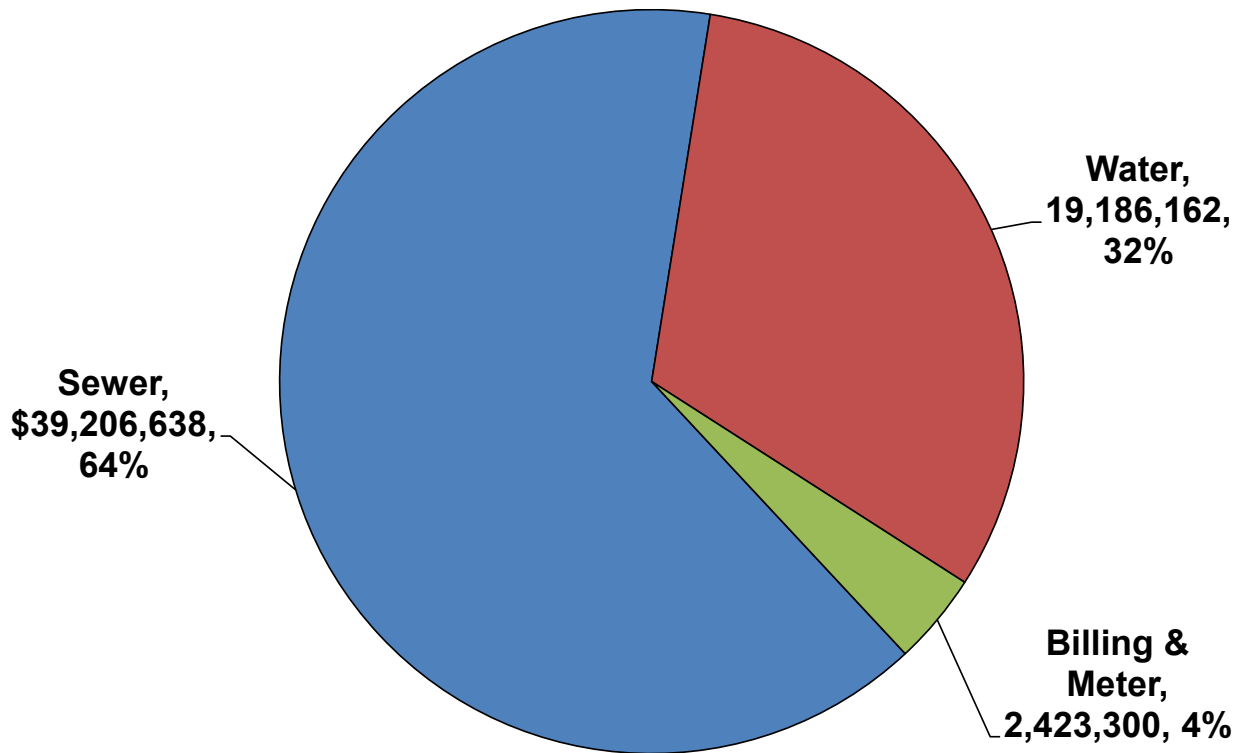


FISCAL YEAR 2026

WATER & SEWER FUND SUMMARY

The County manages many public water and sewer systems, the largest of which is the Mattawoman Sewer Treatment Plant. The majority of the revenue is paid by customers through user fees for operating and the maintenance of the County's water supply and sewage systems. The FY2026 proposed budget includes funding for 199.3 full-time equivalent positions.

TOTAL PROPOSED BUDGET: \$60,816,100



	FY2025 ADOPTED	FY2026 Proposed	Variance	Percent Change
Revenues	\$56,931,000	\$58,748,200	\$1,817,200	3%
Expenditures	\$56,931,000	\$60,816,100	\$3,885,100	7%
Total Surplus/(Deficit)	\$0	(\$2,067,900)		

Water & Sewer Fund Expenses Summary

\$56,931,000 FY2025 Adopted Budget

60,816,100 FY2026 Proposed Budget

\$3,885,100 Total Change from FY2025

1,170,800 Total Salary and Fringe increases to support FY2025 approved salary increases, full year impacts of new FY2025 new positions and impact for fringe benefit, based on full year impacts of approved salaries.

