

# County of Summit

## Department of Sanitary Sewer Services

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### Wastewater Rate Study Project Results

Fall 2021



# Agenda for Discussion

- Study Goals
- Rising Costs
- Historical Revenue and Adjustments
- Existing Rates and Charges
- Forecast of User Rates and Flat-Rates
- Other Charges

# Project Background, Objectives, and Drivers

## Project Objectives

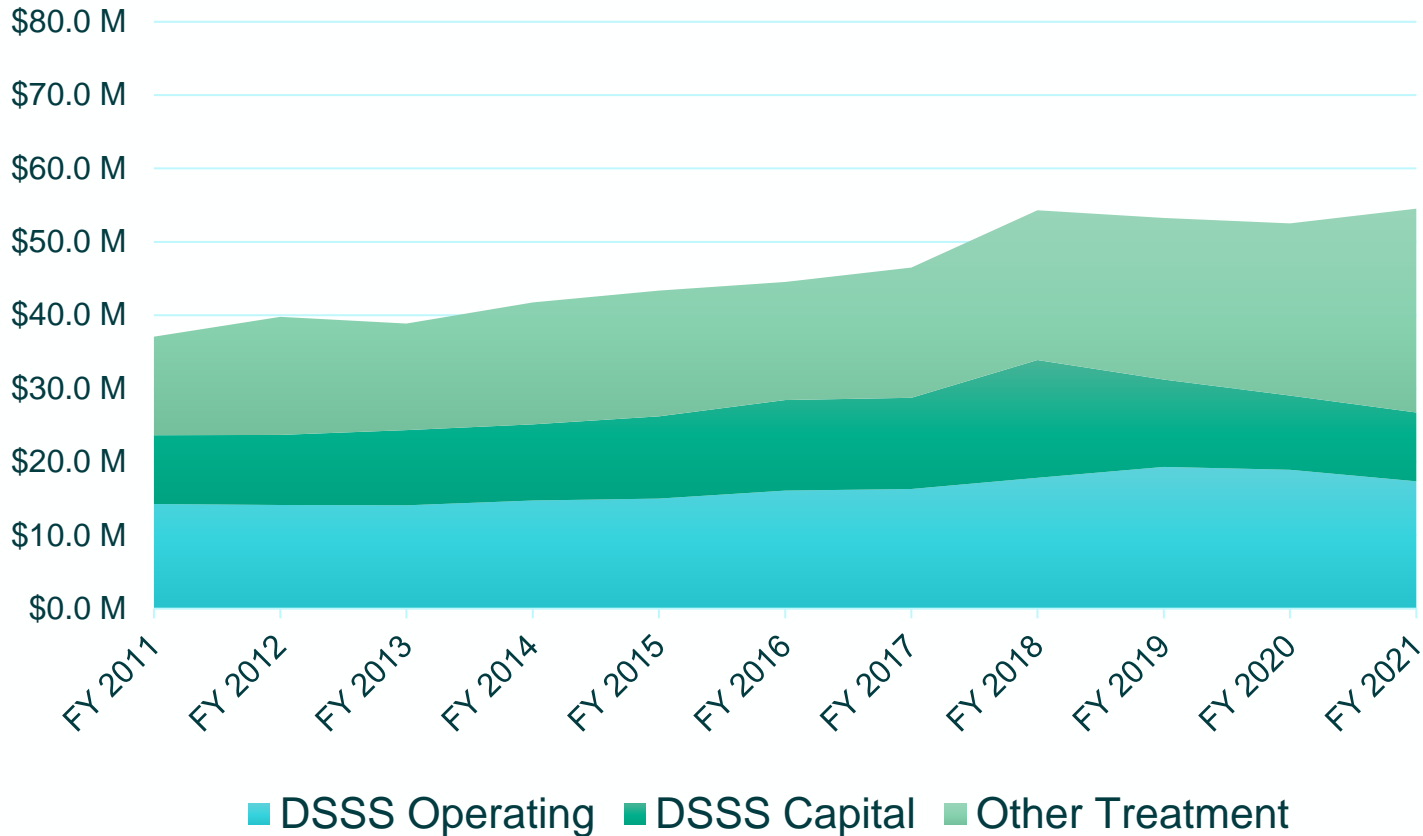
- Adequately fund costs, while minimizing rates.
- Fair, equitable, and affordable rates.
- Sustainable and affordable 5-year plan.
- Recommend communication methods

## Project Drivers

- Rising cost of wastewater treatment (Akron and NEORSD).
- Pump station and force main replacements.
- Sewer system rehabilitation and replacement.
- Wastewater treatment plant improvements and replacement work.

