



North Canton, Ohio

Water Utility Rate Study

January 2010



Infrastructure, environment, buildings

Mr. James Benekos, PE, PS
City Engineer
City of North Canton
145 North Main Street
North Canton, Ohio 44720

Subject:
North Canton, Ohio
Water Utility Rate Study
Final

Dear Mr. Benekos:

This letter report is intended to summarize and transmit to the City our efforts in performing the City's Water Utility Rate Study. Fifteen copies of this Final Letter Report are being transmitted herewith. Attached with this study is one CD-ROM containing the electronic files developed during the course of this study. The City may want to utilize these files for future analysis of the water utility.

An examination of the water utility's consumption and revenues, historical and projected operational and debt service costs is conducted. Anticipated water revenues with proposed rate adjustments are made. The analysis addresses the ability of the City of North Canton to provide necessary funds for operation, debt service, and replacement and improvement reserves for the utility, during the period of 2010 to 2014.

The following exhibits are attached as part of the Study:

- Appendix A – Water Fund Revenue and Expense Summary (and Notes)
- Appendix B – Water Fund Capital Projects Schedule
- Appendix C – Water Fund Proposed Debt Schedule
- Appendix D – Water Rate Schedules of Neighboring Communities

Water Fund, Recent Expenses and Revenues: 2006 to 2009

Water Revenue Charges

The Utility supplies water service in the City and also serves some users located outside the City in unincorporated areas of Stark County. According to the rate structure used from 2006 to 2009, users were classified as being subject to residential or business use rates, with a rate surcharge on users outside the City limits.

As of April 1, 2009, the utility served 6,202 users within the City and 2,570 users outside the City for a total of 8,772 users. There are two billing categories, with 7,592 residential accounts and 1,180 business accounts. The distribution of users is not expected to change significantly over the forecast period of this report.

Imagine the result

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WATER RESOURCES
BUSINESS PRACTICE

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Our ref:
CL000678.R001

According to the rate structure used from 2006 to 2009, users were classified as being subject to residential and business consumption rates, as shown in Table 1, Summary of Water Rates.

Table 1 – Summary of Water Rates (per thousand gallons) Enacted 1/1/09				
Monthly Consumption (gal)		Residential	Business	
Users Inside City				
0	to 15,000	\$4.60	\$4.60	
15,001	to 30,000	\$5.27	\$4.60	
30,001	to 40,000	\$6.11	\$4.60	
40,001	to ∞	\$6.61	\$4.18	
Users Outside City				
0	to 15,000	\$8.66	\$8.66	
15,001	to 30,000	\$9.28	\$8.66	
30,001	to 40,000	\$10.07	\$8.66	
40,001	to 100,000	\$10.55	\$7.87	
100,001	to 750,000	\$10.55	\$7.09	
750,001	to ∞	\$10.55	\$6.30	

The number of accounts, consumption volume, and revenue received for Residential and Business categories is based on year 2008 data and shown in Table 2, Water Revenue by Usage Class. Table 2 indicates that a significant amount of the City's water consumption and the majority of the revenue are accrued by outside residential and business accounts, including bulk water users such as AQUA.

Table 2 – 2008 Water Revenue by Usage Class				
Usage Class	Annual Consumption (MG)	% Annual Consumption	Annual Revenue	% Annual Revenue
Users Inside City				
Residential	392	45.5%	\$1,770,342	30.8%
Business	95	11.0%	\$452,550	7.9%
Inside Total	487	56.5%	\$2,222,892	38.7%
Users Outside City				
Residential	126	14.6%	\$1,107,268	19.3%
Business	66	7.7%	\$2,134,799	37.2%
AQUA-Bulk Water	182	21.2%	\$280,388	4.9%
Outside Total	374	43.5%	\$3,522,454	61.3%
Total	861	100%	\$5,745,346	100%

To project future water usage, historical consumption and revenues were evaluated for the period of 2006 to 2008, with data contained in the Water Fund Revenue and Expense Summary (Appendix A). Usage revenues have increased from 2006 to 2008, from \$5,047,969 to \$5,750,815, respectively. This is the result of moderate rate increases combined with steady consumption patterns. The projections contained in this report are based on no net increase in the number of users and no net increase in the volume of water used by existing users.

Water Costs and Expenses

Expenses are divided into the following five subcategories as shown in Appendix A, Water Fund Revenue and Expense Summary: Water Supply/Raw Water, Water Treatment, Distribution, Administration-Billings and Debt Service.

The history of operation and maintenance costs for the raw water supply, water treatment plant and water distribution system between 2006 and 2009 (budgeted) were utilized to forecast projections. Notably, chemical costs have risen significantly in recent years and projected future chemical costs are forecasted to increase 15% per year to account for this trend. Increases in electricity costs are projected at 16% per year, which reflect the electric utility's planned rate increase. A full listing of assumptions is noted as part of Appendix A, titled "Water Fund Notes".

Also shown in Appendix A are the account balances for the Water Expansion, Replacement and Improvement Fund. These funds are transferred from the appropriate expense subcategory to the Fund for use in the City's financing of capital projects.

Representatives of the City were consulted to formulate projections of future expenses to create an anticipated schedule of capital projects, shown in Appendix B.1: Capital Projects Schedule (Non-Financed) and Appendix B.2: Capital Projects Schedule (Financed). For projects to be financed as indicated in Appendix B.2, an anticipated debt schedule is attached as Appendix C, Water Fund Proposed Debt Schedule.

Water Fund, Future Expenses and Revenues Projection: 2010 to 2014

Based on the usage and expense revenue projections discussed above and summarized in Appendix A, an invoiced cost for each expense subcategory was calculated for the entire study period of 2006 to 2014, shown in Table 3, Cost per Expense Subcategory. The total cost per 1,000 gallons billed is projected to increase from \$5.74 to \$6.88 from 2010 to 2014, an average annual increase of 4.5%.

Table 3 – Cost per Expense Subcategory (per thousand gallons invoiced consumption)									
Expense Subcategory	Actual			Budget	Projected				
	2006	2007	2008	2009	2010	2011	2012	2013	2014
Raw Water/Supply	\$0.35	\$0.35	\$0.33	\$0.46	\$0.45	\$0.47	\$0.49	\$0.52	\$0.55
Water Treatment	\$2.66	\$1.91	\$1.50	\$2.84	\$1.62	\$1.73	\$1.86	\$1.99	\$2.14
Distribution	\$2.20	\$2.68	\$2.17	\$2.35	\$2.07	\$1.87	\$2.28	\$2.52	\$2.68
Administration	\$0.31	\$0.30	\$0.30	\$0.35	\$0.33	\$0.34	\$0.35	\$0.36	\$0.37
Existing Debt Service	\$3.84	\$5.22	\$1.24	\$1.28	\$1.27	\$1.14	\$1.14	\$1.15	\$1.14
Total	\$9.38	\$10.45	\$5.55	\$7.28	\$5.74	\$5.55	\$6.12	\$6.54	\$6.88

Water Charge Revenues will need to increase likewise to remain a self-sustaining fund. The City has targeted an annual operating reserve balance of two months of operating expenses. A projection of the revenue based on the current rate structure as well as two proposed options is shown in the following tables to meet the carryover target balance. The City has indicated that any water rate adjustment would not be implemented until the end of 2010. For the purposes of the study, no adjustment is projected in 2010. However, if the rates were increased during the first quarter of 2010, an annual increase of 4.0% would be sufficient. By postponing the rate adjustment by one year, the needed adjustment increases to 5.5% over the following four years.

Water Rate Option 1

Table 4 – Water Rate Option 1 – Residential Accounts								
Monthly Consumption (gal)			Jan 1 2009	Prop. 2010	Prop. 2011	Prop. 2012	Prop. 2013	Prop. 2014
Proposed Increase:			0.0%	5.5%	5.5%	5.5%	5.5%	
Users Inside City								
0	to	15,000	\$4.60	\$4.60	\$4.85	\$5.12	\$5.40	\$5.70
15,001	to	30,000	\$5.27	\$5.27	\$5.56	\$5.87	\$6.19	\$6.53
30,000	to	40,000	\$6.11	\$6.11	\$6.45	\$6.80	\$7.17	\$7.57
40,001	to	∞	\$6.61	\$6.61	\$6.97	\$7.36	\$7.76	\$8.19
Users Outside City								
0	to	15,000	\$8.66	\$8.66	\$9.14	\$9.64	\$10.17	\$10.73
15,001	to	30,000	\$9.28	\$9.28	\$9.79	\$10.33	\$10.90	\$11.50
30,000	to	40,000	\$10.07	\$10.07	\$10.62	\$11.21	\$11.82	\$12.47
40,001	to	∞	\$10.55	\$10.55	\$11.13	\$11.74	\$12.39	\$13.07

In Table 4, Water Rate Option 1 – Residential Accounts and Table 5, Water Rate Option 1 – Business Accounts, an annual increase of the current rate schedule is proposed. The average residential water bill would increase from \$27.60 in 2009 to \$34.19 in 2014, based on the same average consumption of 6,000 gallons per month.

Table 5 – Water Rate Option 1 – Business Accounts								
Monthly Consumption (gal)			Jan 1 2009	Prop. 2010	Prop. 2011	Prop. 2012	Prop. 2013	Prop. 2014
Proposed Increase:			0.0%	5.5%	5.5%	5.5%	5.5%	5.5%
Users Inside City								
0	to	40,000	\$4.60	\$4.60	\$4.85	\$5.12	\$5.40	\$5.70
40,001	to	∞	\$4.18	\$4.18	\$4.41	\$4.65	\$4.91	\$5.18
Users Outside City								
0	to	40,000	\$8.66	\$8.66	\$9.14	\$9.64	\$10.17	\$10.73
40,001	to	100,000	\$7.87	\$7.87	\$8.30	\$8.76	\$9.24	\$9.75
100,001	to	750,000	\$7.09	\$7.09	\$7.48	\$7.89	\$8.33	\$8.78
750,001	to	∞	\$6.30	\$6.30	\$6.65	\$7.01	\$7.40	\$7.80

The revenue for each usage class based on Rate Option 1 is shown in Table 6, Projected Annual Billing per Usage Class – Water Rate Option 1. With the proposed rate increase, the carryover balance requirements are met (1.5-2.3 months of expenses compared to City minimum target of two months).

Table 6 – Projected Annual Billing per Usage Class, Water Rate Option 1							
Usage Class	# of Accounts	Jan 1 2009	Prop. 2010	Prop. 2011	Prop. 2012	Prop. 2013	Prop. 2014
Inside City Users							
Residential	5,849	\$1,814,900	\$1,814,900	\$1,914,400	\$2,019,500	\$2,130,200	\$2,247,100
Business	353	\$471,500	\$471,500	\$497,400	\$524,800	\$553,700	\$584,100
Total	6,202	\$2,286,400	\$2,286,400	\$2,411,800	\$2,544,300	\$2,683,900	\$2,831,200
Outside City Users							
Residential	1,743	\$1,112,000	\$1,112,000	\$1,173,200	\$1,237,700	\$1,305,800	\$1,377,600
Business	827	\$2,508,800	\$2,508,800	\$2,646,800	\$2,792,400	\$2,945,900	\$3,108,000
AQUA	--	\$290,678	\$290,678	\$306,666	\$323,532	\$341,326	\$360,099
Total	2,570	\$3,620,800	\$3,620,800	\$3,820,000	\$4,030,100	\$4,251,700	\$4,485,600
Total Revenue		\$5,907,200	\$5,907,200	\$6,231,800	\$6,574,400	\$6,935,600	\$7,316,800
Carryover Balance		\$934,802	\$842,700	\$960,600	\$1,201,300	\$1,312,000	\$1,191,300
Carryover (Month's Expenses)		1.7	1.5	1.9	2.3	2.3	1.9

Water Rate Option 2

As an alternative rate option, the City may realize benefits by renegotiating agreements with Outside City Users, with specific emphasis on the Bulk Water Sales agreement with AQUA. Currently, the AQUA contract requires minimum water charges for 500,000 gallons per day (gpd), which will increase to 600,000 gpd in May 2010 (with the subsequent increase occurring in 2015). At 600,000 gpd, the City is selling its water capacity at a rate of \$1.65 per 1,000 gallons to AQUA while the current rate schedule for Outside City Business Accounts sells at a rate of \$9.72 per 1,000 gallons.

In 2009, the City sold 182,500,000 gallons of water to AQUA at total realized revenue of approximately \$277,000. The net effective sales rate, therefore, was \$1.52 per thousand gallons. At the same time, the total cost to collect and treat the water (raw water costs and treatment costs including debt service) and pump the water into the distribution system was \$2.20 per thousand gallons. This would yield a net loss of \$0.68 per thousand gallons (approximately \$124,000 annually).

In contrast to the above, when the AQUA agreement was formulated, a net cost differential accounting method was employed. This method identified the variable costs that would be realized by the City if AQUA were to purchase bulk water, such as power, chemicals and operations and maintenance (O&M). For 2009, the AQUA portion of increased expenses was approximately \$167,000. A percentage of profit was also added to this figure. This accounting method recognized that the City would not add staff to sell water to AQUA, would not incur any further debt service, and would only slightly add to the maintenance costs through the use of the equipment and facilities. Thus, there was consideration for the economy of scale realized by selling additional water with the surplus capacity available at the time of the agreement with AQUA. Utilizing this cost differential method, the City recognized a net operating profit of approximately \$110,000 in 2009.

If the City were to end the current sales agreement, and charge AQUA at the Outside User Business Class Rate, the City could realize the same revenues with an AQUA usage rate of 148,000 gallons per day. Ending the agreement would lessen restrictions placed on future expansion for the City by lessening the amount of water production capacity reserved for the AQUA agreement, while providing a more equitable cost benefit for the City. This usage revenue could also be achieved by supplying other outside accounts. The loss in net revenue that AQUA provides to the City could also be absorbed by a decrease in the annual capital fund transfer amount. During the renegotiations, no terms should be accepted that would limit the City's growth and expansion of the WDS system and customer base.