788,000 Increase to support debt service associated with the Water & Sewer Capital Improvement Plan

386,000 An increase in Contract Services to support increase in costs for Utilities.

497,700 Contingency funding to support unknown expenditures or revenue shortfalls. Includes funding for potential salary increases for FY2026.

101,200 A new SCADA Instrumentation Technician to support increased growth in automation throughout DPW utilities, but especially to support the ongoing Mattawoman Automation upgrade project

76,200 A new Environmental Superintendent for the Mattawoman Plant To oversee sophisticated and expensive equipment maintenance plans to ensure all equipment is working properly and that all State and Federal regulations are met.

36,300 A new Building Services Technician, which is partially offset by decreasing part time to provide better and more consistent cleaning services, as well as offer or more frequently provide special services for DPW Utilities

(1,861,400) Decrease in Equipment repairs & Maintenance based on FY2024 Actuals, plus 10%.

(444,400) Decrease in chemicals based on FY2024 actuals, plus 10%.

(185,000) A decrease to the Capital Outlay account that supported one time purchases.

(21,300) Net decrease in various other accounts like training, and uniforms.

\$544,100 Expense increase to be support by Fees

2,000,000 A payment to WSSC for Charles County's portion of the Clinton Zone Phase IV transmission main construction; **To be supported by Fund Balance**

720,000 To move I&I contract services costs to the operating budget; **\$500K to be supported by Fund Balance.**

621,000 Other one time fund balance items

\$3,885,100 Total Expense increase

New FTES for FY2026:

For DPW:

(1.0) Environmental Superintendent

(1.0) SCADA Instrumentation Technician

(0.3) Building Services Technician (includes reduction of part time help)

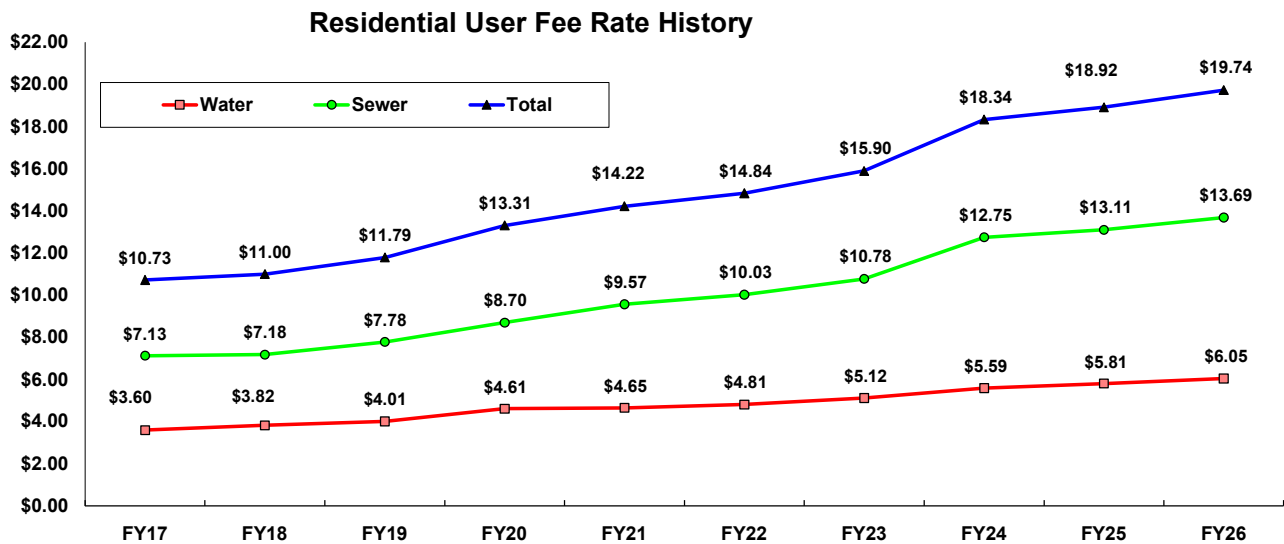
For FAS:

(0.7) Part Time help for W&S Billing Office

To balance the budget a rate increase is required.