# Look Back: Rising Costs for DSSS

## Annual Expenditures

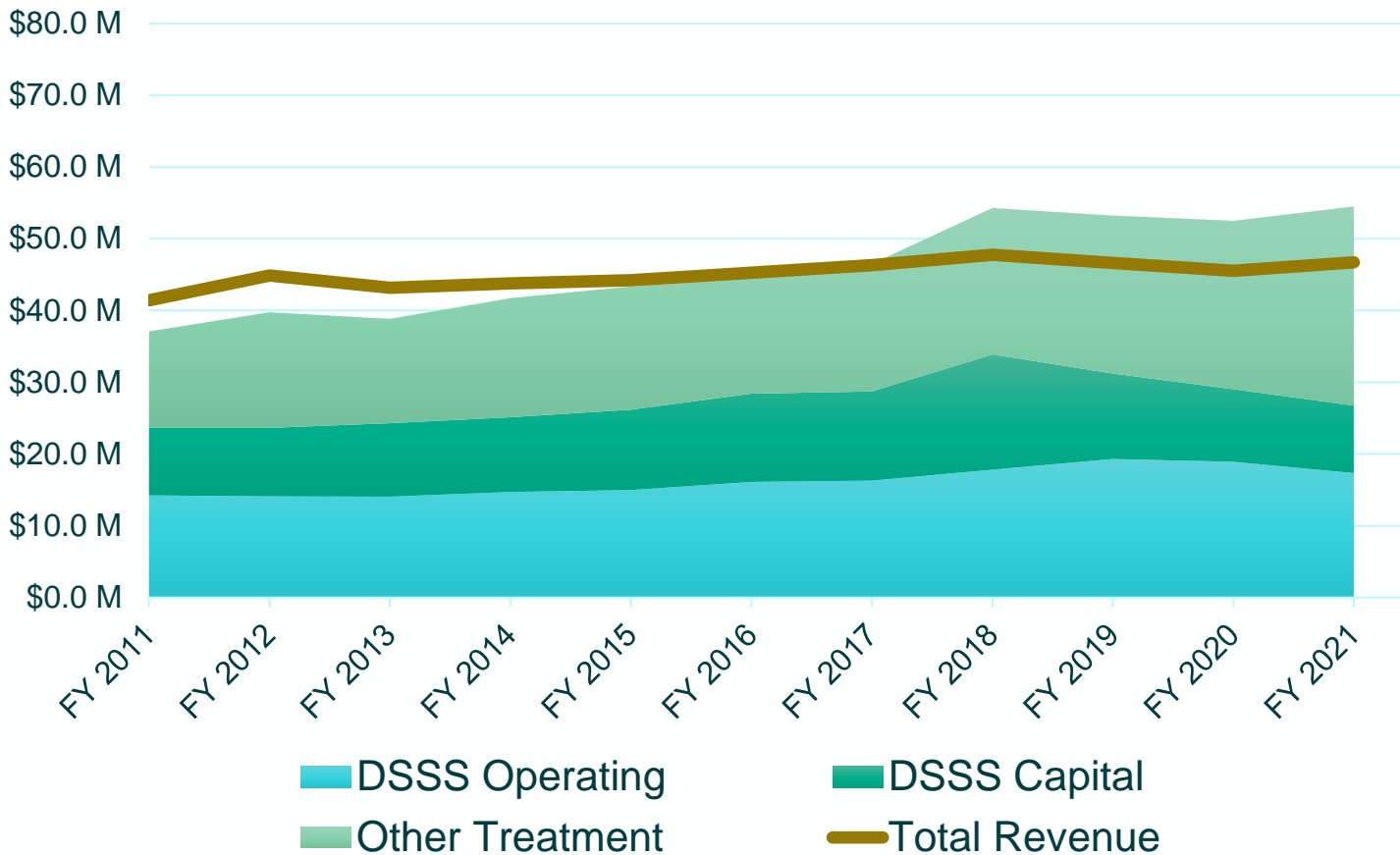


Category of Cost	Approx. Increase in Annual Cost from 2011 to 2021*
DSSS Operating	22%
DSSS Capital	0%
Other Treatment	107%

