

Butler County Water and Sewer Rate Reduction FAQs

June 1, 2009

Are everyone's rates being reduced by the same amount?

No. BCWS recently performed a Cost-of-Service Study to establish new rates. These studies are performed when the operations and customer make-up of a utility have changed such that the cost of operations needs to be re-distributed among the various customer classes.

As Cost of Service Study takes into account all of a utility's expenses and distributes those costs over the customer classes in proportion to the expenses exerted by each customer class.

It is because a cost-of-service study was performed this year that different customer classes are receiving different rate changes. The resulting rates will, however, accurately charge to each customer class the expenses attributable to that class.

Our operations have changed since our last cost of service study. For example, we use different wastewater treatment technology and have much more stringent regulatory requirements. We have a new, additional water supplier and a resulting different requirement for the use of energy to pump water. Our service area has grown more in the commercial and industrial sectors, and the peak to average water use characteristics of our customers has changed. In addition, the cost-of-service rate-setting methodology that we used in this study is a different, more standardized approach to rate setting than was used in the last cost-of-service study.

The great news is that almost all rates are decreasing. Different customer classes will receive different rate decreases, based on the cost of service study. See the actual rate resolution to determine how your rates have changed.

Will my bill be pro-rated?

Yes – bills will be pro-rated so that customers will be billed at the new lower rate for all usage that occurs on or after June 1st. To accomplish this, we must use an average daily usage for the billing period and bill the days in May at the old rate and the days in June at the new rate. Suppose your meter is read on June 13th, the reading covers a 30 day period and the usage on the meter is 7500 gallons. This equates to an average daily usage of 250 gallons. Seventeen days of usage, or 4250 gallons, will be billed at the old rate, and 13 days of usage (3250 gallons) will be billed at the new rate.

Your bill will display only one water charge and one sewer charge, but the charges will equal the total of the days billed at the old rate plus the total of the days billed at the new rate.

Unfortunately, our billing system is unable to display each of these as a separate line item.

What is High Strength Commercial?

High Strength Commercial customers include bakeries, restaurants, hotels, groceries, markets with food grinders, industrial laundries, mortuaries, auto steam cleaners (car washes), and other specific light industrial customers. These customer types have wastewater with a higher concentration of pollutants than residential waste water—the amount and type of pollutants you would find in wastewater from a typical household. Our wastewater treatment plants are designed to handle "residential" strength. Therefore, these customers are charged more because it costs more to treat the wastewater they discharge.

Previously, we charged customers classified as High Strength Commercial a surcharge of \$1.61 per 1000 gallons to cover the additional costs associated with their discharge. We've now established a new rate class for High Strength Commercial Customers which is modeled after the regular commercial class, but with its own rate.

High Strength Commercial rates will not apply to customers in the Trenton and Fairfield sewer service areas because the service provided in these areas is a wholesale arrangement and not retail.

Who does the 10% surcharge for customers whose wastewater is treated by the City of Hamilton apply to, and what is it for?

Butler County and the City of Hamilton have a contract which allows the City to treat and bill Butler County for sewage that drains naturally into the City of Hamilton's sewer service area from the County's sewer service area. This is more economical than constructing pump stations at our service area boundaries and pumping wastewater to our facilities when it will otherwise drain by gravity elsewhere. However, the City of Hamilton's costs for treatment necessitate that we pass that additional cost on to the customers that drain to Hamilton.

Customers in the following subdivisions/areas drain to the City of Hamilton and will incur the 10% surcharge:

Greenview North
Shafer's Run
Woods of Shafer
Walden Ponds
Hunters Trace
Homewood Belmont area
Sparks

Commercial area near Princeton Rd. which includes Walmart, Applebee's, HH Gregg etc.
The businesses on Gilmore Road north of 129
The commercial area north of Princeton Rd. (Home Depot, Car Wash, etc), and the church on Princeton.