Finally, if the City were to end the AQUA agreement, there would be some realized savings in the costs for power, chemicals and O&M, estimated at \$167,000. As mentioned above, the debt service, personnel and other fixed costs would remain. Therefore, if the total revenue of \$277,000 were eliminated while the total costs were reduced by \$167,000, the City would realize a net loss of revenue of \$110,000 annually, based on 2009 figures.

Neighboring Communities

Neighboring communities' water rates were compiled and projected based on North Canton's average residential water consumption of 6,000 gallons per month, and shown in Table 7 – Comparison of Average 2009 Monthly Residential Water Bills.

Water System	Average Bill
North Canton (Inside)	\$27.60
North Canton (Outside)	\$51.96
Canton (Inside)	\$11.44
Canton (Outside)	\$28.58
AQUA	\$31.37*
RLCWA	\$41.62
Wooster (Inside)	\$44.20
Wooster (Outside)	\$66.30
Ohio EPA State Median Bill	\$28.75

* Based on customer service data provided during call
 July 7, 2009 phone conversation

The average bill for users inside City premises is slightly less than the 2007 state average. It is also less than neighboring systems of Wooster, Rural Lorain County Water Authority (RLCWA), and the average bill that Canton (Outside System) users pay. Water Rate Schedules for these communities are compiled and included as Appendix D – Water Rate Schedules of Neighboring Communities.

Recommendations

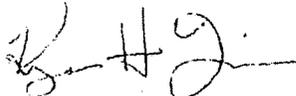
ARCADIS offers the following to the City of North Canton. These recommendations are based on the data received and analyzed, including all assumptions utilized during the course of this Study.

- We recommend increasing rates at 5.5% to keep pace with invoiced water costs and inflation.
- Transfer \$1M annually to PCP account and continue rehabilitation/renewal of water infrastructure.
- Renegotiate AQUA agreements.
- Continue the Stark State College agreement. It is benefiting the City by maintaining service to a water customer with significant revenue that may otherwise leave the service area without the rate adjustment.
- Maintain a minimum carryover balance of two months of expenses.
- Periodically review the Revenue and Expense summaries and need for rate adjustments due to more than just inflationary pressures, such as escalating power and chemical costs.

Please review this Study in detail. We welcome the opportunity to discuss any questions or comments you may have regarding the assumptions and/or recommendations presented.

Sincerely,

ARCADIS



Ryan H. Quinn, EIT



Robert L. McNutt, PE

RHQ/RLM/lmd

Enclosures

ARCADIS

Appendix A

**APPENDIX A
NORTH CANTON, OHIO
WATER OPERATING FUND
WATER FUND REVENUE AND EXPENSE SUMMARY**

YEAR	2006		2007		2008		2009		2010		2011		2012	
	ACTUAL		ACTUAL		ACTUAL		BUDGETED		BUDGETED		BUDGETED		PROJECTED	
CARRYOVER BALANCE	\$	660,132.22	\$	891,078.31	\$	874,307.20	\$	1,430,056.91	\$	934,801.91	\$	842,700.00	\$	960,600.00
REVENUES														
Charges for Services	\$	5,048,969.35	\$	5,583,160.54	\$	5,750,815.40	\$	6,050,000.00	\$	5,794,700.00	\$	6,113,000.00	\$	6,448,000.00
Water Permits	\$	52,113.00	\$	79,038.00	\$	34,909.00	\$	50,000.00	\$	50,000.00	\$	50,000.00	\$	50,000.00
Water Line Extension Fees	\$	28,800.00	\$	38,793.25	\$	10,300.00	\$	20,000.00	\$	20,000.00	\$	20,000.00	\$	20,000.00
Miscellaneous	\$	11,401.57	\$	129,812.97	\$	90,603.08	\$	-	\$	-	\$	-	\$	-
OPWC proceeds	\$	434,783.74	\$	29,995.95	\$	0.00	\$	0.00	\$	900,000.00	\$	-	\$	-
Proceeds from sales of assets & notes	\$	2,734,830.31	\$	4,430,844.31	\$	0.00	\$	0.00	\$	-	\$	-	\$	-
TOTAL REVENUE	\$	8,310,857.06	\$	10,231,615.02	\$	5,886,628.48	\$	6,120,000.00	\$	6,764,700.00	\$	6,183,000.00	\$	6,519,000.00
EXPENSES														
Water Supply/Raw Water														
Personnel & fringes	\$	217,989.56	\$	211,703.88	\$	200,927.18	\$	205,231.25	\$	213,000.00	\$	220,000.00	\$	228,000.00
General Insurances	\$	3,338.17	\$	3,628.78	\$	3,158.11	\$	3,800.00	\$	4,050.00	\$	4,300.00	\$	4,550.00
Electricity	\$	63,599.35	\$	68,318.86	\$	61,395.30	\$	83,400.00	\$	82,000.00	\$	95,000.00	\$	110,000.00
Other Utilities	\$	18,770.91	\$	15,994.93	\$	13,051.14	\$	15,870.00	\$	16,000.00	\$	17,000.00	\$	18,000.00
Professional Services	\$	2,214.45	\$	4,889.42	\$	1,123.56	\$	11,218.67	\$	6,000.00	\$	8,000.00	\$	8,000.00
Equipment	\$	15,683.51	\$	69,892.74	\$	60,998.97	\$	85,500.00	\$	6,000.00	\$	6,000.00	\$	6,000.00
Maintenance	\$	52,130.00	\$	69,892.74	\$	60,998.97	\$	85,500.00	\$	75,000.00	\$	77,000.00	\$	79,000.00
Miscellaneous	\$	1,132.99	\$	1,313.40	\$	1,203.90	\$	1,200.00	\$	1,000.00	\$	1,000.00	\$	1,000.00
SUBTOTAL (Water Supply/Raw Water)	\$	374,608.94	\$	380,120.52	\$	350,134.02	\$	412,877.92	\$	403,050.00	\$	426,300.00	\$	452,550.00
Water Treatment														
Personnel & fringes	\$	653,966.67	\$	635,111.63	\$	602,781.53	\$	615,693.75	\$	639,000.00	\$	661,000.00	\$	684,000.00
General Insurances	\$	30,043.53	\$	32,640.80	\$	26,423.02	\$	34,200.00	\$	36,700.00	\$	39,200.00	\$	41,700.00
Electricity	\$	148,398.49	\$	159,410.67	\$	143,255.69	\$	194,600.00	\$	192,000.00	\$	205,000.00	\$	229,000.00
Other Utilities	\$	43,926.80	\$	37,448.37	\$	30,584.76	\$	37,180.00	\$	37,000.00	\$	39,000.00	\$	41,000.00
Chemicals	\$	329,750.48	\$	337,726.70	\$	335,282.20	\$	350,000.00	\$	425,000.00	\$	469,000.00	\$	562,000.00
Professional Services	\$	4,300.91	\$	9,851.96	\$	2,115.03	\$	22,283.33	\$	10,000.00	\$	10,000.00	\$	10,000.00
Supplies	\$	14,718.47	\$	19,566.54	\$	14,642.69	\$	26,500.00	\$	21,000.00	\$	22,000.00	\$	23,000.00
Equipment	\$	141,151.58	\$	39,514.87	\$	74,482.81	\$	50,940.00	\$	57,000.00	\$	59,000.00	\$	61,000.00
Maintenance	\$	206,520.01	\$	279,530.98	\$	243,995.87	\$	346,000.00	\$	299,000.00	\$	308,000.00	\$	317,000.00
Miscellaneous	\$	10,646.87	\$	11,820.60	\$	10,835.10	\$	10,800.00	\$	11,000.00	\$	11,000.00	\$	11,000.00
SUBTOTAL (Water Treatment)	\$	1,855,465.80	\$	1,562,423.11	\$	1,486,398.70	\$	1,728,197.08	\$	1,727,700.00	\$	1,843,200.00	\$	1,979,700.00
Distribution														
Personnel & fringes	\$	529,116.06	\$	522,085.74	\$	491,891.38	\$	571,800.00	\$	547,000.00	\$	566,000.00	\$	586,000.00
General Insurances	\$	22,241.43	\$	25,503.41	\$	20,402.29	\$	25,500.00	\$	27,500.00	\$	29,500.00	\$	30,500.00
Electricity	\$	7,059.65	\$	17,845.83	\$	17,495.95	\$	22,500.00	\$	22,000.00	\$	24,000.00	\$	26,000.00
Other Utilities	\$	11,030.35	\$	10,769.27	\$	8,853.69	\$	11,300.00	\$	11,000.00	\$	12,000.00	\$	13,000.00
Professional Services	\$	18,273.56	\$	31,011.41	\$	30,018.70	\$	76,650.00	\$	47,000.00	\$	48,000.00	\$	49,000.00
Supplies	\$	90,141.02	\$	60,741.17	\$	68,222.89	\$	72,500.00	\$	74,000.00	\$	78,000.00	\$	82,000.00
Equipment	\$	84,458.55	\$	139,637.47	\$	79,195.92	\$	149,600.00	\$	131,000.00	\$	144,000.00	\$	151,000.00
Maintenance	\$	77,483.85	\$	83,938.74	\$	95,842.66	\$	117,000.00	\$	102,000.00	\$	105,000.00	\$	108,000.00
Miscellaneous	\$	150.00	\$	2,411.87	\$	3,140.00	\$	4,000.00	\$	3,000.00	\$	3,000.00	\$	3,000.00
Transfers - Compensated ABS	\$	38,020.00	\$	34,160.00	\$	38,317.00	\$	40,000.00	\$	41,000.00	\$	42,000.00	\$	43,000.00
Transfers - Intrafund - Out	\$	850,000.00	\$	1,400,000.00	\$	1,000,000.00	\$	1,825,000.00	\$	1,600,000.00	\$	1,000,000.00	\$	1,000,000.00
SUBTOTAL (Distribution)	\$	1,728,014.47	\$	2,328,205.91	\$	1,853,380.48	\$	2,716,350.00	\$	2,805,500.00	\$	2,051,000.00	\$	2,091,500.00
Administration - Billings														
Personnel & fringes	\$	296,488.15	\$	293,680.53	\$	277,115.51	\$	298,700.00	\$	299,000.00	\$	309,000.00	\$	320,000.00
Utilities	\$	14,219.70	\$	14,851.67	\$	15,067.35	\$	15,200.00	\$	16,000.00	\$	17,000.00	\$	18,000.00
Professional Services	\$	10,636.37	\$	10,478.23	\$	13,930.72	\$	18,800.00	\$	15,000.00	\$	15,000.00	\$	15,000.00
Supplies	\$	3,590.81	\$	4,242.62	\$	3,006.44	\$	4,000.00	\$	4,000.00	\$	4,000.00	\$	4,000.00
Equipment	\$	1,435.89	\$	430.33	\$	1,189.42	\$	24,400.00	\$	9,000.00	\$	9,000.00	\$	9,000.00
Maintenance	\$	5,392.35	\$	5,789.35	\$	5,752.85	\$	9,000.00	\$	7,000.00	\$	7,000.00	\$	7,000.00
Miscellaneous	\$	83.60	\$	125.90	\$	38.03	\$	200.00	\$	-	\$	-	\$	-
Transfers - Intrafund - Out	\$	0.00	\$	0.00	\$	0.00	\$	0.00	\$	-	\$	-	\$	-
SUBTOTAL (Administration - Billings)	\$	331,847.87	\$	329,238.53	\$	316,130.32	\$	369,300.00	\$	350,000.00	\$	361,000.00	\$	373,000.00
Debt Service														
Existing Debt Service - Notes 2007 Ser	\$	3,097,228.16	\$	4,749,531.23	\$	3,277,977.50	\$	3,335,000.00	\$	3,330,377.50	\$	3,288,577.50	\$	3,268,577.50
Existing Debt Service - OWDA	\$	859,217.33	\$	860,827.48	\$	845,013.57	\$	957,000.00	\$	952,073.20	\$	815,075.24	\$	815,075.24
Existing Debt Service - OWPC	\$	-	\$	-	\$	51,045.16	\$	72,130.00	\$	72,130.18	\$	72,130.18	\$	72,130.18
Existing Debt Service - Issue Costs	\$	5,238.00	\$	98,039.25	\$	-	\$	-	\$	-	\$	-	\$	-
Anticipated Raw Water Debt	\$	-	\$	-	\$	-	\$	-	\$	72,800.00	\$	72,800.00	\$	72,800.00
Anticipated Treatment Debt	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Anticipated Distribution Debt	\$	-	\$	-	\$	-	\$	24,400.00	\$	43,200.00	\$	95,064.35	\$	95,064.35
SUBTOTAL (Debt Service)	\$	4,061,664.49	\$	5,708,397.96	\$	4,325,036.25	\$	4,368,530.00	\$	4,470,600.00	\$	4,366,500.00	\$	4,381,600.00
TOTAL EXPENSES	\$	8,079,921.57	\$	10,308,385.13	\$	5,331,079.77	\$	6,615,255.00	\$	6,856,850.00	\$	6,065,100.00	\$	6,278,350.00
ENDING BALANCE	\$	891,078.31	\$	874,307.20	\$	1,430,056.91	\$	934,801.91	\$	842,700.00	\$	960,600.00	\$	1,201,300.00
WATER EXPANSION, REPLACEMENT & IMPROVEMENT FUND														
YEAR	2006	2007	2008	2009	2010	2011	2012							
Carryover Balance	\$	339,242.21	\$	1,316,573.75	\$	1,247,965.78	\$	1,203,622.38	\$	1,470,600.00	\$	887,300.00	\$	1,043,700.00
Transfers In	\$	850,000.00	\$	1,400,000.00	\$	1,000,000.00	\$	1,625,000.00	\$	1,900,000.00	\$	1,000,000.00	\$	1,000,000.00
Grants received	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Proceeds from sale of Notes	\$	1,600,000.00	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Proceeds from OWDA loans	\$	1,142,664.59	\$	34,631.16	\$	-	\$	-	\$	-	\$	-	\$	-
OWPC Proceeds	\$	63,193.00	\$	1,020,903.68	\$	529,588.05	\$	-	\$	-	\$	-	\$	-
Miscellaneous & Interest Income	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Total Revenue	\$	3,655,857.59	\$	2,455,534.84	\$	1,529,688.05	\$	1,625,000.00	\$	1,900,000.00	\$	1,000,000.00	\$	1,000,000.00
Contract Projects - Supply/Raw Water	\$	-	\$	524,903.74	\$	111,989.58	\$	1,300,000.00	\$	-	\$	-	\$	-
Contract Projects - Water Treatment	\$	1,227,612.25	\$	1,999,639.07	\$	1,482,041.87	\$	1,386,900.00	\$	1,154,400.00	\$	843,600.00	\$	1,237,400.00
Contract Projects - Distribution	\$	1,450,913.80	\$	2,524,142.81	\$	1,574,031.45	\$	2,686,900.00	\$	1,540,000.00	\$	843,600.00	\$	1,237,400.00
Total Contracts	\$	2,678,526.05	\$	4,548,685.62	\$	3,168,062.90	\$	5,373,800.00	\$	3,694,400.00				

WATER FUND NOTES

Revenue:

1. Miscellaneous includes Bulk Water Sales, Unapplied Cash, Miscellaneous, and Interest.

Water Distribution:

1. Personnel & fringes includes Salaries & Wages, Overtime, P.E.R.S., Health Insurance, Life Insurance, Medicare, Workers Compensation, Travel and Training and Misc. Service & Incidentals.
2. Utilities includes Telephone, Electric Service, Gas Service and Cell Phones/Paging.
3. Professional Services includes Professional Services and County Sewer Service.
4. Maintenance includes Maintenance of Equipment, and Gasoline Products.
5. Equipment includes Meter Purchases and Equipment.
6. Maintenance includes Maintenance of Equipment, Maintenance of Facilities, Street Restoration and Gasoline Products.
7. Miscellaneous includes Future Annex Agreements, Moral Claims, Travel & Training, and Water Purchases.

