

J. Bernickamp
MSD Fact Sheet
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LOWES MAIN VOL 332
DEC 11 2013
IMAGE 12321



James A. Parrott
Executive Director

12/4/2013

PUBLIC HEARING

PROJECT NAME:

RESOLUTION FIXING RATES FOR SEWERAGE SERVICE CHARGES SURCHARGES, AND INDUSTRIAL PRETREATMENT CHARGES FOR THE USE OF SANITARY AND COMBINED SEWERS AND FOR SEWAGE TREATMENT IN THE METROPOLITAN SEWER DISTRICT OF GREATER CINCINNATI

LEGISLATIVE ACTION REQUESTED:

- DESIGN¹
- ADD'L DESIGN²
- EASEMENT APPROPRIATION³
- CONSTRUCTION⁴

OTHER⁵: Resolution approving the 2014 MSD Rate Structure

PROJECT TYPE:

<input type="checkbox"/> PROJECT GROUNDWORK / WWIP	
PG / WWIP Activity ID: _____	PG / WWIP Milestones: _____
<input type="checkbox"/> PROJECT GROUNDWORK / ASSET MANAGEMENT	<input type="checkbox"/> SUSTAINABLE INFRASTRUCTURE
<input checked="" type="checkbox"/> OTHER: MSD Rate Structure	

PROJECT DESCRIPTION:

For 2014 the proposed increase is 6%. The rate reflects the annualized 2013 debt service as well as partial year debt service anticipated for new 2014 issuances and OWDA payments. Increased debt service is the major driver of this rate. Additional impacts to the rate have been mitigated by joint utility efforts to share administrative services with the Greater Cincinnati Water Works, which has offset anticipated chemical, electricity and personnel cost increases of 3-5%. New operating costs are anticipated to maintain and ensure Consent Decree compliance with new facilities implemented under Project Groundwork. As the capital facilities installed by this federal mandate are placed into operation over the next several years, operating costs will rise to meet the requirements or obligations established by EPA. MSD continues to look for efficiencies to offset anticipated, mandatory cost burdens.

The average residential customer (¾" water meter size and 25 ccf water usage) will see his or her quarterly annualized bill go from \$188.15 to \$199.45. This is an increase of \$11.30 per quarter, \$3.76 per month or 12.4¢ per day.

The 2014 rate increase will be effective January 9, 2014. The County Commissioners will hold a public hearing in accordance with the 1968 Management Agreement between the City of Cincinnati and Hamilton County for the operation of the Metropolitan Sewer District, to afford the opportunity for comment from all interested parties to the Board.

1. **Design** = 1 resolution - authorizing preparation of detailed plans, specifications, and estimate of cost and appropriating funds for the same.
2. **Add'l Design** = 1 resolution - appropriating additional funds for design.
3. **Easement Appropriation** = 3 resolutions - approving detailed plans, specifications and estimate of cost; declaring project necessity and intent to proceed with construction; appropriating easements.
4. **Construction** = 4 resolutions - approving detailed plans, specifications and estimate of cost; declaring project necessity and intent to proceed with construction; appropriating funds for construction; authorizing project advertisement & bid.
5. **Other** = Resolutions not covered above. Purpose is listed.

MINIMUM CHARGE

The sewerage service charge shall consist of a minimum charge and a commodity charge.

The minimum charge shall be based on the size of the water meter used to serve the premises, or the size of the premises served, as determined by the number of units therein, whichever results in the larger minimum charge.

The size of the premises shall be determined by the total number of residential and/or commercial and industrial units that comprise the premises.

Such minimum charge shall include the charge for the first 500 cubic feet of water used in the case of monthly bills; and the first 900 cubic feet of water used, in the case of quarterly bills.

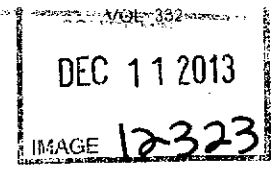
The minimum charge rates shall be as follows:

Meter Size (inches)	Number of Family Units	Monthly Bills \$	Quarterly Bills \$
3/8	1	53.88	110.71
1/2	2 or 3	64.61	142.75
1	4 or 5	83.15	195.70
1 1/2	6 through 12	128.21	332.56
2	13 through 20	176.69	471.07
3	21 through 50	433.04	1,208.95
4	51 through 115	717.06	2,002.17
6	116 through 250	1,402.92	3,955.82
8		2,085.35	5,902.62
10	Over 250	2,802.36	7,887.50
12		3,263.05	9,106.83

For trailer parks, the number of family units shall be 75 percent (75%) of the available occupancy.

For hotels and motels, the number of family units shall be 50 percent (50%) of the available occupancy.

