



ADOPTED UTILITY RATE UPDATES

OCTOBER 21, 2022

OBJECTIVES

- Review Citywide Policy Goals
- Understand Background
- Discuss Utility System Needs
- Consider Historic Rates
- Introduce Proposed Rate Adjustments



2022 POLICY GOALS

Adopted November 15, 2021



Opportunity

Be known regionally as a top-tier suburb through top-tier City services.



Fiscal Sustainability

Seize quality-of-life opportunities while maintaining fiscal practices.



Safe & Secure

Invest in traditional public safety and community outreach to meet needs.



Trust and Confidence

Transparent government to empower stakeholder engagement.



Vibrant

Use amenities & growth mindset to create a warm & welcome environment.



Infrastructure

Protect infrastructure by investing in roads, utilities & parks.



Sharpen the Saw

Refine practices and leverage technology to improve customer service.



PARTNERSHIP



WATER

- Tipp City & Vandalia
- Intergovernmental Joint Venture Agreement – 2002
- Reverse Osmosis Plant
- NAWA Employees – Tipp City
- Responsible for Own System
- Billed by Gallon
- Plant Capacity Not of Immediate Concern



WASTEWATER

- Huber Heights, Tipp City & Vandalia
- Intergovernmental Joint Venture Agreement – 1996
- TCA General Manager
- Veolia Contractor – Plant Op.
- Responsible for Own System
- Billed by Gallon
- Capacity – Immediate Concern



SYSTEM FACTOIDS



VANDALIA

15,000 Residents
19,500 Daytime
Population
~210 Lane Miles of Streets
12.34 Sq. Mi.



WATER

~87 Miles – Water Lines
~20 Breaks / Yr.
800+ Fire Hydrants
3 Water Towers
~3.43 MGD



WASTEWATER

~74 Miles – Sewers
11.2 MGD
~2,000 Manholes
TCA Plant Circa 1985



STORM

~79 Miles – Sewers
2,700 Catch Basins
1,200 Manholes



SYSTEM NEEDS

WASTEWATER



- ~\$81 million in Plant Upgrades
 - Exceeding 11.2 MGD Capacity
 - Piping, Wet Well Capacity
 - Biological Oxygen Demand
- ~\$19 million Storage Expansion - Overflows
- Sewer maintenance, lining, replacement
- 2027 Anticipated EPA Regulations – P, NH₃
- Vandalia Public Works Facility
- Capital Equipment Planning
- Increasing Cost of Veolia Contractor
- Personnel Expenses



- Systematic Waterline Replacement
- Water Tower Maintenance
- Water Meter Replacement
- Vandalia Public Works Facility
- Capital Equipment Planning
- Personnel Expenses

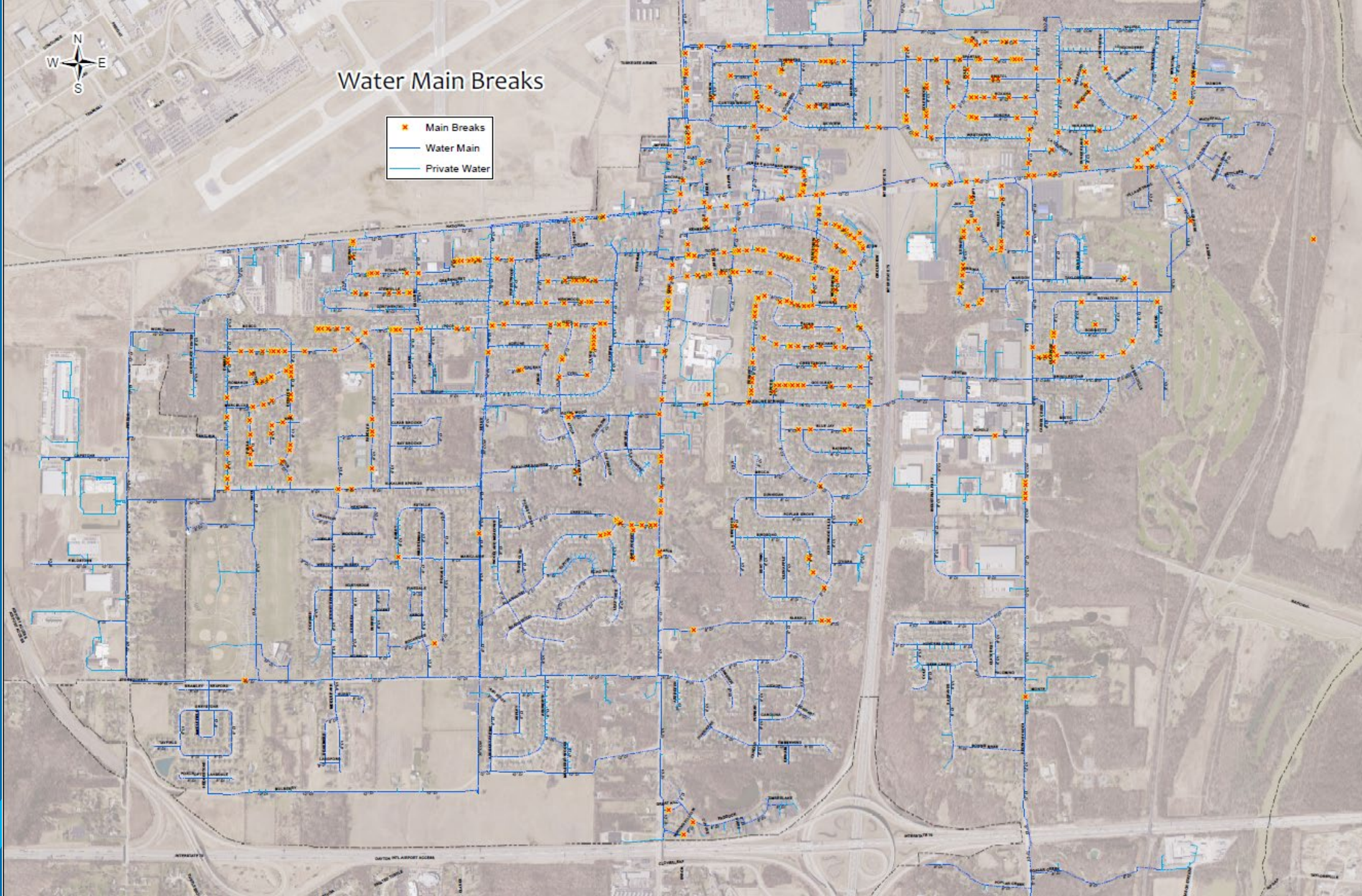


WATER



Water Main Breaks

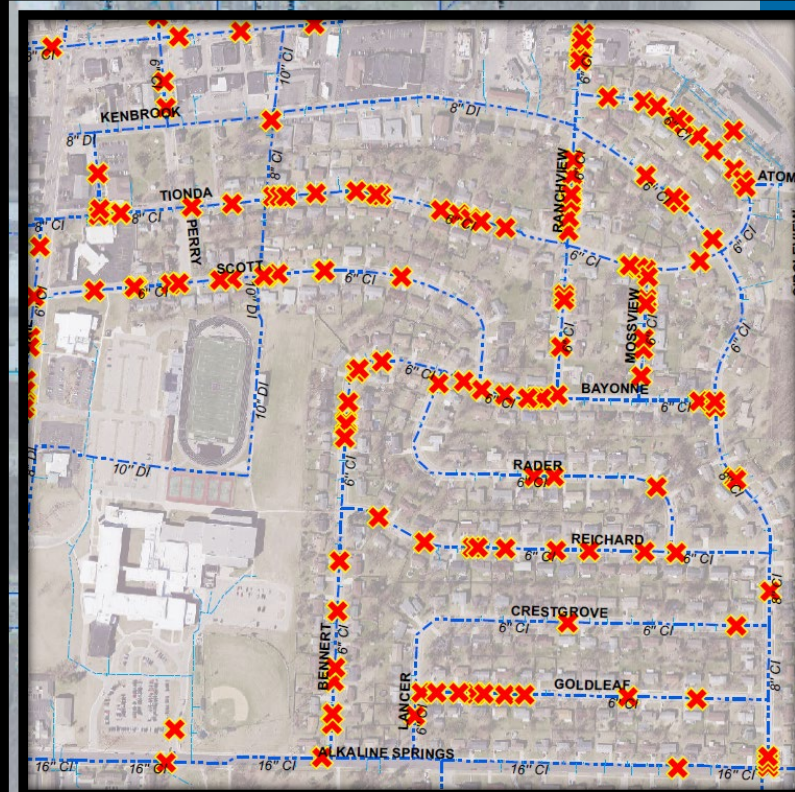
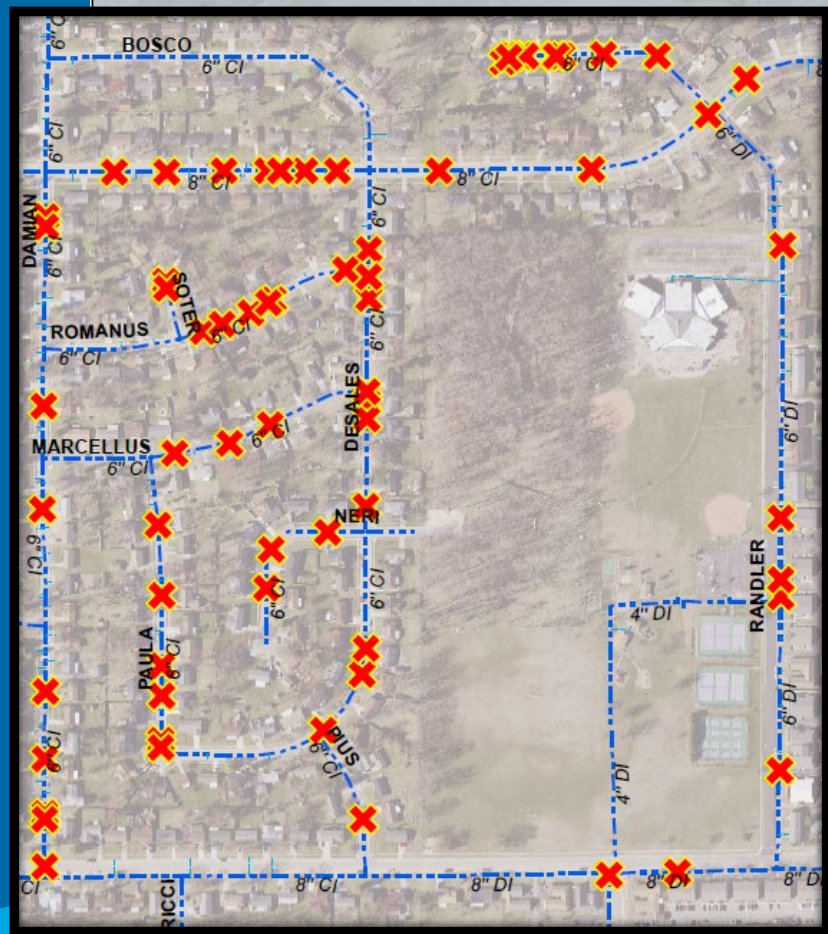
- ✕ Main Breaks
- Water Main
- Private Water





