



October 18, 2023

13

Honorable Board of County Commissioners
Hamilton County, Ohio
% Mr. Jeff Aluotto
Todd B. Portune Center for County Government
County Administration Building
138 E. Court Street, Room 603
Cincinnati, Ohio 45202

Honorable Commissioners:

Enclosed for your consideration is legislation, provided by the City of Cincinnati, through its Department of Sewers (the "City"), as the sole management agency for the operation and maintenance of the sewer system on behalf of the Metropolitan Sewer District of Greater Cincinnati ("MSD"), authorizing a revised rate structure for sewerage service charges, surcharges, and industrial pretreatment charges for the use of sanitary and combined sewers and for sewage treatment provided by MSD, to take effect on January 1, 2024.

The revised rate structure reflects a collaborative agreement between the City and the County to implement a 3% system-wide rate increase to meet MSD's revenue requirements. This increase in revenue is estimated to provide adequate funds for the requested 2024 operating and capital budgets, and is driven by the need to fund the capital program requirements, including Consent Decree Phase 2A projects, and to achieve key financial indicators recommended by the County's Financial Advisor. Once the Consent Decree affordability analysis is complete and Phase 2B schedule and costs are finalized, subsequent rate increases may be required to achieve key financial indicators and to build capacity for the capital program.

Recommended:

Diana R. Christy
Director, MSD

Approved:

Sheryl M. M. Long
City Manager

Provided to Hamilton County on

Reviewed by

and recommended by County Administration.

On motion of

seconded by

the following resolution was adopted....

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

WHEREAS, the Metropolitan Sewer District of Greater Cincinnati ("MSD") was established by the Board of County Commissioners, Hamilton County, Ohio (the "Board") and exists as a County Sewer District pursuant to Chapter 6117 of the Ohio Revised Code; and

WHEREAS, Ohio Revised Code Section 6117.02(A) provides that the Board "shall fix reasonable rates, including penalties for late payments, for the use, or the availability for use, of the sanitary facilities of a sewer district to be paid by every person and public agency whose premises are served, or capable of being served, by a connection directly or indirectly to those facilities when those facilities are owned or operated by the county and may change the rates from time to time as it considers advisable;" and

WHEREAS, the Board did, on December 4, 1968, adopt a Resolution establishing a rate structure for sewerage service charges and surcharges, for sewer service in the MSD, effective January 1, 1969, which has been amended or revised from time to time, the last being December 15, 2022, as entered into the Comm'r's Min., Vol. 368, Images 8583 - 8593; and

WHEREAS, Section V(1)(b) of the agreement between the Board and the City of Cincinnati (the "City") for the management and operation of the MSD (the "1968 Agreement") provides that, when deemed necessary and following a review of the operation of the MSD sewer system and the schedule of the service charges, the City will submit to the Board a proposed revised schedule of sewerage service charges to be charged to all users of the MSD sewer system and the Board shall, after a public hearing thereon, adopt, or modify and adopt, the schedule of sewerage service charges; and

WHEREAS, pursuant to Section V(1)(c) of the 1968 Agreement, said service charges and revenues from the MSD sewer system shall at all times be at least sufficient to pay all reasonable expenses of operation and maintenance of the sewer system; the debt service charges of all sewer bonds presently outstanding or to be here-after issued payable from MSD sewer revenues; and to provide an adequate reserve required for the payment of such bonds and for replacements, improvements and other necessary requirements of the MSD sewer system; and

WHEREAS, the County and the City have reviewed the current schedule of service charges and the operations of the MSD sewer system and associated financial needs, which have been heavily impacted by inflation, aging assets, and compliance with its federally mandated Consent Decree; and

WHEREAS, based on such review, the County and the City agree a 3% increase to the current schedule of service charges, including the minimum charge, commodity charge, surcharge, and industrial pretreatment charge, will provide adequate funding for the current operation of the MSD sewer system, current capital program requirements, and will move toward the targeted debt service coverage; and

WHEREAS, the MSD Director has submitted a proposed revised schedule of sewerage service charges to incorporate said 3% increase; and

WHEREAS, this Board did, on 2nd of Nov and 9th of Nov, 2023, conduct public hearings on said revised schedule of sewerage service charges; and

WHEREAS, this Board did, on 9th of Nov, 2023 conclude said public hearings.

