

WATER AND WASTEWATER OFFICE

ANNUAL REPORT

2012

The Water and Wastewater Office is currently staffed with 1 Supervisor, 1 Assistant Supervisor, 5 billing clerks and 3 meter readers.

The year 2012 did not see many changes for the City of Findlay Water and Wastewater Office. We did not do the planned update to the billing software this year but it is on the agenda for the first part of 2013. The main accomplishment this year is the completed installation of radio read meters on our water system. This was a five year project that started in 2008 under contract with Badger Meter. The process is not perfect but the biggest advantage by far is the ability to detect leaks very quickly before customers run up a large water bill unknowingly.

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, 2012 we have 3189 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 4:45 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 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 our customers still pay by check or cash.

At the end of 2010, we implemented a new way to process online check payments. Creative Payment Solutions is collecting the online check payments electronically and sending us a listing of these payments. By doing this, customer's payments are credited much sooner to their accounts because we are not waiting 6 to 7 days for a paper check to arrive in the mail.

COLLECTIONS

For the year 2012 the Water & Wastewater Office collected \$7,626,181 in water receipts and \$9,353,582 in Wastewater/Storm Water receipts. This is an increase of 15.32% or \$1,013,109 from 2011 water receipts and a 4.08% or \$366,728 increase in wastewater/storm water receipts from 2011. These increases reflect the rate increases that went into effect on October 1, 2011.

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 2012, we collected \$763,402 in storm water charges.

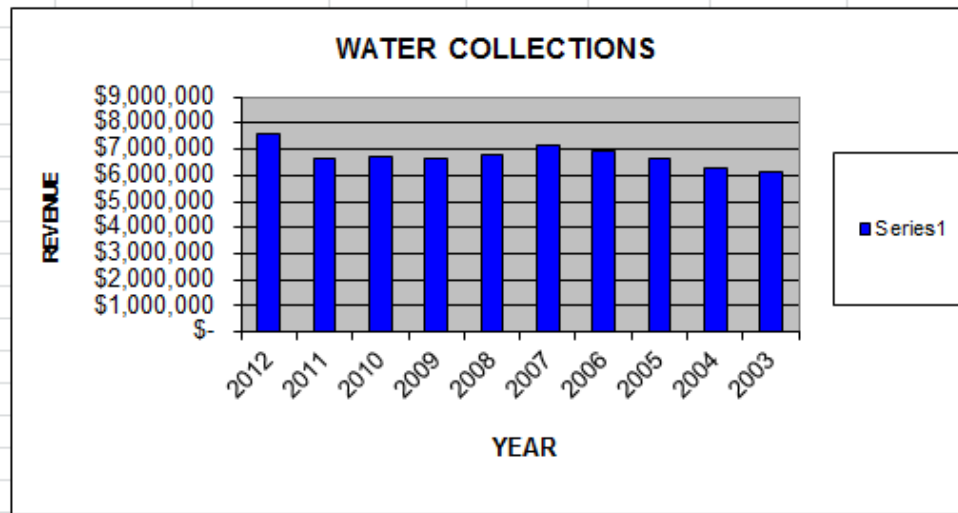
In January 2007, we implemented the collection of deposits for most of our new accounts. The only exceptions are land owners with prior acceptable credit with the Findlay Water Department or a current water department. The deposits have reduced the number of delinquencies that are sent to collection. The Water & Wastewater Office does not take cases to Small Claims Court because collecting the amounts due rarely happens. A tax lien is placed on the property for the amount owed.

In 2012, we wrote off \$1,899 in water, \$3,355 in sewer and \$366 in storm water. We collected \$615 in water, \$932 in sewer and \$140 in storm water that was previously written off.

The following charts compare the collections for the year 2012 and the previous nine years.