Water Treatment Plant:

1. Personnel & fringes includes Salaries & Wages, Overtime, P.E.R.S., Health Insurance, Life Insurance, Medicare, Workers Compensation, Misc. Service & Incidentals, and Travel & Training.
2. General Insurances includes General Insurance and Self-Insurance
3. Utilities includes Telephone, Electric Service, Gas Service, Cell Phones/Paging
4. Chemicals includes Testing and Chemicals.
5. Professional Services includes Professional Services, County Sewer Service and Contract Payments
6. Supplies includes Operating Supplies.
7. Maintenance includes Maintenance of Equipment, Maintenance of Facilities, Sludge Lagoon Cleaning, and Gasoline Products.
8. Miscellaneous includes State Licenses Fees.

Water Administration:

1. Personnel & fringes includes Salaries & Wages, Overtime, P.E.R.S., Health Insurance, Life Insurance, Medicare, Workers Compensation, Misc. Service & Incidentals, and Travel & Training.
2. Utilities includes Postage and Telephone.
3. Supplies includes Office Supplies.
4. Equipment includes Copier Lease and Equipment.
5. Maintenance includes Maintenance of Equipment and Gasoline Products.
6. Miscellaneous includes Travel & Training.

Debt Service:

1. Existing Debt Service - Notes includes Note Repayment, Debt Service Costs, Note interest payment.

REVENUE ASSUMPTIONS

1. For 2010, revenue from "Charges for Services" is derived from a) Averaging past three years and b) adding in revenue increase from any proposed revenue percent increases.
2. In 2011-2014 revenue from "...Services" equals the previous year, inflated by revenue increase percentage.
3. For revenue sources for Permits, extensions & miscellaneous, each year 2009-2014 is an average of preceding three years. No attempt has been made to assume any increases for any specific projects -
4. From 2010-2014, Proceeds from Sales of Assets & Notes is assumed 0, only long term financing is assumed to cover long term debt. Short term Notes still could be used, but no attempt to anticipate that is being made.

EXPENSE PROJECTIONS

General

1. General Assumptions include Personnel & fringes increase by 3.5% per year and other costs by 3% per year for typical inflation.
2. In 2010, projected expenses average years 2006-budget 2009 costs, then inflate by factors stated above years 2011-2014.
3. The surplus/end of year balance should be at least equal to 2 months of expenses or \$1,000,000 based on \$6M annual expenses. This could be available in "Expansion & Replacement" account item.
4. General insurances for Water Supply/Raw Water increase at \$250 per year from 2009-2014. For Treatment, these increase by \$2,500 per year. And for distribution these increase by \$1,500 per year.
Electricity charges are assumed to increase by 16% per year for 3 years, then 16% per year thereafter
Chemical costs are assumed to increase by 20% for 2010 and 15% per year thereafter
Steel based material costs are assumed to increase by 5-10% per year...

Water Supply/Raw Water and Treatment

1. The Water Treatment budget was split into Water Supply/Raw Water and Treatment as determined in the tab labeled % of WTP Fund.
2. Raw Water Maintenance Costs were estimated for 2010 as the average of years 2006-budget 2009, then inflated by 3% per year for typical inflation.
3. Verification Treatment - Maintenance budget increases by 3% per year.

Distribution

1. Verification: Transfers Out to the Water Expansion, Replacement & Improvements Fund was desired to be set at \$800,000 per year. This would be used for funding improvements without using debt service.
2. Verification: Miscellaneous expenses was set at \$1,000 from year 2010 and beyond.
3. Targeted Annual Surplus' was set at 2 months of annual North Canton System expenses. For 2010, this surplus target is approximately \$200,000. This surplus target was set in the same way for the Water Fund.

Administrative/Billing

1. The Transfers - Intrafund Out is a budgetary line item that gets zeroed out each year. Thus no budget amount is included in projections.

Debt Service

1. Data Need: Projected Capital Improvements and Debt Obligations for 2010-2014
2. Anticipated Raw Water Debt (financing) - this is estimated debt service for larger projects, for long term debt obligations. For projects, refer to the PCP Financed tab
3. Anticipated Treatment Debt (financing) - this is estimated debt service for larger projects, for long term debt obligations. For projects, refer to the PCP Financed tab.
4. Anticipated Distribution Debt (financing) - this is estimated debt service for larger projects, for long term debt obligations. For projects, refer to the PCP Financed tab.

Water Expansion, Replacement, & Improvement Fund

1. New projects listed in this area are based on trying to achieve an \$800,000 per year direct expense, similar to year's past. Larger projects would be paid for by debt service, instead out of this fund annually.
2. Money should be set aside in this account for replacement of capital upon depreciating beyond useful life. The amount of money in this balance will depend on infrastructure to be replaced & sinking fund amount for replacement.
3. An average design life of piping networks is 50 years, thus a 2% of distribution system should be replaced annually, in addition to raw water and treatment infrastructure.
4. The projects anticipated to be financed under these line items are shown in the PCP tab.
5. Anticipated projects were moved by year constructed to attempt to smooth the increase in water rates over several years, thus avoiding a one-time large increase in user rates.

COST PER 1,000 GALLONS OF WATER CONSUMED (INVOICED)

1. The average of the water billed from 2006 to projected 2009 (based on first half of the year's billings) was averaged to estimate year 2010 and beyond WTP production
2. Since there is lost water, the billed water must be utilized to determine recovery rates for water sales.
3. The Distribution portion of costs were not penalized based on where the line item for transfers out is placed in the budget. The transfers out portion was deducted from the "Distribution" expenses.
4. Actual cost amounts spent in the Water Expansion, Replacement & Improvement Fund were targeted to the type of improvement (water supply, treatment or distribution).

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Appendix B

Appendix B.1 – Water Capital Fund Projects Schedule (Non-Financed)

Project	Estimated Project Costs 2009	Project Cost at Implementation Year
Project Year 2009		
Pershing Ave. NE waterline replacement	\$ 351,000.00	\$ 351,000.00
7th St. - Briar to Marquardt- 8"	\$ 285,000.00	\$ 285,000.00
North Main (CDBG) - 7th to Applegrove -12"	\$ 255,000.00	\$ 255,000.00
West Park waterline replacement - Donner to Portage	\$ 163,000.00	\$ 163,000.00
Tim Avenue & Kevin Street NW waterline replacement - 8"	\$ 153,000.00	\$ 153,000.00
WDS Assistance	\$ 20,000.00	\$ 20,000.00
Total for Year 2009	\$ 1,227,000.00	\$ 1,227,000.00
Project Year 2010		
7th Street waterline replacement - North Main to Weber	\$ 375,000.00	\$ 390,000.00
Cleveland - Intersection @ Mt. Pleasant	\$ 75,000.00	\$ 78,000.00
Roselane (Tanglewood to S Main; S Main to Woodside)	\$ 295,000.00	\$ 306,800.00
WDS Assistance	\$ 20,000.00	\$ 20,800.00
Grassmere Phase I	\$ 160,000.00	\$ 166,400.00
Mt. Pleasant @ R/R (w/ County Project)	\$ 35,000.00	\$ 36,400.00
Hines from S. Main to Lipton	\$ 150,000.00	\$ 156,000.00
Total for Year 2010	\$ 1,110,000.00	\$ 1,154,400.00
Project Year 2011		
Landsdowne Subdivision	\$ 500,000.00	\$ 540,800.00
Grassmere Phase II	\$ 200,000.00	\$ 216,300.00
WDS (GEMS) Update	\$ 60,000.00	\$ 64,900.00
WDS Assistance	\$ 20,000.00	\$ 21,600.00
Total for Year 2011	\$ 780,000.00	\$ 843,600.00
Project Year 2012		
Promway Waterline	\$ 325,000.00	\$ 351,500.00
9th Street from Woodside to Weber	\$ 140,000.00	\$ 151,400.00
Dogwood from 7th Street to Holl	\$ 155,000.00	\$ 167,600.00
Frank/Applegrove	\$ 460,000.00	\$ 517,400.00
WDS Assistance	\$ 20,000.00	\$ 22,500.00
Total for Year 2012	\$ 1,100,000.00	\$ 1,237,400.00
Project Year 2013		
Freedom Avenue Waterline	\$ 425,000.00	\$ 497,200.00
Mt. Pleasant waterline- Phase 2	\$ 525,000.00	\$ 567,800.00
Fair Oaks from Glenwood to Bachtel	\$ 55,000.00	\$ 64,300.00
WDS Assistance	\$ 20,000.00	\$ 23,400.00
Total for Year 2013	\$ 1,025,000.00	\$ 1,199,100.00
Project Year 2014		
Chatham Subdivision - 8"	\$ 645,000.00	\$ 784,700.00
Heatherwood Street Wilkshire to Jonathon	\$ 120,000.00	\$ 146,000.00
WDS Assistance	\$ 20,000.00	\$ 24,300.00
Total for Year 2014	\$ 785,000.00	\$ 955,100.00
Project Year 2015		
6th Street waterline	\$ 100,000.00	\$ 126,500.00
State St from Cleveland Ave to Stover Ave	\$ 446,000.00	\$ 521,800.00
Wilkshire/Car-Mar/Rogwin	\$ 120,000.00	\$ 151,800.00
Parkview	\$ 60,000.00	\$ 75,900.00
Fredericksburg Court - upsize	\$ 43,000.00	\$ 50,300.00
Stratovan (All)	\$ 96,000.00	\$ 121,500.00
Total for Year 2015	\$ 865,000.00	\$ 1,048,000.00
Project Year 2019		
Water Quality Distribution Improvements - Phase 2	\$ 250,000.00	\$ 370,061.07
Total for Year 2019	\$ 250,000.00	\$ 370,000.00
Project Year 2024		
Water Quality Distribution Improvements - Phase 3	\$ 250,000.00	\$ 450,235.88
Major Process Equipment Replacement: Filter Improvements	\$ 300,000.00	\$ 540,283.05
Major Process Equipment Replacement: Pumps	\$ 300,000.00	\$ 540,283.05
Total for Year 2024	\$ 850,000.00	\$ 1,531,000.00

4% = Annual increase due to inflation

Appendix B 2 – Water Capital Fund Projects Schedule (Financing Needed)

Project	Estimated Project Costs 2009	Project Cost at Implementation Year	Annual Debt Service	Total Debt Service
Project Year 2009				
Portage (Sheraton to Lindy Lane)	\$ 280,000.00	\$ 280,000.00	\$ 24,400.00	
Well #10 raw waterline construction - 16"	\$ 835,000.00	\$ 835,000.00	\$ 72,800.00	
Subtotal – WDS			\$ 24,400.00	
Subtotal – Raw Water			\$ 72,800.00	
Subtotal – WTP				
Total for Year 2009	\$ 1,115,000	\$ 1,115,000	\$ 97,200	\$ 97,200
Project Year 2010				
North Main St. from Applegrove to Wilbur -12" (OWPC Loan)	\$ 375,000.00	\$ 375,000.00	\$ 18,800.00	(1)
Subtotal – WDS			\$ 18,800.00	
Subtotal – Raw Water				
Subtotal – WTP				
Total for Year 2010	\$ 375,000.00	\$ 375,000.00	\$ 18,800.00	\$ 116,000
Project Year 2011				
Elevated Tanks Rehabilitation - Tower 1	\$ 350,000.00	\$ 378,560.00	\$ 33,004.59	
Rose Street 14" dia. WM to Tower 1	\$ 200,000.00	\$ 216,320.00	\$ 18,859.76	
Subtotal – WDS			\$ 51,864.35	
Subtotal – Raw Water				
Subtotal – WTP				
Total for Year 2011	\$ 550,000.00	\$ 594,880.00	\$ 51,900.00	\$ 167,900
Project Year 2012				
-		-	-	
Subtotal – WDS				
Subtotal – Raw Water				
Subtotal – WTP				
Total for Year 2012	\$ -	\$ -	\$ -	\$ 167,900
Project Year 2013				
Everhard	\$ 1,500,000.00	\$ 1,754,787.84	\$ 152,990.40	
Whipple	\$ 950,000.00	\$ 1,111,365.63	\$ 96,893.92	
Subtotal – WDS			\$ 249,884.32	
Subtotal – Raw Water				
Subtotal – WTP				
Total for Year 2013	\$ 2,450,000.00	\$ 2,866,153.47	\$ 249,900.00	\$ 417,800
Project Year 2014				
Belden Village Mall Replacement	\$ 4,000,000.00	\$ 4,326,400.00	\$ 377,200.00	
Subtotal – WDS		\$ 4,326,400.00	\$ 377,200.00	
Subtotal – Raw Water				
Subtotal – WTP				
Total for Year 2014	\$ 4,000,000.00	\$ 4,326,400.00	\$ 377,200.00	\$ 795,000

