

*** Glendale To Replace Aged Wastewater Treatment Plant and Upgrade Water Plant**

*** Town Hall Meeting scheduled for Thursday, March 2nd, 2006 7pm to bring you up to date on our mandated Utility upgrades and how it will impact your future Utility Rates**

As most residents are aware, the Village of Glendale operates its own wastewater treatment plant *and* water works plant. We bill and collect utility fees from each user on a quarterly basis. The sum total on your utility bill is for water consumed *and* a sewage charge for the same volume of water metered. Revenues collected to operate these two plants are approximately \$600,000 per year. By law, we may not charge less than or more than that is necessary to properly operate, maintain and improve upon these two enterprise utility operations.

Concerning Your Wastewater (Sewage) Treatment Plant Project

Your residential sewage is treated at the wastewater treatment plant which is located at the lowest elevation in town; 528 E. Sharon Avenue. Your sewage flows by gravity to this plant, via 17 plus miles of underground sewer mains, and is treated by a series of natural cleansing and filtration technologies and then discharged into a tributary that leads to the Millcreek. Our plant, first built after the turn of the century, has been upgraded several times and was completely rebuilt in 1987 for a cost of \$1.8 million dollars (plus over \$4 million in interest during a 20 year period). It has been a very reliable and faithful treatment plant and it treats between 500,000 - 750,000 gallons per day of raw sewage from 1,007 Glendale residential customers.

The Ohio EPA gave us notice in late 2004 that our plant is nearly out of date, that the technologies and systems incorporated in the processing of residential sewage will no longer be acceptable, and that we *must* build a new plant using advanced processes to better treat and cleanse the sewage water that discharges into the Millcreek. New discharge standards will take place in 2007 and a mandate to build a new sewer plant has been ordered by the EPA. Over the past 18 months, we have studied the options and determined that it would be more expensive to connect to and then pay for Metropolitan Sewer District (MSD). Knowing the challenges that await the larger MSD and what their rates will have to become over the next 10 years, it clearly is less expensive and a better choice to replace our plant by obtaining low interest EPA loans and to pay for the mandated improvements over a 20 year period by increasing utility rates. The cost to do so is approximately \$4.5 million (with less than \$2 million in interest).

Concerning your Water Treatment Plant Project

Glendale has one of the first water plants in Ohio and it is still operating at its original Sharon Road location just down the street in Evendale. It has been a very productive water plant and it produces between 500,000 - 750,000 gallons per day of filtered, softened and treated artesian water for 1,007 Glendale residential customers. Annual inspections by the Ohio EPA give us direction in the technology improvements and systems upgrades that are necessary to stay in compliance. Current recommendations (which become mandates if not addressed) include a new filtration system using re-carbonation, higher volume pumps, modernizing the voltage and control systems, modernizing the technology of the lime softening system and other technical improvements. These costs are estimated to be \$1.5 million. ATS Engineers are currently working on a plan of action to bring our plant to the higher standards as directed by the OEPA.

How Will We Pay For A Wastewater Treatment Plant (WWTP) And Upgrade The Water Plant?

We have obtained a low interest Ohio EPA loan, Division of Environmental Financial Assistance (DEFA), at the rate of 2.75% for a 20 year period to pay for planning, engineering and construction costs for the new WWTP facility. This is about 1/2 of what a conventional loan or bond would cost and it greatly reduces our financing costs to you as owner and customer. However, it does require that utility rate increases pay back the loan. Glendale utility rates have been held down to remarkably low levels over the past several decades. Currently, the minimum combined utility bill is \$54 and the average bill is \$126 per 3 month quarter (\$18 and \$42 per month respectively). Much of this has been due to placing the last plant upgrade (1987) costs on your property tax bill over the past 19 years. Please know that the 8.5 mills needed to pay for the 1987 sewer plant project have been decreasing each year (it is now less than 1 mill) and will completely “sunset” in December of 2008.

Concerning the Water Plant, we are in the process of obtaining a \$1.5 million dollar low interest DEFA loan for a 10 year period and we will make loan payments by increasing water rates to that which is necessary for us to “break even” after all expenses and capital improvements (recall that we may not profit from utility rates). In summary, both the sewage and water portions of your next bills will be substantially increased.

What Will My Total Utility Bill Become and When?

It is necessary to substantially increase your combined water and sewage bill effective the second quarter this year. That means that as of April 1, 2006, all water and sewage fee metered will be at the higher rate. You will receive the first “higher” utility bill in July of 2006. This bill will be approximately 2.3 times larger than that which you have been paying. Of course, you will always pay for only that which is metered and lower consumption results in a lowering of a bill. Here is an example of what the *minimum* and the *average* bill currently are and what they will soon become;

Quarterly (3 month) Bill

Current Minimum* Bill:	\$54.40	Future Minimum Bill:	\$126.29
Current Average** User Bill:	\$122.80	Future Average User Bill:	\$284.89

* A minimum user consumes less than 1,000 (7,480 gallons) of water.

** An average user consumes apx. 3,000 cubic feet (22,440 gallons) of water.

Yes, these increases are substantial and Glendale Utility consumers will no longer enjoy what have been some of the lowest rates in Ohio for water & sewage. While it is unfortunate, we assure you that these higher rates are necessary and that the rates will be evaluated each year to ensure that what we charge you is only that which is necessary to operate both plants properly and in compliance with Ohio laws. Please plan to attend our Town Hall meeting this Thursday, March 2nd, 2006 at 7pm and bring any questions that you might have. Thank you.

Walter W. Cordes

Village Administrator