

Water Service for Sugar Bush Knolls -- Questions & Answers

Sept. 15, 2015, rev. Dec. 14, 2015

Background, History, Reasons

1. Why are we talking about bringing public water to SBK?

In April 2012, Village Council held a discussion of the issue of public water in response to comments from village residents and from a concern over the increase in gas and oil drilling forecast to come to northeastern Ohio. A survey of residents was suggested and a Council sub-committee formed to create the survey. The survey was distributed to residents in October 2012 and subsequent responses to the survey were 3-to-1 in favor of Council continuing to research the possibility of bringing public water to the village.

2. Who would supply the water?

Portage County Water Resources (PCWR)

3. What are the advantages to having public water in SBK?

These are some of the advantages that Council has discussed. There may be others.

1. Might lower homeowner's insurance costs.
2. Possible increase in property value.
3. May eliminate water conditioning costs (salt, equipment, service, etc.).
4. No need to drill a new well and incur those costs if something happens to your well.
5. You may choose to remove the visible well casing from your yard.
6. Would get fluoride and chlorine in water (not everyone will want chlorine).
7. Improved fire protection.

4. What is the projected value added to properties if we add water?

According to Robert Senvisky, R.E.A. Supervisor, Portage County Auditor,

“The County Auditor allocates a depreciated value on water and sewer systems to help reflect that those utilities are available to the property. In the event that public water is made available, the auditor would remove the well value from the developed property and adjust the value to reflect the newly available public water source. The overall difference could be negligible until property sales begin to reflect how buyers value the availability of public water. [Area realtors believe that the addition of public water makes a property more desirable to the majority of potential buyers.] In the case of undeveloped property, the addition of public water [where there is no well to begin with] could result in a possible increase in value of those parcels of up to 20%.”

5. What are the disadvantages to having public water in SBK?

These are some of the disadvantages that Council has discussed. There may be others.

1. Fee to establish service.
2. Have to pay for water, which will go up over time.
3. Temporary upheaval in the Village to install water lines.
4. Some people would have hydrants in their yards.
5. Those who don't want chlorine in their water will have to purchase filters to remove it.
6. We might be at the end of the water line, which might lead to water quality issues.
7. Possible interruptions in the service line leading to a lack of water.
8. Possible increased property taxes due to increased property values.

6. How would we fund the installation?

Lot share of pipeline cost assessed to the homeowner (\$10,229.20 in 2015 dollars).

Actual costs will only be known at the end of the project when the contract bid amount is adjusted for adds and deductions.

Estimated Costs if every lot paid the same amount

Description	Cost
Lot share of pipeline cost *	\$ 10,229.20
Tap-in Fee** ***	\$ 1,733.00
Water Meter and Permit	\$ 200.00
Water Meter Tap-In Fee	\$ 100.00
Service Line Cost estimate	\$ 2,300.00
TOTAL	\$ 14,562.20

* = can be amortized over 20 years. Paid semi-annually or annually as a special property tax assessment; cannot be itemized. The County charges an interest rate to cover their costs of borrowing the money.

** = can be amortized over 10 years, at an interest rate of 1/2 the Ohio Water Development Authority Market Rate (in 06/2014, this was 2.2%). Added to quarterly bill.

*** = 2015 costs

Note: for corner lots, the sides are added, then averaged

7. How will we decide whether or not to get water service in the Village?

Village residents and lot owners will have one vote per lot; e.g., if you own three lots, you will have three votes. A simple majority vote of all Village parcel owners decides.

Installation Costs

8. What would it cost for a lot with a house on it, using 2015 dollars?

Estimated Costs of Installation (in 2015 dollars)

Description	Estimated Cost	Developed Lots	Undeveloped Lots	Payment Over Time
Lot share of pipeline cost	\$10,229.20	Required	Required	Yes -- See Question #11
Tap-in Fee	\$1,733	Now or later (see Question #12)	Now or later (see Question #12)	Yes -- See Question #11
Water Meter	\$200	Now or later (see Question #12)	Not until lot developed	No
Meter Connection Fee	\$100	Now or later (see Question #12)	Not until lot developed	No
Plumbing (Street to House)	\$2,300	At time water is wanted	Not until lot developed	No
Total	\$14,562.20			

9. What would it cost for lots without houses (undeveloped lots)?

Undeveloped lots would pay a lot share of the pipeline cost (\$10,229.20 in 2015) for each lot.

10. Who would pay for the frontage costs for the Village-owned lots?

The value of these lots remains a Village asset, so it would be proper for the Village to pay for its own frontage costs from tax revenues as it does for other expenses for the Village.