4% = Annual increase due to inflation

6% = Interest rate for debt service

20 = Term in years for debt service

(1) = loan at 0% interest for this project

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Appendix C

		2006	2007	2008	2009	2010	2011	2012	2013	2014
Appendix C - Water Fund Proposed Debt Schedule										
Sale of Note for Canton Line/Water Tower 2 (Principal)		\$ 200,000.00								
Sale of Note for Canton Line/Water Tower 2 (Interest)		\$ 42,000.00								
Total for Canton Line/Water Tower 2		\$ 242,000.00								
Sale of Note for East Maple Raw Waterline (Principal)		\$ 150,000.00	Converted to Bond Series 2007							
Sale of Note for East Maple Raw Waterline (Interest)		\$ 33,000.00								
Total for East Maple Raw Waterline		\$ 183,000.00								
Aaa Moody's 20 Years G.O. Bonds										
Series 2007 Bond Payment	Payment Type									
	Principal	\$ 115,000.00	\$ 155,000.00	\$ 160,000.00	\$ 170,000.00	\$ 175,000.00	\$ 180,000.00	\$ 180,000.00	\$ 200,000.00	\$ 190,000.00
	Interest	\$ 141,666.73	\$ 172,977.50	\$ 167,339.00	\$ 160,377.50	\$ 160,377.50	\$ 153,577.50	\$ 146,577.50	\$ 139,377.50	\$ 131,377.50
	Total	\$ 256,666.73	\$ 327,977.50	\$ 327,339.00	\$ 330,377.50	\$ 335,577.50	\$ 329,577.50	\$ 326,577.50	\$ 339,377.50	\$ 321,377.50
OWDA Payments - WRF Debt Service										
S. Main Storage Tank - Matures Jan 2010	Principal	\$ 101,533.91	\$ 108,146.53	\$ 115,189.81	\$ 123,000.00	\$ 130,682.38				
OWDA LOAN #3280	Interest	\$ 35,464.05	\$ 28,851.43	\$ 21,808.15	\$ 17,000.00	\$ 6,315.59				
	Total	\$ 136,997.96	\$ 136,997.96	\$ 136,997.96	\$ 140,000.00	\$ 136,997.96				
WTF Improvements - Matures Jan 2024	Principal	\$ 244,288.53	\$ 253,286.42	\$ 262,615.74	\$ 270,000.00	\$ 282,317.90	\$ 292,716.54	\$ 303,498.18	\$ 314,676.95	\$ 326,267.47
OWDA LOAN #3793	Interest	\$ 237,022.73	\$ 228,024.83	\$ 218,695.52	\$ 212,000.00	\$ 198,993.35	\$ 188,594.72	\$ 177,813.07	\$ 166,634.30	\$ 155,043.79
	Total	\$ 481,311.25	\$ 481,311.25	\$ 481,311.26	\$ 482,000.00	\$ 481,311.25	\$ 481,311.25	\$ 481,311.25	\$ 481,311.25	\$ 481,311.25
WTF Expansion - Matures Jan 2025	Principal	\$ 103,681.34	\$ 107,616.40	\$ 111,700.81	\$ 115,000.00	\$ 120,340.57	\$ 124,907.91	\$ 129,648.60	\$ 134,569.21	\$ 139,676.57
OWDA LOAN #4009	Interest	\$ 112,687.51	\$ 108,752.45	\$ 104,668.04	\$ 102,000.00	\$ 96,028.28	\$ 91,460.94	\$ 86,720.25	\$ 81,799.64	\$ 76,692.28
	Total	\$ 216,368.85	\$ 216,368.85	\$ 216,368.85	\$ 217,000.00	\$ 216,368.85	\$ 216,368.85	\$ 216,368.85	\$ 216,368.85	\$ 216,368.85
WTF Backwash - Matures July 2026	Principal	\$ 31,053.61	\$ 64,142.11	\$ 66,243.67	\$ 68,000.00	\$ 70,656.60	\$ 72,970.57	\$ 75,361.38	\$ 77,830.52	\$ 80,380.57
OWDA LOAN #4337	Interest	\$ 27,643.95	\$ 53,253.02	\$ 51,151.46	\$ 50,000.00	\$ 46,739.53	\$ 44,424.57	\$ 42,033.75	\$ 39,564.61	\$ 37,014.56
	Total	\$ 58,697.57	\$ 117,395.13	\$ 117,395.13	\$ 118,000.00	\$ 117,395.13	\$ 117,395.13	\$ 117,395.13	\$ 117,395.13	\$ 117,395.13
TOTAL OWDA LOANS		\$ 893,375.64	\$ 952,073.20	\$ 952,073.20	\$ 957,000.00	\$ 952,073.20	\$ 815,075.24	\$ 815,075.24	\$ 815,075.24	\$ 815,075.24
Note Repayment Schedule										
OPWC Loan Payments - 7% Interest Loans										
Apple Grove Waterline Matures - Jan 2038	Principal/Total				\$ 21,085.00	\$ 21,085.00	\$ 21,085.00	\$ 21,085.00	\$ 21,085.00	\$ 21,085.00
Booster Pump Station #2 - Jan 2028	Principal/Total				\$ 51,045.18	\$ 51,045.18	\$ 51,045.18	\$ 51,045.18	\$ 51,045.18	\$ 51,045.18
Total Water Funds	Principal/Total	\$ 1,318,375.64	\$ 1,208,641.93	\$ 1,331,085.88	\$ 1,356,469.00	\$ 1,354,580.88	\$ 1,215,782.92	\$ 1,213,782.92	\$ 1,226,582.92	\$ 1,208,582.92

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Appendix D

CANTON CITY UTILITIES

WATER RATES EFFECTIVE DECEMBER 21, 2007

MINIMUM BI-MONTHLY RATES			OTHER THAN MINIMUM RATES		MONTHLY FIRELINE RATES		
METER SIZE	CUBIC FEET	IN CITY CHARGE	CUBIC FEET PER 100	PER 100	LINE SIZE	METERED UNMETERED	
5/8"	400	\$6.78	INSIDE CITY		1"	\$1.50	\$15.00
3/4"	800	\$12.56	FIRST 4,500	\$1.5362	1-1/2"	\$8.75	\$17.50
1"	1,330	\$21.15	NEXT 25,500	\$1.2307	2"	\$10.00	\$20.00
1-1/4"	2,000	\$31.03	OVER 30,000	\$0.7230	4"	\$15.00	\$30.00
1-1/2"	2,730	\$42.83			6"	\$20.00	\$40.00
2"	4,730	\$67.66			8"	\$25.00	\$50.00
3"	9,530	\$126.91			10"	\$30.00	\$60.00
4"	16,330	\$211.52			12"	\$35.00	\$70.00
6"	42,860	\$423.04					
8"	77,800	\$676.84					
10"	150,000	\$1,200.43					

INSIDE CITY OUTSIDE CITY

PER 100 PER 100

FIRST 4,500 NEXT 25,500 OVER 30,000

\$1.5362 \$1.2307 \$0.7230

\$3.8455 \$3.0788 \$1.8075

A 100% SURCHARGE WILL APPLY TO ALL BILLS FOR WATER SERVICE TO CUSTOMERS SERVED OUTSIDE THE CITY OF CANTON.

ALL INDUSTRIAL CUSTOMERS WILL BE BILLED MONTHLY.

A FIRE HYDRANT CHARGE OF \$125 PER BILLING CYCLE WILL APPLY TO ALL WATER ACCOUNTS OUTSIDE THE CITY OF CAN.

A \$20.00 PER MONTH FEE WILL BE APPLIED TO ALL PRIVATE FIRE HYDRANTS.

MULTIPLE FAMILY DWELLINGS (FIVE OR MORE UNITS RECEIVING WATER FROM ONE WATER SERVICE) THE MINIMUM CHARGE WILL BE EQUAL TO A 5/8" METER MINIMUM CHARGE TIMES THE NUMBER OF UNITS BEING SERVED. A UNIT IS CONSIDERED BEING SERVED WHETHER THE UNIT IS VACANT OR NOT.



Water Quality

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Rates

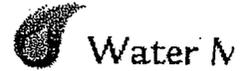
RLCWA Water Rate Schedule

Water Rate Schedule	
Quantity	Rate Per 1,000 Gallons
First 2,000 Gallons	\$18.80 (Minimum Bill)
Next 3,000 Gallons	\$ 6.01 per 1,000 Gallons
Next 5,000 Gallons	\$ 4.79 per 1,000 Gallons
Next 40,000 Gallons	\$ 3.58 per 1,000 Gallons
Over 50,000 Gallons	\$ 2.97 per 1,000 Gallons

Minimum Bill Based on Meter Size

Minimum Bill		
Meter Size	Quantity	Monthly Charge
3/4 inch	First 2,000	\$ 18.80
1 inch	First 5,000	\$ 36.83
1 1/2 inch	First 10,000	\$ 60.78
2 inch	First 16,000	\$ 82.26
3 inch	First 35,000	\$ 150.28
4 inch	First 65,000	\$ 248.53
6 inch	First 150,000	\$ 500.98

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Click on the links
the item of interest

General



Water Billing Department

Michael A. Hunter, Director
TO CONTACT US:

Phone: 419-289-8322
Fax: 419-289-9411
E-mail: Michael.Hunter

Address: 211 Claremont Avenue
~~Ashland, Ohio 44805~~

Office Hours: Monday - Friday 8:00 am - 4:30 pm

Hydrant Flushing Information not available at this time.



WATER RATES

	INSIDE CITY LIMITS	OUTSIDE CITY LIMITS
WATER (Base Rate for 5/8" to 3/4" Meter)	\$ 9.53	\$ 19.06
SEWER	\$ 4.88 (Base Charge*)	\$ 7.32 (Base Charge*)
SANITATION	\$ 15.75	No Pick Up Outside City Limits

* Sewer charges are calculated from water usage.

COMMODITY CHARGE**

Water monthly billing charges per ~~100 cubic feet~~ → translate to Kgallons

Cubic Foot / Month	Inside City Limits	Outside City Limits
0 - 1,033	\$ 2.99	\$ 5.98
1,034 - 81,999	\$ 2.23	\$ 4.45
82,000 - and Over	\$ 1.68	\$ 3.36

**Commodity Charges are applied per *dwelling unit*, and not per meter. A dwelling unit is defined as one or more rooms with cooking and toilet facilities used as a place of residence for one family.

EXCEPTION TO THE MINIMUM MONTHLY CHARGE IS AS FOLLOWS:

Those householders of the age of 65 years or older who have a total annual income of \$12,000 or less, shall pay 50% of total - the total shall be based upon the currently existing minimum charge, the percentage of that minimum charge which is equal to the percentage of water consumption to the amount of 300 cubic feet, provided that water consumption does not exceed 300 cubic feet. When water consumption exceeds 300 cubic feet, the rates, as set forth above, shall apply

Those persons claiming to qualify for the above exception are required to sign an affidavit stating that they

Wooster

WATER RATES

Monthly Minimum Charge By Meter Size

Meter Size	Monthly Charges	Gallons in Minimum
5/8 Inch	\$10.24	2,000
3/4 Inch	\$20.48	2,000
1 Inch	\$30.72	3,000
1 1/4 Inch	\$40.97	3,000
1 1/2 Inch	\$61.45	3,000
2 Inch	\$102.41	3,000
3 Inch	\$204.81	3,000
4 Inch	\$307.22	3,000
6 Inch	\$614.43	3,000
8 Inch	\$1,075.32	3,000

The gallons in minimum charge is the monthly use included in the minimum charge.

Usage between minimum use and 20 thousand gallons in a month
\$3.96 per thousand gallons

Usage between 20 thousand gallons and 2 million gallons in a month
\$3.51 per thousand gallons

Usage over 2 million gallons in a month
\$1.04 per thousand gallons

Bulk Water Per 100 Gallons	\$0.90
Minimum Bulk Water Charge	\$5.00

Rates outside City
Limits

150% Of standard rate

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520 South Main Street
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Akron, Ohio 44311
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Infrastructure, environment, buildings

Imagine the result



North Canton, Ohio

Sewer Utility Rate Study

January 2010



Mr. James Benekos, PE, PS
City Engineer
City of North Canton
145 North Main Street
North Canton, Ohio 44720

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520 South Main Street
Suite 2400
Akron
Ohio 44311-1010
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Subject:
North Canton, Ohio
Sewer Utility Rate Study
Final

WATER RESOURCES
BUSINESS PRACTICE

Dear Mr. Benekos:

Date:
January 15, 2010

This letter report is intended to summarize and transmit to the City our efforts in performing the City's Sewer Utility Rate Study. Fifteen copies of this Final Letter Report are being transmitted herewith. Attached with this study is one CD-ROM containing the electronic files developed during the course of this study. The City may want to utilize these files for future analysis of the sewer utility.

Contact:
Ryan H. Quinn, EIT
Robert L. McNutt, PE

Phone:
330.434.1995

An examination of the sewer utility's records of usage and revenues, along with historical and projected operational and debt service costs is conducted. Anticipated sewer revenues with proposed rate adjustments are the basis of the Study. The analysis addresses the ability of the City of North Canton to provide necessary funds for operation, debt service, and replacement and improvement reserves for the utility during the period of 2010 to 2014.