For commercial establishments each two sets, or part thereof, of sanitary facilities shall be counted as one family unit. A set of sanitary facilities shall be any grouping of water using plumbing fixtures whose total instant demand is not greater than the total instant demand of five, one-half inch, water faucets. Where commercial or manufacturing facilities require more water than required for sanitary purposes, the minimum charge shall be not less than the minimum charge for a meter one size smaller than the branch serving the premises.



COMMODITY CHARGE

The Commodity Charge shall be based on the quantity of water used on the premises served as same is measured by a water meter or meters therein used, which meters must be acceptable to the City of Cincinnati.

The Commodity Charge shall be as follows:

Monthly Bills	Quarterly Bills
For each 100 cubic feet consumed per month in excess of 500 cubic feet but not in excess of 5,000 cubic feet \$5.546 per 100 cubic feet	For each 100 cubic feet consumed per quarter in excess of 900 cubic feet but not in excess of 15,000 cubic feet \$5.546 per 100 cubic feet
For each 100 cubic feet consumed per month in excess of 5,000 cubic feet \$4.435 per 100 cubic feet	For each 100 cubic feet consumed per quarter in excess of 15,000 cubic feet \$4.435 per 100 cubic feet

For residential water service accounts (one and two family residences), a quarterly minimum and commodity charge shall be based upon water used during a winter quarterly billing period; said winter period being the quarterly billing period most closely corresponding to usage during the months of October through April. Said charges shall be payable with each bill rendered throughout the year.

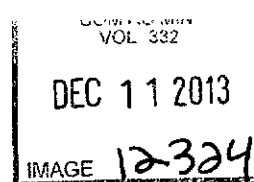
SURCHARGE

For customers having high strength waste discharge, the surcharge, which is in addition to the metered use charge, shall be computed on the following basis:

SURCHARGE ¹	
Suspended Solids (SS)	\$0.002756 per 100 cubic feet for each mg/l of SS strength above 300 mg/l
Biochemical Oxygen Demand (BOD)	\$0.004707 per 100 cubic feet for each mg/l of BOC strength above 240 mg/l
Nitrogenous Oxygen (NOD)	\$0.004122 per 100 cubic feet for each mg/l of Total Kjeldahl (TKN) strength above 25 mg/l

Provided, however, that to the extent the strength of a pollutant is less than eighty percent (80%) of the corresponding value for normal strength sewage, a credit shall be allowed as an offset against surcharge otherwise due. The credit shall be calculated by multiplying the herein above specified surcharge rate for the pollutant in question times the difference between actual pollutant concentration in mg/l and eighty percent (80%) of the corresponding value for normal sewage. No credit shall be allowed in excess of surcharge otherwise due.

1. These surcharges have not been modified from the 2013 surcharge levels as per the instructions of Hamilton County Administration.



INDUSTRIAL PRETREATMENT CHARGE

All users required to apply for and obtain a wastewater discharge permit or which are subject to federal pretreatment standards, as specified in the Rules and Regulations Governing the Maintenance, Operation, and Use of Sanitary and Combined Sewers in The Metropolitan Sewer District of Greater Cincinnati ("MSD Rules and Regulations") (2001 and as amended), shall be subject to the payment of a pretreatment charge(s), as determined by the Director. Said pretreatment charge(s) shall be sufficient to recover, in whole or in part, the costs for the MSD Pretreatment Program including investigations, record keeping, administration, and monitoring of industrial waste discharges to the system. Each industrial user shall pay a pretreatment charge(s) as follows:

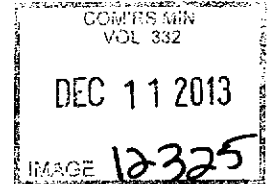
INDUSTRIAL PRETREATMENT CHARGE	
Annual Fee	\$3,062 per annum
Monitoring Charge	\$18,987 maximum per monitoring event

Any user which discharges any toxic pollutants which cause an increase in the cost of managing effluent or sludge from the District's treatment system shall pay such increased costs.

That the sewerage service charges, surcharges, and industrial pretreatment charges shall be applied in accordance with the provisions of the MSD Rules and Regulations and as may be modified from time to time.

December 11, 2013

Honorable Board of County Commissioners
Hamilton County, Ohio
% Mr. Christian Sigman
Hamilton County Administrator
County Administration Building
138 E. Court Street, Room 603
Cincinnati, Ohio 45202



Honorable Commissioners:

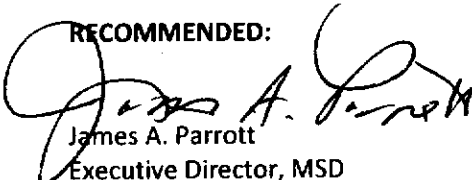
Enclosed for your consideration is a Resolution fixing rates for sewerage service charges, surcharges, and industrial pretreatment charges for the use of sanitary and combined sewers and for sewage treatment in the Metropolitan Sewer District of Greater Cincinnati (MSD). For 2014 the proposed increase is 6%.