Water Main Breaks

- ✕ Main Breaks
- Water Main
- Private Water



City of Vandalia Street Resurfacing Plan 2022-2031

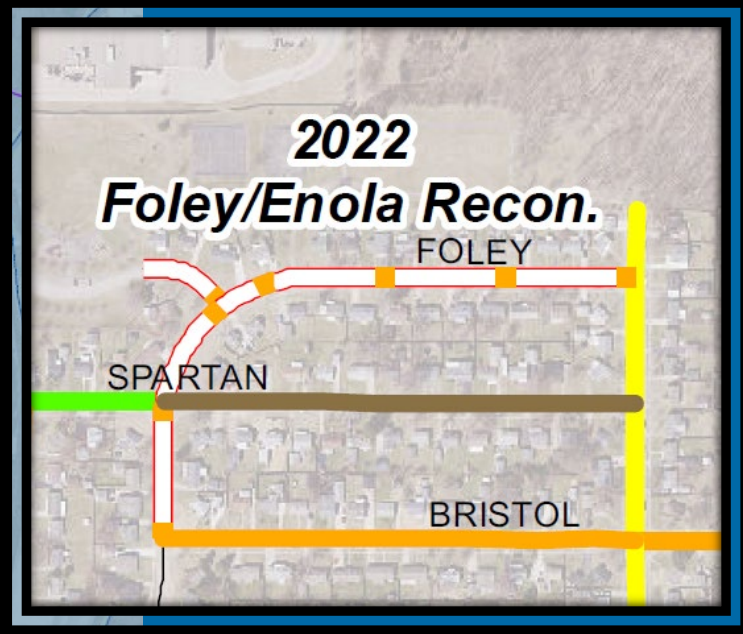
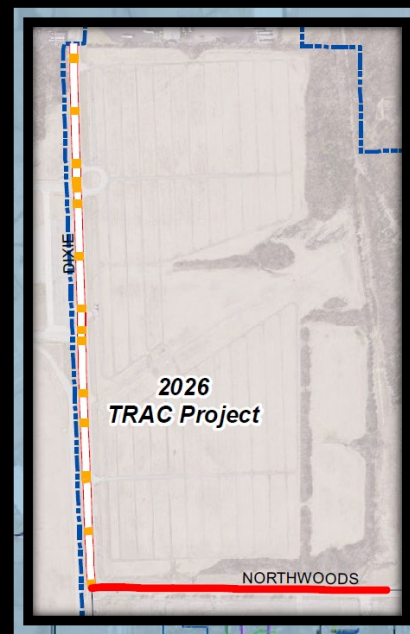
Tentative Resurfacing Schedule

2022
2023
2024
2025
2026
2027
2028
2029
2030
2031
Utility/Recon. Project



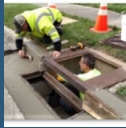
NOTES:
Plan is based on an annual budget of \$1,300,000 for resurfacing & sidewalk replacement. For planning purposes, this schedule assumes 2% annual inflation affecting construction costs.
Schedule shown is an estimation only. Actual streets resurfaced will vary based on several factors including current street conditions, construction costs and others. New street or utility projects that may arise can also accelerate or delay certain streets from being resurfaced.





SYSTEM NEEDS

STORM SEWER



- Maintenance of Drainage System
- Capital Equipment Planning
- Vandalia Public Works Facility
- Curb & Gutter
- Leaf Collection / Disposal
- Personnel Expenses
- Currently only \$40k - \$80k available for capital projects / equipment



MITIGATING FACTORS & OFFSETS



- Infrastructure Fund - \$1.00 / ft.²
- Job Creation & Revitalization Fund - \$0.40 / ft.²
- Tax Increment Financing
- Grant Funding
- Metering of Fire Line



STRETCHING TAXPAYER DOLLARS – GRANTS / PARTNERSHIPS



AMPHITHEATER

Art Park
Capital Budget Bill
\$300k



PAVING / UTILITIES

Water / Wastewater
Infrastructure - \$2.4 mm
TRAC - NE Airport Logistics
\$1.8 mm
CPF - ~\$1.33 mm
STP – Webster St. - \$717k
OPWC – Gabriel - ~\$400k
OPWC – Foley / Enola



PARKS

CDBG – Helke \$100k
SWMD – Picnic Tables
\$14k
Board of Developmental
Disabilities – \$50k
NatureWorks - \$61k



BIKEWAY CONNECTOR

Great Miami River Trail
Five Rivers Metro Parks
~\$2.13 mm



GRANTS/FUNDING SINCE 2017

<u>Project</u>	<u>Funding Amt.</u>	<u>Type</u>
National Rd Streetscape PH 5 -	\$ 300,000	MVRPC STP
Kenbrook Drive Watermain	\$ 200,000	OPWC
2017 Handicap Ramps	\$ 50,000	CDBG
2018 Handicap Ramps	\$ 10,000	CDBG
Airport Access Resurfacing & Bridge	\$ 772,855	MVRPC STP
Skyview Avenue Watermain	\$ 104,000	OPWC
Foley Drive Reconstruction	\$ 400,000	OPWC
Northwoods Boulevard Recon.	\$ 418,000	OPWC
Brindlestone Watermain	\$ 180,000	OPWC
Marview Watermain	\$ 125,000	OPWC
Vandalia Bikeway Connector	\$ 2,136,703	MVRPC CMAQ
Northwoods - Falls Creek Imp.	\$ 400,000	OPWC
Gabriel St.	\$ 398,832	OPWC
Foley/Enola Drive Reconstruction	\$ 400,000	OPWC
Clyde / Cyril Reconstruction	\$400,000	OPWC
Webster Street Resurfacing	<u>\$ 717,131</u>	MVRPC STP
Total	\$7,012,521	

Assisted with Tri Cities \$2,400,000 Water & Wastewater Infrastructure for CIPP Lining of Interceptor Line



TIMELINE TO ADOPTION

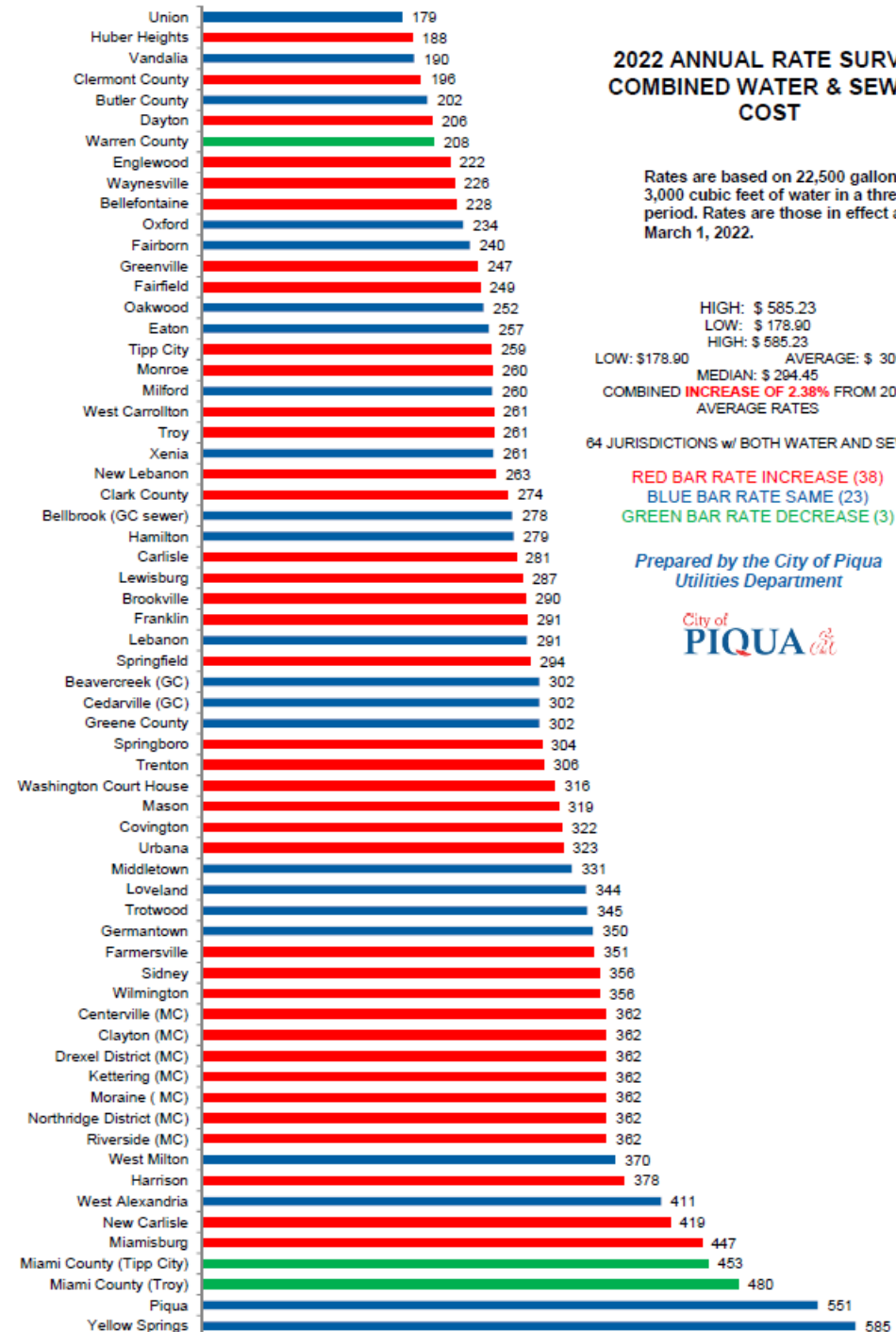
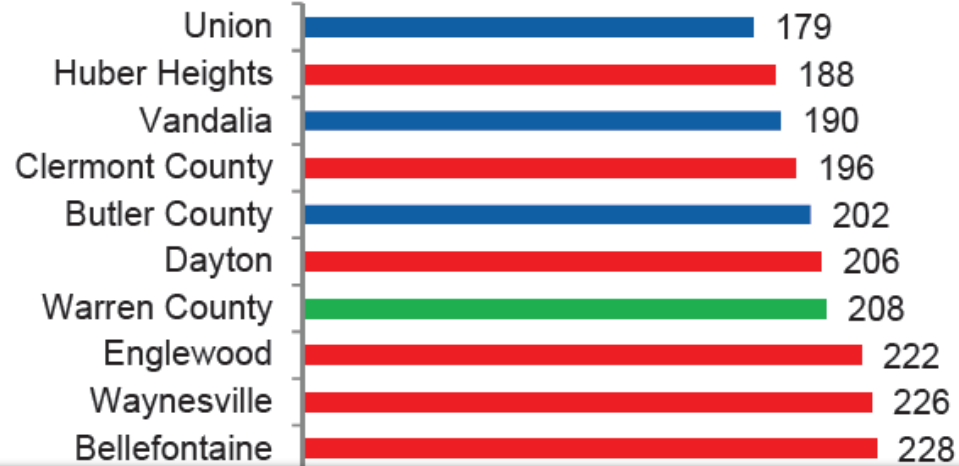
- ✓ May 9: Spring Retreat
- ✓ August 15: Study Session Presentation
- ✓ September 6: First Reading
- ✓ September 19: Tabled at Second Reading
- ✓ September 26: 2023 Fall Goal Setting Retreat
- ✓ October 3: First Reading
- ✓ October 17: Second Reading & Adoption



