

METROPOLITAN SEWER DISTRICT



Chris Monzel, President
Hamilton County Board of Commissioners



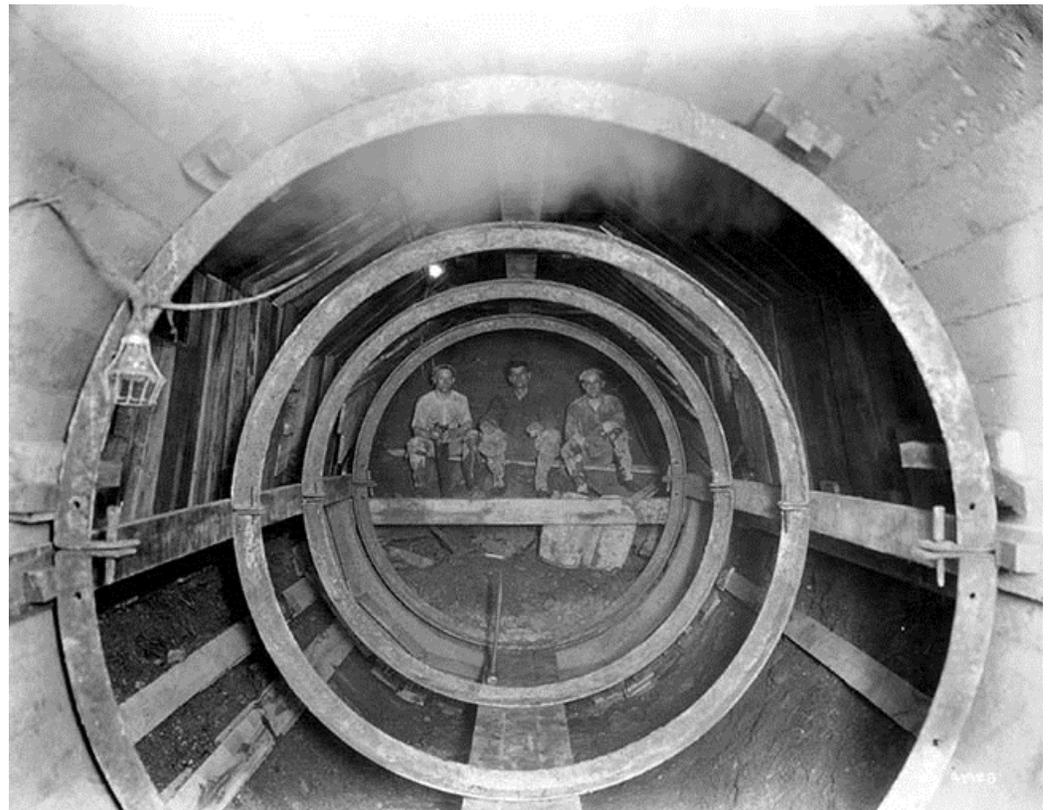
HISTORY OF MSDGC

Metropolitan Sewer District of Greater Cincinnati



FORMATION OF A COUNTY SEWER DISTRICT

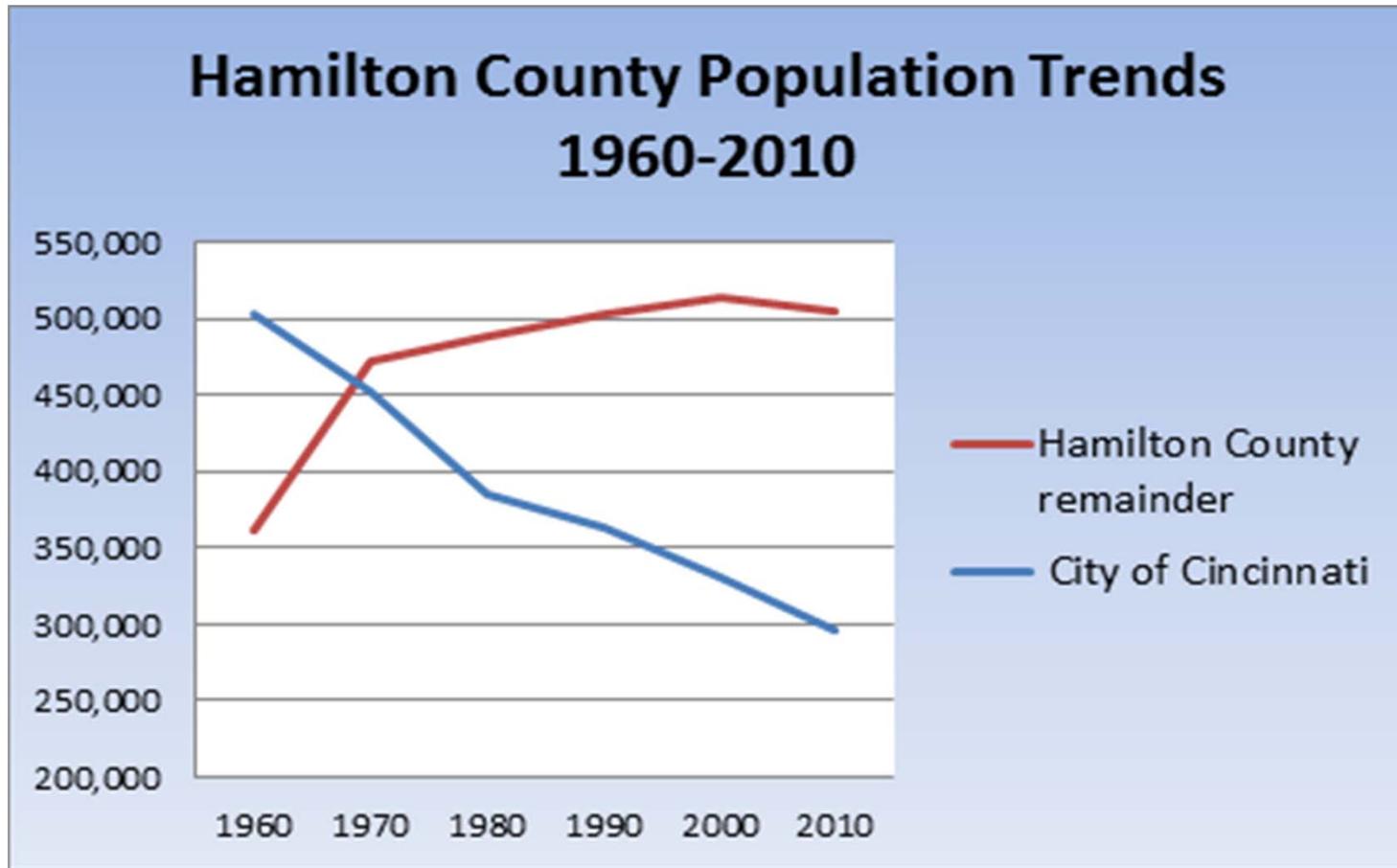
- **1924:** the County established multiple sewer districts.
- **1955:** the County consolidated the districts into the “Hamilton County Sewer District #1.”
- **1968:** Twenty jurisdictions were consolidated into the **County Sewer District** (including the City of Cincinnati).



WHY WAS THE DISTRICT FORMED?

- **In 1968, both the City and County benefitted from consolidation.**
 - **Both entities needed to upgrade systems.**
 - **Bulk of the population resided within the City of Cincinnati.**

WHY WAS THE DISTRICT FORMED?



However, shortly after, the movement of residents to the suburbs began, and the City began to lose population.

Graph provided by the Hamilton County Regional Planning Commission

HISTORY OF THE 1968 OPERATING AGREEMENT

AGREEMENT

THIS AGREEMENT, entered into this 12th day of April, 1968 between the City of Cincinnati, Ohio, a Municipal Corporation, (hereinafter referred to as CITY) and the Board of County Commissioners of Hamilton County, Ohio (hereinafter referred to as COUNTY)

WITNESSETH:

WHEREAS, the Board of County Commissioners of Hamilton County has, since 1924, established sewer districts in accordance with Chapter 6117 of the Ohio Revised Code and earlier comparable statutory provisions of the Ohio Code, and constructed and otherwise acquired sanitary trunk sewers throughout the county, and, as a result, this date owns, operates, and maintains a system of sanitary trunk sewers; and

WHEREAS, the Board of County Commissioners did, on February 1, 1955 consolidate all the previously established sewer districts into a single county sewer district known as "Hamilton County Sewer District No. 1"; and

WHEREAS, the Board of County Commissioners did, on December 4, 1963 complete the consolidation of previously established sewer districts and expand the boundaries of Hamilton County Sewer District No. 1 to include all other unincorporated areas of the county; and

