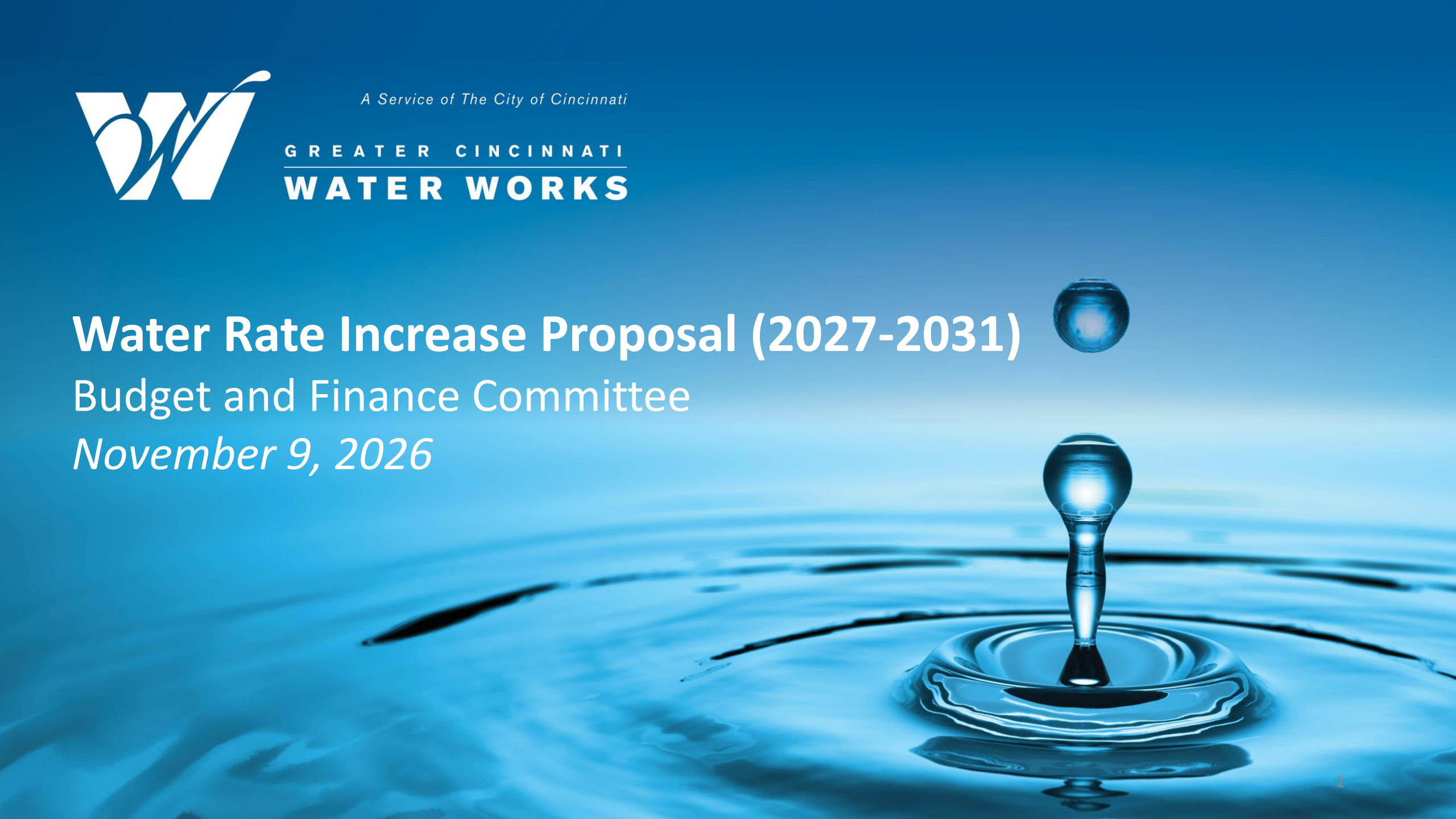
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GREATER CINCINNATI WATER WORKS