HISTORIC RATES

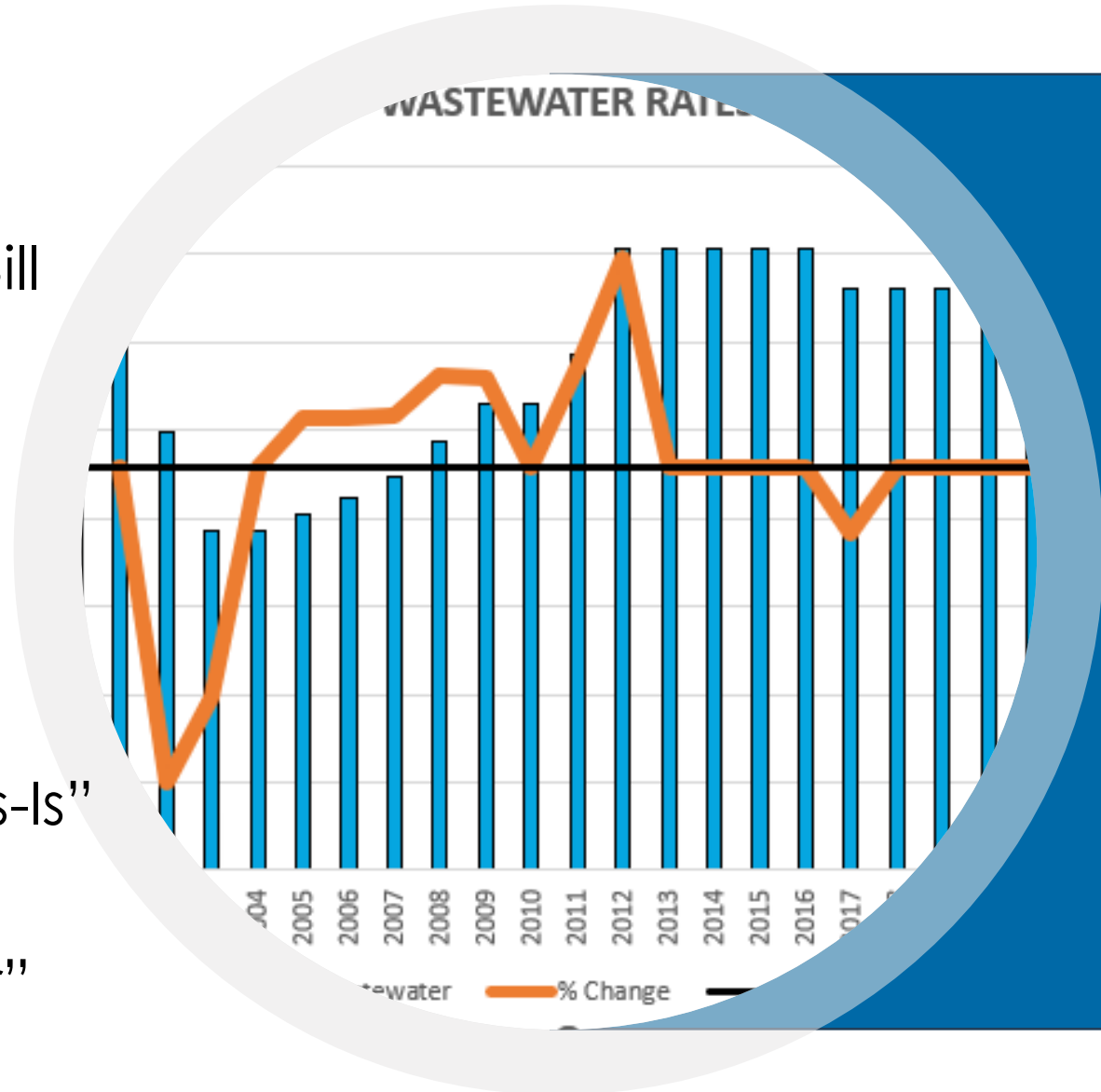


2022 PIQUA / OAKWOOD RATE STUDY

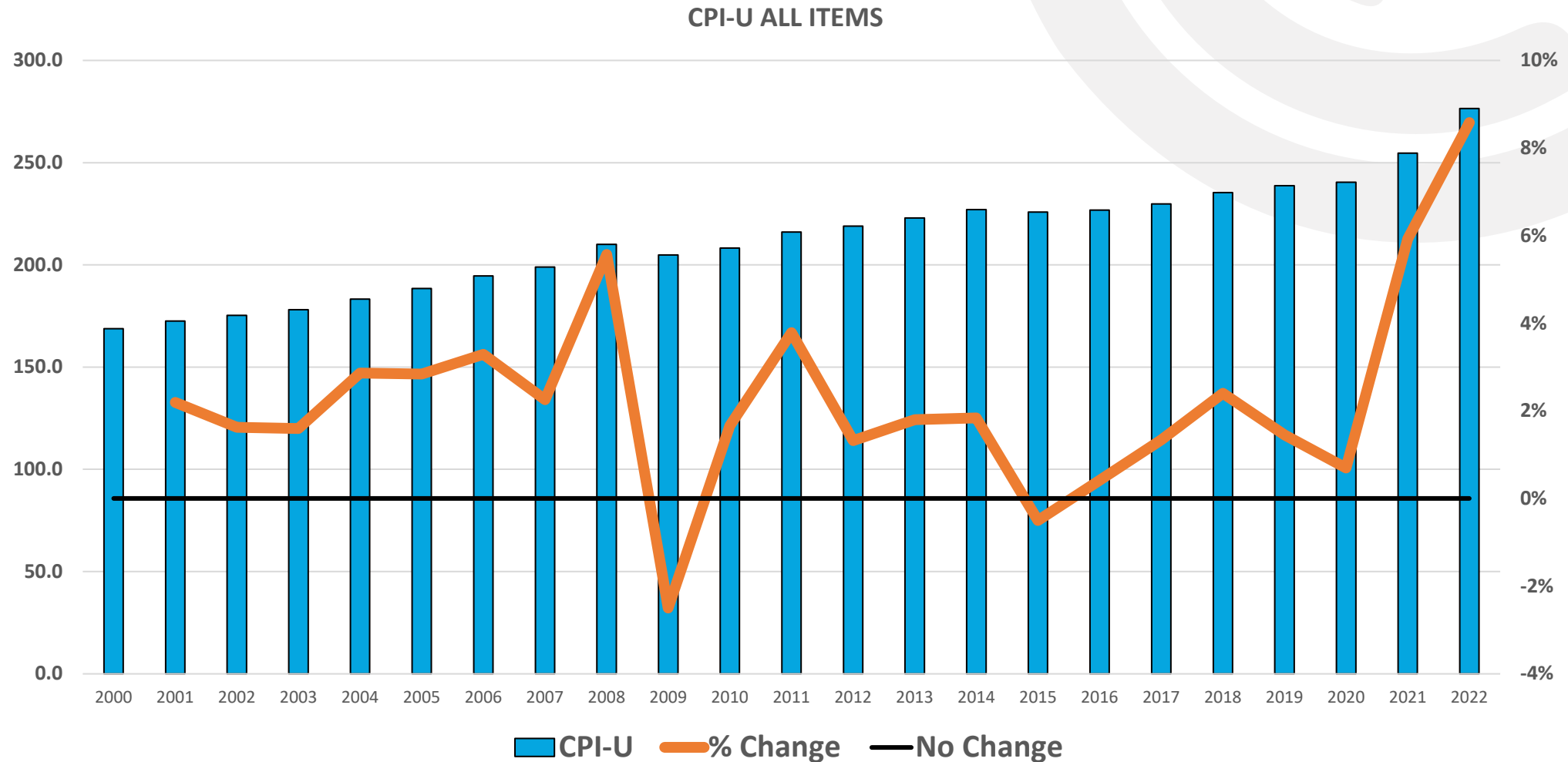


ASSUMPTIONS & QUALIFIERS

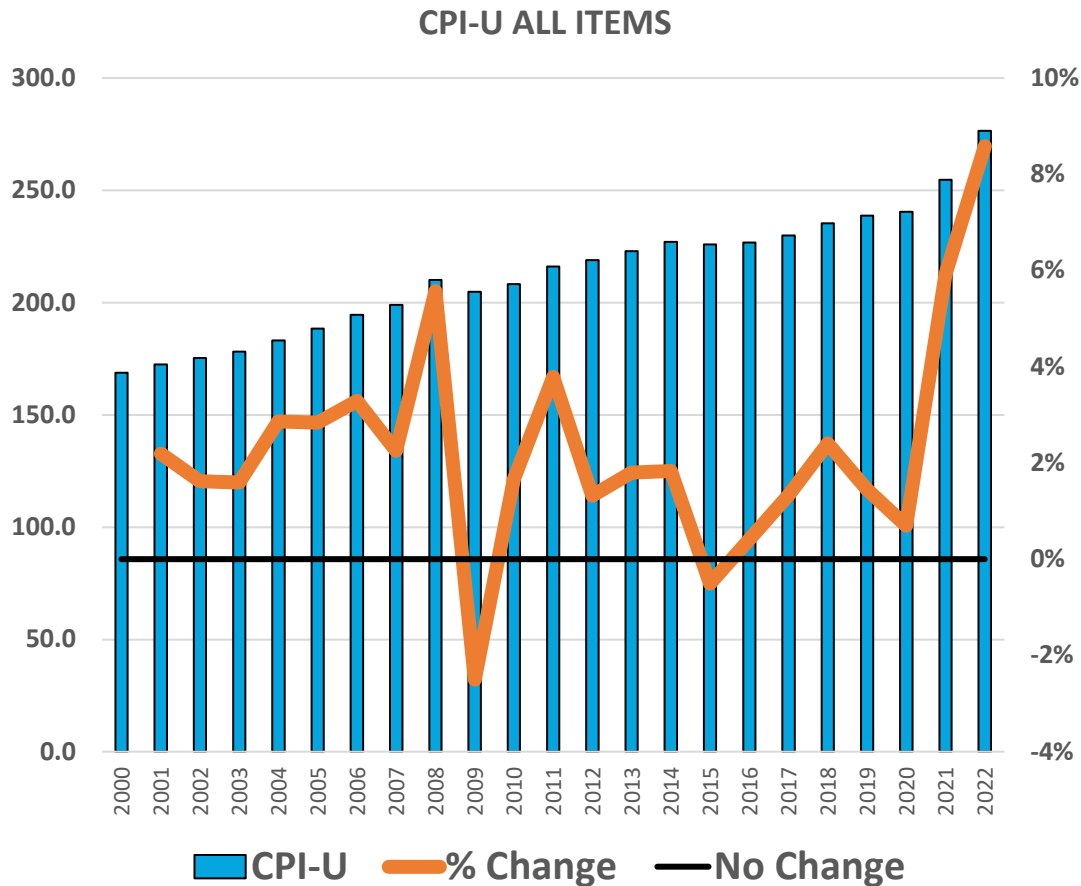
- Based on Minimum Utility Bill
- Monthly Rate
- Descriptive Trends
- Limited Context: “World As-Is”