*\*2021 is projected based on year-to-date actuals.*

# Look Back: Revenue and Rate Adjustments

## Annual Expenditures and Revenue

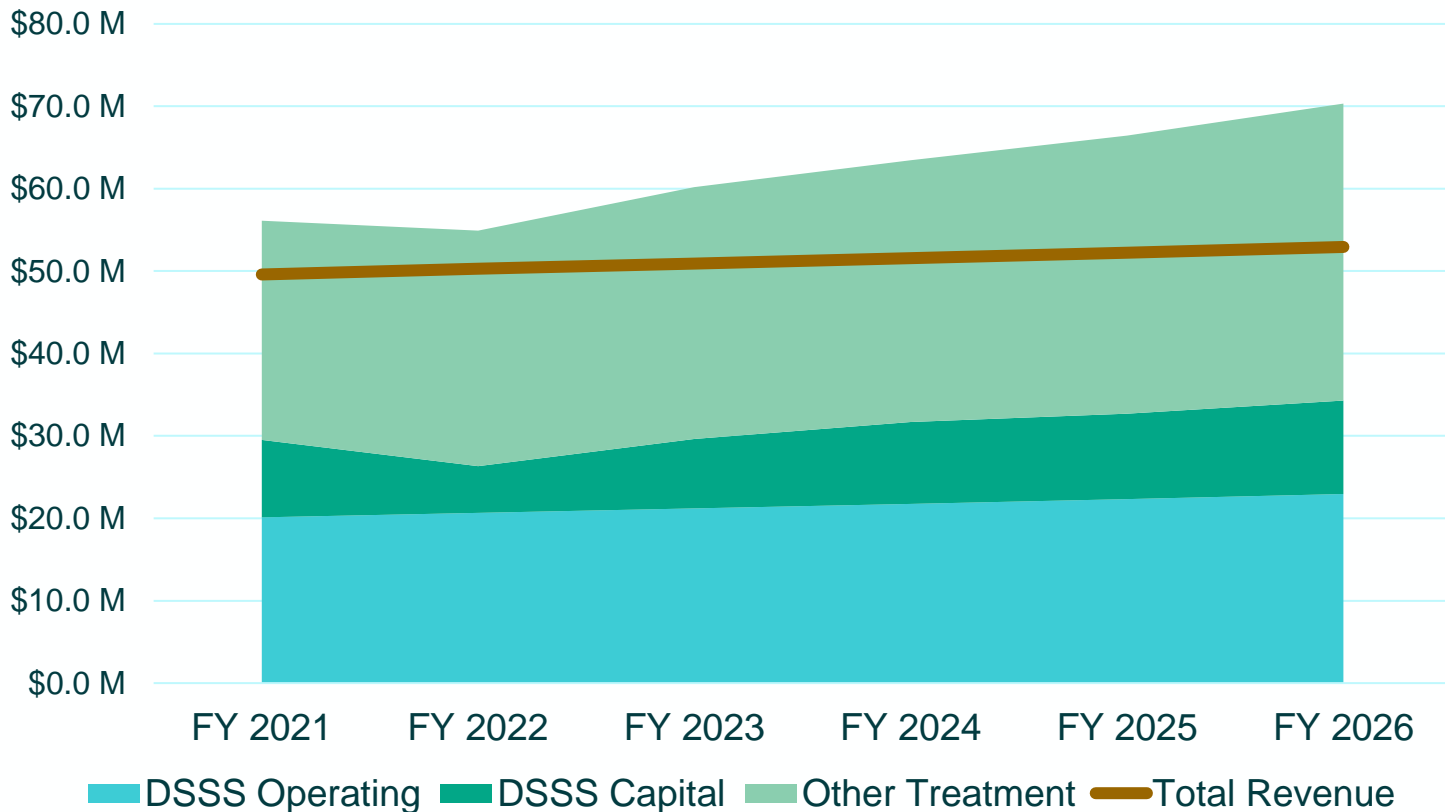


Category of Cost	Increase in rates from 2011 to 2021*
User Charges and Flat Rates	0%

*\*Gradual increase in revenue reflects growth and other revenues*

# Forecast: Future Rate Adjustments are Needed

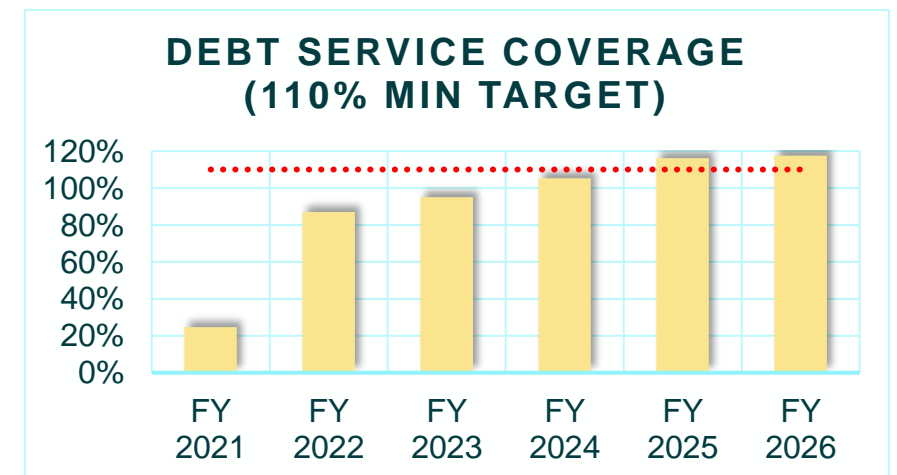
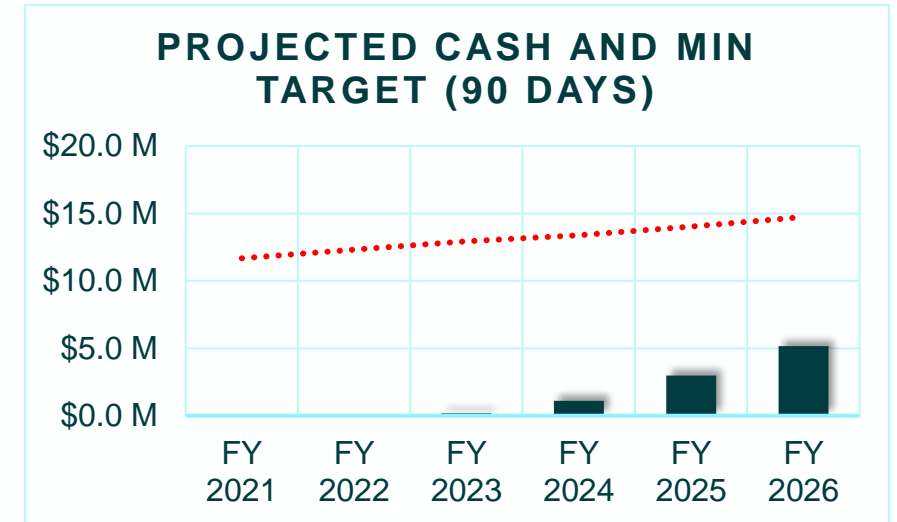
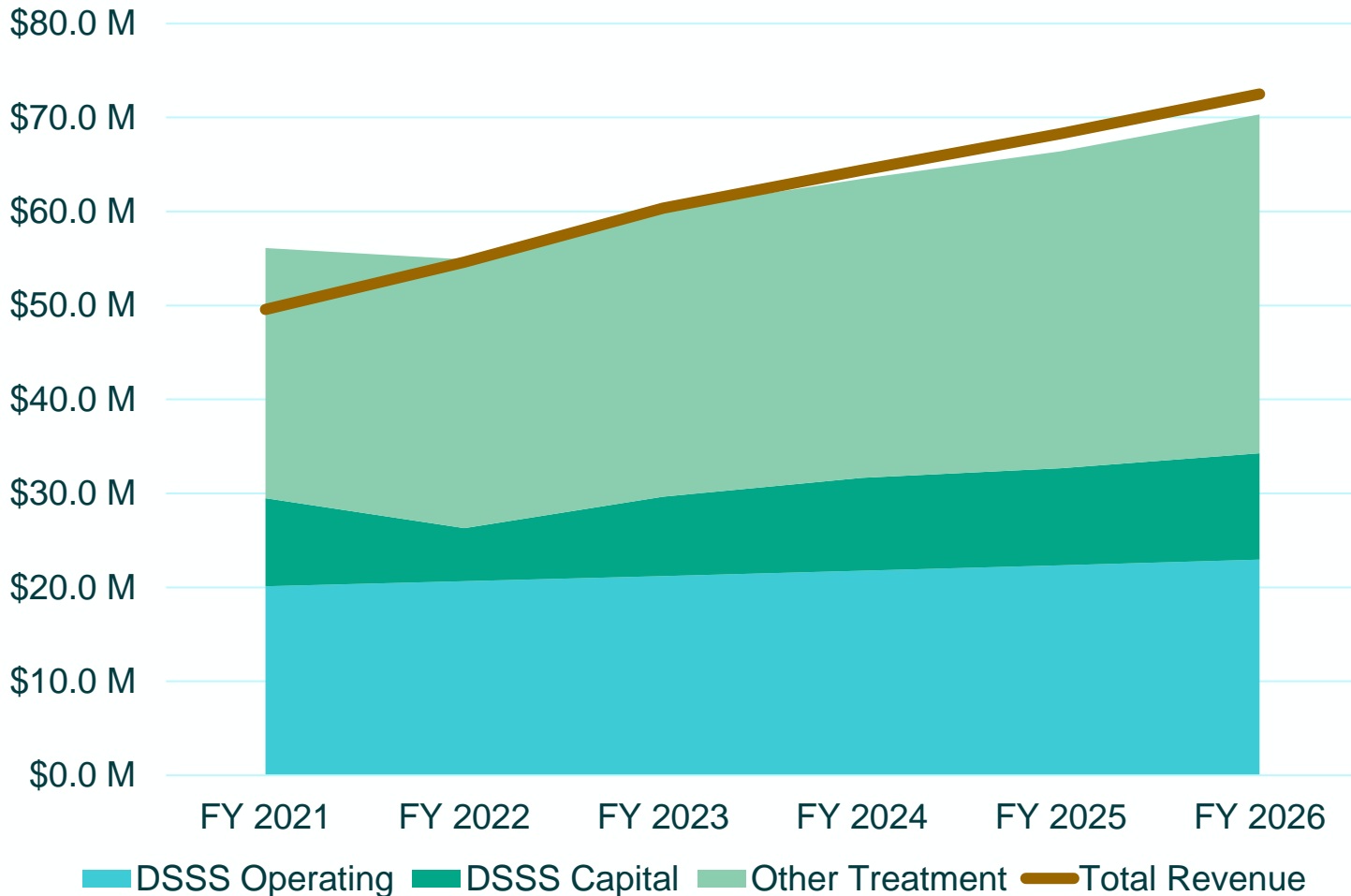
Projected Expenditures and Revenue  
(with no changes to existing sewer rates)