Water Rate Increase Proposal (2027-2031)

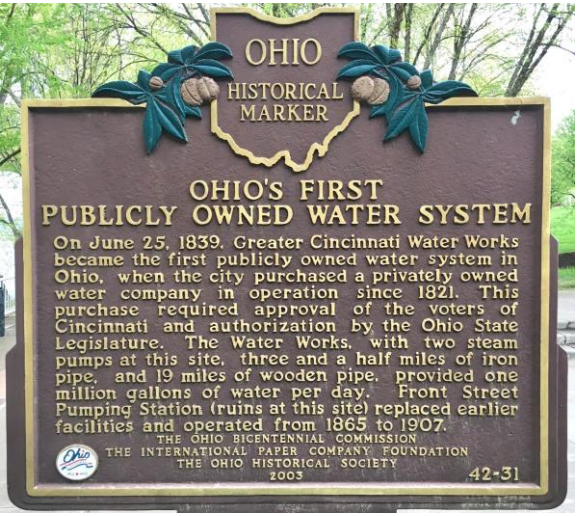
Budget and Finance Committee

November 9, 2026



GCWW: The Standard of Excellence

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GREATER CINCINNATI WATER WORKS



- We are **the oldest municipally-owned water utility in the State of Ohio** (1817)
- **Our 600 water professionals** strive to be **the standard of excellence in water services**
- Our **cutting-edge collaborative research** continually advances water treatment and services

- We are in the **top 5%** of water utilities nationwide for **fiscal health**, with a **AAA bond rating** from 2 rating agencies– one of 8 utilities in the US
- **Platinum** and **Sustainable Utility Management Awards** (2026) from the Association of Metropolitan Water Agencies
- **J.D. Power #1 in Customer Satisfaction** for Large Midwestern Utilities (2024, 2025)
- Named **“Best Tasting Water in Ohio”** (2025) by AWWA Ohio



The Highest Quality Water

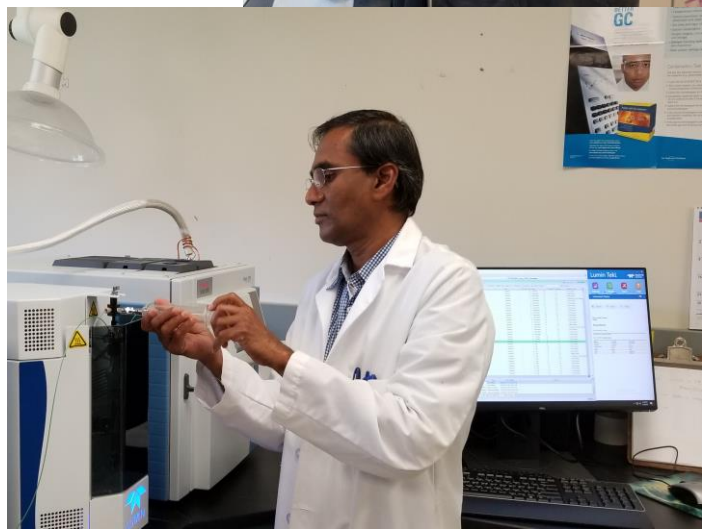
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We provide the ***highest quality drinking water*** to our residential, business, industrial and wholesale customers. ***GCWW's water meets or exceeds all state and federal regulations.***



- **Multiple advanced treatment processes**: Particle Removal, Granular Activated Carbon (GAC), Disinfection (UV and Chlorine), Fluoridation, Corrosion Control
- Water **tested over 600 times daily** throughout the system
- We treat about **132 million gallons of water daily**

