

City of Findlay

Pete Sehnert, Mayor

WATER/SEWER BILLING DEPARTMENT

Holly Perkins, Supervisor

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Jim Barker

Safety Director

Bruce Hardy

Service Director

January 29, 2010

Bruce Hardy
Service Director
City of Findlay, Ohio

Dear Sir:

The annual report of the operations of the Water and Wastewater Office for the year ending December 31, 2009 is respectfully submitted herewith.

I wish to acknowledge the cooperation and initiative exhibited by all the Water and Wastewater Office employees for 2009 year.

Very truly yours,

Holly M Perkins
Utilities Billing Supervisor

WATER AND WASTEWATER OFFICE

ANNUAL REPORT

2009

The Water and Wastewater Office is currently staffed with 1 Supervisor, 5 billing clerks and 3 meter readers. We lost 1 billing clerk through attrition in 2009 and replaced one clerk through displacement due to layoffs in other departments.

The year 2009 was another year of change for the City of Findlay Water and Wastewater Office. We implemented new billing software from CMI and we also implemented new fixed data base meter reading software from Badger Meter Company. Both of these systems have needed to have issues worked out with software support.

To maintain present staffing in the meter reading area, we needed to install a working radio meter reading program. This program began in September 2008. As of the end of 2009, we have approximately 9293 service addresses converted to our new Badger Galaxy automated meter read program. There many advantages to the radio system we are installing, and quick leak detection leads the list. We also anticipate an increase in actual consumption as we replace meters that are dead and no longer accurately recording water usage.

As we implement the new Radio Read program, all meters will be replaced with radio meters within the next three years. The City of Findlay Water & Wastewater systems presently have 18,920 services. We are currently in the process of partnering with Badger Meter Company to come

up with a consistent way to read competitors meters that we have installed in our system.

In October of 1997 we started Auto-Pay, which is a system of paying the water and wastewater bill by automatic bank deduction. As of December 31, 2009 we have 3030 customers using the Auto-Pay system. We add approximately 20 new Auto-Pay customers each month.

The majority of our customers either come into our office to pay their bills or send a check through the mail. The office is open from 8:00 am to 5:00 pm, Monday through Friday. We also have a night deposit box in the front vestibule of the Water Office that is open 24 hours a day. Any payment put into this night deposit drops into a locked safe. Many customers also use the downtown deposit box, which is located in the Municipal Building parking lot.

We now offer credit card payments through Official Payments. We have had a good response with our credit card option for many customers. There is a \$4.00 convenience fee to utilize this option, so most of customers still pay by check or cash.

We are looking into offering utility bill delivery by email. This option will become available in 2010 with our new billing software company. There would be some set up cost involved but will ultimately reduce printing, paper and postage fees to the Water Department.

As you will see in reading this report, we collected over \$6,623,000 in 2009 in water and \$8,786,000 in wastewater/storm water. Storm water rates were substantially increased to comply with Ohio EPA regulations to meet federal mandates. We also implemented a water rate increase and

wastewater rate increase in 2009 which were not fully implemented until August 2009. We continued to notice a reduction in the use of irrigation meters in 2009 and are also experiencing a declining economy, resulting in fewer new homes, and a large amount of vacant houses, due in part to foreclosures and bankruptcies. These factors have affected our total consumption which dropped over 100,000 HCF for the year.

COLLECTIONS

For the year 2009 the Water & Wastewater Office collected \$6,623,963.28 in water receipts and \$8,786,322.74 in Wastewater Storm Water receipts.

This is a decrease of 2.73% or \$180,987.98 from 2008 water receipts and a 4.68% or \$392,595.36 increase in wastewater/storm water receipts from 2008.

In the year 2000, we started collecting for Storm Water. This fee was originally set at \$1.00 per month on each service inside the City limits. The fee was increased to \$2.00 per service per month in 2005. In January 2009, the storm water rate structure was completely revamped to be based on acreage. We implemented a tiered system directly correlating to the surface area of commercial/industrial properties. We designated single family dwellings and duplexes as a standard rate of \$3.00 per month. In the year 2009, we collected \$723,756.45 in storm water charges.

