

## Proposed Allegany County Utility Budget Fiscal Year 2026

### County Commissioners Meeting May 1, 2025

1. The proposed FY26 Utilities Division budget is separated into the Sanitary (\$7.4 mil excluding debt service) and Water (\$1.9 mil) budgets. Currently, the Sanitary budget operates in a deficit and the Water budget offsets the deficit. The proposed budget includes the Sanitary budget to be neutral (without an allotment for capital) and the Water budget \$705,000 in the positive.
2. The \$705,000 available for capital spending will be used to purchase a replacement truck for the Utilities Division and materials to upgrade water meters. A reserve of \$200,000 will be kept for emergency repairs for either the Water or Sanitary system.
3. The proposed budget was discussed with the Allegany County Sanitary Commission on April 14, 2025. The Sanitary Commission recommended the budget that is presented this evening.
4. Our utility rates are affected by the costs for operating the system, including:
  - 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)
5. County purchases water from Frostburg, Cumberland, Keyser, and Westernport. We anticipate a water rate increase of 20% from Cumberland and 3% from Keyser. We anticipate the Frostburg and Westernport water rates to remain unchanged.
6. Nearly half of all County sewer customers are treated by Cumberland WWTP.
7. Sewer customers in the Bowling Green, Cresaptown, Oldtown Road, and McCoole districts will see a decrease in their ad valorem due to the debt from past projects being paid off.
8. Proposed rate increases for water will provide \$94,000 to the operating budget.
9. Proposed rate increases for sewer will provide \$317,000 to the operating budget.
10. The water rate increase will continue to fund a County-wide water meter upgrade initiative.
11. Average bill for County customers would be: \$740 annually/\$62 monthly (Water) and \$747 annually/\$62 monthly (Sewer.)
12. The average annual utility bill increase for County residents is \$60, which is 5.1%.
13. Current commercial sewer rates are \$5.75 per thousand in Mexico Farms District and \$4.84 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 \$200 (40,000-gallon water usage) versus our average proposed residential bill of \$748.
14. Proposed rate increases for commercial sewer will increase the operating budget \$72,000.
15. 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.
16. A tap fee increase from \$750 to \$1,000 each for both water and sewer is proposed.
17. Allegany County customers have similar or lower rates compared to municipalities and private companies within the County.

## FY26 Annual Customer Cost - Water

1. Water usage rate increased for districts served with Cumberland water based on an assumed 20% increase from Cumberland. See chart below.
2. Universal water rates were applied to districts served with Cumberland water for large districts (>300 minimums) and small districts (<300 minimums.)
3. All districts served with Frostburg water will have a \$6/quarter increase in O&M fee and Cumberland districts (except for Cresaptown) will have a \$3/quarter increase to continue to fund a County-wide water meter upgrade initiative.
4. All annual totals are based off a usage rate of 40,000 gallons using County-wide consumption data.

| Allegany County Utility FY26 Water Rates - Cumberland Districts |   |            |                                 |                                      |   |               |          |                           |
|---|---|------------|---------------------------------|--------------------------------------|---|---------------|----------|---------------------------|
| District  | Service Area                              | # Minimums | FY25 Usage Rate (per 1,000 gal) | FY25 Average Rate Paid to Cumberland | FY26 Estimated Rate Paid to Cumberland (20% Increase) | Proposed FY26 |          |                           |
|   |   |            |                                 |                                      |   | FY26 Rate     | % Markup | Estimated Annual Increase |
| Bedford Road  | Bedford Road                              | 60         | \$11.00                         | \$13.21                              | \$15.85   | \$12.50       | -21%     | \$60.00                   |
|   | Bowmans Addition/ Valley Road             | 254        | \$11.00                         | \$9.97                               | \$11.96   | \$12.50       | 4%       | \$60.00                   |
| Bowling Green   | Bowling Green                             | 956        | \$8.15                          | \$6.83                               | \$8.20  | \$9.70        | 18%      | \$62.00                   |
| Cresaptown  | Cresaptown                                | 869        | \$8.15                          | \$6.91                               | \$8.29  | \$9.70        | 17%      | \$62.00                   |
| Jennings Run  | Cash Valley Road/ Corriganville/Ellerslie | 772        | \$8.05                          | \$6.67                               | \$8.00  | \$9.70        | 21%      | \$66.00                   |
| Mexico Farms  | Mexico Farms                              | 153        | \$11.00                         | \$9.94                               | \$11.93   | \$12.50       | 5%       | \$60.00                   |
| Oldtown Road  | Uhl Highway                               | 446        | \$8.30                          | \$7.58                               | \$9.10  | \$9.70        | 7%       | \$56.00                   |
| Rawlings  | Rawlings                                  | 346        | \$8.15                          | \$6.91                               | \$8.29  | \$9.70        | 17%      | \$62.00                   |