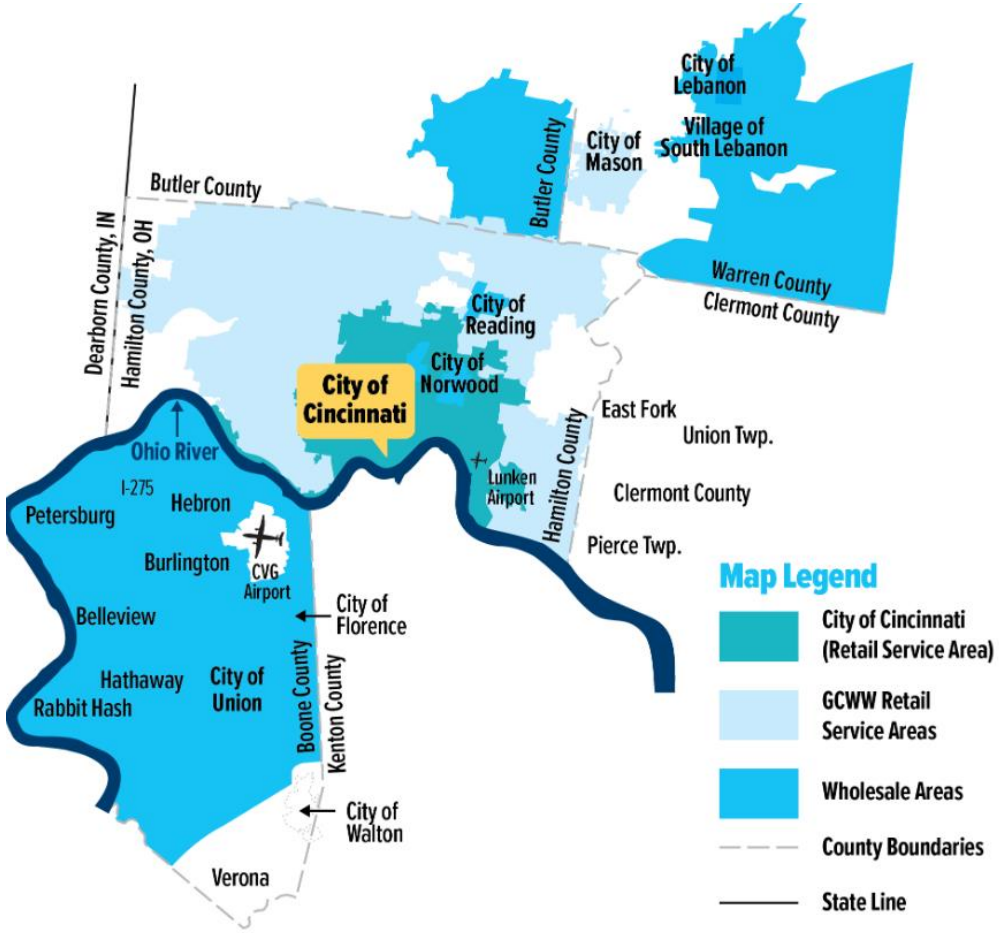




Serving the Region; Keeping Bills Lower

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We serve over **1.1 million customers across Greater Cincinnati and parts of Northern Kentucky.**



GCWW **serves 56 jurisdictions** from City of Mason to Boone County, Kentucky:

- **City customers –** 1/3 of revenue
- **Contract jurisdictions** – 2/3 of revenue

Local government contract customers:

- Retail: direct to customer (full service)
  - **City customer rate x 1.25+**
- Wholesale to local government (water only)
  - **Negotiated rate**

Outside Customers allow **spread of fixed costs, keeping water bills low** across the region