In January 2007, we implemented the collection of deposits for most of our new accounts. The only exceptions are land owners with prior acceptable credit with the Findlay Water Department or a current water department. The deposits have reduced the number of delinquencies that are sent to collection. The Water & Wastewater Office took three cases to Small Claims Court in 2009 and collected \$8,418.45 from court cases - mostly previous years' filings.

We rebated to suspense \$10,278.36 in water. In wastewater we rebated \$14,755.75 and storm water \$1,020.47 to suspense.

We collected \$10,104.32 in water, \$952.29 in storm water and \$14,936.85 in wastewater, which had previously been written off.

The following charts compare the collections for the year 2009 and the previous nine years.

WASTEWATER COLLECTIONS

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
JAN	606,720	610,413	605,457	535,363	499,073	486,419	450,307	403,426	356,634	307,940
FEB	765,929	774,978	769,014	815,091	753,762	706,565	646,457	575,138	484,325	422,166
MAR	652,405	623,703	613,578	534,034	535,903	486,639	463,260	420,542	372,740	311,423
APR	776,696	739,891	770,208	782,840	761,243	688,843	686,699	616,497	555,992	480,345
MAY	622,945	623,735	631,961	532,821	522,598	501,802	479,652	449,161	397,676	364,823
JUN	776,189	757,477	757,433	802,820	761,399	701,950	697,175	648,313	565,813	489,179
JUL	674,061	629,758	639,094	560,893	540,532	505,370	508,450	467,032	412,286	374,691
AUG	838,562	765,310	827,743	843,517	842,360	749,358	703,613	698,490	594,597	507,329
SEP	700,746	657,766	686,290	588,748	579,369	525,096	511,959	507,278	456,541	379,077
OCT	837,491	807,728	809,030	802,611	828,303	737,606	732,594	724,416	613,173	509,539
NOV	714,728	649,425	666,602	655,471	565,624	507,115	504,897	484,198	425,203	369,074
DEC	819,850	753,543	746,974	751,912	783,523	723,240	705,754	648,949	564,773	493,819
TOTAL	8,786,322	8,393,727	8,523,384	8,206,121	7,973,689	7,320,003	7,090,817	6,643,440	5,799,753	5,009,405

WATER COLLECTIONS

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
JAN	458,939	476,405	515,289	497,603	453,920	436,046	444,577	436,940	436,992	435,457
FEB	548,758	595,967	558,862	596,057	559,725	535,205	537,856	521,246	492,372	475,623
MAR	519,923	520,887	540,677	557,556	491,667	466,166	447,216	447,842	424,319	416,556
APR	487,912	538,047	543,899	509,738	518,271	509,850	519,239	513,077	478,933	466,951
MAY	481,908	510,397	523,235	530,842	504,218	444,499	424,028	439,819	412,619	438,479
JUN	574,829	575,772	589,745	602,265	532,728	570,223	534,968	540,620	524,359	495,433
JUL	524,168	535,491	599,958	497,311	515,433	461,156	458,513	513,340	446,004	457,154
AUG	646,167	596,862	703,087	695,848	723,725	642,073	615,000	668,164	592,243	556,240
SEP	597,426	625,338	660,531	576,117	549,830	501,798	482,216	580,015	519,785	428,032
OCT	658,706	669,283	711,428	678,752	699,586	619,825	660,478	758,763	650,821	611,272
NOV	567,510	578,800	604,302	592,686	525,372	491,472	460,854	491,579	464,600	444,315
DEC	557,717	581,702	580,260	570,812	573,605	572,425	580,810	574,635	507,836	508,192
TOTAL	6,623,963	6,804,951	7,131,273	6,905,587	6,648,080	6,250,738	6,165,755	6,486,040	5,950,883	5,733,704

WATER RATE HISTORIES

During the past twenty years the rates have changed as indicated below:

Water charges

- 1990 - 9% increase
- 1991 - 8% increase
- 1992 - 5.5% increase
- 1993 - 8.8% increase (January 1, 1993)
- 1994 - no increase
- 1995 - 2% increase
- 1996 - no change
- 1997 - 15.4% increase - The capacity charge and minimum charge were incorporated into one charge. It is called the minimum charge and is adjusted according to the meter size under AWWA standards.
- 1998 - No increase
- 1999 - No increase
- 2000 - 2% increase
- 2001 - 3% increase (\$.05 per HCF)
- 2002 - 3.7% increase
- 2003 - 4% increase
- 2004 - No increase
- 2005 - 4.6% increase (Nov 1, 2004)
- 2006 - 2.9% increase
- 2007 - No increase
- 2008 - No increase
- 2009 - 6.8% increase

WASTEWATER RATE HISTORIES

During the past twenty years the rates have changed as indicated below:

Wastewater charges

- 1990 - 17.5% increase
- 1991 - 15% increase
- 1992 - 12.1% increase (May 5, 1992)
7.5% increase (November 1, 1992)
- 1993 - 1996 No change
- 1997 - 7.8% increase - The customer charge and the minimum charge were incorporated into one charge. It is called the minimum charge and is adjusted according to meter size under the AWWA standards.
- 1998 - 1.5% increase (December 1, 1998)
- 1999 - No increase
- 2000 - 14.7% increase
- 2001 - 14.1% increase
- 2002 - 11.5% increase
- 2003 - 11% increase
- 2004 - no increase
- 2005 - 4.6% increase (Nov. 1, 2004)
- 2006 - 3% increase
- 2007 - No increase
- 2008 - No increase
- 2009 - 6.2% increase

GOALS FOR THE WATER & WASTEWATER OFFICE

Our customer service goals for the year 2010 at the Water & Wastewater Office are to continue providing quality service as in the past, but our technology goals continue to change. These goals are:

1. Strive to bill and collect all the monies owed to the Water & Wastewater Departments.
2. Try to be fair and just with all customers.
3. Make ourselves more accurate and utilize our time better, so the office will continue to operate at a very efficient level.
4. Provide accurate and timely meter readings.
5. Going green for utility bills through email options to our customers. This will reduce paper, postage and printing costs.
6. Keep abreast of all new technology in all aspects of the Water & Wastewater industry and try to incorporate them into our system.

I feel that we have met most of the goals in 2009 that are outlined above. We are working towards the others in implementing new technology. A few examples of how we met these goals are:

1. We have begun collecting deposits to start service with the Findlay Water & Wastewater Dept. The deposit is held and applied to the final bill for all of our rental accounts. On owner billed accounts, we have started to apply it to accounts that have now complied with our two year acceptable credit policy.
2. Our collection on court cases and write-off accounts is

greater than the amount written off, while the amount of the billing has continued to increase.

3. We filed 12 tax liens this past September on accounts that were uncollectable through our collection letter and court policy.
4. We have implemented a new program on the computer in the way we enter our cash receipts for check payments. We purchased a remittance payment processing machine in May 2008 that reads the OCR amounts on our bills and the MICR and check amounts on our customers' checks. This allows us to enter payments quicker and helps eliminate errors from hand keyed data. It also endorses the checks and has the capability of electronically transmitting checks to the bank if we choose to implement that option.
5. We have assigned customer ID numbers for customers with multiple accounts. This allows our bill print vendor to bundle their bills in one envelope and reduce our postage for mailing.
6. We purchased a new handheld Radix meter reading system in late spring of 2006 due to the FW200 system becoming obsolete. This is still a manual system where the meter readers walk the routes and read each meter. They hand key the readings into the handheld computer which are then exported to our software. We will continue to use the manual system until the automated meter reading system is totally installed and functional.

