



UTILITY FUND

Quick Facts
FY24 Budget

WHY IS THE UTILITY FUND AN ENTERPRISE FUND?






An enterprise fund is used to report an activity for which a fee is charged to users to ensure that the fees charged are sufficient, that the fund is self supporting and can cover the cost of providing goods & services.

Prior to this administration (pre-2016) the Utility Fund (UF) was balanced through major development (*new buildings*), and general tax payer funds.

This approach does not provide adequate UF reserves to improve infrastructure, it promotes *unsustainable development* of the Town, uses tax payer funds to decrease costs to high users, and eliminates the Town's ability to receive grant funds for infrastructure improvements.

WHAT ARE THE COSTS OF THE UTILITY FUND?

Costs to run water & sewer services have increased due to:

-  40% increase in chemical costs
-  35% increase in utility rates
-  35% increase in sewer treatment costs
-  Ongoing infrastructure improvements required to keep faucets turning on, toilets flushing
-  Significant preventative maintenance required to decrease water main breaks

WHY A SEWER FIXED FEE - & NO CHANGE TO VARIABLE FEES?



A sewer fixed fee of \$100 per equivalent dwelling unit (EDU) per quarter (*or \$1.09 a day*) will fund fixed costs of the water & sewer system by usage demand. Fixed costs account for 97% of UF costs, these costs will not decrease with lower usage. Commercial users will pay for their added burden to the system by EDU (which average between 8-118 EDUs) accounting for all users evenly by usage demand. All users will pay for the fixed costs to keep services running to include second homes, investment homes, and lots with connections that are not in use. Users continue to be encouraged to lower their usage *and their bill* through the variable rate.

HOW DO WE COMPARE TO OTHER JURISDICTIONS?

Utility	12,000 gallons / Qtr.	18,000 gallons / Qtr.
Chesapeake Beach New rate	\$252.63	\$305.22
North Beach	\$276.20	\$357.20
Calvert County Government	\$352.43	\$407.87
Frederick County Government	\$373.80	\$453.66
Queen Anne's County Government	\$255.53	\$317.15

ARE YOU A TOWN RESIDENT OR UTILITY USER OF THE TOWN OF CHESAPEAKE BEACH - AND HAVE A QUESTION ABOUT THE FY24 UTILITY FUND BUDGET? SCAN THE QR CODE AND SUBMIT YOUR QUESTION TO THE TOWN. **TOWN STAFF WILL ADDRESS QUESTIONS ON APRIL 4TH, 2023 AT TOWN HALL STARTING AT 6:00 PM. PREFER A DIRECT RESPONSE FROM STAFF, PLEASE ADD THIS TO YOUR COMMENT WITH CONTACT INFO.**