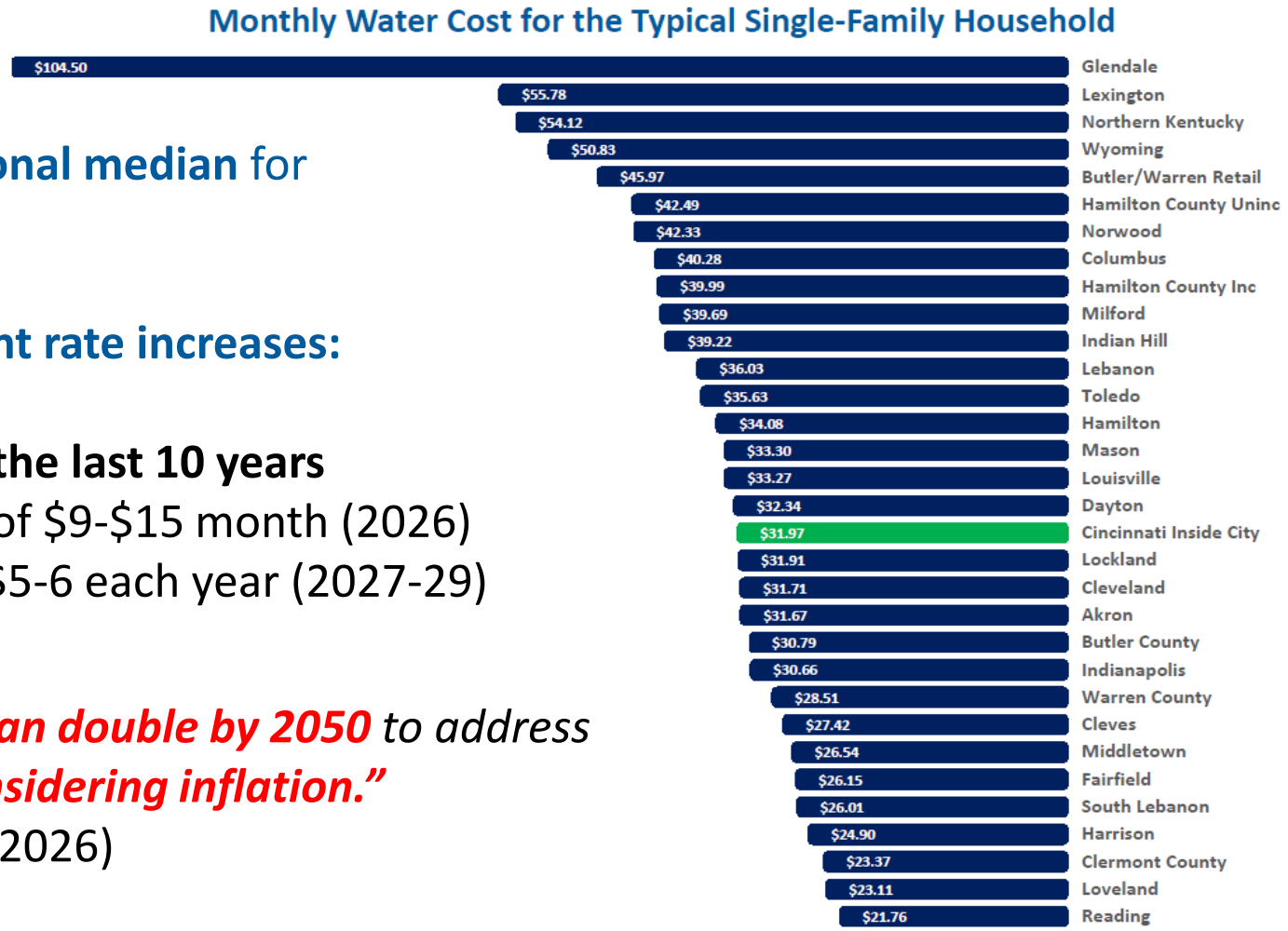
Cincinnati Residents Pay Less for Water (2026)

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- Cincinnati households pay **below the regional median** for monthly water costs (2026)

- **Ohio utilities have implemented significant rate increases:**
  - **Columbus: 18%** (2026)
  - **Dayton:** Avg. monthly bill **doubled in the last 10 years**
  - **Aqua Ohio:** PUCO approved increase of $9-$15 month (2026)
  - **Akron:** Avg monthly bill will increase $5-6 each year (2027-29)

*"Monthly water costs will need **to more than double by 2050** to address infrastructure and regulations **without considering inflation."***
-The **American Water Works Association** (2026)



