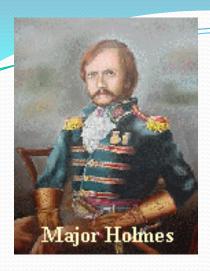
# Holmes County Sewer District

Presentation to the Board of County Commissioners



Sewer Rate Study Analysis

March 30, 2009



#### Introductions

- John F. Damico,
  - President, MBA
- Al C. Damico,
  - Vice President, MBA
  - Over 50 years of experience
  - Water & Sewer Rate Studies
  - Cost of Service Analysis
  - Strategic Planning
  - Storm Water Utilities
  - Public Relations Programs
  - Access/Excel Database Programming



Environmental Rate Consultants, Inc.

Website:

www.ercerc.com

# Project Methodology

 Sewer Rate Study performed in accordance with APWA and WEF

Ohio EPA GreenBook Guidelines

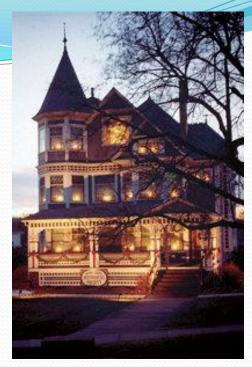






### Rate Study Process

- Collected financial & billing data
- Performed revenue requirements analysis for 2 years
- Performed cost of service analysis
- Developed flexible computer rate model for 5 years
- Held meetings with staff





### Sewer Capital Improvements

**Year** 

**Project Costs** 

2009

\$ 000

2010

\$ 72,000

**Total** 

\$ 72,000





#### Note:

2010 for all 6 plants - \$12,000 for nutrient trading for a total of \$72,000 has been allocated equally for all 6 plants.

# Rate Study Recommendations

- Adopt one uniform sewer rate system
- Institute an aggressive collections program
- 3. Begin an aggressive grant application program
- 4. Adopt a uniform system wide access fee in the amount of \$4,500
- 5. Adopt the two year rate recommendation on the next slide
- 6. Required rate study in 2010





#### 2 Year Sewer Rate Recommendation

	<u>2009</u>		<u>2010</u>
Commercial Base Monthly Rate:	\$ 12.51	\$	11.17
Residential Base Monthly Rate:	\$ 7.10	\$	6.29
Usage Monthly Rate:	\$ 27.94	\$	25.64
Depreciation Monthly Rate:	\$ 2.40	<i>\$</i>	2.40
CIP Monthly Rate:	\$ _	\$	4.15
Debt Retirement Monthly Rate:	\$ 11.67	\$	11.20
			-

54.52

49.11

54.56

49.67

**Total Monthly Commercial Rate:** 

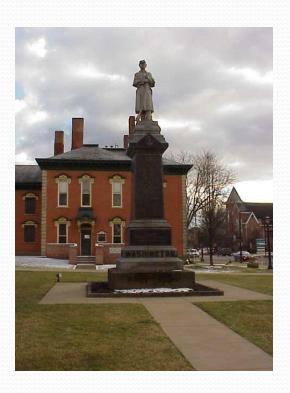
**Total Monthly Residential Rate:** 

Per Unit Per Month

Per Unit Per Month

#### Sewer Rate Increase (as a % age)

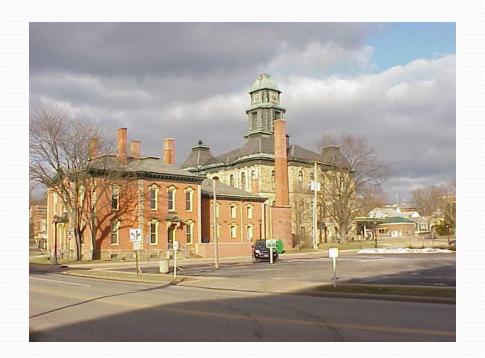
- 1. The Berlin Plant area rate increase for 2009:
  - Commercial = 14.67%
  - Residential = 12.64%
- 2. The Mt. Hope Plant area rate increase for 2009:
  - Commercial = 18.53%
  - Residential = 16.79%
- 3. The Walnut Creek Plant area rate increase for 2009:
  - Commercial = 41.81%
  - Residential = 42.35
- 4. The Winesburg Plant area rate increase for 2009:
  - Commercial = 48.98%
  - Residential = 50.42%
- 5. All 6 plant areas one uniform rate increase from 2009 to 2010:
  - Commercial = 0.06% (less than 1% increase)
  - Residential = 1.14% (slightly more than 1% increase)