Water Tap Fee = \$1,000

Shut-off Fee = \$100

Tamper Fee = \$250

# Allegany County Utility FY 2026 Water Rates

## Proposed Rates

| District            | Service Area                              | Operations & Maintenance Charge (Quarterly) | Debt Service Charge (Quarterly) | Usage Rate (per 1,000 Gallons)         |
|---------------------|---|---|---------------------------------|--|
| Bedford Road        | Bedford Road                              | \$97.00<br>\$100.00                         | \$19.00                         | \$11.00<br>\$12.50                     |
|                     | Bowmans Addition/ Valley Road             | \$98.00<br>\$101.00                         | -                               | \$11.00<br>\$12.50                     |
| Borden/Mt. Savage   | Borden/Morantown/ Mt. Savage/Zihlman      | \$89.50<br>\$95.50                          | \$24.90                         | \$4.76                                 |
| Bowling Green       | Bowling Green                             | \$94.00<br>\$97.00                          | -                               | \$8.15<br>\$9.70                       |
| Braddock Run        | Clarysville                               | \$96.00<br>\$102.00                         | \$19.88                         | \$4.76                                 |
|                     | Consol/Grahamtown/ Wrights Crossing       | \$89.50<br>\$95.50                          | \$24.90                         | \$4.76                                 |
|                     | Eckhart                                   | \$88.50<br>\$94.50                          | \$19.88                         | \$4.76                                 |
| Cresaptown          | Cresaptown (In District)                  | \$74.00<br>\$75.00<br>First 1,000 gallons   | \$6.00<br>\$0                   | \$8.15<br>\$9.70<br>over 1,000 gallons |
|                     | Cresaptown (Out of District)              | \$88.00<br>\$89.00<br>First 1,000 gallons   | \$6.00<br>\$0                   | \$8.15<br>\$9.70<br>over 1,000 gallons |
| Franklin/Brophytown | Brophytown/Franklin                       | \$90.00<br>\$99.00                          | -                               | \$9.05                                 |
| Georges Creek       | Carlos/Klondike/Shaft                     | \$89.50<br>\$95.50                          | \$24.90                         | \$4.76                                 |
| Jennings Run        | Cash Valley Road/ Corriganville/Ellerslie | \$93.00<br>\$96.00                          | \$7.00                          | \$8.05<br>\$9.70                       |
| McCoole             | McCoole                                   | \$106.00<br>\$109.00                        | -                               | \$4.51<br>\$4.65                       |
| Mexico Farms        | Mexico Farms                              | \$86.00<br>\$89.00                          | -                               | \$11.00<br>\$12.50                     |
| Oldtown Road        | Uhl Highway                               | \$98.00<br>\$101.00                         | -                               | \$8.30<br>\$9.70                       |
| Rawlings            | Rawlings                                  | \$102.00<br>\$105.00                        | -                               | \$8.15<br>\$9.70                       |
| Route 36            | Hoffman                                   | \$89.50<br>\$95.50                          | \$24.90                         | \$4.76                                 |
|                     | Route 36/Vale Summit                      | \$88.50<br>\$94.50                          | \$35.50                         | \$4.76                                 |

FY 2025 utility rates were approved at the Public Business Meeting held on May 30, 2024.

Water Tap Fee<sup>1</sup> = \$750-\$1,000

Shut-off Fee = \$100

Tamper Fee = \$250

Notes:

- Fee does not include construction or materials. Contact the Allegany County Utilities Department at 301-729-3311 for more information or a quote.

