

COMMISSIONERS OF RIDGELY



KEY TOPICS OF DISCUSSION FROM THE JUNE 1, 2026, TOWN MEETING

- Street paving projects are scheduled to start after the 4th of July holiday. Street work is scheduled for: Lister Lane, Robins Court, Carol Lane, 2nd Street from Central to Sunrise, and Caroline to Sunset. Bramble will be giving us a two-week notice so that we can let the residents know when they will need to make plans for parking off street.
- The Lister Estates grinder pump agreement with Freemire will renew in August for the 63 homes that have a grinder pump. Beginning August 1, 2026, any home that transfers property owners will come off the agreement the following August. New homeowners do have the option of paying for their own plan with Freemire & Associates.
- Public Works vehicles will be getting identifying decals early in fiscal year 27.
- Code enforcement has identified many untagged vehicles in town and is ready to start issuing violations. Commissioner Leister will plan to have a finalized update to the town code and zoning ordinance by the July 2026 town meeting that will address the enforcement plan.
- Economic Development met with John Gooden of Ridgely Airport. He is hoping to host air shows and drag races in the future. Plans for opening the diner in town are moving forward. The owner hopes to have it open this summer. MAORC is hosting a field day on June 11th at 10 am in the Ridgely Fire Hall. The next EDC meeting is July 16, 2026, at 3:30 pm.
- The FY27 Budget Ordinance No. 2026-402 was passed.
- Commissioner Sears gave a slide show presentation (included in this update) of the proposed water and sewer rate increases. The slide show highlighted:
 - Review of how town finances work
 - Why the rates must change
 - What rates pay for
 - Designing rates for the community we have
 - Review of the 3 proposed rate schedules
 - Interactive application to show the effect of different water usageWe hope to have the interactive application available on the town website by the end of the week. The Commissioners voted to go with the capital reserve option of the water/sewer rate study.
- Resolution No. 2026-02 establishing the water and sewer rates was introduced. There will be a public hearing for the resolution during the July 6, 2026, town meeting. Residents that are unable to attend in person may submit a statement or question for the hearing to questions@ridgelymd.org. Please submit the questions by 4:00 pm on July 6, 2026.



TOWN OF RIDGELY, MARYLAND

FY27 Water & Sewer Rate Review

June Town Meeting

June 1, 2026

How the Town's Finances Work

Two separate funds, two separate sets of rules

Governmental Fund

General town operations

FUNDED BY

Property and income taxes, Garbage collection (from Water Bill)

PAYS FOR

Roads, police, administration, public works (excluding water & sewer), Garbage collection

RESTRICTION

May lend to the utilities short-term, but cannot subsidize them long-term

Enterprise Fund*

Water, Sewer and Bay Restoration Fees

FUNDED BY

Metered water bills • Bay Restoration fee (\$15/qtr.)

PAYS FOR

Water & sewer operations, State Bay Restoration fee

RESTRICTION

Must be self-sustaining — these services must pay for themselves

** Runs like a business*

Why Rates Must Change

Three financial pictures — and four reasons we got here

Water System	
FY27 REVENUE	FY27 EXPENSES
\$296,781	\$404,531
DEFICIT	
\$107,750 (36.3%)	

Sewer System	
FY27 REVENUE	FY27 EXPENSES
\$421,700	\$470,090
DEFICIT	
\$48,390 (11.5%)	

Total	
FY27 REVENUE	FY27 EXPENSES
\$718,481	\$874,621
DEFICIT	
\$156,140 (21.7%)	

- 1 Rates have not changed since 2014 — 12 years of rising costs with no adjustment.
- 2 Materials, labor, and fuel all cost more than they did a decade ago.
- 3 Electric rates have hit hard: pumping stations and treatment plants run around the clock, and well pumps must run at least daily to refill the water tower.
- 4 New state-mandated water and sewer tests are required by law — skipping them isn't an option and carries real financial and legal penalties.