Email:
ryan.quinn@arcadis-us.com
bob.mcnutt@arcadis-us.com

The following exhibits are attached as part of the study:

Our ref:
CL000679.R001

- Appendix A – Sewer Fund Revenue and Expense Summary (and Notes)
- Appendix B – Sewer Fund Capital Projects Schedule
- Appendix C – Sewer Fund Proposed Debt Schedule
- Appendix D – Sewer Ordinances of Neighboring Communities

Sewer Fund, Recent Expenses and Revenues: 2006 to 2009

Sewer Revenue Charges

The utility maintains a sewage collection system (SCS) in the City and conveys the sewage to neighboring systems owned by Stark County and by the City of Canton. The City's sewage is ultimately conveyed to and treated at the Water Reclamation Facility owned by Canton. The City, Stark County, and Canton have agreed to share costs, since these systems are jointly used. The City charges not only reflect the use of the collection system owned by the City but also the conveyance and treatment of the neighboring systems.

Imagine the result

As of April 1, 2009, the utility served 5,907 residential accounts and 383 business accounts, for a total of 6,290 accounts. This number of users is not expected to change significantly over the forecast period of this report.

According to the rate structure currently enacted, residential accounts are classified as being subject to residential use rates, commercial business accounts subject to commercial use rates and industrial business accounts subject to commercial and industrial use rates, as shown in Table 1, Summary of Sewer Rates.

Table 1 – Summary of Sewer Rates (enacted 9/1/08)

Usage Bracket	Base Monthly Charge	Usage Charge (Based on Water Consumption)	Usage Charge (Based on Each Employee)
Residential	\$21.00	--	--
Commercial	\$14.70	\$2.92 ⁽¹⁾	--
Industrial	--	--	\$2.92

⁽¹⁾ Per 1,000 gallons/month for usage exceeding 5,000 gallons per month

The number of accounts and revenue received for each of these categories is based on 2008 data and shown in Table 2, Sewer Revenue by User Class.

Table 2 – 2008 Sewer Revenue by Usage Class

Description	# Accounts	% of Accounts	Revenue	% of Revenue
Residential	5,907	94%	\$1,488,600	68%
Commercial	383	6%	\$300,500	14%
Industrial	N/A	N/A	\$406,900	18%
Total	6,290	100%	\$2,196,000	100%

To project future sewer usage charges, historical water usage and revenues were evaluated from 2006 to 2008, with data contained in the Revenue and Expense Summary (Appendix A). Usage revenues have remained relatively consistent from 2006 to 2008, ranging from \$2,033,000 to \$2,092,900, respectively. This is the result of moderate rate increases combined with level consumption volume. The projections contained in this report are based on maintaining the current number of customers utilizing the same amount of water.

Sewer Costs and Expenses

Expenses are shown in the following four subcategories: Billings Administration, Debt Service and Capital Improvements, Sewer Maintenance, and Sewage Treatment, as shown in Appendix A, Revenue and Expense Summary. Debt Service relates to capital projects for SCS assets owned by the City only.

Sewage treatment includes the amounts paid to the City of Canton and Stark County at amounts subject to prior and current agreements, for usage of their conveyance and treatment systems as well as a share of the capital improvement and operation and maintenance (O&M) costs in those systems. It was indicated by the City that there is no separate Capital Improvements Fund for the SCS.

The history of operation and maintenance costs for the SCS and administration between 2006 and 2009 were utilized to forecast projections. A full listing of assumptions is noted as part of Appendix A (Notes supplement).

Representatives of North Canton, Canton and Stark County were consulted to formulate projections of future expenses to create an anticipated schedule of capital projects, shown in Appendix B.1, Capital Projects Schedule (Non-Financed) and Appendix B.2, Capital Projects Schedule (Financed).

For projects to be financed as indicated in Appendix B.2, an anticipated debt schedule is attached as Appendix C, Proposed Sewer Fund Debt Schedule.

Sewer Fund, Future Expenses and Revenues Projection: 2010 to 2014

Based on the usage and expense projections discussed above and shown in Appendix A, an average cost per bill for each expense subcategory was calculated for the entire study period 2006 to 2014, shown in Table 3, North Canton Cost and Table 4, Total Sewer Cost.

Expense Subcategory	Actual				Projected				
	2006	2007	2008	2009	2010	2011	2012	2013	2014
Administrative	\$1.83	\$1.88	\$1.89	\$2.30	\$4.35	\$4.50	\$4.65	\$4.81	\$4.98
Maintenance	\$6.42	\$5.64	\$4.76	\$5.23	\$6.20	\$6.40	\$6.61	\$6.82	\$7.04
North Canton Capital Projects/ Debt Service	\$22.45	\$10.69	\$5.18	\$13.50	\$1.68	\$6.87	\$10.12	\$9.99	\$9.77
Total North Canton Cost	\$30.71	\$18.21	\$11.83	\$21.02	\$12.24	\$17.77	\$21.38	\$21.62	\$21.80

North Canton has experienced only moderate fluctuations in Administrative and Maintenance subcategories, but significant variations in Capital Expenses for North Canton projects. For this reason, capital expense planning is critical to maintaining the Sewer Fund Balance and will significantly affect necessary rate adjustments.

Table 4 – Total Sewer Cost per Expense Subcategory (per month per account basis)

Expense Subcategory	Actual				Projected				
	2006	2007	2008	2009	2010	2011	2012	2013	2014
Total North Canton Costs	\$30.71	\$18.21	\$11.83	\$21.02	\$12.24	\$17.77	\$21.38	\$21.62	\$21.80
Total Canton/County Costs (Sewage Treatment)	\$15.79	\$15.01	\$16.34	\$15.62	\$19.14	\$19.89	\$20.67	\$21.50	\$22.33
Total Average Cost	\$46.50	\$33.22	\$28.17	\$36.65	\$31.38	\$37.66	\$42.05	\$43.12	\$44.13

It is notable that the expense subcategories of Administrative, North Canton Capital Planning/Debt Service, and SCS Maintenance are subject to sole oversight by the City, while the projected payment amounts to Canton and Stark County are dependent on those government's future rate adjustments and capital planning. For the study period, expenses for Canton Operation & Maintenance and Engineering and County SFE treatment charges are projected at an annual 5% increase, which is intended to be a conservative basis. As adjustments are actually implemented over time by Canton and Stark County, the rate worksheet should be referenced for potential impact on the Sewer Fund account balance.

The total monthly cost per account is projected to increase from the 2008 value of \$28.17 to \$44.13 in 2014, approximately an 7.75% annual increase. Currently the City is collecting only \$21.00 per month per residential account.

Rate Options

As shown in Appendix A, the carryover balance for the Sewer Fund has declined from \$904,100 to \$345,900 from 2006 to 2009. The Sewer Fund is targeted to maintain two months' expenses as an operating balance, or approximately \$460,000 in 2010. For this reason, this carryover balance cannot decline further for the 2010 year, and rates should be adjusted to meet the 2010 expense totals to maintain this operating balance. If adjustments were not made to the revenues, then offsetting adjustments in expenses would be required. The initial estimation of expenses would result in a year 2010 deficit of approximately \$340,000. To balance the budget, the initial 2010 projects list would require debt service financing.

The City has indicated that any rate adjustment schedule will be implemented near the end of 2010. For the purposes of this study, no rate increase is projected for

2010. If rates were adjusted in 2010, a 22.5% increase in revenues would be necessary.

Utilizing the current rate structure, the rates could be adjusted to meet the projected expenses by rate increases shown below as in Table 5, Sewer Fund Rate Option 1.

Charge	Current 2009	Proposed 2010	Proposed 2011	Proposed 2012	Proposed 2013	Proposed 2014
% Annual Increase	--	0.00%	27.50%	10.00%	3.75%	3.75%
Residential						
Base	\$21.00	\$21.00	\$26.78	\$29.45	\$30.56	\$31.70
Commercial						
Base (Min 5,000 gallons)	\$14.70	\$14.70	\$18.74	\$20.62	\$21.39	\$22.19
Per 1,000 gallons	\$2.92	\$2.92	\$3.72	\$4.10	\$4.25	\$4.41
Industrial						
Per Employee	\$2.92	\$2.92	\$3.72	\$4.10	\$4.25	\$4.41

Based on Rate Option 1, above, the Sewer Fund revenue for the five year study period 2010-2014 can be projected based on the 2008 account profile and water consumption (for business accounts). These resulting projections are shown in Table 6, Sewer Fund Revenues – Rate Option 1.

Charge	Current 2009	Proposed 2010	Proposed 2011	Proposed 2012	Proposed 2013	Proposed 2014
Residential	\$1,488,600	\$1,488,600	\$1,905,800	\$2,096,600	\$2,175,000	\$2,256,600
Commercial	\$300,500	\$300,500	\$384,700	\$423,200	\$439,100	\$455,500
Industrial	\$434,500	\$434,600	\$556,300	\$611,900	\$634,900	\$658,700
Misc. Revenue	\$423,600	\$247,200	\$58,200	\$58,200	\$58,200	\$58,200
Total Revenue	\$2,529,400	\$2,470,900	\$2,905,000	\$3,189,900	\$3,307,200	\$3,429,000
Projected Expense	\$3,008,300	\$2,368,200	\$2,842,600	\$3,174,300	\$3,254,700	\$3,330,800
+/-	(\$478,900)	\$102,700	\$62,400	\$15,600	\$52,500	\$98,200
Carryover Balance	\$345,900	\$448,600	\$511,300	\$527,100	\$579,800	\$678,300
Carryover (Months Expenses)	1.4	2.3	2.2	2.0	2.1	2.4

To better manage the Sewer Fund rates, it may be desirable to split the rate charges for residential and commercial rates into two charges, the Base Charge, and the Sewage Treatment Charge. The Base Charge accounts for the direct City expenses of the Billings, Debt Service, and Maintenance categories. The Sewage Treatment Charge accounts for anticipated payments to Canton and Stark County. The Sewage Treatment Charge can be adjusted to reflect changes in the rates charged to the City for sewage conveyance and treatment.

Implementing a split rate structure does not impact the amount of the projected increases, as each projection is made to meet the same projected costs. It does, however, simplify the process and timing of future rate increases as the City can be more readily evaluate its own projected costs and can more easily translate the impact of Canton/County rate adjustments. Furthermore, this change permits better transparency for rate payers, reflecting the value of services by each service provider. This split rate structure is shown in Table 7, Sewer Fund Rate Option 2.

Table 7 – Sewer Rate Option 2						
Charge	Current 2009	Proposed 2010	Proposed 2011	Proposed 2012	Proposed 2013	Proposed 2014
% Annual Increase – City		0.00%	0.00%	16.55%	3.40%	3.40%
% Annual Increase – Canton		0.00%	111.00%	3.00%	3.00%	3.00%
% Annual Increase – Stark County		0.00%	48.12%	5.00%	5.00%	5.00%
Total		0.00%	27.50%	10.00%	3.75%	3.75%
Residential						
NC Base	\$21.00	\$12.77	\$12.77	\$14.88	\$15.39	\$15.91
Sewage Treatment – Canton		\$3.06	\$6.46	\$6.66	\$6.86	\$7.06
Sewage Treatment – County		\$5.17	\$7.66	\$8.04	\$8.44	\$8.86
Total		\$21.00	\$26.89	\$29.58	\$30.68	\$31.84
Commercial						
NC Base (Min 5k Gallons)	\$14.70	\$8.94	\$8.94	\$10.42	\$10.77	\$11.14
Sewage Treatment – Canton		\$2.14	\$4.52	\$4.66	\$4.80	\$4.94
Sewage Treatment – County		\$3.62	\$5.36	\$5.63	\$5.91	\$6.20
Total		\$14.70	\$18.82	\$20.70	\$21.48	\$22.28
NC (Per 1,000 Gallons)	\$1.36	\$1.78	\$1.78	\$2.07	\$2.14	\$2.21
Sewage Treatment – Canton		\$0.43	\$0.90	\$0.93	\$0.95	\$0.98
Sewage Treatment – County		\$0.72	\$1.06	\$1.12	\$1.17	\$1.23
Total		\$2.92	\$3.74	\$4.11	\$4.27	\$4.43
Industrial						
NC (Per Employee)	\$2.92	\$1.78	\$1.78	\$2.07	\$2.14	\$2.21
Sewage Treatment – Canton		\$0.43	\$0.90	\$0.93	\$0.95	\$0.98
Sewage Treatment – County		\$0.72	\$1.06	\$1.12	\$1.17	\$1.23
Total		\$2.92	\$3.74	\$4.11	\$4.27	\$4.43

As discussed above, the projected revenues are equivalent and shown in Table 8, Sewer Fund Revenues – Rate Option 2.

Table 8 – Sewer Fund Revenues – Rate Option 2

Charge	Current 2009	Proposed 2010	Proposed 2011	Proposed 2012	Proposed 2013	Proposed 2014
Residential	\$1,488,600	\$1,488,600	\$1,905,800	\$2,096,600	\$2,175,000	\$2,256,600
Commercial	\$300,500	\$300,500	\$384,700	\$423,200	\$439,100	\$455,500
Industrial	\$434,500	\$434,600	\$556,300	\$611,900	\$634,900	\$658,700
Misc. Revenue	\$423,600	\$247,200	\$58,200	\$58,200	\$58,200	\$58,200
Total Revenue	\$2,529,400	\$2,470,900	\$2,905,000	\$3,189,900	\$3,307,200	\$3,429,000
Projected Expense	\$3,008,300	\$2,368,200	\$2,842,600	\$3,174,300	\$3,254,700	\$3,330,800
+/-	(\$478,900)	\$102,700	\$62,400	\$15,600	\$52,500	\$98,200
Carryover Balance	\$345,900	\$448,600	\$511,300	\$527,100	\$579,800	\$678,300
Carryover (Months Expenses)	1.4	2.3	2.2	2.0	2.1	2.4

Neighboring Communities

Neighboring communities' sewer rates were compiled and projected based on North Canton's average residential water consumption of 6,000 gallons per month, and shown in Table 9, Comparison of Average 2009 Monthly Residential Sewer Bills.

