

Investing in Our Future: Modest Sewer Rate Adjustment Supports Critical Infrastructure Upgrades

Over the past year, the City has partnered with the engineering firm Burgess and Niple to conduct a sewer rate study and develop a sewer rate model. Multiple items were reviewed throughout the study's duration. Each item reviewed is listed below, along with a description to ensure transparency regarding the discussions that took place when considering the proposed sewer rate increase.

Future facility Capital Project needs beyond the upcoming \$17 million WWTP Rehabilitation Project were discussed first. The Wastewater Department's Capital Project Plan is projected five years into the future and is reviewed annually. Much of the facility's equipment is 25 to 35 years old. There is also equipment that has been in service for over 40 years. Examples of future rehabilitation projects included roof replacements, vehicle replacements, and replacement of electrical equipment. For example, the electrical replacement project is projected to cost \$3 million.

Secondly, rising operating and maintenance costs for the WWTP and the collection system were reviewed. Due to Inflation, all operational and maintenance-related items necessary to keep our 24-hour facility functioning properly and meet Ohio EPA requirements have increased in price. Although the Department's assets have been well-maintained, many have either reached or are nearing the end of their designed service lifespan. When purchasing operating supplies or replacement parts for repairs, multiple quotes are obtained to ensure the City receives the best product for the price. As much of this equipment was installed at the same time, the equipment is also aging simultaneously, leaving replacement as the only option. This, unfortunately, increases the costs quickly.

Thirdly, a review of rising contractual costs required to meet the Ohio EPA permit limits was conducted. All contractual service needs of the Wastewater Department have increased in price. Contractual costs, including chemical expenses, sludge hauling, and sludge disposal, have increased. By bidding out these services, the City is receiving the best price for the provided service. Unfortunately, prices are higher than they have been in the past.

The sewer rate model implementation plans were reviewed next. An emphasis on minimizing the impact on residents and businesses guided the decision-making process for implementation. The proposed rate increase is an "equalized design." As the name implies, an equalized design provides equivalent rate increases to cover the required expenses. This lessens the impact on the community. The other option considered was implementing a "front-loaded" rate increase. A front-loaded rate increase is a strategy where the initial rate increases are significantly higher to quickly address years of Inflation and other expense increases that are not currently covered by the existing rate structure. This approach was not pursued because the rate would have increased by 20% in the first year. The proposed equalized design increase covers the needed costs described above. Hiking the rates higher

than that is not required at this time. This is why the front-loaded approach was taken out of consideration.

The consideration of sewer rates between communities was also reviewed. Biannually, the Ohio EPA reports study results showing community rates for drinking water and sanitary sewer services across the State of Ohio. These rates are reported separately. As Cleveland Water provides and bills for potable water in Twinsburg, we only reviewed sewer rates during this portion of the study. We also researched sewer charges for the 31 communities located in Summit County. Many of these communities are billed through Summit County Sanitary Sewer Services. Their annual cost equates to \$750.00 for sanitary services only. The City of Twinsburg sewer rates are among the lowest in the County. We also compared sewer rates for other communities that own sanitary assets similar to ours. Our rates are much lower than most. Municipalities that are part of NEORSB pay approximately \$900.00 annually for their sanitary rates alone. We focused on keeping costs manageable for residents and businesses while ensuring the funding structure supports both present needs and long-term financial sustainability.

Lastly, the Sewer Accounts were reviewed. With rising operational and capital budgeted needs increasing each year, the model showed a need to increase the sewer rates. The model was used to compare different rate adjustments. A conservative four percent (4%) annual increase through 2030 not only meets the needs of the Wastewater Department but also minimizes the impact on the community. The adjustment will also enable the Wastewater Department to continue providing exceptional sanitary services to residents and businesses now and into the future. The Department strives to safely convey wastewater from the City to the WWTP, all while exceeding Ohio EPA's permit limits and treating the wastewater before it is safely discharged into Tinker's Creek. The rate adjustment will allow the Wastewater Department to plan for the future and extend the life of City assets. These are all intangible yet pertinent services that contribute to maintaining a high quality of life in the City of Twinsburg.

The table below displays the annual rate changes for residential accounts.

Residential Fixed Sewer Charges with 4% Rate Increase							
	2024	2025*	2026	2027	2028	2029	2030
Quarterly Sewer Bill	\$60.00	\$62.40	\$64.90	\$67.49	\$70.19	\$73.00	\$75.92
Quarterly Water Fee	\$2.50	\$2.60	\$2.70	\$2.81	\$2.92	\$3.04	\$3.16
Quarterly Bill	\$62.50	\$65.00	\$67.60	\$70.30	\$73.12	\$76.04	\$79.08
Annual Payment	\$250.00	\$255.00	\$270.40	\$281.22	\$292.46	\$304.16	\$316.33
Annual Increase		\$5.00	\$15.40	\$10.82	\$11.25	\$11.70	\$12.17
Annual Cumulative Increase		\$5.00	\$20.40	\$31.22	\$42.46	\$54.16	\$66.33
*Rate reflects the July 1, 2025 implementation of a 4% increase for the last two (2) quarters of 2025							