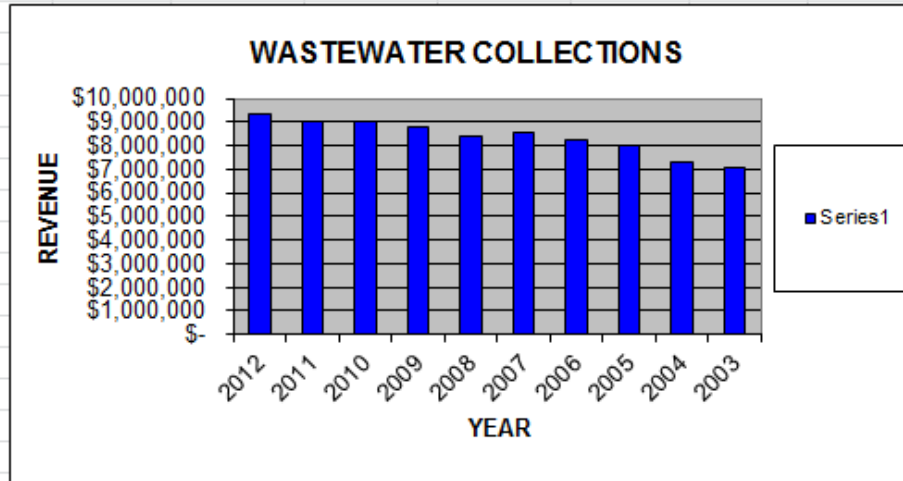
WATER COLLECTIONS

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
JAN	532,670	540,065	483,531	458,939	476,405	515,289	497,603	453,920	436,046	444,577
FEB	594,938	508,351	557,410	548,758	595,967	558,862	596,057	559,725	535,205	537,856
MAR	570,467	502,300	537,334	519,923	520,887	540,677	557,556	491,667	466,166	447,216
APR	601,725	526,800	538,896	487,912	538,047	543,899	509,738	518,271	509,850	519,239
MAY	565,714	506,494	514,057	481,908	510,397	523,235	530,842	504,218	444,499	424,028
JUN	631,860	523,504	546,413	574,829	575,772	589,745	602,265	532,728	570,223	534,968
JUL	671,483	527,728	544,498	524,168	535,491	599,958	497,311	515,433	461,156	458,513
AUG	759,676	631,146	578,662	646,167	596,862	703,087	695,848	723,725	642,073	615,000
SEP	718,586	614,626	642,136	597,426	625,338	660,531	576,117	549,830	501,798	482,216
OCT	756,472	603,125	628,795	658,706	669,283	711,428	678,752	699,586	619,825	660,478
NOV	622,070	523,322	599,059	567,510	578,800	604,302	592,686	525,372	491,472	460,854
DEC	600,520	605,611	568,696	557,717	581,702	580,260	570,812	573,605	572,425	580,810
TOTAL	7,626,181	6,613,072	6,739,487	6,623,963	6,804,951	7,131,273	6,905,587	6,648,080	6,250,738	6,165,755



WASTEWATER COLLECTIONS

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
JAN	686,509	663,277	664,178	606,720	610,413	605,457	535,363	499,073	486,419	450,307
FEB	827,319	802,259	817,639	765,929	774,978	769,014	815,091	753,762	706,565	646,457
MAR	701,521	665,193	667,492	652,405	623,703	613,578	534,034	535,903	486,639	463,260
APR	812,120	831,500	802,507	776,696	739,891	770,208	782,840	761,243	688,843	686,699
MAY	691,019	670,893	666,187	622,945	623,735	631,961	532,821	522,598	501,802	479,652
JUN	843,206	793,770	806,712	776,189	757,477	757,433	802,820	761,399	701,950	697,175
JUL	728,299	686,644	685,440	674,061	629,758	639,094	560,893	540,532	505,370	508,450
AUG	892,390	834,340	826,793	838,562	765,310	827,743	843,517	842,360	749,358	703,613
SEP	745,179	718,637	709,462	700,746	657,766	686,290	588,748	579,369	525,096	511,959
OCT	874,420	823,102	833,758	837,491	807,728	809,030	802,611	828,303	737,606	732,594
NOV	715,288	686,447	699,054	714,728	649,425	666,602	655,471	565,624	507,115	504,897
DEC	836,312	810,792	823,169	819,850	753,543	746,974	751,912	783,523	723,240	705,754
TOTAL	9,353,582	8,986,854	9,002,391	8,786,322	8,393,727	8,523,384	8,206,121	7,973,689	7,320,003	7,090,817



WATER RATE HISTORIES

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

Water charges

1992 - 5.5% increase

1993 - 8.8% increase (January 1, 1993)

1994 - no change

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 change

1999 - No change

2000 - 2% increase

2001 - 3% increase (\$.05 per HCF)

2002 - 3.7% increase

2003 - 4% increase

2004 - No change

2005 - 4.6% increase (Nov 1, 2004)

2006 - 2.9% increase

2007 - No change

2008 - No change

2009 - 6.8% increase

2010 - No change

2011 - 5% increase (Oct 1, 2011) Minimum Charges Adjusted

2012 - No change

WASTEWATER RATE HISTORIES

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

Wastewater charges

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 change

2000 - 14.7% increase

2001 - 14.1% increase

2002 - 11.5% increase

2003 - 11% increase

2004 - no change

2005 - 4.6% increase (Nov. 1, 2004)

2006 - 3% increase

2007 - No change

2008 - No change

2009 - 6.2% increase

2010 - No change

2011 - 3.5% increase (Oct 1, 2011) Minimum Charges Adjusted

2012 - No change

GOALS FOR THE WATER & WASTEWATER OFFICE

Our customer service goals for the year 2012 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 2012 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 are 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 are applying the deposit to accounts that have complied with our two year acceptable credit policy.
2. We continue to collect outstanding amounts owed through liens placed on the property. We filed 31 tax liens in 2012 that

were uncollectable through our collection letters and court policy.

3. We have assigned owner ID numbers. This will help us find all properties owned by the same person. If there is a dispute with an owner of a property, we can find all properties relating to the owner.
4. We are contracted with our billing software vendor for an upgrade to our billing program. This should take place near the beginning of 2013. There will be many challenges associated with the upgrade, but we hope there will be many benefits after the implementation.

Now that 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

Water and Wastewater collections are up for 2012 mainly because of the rate increases implemented at the end of 2011. The unusual dry summer did add to more consumption than normal, but I anticipate 2013 will be very close to the same amounts collected as 2012.

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 have a group of dedicated hard working employees that continue to make serving the citizens of Findlay and surrounding area their number one priority.

Respectfully submitted,

Dean Adler

Utility Billing Supervisor