

## March units on Metropolitan Sewer District (MSD)

By Elizabeth Brown, VP of Program

*Why are my sewer bills so high?  
Is the rate structure fair?  
What will happen when the City/County  
contract about MSD expires in 2018?*

The Metropolitan Sewer District has become a lightning rod in recent years —the focus of arguments between Cincinnati and Hamilton County about control, plus complaints from homeowners as rates rise to pay for improvements required to fix environmental problems with aging infrastructure.

**Unit discussion meetings in March** will look at this essential local service and its environmental, rate equity, and government cooperation issues.



*60% design rendering of civic recreation space in South Fairmount, part of the Lick Run Greenway (formerly VCS) project. Photo by Project Groundwork*

Unit discussion leaders are asked to attend a briefing Wednesday evening on Wednesday, March 2, at 7 p.m. in the League office.

Review the study pages in this newsletter to prepare for the unit discussion. Discussion leaders will show an 8-minute video that is available on the Internet to begin the unit discussion.

If you want to check it out early, it's at [https://youtu.be/1\\_jpdJ-7gGc](https://youtu.be/1_jpdJ-7gGc)

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## Study Pages: Understanding the Metropolitan Sewer District

Everyone has read the headlines in Cincinnati about MSD: The 680M Memo, MSD audit wanted: 'Something smells', FBI investigating MSD spending, and County, City argue about how to start sewer talks.

The Metropolitan Sewer District of Greater Cincinnati (MSD) is a special district established in 1968. It was the first such district in Ohio. It includes all unincorporated areas of Hamilton County and all municipalities except Harrison, Glendale, Indian Hill and Terrace Park. MSD is governed by the 50-year agreement between the City of Cincinnati and Hamilton County which will come to an end in April, 2018. The Hamilton County Commissioners and City of Cincinnati have separate responsibilities for the MSD special district.

MSD is a department of the City of Cincinnati. MSD provides wastewater removal and treatment for over 800,000 customers throughout Cincinnati and Hamilton County. The sewer district has 7 major treatment plants which process millions of gallons of sewage per day: Mill Creek (1959/100 million gallons), Little Miami (1953/27 million gallons), Muddy Creek (1961/15 million gallons), Polk Run (1970/4 million gallons), Sycamore (1958/8 million gallons), Taylor Creek (1997/2.5 million gallons) and Indian Creek (1995/1 million gallons). It has more than 100 pump stations and two package treatment plants which treat about 184 million gallons daily of wastewater each day.

The Combined Sewer Overflow Strategy Development and Facilities Plan represents a comprehensive review of the impacts of combined sewer overflows (CSO's) in Hamilton County and a plan for their

resolution. CSO's are the untreated discharge or "overflow" of combined rainwater and sewage into rivers, streams and creeks during heavy rain falls.

Cincinnati and Hamilton County are dealing with an aging sewer infrastructure. Older pipes that were built to contend with different conditions now manage more customers, and increased masses of water flowing through the sewers and have met the end of the sewers' designed lives.

In the late 1980's and 1990's, through the Clean Water Act, the federal government called for the elimination of sanitary sewer overflows. Government bodies began to enforce laws and leveled civil penalties on sewer systems that were out of compliance.

Let's start with the history and the distinct roles of the City of Cincinnati and Hamilton County.

### **History and roles of City/County sewer district**

Formation of our County sewer district:

- 1924: The County established multiple sewer districts.
- 1955: The County consolidated the districts into the "Hamilton County Sewer District #1.
- 1968: The city of Cincinnati and twenty jurisdictions were consolidated into the County Sewer District. Additional jurisdictions were included into the County Sewer District at later dates. The operating agreement was entered into on April 10, 1968. The term of the agreement is 50 years.

### **Hamilton County and City of Cincinnati roles in the 1968 agreement**

#### **Hamilton County role:**

- Reviews and sets the budget
- Sets rates and charges
- Issues the debt
- Permits are in the County's name
- Lead defendant on the Consent Decree
- Policy establishment and review

#### **City of Cincinnati role:**

- 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
- Receive and account for monies
- Obtain all easements
- Retains title to its assets

Many MSD users want to know why their rates have increased year after year. Quarterly sewer rates have more than doubled from 2006 to 2015. Running a sewer district is not as simple as it once was. There are 3,000 miles of sewers. The district is immersed in environmental regulations, court orders, and politics. MSD is under an order to bring the system under compliance with the Clean Water Act. This is expected to cost \$3.2 billion. The goal is to overhaul the county's sewer system by fixing hundreds of miles of old

sewer lines so as to prevent raw sewage from running into basements and waterways. Delays of work are occurring in part because the city and county are taking disagreements to court about the best methods for proceeding with repairs and projects.

### **Explanation of a Consent Decree**

A consent decree is an agreement to resolve a dispute between two parties without admission of guilt or liability. Negotiations were entered into by the EPA (Environmental Protection Agency), the DOJ (Department of Justice) and the MSD. The resulting agreement is called the consent decree.

