

MEMO

TO: Columbus Wastewater Utility

FROM: Kevin J. Wagner, P.E.

DATE: May 15, 2026

SUBJECT: 2026 Sanitary Sewer Rate Study

Ruekert & Mielke, Inc. (R/M) has completed a study of the wastewater utility's infrastructure needs and financial condition. This memo accompanies the study to provide a summary of the work that was completed.

The sanitary sewer study and analysis included the following work:

- Update of the Wastewater Utility Capital Improvement Plan (CIP) for the 2026-2036 planning period.
- Financial forecast of projected costs over the planning window, using 2024 and 2025 financial data.
- Review of the current rate structure and methodology for the Village of Fall River, as governed by the Intergovernmental Agreement (IGA) and its Amendments.
- Assessment and allocation of capital, operational, equipment and debt costs, over the planning window, as they relate to the Utility, the Village of Fall River, and the Elba Sanitary District.
- Projection of revenue requirements and associated rate increases necessary to meet revenue requirements for operations, debt obligation and capital projects.
- Update of volumetric rates for the Village of Fall River and the Elba Sanitary District
- Planning-level projections for future rate increases to provide sufficient funding to meet forecasted costs over the planning window.
- Recommendation of a cash reserve policy to maintain cash on hand to fund unanticipated costs.

This study combined a review of the Utility's infrastructure needs with the projected costs and revenues for the Utility through 2036. It also included a review and refinement of the process the Utility uses to implement the IGA methodology for the Village of Fall River.

The key findings from this study were the following:

- Operations and Maintenance (O&M) costs have increased significantly, by 90% from 2020 to 2026.
- The Wastewater Utility has a critically low cash balance and is projected to not be able to maintain funding for operations and existing debt obligation without significant rate increases.

With the Utility's current financial situation, and the need to increase revenue to maintain funding for the increased operational costs, the Utility will need to enact rate increases in the near future.

Additionally, the volumetric rates for the Village of Fall River and the Elba Sanitary District are due for updating, as the IGA stipulates rate adjustments every two years, and the current rates do not accurately reflect the Utility's cost for treatment. Our recommendations from this study are:

- Implement a 19% volumetric rate increase to commence June 1, 2026 - resulting in an increase from a rate of \$6.35 per 100 cubic feet to \$7.56 per 100 cubic feet.
- Update the volume rates for the Village of Fall River in compliance with the IGA from \$2.59 per 1,000 gallons treated to \$3.13 per 1,000 gallons treated.
- Update the volume rates for the Elba Sanitary District from \$2.42 per 1,000 gallons treated to \$3.13 per 1,000 gallons treated.

The sewer study report provides detailed documentation of the analysis, including the capital improvement plan, financial forecast, and the methodology used for determining the recommended rates.

KJW:cal