Table 9 – Comparison of Average 2009 Monthly Residential Sewer Bills

Community	Average Bill
North Canton* (2011 Proposed)	\$26.89
Canton* (will go up with cap impr.)	\$15.55
Massillon*	\$19.17
Stark County	\$22.00
Wooster*	\$18.37
Ohio EPA State Median Bill	\$30.04

* Based on 6,000 gallons/month avg. water consumption

The proposed residential bill is significantly more than the neighboring city of Canton's average bill and also higher than similar communities of Massillon and Wooster. (Canton's rate will also increase based on projected capital improvements at the treatment plant). However, North Canton's rate remains less than the median bill for the State of Ohio established in the Ohio EPA's 2007 Sewer and Water Rate Survey. Sewer Rate Ordinances for these communities are compiled and included as Appendix D, Sewer Ordinances of Neighboring Communities.

Recommendations

To account for unexpected adjustments in the scheduled payments to Canton and Stark County, it is recommended that the City break out these costs as a separate customer account charge. In this way, the City's needs may be met through the base charge while being able to react more specifically to changes in Canton and Stark County payments. We recommend that the City implement the five-year rate schedule included in Table 7. Annual adjustments to the treatment portion of the rates should be considered as Canton/Stark County increase their rates.

From this evaluation, Stark County charges are shown to be higher than the Canton charges. This may be valid and appropriate. However, the City should review in detail the basis for each the Canton and the Stark County charges.

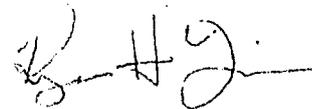
Periodic reviews of overall income and expenses should be performed to verify that revenues are keeping pace with expenses. Annual increases of at least the rate of inflation should be implemented, even beyond the five-year period included in this review.

From the review of the revenues received compared to the number of accounts, it appears as though the residential users may be paying less than their share of the expenses (Table 2, 94% of accounts paying 68% of revenues). This disparity should be reviewed in more detail.

Please review this Study in detail. We welcome the opportunity to discuss any questions or comments you may have regarding the assumptions and/or recommendations presented.

Sincerely,

ARCADIS



Ryan H. Quinn, EIT



Robert L. McNutt, PE

RHQ/RLM/lmd

Enclosures

ARCADIS

Appendix A

**APPENDIX A
NORTH CANTON, OHIO
SEWER OPERATING FUND
REVENUE AND EXPENSE SUMMARY**

YEAR	2006	2007	2008	2009	2010	2011	2012	2013	2014
CARRYOVER BALANCE	\$ 1,559,100.00	\$ 904,200.00	\$ 673,900.00	\$ 667,700.00	\$ 345,900.00	\$ 448,500.00	\$ 511,300.00	\$ 527,100.00	\$ 579,900.00
RATE OPTION 1-North Canton Charge for Services					0.00%	21.90%	10.00%	3.75%	3.75%
RATE OPTION 2-North Canton Charge for Services					0.00%	0.00%	15.55%	3.40%	3.40%
RATE OPTION 2- Sewage Treatment Canton					0.00%	111.00%	3.00%	3.00%	3.00%
RATE OPTION 2- Sewage Treatment County						48.12%	5.00%	5.00%	5.00%
RATE OPTION 1- North Canton Charge for Services	\$ 2,033,000.00	\$ 2,076,400.00	\$ 2,092,900.00	\$ 2,232,961.06	\$ 2,233,000.00	\$ 2,847,100.00	\$ 3,131,600.00	\$ 3,246,200.00	\$ 3,371,000.00
RATE OPTION 2- North Canton Charge for Services	\$ 1,659,300.00	\$ 697,900.00	\$ 846,500.00	\$ 1,293,300.00	\$ 2,223,700.00	\$ 2,647,100.00	\$ 3,131,600.00	\$ 3,246,200.00	\$ 3,371,000.00
RATE OPTION 2- Sewage Treatment Canton	\$ 384,000.00	\$ 429,400.00	\$ 551,900.00	\$ 587,400.00	\$ 1,352,000.00	\$ 1,852,000.00	\$ 1,575,800.00	\$ 1,626,400.00	\$ 1,694,000.00
RATE OPTION 2- Sewage Treatment Charge- Stark County	\$ 598,700.00	\$ 598,700.00	\$ 695,600.00	\$ 653,900.00	\$ 547,400.00	\$ 610,500.00	\$ 651,300.00	\$ 693,900.00	\$ 693,900.00
OPWC Grant				\$ 375,000.00	\$ 188,000.00				
Other County Reimbursements	\$ 308,400.00								
Sewer Permit Fee - County	\$ 131,700.00	\$ 51,700.00	\$ 44,400.00	\$ 40,100.00	\$ 40,100.00	\$ 40,100.00	\$ 40,100.00	\$ 40,100.00	\$ 40,100.00
Sewer Line Extension Fees	\$ 2,000.00	\$ 3,700.00	\$ 4,000.00	\$ 10,500.00	\$ 4,900.00	\$ 4,900.00	\$ 4,900.00	\$ 4,900.00	\$ 4,900.00
Sewer Permit Fee - City	\$ 22,600.00	\$ 12,700.00	\$ 3,400.00	\$ 7,300.00	\$ 7,300.00	\$ 7,300.00	\$ 7,300.00	\$ 7,300.00	\$ 7,300.00
Miscellaneous	\$ 1,000.00	\$ 900.00	\$ 1,100.00	\$ 1,173.24					
Developer Contribution				\$ 3,494.00					
Assessments	\$ 5,900.00	\$ 5,900.00	\$ 5,900.00	\$ 5,900.00	\$ 5,900.00	\$ 5,900.00	\$ 5,900.00	\$ 5,900.00	\$ 5,900.00
Proceeds from Sale of Assets	\$ 350,400.00	\$ 175,700.00							
TOTAL REVENUES	\$ 2,855,000.00	\$ 2,277,000.00	\$ 2,150,400.00	\$ 2,656,500.00	\$ 2,470,900.00	\$ 2,905,300.00	\$ 3,190,100.00	\$ 3,307,400.00	\$ 3,429,300.00
Sewer Administration - Billings									
Personnel & Inghes	\$ 118,400.00	\$ 121,700.00	\$ 121,600.00	\$ 123,000.00	\$ 289,000.00	\$ 309,500.00	\$ 320,300.00	\$ 331,500.00	\$ 343,100.00
Professional Services	\$ 2,900.00	\$ 1,200.00	\$ 3,600.00	\$ 23,100.00	\$ 9,200.00	\$ 9,500.00	\$ 19,800.00	\$ 12,300.00	\$ 12,700.00
Supplies	\$ 2,300.00	\$ 3,100.00	\$ 3,400.00	\$ 3,600.00	\$ 2,600.00	\$ 2,700.00	\$ 2,600.00	\$ 2,600.00	\$ 2,600.00
Equipment	\$ 1,300.00	\$ 1,100.00	\$ 300.00	\$ 4,200.00	\$ 1,600.00	\$ 1,600.00	\$ 1,600.00	\$ 1,600.00	\$ 1,600.00
Maintenance	\$ 3,600.00	\$ 3,400.00	\$ 4,700.00	\$ 2,700.00	\$ 3,700.00	\$ 3,600.00	\$ 3,900.00	\$ 4,000.00	\$ 4,100.00
Miscellaneous					\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00
Transfers - Intrafund - Out									
SUBTOTAL (Administration - Billings)	\$ 138,400.00	\$ 142,000.00	\$ 142,600.00	\$ 173,600.00	\$ 328,400.00	\$ 339,700.00	\$ 351,300.00	\$ 363,400.00	\$ 375,900.00
Debt Service and Capital Improvements									
Existing Debt Service - Notes	\$ 570,900.00	\$ 365,600.00	\$ 182,900.00						
Anticipated Sewer Debt - POP financed lab	\$ 1,123,800.00	\$ 441,200.00	\$ 208,100.00	\$ 449,000.00	\$ 126,800.00	\$ 215,500.00	\$ 244,700.00	\$ 244,700.00	\$ 244,700.00
SEWER LINES- POP non-financed lab				\$ 569,700.00		\$ 303,000.00	\$ 519,000.00	\$ 509,000.00	\$ 483,000.00
SUBTOTAL (Debt Service)	\$ 1,694,700.00	\$ 806,800.00	\$ 391,000.00	\$ 1,018,700.00	\$ 126,600.00	\$ 518,500.00	\$ 763,700.00	\$ 753,700.00	\$ 737,700.00
Sewer Maintenance - Collection									
Personnel & Inghes	\$ 301,100.00	\$ 277,600.00	\$ 246,400.00	\$ 207,100.00	\$ 214,300.00	\$ 221,800.00	\$ 229,600.00	\$ 237,600.00	\$ 246,900.00
General Insurance	\$ 9,600.00	\$ 10,200.00	\$ 12,400.00	\$ 11,100.00	\$ 11,600.00	\$ 11,900.00	\$ 12,300.00	\$ 12,700.00	\$ 13,100.00
Professional Services	\$ 14,100.00	\$ 14,100.00	\$ 14,100.00	\$ 14,100.00	\$ 14,100.00	\$ 14,100.00	\$ 14,100.00	\$ 14,100.00	\$ 14,100.00
Supplies	\$ 7,900.00	\$ 5,900.00	\$ 7,300.00	\$ 7,300.00	\$ 7,300.00	\$ 7,300.00	\$ 7,300.00	\$ 7,300.00	\$ 7,300.00
Equipment - CAPITAL EXPENSES	\$ 41,800.00	\$ 5,700.00	\$ 13,800.00	\$ 5,900.00	\$ 23,600.00	\$ 23,600.00	\$ 25,000.00	\$ 25,000.00	\$ 26,500.00
Maintenance	\$ 101,400.00	\$ 51,100.00	\$ 47,400.00	\$ 70,600.00	\$ 183,100.00	\$ 162,800.00	\$ 172,700.00	\$ 172,700.00	\$ 177,900.00
Transfers - Intrafund - Out	\$ 7,100.00	\$ 20,200.00	\$ 7,400.00	\$ 9,500.00	\$ 9,500.00	\$ 9,800.00	\$ 10,100.00	\$ 10,400.00	\$ 10,700.00
SUBTOTAL (Collection)	\$ 484,000.00	\$ 425,400.00	\$ 359,900.00	\$ 394,600.00	\$ 468,300.00	\$ 483,300.00	\$ 499,000.00	\$ 515,100.00	\$ 531,700.00
Canton Treatment Payments									
Sewage Treatment-Canton (O&M, & R and Engineering)	\$ 373,900.00	\$ 378,300.00	\$ 379,000.00	\$ 357,900.00	\$ 375,800.00	\$ 394,600.00	\$ 414,300.00	\$ 435,000.00	\$ 456,800.00
CANTON WWTP- Facilities Capital Expense (and Debt Service)	\$ 94,500.00	\$ 94,500.00	\$ 166,800.00	\$ 80,800.00	\$ 289,899.72	\$ 289,899.72	\$ 289,899.72	\$ 289,899.72	\$ 287,538.72
SUBTOTAL (Canton Treatment)	\$ 468,400.00	\$ 472,800.00	\$ 545,800.00	\$ 438,700.00	\$ 665,699.72	\$ 684,499.72	\$ 704,199.72	\$ 724,899.72	\$ 744,338.72
County Treatment Payments									
Sewage Treatment-County	\$ 617,800.00	\$ 631,100.00	\$ 661,300.00	\$ 716,700.00	\$ 752,500.00	\$ 790,100.00	\$ 826,600.00	\$ 871,100.00	\$ 914,700.00
County Connection Fees	\$ 105,000.00	\$ 29,200.00	\$ 26,400.00	\$ 23,800.00	\$ 26,500.00	\$ 26,500.00	\$ 26,500.00	\$ 26,500.00	\$ 26,500.00
SUBTOTAL (County Treatment)	\$ 723,800.00	\$ 660,300.00	\$ 687,700.00	\$ 740,500.00	\$ 779,000.00	\$ 816,600.00	\$ 853,100.00	\$ 897,600.00	\$ 941,200.00
TOTAL EXPENSES	\$ 3,509,900.00	\$ 2,597,300.00	\$ 2,126,600.00	\$ 3,006,300.00	\$ 2,368,200.00	\$ 2,842,600.00	\$ 3,174,300.00	\$ 3,254,700.00	\$ 3,330,800.00
OPERATING Annual Surplus/Deficit	\$ (654,900.00)	\$ (230,300.00)	\$ (23,000.00)	\$ (351,800.00)	\$ 102,700.00	\$ 62,700.00	\$ 15,600.00	\$ 52,700.00	\$ 98,500.00
Targeted Carryover Balance	\$ 994,200.00	\$ 417,983.33	\$ 354,133.33	\$ 394,700.00	\$ 394,700.00	\$ 478,800.00	\$ 525,100.00	\$ 542,500.00	\$ 555,100.00
ENDING BALANCE	\$ 994,200.00	\$ 673,900.00	\$ 697,700.00	\$ 345,900.00	\$ 448,600.00	\$ 511,300.00	\$ 527,100.00	\$ 579,900.00	\$ 678,300.00

Budgeted - 1/14/2009 16:28

Notes-Rate Option 2 - APPENDIX A SUPPLEMENT

SEWER FUND LINE ITEMS

Revenue:

The SADM fund accounts were referenced as provided by the City. No review performed in assigning revenue streams for period 2003-2009, the numbers are shown as provided. CDBG Grants were included for the North Main St. project (\$375,000) in 2009 and Hower-Witwer project (\$189,000) in 2010.

Sewer Administration-Billings:

Personnel & fringes includes Salaries & Wages, Overtime, P.E.R.S., Health Insurance, Life Insurance, Medicare, Workers Compensation, Travel and Training and Misc. Service & Incidentals. This is consistent with the Water Rates Revenue and Expense sheet.

Utilities includes Postage and Telephone.

Professional Services includes Professional Services and Professional Services- Audit.

Maintenance includes Maintenance of Equipment, and Gasoline Products.

Supplies includes Office Supplies.

Equipment includes Copier Lease and Equipment.

Miscellaneous includes Moral Claims.