- “Wastewater” and “Sewer” Used Interchangeably



CONSUMER PRICE INDEX – UNIVERSAL (CPI-U) ALL ITEMS



CPI-U ALL ITEMS 2000 - 2022

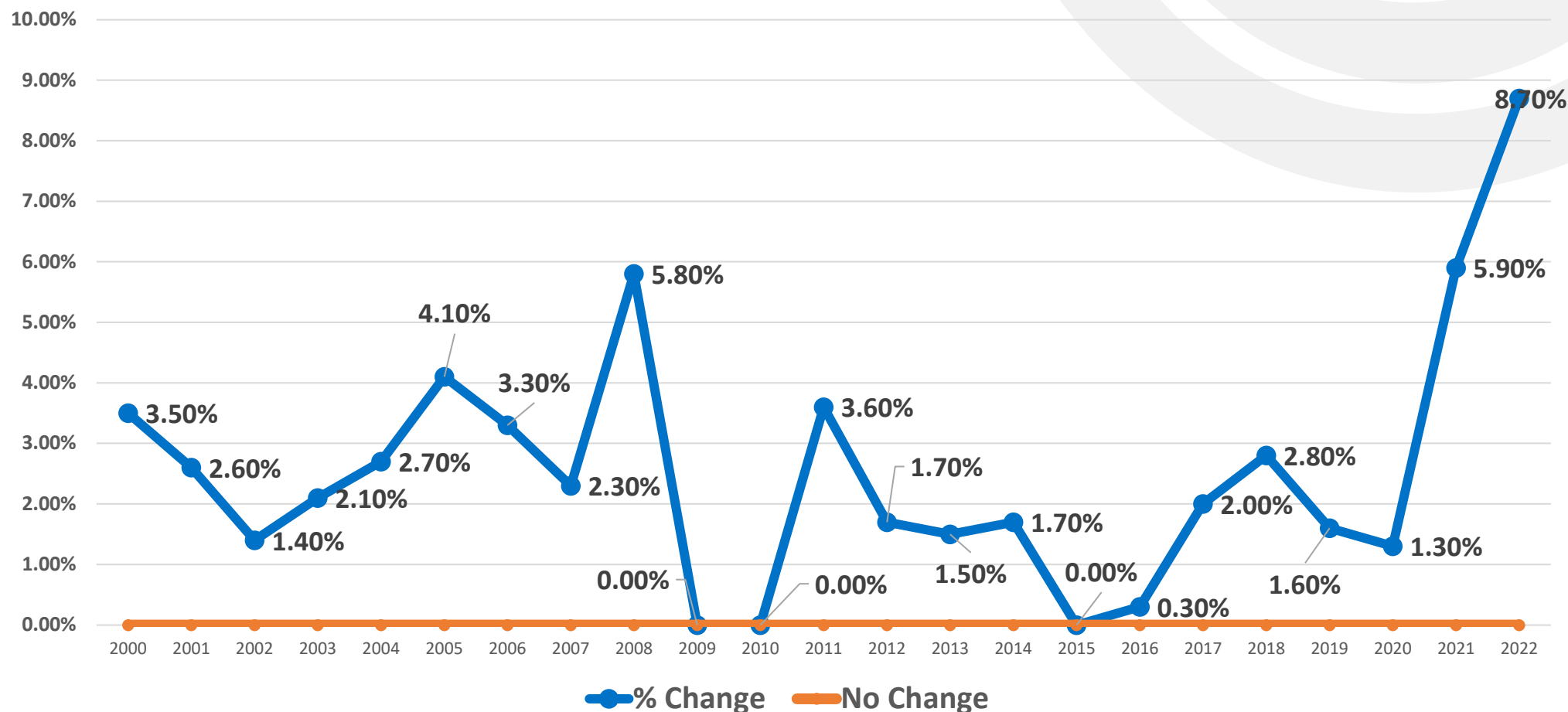


- **Inflation: 63.82%**
- Avg. Year-to-Year Inflation: 2.29%
- 2009 Deflation: -2.5%
- Gradual Increase

