

**MAYOR**  
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Pauline Braun  
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**TOWN ADMINISTRATOR**  
Calvin A. Bonenberger Jr.

RISINGSUNMD.ORG

June 28, 2023

**Dear Residents,**

We hope this letter finds you well. We are writing to address an important matter that affects each and every one of us: water and sewer rates. As responsible stewards of our community's resources, and in an effort to be as transparent as possible, we want to share with you the history of our water and sewer rates, how the town bills, and helpful tips on how to conserve. We understand the significance of managing these essential services efficiently and sustainably. While we recognize that any increase can be challenging, we want to emphasize that any adjustments are vital for the long-term sustainability of our water and sewer infrastructure. We hope the following provides you with a better understanding of the water and sewer rates.

**Billing.**

The Town's Water and sewer services are billed from one reading amount to the next reading on the last working day of the month no matter how many times you turn water on and off. The water system the Town uses stores data in 10-gallon intervals, the reading is still per gallon that you use. This incremental reading allows the town to better track a property's usage and to narrow down excessive use to a specific timeframe. With that information, the property owner can investigate the cause for the usage and take the necessary steps to reduce that usage. You are not charged 10 gallons every time the faucet is turned on.

**History of sewer and water capacity in the town.**

The utility rates are reflective of a long-standing issue with the Town's sewer and water systems. For those that may not know, the town was notified by the Maryland Department of the Environment (MDE) in the late 1990s and early 2000s that its water and sewer facilities had become antiquated, and out of compliance with many regulatory standards. During the early 2000's large sums of money were spent trying to study the situation and determine the most cost-effective course of action, to include several plans to build and construct new facilities for as little as \$2-\$3 million dollars. Unfortunately, the town took the position of doing nothing.

In 2005, frustrated by the Town's failure to address the wastewater treatment plant, MDE took legal action against the town and placed the town under a court order (consent decree) that included a mandate to fix the failing wastewater treatment plant and to bring it into acceptable environmental standards.

In 2008, the town developed a plan to build a new wastewater treatment plant at a cost of roughly 8.5 million dollars. However, the town chose once again not to take action.

In 2010, MDE announced that it was going to start penalizing the Town of Rising Sun with fines for failure to bring the plant into compliance.

In 2012, the town resubmitted the same plan from 2008 to build a new wastewater treatment plant, but the cost was now \$14 million dollars. Due to lawsuits filed by town residents to stop the project, the

construction was delayed 2 more years resulting in the final cost of the plant escalating to roughly \$16 million dollars, not to mention the increased cost in defending the lawsuit that was later dismissed by the courts.

On a parallel track, the town was working to address it's failing water system dating back to 2005 for a cost of roughly \$3 million dollars, however, MDE did not agree with the study that was performed and said we could only consider the well for back up because it was drawing from the same aquifers. Spending the next couple of years focusing on the sewer issues, the Town revisited the water issues in 2012 and commissioned a study and secured pricing from 5 separate engineering firms on the projected cost for getting additional wells by way of exploring wells outside of town and piping the water back to town. The lowest projected cost was \$17.1 million dollars to secure the needed 290,000 additional gallons per day. Which was the minimum needed to address our capacity issues. If the Town had moved forward with this solution, the Town would have paid \$59,000 per gallon of water and \$18,566 per household. This limited capacity would not have afforded the town any room for growth, which means the Town would be stuck with those high-water rates for the next 40 years.

In 2016, upon completing the new wastewater treatment plant, the Town acted upon a study that determined the best economical choice for solving the Town's water issues was to bring a line in from Chester County, PA. This line ended up costing \$10.5 million dollars to construct, but it also delivers up to 1,000,000 gallons per day. This project results in the Town paying \$11,400 dollars per household as opposed to drilling for wells which would have cost an additional \$7,100 per household. More importantly, the 1,000,000 gallons give us the chance to bring more users on the system and lower the cost for our residents. This plan is starting to take shape now.

### **Why are rates high?**

Unfortunately, Town officials did not deal with these issues when they were first identified. What could have cost \$3-6 million dollars in the early 2000's, ended up costing the town \$26 million dollars upon project completion in 2018.

The Town's operating budget expenses on the sewer and water fund to be roughly \$1,248,130 per year to operate the sewer plant and \$1,191,421 to operate the water system for a combined sewer and water fund expense of \$2,439,551. This equates to \$2,649 per household per year or \$220.73 per household per month. The overwhelming bulk of this cost is the principal and interest payments on the financing of \$26 million dollars.

The annual budgets are balanced with very little surplus and no room to build up rainy day funds to pay for future repairs of both systems. In short, the systems are running on bare minimum margins and the Town is not overcharging for the services that are required.

To be transparent, we live stream and videotape every town meeting and post them on YouTube along with every document being posted on our website for folks to see and hear.

Our Town accounts are audited every year by an outside firm. Our Water & Sewer Commissioner or Mayor Marion would be happy to sit down with anyone who may have concerns and share all the documents, fines from MDE, and history that lead us to be where we are today.

The Mayor & Board of Commissioners of Rising Sun.