11. Can I spread the payments for this out over time?

The frontage costs can be amortized over 20 years. This would be paid semi-annually or annually as a special property tax assessment; it cannot be itemized.

The tap-in fee of \$1,733 can be amortized over 10 years, at an interest rate of 1/2 the Ohio Water Development Authority Market Rate (in 06/2014, this would be 2.2%). This fee would be added to the homeowner's quarterly water bill (see Appendix A).

12. Would I have to tap in immediately?

No. If the property owners approve bringing water to the village, a property owner initially would have to pay the lot share of pipeline cost, the tap-in fee (\$1,733), meter and permit fees (\$200), and the water meter tap-in fee (\$100). The permit (\$200) would expire without them using it. The homeowner would end up paying for two permits but if the tap-in fee increases by 3% each year (as projected currently), they may end up saving money in the future when they are ready to connect. Later, the homeowner would have to pay the \$200 permit fee plus the cost to the contractor to bring the water to the home (probably over \$2,300 as that cost represents a group-discounted cost.).

13. What is the average cost of water for residences from this water provider? How much water does an average home use?

See Appendix A.

14. Would the tap in and meter fee (\$100) transfer to a new owner if I sell my house without installing water?

Yes.

15. Could I do any of this work myself to save money (e.g., dig the ditch to connect the line to my house)?

An owner may become a registered contractor with Portage County and install their own water service line. They must install the line according to the Portage County Water Resources (PCWR) specifications and have it inspected prior to backfilling. The water service line shall be one continuous length of ¾-in or 1-in Type K copper tubing (unless the length is further than normal manufactured length). -- Per PCWR

The Village will ensure that any lines installed to properties on the side of the road opposite the main would be pushed under the road by a qualified contractor so as not to incur damage to nor the need for repair to our thoroughfares.

16. What are the current water costs?

Water costs are charged quarterly. They include a \$2.25 fixed charge each quarter and are currently \$72.44 for up to 1,500 cubic feet (ca. 125 gallons/day), \$115.54 for up to 2,500 cu. ft. (208 gallons, day), \$158.64 for up to 3,500 cu. ft (291 gallons/day), etc. (See additional costs in Appendix A.)

17. What is the rate of increase for water costs over time?

See Appendix B.

Other Issues and Considerations

18. If a homeowner decided not to connect to water and his/her well went bad, could he/she opt to install a new well or would he/she have to tap-in at that time?

There is no requirement to connect to the public water system per Portage County Water Resources (PCWR) rules and regulations. If potable water is available through drilling a new well and approved by Public Health, a resident may install a new well. -- Per PCWR

19. What would happen to our existing wells?

The well water has to be physically separated from the public water system and would require a backflow device on their public water service line. Valves alone cannot be used to isolate the systems. Most likely, a resident would have to hire a plumber to ensure the well water system and public water system are not cross connected. Portage County Water Resources (PCWR) would also inspect the two water systems and can deny connection until properly plumbed. -- Per PCWR

20. Could I use my existing well for watering my lawn and plants?

Yes. See answer to Question 19 above.

21. Are there any issues caused by water quality problems (line breaks, taste, sediments, being at the end of the line)?

In the event of a water main break, Portage County Water Resources (PCWR) would notify customers with flyers on their doors to let them know that they are on a boil alert (basically if you are going to use the water for consumption purposes you need to boil it, but you can use it for all other purposes- bathing, laundry, dishwashing, etc.. - without boiling). After the line is repaired, disinfected, flushed and bacteria testing is completed (a 24-hour test), PCWR would place flyers on residents' doors to let them know they are no longer on a boil alert. The minimum boil alert would be for 24 hours (for the bacteria testing). During this entire process PCWR will keep the local fire, police and government informed.

Residents should know that our water system is monitored 24 hours a day and that staff is alerted immediately when there is an issue. PCWR will be responsible for the water main after installation. We will repair, maintain, and replace as needed at no cost to the residents (Note: this does not include service laterals; residents would be responsible for the portion from the meter to the house).

Looping of mains within the Village should minimize or eliminate potential water quality issues associated with dead end mains. PCWR will monitor the water quality at the very end of the water line through water quality testing. If testing indicates that the water quality is not within OEPA ranges, PCWR would look into installing a flushing/burping station on the end of the line. This station would release water as needed to maintain the minimum required chlorine residual (0.2 mg/L) in the water line and keep the water fresh for users. PCWR is

committed (as well as required) to providing residents with quality water and will not let being on the end of the main loop result in lower quality water.