7. We have separated multiple billing names on single accounts. This has allowed us search capabilities on both the primary account name and all associated names.
8. Our meter exchange program. All of our meters 3" or larger have been changed to Neptune straight readers. These meters have been linked to the automated meter reading transponders and are connected to the automated meter reading program.

With the Water & Wastewater systems branching out further and further from the city corporation limit; we, in the Water Office, are going to have to grow with them. As we install the new radio read meter system, we are utilizing a transmission option that allows us to get daily meter readings from our meters, no matter where they are located. We get 4 daily readings on each meter which helps to isolate the time frame for usage the customer is experiencing and may indicate if they have a leak. Typically meters should have a period of time during the night hours that show no usage.

Once we are using automated meter readings, I would like to consider moving to monthly billing. Although we will have an increase in postage and printing charges, I feel that the benefits outweigh the increased costs. We will be able to monitor water loss much more closely. It will reduce our bi-monthly customers' bills making it easier for them to budget. It will reduce our delinquencies by allowing us to disconnect for non-payment before the customer can accrue four months of charges. It will give us an accurate picture of our total monthly usage and allow us to compare to monthly output from the Water Treatment Plant. It will even out our billing and make revenue

projections more accurate when setting rates due to no lag time for usage to catch up to our billing figures.

OUTLOOK FOR THE FUTURE

The outlook for the future of the City of Findlay, Ohio, Water & Wastewater Departments will be challenging. We have an ample and good water supply with our two reservoirs and the Blanchard River. With the construction market taking a hit and new housing starts dropping off, I feel the City will suffer the effects of the slowing economy for this next year. In addition, the City is extending free water and sewer to Cooper Corporation for the next two years which will have an impact on our revenues.

Beginning January 1, 2007, we implemented collecting deposits. We were encountering more delinquent accounts, foreclosures and bankruptcies than in past years. The deposits should begin to reduce the amount of write off to suspense accounts that we have. The deposit, without interest, on accounts billed to the land owner will be refunded or applied to their account with a two year prompt payment record. The deposit, without interest, on accounts not billed to the land owner will be applied to the final bill balance. Any excess will be refunded through the City of Findlay Auditor's Office. Additionally, we are now filing tax liens on delinquent accounts that we have not been able to collect through our normal collection procedures.

Due to experiencing an increase in delinquent accounts, we are striving to work with our customers who are suffering job losses and hard economic times. We have offered an extension once a year on

overdue bills for our customers. If the economy continues to decline, I anticipate lifting the restrictions to offer extensions when requested as long as the customer complies with the agreement.

The Village of Arcadia is connected to the wastewater system. The Village of Van Buren is now on water and sewer. We have installed over 115 new services in the Village of Van Buren and over 30 new services on the line from Findlay to Van Buren. With the costs involved in treating water and wastewater, many smaller communities cannot afford to do it by themselves. We are also providing wastewater service to the new subdivision located at Red Hawk Run golf course.

With the replacement of the radio read system, we should not need to hire more meter readers in the future. We will use our current three employees in different capacities. The meter readers will become responsible for monitoring the daily meter reports for high/low exceptions, leak suspicion reports and customer notification.

Neptune Meter Company contracted to install 5000 first phase radio meters. This initial installation was completed in May 2009. The remainder of the radio read meter replacement will be spaced out over several years and completed by Findlay Water Department personnel. We currently have over 9,000 radio meters installed.

With the implementation of new billing software, we will need to re-evaluate our staffing level in the office. As we provide more services to our customers, we also will be entering more information into our database, and will strive to maintain present staffing levels.

I feel optimistic about the future of the Water & Wastewater Departments in the City of Findlay, Ohio. We are working together to

build a working financial model for both departments that looks well into the future. We not only share information with great communication between the departments, we also stay involved in the Water industry through continuing education and involvement in water related organizations. I attended the annual conference that was hosted by our software company, and was able to bring more knowledge back to the office. I was also able to express ways to improve the software to the software staff. We have a group of dedicated hard working employees that continue to make serving the citizens of Findlay and surrounding area their number one priority.