

FOR IMMEDIATE RELEASE

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Contact: Tyler Lowry, Franklin County Commissioners, 614/525-6630
Hanna Greer, Franklin County Commissioners, 614/525-5848

COMMISSIONERS RECEIVE REPORT ON WATER, SEWER OPERATIONS

This morning, in a special administrative session of the board, the Franklin County Commissioners received a report and presentation on a contracted review of the county's Sanitary Engineering Department, which provides water and sewer service to about 7,000 county residents. The commissioners contracted in April with Raftelis Financial Consultants to provide the professional review, which covered operations, costs of service, contractual agreements, and rates, among other topics.

Franklin County Department of Sanitary Engineering delivers about 28 million gallons of safe, clean water each month through nearly 100 miles of water mains, and treats wastewater at 4 treatment plants around the county. The Raftelis review found, however, that because areas served by county water and sewer are relatively sparsely populated and spread throughout Central Ohio, the department cannot be as efficient as many larger, more consolidated water/sewer services. Combined with aged infrastructure, that has meant higher water and sewer rates for county customers even though the review found that Franklin County Sanitary Engineering is operating as efficiently as possible given the circumstances. The report says that county staff are "dedicated and competent, committed to providing high quality service with the available resources". It also says that significant investments are required to keep the system operating.

"Our team at Sanitary Engineering does a great job at something that is not always the most glamorous part of government," said Commission President Marilyn Brown. "The challenges we face now are to ensure that the system is sustainable for the future and affordable for our customers. We're going to take the time to find the right way to address these problems and, in the meantime, we will commit to keeping rates as low as possible for our customers."

Franklin County staff has recommended to the commissioners that 2015 water and sewer rates for county customers increase only by the amount of the increase in the cost of water to the county, expected to be 3%.

Raftelis personnel detailed for the commissioners a number of challenges that county Sanitary Engineering will face in the coming years, including that the number of its customers is shrinking and that the infrastructure used to deliver water and sewer services, including pipes, pumps, valves, and substations, is outdated and in need of repair and

improvement. The report identifies infrastructure projects totaling more than \$100 million that are necessary for compliance with regulations, extensions of service, and reinvesting in existing assets over the next five years. The review also notes the significant burden that cost would place on taxpayers and customers, noting that already-high water and sewer rates would need to increase significantly in order to pay for the required improvements.

"Water is essential for job creation, safe and secure families, and a high quality of life," said Commissioner Paula Brooks. "The conditions outlined in this report are to a great degree mimicked around the state of Ohio and throughout our country. As climate impacts continue to change our way of life, we must assure that we are resilient and that our systems are cost effective. I am happy to have received this report and will take it into account as we make decisions for our community's growth and future".

Among the recommended infrastructure work is the replacement of some water mains that are between 50 and 100 years old, well beyond their expected useful life, upgrading of pump stations, and the installation of more advanced metering equipment. Compared to other small utilities around the country, Raftelis finds that Franklin County Sanitary Engineering "has much greater capital needs and a much smaller customer base to support those investments". Many of the projected improvements are required to remain in compliance with Environmental Protection Agency regulations and Ohio law. The review noted that some maintenance and investment in the system has been put off over the years in order to keep down customer rates, but that that will no longer be feasible.

Following the presentation, Commissioner John O'Grady said that "It's obvious that the county is facing some significant challenges. We commissioners are committed to ensuring that our customers continue to receive high-quality services, and we recognize that those customers cannot afford to see their rates rise significantly."

Raftelis Financial Consultants is both a financial consulting and engineering firm, and has performed more than 500 similar reviews across the U.S. The full report can be found online at <http://cleanwater.franklincountyohio.gov/>.

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