Steady Rate Increases Ensure Reliable Service

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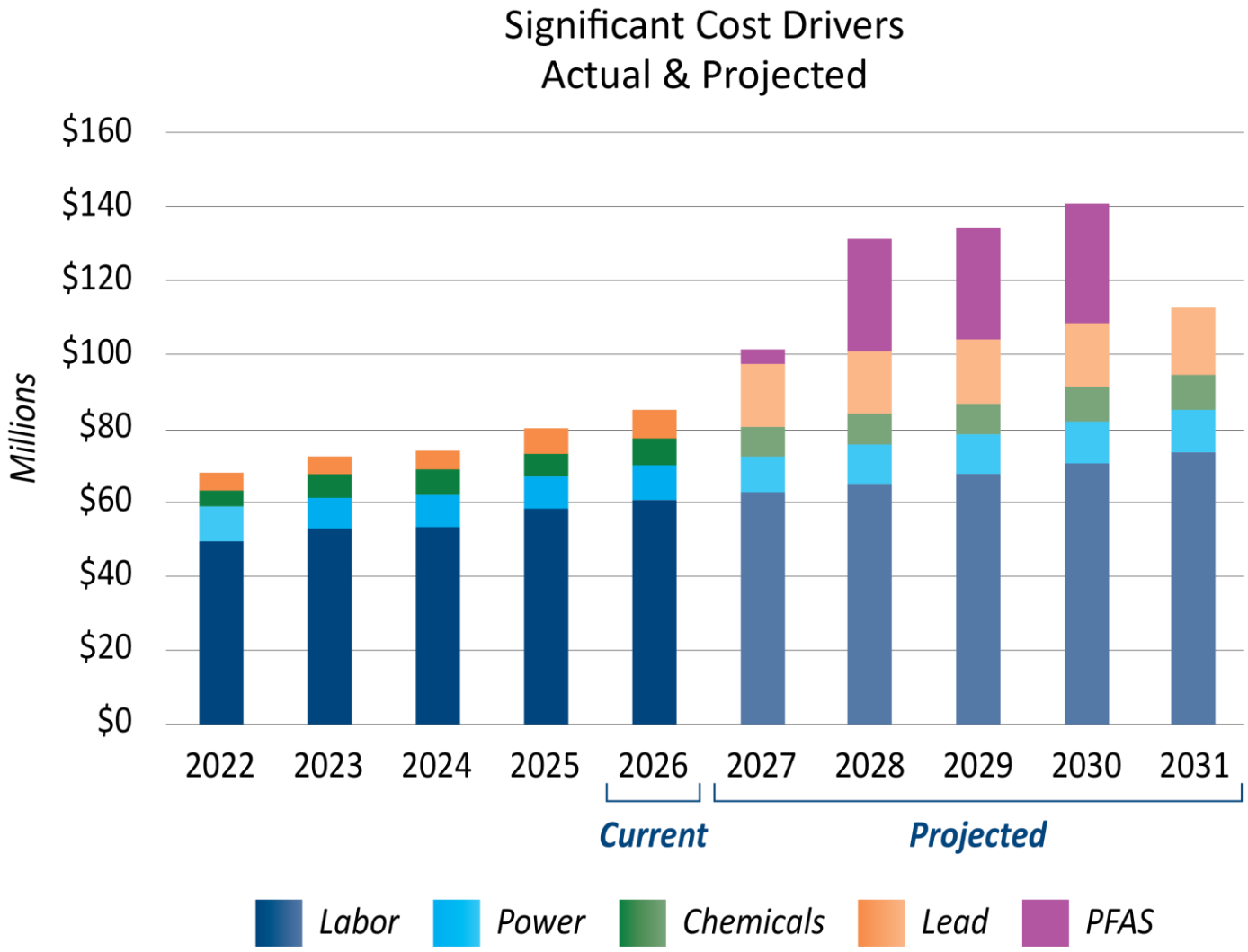
Year	Rate
2012	8.50%
2013	7.25%
2014	5.50%
2015	4.00%
2016	5.00%
2017	3.75%
2018	3.75%
2019	3.75%
2020	3.75%
2021	3.75%
2022	3.75%
2023	5.55%
2024	5.55%
2025	5.55%
2026	5.55%