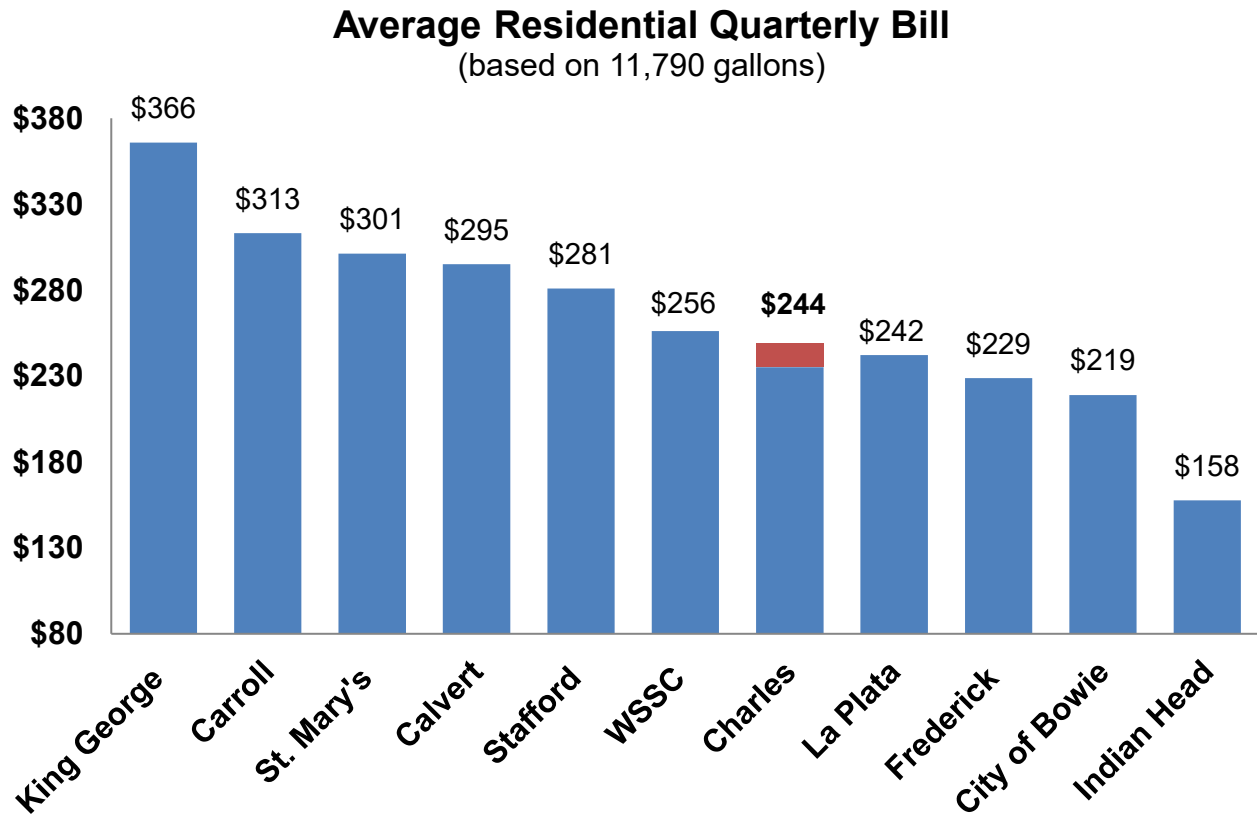
	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>Rate Increase</u>	<u>% Inc.</u>
Water User Fee Rate				
Single Family Residential: 0 - 18,000 gallons	\$5.81	\$6.05	\$0.24	4.1%
Single Family Residential: 18,001 - 24,000 gallons	\$11.62	\$12.10	\$0.48	4.1%
Single Family Residential: Over 24,000 gallons	\$17.43	\$18.15	\$0.72	4.1%
Multi-Family/Commercial: based on metered usage	\$6.88	\$7.19	\$0.31	4.5%
Sewer User Fee Rate				
Single Family Residential: capped at 24,000 gallons	\$13.11	\$13.69	\$0.58	4.4%
Multi-Family/Commercial: based on metered usage	\$13.11	\$13.69	\$0.58	4.4%
Blended Water/Sewer User Fee for the average residential customer:	\$18.92	\$19.74	\$0.82	4.3%
Customer Account Fee				
Customer Account Charge	\$11.60	\$11.60	\$0.00	0.0%

