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## **Moscow Mills**

### **Utility Billing**

Yes, it's true the utility bills in Moscow Mills have gone up considerably. The City has listened to many concerns regarding this issue. Hopefully, I can attempt to explain why.

There is one reason the Water & Sewer rates were high before the January, 2019 increase. The increased capacities currently the City has for Fresh Water is 4 times greater than our needs. Likewise, the capacity for Sewer is 6 times greater. The natural question is why did the City seek bonds in 2006 to increase water & sewer capacities to that level.

If you are not aware the City has a TIF district located at Highway U. This district was set up to accommodate growth in that area for Commercial development. The developer invested millions of dollars in the Highway U overpass and lent the City money to install the Mette Road Water Tower and the City financed Crooked Creek Sewer Plant with funding from Bonds. Both of these facilities would support the growth that was projected to occur in that area.

Unfortunately, the projected growth was met with the downturn of the Real Estate Market in 2008 and one of the worst recessions since the Great Depression. Was it a good decision to increase capacities to that level? Only time will be the judge of that. In short, we are left with a higher base rate for water & sewer until more businesses & homes are built. The water & sewer capacity increases, which seemed to be good decisions in 2006 & 2007 and now seem to be less than desirable, should be treated like the Monday morning Quarterback ... Hind sight is 20/20.

The above described situation explains why the rates were high prior to 2019 ... now to provide information why the rates increased dramatically in January 2019.

The Environmental Protection Agency (EPA) is the Federal agency that protects the environment and ushered in the Clean Air & Water Act in the nineteen seventies. They utilize Missouri Division of Natural Resources (MDNR) to enforce that act.

Between the years of 2008 and 2012 the City of Moscow Mills was cited several times by MDNR for violations of it's North West Treatment Facility (NWTF). The violations were due to the ever-changing requirements from the EPA and old technology. In January of 2013 the City reached an agreement with EPA to remedy the problem at NWTF.

The agreement resulted in the decision to close the NWTF, install a Lift Station (Big Pump), and install 2.2 miles of pipe across the City and pump the effluents to the City's other sewer treatment facility located at Crooked Creek.

The voters of the City were asked to approve a \$3.0 million Bond Issue in April of 2014. The City didn't have much choice regarding the issue. The selection was either put the agreement into action or EPA would fine the City at a rate of \$10,000 per day.

The City is very fortunate to have had 250 new homes added to the utility roster since 2015 which helps defray the Base Cost for utilities. Instead of \$60.25 Base Cost of Water & Sewer combined for 2019 it would have been \$75.38. As more new homes are built in the City the base cost will diminish. I continue to hear that the Base Cost is too high. Therefore, I decided to check Metropolitan Sewer District (MSD) rates in the greater St. Louis region. Their Base Cost is over \$100 per month. I know we are high but larger regions are suffering from the same fate ... Old systems and the EPA.

The real estate crash of 2008, the decision for increased capacities in 2008, and the Order of Compliance from EPA to close the North West Treatment Facility has placed the City in an extremely uncomfortable situation regarding water & sewer rates. One positive result coming from the whole situation is having excess capacity in both water & sewer to attract new businesses to Moscow Mills. Acquiring new business will help spread the higher water & sewer rates among Corporate users.

If you have further questions regarding the higher Water & Sewer rates, I would be happy to discuss them.

Best Regards,

*Patrick Flannigan*

Mayor of Moscow Mills, Mo

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