# Allegany County Utility FY 2026 Sewer Rates

## Proposed Rates

| District            | Service Area   | Operations & Maintenance Charge<br>(Quarterly) | Debt Service Charge<br>(Quarterly)  | Debt Service Ad Valorem per \$100<br>(Annually) |
|---------------------|--|--|-------------------------------------|---|
| Bedford Road        | Bedford Road/Bowmans Addition/Valley Road                  | <del>\$141.00</del><br><del>\$150.00</del>     | -                                   | 0.100   |
| Biers Lane          | Biers Lane   | <del>\$156.00</del><br><del>\$165.00</del>     | \$8.25                              | 0.000   |
| Bowling Green       | Bowling Green  | <del>\$127.00</del><br><del>\$137.00</del>     | <del>\$5.00</del><br><del>\$0</del> | <del>0.250</del><br><del>0.100</del>            |
| Cresaptown          | Cresaptown   | <del>\$115.00</del><br><del>\$125.00</del>     | <del>\$5.00</del><br><del>\$0</del> | <del>0.250</del><br><del>0.100</del>            |
| Flintstone          | Flintstone   | <del>\$160.00</del><br><del>\$169.00</del>     | -                                   | 0.016   |
| Franklin/Brophytown | Brophytown/Franklin  | <del>\$160.00</del><br><del>\$169.00</del>     | -                                   | 0.019   |
|                     | Stoney Run   | \$174.00                                       | -                                   | 0.000   |
| Georges Creek       | Carlos/Georges Creek/<br>Klondike/Shaft                    | <del>\$112.00</del><br><del>\$121.00</del>     | \$29.00                             | 0.210   |
| Locust Grove        | Cash Valley Road   | <del>\$120.00</del><br><del>\$129.00</del>     | \$20.00                             | 0.196   |
|                     | Corriganville/Ellerslie/<br>Mt. Savage                     | <del>\$136.00</del><br><del>\$145.00</del>     | \$20.00                             | 0.062   |
|                     | Clarysville/Consol/Eckhart/<br>Grahamtown/Wrights Crossing | <del>\$143.00</del><br><del>\$152.00</del>     | \$10.00                             | 0.052   |
| McCoole             | McCoole  | <del>\$157.00</del><br><del>\$166.00</del>     | -                                   | <del>0.031</del><br><del>0.020</del>            |
| Mexico Farms        | Mexico Farms   | <del>\$144.00</del><br><del>\$153.00</del>     | \$9.00                              | 0.051   |
| Oldtown             | Oldtown  | <del>\$160.00</del><br><del>\$169.00</del>     | -                                   | 0.033   |
| Oldtown Road        | Uhl Highway  | <del>\$141.00</del><br><del>\$150.00</del>     | -                                   | <del>0.130</del><br><del>0.080</del>            |

FY 2025 utility rates were approved at the Public Business Meeting held on May 30, 2024.

\$15.00 per quarter Bay Restoration Fee assessed to all sewer customers by State of Maryland

Sewer Tap Fee<sup>1</sup> = ~~\$750-\$1,000~~

Notes:

- Fee does not include construction or materials. Contact the Allegany County Utilities Department at 301-729-3311 for more information or a quote.