	<u>Current</u>	<u>Proposed</u>	<u>Difference</u>	<u>% Inc.</u>
<u>Average Residential Quarterly Bill</u>	<u>\$234.67</u>	<u>\$244.33</u>	<u>\$9.66</u>	<u>4.1%</u>



NOTE: After FY2025 budget adoption, staff estimated a fee increase of 8.7% would be needed in FY2026.

WATER AND SEWER USER CHARGES



NOTES:

The Average Residential User bill is currently \$234.67 a quarter.

Current rates as of January 2025.

Excludes Bay Restoration fees.

FY 2026 VEHICLE AND EQUIPMENT LISTING

Item Description	Justification / Replacement Information	Asset Value of Request	Direct Purchase	1/2 Year Payment	Annual Payment
<u>Water and Sewer Operation Fund</u>					
<u>Sewer Operations</u>					
Generator/Trailer		40,000		4,500	9,000
<i>Portable generator on a trailer, taken out of service. Currently located at MWWTP. Originally purchased for Strawberry Hills PS, however, a bypass pump was installed there.</i>					
F150 Truck 4x4		32,500		3,700	7,300
<i>Replacing U164, with 151,500 miles. Split with 30252071.</i>					
Truck 4x4		32,500		3,700	7,300
<i>Replacing U218, with 168,000 miles. Split with 30252076.</i>					
2500 Truck 4x4 with Lift Gate & Plow		37,500		4,200	8,400
<i>Replacing U193, with 89,894 miles. Split with 30252072.</i>					
2500 Supercab Utility Body Truck 4x4 with Lift Gate		37,500		4,200	8,400
<i>Replacing U191, Vehicle is 10 years old with 123,000 miles. Split with 30252076.</i>					
Van		30,250		3,400	6,800
<i>Vehicle for new SCADA Instrumentation Technician position. Split with 30252076.</i>					
Lab Services					
Shel Lab BOD Incubator SR1 20P		4,100		500	900
<i>Replacing a Shell Lab BOD Incubator SRI 20P purchased in November 2014. It is 10 years old and leaks water every two weeks.</i>					
Market Forge Sterlimatic Sterilizer Autoclave w/ Digital Temperature Control (107°C - 121°C)		8,200		900	1,800
<i>Replacing a Market Forge Sterlimatic Sterilizer Autoclave Analog Temperature Control was purchased in October 2015. It is not maintaining correct operating temperature of 121 °C. The temperature fluctuates between 121 - 123°C and cannot be adjusted. Total Phosphorus analysis SOP digestion procedure is to be done at 121°C, 15 PSI for 20 minutes.</i>					
Line Maintenance					
8 Ton Trailer with Tilt Bed		12,500		1,400	2,800
<i>Replacing U175, 2014. Trailer is 10 years old. Split with 30255376.</i>					
8 Ton Trailer with Tilt Bed		12,500		1,400	2,800
<i>Replacing U176, 2014. Trailer is 10 years old. Split with 30255376.</i>					

