

# 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](http://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

<u>Year</u>	<u>Project Costs</u>
2009	\$ 000
2010	\$ 72,000
<b>Total</b>	<b><u>\$ 72,000</u></b>



## 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

1. Adopt one uniform sewer rate system
2. 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>
	<b>Commercial Base Monthly Rate:</b>	\$ 12.51	\$ 11.17
	<b>Residential Base Monthly Rate:</b>	\$ 7.10	\$ 6.29
	<b>Usage Monthly Rate:</b>	\$ 27.94	\$ 25.64
	<b>Depreciation Monthly Rate:</b>	\$ 2.40	\$ 2.40
	<b>CIP Monthly Rate:</b>	\$ -	\$ 4.15
	<b>Debt Retirement Monthly Rate:</b>	\$ 11.67	\$ 11.20
<b>Per Unit Per Month</b>	<b>Total Monthly Commercial Rate:</b>	\$ 54.52	\$ 54.56
<b>Per Unit Per Month</b>	<b>Total Monthly Residential Rate:</b>	\$ 49.11	\$ 49.67

# 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

- \$49.11 (Holmes)

- \$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**

**Mt. Hope Flow  
Equalization**

**Principal**

**Annual Payment**

**O30-08031**

**CN04C**

**\$78,018.00**

**\$ 3,900.90**

# Walnut Creek Debt Schedule

<b>Walnut Creek</b>	<b><u>2007 through 2026</u></b>	<b>\$167,253.94 FOR A TERM OF 20 YEARS</b>	
	CN14H		
	Ohio Public Works Commission		
	65 East State Street, Suite 312		
	Columbus, OH 43215-4213		
	LS & Line Extensions SR 39 & Pump Station	<b>Principle</b>	<b>Annual Payment</b>
<b>FUND</b>		<b>\$ 167,254</b>	<b>\$ 8,362.70</b>
<b>O30-08032</b>			
<b>E3003</b>			



# Walnut Creek (2) Debt Schedule

FUND	Walnut Creek Line Extension Gas Station to Flea Market	Principal	Annual Payment
030-08032		\$ 60,000	\$ 2,000.00
E3003			

**\$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

# Winesburg Debt Schedule

Winesburg

2003 through 2022

**\$58,226.15 for a  
term of 20 years**

FUND

**Sanitary Sewer Plant  
Expansion**

O30-08033

CN25E

Ohio Public Works Commission

**Principle**

**Annual  
Payment**

65 East State Street, Suite 312

**\$58,226.15**

**\$5,822.60**

Columbus, OH 43215-4213

# Berlin Debt Schedule

**\$7 M FOR A TERM  
OF 40 YEARS**

Berlin

1998 through 2037

FUND

O30-08030

Loan # 92-06

Principal  
Varies

Annual Payment

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)	Cumulative Total
1995	152.4	2.80%	
1996	156.9	2.90%	2.90%
1997	160.5	2.30%	5.20%
1998	163	1.60%	6.80%
1999	166.6	2.20%	9.00%
2000	172.2	3.40%	12.40%
2001	177.1	2.80%	15.20%
2002	179.9	1.60%	16.80%
2003	183.8	2.20%	19.00%
2004	188.91	2.70%	21.70%
2005	195.3	3.40%	25.10%
2006	201.6	3.20%	28.30%
2007	207.342	2.80%	31.10%
2008	215.303	3.80%	34.90%



# Question and Answer

