



CITY OF PAPIILLION

David P. Black, Mayor

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Dear Commercial Sewer Customer,

This letter serves as notification that the City of Omaha has raised the rates it charges Papillion customers to utilize their sanitary sewer system. Due to the Omaha increase, the City of Papillion must introduce a sewer rate increase in January 2011. The approximate rate increase of 23% will affect all of our commercial sewer customers. This is the first Papillion sewer rate increase since October 2003. On your bill, these costs will be designated separately as "Omaha CSO" so that you can see the specific amount.

Omaha bills the City of Papillion for commercial users based on actual water usage on a monthly basis. We bill our commercial customers based on their average water usage for the months of December, January and February. We will be adjusting our billing to match Omaha's system. This will account for a portion of the billing increase, particularly for those customers who irrigate more in the spring and summer months.

While all of our commercial sewer customers will be affected by the rate increases from Omaha, some types of businesses will be affected more than others. There are steps you can take to help manage sewer costs. The attached Q&A provides specifics on those actions and how they can help you to control sanitary sewer costs.

We value our customers and are committed to working with you to help manage the rate increase and billing changes. Please contact City Administration at (402) 827-1111 if you have questions that are not addressed in the Q&A.

Thank you,

Dan Hoins, City Administrator

Q&A on Sewer Rate Increase

What is happening?

The City of Papillion is increasing its commercial and residential sewer rates. The estimated average increase for commercial customers will be 23%. The rate increase will vary based on the size of the business and their water usage.

What is causing the increase?

The increase is being caused by several factors. The primary cause is an increase in the amount that the City of Omaha charges the City of Papillion for the discharge and treatment of wastewater (estimated at 19%). The EPA has mandated that Omaha separate its sanitary and storm sewer systems. The cost for that separation is being passed on to everyone who uses the system, including Papillion residents and businesses.

Next, Omaha bills Papillion based on actual monthly water usage, while we bill our customers based on usage from a three month average in December, January and February. Adjusting the billing to match Omaha's system creates an increase in costs for some customers (estimated at 4%).

When will this take effect?

You can expect to see changes on your January 2011 bill. The increased charges from Omaha will be designated as "Omaha CSO" charges on your bill so you can more easily account for the impact on your business.

How much will my business be affected?

Every commercial sewer customer will be affected by the rate increase, but not all will be affected to the same degree. For some businesses, particularly smaller users, the change will be negligible. For larger businesses and those who create a lot of wastewater (i.e. agricultural businesses), the cost increase could be more significant.

Will there be more rate increases in the future?

Yes, we anticipate there will be subsequent rate increases in the future to accommodate the charges from Omaha. The amounts are unknown at this time.

What steps can I take to manage the costs?

One way to manage your sewer rate cost is to purchase a separate meter for any irrigation system on your property.

Your sewer rate is determined by the amount of wastewater you are adding to the sewer system, which is measured by your metered residential water use (water from sinks, toilets, showers). Your sprinkler or irrigation system is likely connected to your residential water system meter. All of that irrigation water is being counted as wastewater and contributing to your sewer rate.

Separate meters for irrigation and for residential use will ensure that your sewer rate only counts the residential wastewater you produce, and not water used for irrigation.

How much does an additional meter cost?

Costs for water meters vary based on the size of the irrigation line. For example, the cost for a one inch line is \$208 and the cost for a one and a half inch line is \$365 (plus applicable taxes). For larger businesses, the cost for an additional meter could be offset by savings over time on their commercial sewer rate.

Where can I get more information?

We will be posting and distributing more information on this subject in the coming days and weeks. The best source for any information on this and any City subject is our website, www.papillion.org. Any new information related to sewer or water rates will be placed on the home page.

A good source for information about the overall Omaha sewer separation project is www.omahacso.com. Here you will find resources and information about the Omaha sewer separation and wastewater management projects.

Who can I contact with questions?

If you have questions about your specific sewer bill, contact our Finance Department at (402) 827-1677. If you have questions about getting a new water meter, contact the Building Department at (402) 597-2072. For questions regarding the cause of the rate change or the Omaha CSO program's effect on Papillion, contact City Administration at (402) 827-1111.