WHEREAS, the City of Cincinnati has, by Ordinance No. 144-1968 adopted April 10, 1968, consented to be a part of Hamilton County Sewer District No. 1 pursuant to Section 6117.03 of the Ohio Revised Code, and granted to the county the sole and exclusive use of all sanitary sewers and sewage disposal facilities of the City as a part of the county sewer system; and by the same ordinance did also authorize the Board of County Commissioners to proceed with the construction and the maintenance, repair, and operation of any sewer improvement for local service within the City of Cincinnati, pursuant to Section 6117.04, ORC; and

WHEREAS, the Board of County Commissioners of Hamilton County, Ohio did, on April 10, 1968, adopt a resolution in which the City of Cincinnati, Ohio was accepted into Hamilton County Sewer District No. 1, and in which the Board accepted the authorization for the construction, maintenance, repair, and operation of any sewer improvement for local service within the City of Cincinnati, Ohio, pursuant to Section 6117.04, ORC; and

WHEREAS, the City of Cincinnati, Ohio by Ordinance No. 145-1968 adopted April 10, 1968, did assign all its right, title, and interest in twenty-three (23) metropolitan sewage disposal contracts to the Board of County Commissioners of Hamilton County, Ohio and the said Board of County Commissioners did, on April 10, 1968 adopt a resolution in which it accepted the assignment of the said twenty-three (23) metropolitan sewage disposal contracts; and

WHEREAS, the Board of County Commissioners of Hamilton County did, on April 10, 1968 adopt a resolution changing the official name of Hamilton County Sewer District No. 1 to "THE METROPOLITAN SEWER DISTRICT OF GREATER CINCINNATI"; and

WHEREAS, the County, in accordance with Section 133.06, Ohio Revised Code, has issued three (3) issues of Sewer Revenue Bonds in the principal amount of \$1,430,000 for the purpose of constructing sanitary sewage treatment plants, and the City has issued bonds in the principal amount of \$1,430,000 for the purpose of constructing sanitary sewage treatment plants, and the amount outstanding as of January 1, 1968 shall be subject to the same terms and conditions as the bonds issued for



SECTION XIII - AMENDMENTS

1. This Agreement may be amended as may be mutually agreed upon by the County and the City.

SECTION XIV - INTERPRETATION

1. Nothing contained in this Agreement is intended or meant to be interpreted or construed as violating any covenant, trust, term, condition or responsibility of the Commissioners or the City under any agreement or provision of law relating to or governing in any way their respective sewer and sewage treatment facilities made subject of this Agreement or of the ordinances and resolutions of the Commissioners or of the parties hereto and to the extent that any provision of this Agreement is determined to be beyond the power and authority of the County to effect, the City and the County agree to seek modifications of this Agreement which will accomplish its general purpose; namely, to provide for better and more efficient sewer service in Hamilton County through more effective management of the operation, maintenance, and development of all sewerage and sewage disposal facilities of the County.

SECTION XV - EXECUTION

1. By the execution of this Agreement, the Commissioners hereby designate and appoint the City as the sole and complete management agent for the county sewer system and the City hereby accepts and undertakes to perform its duties and responsibilities and functions as such agent, all in accordance with the terms, conditions, and provisions relating thereto as defined and prescribed herein.

IN WITNESS WHEREOF, the City of Cincinnati, Ohio, a Municipal Corporation, by its City Manager, duly authorized by Ordinance of the Council of the City of Cincinnati, Ohio, and the Board of County Commissioners of Hamilton County, Ohio, and the County Administrator, duly authorized by Resolution of the Board of County Commissioners of Hamilton County, Ohio have hereunto set their hands the day and year first above mentioned.

THE CITY OF CINCINNATI, OHIO,
A Municipal Corporation

By W. H. [Signature]
City Manager

THE BOARD OF COUNTY COMMISSIONERS
HAMILTON COUNTY, OHIO

By R. G. [Signature]
County Administrator

Approved as to Form;

William A. [Signature]
Cincinnati City Solicitor

Arthur M. [Signature]
Hamilton County Prosecuting Attorney

COUNTY'S ROLE MEANS...

- The County reviews and sets the budget.
- Sets rates and charges
- Capital project review (to ensure prudent planning, WWIP compliance, justified costs, etc.)
- The County issues the debt.
- Permits are in the County's name.
- The County is the lead defendant on the Consent Decree.
- Expenditure review
- Policy establishment and review.
 - Rate Affordability Task Force



CITY'S ROLE MEANS...