NOW, THEREFORE, BE IT RESOLVED by the Board of County Commissioners of Hamilton County, Ohio, that a revised schedule of sewerage service charges is hereby adopted to consist of, as applicable, a minimum charge, a commodity charge, a surcharge, and an industrial pretreatment charge as follows:

SECTION 1. From and after **JANUARY 1, 2024**, every person, firm or corporation in the Metropolitan Sewer District of Greater Cincinnati, whose premises are served by a connection to a sanitary or combined sewer which discharges sewage, industrial wastes, water, or other liquids, either directly or indirectly into a sanitary or combined sewer operated by the MSD, shall be charged for the use of the sewers and for the treatment of sewage discharged therein at the following rates:

A. MINIMUM CHARGE

1. The minimum charge shall be based on the size of the water meter used to serve the premises. Such minimum charge shall include the charge for the first 300 cubic feet of water used per month. The minimum charge rates shall be as follows:

Meter Size (inches)	Minimum Charge per Month	Minimum Charge per Month CAP Discount Rate
$\frac{1}{2}$	\$41.50	\$31.13
$\frac{3}{4}$	\$53.51	\$40.13
1	\$73.36	\$55.02
1½	\$124.66	\$93.49
2	\$176.57	\$132.43
3	\$453.17	\$339.88
4	\$750.51	\$562.88
6	\$1,482.84	\$1,112.13
8	\$2,212.60	\$1,659.45
10	\$2,956.65	\$2,217.49
12	\$3,413.71	\$2,560.28

2. The CAP Discount Rate is a 25% reduction of the applicable monthly charge pursuant to the MSD Customer Assistance Program (CAP). The CAP Discount Rate is only applicable to MSD ratepayers who meet CAP eligibility requirements as set forth in EXHIBIT A, which is hereby incorporated by reference herein.

B. COMMODITY CHARGE

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

Monthly Commodity Charge	Monthly Commodity Charge <i>CAP Discount Rate</i>
<i>For each 100 cubic feet consumed per month in excess of 300 cubic feet but not in excess of 5,000 cubic feet:</i> \$6.237 per 100 cubic feet	<i>For each 100 cubic feet consumed per month in excess of 300 cubic feet but not in excess of 5,000 cubic feet:</i> \$4.678 per 100 cubic feet
<i>For each 100 cubic feet consumed per month in excess of 5,000 cubic feet:</i> \$4.987 per 100 cubic feet	<i>For each 100 cubic feet consumed per month in excess of 5,000 cubic feet:</i> \$3.740 per 100 cubic feet

2. The CAP Discount Rate is a 25% reduction of the applicable monthly charge pursuant to the MSD Customer Assistance Program (CAP). The CAP Discount Rate is only applicable to MSD ratepayers who meet CAP eligibility requirements as set forth in EXHIBIT A.
3. For residential water service accounts (one and two-family residences), a monthly commodity charge shall be based upon water used during a winter billing period. Said charges shall be payable with each bill rendered throughout the year.

C. SURCHARGE

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

Surcharge	
SUSPENDED SOLIDS (SS) <i>per 100 cubic feet for each mg/l of SS strength above 300 mg/l</i>	\$0.002924
BIOCHEMICAL OXYGEN DEMAND (BOD) <i>per 100 cubic feet for each mg/l of BOD strength above 240 mg/l</i>	\$0.004993
NITROGENOUS OXYGEN (NOD) <i>per 100 cubic feet for each mg/l of Total Kjeldahl (TKN) strength above 25 mg/l</i>	\$0.004373

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

D. INDUSTRIAL PRETREATMENT CHARGE

1. All users required to apply for and obtain a wastewater discharge permit or which are subject to federal pretreatment standards, as specified in the RULES AND REGULATIONS GOVERNING THE MAINTENANCE, OPERATION, AND USE OF SANITARY AND COMBINED SEWERS IN THE METROPOLITAN SEWER DISTRICT OF GREATER CINCINNATI ("MSD Rules and Regulations") (2001 and as amended), shall be subject to the payment of a pretreatment charge(s), as determined by the Director. Said pretreatment charge(s) shall be sufficient to recover, in whole or in part, the costs for the MSD Pretreatment Program including investigations, record keeping, administration, and monitoring of industrial waste discharges to the system. Each industrial user shall pay a pretreatment charge(s) as follows:

Industrial Pre-Treatment Charges	
ANNUAL FEE <i>Per annum</i>	\$3,065
MONITORING CHARGE <i>Maximum per monitoring event</i>	\$19,002

SECTION 2. Any user which discharges any toxic pollutants which cause an increase in the cost of managing effluent or sludge from the District's treatment system shall pay such increased costs.