Since 2017, **Council support has enabled GCWW to:**

- Maintain **AAA bond ratings --** one of only 8 utilities nationwide
- Establish, expand, and **fully fund Lead Service Line replacements**
- **Replace 1% of system water mains annually** (32 mi., per Smale)
- **Upgrade critical systems:**
  - New 9M gallon clearwell to improve water quality and redundancy
  - Billing system migration to cloud to improve cybersecurity
  - SCADA improvements to monitor and manage water quality and pressure throughout the system

Costs Drivers for Quality Water Services

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- **Stable but growing costs of**
  - Electricity
  - Chemicals
  - Labor
- **Drinking Water Regulations with short deadlines create a *"cost hump"***
  - Lead Service Line Replacement
  - PFAS Removal

Costs Drivers for Quality Water Services

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Cost Driver		Est 2022-2026	Spending increase (2027-31)	Est 2027-31
USEPA REGULATORY MANDATES				
Lead Replacement	Increase rate to 3,000/yr	**$34,000,000**	**$73,000,000**	$107,000,000
PFAS treatment	New mandate - April 2028	**$0**	**$90-120,000,000**	$90-120,000,000
REVENUE MAINTENANCE				
Smart Meter Implementation	Avoid revenue loss from meter degradation	$0	$91,000,000	$91,000,000
OTHER SIGNIFICANT COST INCREASES				
Energy Inflation	20% increase over past 5 yrs	$44,000,000	$19,000,000	$63,000,000
Contractor Inflation	Smale 1% annual water main replacement (32 miles)	$216,000,000	$200,000,000	$416,000,000
Personnel	Annual increases (labor contracts)	$393,000,000	$16,000,000	$409,000,000

These drivers alone will **increase costs by more than $489M or 71%** for 2027-31

Major Cost Driver #1:

Lead Service Line Replacement

- GCWW initiated its award-winning lead program in 2018
- Over **10,000 lead service lines** removed from our system
- Outreach efforts **increased resident participation** from **50% to 90%**
- **$10.9 million** in Federal and State funding received



We still have more to do…

- **30,000 lines remain** in the system
- Starting November 2027, USEPA requires **10% (3,000) replacement each year**
- Annual Replacement Cost of **$23 million for 10 years ($230 million total)**

***Major Cost Driver #2*:**
PFAS (Forever Chemicals) Removal

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USEPA requires **PFOA/PFOS removal** to **below 4 ppt** measured beginning April 2028

88% of GCWW's water is from the **Ohio River/Richard Miller Treatment Plant**

- Granular Activated Carbon (GAC) technology in place since the 1990s
- Effectively **removes PFOA/PFOS to non-detectable levels**
- Reactivation furnace **recycles the GAC,** eliminating PFAS disposal issues and lowering costs



12% of GCWW's water is from **groundwater/Bolton Plant in Fairfield**

- Average **PFOA/PFOS** levels of **6 ppt exceeds** EPA threshold
- GCWW will **install GAC** to remove PFAS
  - Capital cost: **$90-$120 million**
  - Annual operating cost: **$2 million**
- **Spent GAC can be reactivated** at Miller Plant's carbon reactivation furnace



GCWW is **receiving $31 million in settlements** with DuPont, 3M and other PFAS manufacturers