Debt Service:

Existing Debt Service - Notes includes Note Repayment, Debt Service Costs, Note interest payment, and Sewage Treatment Canton. Sewage Treatment-Canton fund is assumed to be the repayment of two OWDA loans.

Anticipated Sewer Debt - PCP financed tab is the total of financing payments for capital projects. The Sewer Vactor truck is not accounted (250,000); it could be indicated as a portion of the \$85,000 yearly equipment allowance.

SEWER LINES- PCP non-financed tab is defined as the amount of the SADM Sewer Lines- Facilities Capital Expense Fund. Projections are based on the total projected costs of capital projects that are to be funded out of the annual budget.

Sewer Maintenance-Collection System:

Personnel & fringes includes Salaries & Wages, Overtime, P.E.R.S., Health Insurance, Life Insurance, Medicare, Workers Compensation, Misc. Service & Incidentals, and Travel & Training.

General Insurances includes General Insurance and Self-Insurance

Utilities includes Telephone, Electric Service, Gas Service, and Cell Phones/Paging.

Professional Services includes Professional Services and Contract Payments

Supplies includes Operating Supplies.

Maintenance includes Maintenance of Equipment, Maintenance of Facilities, Lift Station Maintenance, and Gasoline Products.

Equipment-Capital Expenses includes Easement machine, Lamp Hole replacement, Cameras & MH replacements.

Canton-County Treatment Payments:

The Expense group for Treatment includes all expenses related to rates and fees collected by the City of Canton and Stark County for Sewage Treatment: Sewage Treatment- Canton(OM& R) is defined as the amount of the SADM Sewage Treatment-Canton Fund. For 2009, the Fund amount was revised from 550,000 to 425,000, per City input.

Sewage Treatment- County is defined as the total amount of the SADM Sewage Treatment-County Fund and the SADM County Sewer Service Fund. County-Connection Fees is defined as the amount of the SADM County Connection-Fees Fund.

CANTON WWTP- Facilities Capital Expense (and Debt Service) is defined as the amount of the SADM Canton WWTP- Facilities Capital Expense Fund. Projections include projects indicated by the City of Canton.

REVENUE ASSUMPTIONS

As discussed during January's kick-off meeting, future revenues and expenses are divided between those pertaining to the North Canton Collection System and North Canton's charges and payments to Stark County and City of Canton for sewage treatment.

Sewage Treatment Revenues are to be funded by a separate Sewage Treatment account charge. The rate of this charge is to be linked to rate changes imposed by the County for sewage treatment. Projected annual Sewage Treatment Revenues were set to equal the projected payments to the County. For 2010 Projection, Sewage Treatment Revenues were increased with a rate increase set to cover the projected costs of the Total Canton-County Treatment payments. North Canton Collection System Revenues are increased to equate Rate Option 1 overall percent rate increase with the Rate 2 overall percent rate increase.

For 2011-2014 projection, North Canton Collection System Revenues were increased with a rate increase intended to gradually increase the operating carryover balance by 2014 to the target amount of 3 months expenses.

For 2011-2014 projection, Sewage Treatment portion of rate is projected to increase to cover the overall increase in Total Canton-County Treatments payments for that year. This projected rate increase should be adjusted in response to periodic Canton-County input including rate adjustments implemented by Canton and/or County.

Other County Reimbursements, Misc., Developer, and Sales from Notes and Assets revenue line items were not indicated and projected at \$0 for 2010-2014.

All other revenue categories listed were projected as the 2009 budgeted amount for the years 2010-2014.

Total North Canton REVENUES include all revenue Categories except for County Sewage Treatment REVENUES.

EXPENSE PROJECTIONS

Sewer Administration and Sewer Maintenance

1. General Assumptions include Personnel & fringes increase by 3.5% per year and other costs by 3% per year for typical inflation.
2. In 2010, projected expenses average years 2006-budget 2009 costs, then inflate by factors stated above years 2011-2014.
3. Targeted Annual Surplus' was set at 2 months of annual North Canton System expenses. For 2010, this surplus target is approximately \$200,000. This surplus target was set in the same way for the Water Fund.

Debt Service

There is no Debt Service Schedule - thus all expenses would be PCP financed tab.

Sewage Treatment

Future Sewage Treatment Costs were projected at a rate estimated to be consistent with typical past increases by the County/City of Canton (5%, See Expenses per Account, Sewage Treatment Expense Table).

Expenses per Account Sheet

Actual, budgeted and projected numbers referenced to the Revexpsummary Sheet.

Number of sewer accounts indicated as 6,290 for the 2006-2014 period, according to the Meter profiling data (5907 residential and 383 business).

For North Canton System Expenses, Monthly Cost per Account for each expense classification is calculated based on the 2006-2014 annual amounts divided by the number of accounts and by 12 months/year. The Total Monthly System Expense per Account is the sum of the 3 billing classification amounts (Admin/Billings, Debt Service, Distribution System).

For Sewage Treatment Expenses, the Total Monthly Treatment Expense per Account was calculated similarly, based on the actual and projected amounts paid to the County and City of Canton. The Annual Increase factor shows the actual increases for 2006-2008 and the 2009 budget year, as well as the increase projected in the Revexpsummary Sheet.

Total Monthly Sewer Fund Expense per Account is equal to the sum of North Canton System Expense and Sewage Treatment Expense.

Sewer Rate Projection Sheet

Actual, budgeted and projected numbers for North Canton System Charge and Sewage Treatment Charge are referenced to the Revexpsummary Sheet, as are the projected Annual increases.

Number of N.Canton Accounts is referenced to the Expenses per Account sheet.

Total Monthly Sewer Rate is equal to the sum of the Monthly North Canton Charge and the Monthly Sewage Treatment Charge.

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Appendix B

Appendix B.1 - Sewer Fund Capital Projects Schedule (Financing not Needed)		
Project	Estimated Project Costs 2009	Project Cost at Implementation Year
Project Year 2009		
N Main *(1)	\$ 375,000	\$ 375,000
9th Street	\$ 25,000	\$ 25,000
Total for Year 2009	\$ 400,000	\$ 400,000
Project Year 2010		
Sewer GIS Data Collection & Management	\$ 20,000	\$ 20,800
Total for Year 2010	\$ 20,000	\$ 21,000
Project Year 2011		
Northfield & Greenway	\$ 175,000	\$ 189,300
Sewer GIS Data Collection & Management	\$ 20,000	\$ 21,600
Equipment Replacement	\$ 85,000	\$ 91,900
Total for Year 2011	\$ 280,000	\$ 303,000
Project Year 2012		
Orchard Hill	\$ 156,000	\$ 175,500
Sewer Model	\$ 200,000	\$ 225,000
Sewer GIS Data Collection & Management	\$ 20,000	\$ 22,500
Equipment Replacement	\$ 85,000	\$ 95,600
Total for Year 2012	\$ 461,000	\$ 519,000
Project Year 2013		
Sewer GIS Data Collection & Management	\$ 20,000	\$ 23,400
West Maple	\$ 80,000	\$ 93,600
Equipment Replacement	\$ 85,000	\$ 99,400
I&I Reduction Projects	\$ 250,000	\$ 292,500
Total for Year 2013	\$ 435,000	\$ 509,000
Project Year 2014		
Sewer GIS Data Collection & Management	\$ 20,000	\$ 24,300
Equipment Replacement	\$ 85,000	\$ 103,400
I&I Reduction Projects	\$ 300,000	\$ 365,000
Total for Year 2014	\$ 405,000	\$ 493,000

(1) = Project was funded with Grant

Appendix B.2 - Sewer Fund Capital Projects Schedule (Financing Needed)				
Project	Estimated Project Costs 2009	Project Cost at Implementation Year	Annual Debt Service	Total Debt Service
Project Year 2009				
Portage St.	\$ 225,000	\$ 225,000	\$ 15,800	
Total for Year 2009	\$ 225,000	\$ 225,000	\$ 15,800	\$ 15,800
Project Year 2010				
Manhole Metering	\$ 750,000	\$ 780,000	\$ 54,900	
Lynbrook	\$ 281,000	\$ 292,200	\$ 20,600	
Hower & Witwer	\$ 378,000	\$ 393,100	\$ 27,700	
Equipment Replacement	\$ 106,000	\$ 110,200	\$ 7,800	
Total for Year 2010	\$ 1,515,000	\$ 1,575,500	\$ 111,000	\$ 126,800
Project Year 2011				
Canton C-1	\$ 708,000	\$ 765,800	\$ 53,900	
Orchard Ave.	\$ 369,000	\$ 399,100	\$ 34,800	
Total for Year 2011	\$ 1,077,000	\$ 1,164,900	\$ 88,700	\$ 215,500
Project Year 2012				
Canton C-2	\$ 369,000	\$ 415,100	\$ 29,200	
Total for Year 2012	\$ 369,000	\$ 415,100	\$ 29,200	\$ 244,700
Project Year 2013				
Total for Year 2013	\$ -	\$ -	\$ -	\$ 244,700
Project Year 2014				
Total for Year 2014	\$ -	\$ -	\$ -	\$ 244,700

4% = Annual increase due to inflation

6% = Interest rate for debt service

20 = Term in years for debt service

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Appendix C

		2006	2007	2008	2009	2010	2011	2012	2013	2014
APPENDIX C - Proposed Sewer Fund Debt Schedule										
North Canton Note Repayment Schedule	Principal									
Sanitary Sewer Project - Paid in full August 2008	Principal			\$ 175,000.00						
	Interest			\$ 7,853.12						
	Total			\$ 182,853.12	\$ 7,800.00					
CANTON Payments										
Capital Mapping	2.36%									
North Canton Share of Capital Mapping	652,779.5502									
EXISTING CANTON WPCC OWDA Payments										
OWDA Loan #2190	Total	\$ 128,692.56	\$ 128,692.56	\$ 128,692.56	\$ 128,692.56	\$ 128,692.56	\$ 128,692.56	\$ 128,692.56	\$ 128,692.56	\$ 128,692.56
OWDA Loan #2717	Total	\$ 774,292.26	\$ 774,292.26	\$ 774,292.26	\$ 774,292.26	\$ 774,292.26	\$ 774,292.26	\$ 774,292.26	\$ 774,292.26	\$ 774,292.26
OWDA Loan #3290	Total	\$ 20,344.74	\$ 20,344.74	\$ 20,344.74	\$ 20,344.74	\$ 20,344.74	\$ 20,344.74	\$ 20,344.74	\$ 20,344.74	\$ 20,344.74
OWDA Loan #3694	Total	\$ 426,202.14	\$ 426,202.14	\$ 426,202.14	\$ 426,202.14	\$ 426,202.14	\$ 426,202.14	\$ 426,202.14	\$ 426,202.14	\$ 426,202.14
Total OWDA Loan Payments	Total	\$ 1,349,531.70	\$ 1,349,531.70	\$ 1,349,531.70	\$ 1,349,531.70	\$ 1,349,531.70	\$ 1,349,531.70	\$ 1,349,531.70	\$ 1,349,531.70	\$ 1,349,531.70
North Canton Share of OWDA Loan Payments	7.00%	\$ 94,467.22	\$ 94,467.22	\$ 94,467.22	\$ 94,467.22	\$ 94,467.22	\$ 94,467.22	\$ 94,467.22	\$ 94,467.22	\$ 94,467.22
ANTICIPATED CANTON WPCC OWDA Payments										
Collection System Interceptor Sewer Phase 1										
Collection System Interceptor Sewer Phase 2										
North Canton Share of Interceptor Sewers	7.00%									
Total Canton Cost of WPCC Loan Payments	7.00%									
North Canton Share of WPCC Loan Payments	7.00%									
CANTON WPCC OWDA Payments										
Canton OWDA Water Reclamation - 652,779.5502										
Canton TOTAL		\$ 94,467.22	\$ 94,467.22	\$ 94,467.22	\$ 94,467.22	\$ 94,467.22	\$ 94,467.22	\$ 94,467.22	\$ 94,467.22	\$ 94,467.22

Agreement Percentages
O&M/Engr. Service 2.36% Based on O.M. &R of SCS, plus City Engineer, plus \$150/mo for admin bidg.
SFE 5.68% Based on O.M. &R at WRF
Capital Expenses 7.00%

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Appendix D



City of Canton
Codified Ordinances

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Codified Ordinances

Ordinances		
947.06 SEWER RATES.		
(a) Subject to annual adjustments as provided for in subsection (b) hereof, the rates to be charged to the various classes of City sanitary sewer system users shall be as set forth in the Rate Schedule below, which rates shall constitute the base rates for City sanitary sewer services effective April 1, 2009:		
Base Rates effective April 1, 2009, subject to annual revision as provided for in this chapter:		
Basic Sewer Rate	\$ 8.95	minimum based on 400 cubic feet
	1.64	each additional 100 cubic feet
Extra Strength Surcharge	0.21	TSS - per lb. of excess TSS
	0.20	BOD - per lb. of excess BOD
	0.20	COD - per lb. of excess COD
	1.77	NH3 - N per lb. of excess NH3 - N
	3.49	PO4 - per lb. of excess PO4
Septage/Sludge/Miscellaneous Wastes	63.75	per 1000 gallons
Non-residential Garbage Disposal	23.55	bimonthly for non-commercial, non-residential organizations that do not serve meals on a regular basis
	21.97	commercial account with 1 1/4" pipe size
	32.98	commercial account with 1 1/2" pipe size
	54.97	commercial account with 2" pipe size
	76.96	commercial account with 2 1/2" pipe size
	98.93	commercial account with 3" pipe size
Unmetered Industrial User	4.20	per quarter per employee
Grease	132.81	per 1,000 gallons
Outside City User	29.50	flat fee bimonthly
Allegheny Ludlum (Ord. 46-2009. Passed 3-23-09.)	1.11	per 100 cubic feet
(b) The base sewer rates as set forth in subsection (a) shall be		

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annually adjusted for the ensuing year to reflect changes which have occurred in the cost of living as established by the Consumer Price Index over the preceding 12 month period. The adjustment shall be in the same proportion that the Consumer Price Index for the month of December of the then just completed year shall have increased over the said index figure for the month of December of the immediately preceding year.