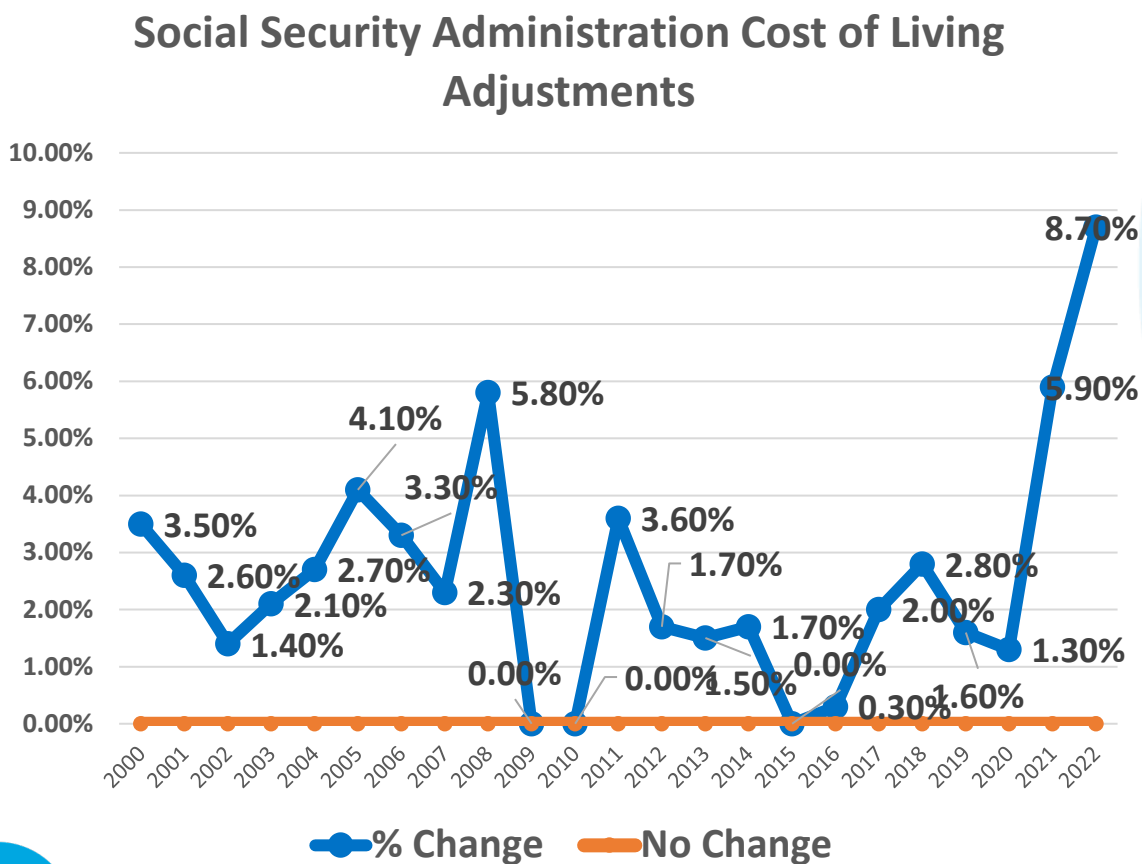


HISTORIC SOCIAL SECURITY COST OF LIVING ADJUSTMENTS YEARS 2000 - 2022

Social Security Administration Cost of Living Adjustments



HISTORIC SOCIAL SECURITY COST OF LIVING ADJUSTMENTS YEARS 2000 - 2022

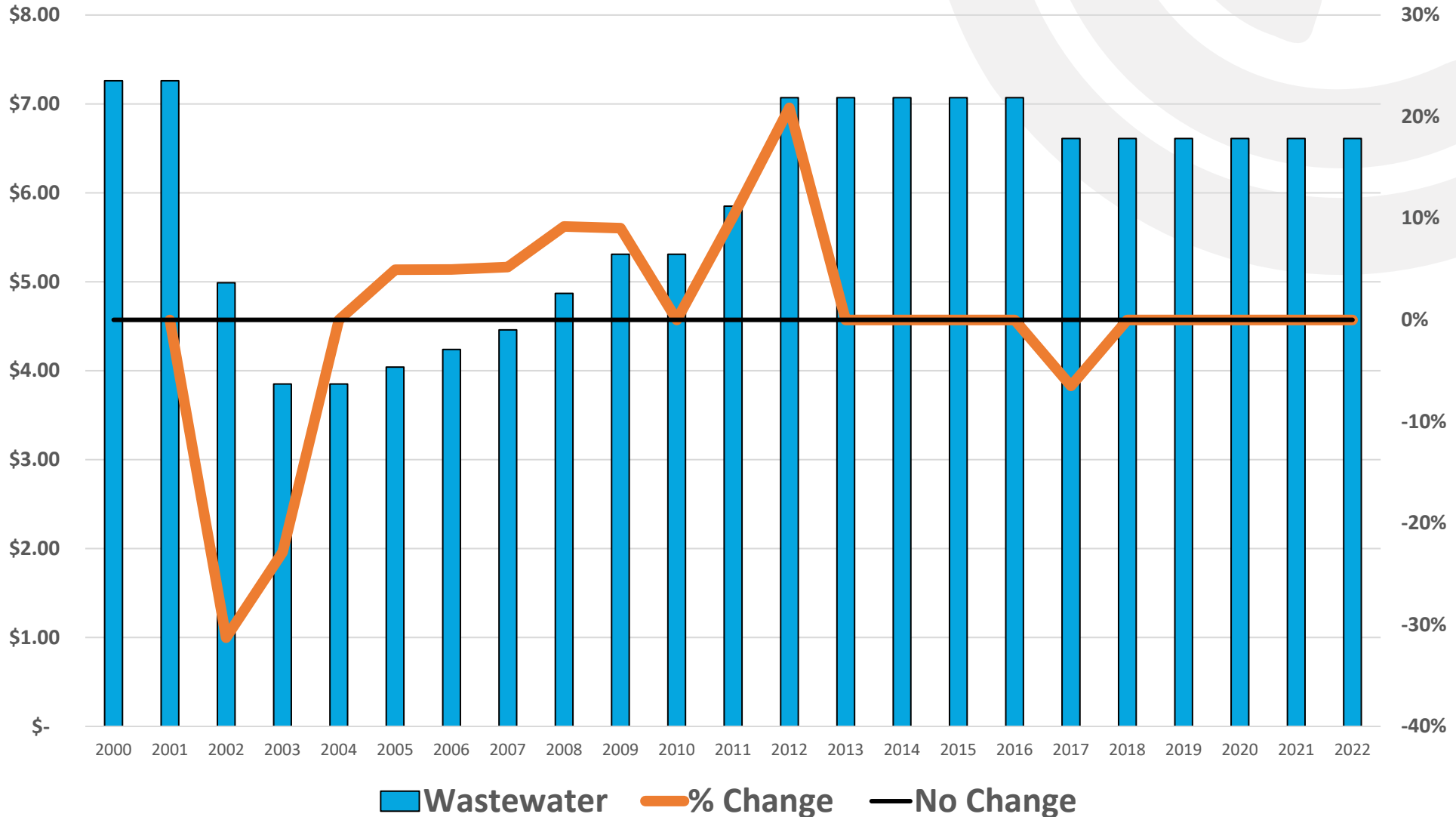


- Average Increase: 2.56%
- Cumulative Increase: 58.90%

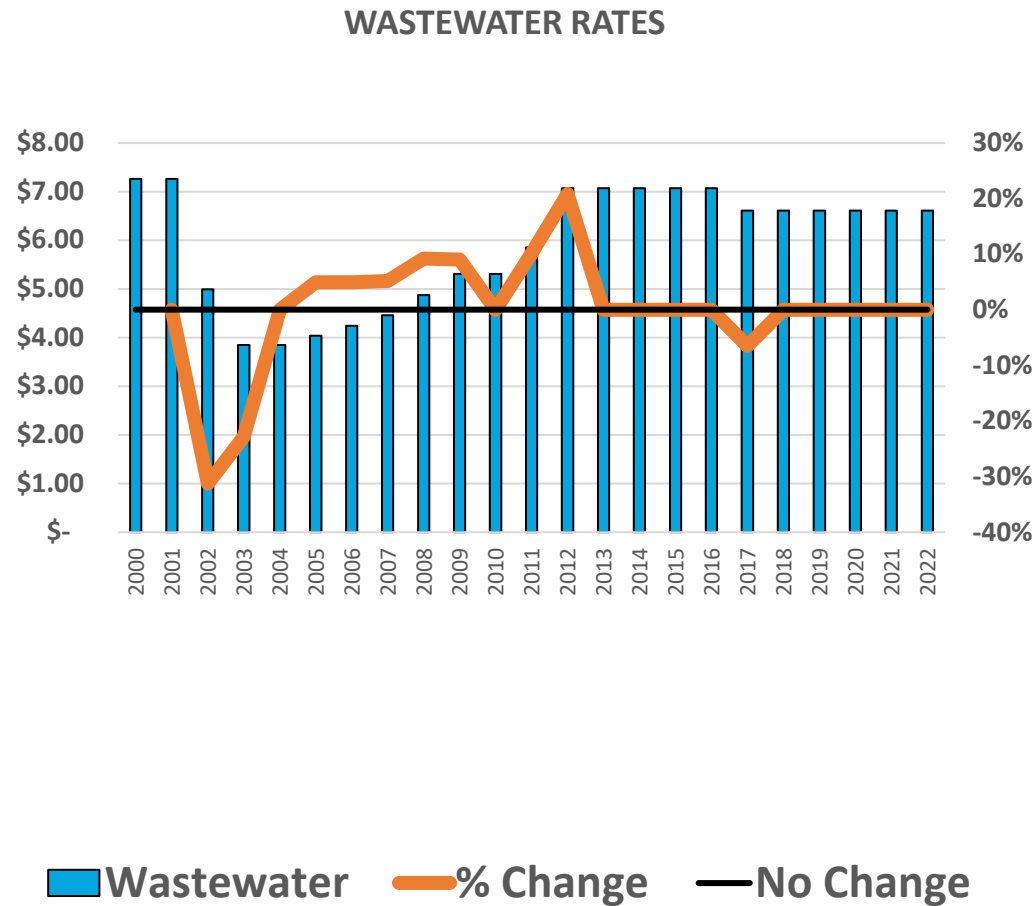


WASTEWATER RATES 2000 - 2022

WASTEWATER RATES



WASTEWATER RATES 2000 - 2022