The City's responsibilities "Subject to the authority vested in the Board of County Commissioners"

- Plan, design and contract for construction
- Prepare all legislation
- Recommend methods of financing
- Operate and maintain the system
- Issue tap permits
- Prepare and maintain sewer records
- Bill and collect fees
- Establish a cost accounting system
- Receive and account for all monies
- Obtain all easements



MSD- BY THE NUMBERS

2016 Operating & Maintenance Budget- \$118.9 million

2016 Capital Budget- \$300 million

2016 Debt Service- \$119.1 million

Average Capital Spend 2014-2018- \$200,000,000

2016 Average Annual Bill- \$797.80

Average Rate Increase 2003-2014- 8.96%

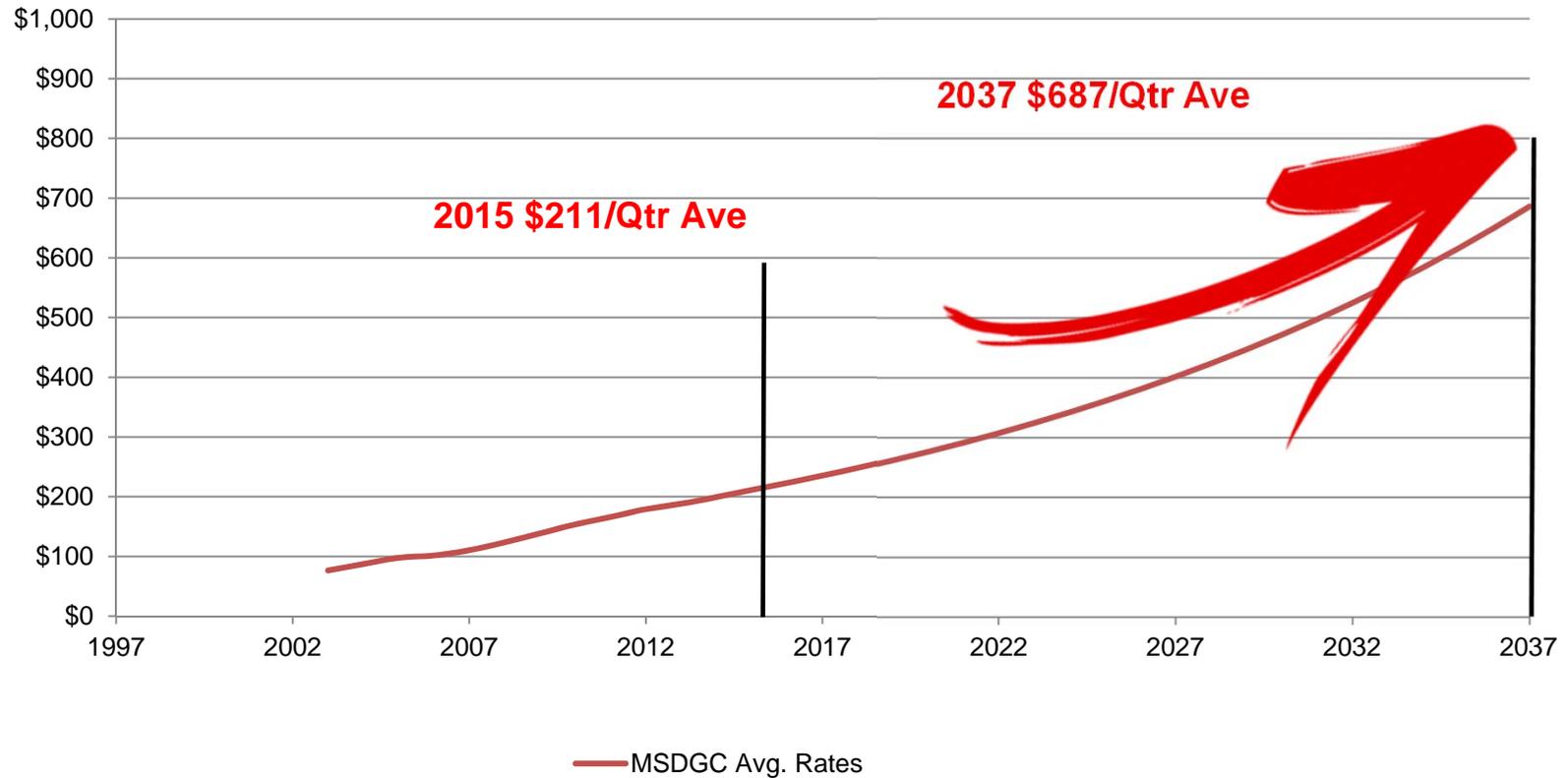
AVERAGE ANNUAL MSD BILL - PERSPECTIVE

**Average
Annual BOCC
Property Tax Bill**
\$100,000 Home
\$398

**Average
Annual MSD Bill**
\$800

RATE INCREASE PROJECTION

MSDGC QUARTERLY RATES (PROJECTION) Through 2037

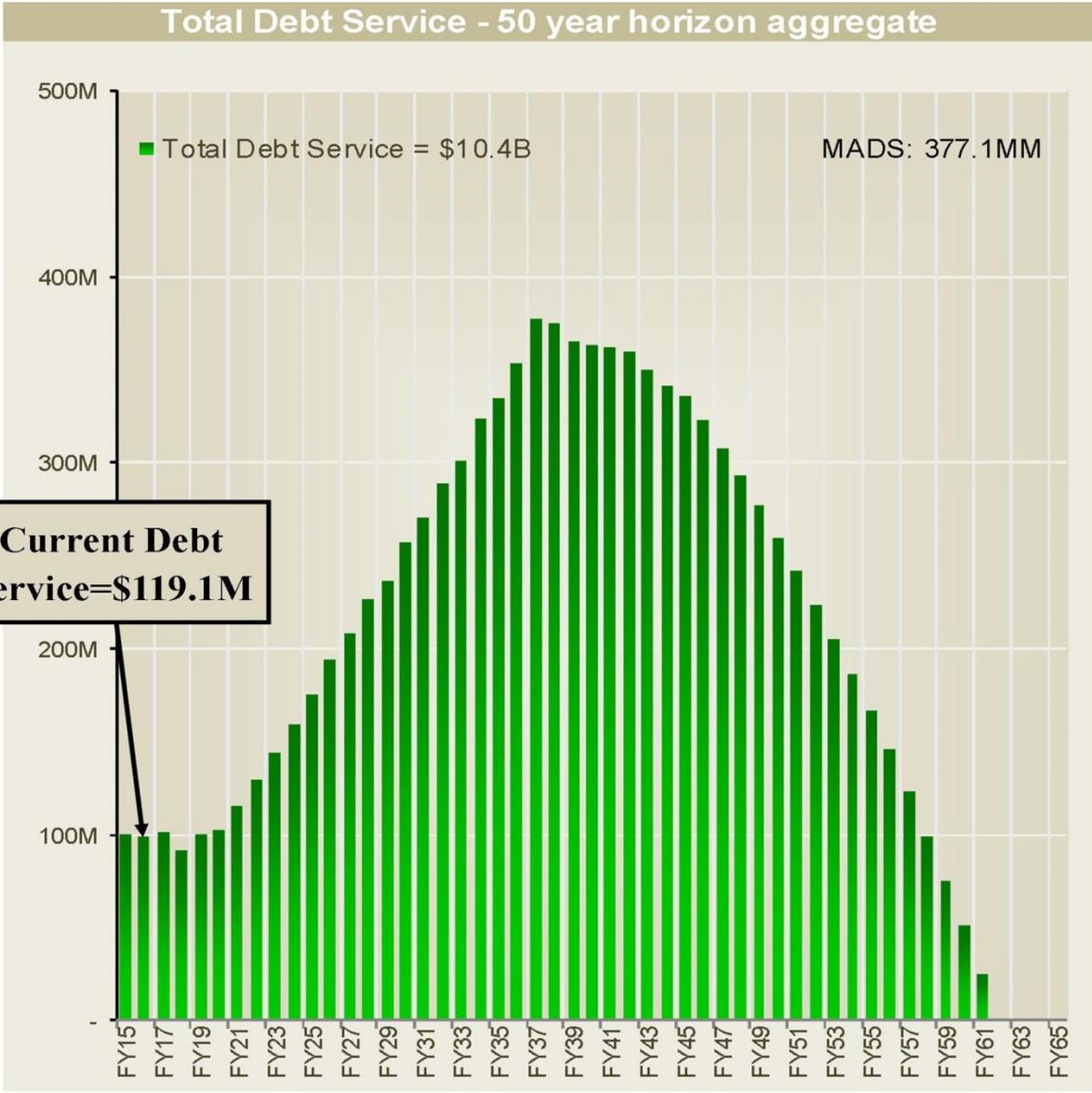


ANNUAL RATE INCREASES

YEAR	RATE INCREASE	AVG. ANNUAL BILL
2003	7.00%	\$306.04
2004	14.00%	\$348.89
2005	12.00%	\$390.76
2006	4.00%	\$406.39
2007	8.60%	\$441.34
2008	12.00%	\$494.30
2009	12.00%	\$553.61
2010	11.00%	\$614.51
2011	8.00%	\$663.67
2012	8.00%	\$716.76
2013	5.00%	\$752.60
2014	6.00%	\$797.80