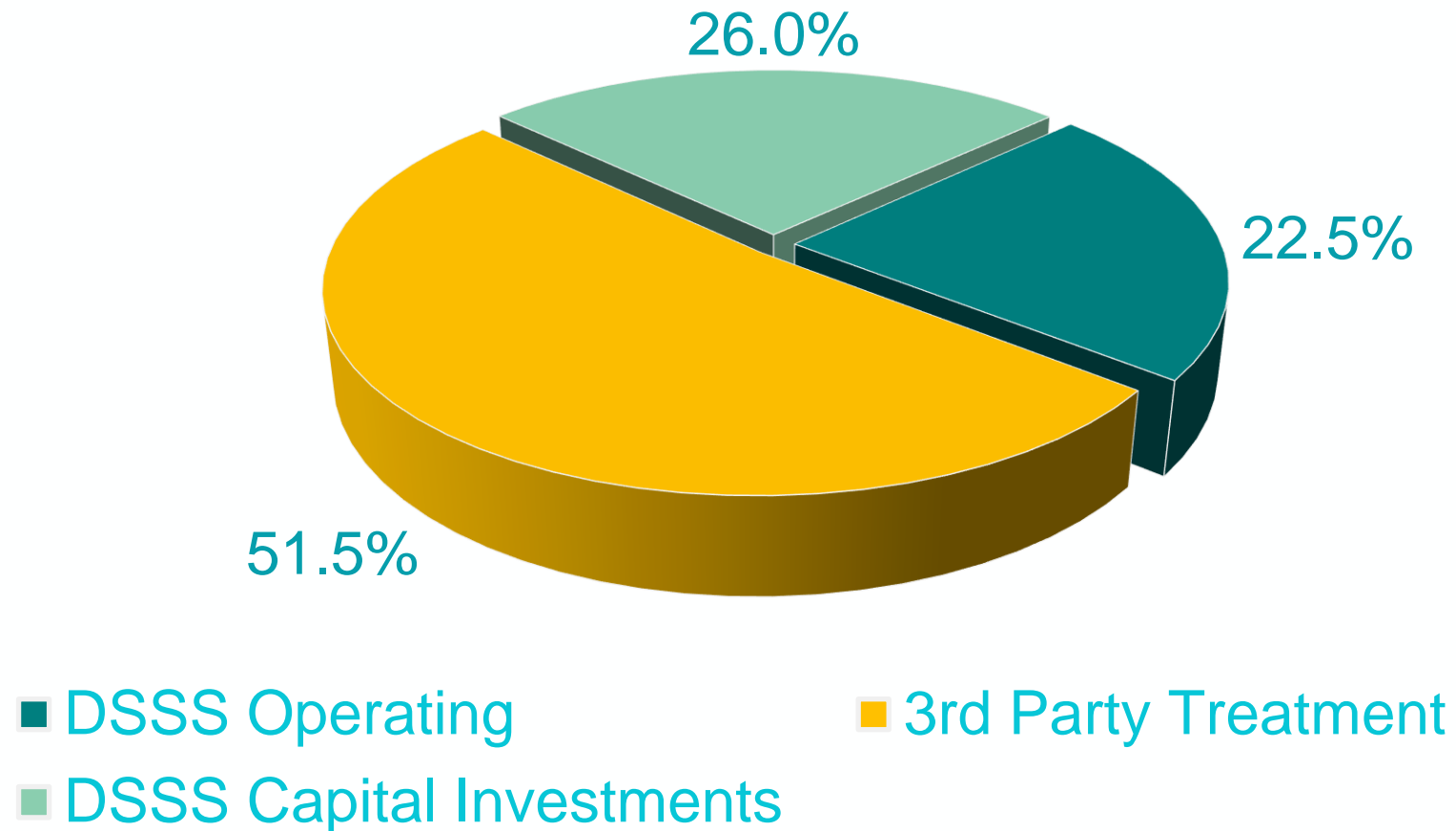
Specifically, the rate adjustments are needed to:

- Account for economic pressure applied by rising 3<sup>rd</sup> party treatment costs and EPA mandates.
- Fund operating expenses, system maintenance and growth.
- Replenish cash and build reserves to reasonable levels.

# Forecast: Financial Forecast with Rate Adjustments



# What is Driving the Proposed Rate Increases?





# Existing Sewer Rates and Charges

## User Charges

Customer Type	Metered (\$ per 1,000 gal)	Metered (\$ per 100 cf)	Flat (\$ per Month)
Residential, Gov, Institutional	\$5.11	\$6.67	\$56.03
Commercial	\$5.70	\$7.44	\$69.37
Industrial	\$6.54	\$8.52	\$79.59

## Billing Charges

Customer Type	Charge per Bill
Flat Rate Customers	\$2.01
Metered Customers	\$4.80

## Sewer Maintenance Fees

Customers served by County sanitary sewers

	Charge per Yr (per ft)
All Customers	\$0.61
Minimum	\$61

- Discount of 10% for “qualified residential customers”
- Discount of 25% for flat rate “qualified residential customers”

## High Strength Surcharges

High Strength Surcharge	Rate per excess lbs
BOD (excess amount)	\$0.6067
COD (excess amount)	\$0.3034
TSS (excess amount)	\$0.4005

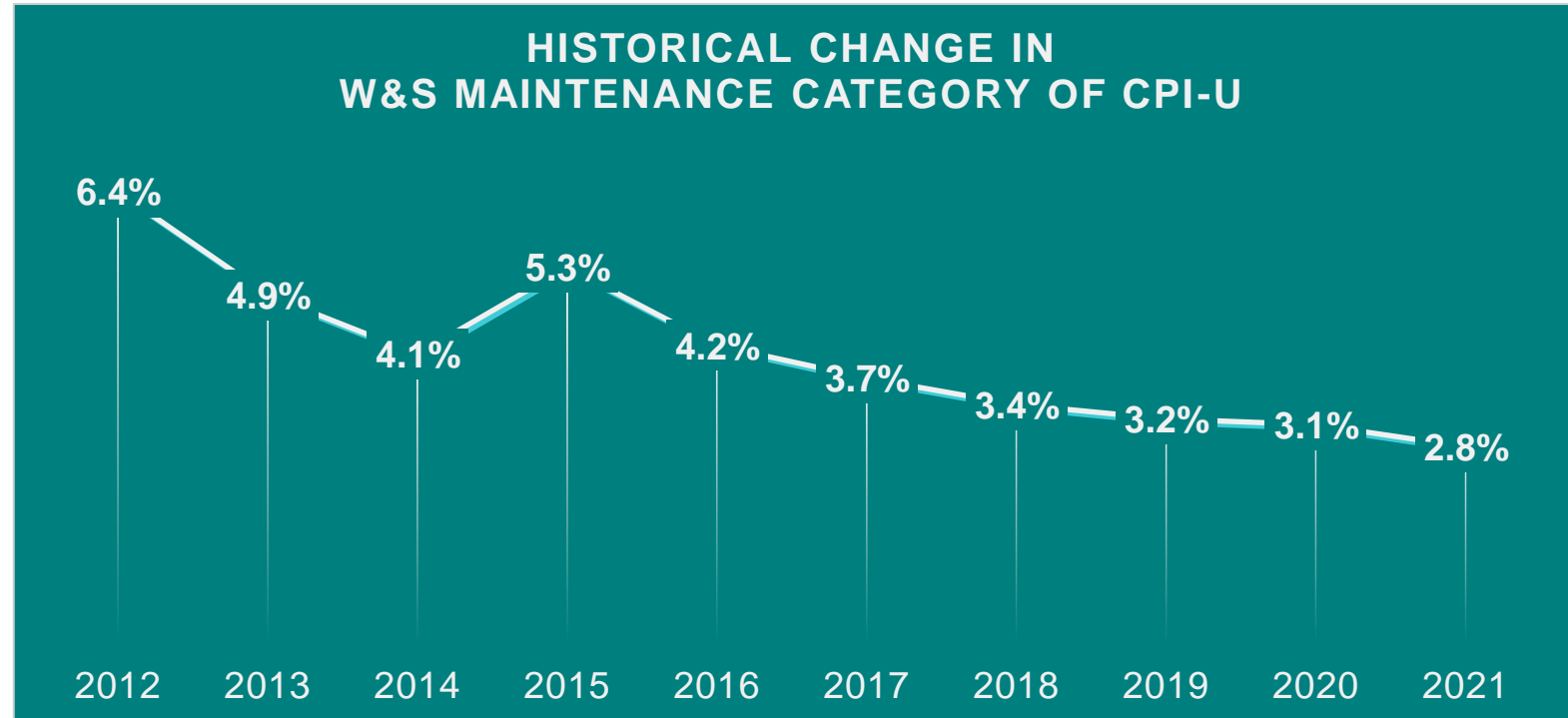
Tap-In Fees – New Connections  
Permit Fees – New Connections