FY 2026 VEHICLE AND EQUIPMENT LISTING

Item Description	Justification / Replacement Information	Asset Value of Request	Direct Purchase	1/2 Year Payment	Annual Payment
Support Services					
Truck <i>Replacing U185, with 58,000 miles. Split with 30251072 and 30251076.</i>		20,000		2,300	4,500
Truck <i>Replacing U127 with 94,000 miles. Split with 30251072 and 30251076.</i>		20,000		2,300	4,500
Total Public Works - Utilities Sewer		287,550	0	32,500	64,500
<u>Public Works - Mattawoman Operations</u>					
Van <i>Replacing U15, with 101,208 miles. Vehicle is in poor condition.</i>		80,000		9,000	17,900
2500 Truck 4x4 with Lift Gate & Plow <i>Replacing U193, with 89,894 miles. Split with 30252071.</i>		37,500		4,200	8,400
Utility Body Truck <i>Vehicle for new Environmental Superintendent position.</i>		90,000		10,100	20,100
Lab Services					
Shel Lab BOD Incubator SR1 20P <i>Replacing a Shell Lab BOD Incubator SRI 20P purchased in November 2014. It is 10 years old and leaks water every two weeks.</i>		4,100		500	900
Market Forge Sterlimatic Sterilizer Autoclave w/ Digital Temperature Control (107°C - 121°C) <i>Replacing a Market Forge Sterlimatic Sterilizer Autoclave Analog Temperature Control was purchased in October 2015. It is not maintaining correct operating temperature of 121°C. The temperature fluctuates between 121 - 123°C and cannot be adjusted. Total Phosphorus analysis SOP digestion procedure is to be done at 121°C, 15 PSI for 20 minutes.</i>		8,200		900	1,800
Support Services					
Truck <i>Replacing U185 with 58,000 miles. Split with 30251071 and 30251076.</i>		20,000		2,300	4,500
Truck <i>Replacing U127 with 94,000 miles. Split with 30251071 and 30251076.</i>		20,000		2,300	4,500
Total Public Works - Utilities Mattawoman		259,800	0	29,300	58,100

FY 2026 VEHICLE AND EQUIPMENT LISTING

Item Description	Justification / Replacement Information	Asset Value of Request	Direct Purchase	1/2 Year Payment	Annual Payment
<u>Public Works - Utilities Water & Sewer</u>					
<u>Water Operations</u>					
Generator/Trailer		40,000		4,500	9,000
<i>Portable generator on a trailer, taken out of service. Currently located at MWWTP. Originally purchased for Strawberry Hills PS, however, a bypass pump was installed there.</i>					
Truck 4x4		32,500		3,700	7,300
<i>Replacing U164 with 151,500 miles. Split with 30252071.</i>					
Truck 4x4		32,500		3,700	7,300
<i>Replacing U218 with 168,000 miles. Split with 30252071.</i>					
2500 Supercab Utility Body Truck 4x4 with Lift Gate		37,500		4,200	8,400
<i>Replacing U191. Vehicle Maintenance approved replacement. Split with 30252076.</i>					
Van		30,250		3,400	6,800
<i>Vehicle for new SCADA Instrumentation Technician position. Split with 30252071.</i>					
Lab Services					
Market Forge Sterlimatic Sterilizer Autoclave w/ Digital Temperature Control (107°C - 121°C)		8,200		900	1,800
<i>Replacing a Market Forge Sterlimatic Sterilizer Autoclave Analog Temperature Control was purchased in October 2015. It is not maintaining correct operating temperature of 121°C. The temperature fluctuates between 121 - 123°C and cannot be adjusted. Total Phosphorus analysis SOP digestion procedure is to be done at 121°C, 15 PSI for 20 minutes.</i>					
Line Maintenance					
8 Ton Trailer with Tilt Bed		12,500		1,400	2,800
<i>Replacing U175, 2014. Trailer is 10 years old. Split with 30255371.</i>					
8 Ton Trailer with Tilt Bed		12,500		1,400	2,800
<i>Replacing U176, 2014. Trailer is 10 years old. Split with 30255371.</i>					
Support Services					
Truck		20,000		2,300	4,500
<i>Replacing U185, with 58,000 miles. Split with 30251071 and 30251072.</i>					
Truck		20,000		2,300	4,500
<i>Replacing U127 with 94,000 miles. Vehicle was in poor condition. Split with 30251071 and 30251072.</i>					

FY 2026 VEHICLE AND EQUIPMENT LISTING

Item Description	Justification / Replacement Information	Asset Value of Request	Direct Purchase	1/2 Year Payment	Annual Payment
Total Public Works - Utilities Water		245,950	0	27,800	55,200
<u>Public Works - Utilities</u>					
Capital Project Management					
SUV		55,000		6,200	12,300
<i>Replacing U182, 2014 with 33,800 miles.</i>					
SUV		60,000		6,700	13,400
<i>Replacing U184, 2014 with 33,000 miles.</i>					
Total Capital Project Management		115,000	0	12,900	25,700
Contingency		75,200		8,400	16,800
Total Water & Sewer Fund		\$983,500	\$0	\$110,900	\$220,300
Total Cost of Items to Be Capital Asset Financed		\$983,500			