Rate in 2000: \$7.26

Rate in 2022: \$6.61

-8.95% Decrease 2000-2022

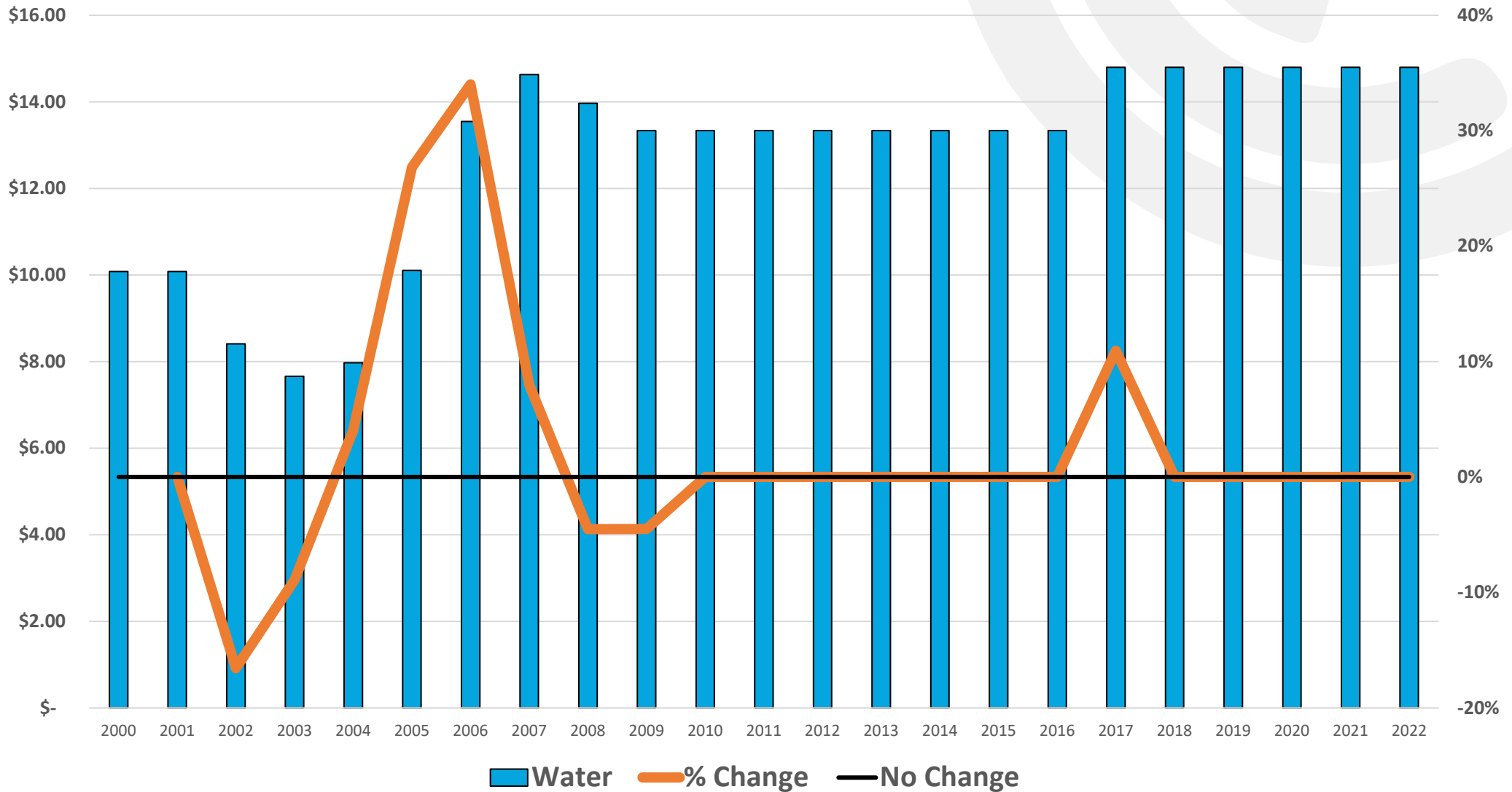
63.82% Inflation During Same Period

- 2002: -31%
- 2003: -23%
- 2013 – 2016: 0%
- 2017: -7%
- 2018 – 2022: 0%

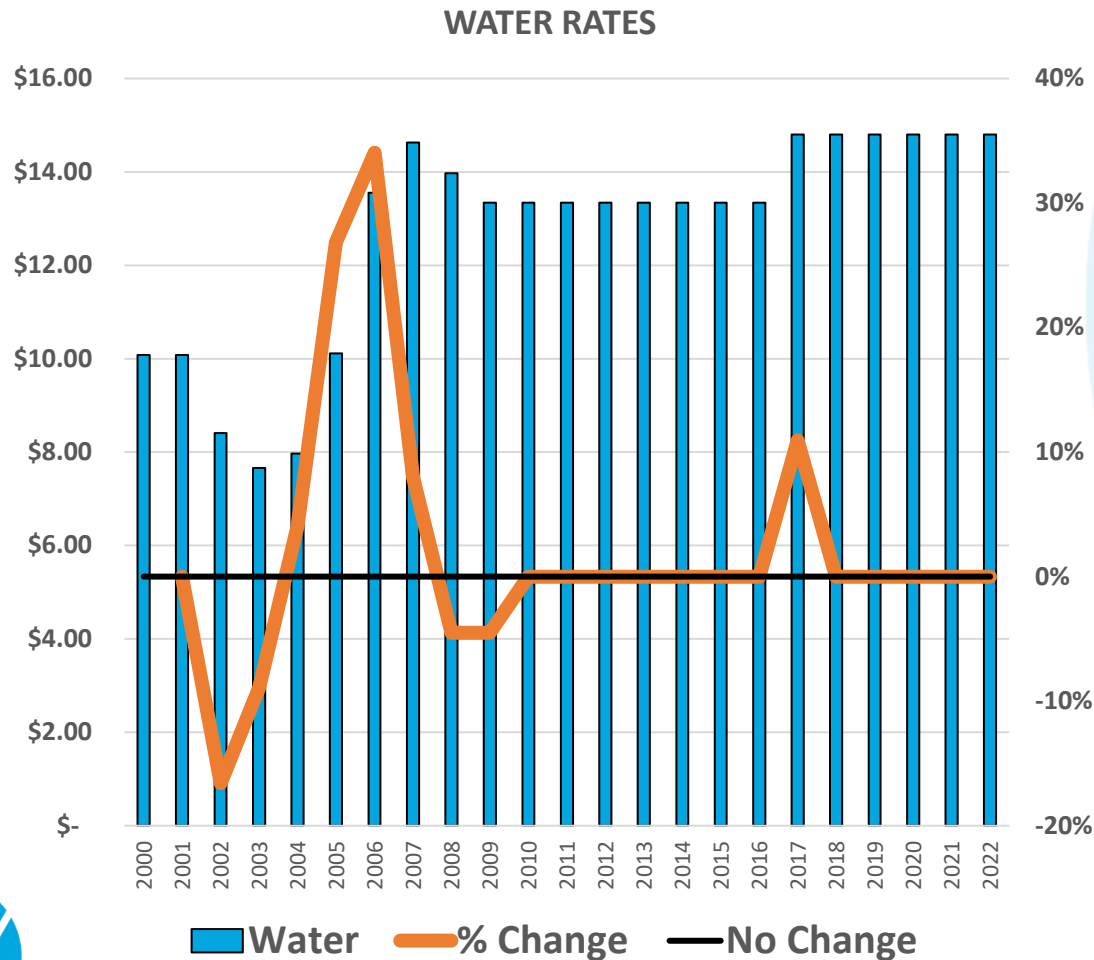


WATER RATES 2000 - 2022

WATER RATES



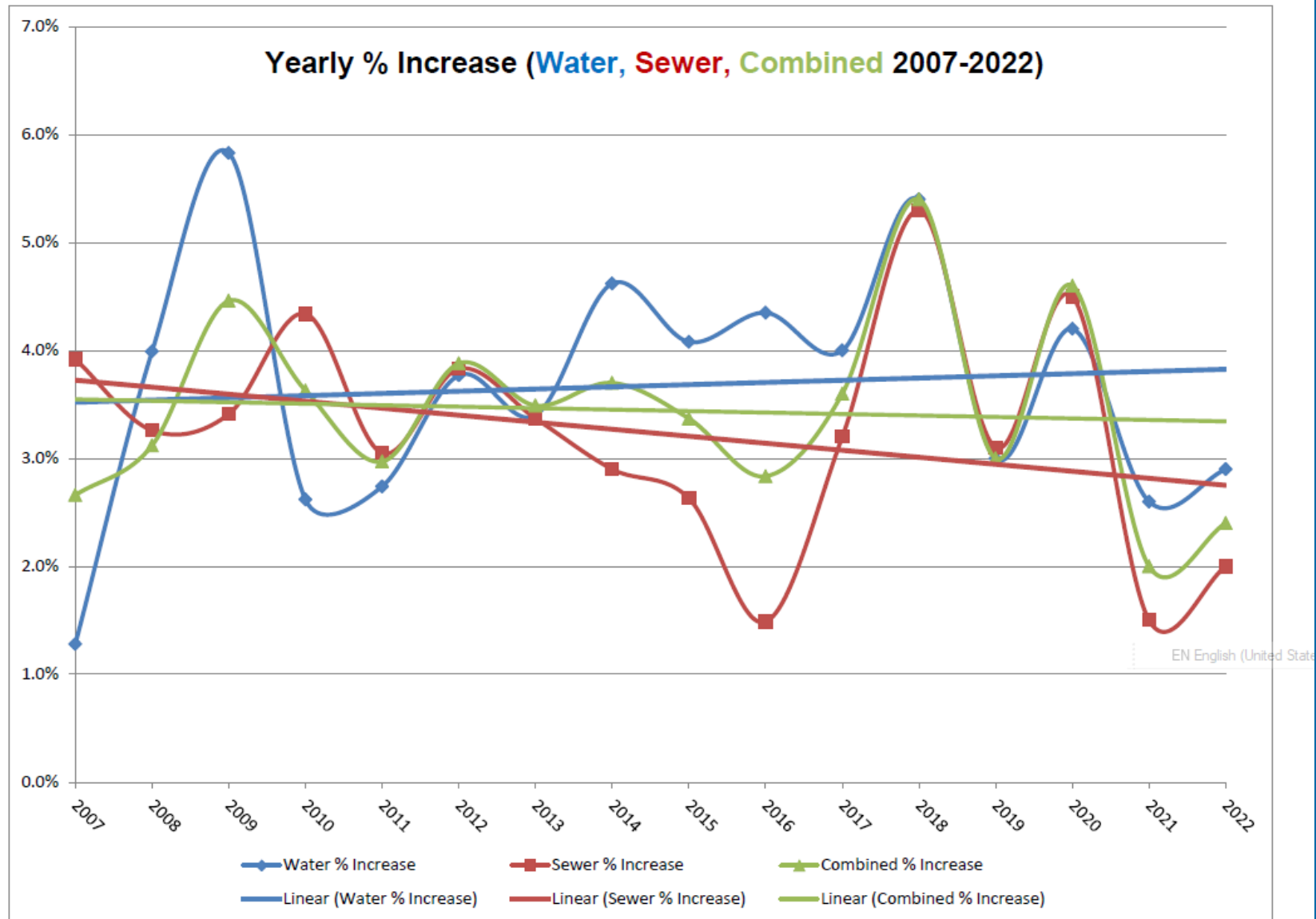
WATER RATES 2000 - 2022



- 46.83% Increase
- 63.82% Inflation During Same Period
- Avg. Year to Year Increase: 2.24%
- Gradual Increase