12 year average = 8.96%

MSDGC ANNUAL DEBT SERVICE



CURRENT COMMISSION ACTIONS

Metropolitan Sewer District Update

Hamilton County Board of Commissioners - March 11, 2016



Chris Monzel



Dennis Deters



Todd Portune



As the owner of the Metropolitan Sewer District (MSD), the Hamilton County Board of Commissioners has a responsibility to oversee and make decisions on many important issues at the sewer district, including budgets and projects. These environmental and infrastructure projects often have a huge impact on the quality of life in Hamilton County and its neighborhoods.

The purpose of this newsletter is to provide you with regular updates on MSD budgets, projects and operations. Please feel free to contact our offices with your feedback on MSD or any other County issues, and let us know if we can ever be of assistance to you.

Sincerely,

A blue ink signature of Chris Monzel, written in a cursive style.

Chris Monzel
President

A blue ink signature of Dennis Deters, written in a cursive style.

Dennis Deters
Vice President

A blue ink signature of Todd Portune, written in a cursive style.

Todd Portune

MSD OVERSIGHT



**Every \$1.00 expended
= \$113.00
in savings
to the ratepayer**

MSD OVERSIGHT SAVINGS



FEDERAL LEGISLATION

114TH CONGRESS
1ST SESSION

H. R. 1093

To direct the Administrator of the Environmental Protection Agency to carry out a pilot program to work with municipalities that are seeking to develop and implement integrated plans to meet their wastewater and stormwater obligations under the Federal Water Pollution Control Act, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 26, 2015

Mr. CHABOT (for himself, Ms. FUDGE, Mr. RODNEY DAVIS of Illinois, Mr. WENSTRUP, Mr. SIMPSON, and Mr. DUNCAN of South Carolina) introduced the following bill; which was referred to the Committee on Transportation and Infrastructure

A BILL

To direct the Administrator of the Environmental Protection Agency to carry out a pilot program to work with municipalities that are seeking to develop and implement integrated plans to meet their wastewater and stormwater obligations under the Federal Water Pollution Control Act, and for other purposes.

***Clean Water Compliance and Ratepayer
Affordability Act of 2015***

CURRENT LITIGATION

- County filed litigation requesting that the U.S. District Court enforce its 2014 recognizing Cincinnati as Hamilton County's agent in all matters relating to the operation of MSD.
- Requests that the Court order formal mediation to address the pending expiration of the 1968 Operating Agreement.