# Rate and Financial Forecast Assumptions

Customer Type	# of Customers	FY 2021 (current)	FY 2022 (projected)	FY 2023 (projected)	FY 2024 (projected)	FY 2025 (projected)	FY 2026 (projected)
User Charges:							
Residential	38,364	\$6.67	↑ 16.0%	↑ 16.0%	↑ 7.5%	↑ 6.5%	↑ 6.5%
Commercial	1,608	\$7.44	↑ 16.0%	↑ 16.0%	↑ 7.5%	↑ 6.5%	↑ 6.5%
Industrial	158	\$8.52	↑ 16.0%	↑ 16.0%	↑ 7.5%	↑ 6.5%	↑ 6.5%
Government	66	\$6.67	↑ 16.0%	↑ 16.0%	↑ 7.5%	↑ 6.5%	↑ 6.5%
Institutional	134	\$6.67	↑ 16.0%	↑ 16.0%	↑ 7.5%	↑ 6.5%	↑ 6.5%
Flat Rates:							
Residential	9,783	\$56.03	0.0%	0.0%	↑ 7.5%	↑ 6.5%	↑ 6.5%
Commercial	340	\$69.37	↑ 16.0%	↑ 16.0%	↑ 7.5%	↑ 6.5%	↑ 6.5%
Industrial	36	\$79.59	↑ 16.0%	↑ 16.0%	↑ 7.5%	↑ 6.5%	↑ 6.5%
Government	16	\$56.03	↑ 16.0%	↑ 16.0%	↑ 7.5%	↑ 6.5%	↑ 6.5%
Institutional	42	\$56.03	↑ 16.0%	↑ 16.0%	↑ 7.5%	↑ 6.5%	↑ 6.5%

# Inflationary Increases to Rates for FY 2027 - 2031

- Propose inflationary increases to sewer rates in FY 2027 to 2031, based on W&S Maintenance Index.
- This is a component of CPI and reflects an estimate of the annual change in the cost of water / sewer service.
- Historical change of about 4.0% per year.

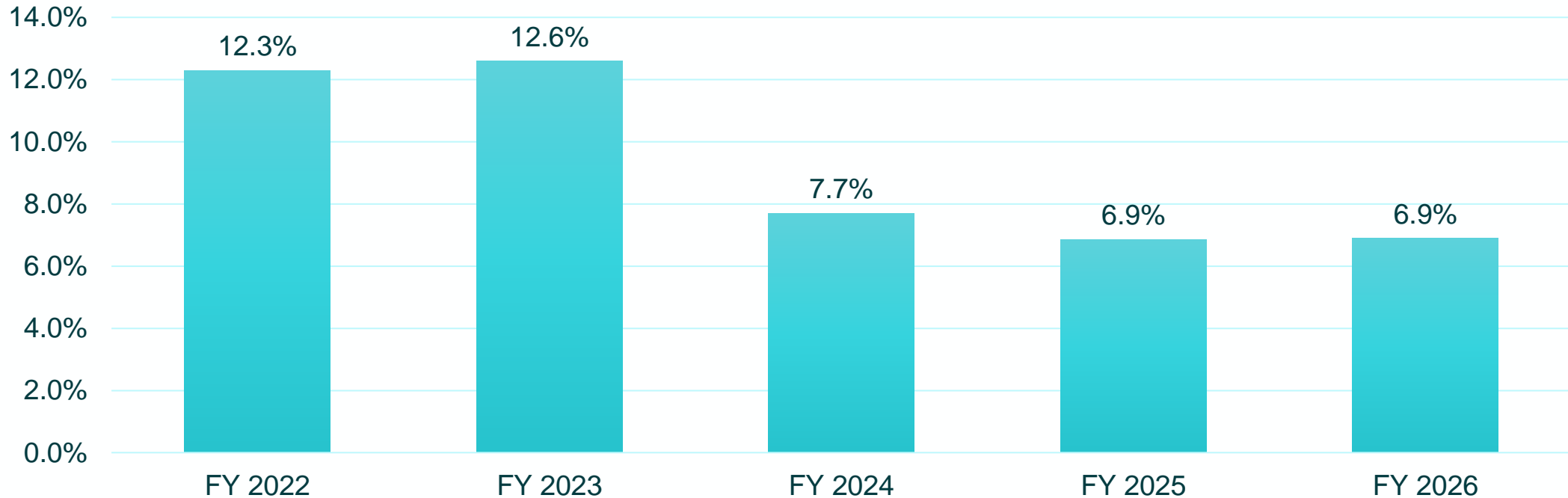


Rate Type	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
User Charges	16.0%	16.0%	7.5%	6.5%	6.5%	CPI - W&S Maintenance Index (0 to 4.5% / year)				
Flat Rates	16.0%	16.0%	7.5%	6.5%	6.5%	CPI - W&S Maintenance Index (0 to 4.5% / year)				

# Other Charges and Fees

Charge	FY 2021 (current)	FY 2022 (projected)	FY 2023 (projected)	FY 2024 (projected)	FY 2025 (projected)	FY 2026 (projected)
Billing Charges						
Flat Rate Customers	\$2.01	\$3.18	↑ 2.0%	↑ 2.0%	↑ 2.0%	↑ 2.0%
Metered Customers	\$4.80	\$5.30	↑ 2.0%	↑ 2.0%	↑ 2.0%	↑ 2.0%
Sewer Maintenance Fee						
Rate per Foot (per year)	\$0.61	\$0.61		----- No change -----		
Minimum Fee (per year)	\$61.00	\$61.00		----- No change -----		

# Resulting Overall Annual Rate Revenue Increases (% basis)



- Rate revenues include:
  - › Billing Charges, Metered User Rates, Unmetered Flat-Rates, and the Sewer Maintenance Fee

# Updated Tap-In Fees

- Assessed pursuant to Section 923.05 of the County’s municipal code.
- Helps to more equitably recover upfront cost of backbone infrastructure.
- Paid by new customers based on their unique capacity demands.

