




Regional Water District Feasibility Study

Frequently Asked Questions

What is a public water district?

A public water district is a regional, independent, locally controlled unit of government operating both within and outside of the district. The district structure allows community partnerships, regional representation and promotes economic growth and development.

A water district operates wholly under the provisions of Ohio Revised Code Chapter 6119 titled Regional Water and Sewer Districts. For more information on this law, please visit <http://codes.ohio.gov/orc/6119>.

Are my rates going to go up?

Rates will not increase due to a transition to a water district. Currently, GCWW rates are among the lowest in the region. Rates can be expected to increase according to GCWW's current financial plan – similar to what we have experienced over the past 12 – 15 years. Rates will continue to remain reasonable and affordable by spreading fixed costs over an expanding customer base.

Will the high quality of our drinking water remain the same?

Yes. Extensive regulations ensure safe drinking water and a water district would have to operate under the same federal and state regulations and regulators.

For the past 170 years, GCWW has taken a leadership role and is recognized for excellence in water quality research and operations. This commitment to water quality excellence will continue. Transitioning to a water district will enhance opportunities to increase the customer base and provide resources needed to support research, treatment technologies and services.

Why consider changing?

A public water district would allow flexibility to move beyond the current state restrictions and join with others over a broader geographic area. GCWW is reaching the practical geographic limitations and must plan for the future. Increasingly strict regulations to protect drinking water require expensive research and advanced water treatment technologies. Spreading these costs over more customers helps keep costs reasonable for all.

What are some specific advantages of becoming a water district?

Communities throughout the region benefit from a public water district structure that allows community partnerships, regional representation, and a sharing of collective strengths. A plentiful supply of safe drinking water and stable, affordable rates promotes economic development/growth, attracting residents, businesses and jobs. In addition, joining together and spreading costs keeps rates affordable for all well into the future.

How will a public water district support a strong regional economy?

A plentiful supply of source water at reasonable rates makes the region attractive to residents and businesses. Regional partnerships allow us to combine our resources to sustain a drinking water system at reasonable rates. A water district provides a more flexible business model to manage water resources consistent with future regional community needs.

Is the creation of a water district a step toward privatization?

No, water districts are public agencies operated by public employees dedicated to serving the community. A public water district is a public agency governed by a board of local residents. Over time, as the water district is in the process of paying for the assets, and as other communities have joined as members of the water district, a sale to a private company becomes increasingly complex and therefore less likely.

What benefits will the city receive by approving formation of the district?

In addition to the benefits received by all communities in the region, the City of Cincinnati would receive a considerable long-term revenue stream from the transfer of assets. In one hypothetical scenario developed by the consultant, the city would receive an average annual payment in the \$14 million to \$18 million range for a period of 75 years depending upon the agreed-upon value of the assets. These payments would need to be phased in, starting with much smaller annual payments of \$5 million to \$6 million. The assumptions in the financial model presented in the feasibility study are conservative and based upon expert opinion.

The payments received by the City of Cincinnati must be applied to what is defined in the law as “permanent improvements” (infrastructure, roads, sidewalks, bridges, etc.) under state law.

How will a public water district be able to transfer the assets to the City over 75 years and still keep rates reasonable?

Whether you are talking about expensive research, state-of-the-art treatment plants or the pipes under ground that bring you your water, economies of scale means spreading fixed costs over a greater number of customers. Spreading fixed costs over more customers helps keep costs reasonable for all. State law allows a water district to serve areas beyond the practical geographic limitations placed on a municipal water utility. The financial plan assumes continued expansion of services, including water services, to three additional communities within 15 years. Based on recent history, we believe that is realistic. In addition, to help keep costs down, greater efficiencies can be identified within a structure that allows a total focus on water issues.

How will current GCWW employees be affected?

Employees will receive the same levels of compensation, benefits and eligibility in the Cincinnati Retirement System as they receive today. Water district employees would remain public employees, governed under state civil service law (Ohio Revised Code Chapter 124) just as they are now as City of Cincinnati employees. At the time of the transition to a district, all GCWW employees become water district employees, who “shall not be reduced in pay or position” per ORC 6119.37.