***Major Cost Driver #3*:**
Replacing aging water mains

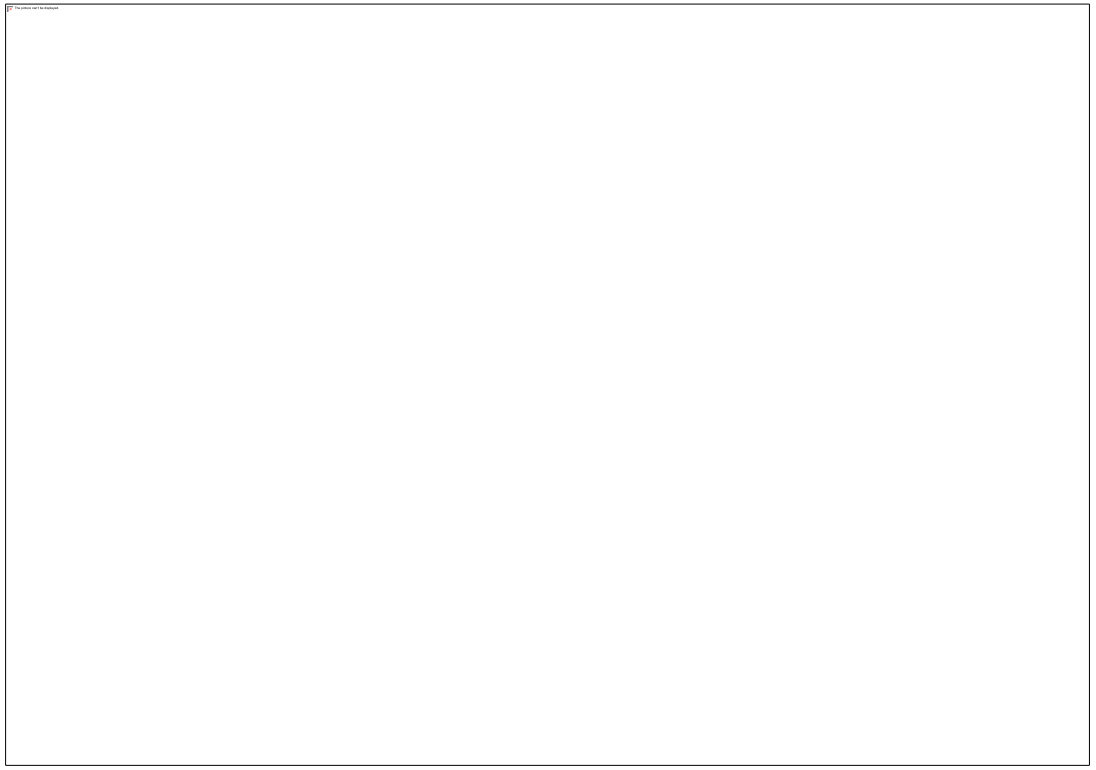
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Annual 1% water main replacement program has dramatically reduced leaks and breaks

- **1987 Smale report recommendation:** replace 1% annually based on 100-year water main life cycle

- **Dramatic reduction in water main leaks and breaks**
  - Water main repair cost savings
  - **Reduced water outages**/customer inconvenience
  - Less damage to roadways and property
  - Fewer **road closures and traffic impacts**

- **From 2021 to 2026**, the cost of 32 miles (1%) of water main replacement has **nearly doubled from $40 million to $78 million**



2027-2031 Proposed Rate

GCWW rate study based on American Water Works Association Methodology

Annual Increase	Avg annual residential bill increase (2027-31)
9.5% (FULL COST OF SERVICE)	**$3.78/mo.**



- **Fully fund Smale water main replacement program** (1% = 160 miles over 5 years)
  - Continue to **reduce leaks and breaks** and **street repair**
- **Meet USEPA regulations**
  - Required **10% annual lead service line replacement** (3,000/yr)
  - PFAS regulations (**installation/operation of Bolton Plant GAC**)