What Our Rates Pay For

Day-to-day operations and what the state requires us to do

Operating Costs

What it takes to run the system

- Water treatment chemicals and lab testing fees
- Wastewater treatment and discharge compliance
- System maintenance & Repairs: pipes, pumps, valves...
- Staffing: operators, billing, inspection costs
- Energy: well pumps, wastewater pumping stations, and treatment

Regulatory Requirements

What the state and federal government require

- System must be self-sustaining
- Three month's operating costs in reserve (MDE, Auditors)
- State law requires water rates that discourage waste
- Maryland MDE annual operating permits
- EPA Safe Drinking Water Act compliance
- NPDES* discharge permit testing and reporting
- Mandatory infrastructure inspections
- Non-compliance penalties can be severe

Designing Rates for the Community We Have

The typical Ridgely household brings home **\$64,432** a year. But the typical Maryland household brings home **\$101,652**. We earn about 63 cents compared to Maryland as a whole.*

Roughly 4 in 10 households here earn less than the income required to afford the household survival budget.**

Our unemployment rate is 5.9% — more than one and a half times the national average.*

State law requires water rates that discourage waste.***

That's why the rates step up the way they do. The less water you use, the smaller your increase. Those who use more water pay more. That's not an accident. We designed these rates to be as fair as possible under the circumstances.

We can't make 12 years of deferred increases painless. But we can decide who carries the heaviest load — and we made sure it isn't those who can least afford it.

*Source: U.S. Census Bureau, American Community Survey 2019–2023 5-Year Estimates (Table B19001). Released December 2024.

** Source: United for ALICE, "The State of ALICE in Maryland" county-reports page / 2025 Maryland Data Sheet, Data as of 2023; published May 2025.

*** Source: Maryland Department of the Environment, "GUIDANCE FOR DEVELOPING & IMPLEMENTING A WATER CONSERVATION PLAN," p.3, March 2024

Three Proposals

Same rate structure — the difference is the revenue target and the cushion built in

	Budget Gap	Operating Reserve	Capital Reserve
Purpose	Close deficits only	Deficits + \$50K cushion (\$25K each system)	Deficits + \$100K capital reserve (\$50K each system)
Water Revenue Target	\$404,531	\$429,531	\$454,531
Sewer Revenue Target	\$470,090	\$495,090	\$520,090
Combined Annual Total	\$874,621	\$924,621	\$974,621

[See what each option does to your bill → open the rate calculator](#)

What Happens If a Pump Fails?

One emergency. Three very different outcomes.

A pump failure or major pipe break can run \$50,000 or more. That is not a hypothetical — it is how water and sewer systems work. Here is what each proposal leaves us with when it happens.

Budget Gap	Operating Reserve	Capital Reserve
<p>Closes the books. No safety net. No reserve fund. When a major repair hits, the town borrows the money. That debt gets added to next year's costs — which likely means coming back to you next year with another rate increase, larger than this one.</p>	<p>Closes the books. Small cushion. A minor repair is probably covered. A major failure at \$50,000 or more still likely forces borrowing — and probably will not satisfy the state's three-month reserve requirement needed to protect the \$1.1M grant.*</p>	<p>Closes the books. Full emergency fund. One major failure doesn't automatically become next year's rate crisis. The reserve is built specifically for emergencies like this — and it starts rebuilding reserves to meet the state's three-month requirement, keeping the \$1.1M federal grant* within reach.</p>

*** ABOUT THAT FEDERAL GRANT**

Ridgely has been approved for a \$1.1 million federal grant for sewer upgrades — but the money has not been released yet. Before Maryland's Department of the Environment releases it, they require the system to be self-sustaining, carry at least three months of operating costs in reserve, and a water & sewer rate schedule that encourages water conservation.

If we don't meet those standards: we lose the \$1.1 million. We also lose access to an additional \$6–7 million in future grants. That is \$7–8 million in work this town won't get.

Next Steps

Commission vote — rates take effect with the new fiscal year (July 1, 2026)

Milestone	Date
Public Town Hall	May 21, 2026
Public comment period opens	May 21, 2026
Town Hall comments sent to Commissioners & staff	4:00PM, June 1, 2026
Draft rates discussed. Draft ordinance presented.	Town Meeting, June 1, 2026
Public Town Hall, if requested *	June (date TBD)
Commissioners' workshop, if needed — discuss rate schedule changes *	June (date TBD)
Written public comment period closes	4:00PM July 6, 2026
Public hearing. Commission vote (tentative)	July 6, 2026
New rates take effect (start of fiscal year)	July 1, 2026

*We've postponed the planned Town Hall and Workshop to address questions about water and sewer due to lack of public interest. If you have concerns about these changes, please let us know.

Public comments are welcome tonight. Written comments accepted through July 6, 2026.