4/year property debt surcharge added for the Mattingly Building purchase. 10-year loan repayment (+/-).
2. Average rate paid to Cumberland is for FY23. Rates will increase 10% for FY24.
3. Rate paid to Frostburg is \$3.97. Rate will not increase for FY24.
4. % increase shown is for total estimated water bill from FY23 to FY24.

FY24 Annual Customer Cost - Sewer

District	Sewer Service Areas	FY23 Annual Customer Cost	FY24 Annual Customer Cost	FY24 Annual Customer Increase	Sewer Increase Notes
		Sewer	Sewer	Sewer	
Bedford Road	Bedford Road	\$ 532.00	\$ 616.00	\$ 84.00	\$20 increase for County O&M; 15.8% increase
Biers Lane	Biers Lane	\$ 469.00	\$ 601.00	\$ 132.00	\$32 increase for County O&M; 28.1% increase
Bowling Green	Bowling Green	\$ 722.00	\$ 766.00	\$ 44.00	\$10 increase for County O&M; 6.1% increase
Bedford Road	Bowman's Addition	\$ 532.00	\$ 616.00	\$ 84.00	\$20 increase for County O&M; 15.8% increase
Georges Creek	Carlos, Klondike, Shaft	\$ 722.00	\$ 766.00	\$ 44.00	\$10 increase for County O&M; 6.1% increase
Jennings Run	Cash Valley	\$ 672.00	\$ 716.00	\$ 44.00	\$10 increase for County O&M; 6.5% increase
Braddock Run	Consol	\$ 512.00	\$ 616.00	\$ 104.00	\$25 increase for County O&M; 20.3% increase
Cresaptown	Cresaptown	\$ 666.00	\$ 710.00	\$ 44.00	\$10 increase for County O&M; 6.6% increase
Braddock Run	Clarysville	\$ 512.00	\$ 616.00	\$ 104.00	\$25 increase for County O&M; 20.3% increase
Braddock Run	Eckhart	\$ 512.00	\$ 616.00	\$ 104.00	\$25 increase for County O&M; 20.3% increase
Jennings Run	Corriganville, Ellerslie	\$ 562.00	\$ 638.00	\$ 76.00	\$18 increase for County O&M; 13.5% increase
Flintstone	Flintstone	\$ 456.00	\$ 600.00	\$ 144.00	\$35 increase for County O&M; 31.6% increase
Franklin	Franklin	\$ 459.00	\$ 603.00	\$ 144.00	\$35 increase for County O&M; 31.4% increase
Georges Creek	Georges Creek	\$ 722.00	\$ 766.00	\$ 44.00	\$10 increase for County O&M; 6.1% increase
Braddock Run	Grahamtown	\$ 512.00	\$ 616.00	\$ 104.00	\$25 increase for County O&M; 20.3% increase
McCoole	McCoole	\$ 471.00	\$ 603.00	\$ 132.00	\$32 increase for County O&M; 28% increase
Mexico Farms	Mexico Farms	\$ 507.00	\$ 611.00	\$ 104.00	\$25 increase for County O&M; 20.5% increase
Jennings Run	Mount Savage	\$ 562.00	\$ 638.00	\$ 76.00	\$18 increase for County O&M; 13.5% increase
Oldtown	Oldtown	\$ 473.00	\$ 617.00	\$ 144.00	\$35 increase for County O&M; 30.4% increase
Oldtown Road	Oldtown Road	\$ 562.00	\$ 638.00	\$ 76.00	\$18 increase for County O&M; 13.5% increase

NOTES:

1. All Water and Sewer Districts will have a \$4/year property debt surcharge added for the Mattingly Building purchase. 10-year loan repayment (+/-).
2. % increase shown is for total estimated sewer bill from FY23 to FY24.