Keeping Monthly Residential Water Costs Affordable

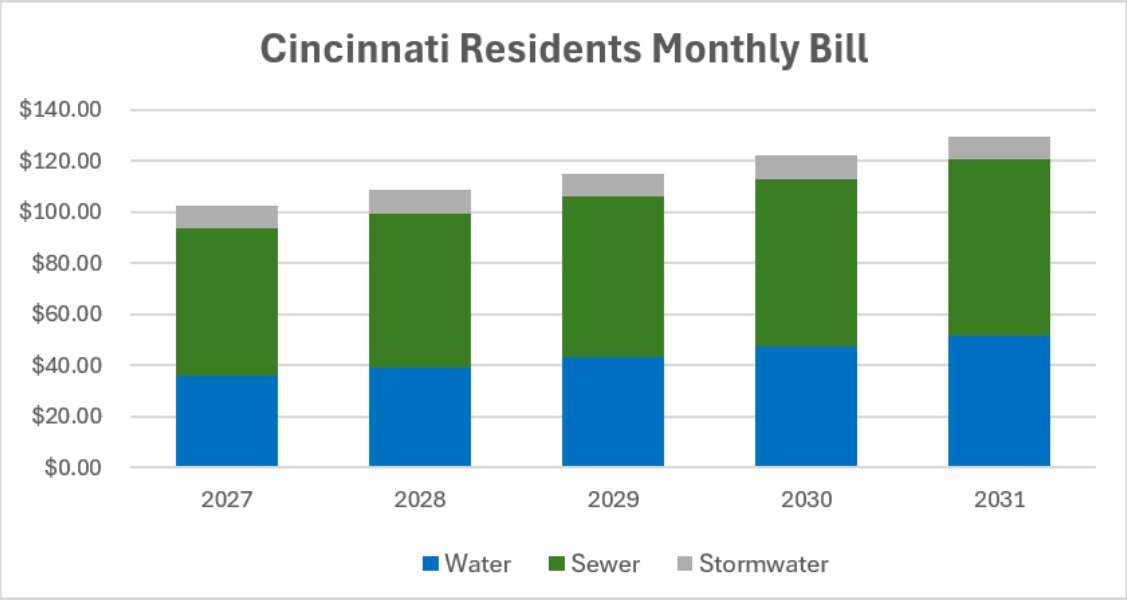
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Year	Rate	Avg monthly increase (Residential)	Bathtub (40 gal)
2022	3.75%	$0.94	$0.17
2023	5.55%	$1.51	$0.18
2024	5.55%	$1.54	$0.19
2025	5.55%	$1.62	$0.20
2026	5.55%	$1.71	$0.21
2027	9.5%	$3.14	$0.23
2028	9.5%	$3.41	$0.25
2029	9.5%	$3.74	$0.27
2030	9.5%	$4.09	$0.30
2031	9.5%	$4. 50	$0.33

At a 9.5% annual rate increase for 2027-31:

- The cost of a **bathtub** full of GCWW drinking water would **increase by $0.02-0.03 per year**
- The average Cincinnati residential monthly water costs would increase by an average of **$3.78 each year**

Water/Whole Bill Affordability for City Residents



Avg household/mo^	2027	2028	2029	2030	2031
Water	$35.94	$39.35	$43.10	$47.19	$51.69
Sewer*	$57.68	$60.30	$63.03	$65.87	$68.84
Stormwater	$9.04	$9.04	$9.04	$9.04	$9.04
Whole bill	**$102.66**	**$108.69**	**$115.17**	**$122.10**	**$129.57**

The total utility bill includes:

- Sewer (MSD)
- Water
- Stormwater

Under the proposed increase, the total average monthly utility bill would increase by **$6 to $7** each year

^Based on average usage 6.1 CCF/month for Water, 5 CCF/month for Sewer

*MSD rate study recommends 4.5% annual increases, subject to Hamilton County Commissioners approval

Helping Our Customers Afford Water Bills

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From 2022 to 2026, even as **rates increased by 5.55%** annually,

- Pending shutoffs: **decreased by 92%**
- Delinquent accounts: **reduced by 22%**

Our assistance programs:

- **Discount 4U**: 25% discount to seniors/disabled veterans
- **Early notification**: immediate notice of delinquency and time to pay
- **Payment plans:** Self-serve interest-free plans over 12, 18, or 36 months
- **PureRelief program:** 50% forgiveness of past due balances up to $2,000

GCWW delinquent **shut-off rate of 2.8%** is below the national average.

Questions?



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GREATER CINCINNATI
WATER WORKS