Sewer Revenues

Account Name	FY2025 Adopted	FY2026 Proposed	Change from Adopted
PretreatmentPermits	76,600	80,600	4,000
WSSCCostShare	2,081,100	1,851,200	-229,900
IndirectCostRevenue	250,400	263,000	12,600
ResidentialUserFee	22,142,400	21,920,400	-222,000
CommercialUserFee	4,068,000	3,981,800	-86,200
LandfillLeachateFees	43,000	43,000	0
Multi-FamilyUserFee	3,138,800	3,155,500	16,700
CPVSewerUserFee	1,842,800	1,894,900	52,100
SeptageHaulers	1,100,000	1,000,000	-100,000
PandaUserFees	120,000	120,000	0
PANDAREimbursement	150,000	150,000	0
PotomacHeights	52,000	52,000	0
CPVReimbursement	600,000	600,000	0
PretreatmentInspection	17,000	17,000	0
ResidentialPenalties	875,000	875,000	0
CommercialPenalties	125,000	65,000	-60,000
Multi-FamilyPenalties	75,000	50,000	-25,000
Rent	1,500	1,500	0
Other	2,000	2,000	0
FundBalanceApprop	362,100	1,703,000	1,340,900
MiscellaneousRevenues	2,500	2,500	2,500
Total:	37,125,200	37,828,400	705,700

Total Revenues for Sewer Operations: 37,828,400

Total Baseline Expenses for Sewer Operations: 39,206,638

Total Deficit Including New Requests: -1,378,238

Fee Analysis	
Current Fee:	\$13.11
Rate Increase Needed to Support Expenditure Request:	\$0.58
FY2026 Calculated Fee:	\$13.69
Increase over existing rate:	4.42%

Water Revenues

Account Name	FY2025 Adopted	FY2026 Proposed	Change from Adopted
HydrantUserFees	150,000	150,000	0
ResidentialUserFee	11,976,000	12,079,200	103,200
CommercialUserFee	2,607,700	2,519,200	-88,500
Multi-FamilyUserFee	1,572,300	1,641,800	69,500
PandaUserFees	125,000	125,000	0
Cross-ConnBackflowapp	15,000	15,000	0
Cross-ConnBackflowinsp	65,700	65,700	0
Cross-ConnBckflwre-insp	300	300	0
HydrantFlowTest	3,800	3,800	0
Rent	330,000	330,000	0
Other	1,000	1,000	0
FundBalanceApprop	593,800	1,563,000	969,200
MiscellaneousRevenues	2,500	2,500	2,500
Total:	17,443,100	18,496,500	1,055,900

Total Revenues for Water Operations: 18,496,500

Total Baseline Expenses for Water Operations: 19,186,162

Baseline Deficit: -689,662

Fee Analysis	
Current Fee:	\$5.81
Rate Increase Needed to Support Expenditure Request:	\$0.24
FY2026 Calculated Fee:	\$6.05
Increase over existing rate:	4.13%

W&S Billing/Meters - Revenues

Account Name	FY2025 Adopted	FY2026 Proposed	Change from Adopted
ResidentialUserFee	1,689,700	1,733,100	43,400
CommercialUserFee	51,000	51,000	0
Multi-FamilyUserFee	16,900	16,900	0
W&SAccountSet-upFee	66,000	66,000	0
ReconnectionFees	372,100	372,100	0
No-ShowFee	2,700	2,700	0
ReturnedPaymentsFee	6,500	6,500	0
FinalReadingRequest	100,000	100,000	0
FundBalanceApprop	0	75,000	75,000
Total:	2,304,900	2,423,300	118,400

Total Revenues for Billing & Meters Operations: 2,423,300

Total Baseline Expenses for Billing & Meter Operations: 2,423,300

Total Deficit Including New Requests: 0

Fee Analysis	
Current Fee:	\$11.60
Rate Increase Needed to Support Expenditure Request:	\$0.00
FY2026 Calculated Fee:	\$11.60
Increase over existing rate:	0.00%