SOLID WASTE HANDLING

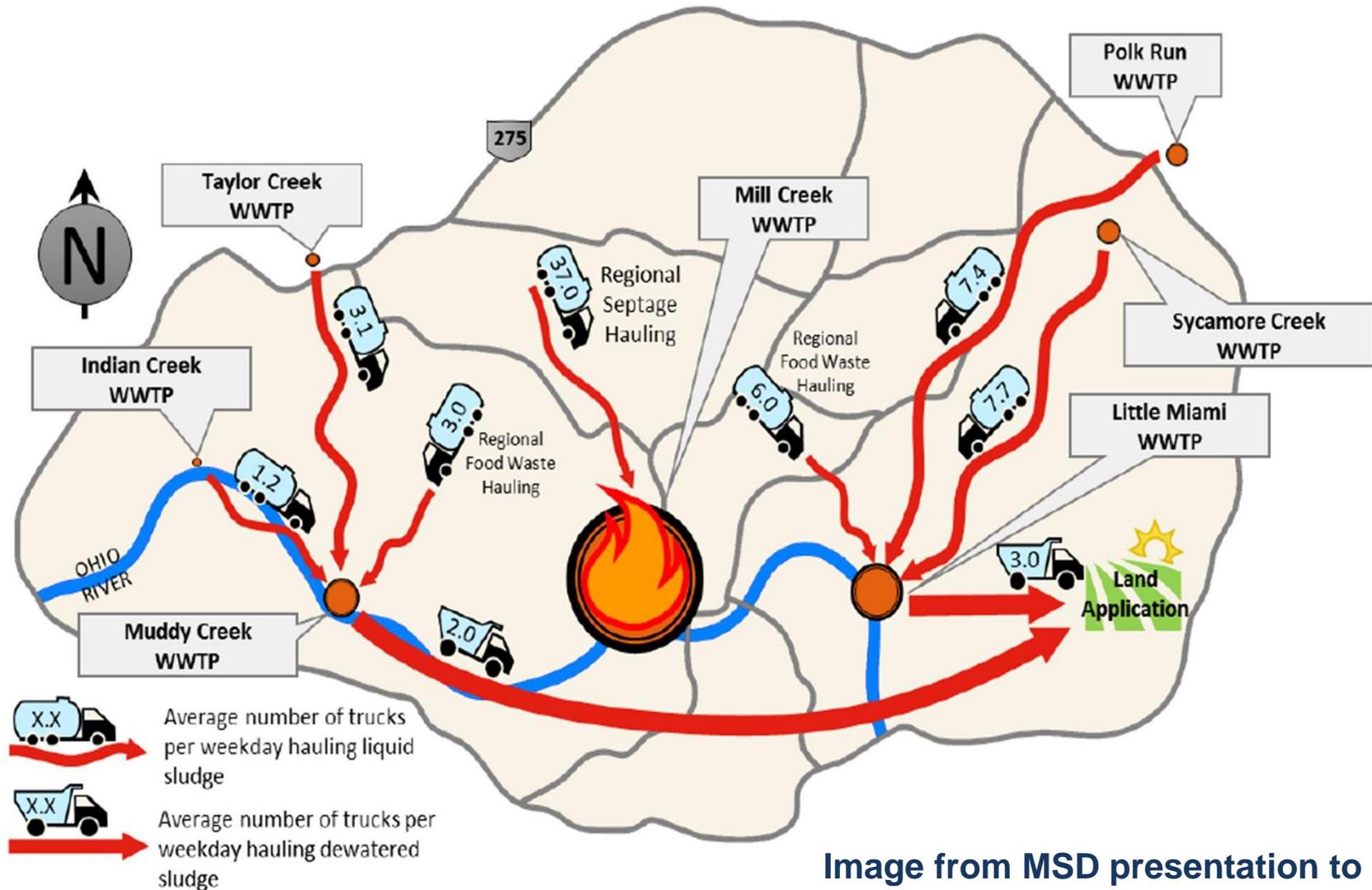


Image from MSD presentation to the Citizens Advisory Panel (CAP) 2016

ODORS AT MILL CREEK TREATMENT PLANT



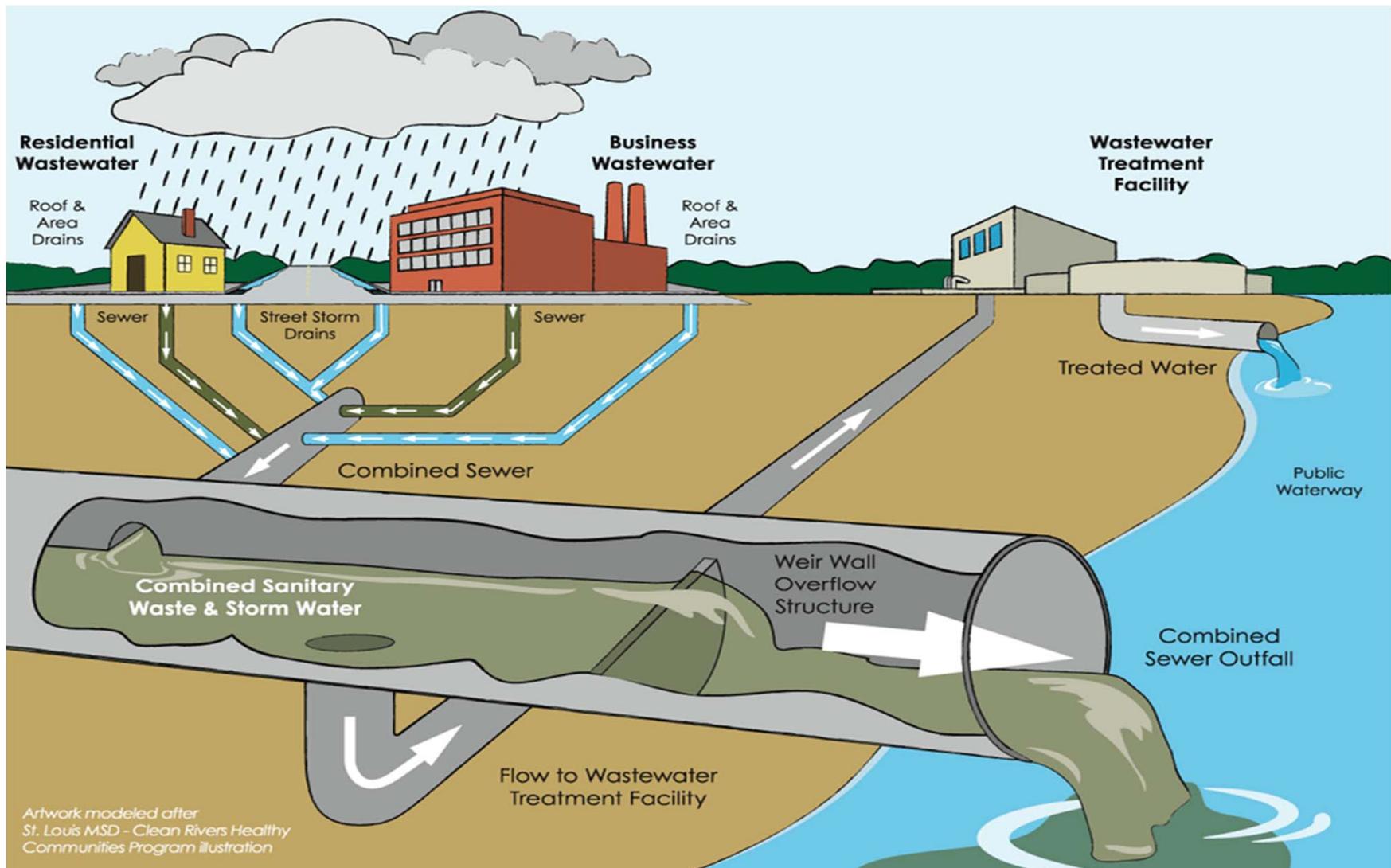
“The quad scrubber fans were running to provide ventilation of dewatering process areas, but the chemical feed and atomizing spray systems **were not present nor in operation.**” Mill Creek Treatment Plant Odor Control Program Implementation, January 31, 2016

The image shows two large, white, cylindrical industrial scrubbers at a wastewater treatment plant. Each scrubber has a yellow metal safety cage around its upper section and a white conical top. A network of pipes, including a prominent green-painted line, and electrical control boxes are visible in the foreground and background. The sky is blue with some clouds.

**Well maintained scrubbers
should remove 90-95% of odors.**

**MSD lack of maintenance since
2009 resulted in the scrubbers
actually increasing odors by
2 to 3 times!**

CONSENT DECREES



CONSENT DECREE: Overview

- Current Consent Decree entered into in 2004.
- Two-phase implementation plan - only one in the Nation
- **\$3.2 Billion** estimated total cost (2006 dollars).
- 467 projects in Phase 1 and Phase 2
 - Phase 1, 2009-2018. Cost (in 2006 dollars) = **\$1.1 billion**