The rate reflects the annualized 2013 debt service as well as partial year debt service anticipated for new 2014 issuances and OWDA payments. Increased debt service is the major driver of this rate. Additional impacts to the rate have been mitigated by joint utility efforts to share administrative services with the Greater Cincinnati Water Works, which has offset anticipated chemical, electricity and personnel cost increases of 3-5%. New operating costs are anticipated to maintain and ensure Consent Decree compliance with new facilities implemented under Project Groundwork. As the capital facilities installed by this federal mandate are placed into operation over the next several years, operating costs will rise to meet the requirements or obligations established by EPA. MSD continues to look for efficiencies to offset anticipated, mandatory cost burdens.

The average residential customer (¾" water meter size and 25 ccf water usage) will see his or her quarterly annualized bill go from \$188.15 to \$199.45. This is an increase of \$11.30 per quarter, \$3.76 per month or 12.4¢ per day.

The 2013 rate increase will be effective January 9, 2014. The County Commissioners will hold a public hearing in accordance with the 1968 Management Agreement between the City of Cincinnati and Hamilton County for the operation of the Metropolitan Sewer District, to afford the opportunity for comment from all interested parties to the Board.

RECOMMENDED:


James A. Parrott
Executive Director, MSD

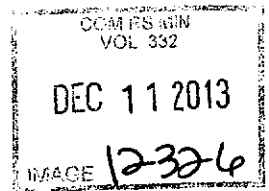
Approved:


Scott Stiles
City Manager (Interim)

Provided to the Hamilton County Compliance Coordinator on _____

Reviewed by _____, and
recommended by County Administration.

On motion of Mr. Monzel, seconded by Mr. Hartmann, the following resolution was adopted....



MSD RESOLUTION

FIXING RATES FOR SEWERAGE SERVICE CHARGES,
SURCHARGES, AND INDUSTRIAL PRETREATMENT CHARGES FOR
THE USE OF SANITARY AND COMBINED SEWERS
AND FOR SEWAGE TREATMENT
IN THE METROPOLITAN SEWER DISTRICT OF GREATER CINCINNATI

WHEREAS, the Board of County Commissioners of Hamilton County has since 1924, established sewer districts in accordance with Chapter 6117 of the Ohio Revised Code and constructed and otherwise acquired sanitary trunk sewers, and as a result today owns, operates and maintains a system of sanitary trunk sewers; and

WHEREAS, the Board of County Commissioners did, on February 1, 1955, consolidate all of the previously established sewer districts into a single district known as Hamilton County Sewer District No. 1; and

WHEREAS, the Board of County Commissioners did, on December 4, 1963, complete the consolidation of previously established sewer districts and expand the boundaries of Hamilton County Sewer District No. 1 to be coincident with the boundaries of the County; and

WHEREAS, the Board of County Commissioners did, on May 1, 1968, change the name of the County Sewer District to "The Metropolitan Sewer District of Greater Cincinnati" (MSD); and

WHEREAS, Section 6117.02 of the Revised Code of Ohio provides that a Board of County Commissioners may establish a sewer service charge which shall be adequate to provide the cost of the management, maintenance, and operation of the sewers and the cost of sewage treatment and disposal, said sewer service charge to be paid by every person, firm, or corporation whose premises are served by a connection to a sanitary sewer; and

WHEREAS, the Board of County Commissioners did, on December 4, 1968, adopt a Resolution establishing a rate structure for sewerage service charges and surcharges, for sewer service in the MSD, effective January 1, 1969, which has been subsequently amended from time to time; and

WHEREAS, the Executive Director of MSD and of the Department of Sewers has submitted a recommendation to revise the rate structure for sewer service charges, surcharges, and industrial pretreatment charges; and

WHEREAS, this Board of County Commissioners did, on December 4 and December 18, 2013, conduct public hearings on said rate structure; and

WHEREAS, this Board did, on 12-11-13 conclude said public hearing on said rate structure.

NOW, THEREFORE, BE IT RESOLVED by the Board of County Commissioners of Hamilton County, Ohio:

SECTION 1. From and after **January 9, 2014**, every person, firm or corporation in the Metropolitan Sewer District of Greater Cincinnati, whose premises are served by a connection to a sanitary or combined sewer which discharges sewage, industrial wastes, water, or other liquids, either directly or indirectly into a County sanitary or combined sewer, shall be charged for the use of the sewers and for the treatment of sewage discharged therein at the following rates:

DEC 11 2013

IMAGE

12327

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SECTION 2. For customers having high strength waste discharge, the surcharge, which is in addition to the metered use charge, shall be computed on the following basis:

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¹ These surcharges have not been modified from the 2013 surcharge levels as per the instructions of Hamilton County Administration.