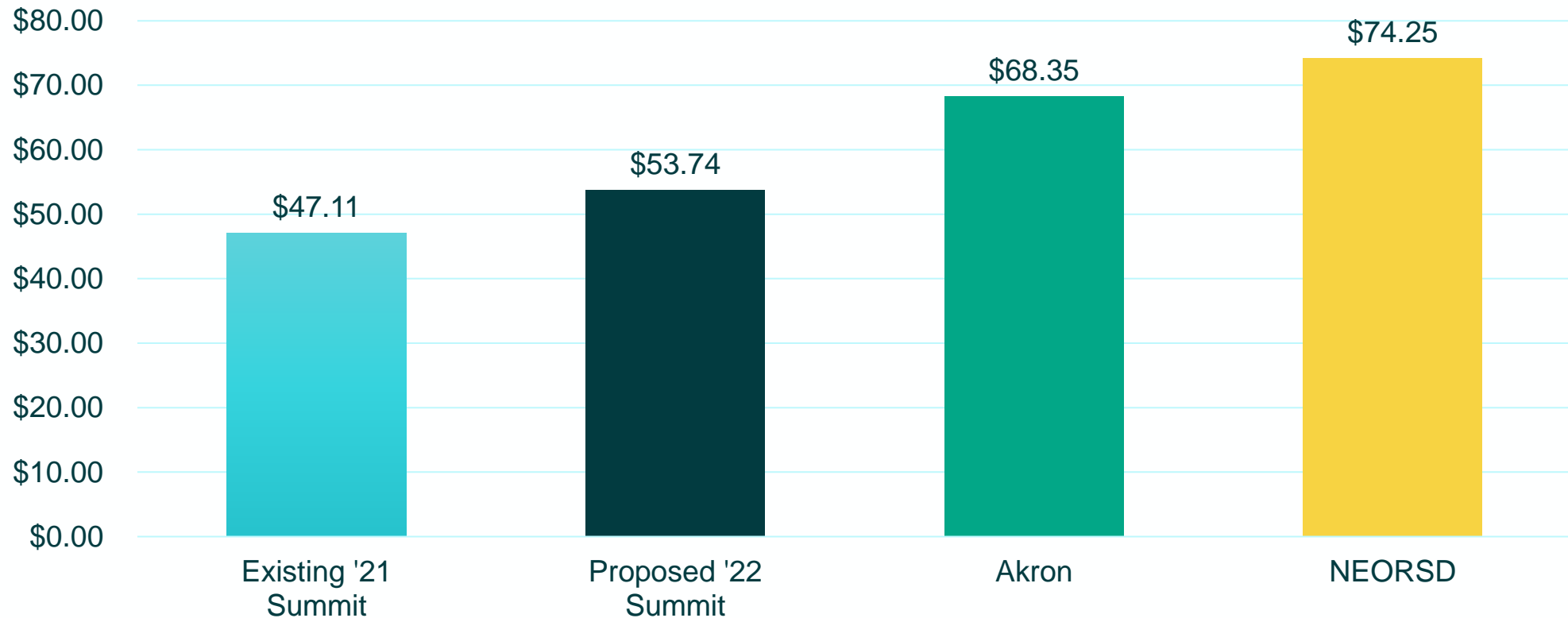
Tap-In Fee - \$ per Gallon per Day	Existing	Calculated	\$ Change	% Change
Flows to County WWTPs	\$8.18	\$10.68	\$2.50	30.6%
Flows to Non-County WWTPs	\$4.91	\$8.39	\$3.48	70.9%

Minimum Tap-In Fee	Existing	Calculated	\$ Change	% Change
Flows to County WWTPs	\$3,270	\$4,274	\$1,004	30.6%
Flows to Non-County WWTPs	\$1,960	\$3,357	\$1,397	70.9%

