

Chardon closer to new water/sewer rate plan

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Chardon officials are narrowing in on a new water/sewer rate scenario for the next five years, but first will review at least one more possibility.

Council is holding its second of two special sessions on the matter Thursday and must come up with a rate structure in order for legislation to be prepared by the July 12 regular meeting. Council plans to hold three readings on the issue.

"I think we will reach a consensus on water/sewer," Mayor Phil King said. "I think we're pretty much there; there are just a few more things we need to look at."

Leaders not only will weigh potential percentage increases, but also how much capital projects could negatively be affected under the various options. Nearly \$1 million of the general fund is projected to subsidize water/sewer operations next year.

"That could have tough implications on our capital

improvements over the next two to three years," King said. That could set us back an awful lot. ... We fought long and hard to get on good financial footing."

The administration provided three possible rate-increase options, including uniform rate adjustments, adjustments based on customer type — residential or business — and uniform water rate adjustments combined with different sewer rate adjustments based on customer type.

The administration has recommended a route that would increase the average residential customer rate 9.5 percent next year, with smaller increases the following four years. It amounts to an additional \$6 or \$7 per month the first two years. Commercial and industrial customers would pay an average increase of 8.5 percent over each of the next five years, starting with about 23 percent in 2013.

Council Vice President Leslie Bednar said double-digit increases shouldn't be ruled out for residents, con-

sidering the toll on other city offerings.

"We must make sure we create the best solution that balances protecting water and sewer customers from too rapid of a cost increase with protecting the general fund, so it can meet the community's other needs such as roads, services, etc.," she said.

The administration is working on a fourth scenario based on a \$10 increase the first year, which would put the percentage increase over 10 percent.

"Ending rates would be the same under each scenario," Finance Director Mate Rogonjic said. "It's just how quick do you want to get there. The longer it takes to get there, the more the general fund is going to have to pay for water and sewer."

Councilwoman Deborah M. Reiter said she won't support a double-digit rate increase.

"I know the general fund shouldn't always be subsidizing the water/sewer fund," she said. "I know there are things we want to do and need to do, but we need to be more deliberate in our con-

siderations before we keep going to the residents all the time."

Regardless of the option chosen, the water/sewer fund wouldn't be self-supporting until 2021.

The city's financial management and debt policy requires the rates be reviewed at least once every five years to determine whether they meet operations costs, and cover debt service payments and capital reserves. In 2006, council voted 4-3 to approve nearly a 30 percent hike to pay for a \$7 million Environmental Protection Agency-mandated water treatment plant.