

## CITY OF OWENS CROSS ROADS

Owens Cross Roads City Hall
P.O. Box 158 / 9032 Highway 431 S. Owens Cross Roads, AL 35763
Tel: (256) 725-4163 Website: www.owenscrossroadsal.gov

May 4, 2022 OCRoo5-0002

Owens Cross Roads Sewer Customers:

The City of Owens Cross Roads is aware of a number of concerns that have been voiced on social media sites recently in response to letters mailed outlining rate increase information. While we welcome our citizens to visit City Hall and address their concerns individually, we would like to address some of the social media concerns at this time.

Currently, our existing sewer plant is at capacity, processing an average of 250K gallons of sewage daily. This sewer plant is very old and needs a number of improvements. An additional 300K gallons per day of sewage is currently being pumped to Huntsville's Big Cove Plant for processing due to the limitations of our existing plant. The City of Owens Cross Roads pays Huntsville approximately \$30K a month for them to receive and process that sewage. Once a new sewer plant is built, we will no longer have to pump to the Huntsville plant. Please note, the 550K gallons that is currently being processed daily does not include the new Cave Springs, Ramsey Cove, Richmond, or Arcadia Subdivisions.

The expense of processing sewage at our local plant and/or pumping sewage to be processed at the Huntsville plant is directly impacted by the increase in material and labor costs associated with the rising cost of the US economy. It costs more to clean sewage than it does to clean reasonably clean water used for drinking water.

Money collected for sewer payments goes into a Sewer General account and is used for sewer maintenance and operation. Sewer tap fees are deposited into a Sewer Capital account for sewer expansion and development. Sewer Account Deposits collected from customers at the time a sewer account is opened are held in a Sewer Savings account. Sewer funds are not used for other City operating expenses.

Owens Cross Roads Water Authority is a separate entity from the City of Owens Cross Roads. The OCR Water Authority was established by a private individual years ago and is not owned by the City of Owens Cross Roads, therefore usage readings are not available to the City Sewer Department for billing. The labor costs would be astronomical for us to read the meters and would add yet another expense onto the cost of running the sewer system.

There are several small towns that have separate water and sewer departments. We are not unique in this. References have been made regarding Hampton Cove; that is a <u>neighborhood</u> within the city limits of Huntsville – therefore it is easy to understand why their utility bill also includes their sewer and water charges. We could pay Huntsville Utilities to do our billing, but that would add another expense to the City Budget.

There are currently customers that have had accounts since the beginning of the sewer plant that are in fact being charged at a rate of \$30/month, \$10 less than the \$40/month rates. These customers also received their own sewer rate increase letters. At the end of the 10-year period, everyone will be the same rate.

Low income residents have the opportunity to apply for assistance with sewer, water, and other utility services through Community Partnership Huntsville/Madison and Limestone Counties, Inc. (REGION 2). If you feel you would qualify for this assistance and would like more information, call 256-907-1550 or 256-851-9800 or go to http:caa-htsval.org/

Please remember that City Council meetings are open to the public and Mayor Craig and the entire staff at City Hall has an open-door policy. There is someone available most days, Monday – Friday, 8 am- 5 pm. These are the ideal places to voice your concerns.

You may reach me at 256-725-5168, 256-503-7531, or <u>christie.eason@owenscrossroadsal.gov</u> with any questions or comments in regards to this, or if I can be of further assistance in another area.

Sincerely,

Christie D. Eason

City Clerk

City of Owens Cross Roads

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