ALLEGANY COUNTY WATER & SEWER INFORMATION		FY24 Annual Customer Cost		FY24 Estimated Annual Customer Increase					
		Water	Sewer	Water	Sewer	TOTAL	Water	Sewer	TOTAL
District	Service Areas	Total	Total	Increase	Increase	Increase	% Increase	% Increase	% Increase
Bedford Road	Bedford Road	\$ 869.00	\$ 616.00	\$ 76.00	\$ 84.00	\$ 160.00	9.6%	15.8%	12.1%
Biers Lane	Biers Lane		\$ 601.00		\$ 132.00	\$ 132.00		28.1%	28.1%
Borden/Mt. Savage	Borden/Zihlman	\$ 675.60		\$ (13.40)		\$ (13.40)	-1.9%		-1.9%
Bowling Green	Bowling Green	\$ 691.00	\$ 766.00	\$ 44.50	\$ 44.00	\$ 88.50	6.9%	6.1%	6.5%
Bedford Road	Bowman's Addition	\$ 797.00	\$ 616.00	\$ 76.00	\$ 84.00	\$ 160.00	10.5%	15.8%	12.8%
Georges Creek	Carlos, Klondike, Shaft	\$ 675.60	\$ 766.00	\$ (13.40)	\$ 44.00	\$ 30.60	-1.9%	6.1%	2.2%
Jennings Run	Cash Valley	\$ 710.50	\$ 716.00	\$ 64.00	\$ 44.00	\$ 108.00	9.9%	6.5%	8.2%
Braddock Run	Consol	\$ 675.60	\$ 616.00	\$ (13.40)	\$ 104.00	\$ 90.60	-1.9%	20.3%	7.5%
Cresaptown	Cresaptown	\$ 597.62	\$ 710.00	\$ 34.24	\$ 44.00	\$ 78.24	6.1%	6.6%	6.4%
Braddock Run	Clarysville	\$ 695.52	\$ 616.00	\$ (7.88)	\$ 104.00	\$ 96.12	-1.1%	20.3%	7.9%
Braddock Run	Eckhart	\$ 651.52	\$ 616.00	\$ (7.88)	\$ 104.00	\$ 96.12	-1.2%	20.3%	8.2%
Jennings Run	Corriganville, Ellerslie	\$ 710.50	\$ 638.00	\$ 64.00	\$ 76.00	\$ 140.00	9.9%	13.5%	11.6%
Flintstone	Flintstone		\$ 600.00		\$ 144.00	\$ 144.00		31.6%	31.6%
Franklin	Franklin	\$ 792.50	\$ 603.00	\$ 4.00	\$ 144.00	\$ 148.00	0.5%	31.4%	11.9%
Georges Creek	Georges Creek		\$ 766.00		\$ 44.00	\$ 44.00		6.1%	6.1%
Braddock Run	Grahamtown	\$ 675.60	\$ 616.00	\$ (13.40)	\$ 104.00	\$ 90.60	-1.9%	20.3%	7.5%
Route 36	Hoffman	\$ 675.60		\$ (13.40)		\$ (13.40)	-1.9%		-1.9%
McCoole	McCoole	\$ 629.50	\$ 603.00	\$ 29.50	\$ 132.00	\$ 161.50	4.9%	28.0%	15.1%
Mexico Farms	Mexico Farms	\$ 749.00	\$ 611.00	\$ 76.00	\$ 104.00	\$ 180.00	11.3%	20.5%	15.3%
Jennings Run	Mount Savage	\$ 675.60	\$ 638.00	\$ (13.40)	\$ 76.00	\$ 62.60	-1.9%	13.5%	5.0%
Oldtown	Oldtown		\$ 617.00		\$ 144.00	\$ 144.00		30.4%	30.4%
Oldtown Road	Oldtown Road	\$ 714.00	\$ 638.00	\$ 51.50	\$ 76.00	\$ 127.50	7.8%	13.5%	10.4%
Rawlings	Rawlings	\$ 718.50		\$ 40.00		\$ 40.00	5.9%		5.9%
Route 36	Route 36	\$ 714.00		\$ 25.00		\$ 25.00	3.6%		3.6%
		Average	Average			Average		Average	
Frostburg Water		\$ 704.69	\$ 648.45			\$ 96.69		10.4%	

Based on	50,000 gallons	
Based on	\$ 100,000.00	assessed value
# of Water EDU's	6245	42.2%
# of Sewer EDU's	8539	57.8%
# of Water Accts	5808	43.1%
# of Sewer Accts	7666	56.9%