### **MSD website**

The MSD website at <http://www.msdbg.org/>, includes information about operational documents, operational data, the mission statement, milestone completion dates, rate increase mitigation, bond ratings, SBE (Small Business Enterprise) goals and the phases of the consent decree goals. Of particular interest is the City of Cincinnati's *Sewers, Water and Stormwater Report* by the Budget and Finance Committee published on April 27, 2015. The report explains the problems that MSD faces with finishing work on time, being in compliance with the consent decrees, and sewer rates. Hamilton County set up MSD Rate Affordability Task Force in March of 2015 to address these issues and concerns.

### **MSD Rate Affordability Task Force**

A resolution adopted by the Hamilton County Board of County Commissioners (BOCC) on March 18, 2015 created a task force to study the impact of rising sewer rates on rate payers in Hamilton County and to make recommendations to the Board of County Commissioners on a potential rate structure and/or policy changes that can mitigate or otherwise affect these rates, as well as encourage the conservation of water. Eighteen members were appointed to the task force including representatives from local government, business owners, homeowners, renters, senior citizens, low income residents, environmental groups and non-profit organizations.

There were community meetings focused on the burden of the ever-rising sewer rates and citizens' inability to pay. The rate increases were 8.60% in 2007, 12% in 2009, and 6% in 2015. The bills are assessed quarterly which also creates a financial burden for folks on fixed incomes.

The first meeting on Sept 23, 2015 was chaired by Thomas Moeller, Madeira's City Manager. The task force has heard presentations on a variety of topics. The presentations provide background information that will assist the task force members in crafting their recommendations. Topics that have been presented include: the current MSD rate structure, the rate structures of other Ohio cities including Akron, Cleveland, Columbus, and Toledo, and alternate methods to structure fees. The most recent meeting on January 27 included a presentation about a storm water removal program, water usage, and how the cost of services are determined.

A recommendation will be due to the Hamilton County Board of County Commissioners in April of 2016. The BOCC has deferred raising sewer rates until this report from the task force is rendered. Subsequently, the BOCC will make a decision on sewer rates on July 1, 2016.

### **Cincinnati Zoo - Storm sewer green initiative**

Some people don't know that right in our midst is an organization that has promoted water and sewer conservation usage -- the Cincinnati Zoo. In 2010, the Cincinnati Zoo was proclaimed the "Greenest Zoo in America". It started its green initiatives in 2006. They aggressively fixed leaks in exhibit pools, installed low-flow faucets and fixtures, upgraded filtration systems and changed their behavior. They used 220 million gallons of water in 2005. By 2012, they had brought their water use down to 74 million gallons of water. This reduction has saved the Cincinnati Zoo 5.5 million dollars on its water bills. As we

know, Cincinnati's sewer system, a combined sewer overflow (CSO) is old and has aged. Heavy rains caused the zoo's overflow to contribute to the billions of gallons of raw sewage that surged into the Ohio River. To remedy this situation, the MSD fully funded the construction of sewer tanks under the Africa exhibit to reduce storm water runoff. The tanks keep 15 million gallons of water out of the sewer system annually. The Zoo's water management practices helps keep polluted water from flowing into people's basements and the Ohio River. To date, the Zoo has added 30,000 square feet of pervious pavement within the zoo's lots. The pervious pavement allows storm water to be stored instead of becoming runoff water.

The Zoo continues the greening of their organization. They hope to have 100 percent of its property off of Cincinnati's storm water grid. This is quite an accomplishment for such a large organization. It shows how people and organizations can play a part in greening the area where they work and live.

### Links (most are to PDFs):

- Rate Structure comparisons of other Ohio Cities - <http://tinyurl.com/ratestructure> (PDF)
- Sewers, Water and Stormwater City of Cincinnati PowerPoint - <http://tinyurl.com/cincysewerppt>
- MSD PowerPoint - Hamilton County MSD - <http://tinyurl.com/msdpptsept2015>
- Hamilton County Unsewered Areas Map - <http://tinyurl.com/unseweredareamap>
- Lick Run Project - <http://tinyurl.com/lickrunproject>

### Videos

- How do I pay my MSD bill - [https://m.youtube.com/watch?v=l\\_jpdJ-7gGc](https://m.youtube.com/watch?v=l_jpdJ-7gGc)
- Sierra Club Overflows and Green Infrastructure - <http://miamigroup.org/2015/02/24/sewer-overflows-and-green-infrastructure/>
- MSD Hidden Secrets (note: *Cincinnati MSD discussion starts at 13 minute mark*) <https://vimeo.com/20894596>

### Discussion questions:

1. Why are the sewer rates going up so much?
2. Do you think the benefits of fixing the environmental problem of sewer overflows are worth the cost to ratepayers?
3. What are your experiences with your water/sewer bills? Any problems?
4. Some consumer advocates have suggested changing to monthly, rather than quarterly billing. The quarterly bills are hard for low income families to budget for, plus monthly bills would flag unseen leaks and repair problems earlier. Would you support changing to monthly billing for water and sewer?
5. The 50 year contract between the City and County for operation of MSD expires in 2018. What changes would you recommend when the City and County negotiate a new contract for shared responsibility for MSD?
6. How did we get to this point of high sewer rates and disagreement between city and county?