 - Phase 2, begins in 2019. Duration will be negotiated based on affordability. Cost (in 2006 dollars) = **\$2.1 billion**

COST OF CONSENT DECREE COMPLIANCE

- St. Louis, MO - \$4.7B
- Indianapolis, IN - \$2.1B
- Northern Kentucky
SD1 - \$2.4B
- Columbus, OH - \$2.5B
- Northeast Ohio Regional
Sewer District
(Cleveland) - \$3.0B
- Akron, OH - \$1.4B
- Pittsburgh, PA - \$3.6B



PREPARING FOR CHANGE



FUTURE OPERATIONS

- The 1968 Agreement as currently written is outdated/archaic and counter-productive to effective operations.
- The split of operations and governance not a recipe for success:
 - Inability of the owners (the County) to set and enforce policies on key operations and projects. (e.g. Water Works Consolidation, flow model, budgetary accountability, rate setting dynamics, policy, etc.)
 - Inherent conflict of interest when one jurisdiction of the County is operator (procurement, pensions, community development, etc.)
 - Extraordinary size and complexity of projects dramatically increases risks. MSD structure not suited for program of this scale.

LOOKING TO THE FUTURE

- **Build a governance/operating relationship which positions the for future success.**
- **Continued process to inform public ahead of the expiration of the 1968 Agreement.**

We need your help and input!

Thank you!
QUESTIONS?



Commissioner Chris Monzel

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