# Ohio EPA Sewer Rate Survey

•The current rate increase recommendation for 2009 is 23.03% below the state average of 400 Ohio communities surveyed by Ohio EPA





\*\$63.81 (state monthly average)

#### Cause For Sewer Rate Increase

 Lack of Regular Rate Increase over the past 12 years

 New Capital Improvements Project (CIP) Needs

Current outstanding
 Debt to be paid off



#### Mt. Hope Debt Schedule

Mt. Hope

2000 through 2021

\$78,000 for a term of 20 years

Ohio Public Works Commission

65 East State Street, Suite 312

Columbus, OH 43215-4213

FUND

O30-08031

CN04C

Mt. Hope Flow Equalization

**Principal** 

\$78,018.00

**Annual Payment** 

\$ 3,900.90

#### Walnut Creek Debt Schedule

Walnut Creek

2007 through 2026

\$167,253.94 FOR A TERM OF 20 YEARS

CN14H

Ohio Public Works Commission

65 East State Street, Suite 312

Columbus, OH 43215-4213

LS & Line Extensions SR 39 & Pump Station

**Principle** 

**Annual Payment** 

FUND

O30-08032

E3003

\$ 167,254

\$ 8,362.70

### Walnut Creek (2) Debt Schedule

\$60,000.00 FOR A **TERM OF 30 YEARS** Walnut Creek 2 2008 through 2038

16k

Ohio Public Works Commission

65 East State Street, Suite 312

Columbus, OH 43215-4213

FUND	Walnut Creek	Principal	Annual Payment
	Line Extension Gas		

Station to Flea Market \$ 60,000 O30-08032

\$ 2,000.00 E3003

# Winesburg Debt-Schedule

\$58,226.15 for a term of 20 years

Winesburg

2003 through 2022

FUND

O30-08033

Sanitary Sewer Plant Expansion

CN25E

Ohio Public Works Commission

65 East State Street, Suite 312

Columbus, OH 43215-4213

**Principle** 

\$58,226.15

Annual Payment

\$5,822.60

#### Berlin Debt Schedule

Berlin

1998 through 2037

\$7 M FOR A TERM OF 40 YEARS

FUND

O30-08030

Principal Annual Payment

Loan # 92-06

Varies

Year Principal Interest Payment 2008 \$40,000 \$124,675 \$164,675 2009 \$42,000 \$131,350 \$173,350 2010 \$45,000 \$129,250 \$174,250 2011 \$46,000 \$127,000 \$173,000 2012 \$49,000 \$124,700 \$173,700

#### U.S. Consumer Price Index (CPI) 1996 - 2008

Year	Annual Average	(Rate of Inflation)	<b>Cumulative Total</b>
1995	152.4	2.80%	
1996	156.9	2.90%	2.90%

2.30%

1.60%

2.20%

3.40%

2.80%

1.60%

2.20%

2.70%

3.40%

3.20%

2.80%

3.80%

1997 160.5

163

166.6

172.2

177.1

179.9

183.8

188.91

195.3

201.6

207.342

215.303

1998

1999

2000

2001

2002

2003

2004

2005

2006

2007

2008

12.40% 15.20% 16.80% 19.00% 21.70% 25.10% 28.30%

5.20%

6.80%

9.00%

31.10%

34.90%

#### Question and Answer

