

HERMITAGE

Flat rate wins out, but it's going up

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Hermitage officials plan to use the same rate structure when they raise residential sanitary sewer user fees in January, although the billing cycle will change from quarterly to monthly in 2012.

Officials considered a volumetric rate — combining a flat-rate charge and a consumption charge — but favored the flat-rate structure already in place, which stays in line with a consultant's advice. With so much of the city's costs fixed, meaning that expenses do not change no matter how much flow is entering the plant for treatment, the flat rate generates a consistent amount of revenue, said City Manager Gary P. Hinkson.

It also avoids the variables that come with a consumption-based rate structure, including installing water meters for the 200 or so customers who have well water, and the requests for rate breaks from people who water their lawns and wash their cars, he said.

Commissioners will introduce an ordinance setting the rate hikes Wednesday, and hold a public hearing and final vote Aug. 25, Hinkson said. Residents tapped into the Hermitage Municipal Authority lines now pay \$95 a quarter. That rate will bump up to \$105 a quarter on Jan. 1, under the proposed rate hike. On Jan. 1, 2012, the billing cycle changes to monthly, with the fee set at \$42 a month, the equivalent of \$126 a quarter.

Finally, on Jan. 1, 2013, the rate settles at \$47.50 a month (142.50 a quarter). At this point, rates will have gone up 50 percent from the current fee.

"I was very nervous about this, but I was very impressed with how hard they worked on it," said Commissioner Rhonda L. Paglia, speaking of city and authority officials. The final rate will not be out of line with those charged by other local municipalities. Sharon and Sharpsville customers now pay \$54 a month — Sharpsville adds a usage fee when consumption tops 3,000 gallons — Jefferson Township charges \$55 a month, and Shenango Township users pay \$49 a month, Hermitage officials said.

The Hermitage rate hikes are needed to pay for a \$32 million expansion of the water pollution control plant on Broadway Avenue, meeting a condition of a consent order the city and authority signed with the state Department of Environmental Protection. The order was created to stop raw sewage from being released into Bobby Run during heavy flow periods.

The rates for industrial and commercial customers and personal care boarding homes also will rise at about the same percentage, but their rate structure is different. The industrial-commercial rate is a quarterly flat fee based on the size of an entity's water meter — which ranges from five-eighths of an inch to eight inches in diameter — and a consumption charge added if water usage exceeds a set amount. The industrial-commercial rates also will be phased in over three years.