SECTION 3. That the sewerage service charges, surcharges, and industrial pretreatment charges shall be applied in accordance with the provisions of the MSD Rules and Regulations and as may be modified from time to time.

SECTION 4. All users of the sewage system shall be notified at least annually as to:

- A. The rate schedule in effect.
- B. That part of the total charges attributable to user charges for sewerage services.

SECTION 5. That the sewerage service charges and surcharges stipulated herein shall be billed on the water bill and shall be payable to either (1) the Cincinnati Water Works at the same time as the water bills, or (2) as they may be billed and collected by other water providers and/or billing service entities performing such billing services for the user and MSD. Charges not paid within the time prescribed may be certified, together with a penalty of ten percent (10%) to the County Auditor and collected in accordance with R.C. Section 6117.02.

SECTION 6. That industrial pretreatment charges and charges to users for special equipment, materials, and services may be payable by means of a separate billing, as applicable.

SECTION 7. That Sections 1-6 of the Resolution adopted by the Board of County Commissioners on December 15, 2022, as entered into the Comm'rs Min., Vol. 368, Images 8583 - 8593 and fixing rates and charges for sewer service in the Metropolitan Sewer District of Greater Cincinnati, are hereby repealed.

SECTION 8. The authorization for the MSD Customer Assistance Program set forth in the Resolution adopted by the Board of County Commissioners on April 23, 2019, as entered into the Comm'rs Min., Vol. 354, Images 1876 - 1903, shall remain in full force and effect, and the Board hereby ratifies the same.

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

ADOPTED at a regularly adjourned meeting of the Board of County Commissioners of Hamilton County, Ohio, this 16th day of NOVEMBER, 2023.

Ms. Reece No

Ms. Driehaus Yes

Ms. Summerow Dumas Yes

EXHIBIT A



Customer Assistance Program Plan



GUIDELINES & IMPLEMENTATION
VERSION 1.1 – JANUARY 24, 2019

MSD Customer Assistance Program Plan
Guidelines & Implementation

Overview

Under the express permission of Ohio Revised Code Section 6117.02 (F), an Ohio Board of County Commissioners (the "Board") has the authority to enact a discount sewer rate for persons who are sixty-five years of age or older and meet other eligibility requirements, as established by the Board.

I. Purpose

The Metropolitan Sewer District of Greater Cincinnati (MSD) Customer Assistance Program (CAP) Plan is intended to provide (1) eligibility requirements for determining if a MSD ratepayer qualifies for a discounted sewer rate, and (2) the general parameters of MSD's CAP implementation plan. Eligibility requirements for the CAP are consistent with the requirements of 6117.02(F) and adapted from Ohio Department of Taxation Homestead Exemption and the Hamilton County Auditor's Homestead Exemption to meet the provisions of the Revised Code.

II. Eligibility Requirements

The eligibility requirements for the MSD senior sewer rate are as follows:

- A. The applicant must currently be billed for MSD sewerage services
 - i. If MSD sewerage services is billed to the applicant's spouse, the spouse must meet the criteria set forth below
- B. The applicant must be sixty-five years of age or older;
- C. The applicant must meet the following eligibility requirements of the homestead exemption as set forth in R.C. 323.152:
 - i. **Ownership** - the applicant must own and occupy as their principal place of residence the property for which discounted sewer rates are requested
 - a. Property that is owned by a corporation, partnership, limited liability company or other legal entity does not qualify.
 - ii. **Income** - the applicant's total income must be no more than \$32,800 for 2019, or the amount as indexed annually by the Ohio Department of Taxation, pursuant to R.C. 323.152(A)(1)(b)(iii);
 - a. "Total income" is the Ohio Adjusted Gross Income (OAGI) of the applicant and applicant's spouse
- D. The applicant must apply annually for the CAP;
 - i. If the applicant becomes ineligible, they have the responsibility to notify MSD that their eligibility status has changed. Eligibility status change may be one reason for termination from the CAP.
 - ii. Discovery of a fraudulent application could result in termination of service, recovery of past discounts and/or civil and/or criminal enforcement.