22. Who would be responsible for road repair?

Road repair due to installation of water mains should be a part of the project installation costs and included in the contractor's bid. Private residential water service lines (tap-ins) shall be pushed under roads so as not to cause the need for road repair.

23. What is the next step?

A survey, by ballot, of village property owners' interest in having Village Council petition the Portage County Commissioners to provide public water to our village would be the next step. A simple majority of parcels supporting the petition would authorize Council to make the request to the commissioners. If property owners are not in favor of public water, the issue will not be revisited by Village Council at this time.

Appendix A: Water Costs, 2015 Rates

Amount of water/month	Approximate gallons/day	Annual cost + \$9.00 fixed charge (\$2.25/quarter)	Quarterly cost + \$2.25 fixed charge each quarter	Monthly cost (includes fixed charge)	Daily cost (includes fixed charge)
Up to 1,500 cu. ft.	125	\$ 289.76	\$ 72.44	\$ 24.15	\$ 0.79
Up to 2,500 cu. ft.	208	\$ 462.16	\$ 115.54	\$ 38.51	\$ 1.26
Up to 3,500 cu. ft.	291	\$ 634.56	\$ 158.64	\$ 52.88	\$ 1.73
Up to 4,500 cu. ft.	374	\$ 806.96	\$ 201.74	\$ 67.25	\$ 2.20
Up to 5,500 cu. ft.	457	\$ 970.96	\$ 242.74	\$ 80.91	\$ 2.65
Up to 6,500 cu. ft.	540	\$ 1,134.96	\$ 283.74	\$ 94.58	\$ 3.10
Up to 7,500 cu. ft.	623	\$ 1,298.96	\$ 324.74	\$ 108.25	\$ 3.55
Up to 8,500 cu. ft.	706	\$ 1,462.96	\$ 365.74	\$ 121.91	\$ 4.00
Up to 9,500 cu. ft.	789	\$ 1,626.96	\$ 406.74	\$ 135.58	\$ 4.45

Appendix B: Historic Residential Water Rates

Portage County Water Resources Department Historical Residential Water Rates

Quarterly Usage in Cubic Feet (CF)				
Year	0-1500 minimum	1500-5000	5000+	Increase (per year)
1995	\$ 36.00	\$ 22.00	\$ 21.00	
1996	\$ 36.00	\$ 22.00	\$ 21.00	0.00%
1997	\$ 37.40	\$ 22.80	\$ 21.80	3.89%
1998	\$ 38.90	\$ 23.80	\$ 22.70	4.01%
1999	\$ 40.50	\$ 24.70	\$ 23.60	4.11%
2000	\$ 42.10	\$ 25.70	\$ 24.50	3.95%
2001	\$ 43.50	\$ 26.60	\$ 25.30	3.33%
2002	\$ 44.90	\$ 27.50	\$ 26.10	3.22%
2003	\$ 47.60	\$ 29.20	\$ 27.70	6.01%
2004	\$ 50.50	\$ 30.90	\$ 29.40	6.09%
2005	\$ 53.50	\$ 32.80	\$ 31.20	5.94%
2006	\$ 56.70	\$ 34.80	\$ 33.10	5.98%
2007	\$ 60.10	\$ 36.90	\$ 35.10	6.00%
2008	\$ 62.20	\$ 38.19	\$ 36.33	3.49%
2009	\$ 64.38	\$ 39.53	\$ 37.60	3.50%
2010	\$ 66.63	\$ 40.91	\$ 38.92	3.49%
2011	\$ 66.63	\$ 40.91	\$ 38.92	0.00%
2012	\$ 66.63	\$ 40.91	\$ 38.92	0.00%
2013	\$ 67.80	\$ 41.63	\$ 39.60	1.76%
2014	\$ 68.98	\$ 42.35	\$ 40.29	1.74%
2015	\$ 70.19	\$ 43.10	\$ 41.00	1.75%
2016*	\$ 71.42	\$ 43.85	\$ 41.72	1.75%
2017*	\$ 72.67	\$ 44.62	\$ 42.45	1.75%

Notes:

- 1) The rates listed in the "0-1500" column are the minimum quarterly bill for usage of 1,500 CF or less.
- 2) For water usage greater than 1,500 CF, the rates listed above in their respective columns are in dollars per 1,000 cubic feet of consumption, or fraction thereof.
- 3) Rates for 2016-2017 have already been authorized by Resolution No. 12-1071 adopted December 4, 2012.