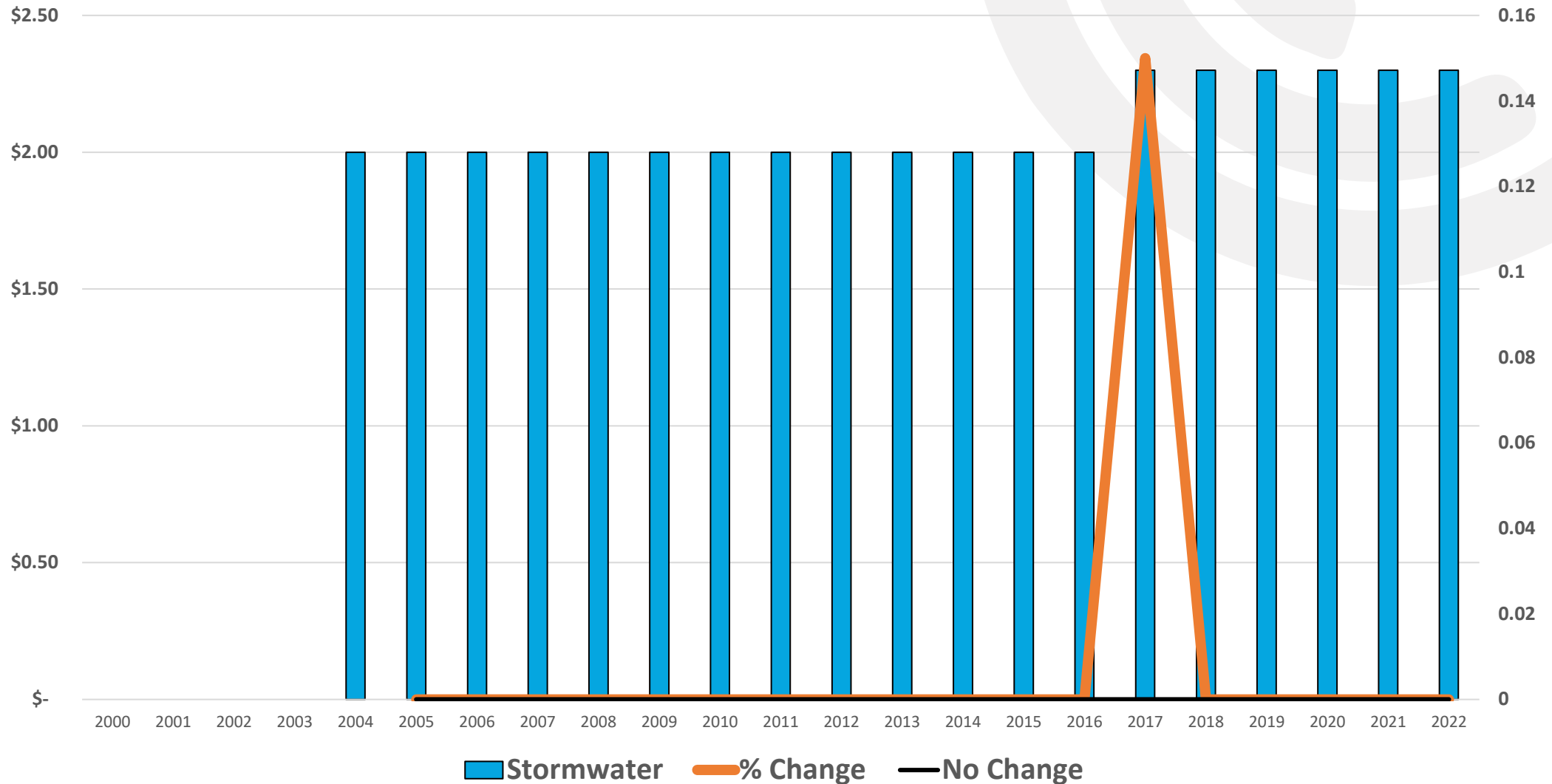


PIQUA / OAKWOOD RATE STUDY



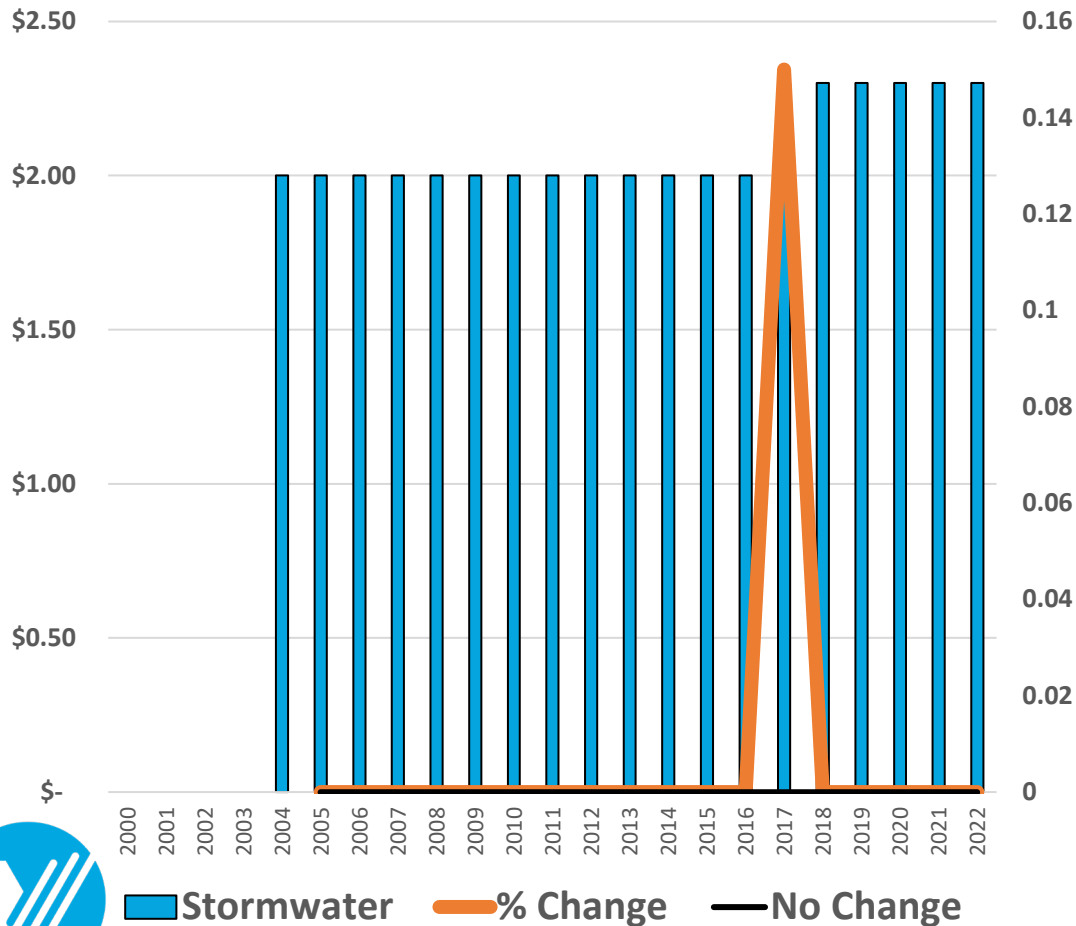
STORM RATES 2004 - 2022

STORM RATES



STORM RATES 2004 - 2022

STORM RATES



- 15 % Increase
- 50.94% Inflation During Period
- One increase of \$0.30 in 2017
- 2004: \$2.00 / ERU
- 2022: \$2.30 / ERU



BUDGET/ PROPOSAL / IMPACTS



WASTEWATER – BUDGET (652)

- 2022 Budget Forecast w/o Update
 - 2026 – Negative Fund Balance: **(\$4,592,695)**
 - **(\$5,427,201)** from Target Fund Balance (25% Operation Expenditures)
- Adopted Forecast:
 - 2027 – Fund Balance: \$1,078,412
 - \$53,958 above Target Fund Balance



WASTEWATER – ADOPTED RATES

- Effective on first bill in January 2023:
 - Increase minimum fee by \$4.96 / month (\$0.165 / day)
 - From \$6.61 to \$11.57 / month
 - Increase other fees proportionally
- Minimum rates established:
 - 2024: \$17.35
 - 2025: \$22.56
 - 2026: \$28.20
 - 2027: \$35.24
 - Rates increased by 2.25% effective on first bill every January thereafter
 - Other fees increased proportionally on same schedule



WATER – BUDGET (651)

- 2022 Budget Forecast w/o Update
 - 2026 – Fund Balance: \$121,155
 - **(\$598,087)** from Target Fund Balance (25% Operation Expenditures)
- Adopted Forecast:
 - 2027 – Fund Balance: \$944,106
 - \$115,766 above Target Fund Balance



WATER – ADOPTED RATES

- Effective on first bill in January 2023:
 - Increase minimum fee by \$4.44 / month (\$0.148 / day)
 - From \$14.80 to \$19.24 / month
 - Increase other fees proportionally
- Minimum rates established:
 - 2024: \$25.01
 - 2025: \$31.27
 - 2026: \$39.08
 - 2027: \$48.85
 - Rates increased by 2.25% effective on first bill every January thereafter
 - Other fees increased proportionally on same schedule



STORM – BUDGET (242)

- 2022 Budget Forecast w/o Update
 - 2026 – Fund Balance: \$330,317
 - 260,381 over Target Fund Balance (25% Operation Expenditures)
- Adopted Forecast:
 - 2027 – Fund Balance: \$828,661
 - 735,081 above Target Fund Balance



