

NOTICE OF INCREASE AND PROPOSED FUTURE INCREASE WATER AND SEWER RATES 2019-2022

Board of Public Affairs (BPA) reminder of the assessment increases for 2021 and 2022. This letter to the Village of Ashley Water Department customers explains the on-going need for the step increases.

Rate Adjustments Needed to Fund Future Operating & Capital Needs

The PROPOSED rates are needed to keep revenues aligned with long-term funding needs, including:

Water Utility 2019-2022

- General inflationary increases in costs across the board
- Increases in Del-Co rates of approximately \$36,000 per year (30%) through 2022
- Approximately \$4,971,000 the next 5 years and an additional \$5,089,000 over the next 10 years.
- Due to delayed maintenance and aging infrastructure in need of replacement.
- Inadequate rate increases in the past.
- The BPA voted to increase Water assessment rates \$5.00 starting January 2019.
- Lack of Federal grants
- Loss all State Funding for municipalities in the last 3 years
- Keep revenues aligned with operating, capital, & regulatory costs providing a stable revenue base.
- Overall increase of \$19.08 per month to the average residential user through 2022
- Meet the Village's water and sewer enterprise debt service obligations, including maintaining reserves.

Sewage Works 2018-2022

- General inflationary increases in costs across the board
- Due to delayed maintenance and aging infrastructure in need of replacement. That cost is approximately \$2,494,400 over the next 5 years.
- Inadequate rate increases in the past
- The BPA voted to increase Sewer assessment rates \$5.00 starting January 2019.
- Lack of Federal grants
- Loss all State Funding for municipalities in the last 3 years
- Overall increase of \$9.43 per month to the average residential user through 2020

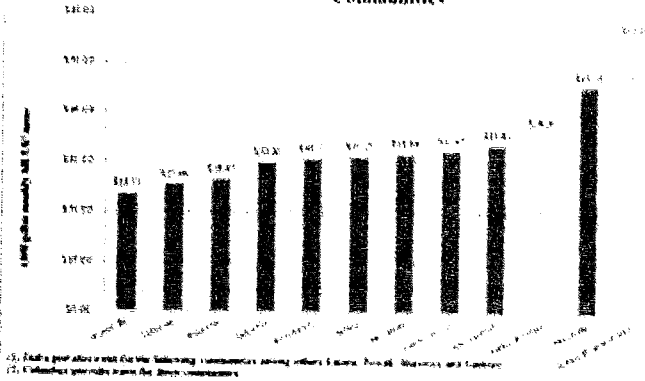
Board of Public Affairs & Village of Ashley Council Summary: To help residents understand what the Board of Public Affairs (BPA) & Village Council considered in establishing the new rate.

- 1) Projected costs are based solely on current budget and projected budget cost increases to the Village to maintain and improve both Water & Sewer systems and annual water supply increases from DELCO. *Accordingly, the Village will do its best to obtain grants to prevent and of set further increases over the next few years.*
- 2) We are trying to prevent the Environmental Protection Agency (EPA) from stepping in on the Water System.
- 3) Age of the Village Water lines, majority of the water mains date to the 1930's. The system is near 100 years old.
- 4) Water Towers maintenance and repairs that are needed to provide adequate supply for residents and the Fire Department.
- 5) Maintaining and repair of the Water & Sewer systems are critical to current residents & future residents and to economic development of the Village of Ashley. The BPA & Council must be concerned about the costs to supply water, the quality of water and the disposal of water for both current and future generations.
- 6) The Board & Village considered a proposal from the Village water supplier DELCO, to take over the system. The proposal would require the Village to repair water lines before taking over the Water System. The Village would still be responsible for the costs of needed repairs. An immediate increase would result to all residents. No revenue would be forthcoming to offset the costs of the repairs.
- 7) Capital Improvement Plan (OHM) 6 Phases for the Water System (lines) over 5 years, Rehabilitation of the South Water Tower & the North Water Tower, 20-year recommendations to include less critical needs of changing current 6" PVC water mains that already present in the system.
- 8) Environmental Protection Agency (EPA) mandatory regulations and repairs for the Village Wastewater System.
- 9) Capital Improvement Plan (OHM) 6 Phases for the Water System (lines) over 5 years, Rehabilitation of the South Water Tower & the North Water Tower, 20-year recommendations to include less critical needs of changing current 6" PVC water mains that already present in the system.