| ALLEGANY COUNTY WATER & SEWER INFORMATION |                          | FY26 Annual Customer Cost |           | FY26 Estimated Annual Customer Increase |            |            |              |              |              |  |
|---|--------------------------|---------------------------|-----------|---|------------|------------|--------------|--------------|--------------|--|
|   |                          | Water                     | Sewer     | Water                                   | Sewer      | TOTAL      | Water        | Sewer        | TOTAL        |  |
| District                                  | Service Areas            | Total                     | Total     | Δ vs. FY25                              | Δ vs. FY25 | Δ vs. FY25 | % Δ vs. FY25 | % Δ vs. FY25 | % Δ vs. FY25 |  |
| Bedford Road                              | Bedford Road             | \$ 976.00                 | \$ 750.00 | \$ 72.00                                | \$36.00    | \$108.00   | 8.0%         | 5.0%         | 6.7%         |  |
| Biers Lane                                | Biers Lane               |                           | \$ 693.00 |   | \$36.00    | \$36.00    |              | 5.5%         | 5.5%         |  |
| Borden/Mt. Savage                         | Borden/Zihlman           | \$ 672.00                 |           | \$ 24.00                                |            | \$24.00    | 3.7%         |              | 3.7%         |  |
| Bowling Green                             | Bowling Green            | \$ 776.00                 | \$ 698.00 | \$ 74.00                                | -\$197.00  | -\$123.00  | 10.5%        | -22.7%       | -8.2%        |  |
| Bedford Road                              | Bowman's Addition        | \$ 904.00                 | \$ 750.00 | \$ 72.00                                | \$36.00    | \$108.00   | 8.7%         | 5.0%         | 7.0%         |  |
| Georges Creek                             | Carlos, Klondike, Shaft  | \$ 672.00                 | \$ 915.00 | \$ 24.00                                | \$36.00    | \$60.00    | 3.7%         | 4.1%         | 3.9%         |  |
| Jennings Run                              | Cash Valley              | \$ 800.00                 | \$ 890.00 | \$ 78.00                                | \$36.00    | \$114.00   | 10.8%        | 4.2%         | 7.2%         |  |
| Braddock Run                              | Consol                   | \$ 672.00                 | \$ 726.00 | \$ 24.00                                | \$36.00    | \$60.00    | 3.7%         | 5.2%         | 4.5%         |  |
| Cresaptown                                | Cresaptown               | \$ 649.20                 | \$ 650.00 | \$ 35.80                                | -\$197.00  | -\$161.20  | 5.8%         | -24.0%       | -11.5%       |  |
| Braddock Run                              | Clarysville              | \$ 677.92                 | \$ 726.00 | \$ 10.00                                | \$36.00    | \$46.00    | 1.5%         | 5.2%         | 3.4%         |  |
| Braddock Run                              | Eckhart                  | \$ 647.92                 | \$ 726.00 | \$ 24.00                                | \$36.00    | \$60.00    | 3.8%         | 5.2%         | 4.6%         |  |
| Jennings Run                              | Corriganville, Ellerslie | \$ 800.00                 | \$ 753.00 | \$ 78.00                                | \$36.00    | \$114.00   | 10.8%        | 5.0%         | 7.9%         |  |
| Flintstone                                | Flintstone               |                           | \$ 700.00 |   | \$36.00    | \$36.00    |              | 5.4%         | 5.4%         |  |
| Franklin                                  | Franklin                 | \$ 738.00                 | \$ 704.50 | \$ 16.00                                | \$36.00    | \$52.00    | 2.2%         | 5.4%         | 3.7%         |  |
| Georges Creek                             | Georges Creek            |                           | \$ 915.00 |   | \$36.00    | \$36.00    |              | 4.1%         | 4.1%         |  |
| Braddock Run                              | Grahamtown               | \$ 672.00                 | \$ 726.00 | \$ 24.00                                | \$36.00    | \$60.00    | 3.7%         | 5.2%         | 4.5%         |  |
| Route 36                                  | Hoffman                  | \$ 672.00                 |           | \$ 24.00                                |            | \$24.00    | 3.7%         |              | 3.7%         |  |
| McCoole                                   | McCoole                  | \$ 622.00                 | \$ 694.00 | \$ 17.60                                | \$19.50    | \$37.10    | 2.9%         | 2.9%         | 2.9%         |  |
| Mexico Farms                              | Mexico Farms             | \$ 856.00                 | \$ 724.50 | \$ 72.00                                | \$36.00    | \$108.00   | 9.2%         | 5.2%         | 7.3%         |  |
| Jennings Run                              | Mount Savage             | \$ 672.00                 | \$ 753.00 | \$ 24.00                                | \$36.00    | \$60.00    | 3.7%         | 5.0%         | 4.4%         |  |
| Oldtown                                   | Oldtown                  |                           | \$ 725.50 |   | \$36.00    | \$36.00    |              | 5.2%         | 5.2%         |  |
| Oldtown Road                              | Oldtown Road             | \$ 792.00                 | \$ 720.00 | \$ 68.00                                | -\$39.00   | \$29.00    | 9.4%         | -5.1%        | 2.0%         |  |
| Rawlings                                  | Rawlings                 | \$ 808.00                 |           | \$ 74.00                                |            | \$74.00    | 10.1%        |              | 10.1%        |  |
| Route 36                                  | Route 36                 | \$ 710.40                 |           | \$ 24.00                                |            | \$24.00    | 3.5%         |              | 3.5%         |  |
|   | Annual Average           | \$ 739.47                 | \$ 746.98 |   |            | \$ 59.37   |              |              |              |  |
|   | Monthly Average          | \$61.62                   | \$62.25   |   |            | \$ 4.95    | 6.0%         | 4.3%         | 5.1%         |  |

Note: Δ averages and % exclude Bowling Green and Cresaptown Sewer.

These districts have a significant decrease in cost due to debt service reduction.

|                  |                              |
|------------------|------------------------------|
| Based on         | 40,000 gallons               |
| Based on         | \$ 150,000.00 assessed value |
| # of Water EDU's | 6484 42.4%                   |
| # of Sewer EDU's | 8806 57.6%                   |
| # of Water Accts | 5980 43.1%                   |
| # of Sewer Accts | 7909 56.9%                   |