



Agenda Item Report

Meeting Type: Utility Commission

Meeting Date: Thursday February 27, 2025

Item Title: Columbus Wastewater Utility Finalized Sewer Rate Case Adjustment Proposals

Submitted By: Jacob R. Holbert, Utilities Director

Detailed Description of Subject Matter:

The documents will be providing insight on the following:

Part #1

We ran a few different scenarios to present to the Council. Just to reiterate the Council asked for keeping the fixed charge the same at the 56 percent increase and to have Elba and Fall River contribute more equally as Columbus as all parties are working off the same system. Alternative 3 addresses this request (see explanation below). We ran 2 more alternatives just to evaluate all options. The other 2 options we altered the 56% fixed charge just to see where things played out. This is alternatives 5 and 6 below.

Alternative 3

- Columbus' fixed charge remains at a 56% increase for all meter sizes to cover all debt service for 2025.
- Elba and Fall River get a volume charge increase to \$5.90 per 100 cubic feet.
- Columbus remains at the current volume charge of \$6.34 per 100 cubic feet.
- Waste haulers remains consistent through all alternatives.

Alternative 5

- Columbus' fixed charge remains at the current rates for all meter sizes, 0% increase. Will not cover all debt service for 2025.
- Elba and Fall River get a volume charge increase to \$8.78 per 100 cubic feet.
- Columbus remains at the current volume charge of \$6.34 per 100 cubic feet.
- Waste haulers remains consistent through all alternatives.

Alternative 6

- Columbus' fixed charge gets a 28% increase (half of the original 56% increase) for all meter sizes. This would cover roughly 80% of 2025 projected debt service.
- Elba and Fall River get a volume charge increase to \$7.35 per 100 cubic feet.
- Columbus remains at the current volume charge of \$6.34 per 100 cubic feet.
- Waste haulers remains consistent through all alternatives.

R/M would recommend proceeding with Alternative 3, or a similar option, to ensure that debt service is fully covered by fixed charges. While the other two alternatives (5 & 6) would help minimize the overall rate increase for Columbus, they would result in Elba and Fall River's volume charges exceeding those

paid by Columbus residents. The final decision will depend on what is considered equitable for Elba and Fall River in relation to their share of costs.

If you could look at the attached, if you are comfortable with these other options, we could be ready by the 4th. I would propose we put together another power point presentation focusing on alternative 3 that addresses the Council question and then also show them 5 & 6 what the impact would be just looking at it form 2 other additional ways.

Part #2

We used the original capital improvement plan and kept the 56% increase for the fixed charge but adjusted the volume charge for the Fall River and Elba, as the Council Requested. See below. This is Alternative 2.

The report and presentation goes through the actual dollar values for the fixed and volume charges for each of the below scenarios.

■ Impact on Customers

■ Proposed Rate Increase

- Fixed meter charges increase 56 percent
- Fall River volume charges increased 195 percent
- Elba volume charges increase by 143.8 percent
- Columbus volume charges increased by 0.2 percent

For the report and presentation, we just included Alternative 2 for this discussion. This would be our recommendation.

After you have had a chance to review, let's discuss.

List all Supporting Documentation Attached:

1. Alternative #3
2. Alternative #5
3. Alternative #6
4. Alternative #2 (Original Capital Improvement Plan Based)
5. 2025 Columbus Sanitary Sewer Rate Study – 20252014
6. Columbus Sewer Rate Study Presentation

Action Requested of Council:

Discuss and Approve of Recommended Sewer Rate Case Adjustment for Implementation Q2 2025.