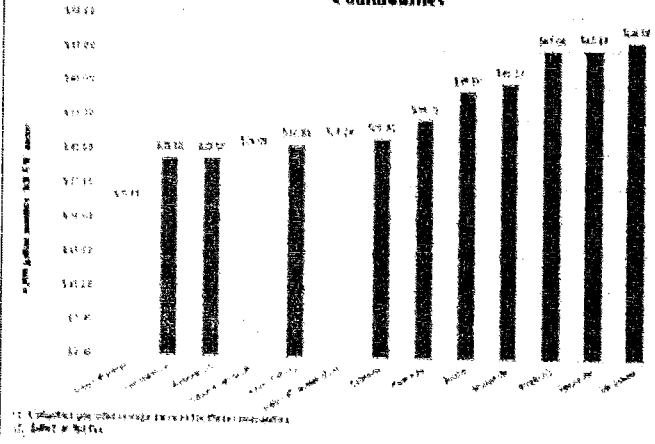
**PROPOSED Water & Sewer Utility Assessment Rate Adjustments
Needed to Fund Future Operating & Capital Needs 2019 - 2022
Water Supply Cost Annual Increase**

	2018	2019 Occurred	2020 Occurred	2021 PLANNED	2022 PROPOSED
Water Supplier Annual % Increase	3%	3%	3%	3%	3%
Water Assessment Rate \$19 increase - 2022	\$3.00	\$8.00	\$13.00	\$18.00	\$23.00
Sewer Assessment Rate \$10 increase - 2022	\$4.00	\$9.00	\$11.50	\$14.00	\$16.50

**ASHLEY (OHIO) MUNICIPAL WATER UTILITY
Comparison of Monthly Residential Bills with Surrounding Communities**



**ASHLEY (OHIO) MUNICIPAL SEWAGE WORKS
Comparison of Monthly Residential Bills with Surrounding Communities**



Water & Sewer System Overview

The Village of Ashley provides water and sewer service to over 540 Village residential, institutional and commercial customers. The Village's water and sewer utilities are self-supporting enterprises that charge rates which must be adequate to fund each utility's operating and maintenance costs, debt service obligations, and ongoing capital improvement needs. The Village purchases 100% of its water supply from Delco.

The Village water system is comprised of two water towers, approximately 54 hydrants, 89 main line valves and 25,000 lineal feet of pipe. Sizes range from 2" to 10", with the majority being 4" pipe. The Village collects wastewater and wastewater is then conveyed to the Village Sewer Plant for treatment.

The increase will only occur if it is determined that the presently projected need still exists and in no event will it exceed the maximum rate set forth in the rate tables above. The purpose of the revenue assessment charge is to ensure that the water system continues to receive sufficient revenue to pay all costs, including maintenance of reserves. The revenue assessment charge will remain in place as needed to meet the water system's revenue requirements.

If the BPA & Village Council increases the revenue assessment charge by less than the maximum for one year, it may thereafter increase the charge up to the maximum established for that year and in subsequent years up to the maximum for each such year. The BPA & Village Council may also terminate the revenue assessment charge if no longer required.

The Village currently bills monthly for water and sewer. Rates for monthly billing cycles are outlined. The Village has determined that the (2019) occurred rate and PROPOSED total water & sewer assessment and service charges set forth in the tables above, would not exceed the estimated reasonable proportional cost of providing water service to each parcel and related regulatory activity of the water system.

Any questions or comments? Please plan to attend a monthly BPA meeting. We meet on the 3rd Tuesday of the month at 7:00 pm. The option to attend by calling-in via conference call is available: (571) 748-4021 enter access code: 8633075#