# Comparable Peer Review - Residential

## Residential Monthly Bill Comparison

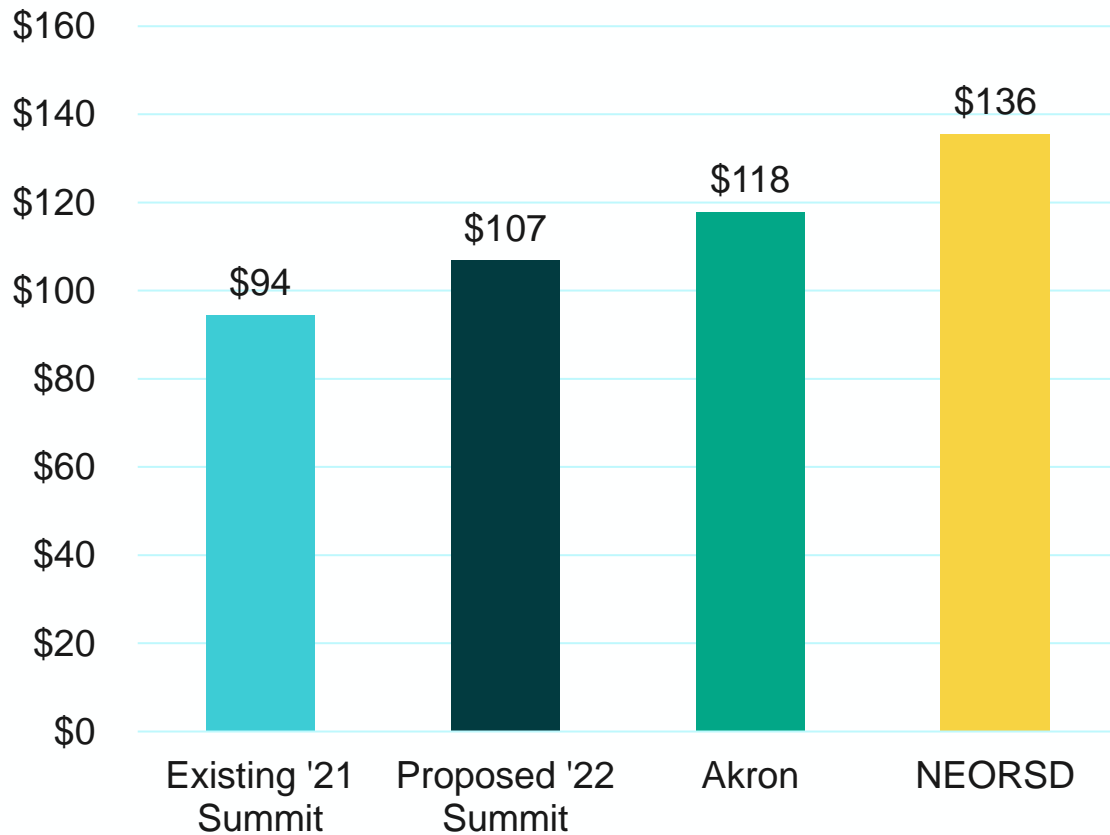
\*Assumes a 5/8-inch meter and 6.1 CCF of billable flows per month.



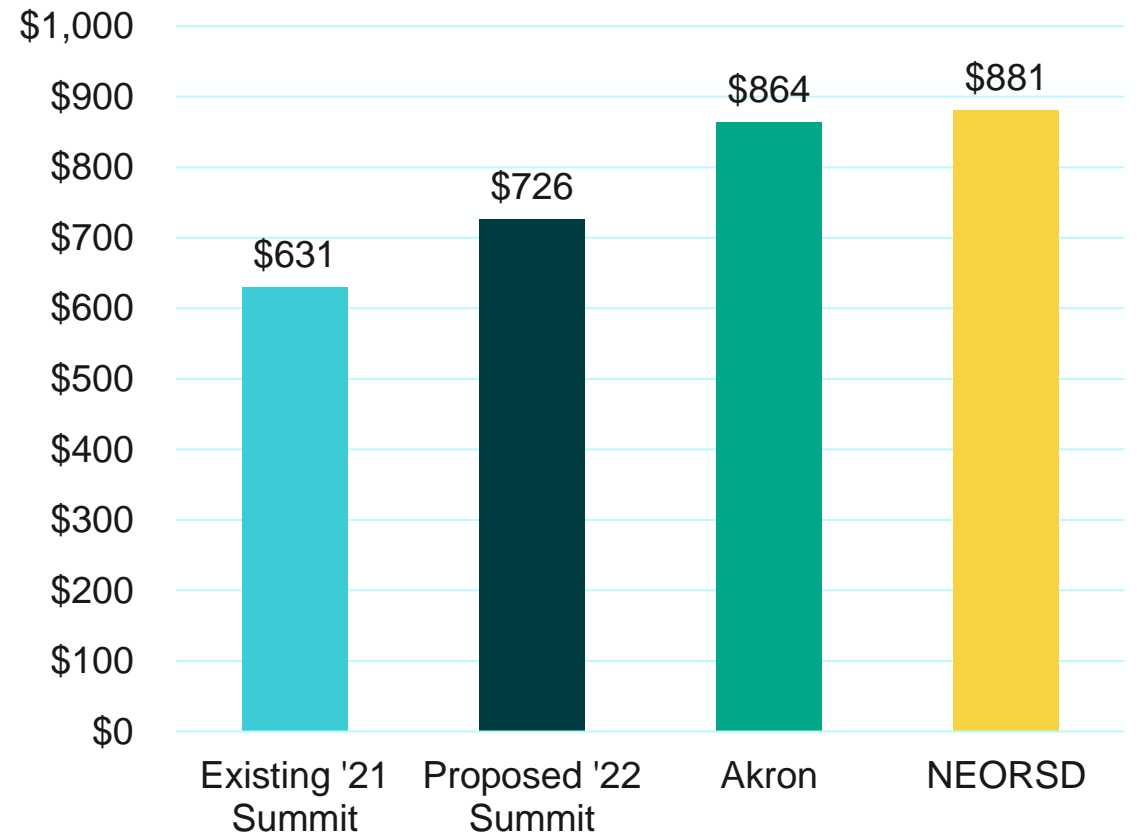
# Comparable Peer Review - Commercial

## Quarterly Bill Comparison

25<sup>th</sup> Percentile = 10 CCF per Quarter



75<sup>th</sup> Percentile = 80 CCF per Quarter







# Affordability Programs and Assistance

- Maintain Summit County's Discount Program
  - › Ten percent (10%) reduction for eligible customers.
  - › An additional twenty-five percent (25%) for eligible flat-rate customers (for FY 22 and FY 23, changing to 10% thereafter).
- Summer Sprinkling Program – ten percent (10%) discount for all residential customers (June, July, August).
- Summit County Cares' Emergency Rental Assistance Program.

# Thank you