STORM – ADOPTED RATES

- Effective on first bill in January 2023:
 - From \$2.30 to \$2.88/ equivalent residential unit / month
 - \$0.58 increase per month (\$0.19 / day)
- Minimum rates established:
 - 2024: \$3.60
 - 2025: \$4.50
 - 2026: \$5.63
 - 2027: \$7.03
 - 2028: \$7.31
 - 2029: \$7.61
 - 2030: \$7.91
 - 2031: \$8.23
 - 2032: \$8.55
 - Rates increased by 2.25% effective on first bill every January thereafter



Examples: Stormwater Fee Impact

ADDRESS	# ERU UNITS	2022 Rate	2023 Rate
		\$ 2.30	\$ 2.88
8555 PETERS PIKE-SCHOOL	22.2	\$ 51.06	\$ 63.94
8675 STONEQUARRY-SCHOOL	12.92	\$ 29.72	\$ 37.21
346 S DIXIE-SCHOOL	44.34	\$ 101.98	\$ 127.70
600 S DIXIE-SCHOOL	61.79	\$ 142.12	\$ 177.96
1010 E NATIONAL-SCHOOL	28.81	\$ 66.26	\$ 82.97
611 RANDLER AVE-SCHOOL	22.94	\$ 52.76	\$ 66.07
55 FOLEY-BEAU	14.71	\$ 33.83	\$ 42.36
1090 W NATIONAL-BEAU	22.05	\$ 50.72	\$ 63.50
1080 W NATIONAL-BEAU	17.04	\$ 39.19	\$ 49.08
1050 W NATIONAL-BEAU	20.7	\$ 47.61	\$ 59.62
1020 W NATIONAL-BEAU	59.15	\$ 136.05	\$ 170.35
850 CENTER DR-CINTAS	12.31	\$ 28.31	\$ 35.45
900 FALLS CREEK-ASPM	39.97	\$ 91.93	\$ 115.11
850 FALLS CREEK-ASPM	5.37	\$ 12.35	\$ 15.47
740 E NATIONAL-GE AVIATION	41.37	\$ 95.15	\$ 119.15



5-YEAR REVENUE FORECAST

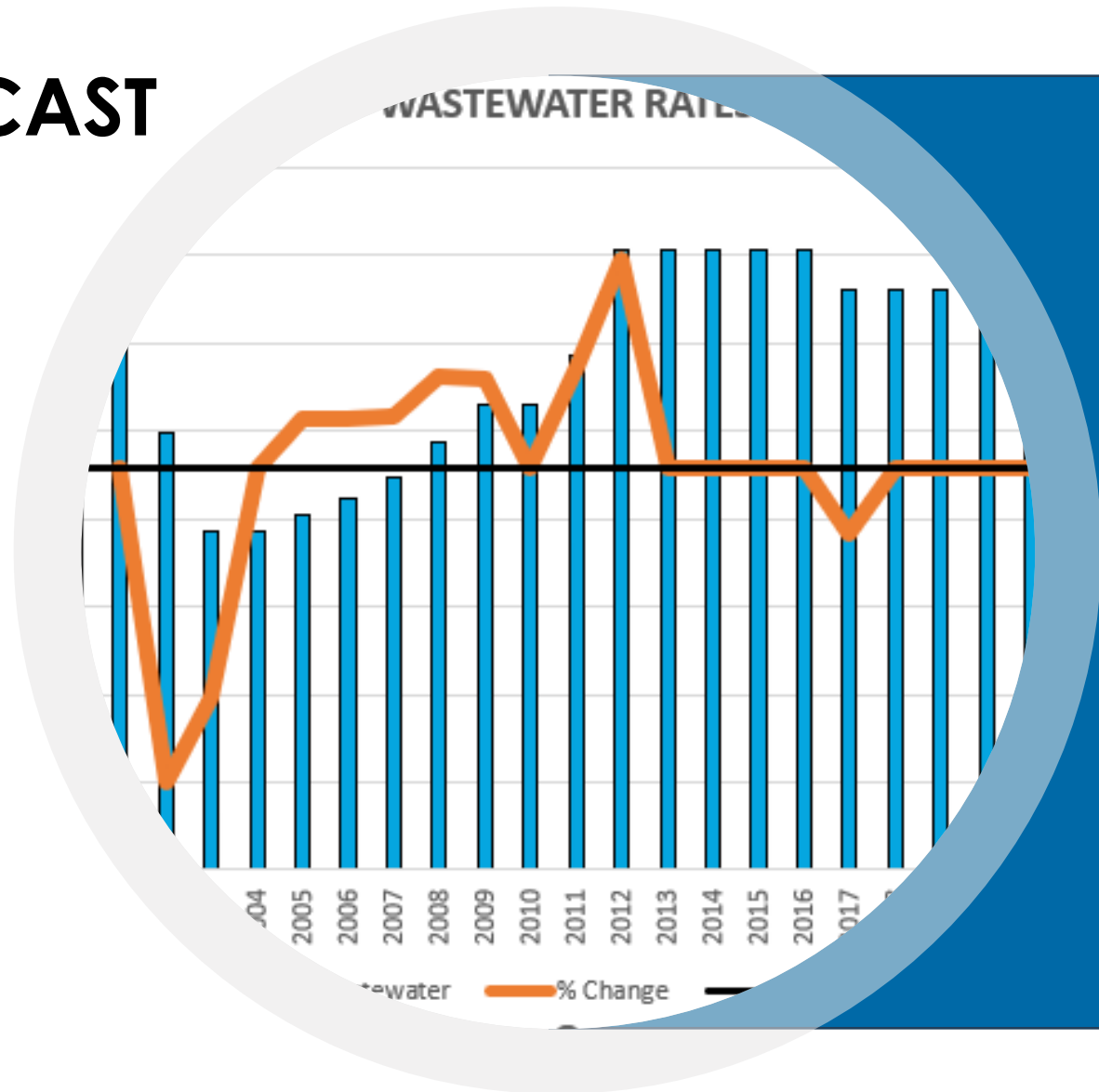
Total Revenue

Wastewater: \$16,772,028

Water: \$11,950,966

Storm: \$1,543,244

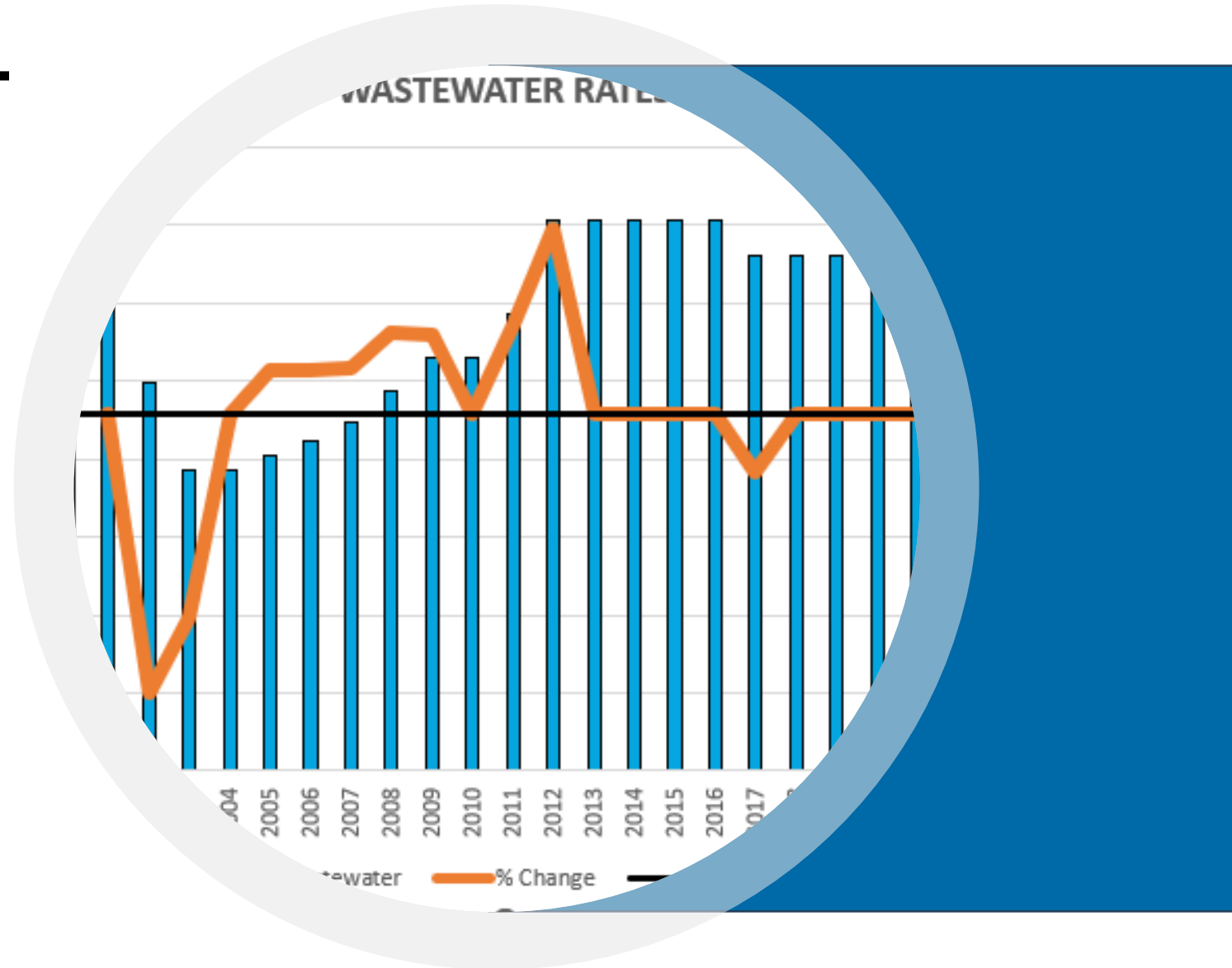
Total: \$30,266,238



IMPACT TO RESIDENTIAL UTILITY BILL

2023 combined increase:

- \$0.328 / day
- \$9.98 / month
- \$119.76 / year



QUESTIONS & COMMENTS

VANDALIAOHIO.ORG

