On Tuesday, March 28, 2023, the Council for the Village of Monroeville held a work session at 6:00 PM in Council Chambers, to discuss a utility rate review.

Present were Council Members: Chris Raftery, Sue Rogers, Craig Franklin, Joe Galea, Sam Wiley and Bob Whitacre; Village Administrator Tom Gray; Administrative Specialist Heather Alicea; Administrative Assistant Ann Beck; Chief Gary Lyons; Lieutenant Troy Kimball; and John Courtney & Scott Wieging, from Courtney and Associates.

Absent: Mayor Melissa Fries-Seip

President pro-tem Chris Raftery opened the meeting and introduced John and Scott. John presented the utility rate review, going over the electric, water, and wastewater rates, with a handout to show what he is presenting. Courtney and Associates assumes a 3% inflation with the model they use to estimate rates. They had to make more than a 3% increase for the Village in 2023, because of what they’ve seen with inflation, following Covid and the supply chain issues. Beyond 2023, he is seeing a 3% per year increase.

The last rate increase for water and wastewater was in 2020 and 2021, using a two-step phase, and funds were borrowed for things like the RF water meters, the Broad Street Sewer Project and the State Route 20 Waterline Project and they now know what debt service looks like.

Regarding electric service, Gray Matter, who recently signed a contract with the Village, wasn’t counted for revenue since they haven’t generated any revenue, being that they aren’t installed in the Village yet. That will make a difference in the future. The electric fund is stable and is in good shape. The Village has at least half a year’s revenue in the bank, which is healthy and a good position to be in.

In regards to water, sales remain stable, residential sales have plateaued the last two years, and bulk sales have been around the same the last two years. There isn’t a lot to point out on the expense side. The interest rates received from OWDA are very good. Some older debt will get paid off this year. The fund balance has gone up, come back down and they are projecting that to decline, due to the two new debts that have been added. Revenues are less than the revenue requirement.

For wastewater, the fund balance has declined, but there is a year’s worth of revenue in the bank, which is a good place to be. John said they are projecting pretty flat revenues for wastewater. Expenses were figured in. The new debt service with the Broad Street Sewer Project was taken into consideration. The Sewer Rehab Fund was previously created to help offset some debt service in the wastewater fund. Last year in 2022, $55,000 was applied to the debt service. John said they are projecting the Village bringing in around $50,000. John was concerned about Bonnie meeting the $50,000, and John agrees with Bonnie that it will be close. If wastewater rates are increased, John said the Village should also think about raising the sewer rehab charge. The fund balance has gone up, come back down, and going forward, they are projecting a bit of a shortfall.

John made the following recommendations:

Electric rates: Projected revenues at current rates are sufficient to meet the projected revenue requirements, assuming the Inside kilowatt hour tax continues to be transferred from the General Fund to the Electric Fund, and they see no need to increase the electric rates at this time. Hopefully, when Gray Matter is up and running, a reduced rate may be a possible.

Water rates: Water sales are projected to remain steady over the next three years. Projected revenues at current rates, plus the anticipated $43,000 per year Solar Rental fees, are not sufficient to meet the projected near-term revenue requirements, which includes the new debt service requirement for the RF meters and SR 2 Waterline. Water revenues need to be increased approximately 5% per year in order to meet the projected near-term revenue requirements.

Wastewater rates: Projected revenues at current rates are not sufficient to meet the projected near-term revenue requirements, even assuming that $50,000 of the debt service costs associated with the WWTP improvements continues to be paid from the Sewer Rehab Fund each year. Wastewater revenues need to be increased approximately 10% in order to meet the projected near-term revenue requirements.

Bob asked John to confirm his recommendation that the water should be a 5% per year increase, and the wastewater a one-time 10% increase. John confirmed. Discussion between Council and John regarding information in the hand-out. Sam asked how does the Village water and wastewater rates compare to other municipalities. John said it’s difficult to compare rates from one community to another, as they have different water sources, or different treatment requirements. Monroeville rates are higher than average, but not the highest. The City of Bowling Green is one of the lowest he’s seen, but they subsidize their water rates with their income tax to the tune of 40%. John said as Council is aware, they are also working with a potential developer on a floating solar project for the reservoir and that could make a difference later.

Chris asked who is on the Utility Committee. Heather advised Chris, Joe and Craig. It was decided to hold a Utility Committee meeting on Tuesday, April 25, 2023, at 6pm, to go over John’s recommendations from the utility rate review.

There being no other business to come before them, the meeting adjourned at 6:33 PM.

Respectfully submitted,

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Heather Alicea, Administrative Specialist