(c) The Superintendent of the Water Reclamation Facility shall annually on or before February 1, submit to the Director of Public Service, a statement of the cost of living adjustment based upon the Consumer Price Index as set forth in subsection (b). On or before March 1, the Director of Public Service shall annually submit to City Council the the proposed sewer rate schedule for the ensuing year, including the Consumer Price Index annual cost of living adjustment, for review by City Council. The resulting adjusted rates, together with a table or schedule of the adjusted sewer rates for each classification of sewer user, shall go into effect upon the effectitve date of the ordinance. (Ord. 29-2008. Passed 3-24-08.)

(d) If City Council finds that the proposed sewer rate schedule for the ensuing year, including the cost of living adjustment based upon the change in the Consumer Price Index, is insufficient to meet the needs and requirements of the City for the maintenance, operation and repair of the sanitary sewer system for the ensuing year or if City Council finds that the cost of living adjustment based upon change in the Consumer Price Index is otherwise inconsistent with the needs and requirements of the City for the operation, maintenance and repair of the City sanitary sewer system, City Council shall by ordinance amend or modify the proposed adjusted sewer rates accordingly.

However, if City Council takes no action by ordinance for the further modification of the proposed sewer rates, including the cost of living adjustment, as submitted by the Director of Public Service, then the proposed schedule of sewer rates shall automatically go into force and effect forty-five (45) days after the submission of said schedule by the Director of Public Service. (Ord. 29-2008. Passed 3-24-08.)

925.12 SEWER CONNECTION PERMIT REQUIRED; FEE.

(a) No authorized person shall uncover, make any connections with or opening into, use, alter or disturb any public sewer, or appurtenance without first obtaining a written permit from the City Engineer.

(Ord. 69-1991. Passed 4-15-91.)

(b) The permit application shall be supplemented by any plans, specifications or other information considered pertinent in the judgment of the City Engineer. A permit and inspection fee of one hundred dollars (\$100.00) for a residential building sewer permit and two hundred dollars (\$200.00) for a commercial building sewer permit and for an industrial waste permit shall be paid to the City Engineer at the time application is filed. A permit fee for the repair of an existing sewer shall be fifty dollars (\$50.00).

(Ord. 55-2004. Passed 4-19-04.)

(c) Provided, however, no new permit will be issued when it has been determined by the Manager of the Wastewater Treatment System that there does not exist sufficient capacity in the Wastewater Treatment System, including collecting, pumping, treating and disposing of wastes as may be discharged by the applicant of such new permit.

(Ord. 69-1991. Passed 4-15-91.)

(d) At the time when the permit and inspection fee is secured per subsection (b) hereof, a capacity charge for new connections shall apply and be calculated per the following table. Once the capacity charge is calculated, it shall be payable at the time the permit and inspection fee is acquired.

USER CLASS	EDU VALUE	CAPACITY CHARGE
Single Family Unit	1.00	\$ 500.00
Duplex Residential	2.00	\$1,000.00
Each Additional Residential Unit	1.00	\$ 500.00
Mobile Homes and House Trailers	1.00	\$ 500.00
Church	0.16	\$ 80.00
Toilet/Urinal - Each	0.67	\$ 335.00
Food Prep/Bar Sink (Per Bowl)	0.29	\$ 145.00
Hair Rinse Sink - Each	0.16	\$ 80.00
Slop Sink - Each	0.17	\$ 85.00
Hotel/Motel	1.14	\$ 570.00
Hotel/Motel - Each Bedroom	0.17	\$ 85.00
Rooming House	0.97	\$ 485.00
Rooming House - Each Bedroom	0.17	\$ 85.00
Hospitals/Nursing Homes (Per Employee/Patient)	0.14	\$ 70.00
Sports Facility/Arena (Per 100 Seats)	0.02	\$ 10.00
Laundromat or Coin Operated Machine	0.59	\$ 295.00
Commercial Laundries (By Pound)	0.07	\$ 35.00

925.13 SEWER TAPPER; LICENSE AND BOND; LICENSE REVOCATION.

(a) All persons making connections, whether at the main sewer or at the end of the lateral, with a public sewer of the City are required before tapping such sewer to procure a license from the City Engineer. The fee for such license shall be fifty dollars (\$50.00) for every year thereof. All licenses are to run for a period ending December 31, in the year in which they are issued, unless renewed. Each applicant for a license must file with the City Engineer a surety bond in the sum of ten thousand dollars (\$10,000) guaranteeing that the work he may do will comply in all respects to the provisions of this chapter or other ordinances which may be in force regarding sewer tapping in the City, and proof of five hundred thousand dollars (\$500,000) liability, and that the City shall be saved harmless from any damage claims by reason or work done by the applicant. Only such persons shall be given a license to make connections with the City sewer systems as shall have furnished proof of their experience which may qualify them to do such work.

(Ord. 217-1993. Passed 2-22-94.)

(b) Any sewer builder, plumber, gas fitter, sewer tapper or other person acting in such capacity who fails to comply with each and every provision of this chapter, or other ordinances regulating the making of connections to the City sewer system shall have his license revoked at the direction of the City Engineer.

(Ord. 69-1991. Passed 4-15-91.)

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925.55 FEES.

The City shall adopt charges and fees which include fees for monitoring, inspections, and surveillance procedures, fees for filing appeals, fees for permit application, and fees for reviewing accidental discharge procedures and construction. All money received under the provisions of this chapter shall be credited to the "Wastewater Treatment Revenue Fund" of the City.

(Ord. 69-1991. Passed 4-15-91.)

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937.09 ANNUAL RATES FOR SEWER SERVICE.

(a) The following rates are effective April 1, 2008, with respect to any such premises situated within the corporate limits of the City. All sewer charges except industrial flow charges will be billed on a quarterly basis, with billing in the months of January, April, July and October. Industrial flow charges will be billed on a monthly basis.

<u>RESIDENTIAL</u>	<u>ANNUAL RATE</u>
Single Family Unit	\$228.00
Duplex Residential	456.00
Each Additional Residential Unit	228.00
Mobile Homes and House Trailers	228.00

COMMERCIAL (Stores, Restaurants, Bars, Garages, Gas Stations, Professional Offices, Barber/Beauty Shops, Bowling Alleys, Theaters, Lodges, Clubs, Business Offices and any other public building)

Church	\$36.56
Toilet/Urinal	153.04
Food Prep/Bar Sink (Per Bowl)	66.24
Hair Rinse Sink	36.56
Slop Sink	38.84
Hotel/Motel	260.36
Each Bedroom	38.84
Rooming House	221.56
Each Bedroom	38.84
Hospitals/Nursing Homes	
(Per Employee/Patient)	32.00
Sports Facility/Arena (Per 100 Seats)	4.56
Laundromat or Coin Operated Machine	134.76
Commercial Laundries (By Pound)	16.00
Car Washes	
Each Single Stall Manual	271.80
Each Single Stall Automatic	904.44
Each Drive-Through Automatic	5,709.72
Schools, Public - Private - Day Care	
Per Student and Employee	9.16
Hand Sink	27.44
Showers	98.24

INDUSTRIAL The following industrial rates apply with respect to any such premises situated within the corporate limits of the City.

Industrial Flow for each Million Gallons	\$700.00
--	----------

Each Drive-Through Automatic	5,721.64
Schools, Public - Private - Day Care	
Per Student and Employee	9.16
Hand Sink	27.48
Showers	98.44

INDUSTRIAL The following industrial rates apply with respect to any such premises situated within the corporate limits of the City.

Industrial Flow for each Million Gallons	\$750.00
Industrial Employee (Per Employee)	38.92

INDIAN RIVER YOUTH FACILITY

Toilet/Urinal	153.36
Shower	98.44
Hand Sink	27.48
Food Prep Sink (Per Bowl)	66.40

(c) The following rates are effective October 1, 2009, with respect to any such premises situated within the corporate limits of the City. All sewer charges except industrial flow charges, will be billed on a quarterly basis, with billing in the months of January, April, July and October. Industrial flow charges will be billed on a monthly basis.

<u>RESIDENTIAL</u>	<u>ANNUAL RATE</u>
Single Family Unit	\$236.00
Duplex Residential	472.00
Each Additional Residential Unit	236.00
Mobile Homes and House Trailers	236.00

COMMERCIAL (Stores, Restaurants, Bars, Garages, Gas Stations, Professional Offices, Barber/Beauty Shops, Bowling Alleys, Theaters, Lodges, Clubs, Business Offices and any other public building)

Church	\$37.68
Toilet/Urinal	157.72
Food Prep/Bar Sink (Per Bowl)	68.28
Hair Rinse Sink	37.68
Slop Sink	40.04
Hotel/Motel	268.36
Each Bedroom	40.04
Rooming House	228.32

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(g) The proposed rates will be re-evaluated every two (2) years with the next evaluation being in 2010.

(Ord. 30-2008. Passed 5-5-08.)

937.10 ADDITIONAL SURCHARGE FOR INDUSTRIAL WASTES.

(a) Any person, firm or corporation served by a sewer connection which discharges sanitary sewage, industrial wastes, water or other liquids into the wastewater treatment system, which are of unusual strength, volume or character, but acceptable by the City for treatment, shall be subject to an additional surcharge which shall be over and above the rates and charges established by Section 937.09.

(b) The surcharge shall be effective if any or all of the following are exceeded:

(1) A five-day biological oxygen demand (BOD) greater than 300 parts per million (ppm) by weight.

(2) Total suspended solids (TSS) greater than 300 parts per million (ppm) by weight.

(c) The surcharge shall be calculated and billed monthly, based on the results of tests and measurements made by the City effective April 1, 2008:

Additional Surcharge effective April 1, 2008.

(1) BOD in excess of 300 mg/l \$0.14/lb of BOD

(2) TSS in excess of 300 mg/l \$0.18/lb of TSS

Additional Surcharge effective October 1, 2008

(1) BOD in excess of 300 mg/l \$0.14/lb of BOD

(2) TSS in excess of 300 mg/l \$0.18/lb of TSS

Additional Surcharge effective October 1, 2009

(1) BOD in excess of 300 mg/l \$0.17/lb of BOD

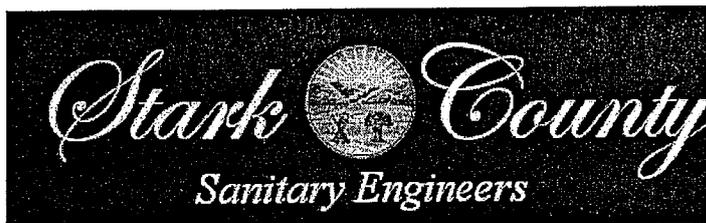
(2) TSS in excess of 300 mg/l \$0.24/lb of TSS

(d) When required by the Director of Public Safety and Service, the owner of any property discharging such wastes shall install a suitable chamber with gauging and sampling equipment in the building sewer to permit observation, sampling and measurement of the wastes from his premises. Such chamber and equipment shall be constructed in accordance with plans approved by the Director and shall be installed by the owner at his expense and shall be maintained by him.

(e) All measurements, tests and analyses of the characteristics of such wastes shall be determined by the City in accordance with the latest edition of "Standard Methods for the Examination of Water and Sewage", as prepared, approved and published jointly by the American Public Health Association, the American Water Works Association and the Water Pollution Control Federation.

(f) The strength of the wastes shall be determined from samples taken at the aforementioned chamber at any period or time and of such duration and in such manner as agreed upon between the owner and the City. The results of routine sampling and analysis by the owner may also be used, in determining the amount of the surcharge after verification by the City. The strength so found by analysis shall be used in determining the amount of the surcharge.

(g) The City shall have the right to enter and set up, on company property, such devices as are necessary to conduct a gauging and sampling operation and to begin such operation without advance notice to the company. While performing the work, the City will observe all safety rules applicable to the premises, established by the company.



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Sewer Rates

SCHEDULE "A" RATES AS OF July 1, 2008	
Classification	Monthly Rate
One Family Residence	\$22.00
Multiple Family Res. & Apartments	\$22.00 per unit
House Trailers and Mobile Homes	\$22.00
Rooming Houses	\$33.00 plus 3.66 for each bedroom over 4
Hotels and Motels	\$7.39 for each bedroom
Hospitals, Nursing, Rest & Convalescent Homes	\$12.87 per patient bed
Churches	\$22.00
Schools	\$1.19 for each pupil & each regular employee
Athletic Stadiums and Fieldhouses, Parks and Recreation	50% of Schedule B Net
Industrial/Warehouses.	\$4.65 for each person
Car Wash	\$22.00 for each single stall, manual
	\$220.00 for each single stall, automatic
	\$198.00 for each conveyor, automatic
Laundromat	\$22.00 per machine
Laundry	\$2.79 per rated pound
<p>SCHEDULE B-The minimum charge in Schedule B will be the rate for one toilet.</p> <p>Stores, Restaurants, Bars, Garages, Service Stations, Professional and Business Offices and Buildings, Barber Shops, Beauty Parlors, Bowling alleys, Theatres, Lodges, clubs, roller rinks, Public Buildings:</p>	
Each Toilet or Urinal	\$25.65 per month
Each Kitchen Sink	\$11.02 per month
Each Slop Sink	\$7.39 per month

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WOOSTER

SEWER RATES

Monthly Minimum Charge By Meter Size

Meter Size	Minimum Charges	Gallons in Minimum
5/8 Inch	\$5.47	0
3/4 Inch	\$8.22	0
1 Inch	\$13.68	0
1 1/4 Inch	\$21.88	0
1 1/2 Inch	\$27.35	0
2 Inch	\$43.76	0
3 Inch	\$87.51	0
4 Inch	\$136.75	0
6 Inch	\$328.20	0
8 Inch	\$896.13	0

Usage rate is \$2.15 per thousand gallons.

There is no usage allowance in the minimum charge.

High strength surcharges may apply to commercial and industrial waste water.

Residential unmetered sewer charge per month

\$20.14

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