Water & Sewer Enterprise Fund

FY 2026 Fund Balance Items

Reimbursement of WSSC Project	\$2,000,000
Mattawoman I & I expenses	500,000
MDE Study - Swan Point ENR Study	200,000
Locating Curb Boxes	200,000
MDE Study - AWIA Rule	150,000
Electrical Resistance Conductivity Tester	85,000
SMART Meters PILOT Program	75,000
Mattawoman Plant Roof Repairs	75,000
One time automation needs	56,000
<hr/>	
Total Fund Balance Use	\$3,341,000

Water and Sewer Operations Fund

FISCAL YEAR 2026 BUDGET

Fund Description

The county manages many public water and sewer systems, the largest of which is the Mattawoman Sewer Treatment Plant. The majority of the revenue is paid by customers through user fees for operating and the maintenance of the county's water supply and sewage systems.

Expenditures

	ACTUALS	PRIOR ADOPTED	REQUESTED	PROPOSED	\$ Change from FY2025	% Change from FY2025
	FY2024	FY2025	FY2026	FY2026		
Expenditures						
Personal Services	\$10,943,085	\$8,966,500	\$10,022,427	\$9,948,928	\$982,428	11%
Fringe Benefits	\$3,942,148	\$4,745,200	\$4,973,221	\$4,973,221	\$228,021	5%
Supplies	\$3,251,431	\$3,902,500	\$3,723,100	\$3,724,500	-\$178,000	-5%
Other Services & Chrgs	\$18,572,206	\$26,710,700	\$28,327,540	\$28,329,940	\$1,619,240	6%
Agency Funding	\$555,700	\$629,100	\$821,400	\$821,400	\$192,300	31%
Operating Contingency	\$0	\$56,800	\$593,347	\$545,711	\$488,911	861%
Transfers Out	\$0	\$178,000	\$56,000	\$56,000	-\$122,000	-69%
Capital Outlay	\$358,987	\$1,985,000	\$1,885,000	\$1,885,000	-\$100,000	-5%
Depreciation Expense	\$10,587,543	\$0	–	–	\$0	–
Capital Projects	-\$30,807,972	\$0	\$0	\$0	\$0	–
Debt Service	\$4,195,010	\$9,757,200	\$10,531,400	\$10,531,400	\$774,200	8%
EXPENDITURES TOTAL	\$21,598,139	\$56,931,000	\$60,933,435	\$60,816,100	\$3,885,100	7%

Revenues and Funding Sources

	ACTUALS	PRIOR ADOPTED	REQUESTED	PROPOSED	\$ Change from FY2025	% Change from FY2025
	FY2024	FY2025	FY2026	FY2026		
Operating Revenues						
Licenses & Permits	\$80,136	\$76,600	\$80,600	\$80,600	\$4,000	5%
Inter_Governmental	\$1,496,589	\$2,081,100	\$1,851,200	\$1,851,200	-\$229,900	-11%
Service Charges	\$63,811,745	\$52,350,400	\$52,151,200	\$52,151,200	-\$199,200	0%
Other	\$4,862,397	\$1,417,000	\$1,332,000	\$1,332,000	-\$85,000	-6%
OPERATING REVENUES TOTAL	\$70,250,866	\$55,925,100	\$55,415,000	\$55,415,000	-\$510,100	-1%
Other Funding Sources						
Transfers	\$0	\$1,005,900	\$2,606,000	\$2,606,000	\$1,600,100	159%
OTHER FUNDING SOURCES TOTAL	\$0	\$1,005,900	\$2,606,000	\$2,606,000	\$1,600,100	159%
Total Revenues and Funding Sources	\$70,250,866	\$56,931,000	\$58,021,000	\$58,021,000	–	–

Positions by Department

Department	FY2022	FY2023	FY2024	FY2025	FY2026
Fiscal & Administrative Services	10	10	10.3	10.6	11.3
Public Works	164.6	164.6	165.6	174.9	177.2
Planning & Growth Management	9	7.4	9.5	10.8	10.8
	183.6	182	185.4	196.3	199.3