

SEWER FEE - FREQUENTLY ASKED QUESTIONS

1. Are new sewer fees being considered?

Yes. Shaker Heights City Council is considering legislation authorizing new sewer fees to be phased in over four years starting in 2020.

1. A new fixed monthly sewer fee that applies equally to each household and other property owners and will be phased in over four years.
2. An increase in the local MCF rate that generates a fee which will vary depending on water usage and will be phased in over four years.

2. What is the proposed fixed fee schedule?

Starting on or about May 2020, the new fixed fee will appear on your water bill. This fee will be phased in over four years through 2023. As proposed, the monthly fee will increase by \$2.50 each year.

1. 2020: \$2.50 per month / \$30 per year
2. 2021: \$5.00 per month / \$60 per year
3. 2022: \$7.50 per month / \$90 per year
4. 2023: \$10.00 per month / \$120 per year

3. Have we ever had a *fixed* fee? Are there other cities that have fixed fees?

No. This is the first time Shaker Heights will have a fixed sewer fee. Other communities such as University Heights, Twinsburg, Bay Village and South Euclid utilize fixed fees. (See the attached chart comparing fixed fees of other communities).

4. What is the schedule for the proposed increase in local MCF rate?

The current local MCF rate in Shaker is \$10.50/MCF. Starting in 2020, the local MCF rate will increase by .50 each year through 2023.

1. 2020: \$11.00/MCF
2. 2021: \$11.50/MCF
3. 2022: \$12.00/MCF
4. 2023: \$12.50/MCF

5. When was the last MCF rate increase?

In Shaker Heights, the last local MCF rate increase was in 2001, when the fee was raised to \$10.50 per MCF where it has remained.

6. What is an MCF?

It is the unit of measurement (1000 cubic feet of water) for water usage. Your local MCF fee is calculated based on the local MCF rate and the number of MCFs used in your household.

7. Is the fee based on the local MCF rate a variable charge?

Yes, it is variable. The number of MCFs consumed in each household will vary from month to month depending on water consumption. The less water you use, the less you pay.

8. Does this fee apply to all property owners?

Yes. These proposed fees apply to each household and other property owners.

9. How much money will the fixed fee and the rate increase/MCF generate?

After 4 years when fully implemented, the fixed fee will generate approximately \$1 million per year and the variable local MCF fee will generate approximately an additional \$200,000 per year (subject to change due to usage).

10. Why are new fees needed?

Our sewers were built to last 50 years but are now approaching 100 years old. The sewer infrastructure needs an aggressive maintenance and rehabilitation plan that requires more funding than is currently available in the City's budget and through the current local MCF fee.

11. What will the fees be used for?

The fees will generate a funding stream for long term planning and continued aggressive maintenance of existing sewers and capital costs related to infrastructure such as new laterals and connections from the sewer main to private property, sewer linings and replacements. This will ensure that the sewer system remains viable for at least another 50 years.

12. How are sewers funded today?

Currently, the City's sewer maintenance, repairs and replacement costs are funded through (1) a Sewer Fund which is funded by fees generated solely from the current local MCF rate (which has not changed since 2001), and (2) an additional approximately \$2.7M subsidy from the City's general operating funds. However, the Sewer Fund is not adequately funded to cover rising operating and capital costs.

13. What is the benefit of using fees instead of the operating funds for sewer maintenance and repair?

The fees would allow budget funds currently being used for sewer projects to be used instead for much-needed capital projects and other initiatives that will enable the City to achieve goals set forth by Council and the community.

In addition, currently the amount allocated for sewer repair and maintenance is tied to the annual budget process so funds gets appropriated yearly and can change depending on other budget demands. This makes it difficult to plan ahead and leverage outside dollars for sewer projects. The proposed fees will result in a stable funding stream thus enabling the City to fully leverage grants and other funding sources.

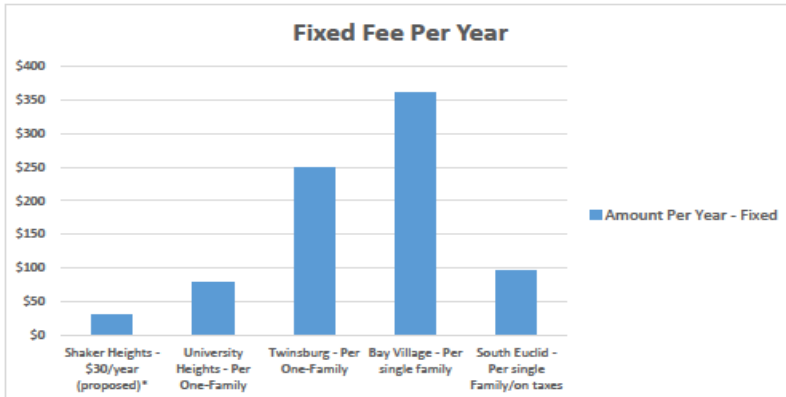
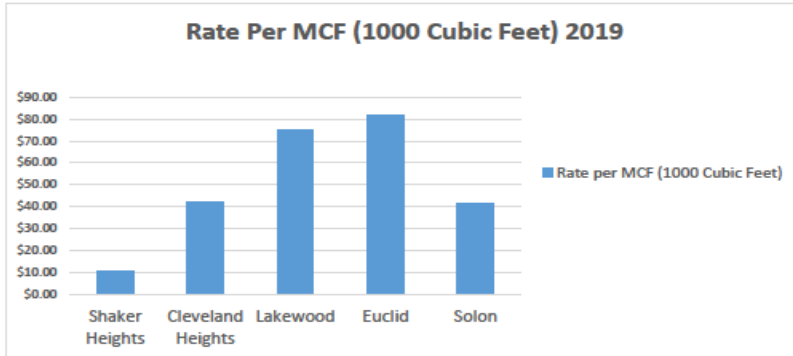
14. How much has the City spent on sewer maintenance and repairs since the major flood that occurred in July 2014?

The City has spent \$13 million since 2014 when we implemented a Sewer Maintenance and Rehabilitation Program following this 50-year flood. These expenditures have been funded by the current local MCF fee and subsidies from the City's general operating fund.

15. How do Shaker’s sewer fees and rates compare to other communities?

Shaker’s sewer rates are among the lowest in Cuyahoga County.

Sewer Charge Comparisons 2019



*Increasing to \$60/year-2021; \$90/year-2022; \$120/year-2023

Beachwood = \$1.50 per linear front footage – on property taxes
 Hudson = \$0.61 per linear front footage (\$61.00 minimum) – on property taxes

How can I voice my opinion about these fees?

You can join us at these upcoming City Council meetings:

- Monday, November 18, 7 pm
- Monday, December 2, 7 pm
- Monday, December 16, 7:30 pm (Final adoption of the budget)