MSD Customer Assistance Program Plan
Guidelines & Implementation

III. Implementation Plan

MSD will use the following process steps to effectively implement the CAP. As the CAP progresses through its first year, MSD may propose refined CAP implementation processes to the Board. The process outlined herein is intended to provide high-level overview.

- A. **Set up** – MSD’s CAP Manager will oversee the application process review and manage an internal CAP Review Panel. The CAP Program will be managed within MSD’s Office of Director. MSD will establish a direct CAP phone line, web page, outreach information and outreach plan for informing and communicating with CAP applicants and participants. MSD will coordinate the implementation of the CAP with all billing providers so the discounted sewer rate can be applied to eligible MSD ratepayers’ sewerage service charges by May 1, 2019.

- B. **Initial Communication and Outreach** – MSD will develop an outreach plan that includes (1) a database of potentially eligible customers; (2) outreach methods that would include written and electronic forms of communications, including but not limited to letters, brochure, newsletters, emails, media/social media, website, public meetings and/or presentations; and (3) coordination with Hamilton County area senior service and other social services agencies.

- C. **Eligibility Review** – MSD will review and validate CAP applications based upon the eligibility requirements contained in Section II of these Guidelines and Implementation Plan. MSD anticipates that this review will take a minimum of 21 business days and is dependent upon the completeness of the applicant’s submittal. MSD’s CAP Manager may convene an internal CAP Review Team to evaluate the applicant’s documentation. During this application review period, MSD will provide Greater Cincinnati Water Works with applicant information in order to protect the applicant from water and sewer service shut-off. MSD will request Hamilton County political jurisdictions that provide water service and sewer billing for MSD customers to abide by a similar shut-off hold during the eligibility review period.

- D. **Eligibility Documentation** –this information provided to the MSD CAP will include (copies only, not originals):
 - a. Birth certificate, state-issued ID, or current driver’s license
 - b. If applicant and/or spouse filed an Ohio income tax return last year, provide the IT1040 form (pgs. 1 & 2) filed
 - c. If applicant and/or spouse was not required to file an Ohio income tax return, provide any W-2 and/or 1099s for prior tax year

MSD Customer Assistance Program Plan
Guidelines & Implementation

- E. **Eligibility Approval** – Once an applicant is approved, MSD will communicate approval to apply the discount to the applicant's sewerage service charges to the applicable billing provider.
- F. **Eligibility Denial** – Any denial of a CAP applicant will be based upon a failure to demonstrate eligibility as outlined in Section II of these Guidelines & Plan.
- G. **Continuing Communication and Outreach** – MSD will provide ongoing communications and outreach to target audiences to ensure the public is aware of the CAP and how to participate.
- H. **Termination** – MSD may terminate CAP participation due to (1) submitting a fraudulent application, (2) change in eligibility status, or (3) a change in an active billing account information relative to CAP eligibility.
- I. **Appeals** – MSD CAP applicants and approved CAP customers are able to appeal the determination and findings of the MSD CAP Manager through the City of Cincinnati Office of Administrative Hearings. MSD's CAP Manager will provide information on the appeal process to the applicant upon request.

CERTIFICATE OF CLERK

IT IS HEREBY CERTIFIED that the foregoing is a true and correct transcript of a resolution adopted by the Board of County Commissioners in session this _____ day of _____, 2023.

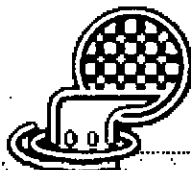
IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Official Seal of the Office of the Board of County Commissioners of Hamilton County, Ohio this _____ day of _____, 2023.

Leslie R. Hervey, Clerk
Board of County Commissioners
Hamilton County, Ohio

EXHIBIT A



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Leslie R. Hervey, Clerk
Board of County Commissioners
Hamilton County, Ohio