

RATE EXPLANATION 2012

A. DISTRICT SEWER RATES

A 2% rate increase for both the fixed charge and the volume charge was effective 1/1/12. We are also in the 3rd year of a renewal and replacement fund charge which adds \$0.87 to the volume charge.

The collection and treatment rate was increased 2%, plus an additional \$.67 for the third year of a renewal and replacement fund charge (this increase is based on an average usage of 800 cf).

B. DISTRICT WATER RATES

A 2% rate increase for both the fixed charge and the volume charge was effective 1/1/12. We are also in the 3rd year of a renewal and replacement fund charge which adds an additional \$0.53 to the volume charge.

C. CITY OF OREGON WATER MASTER METER RATES

A 2% rate increase for both the fixed charge and the volume charge was effective 1/1/12. We are also in the 3rd year of a renewal and replacement fund charge which adds an additional \$0.53 to the volume charge. The District operation and maintenance charge and the Oregon cost of water charge are combined into a total volume rate.

There was no increase in the Oregon cost of water component included in the volume charge. The volume charge for Oregon is \$15.25 per 1000 cubic feet. Oregon is currently reviewing their rates, which may result in a rate increase later in the year.

D. CITY OF BOWLING GREEN MASTER METER RATES

A 2% rate increase for the fixed charge ONLY was effective 1/1/12. There was no change in the volume portion of this rate.

E. VILLAGE OF BAIRDSTOWN RATES

A 2% rate increase was implemented for the fixed and volume operation and maintenance charge included in these rates. The cost of water portion of the rate was also adjusted \$2.50 per 1000 gallons due to an increase in the cost of water purchased from the Village of Bloomdale.

F. CITY OF FOSTORIA WATER MASTER METER RATES

A 2% rate increase for both the District fixed operation and maintenance charge and the volume operation and maintenance charge was effective 1/1/12. We are also in the 3rd year of a renewal and replacement fund charge which adds an additional \$0.53 to the volume charge.

There was no increase in the Fostoria cost of water volume charge billed separately on the customer's bill. Fostoria is currently reviewing their rates, which may result in a rate increase later this year.

G. CITY OF NORTHWOOD TRANSITION RATES

The water rates for the City of Northwood customers were being phased in over a 3 year period which ended in 2011. These customers are now paying the full 2012 District operation and maintenance rates for water charges.

The sewer rates for the City of Northwood customers were being phased in over a 5 year period which ends in 2013. These customers will pay the full District sewer operation and maintenance rates for sewer charges effective 1/1/14.

This transition phase in period was per the agreement with the City of Northwood effective when the City turned over operations of the water and sewer systems to the District in 2009.

These customers are currently paying a 115% surcharge for Toledo water rates through the January 2012 billing quarter. Effective 4/1/12, these customers will pay a 75% surcharge, per the agreement with the City of Toledo. This change is based on the Northwood master meters being placed into service January 12, 2012. In addition, the Toledo water rates will increase 9% effective with the April 2012 billing quarter. The net result for the Toledo water rate may be a decrease to these customers.

The Toledo sewer rates are billed per the rate schedule from the City of Toledo. There will be a 3% increase in the Toledo sewer rate effective with the April 2012 billing quarter.

H. CITY OF ROSSFORD TRANSITION RATES

The District's 2% rate fixed and volume operation and maintenance charges are in effect and the 3rd year of the replacement fund charges is included in these rates. These rates are lower than the standard District operation and maintenance charges because the rates are being phased in to the full District rates per the schedule below.

The water rates for the City of Rossford customers are being phased in over a 5 year period which ends in 2015. These customers will pay the full District operation and maintenance rates for water charges in 2016.

The sewer rates for the City of Rossford customers are being phased in over a 3 year period which ends in 2013. These customers will pay the full District sewer operation and maintenance rates for sewer charges effective January 1, 2014.

This transition phase in period was per the agreement with the City of Rossford effective when the City joined the District and turned over the operations of the water and sewer systems to the District in 2011. The schedule of rate transition was provided to Rossford officials as part of the agreement. The phase in period was to move the Rossford customers from the lower Rossford rates to the higher District water and sewer rates.

These customers pay a 75% surcharge for Toledo water rates per the agreement between the District and Toledo. Effective 4/1/12, the rates for these customers will increase by 9% per the scheduled rate increase from the City of Toledo.

The Toledo sewer rates are billed per the rate schedule from the City of Toledo. There will be a 3% increase in the Toledo sewer rate effective with the April 2012 billing quarter.

I. CITY OF TOLEDO MASTER METER WATER RATES

Depending on the location of a property, a customer will pay a 50%, 75% or 115% surcharge on the Toledo inside water rates. Please call to determine which area you are in.

Toledo requires this surcharge to all customers who are located outside the City of Toledo.

J. TOLEDO AREA SEWER MASTER METER CHARGES

A 2% rate increase for both the fixed charge and the volume charge was effective 1/1/12. We are also in the 3rd year of a renewal and replacement fund charge which adds \$0.87 to the volume charge.

These rates are for the Stony Ridge/Lemoyne sanitary sewer area. Most of these accounts will be sewer only accounts and are billed a flat rate sewer charge based on 800 cf of usage per month.

The Toledo sewer rates are billed per the rate schedule from the City of Toledo. There will be a 3% increase in the Toledo sewer rate effective with the April 2012 billing quarter. The flat rate charge is based on 800 cf of usage per month.

These customers also pay a fixed debt charge of \$30.64 per month. This is used to pay the debt for the construction of the project and is for a 40 year period.

The accounts that may have water service will be billed based on metered water usage at the rates listed in this exhibit.

K. DEBT SERVICE CHARGES

Debt service charges are billed to certain areas of the District service area for the cost of construction of a project that serves a particular area. These funds are used to pay the construction debt for each particular project that is built.

These debt charges are billed each month for a set period of time, usually a 20 - 40 year period. This time period is determined by the length of financing of the construction debt.