



City of
Moundsville

City Clerk 304-845-3394
City Manager 304-845-6300
Fire Department 304-845-2050

MEMO

Date: December 22, 2020

To: Charlie Walton - Moundsville Daily Echo (via e-mail)
Jim Cochran – Wheeling News Register (via e-mail)
Alan Olson – Wheeling News Register (via e-mail)
Brenda Danehart – WTRF (via e-mail)
Jaime Baker – WTOV (via e-mail)
Memo File

From: City Manager Richard Healy *Rack*

RE: Press Release

City of Moundsville Sanitary Board Requesting Rate Increase

Moundsville, WV, December 22, 2020.

In December of 2019, during a routine maintenance check, Sanitary Board workers discovered that a sanitary manhole located at the intersection of Western 7th Street and Lockwood Avenue was failing. This manhole takes in 100% of the wastewater from Glen Dale, and a large portion of the waste from Moundsville. Due to the urgency of the situation, an emergency repair was scheduled with a contractor. The repair work required special equipment to reach the depth of the line and special pumps. Bypass pumping was done for a two-week period while the repair was being completed. In the end, the Sanitary Board was faced with an invoice totaling over \$500,000. The Board negotiated the invoice with the contractor and was able to reduce the invoice by almost \$50,000. The Board did not have funds available to pay this invoice, so they investigated borrowing the money.

After the Board's Accountant analyzed the financial statements, it was determined that a rate increase of 35.4% would be necessary to cover the new debt service and increasing operation and maintenance costs. Additionally, a new mandate by the State of West Virginia requires the funding of a Working Capital Reserve Fund when a rate increase is implemented. The breakout of this increase is as follows: 10% to cover the bond payment for manhole repair, 8.6% to cover operation and maintenance costs (assisting customers, fund updates to plant equipment, continue existing bond payments, supplies and chemicals, and



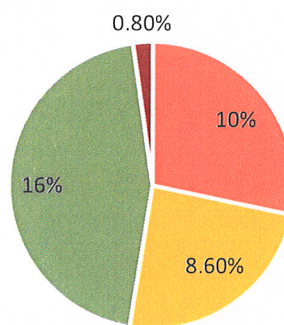
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other general expenses), 16% to cover the Working Capital Reserve, and 0.8% to fund a pick-up truck for the plant operations that replaces a 1998 model.

With the new proposed rate increase, the average bill for a residential customer with 4,000 gallons usage is projected to increase from \$19.08 to \$25.83. The City of Moundsville Sanitary Board's rates are currently the second lowest rates of all municipalities in the state. After the increase, the rates will still be the 9th lowest municipality in the State. The last increase, which was a two-tier increase, was enacted in 2010. This increase was used to pay for increasing operation costs and to complete Federal and State mandated separation projects in the sanitary collection system.

Rate Increase



- Manhole Replacement
- Working Capital Reserve
- Operation & Maintenance
- Pick Up Truck

City Council and the Sanitary Board work hard to provide excellent services to the residents of Moundsville and recognize the hardship this increase may place on some people. However, we are committed to providing top level services to the residents, as well as providing good compensation and benefit packages to our employees.

The Third and Final Reading of the ordinance to amend the rates will be held on Tuesday, January 5, 2021, during the Regular Council Meeting, starting at 7:00. A Public Hearing will also be held during that time. Due to COVID safety precautions, the meeting will only be available via ZOOM. If you wish to comment during the Public Hearing, you may join the virtual meeting by calling 1-929-205-6099, and entering the following Meeting ID: 895 7485 9395 and Passcode: 142185. You may also send or call comments into the City Clerk's Office at 304-845-3394 up to 3:00 on January 5. All comments received prior to the deadline will be read aloud during the Public Hearing.