

Memo

To: North Canton City Council
North Canton Director of Finance

From: Chuck Osborne

CC: Director of Administration

Date: 2/4/02

Re: Comparison of Water Rate Structures Of North Canton, Alliance, Consumers Ohio, Canton City & Stark County MSD

I would like to present a comparison of the water rate structure used by North Canton, Alliance, Consumers Ohio, Canton City and Stark County MSD to illustrate that a great deal of consideration needs to be given to revamping the City of North Canton's water rate structure.

City Of Alliance

The City of Alliance has five price points in its water rate structure. Quantities in gallons are:

Level One:	First	2,250
Level Two:	Next	18,000
Level Three:	Next	18,000
Level Four:	Next	412,500
Level Five:	Next	412,500

Consumers Ohio

Consumers Ohio has three price points in its water rate structure. Quantities in gallons are:

Level One:	First	37,500
Level Two:	Next	75,000
Level Three:	Over	112,500

Canton City

The City of Canton has four price points in its water rate structure. Quantities in gallons are:

Level One:	First	33,750
Level Two:	Next	191,250
Level Three:	Next	4,275,000
Level Four:	Over	4,500,000

Stark County MSD

Stark County Metropolitan Sewer District has three price points in its rate structure. Quantities are in gallons.

Level One:	First	10,000
Level Two:	Next	65,000
Level Three:	Over	112,500

North Canton

North Canton has eight price points in its residential rate structure. Quantities are in gallons.

Level One:	First	3,000
Level Two:	Next	12,000
Level Three:	Next	5,000
Level Four:	Next	5,000
Level Five:	Next	5,000
Level Six:	Next	5,000
Level Seven:	Next	5,000
Level Eight:	Next	959,999

I do not feel that there is any logical reason for rate adjustments at 5,000-gallon increments. There is some saving grace in the fact that residential rates are increased at each level but not enough to compensate for the low water rates at the bottom level.

As I stated in the earlier memo, I believe the city should arrange to have an Engineering firm such as Burgess & Niple do a complete study of our water costs and devise a whole new rate structure that will put the future of North Canton's water facility on a firm financial footing. (Given that they have done all the engineering on the proposed upgrade to the water plant, it might be possible for them to do an analysis of our water costs and devise a rate structure at a reasonable fee for the city.) By approaching the water rate issue in this manner I think council can implement the changes desperately needed and avoid needless controversy.

Sincerely,

Chuck Osborne
Counsel at-Large
City of North Canton