DEC 11 2013

PLACE

12329

SECTION 3. All users required to apply for and obtain a wastewater discharge permit or which are subject to federal pretreatment standards, as specified in the Rules and Regulations Governing the Maintenance, Operation, and Use of Sanitary and Combined Sewers in The Metropolitan Sewer District of Greater Cincinnati ("MSD Rules and Regulations") (2001 and as amended), shall be subject to the payment of a pretreatment charge(s), as determined by the Director. Said pretreatment charge(s) shall be sufficient to recover, in whole or in part, the costs for the MSD Pretreatment Program including investigations, record keeping, administration, and monitoring of industrial waste discharges to the system. Each industrial user shall pay a pretreatment charge(s) as follows:

INDUSTRIAL PRETREATMENT CHARGE	
Annual Fee	\$3,062 per annum
Monitoring Charge	\$18,987 maximum per monitoring event

SECTION 4. Any user which discharges any toxic pollutants which cause an increase in the cost of managing effluent or sludge from the District's treatment system shall pay such increased costs.

SECTION 5. That the sewerage service charges, surcharges, and industrial pretreatment charges shall be applied in accordance with the provisions of the MSD Rules and Regulations and as may be modified from time to time.

SECTION 6. All users of the sewage system shall be notified at least annually as to:

- (a) The rate schedule in effect.
- (b) That part of the total charges attributable to user charges for sewage treatment service.

SECTION 7. That the sewerage service charges and surcharges stipulated herein shall be billed on the water bill and shall be payable to the Cincinnati Water Works at the same time as the water bills, or they may be billed and collected by such governmental agencies as are designated by and as are under agreement with the Board of County Commissioners. Charges not paid within the time prescribed shall be certified, together with a penalty of ten percent (10%) to the County Auditor and collected in accordance with Section 6117.02 of the Revised Code of Ohio.

SECTION 8. That industrial pretreatment charges and charges to users for special equipment, materials, and services shall be payable in the same manner as sewerage service charges, or by means of a separate billing.

SECTION 9. Quarterly sewerage service charge and surcharge bills mailed January 10, 2014 through April 9, 2014 shall be prorated at the existing and new rates; those mailed April 10, 2014 and thereafter shall be calculated entirely at the new rates. Monthly sewerage service charge and surcharge bills mailed January 10, 2014 through February 9, 2014 shall be prorated at the existing and new rates; those mailed February 10, 2014 and thereafter shall be calculated at the new rates.

DEC 11 2013

IMAGE 12330

SECTION 10. The Resolution adopted by the Board of County Commissioners on December 19, 2012, fixing rates and charges for sewer service in The Metropolitan Sewer District of Greater Cincinnati is hereby repealed.

SECTION 11. That this Board of County Commissioners hereby finds and determines that all formal actions relative to the adoption of this Resolution were taken in an open meeting of this Board of County Commissioners and that all deliberations of this Board of County Commissioners and of its committees, if any, which resulted in formal action, were taken in meetings open to the public, in full compliance with applicable legal requirements, including Section 121.22 of the Ohio Revised Code.

ADOPTED at a regularly adjourned meeting of the Board of County Commissioners of Hamilton County, Ohio, this 11th day of December 2013.

Mr. Hartmann YES

Mr. Monzel YES

Mr. Portune YES

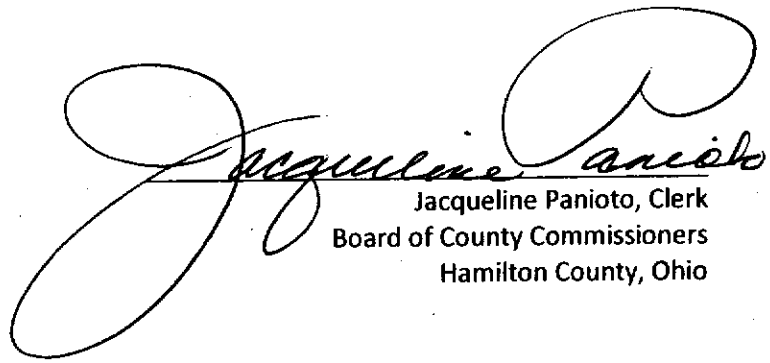
DEC 11 2013

IMAGE 12331

CERTIFICATE OF CLERK

IT IS HEREBY CERTIFIED that the foregoing is a true and correct transcript of a resolution adopted by the Board of County Commissioners in session this 11th day of December 2013.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Official Seal of the Office of the Board of County Commissioners of Hamilton County, Ohio this 11th day of December 2013.



Jacqueline Panioto, Clerk
Board of County Commissioners
Hamilton County, Ohio