Miami Group
SIERRA CLUB

Comments on MSD's 2027 Proposed Budget

Sierra Club Miami Group (SCMG) has reviewed MSD's 2027 Proposed Budget and has a series of concerns. We ask the Hamilton County Commissioners to order a major course correction in MSD's Wet Weather Improvement Program (WWIP) and to make specific revisions to the 2027 proposed budget. In addition, SCMG has examined the 2 options proposed by MSD for its 2027 rate structure and, without accepting the need for a 4% rate hike, urges the Commissioners to choose option #2, reducing the minimum monthly usage assumption from 3 ccf to 2 ccf, and making a corresponding reduction in the minimum monthly bill for low volume users.

I) Major Course Correction Needed

The flooding events of July 2026 show that MSD's Wet Weather Improvement Program (WWIP) is a massive failure. After more than 20 years of work and more than $2 billion spent, MSD has:

- Not reduced actual Combined Sewer Overflows (CSOs), SSOs, PSOs and NEOs;
- Not leveraged their $2 billion expenditure to solve related problems, such as community flooding; and
- Not enabled or incentivized potential allies to help solve the problem.

a. MSD has not reduced combined sewer overflows.

MSD measures or estimates CSO volumes at each of their outfall points for each storm event. When those actual overflows are examined, we see that annual discharges fluctuate significantly from year to year, because weather is highly variable, but there is no statistically significant trend toward decreasing CSOs. Exhibit 1 (below) shows that for the most recently completed year (2025), CSOs totaled 14.2 billion gallons, which is slightly more than the Consent Decree's 2006 starting point which was 14 billion gallons. After 20 years and $2 billion, MSD has not reduced CSOs at all.

MSD frequently claims that they have reduced CSOs by a significant percentage, and that they have reduced CSOs by billions of gallons per year. Those claims are based on computer modeling of what would happen if a hypothetical weather year from the 1970s reoccurred today. That modelling exercise is important for measuring compliance with MSD's Consent Decree, but it has no real-world significance.

The primary reason why measured CSOs and modelled CSOs are so different is because the climate in Cincinnati has changed and continues to change. Cincinnati is getting more extreme storms, and those storms are getting more intense. MSD has chosen strategies

that are too slow and too expensive. They are not keeping up with the pace of climate change.

b. MSD has not leveraged their expenditures to solve related problems.

In July 2026, severe storms caused flooding damage to thousands of properties in Cincinnati. While MSD and the media have reported them as 1000-year storms, Cincinnatians know that these events have happened over and over again. In a typical year, thousands of properties in Cincinnati suffer “overland flooding” damage. Weather trends tell us that extreme storms in our area are continuing to intensify. MSD is not the entity primarily responsible for these stormwater challenges, but they could be an important part of the solution.

CSOs can be addressed through “upstream” solutions or “end-of-pipe” solutions. MSD has consistently chosen end-of-pipe solutions. Their plan for the next 20 years focuses on supersizing the Little Miami and Mill Creek Wastewater Treatment Plants, at a cost of billions of dollars. These projects may or may not make progress against measured CSO volumes, but it is clear that they offer no co-benefits for the region. Upstream solutions include sewer separation projects (that get stormwater out of the sewer pipes), green infrastructure projects (that slow down the stormwater and infiltrate it into the ground) and use of infiltration wells (that enable stormwater to flow vertically into the aquifer). These upstream projects reduce CSOs, and also address Cincinnati’s flooding problems, reducing overland flooding, and reducing sewer backups.

The Lick Run Greenway Project shows how upstream solutions can be used to reduce CSOs and solve other problems. The Lick Run Project reduced CSOs at a cost per gallon significantly less than MSD’s average cost, while creating a significant public amenity (recreation area, nature area, and greenspace), revitalizing a neglected community, creating space for economic development, and reducing the risk of overland flooding.

c. MSD does not incentivize large landowners to manage their own stormwater.

SCMG and others have been advocating for years for MSD to charge large landowners for discharging massive volumes of stormwater into the combined sewers. This approach was recommended by the Rate Affordability Task Force in 2016 and found to be feasible by MSD’s contractor Black and Veatch in 2019. Since then, MSD has made a series of proposals under a series of names to put a price on stormwater. MSD has called it an Impervious Surface Fee, a Targeted Impervious Surface Charge Implementation Plan, an Excessive Stormwater Discharge Permit Fee, and an Excess Stormwater Discharge Fee. Now, in the proposed 2027 Budget, there is not one word about putting a price on stormwater. MSD says they can not solve the stormwater problem alone, but they slow-walk the actions that will make large landowners their partners in solving the problem. City Council has passed a resolution tasking MSD with significantly accelerating

implementation of an Impervious Surface Fee (by any name). The County should join the City in compelling this action.

d. MSD should be directed to re-evaluate their approach to wet weather improvements.

The WWIP is a failure. It has not reduced CSOs and it, in general, does not provide co-benefits for the region. The Cincinnati region does not have the luxury of spending billions of dollars on sewer enhancements without keeping pace with climate change and without solving multiple problems simultaneously. MSD does not have the luxury of continuing to ignore entities that should be partners in solving stormwater problems. MSD should be required to change course.

II) Specific Revisions to the Proposed 2027 Budget

a. Eliminate new diesel generators – Two of the projects in the proposed 2027 Capital Budget include the installation of new diesel generators for emergency or back-up power. **These diesel generators should be eliminated and replaced with battery backup systems.** The affected projects are CIP # 10172950 (LMWWTP Electrical, Primary, and Secondary Improvements) and CIP # 10222010 (TCWWTP Aeration Basin Conversion).

Diesel generators have, within the last few years, become functionally obsolete for most purposes because battery systems are better. MSD's selection of diesel generators was based on a business case evaluation done in 2022, and a lot has changed since then. At the very least, this outdated review should be redone.

Batteries have multiple advantages over diesel generators, including:

1. Speed – A battery backup system kicks in in milliseconds, so fast that electronic equipment doesn't even need to be rebooted. By contrast, diesel generators take minutes to come up to power, necessitating the restart of all operating equipment.
2. Pollution – Even the best diesel engines produce significant quantities of air pollutants, including particulate matter, VOCs, NOx, and CO_2. Batteries produce none of these. It is sometimes argued that the diesel emissions don't matter much because blackouts are rare, so the engines rarely run. This overlooks the fact that diesel generators must be exercised on a regular schedule, often weekly, to make sure they will perform when needed. This exercise typically includes starting, warming up, and running under load to confirm that everything is working properly.
3. Cost – Batteries have declined rapidly in cost over the last several years. The initial cost of battery and diesel back-ups depends on the outage duration that is being planned for. The initial cost of a battery system may exceed the initial

cost of a diesel generator, but when you look at total cost of ownership over the life of the equipment, the batteries are far cheaper. Diesels have ongoing costs for fuel and maintenance, while batteries provide ongoing savings by enabling off-peak energy purchases and shaving peak demand.

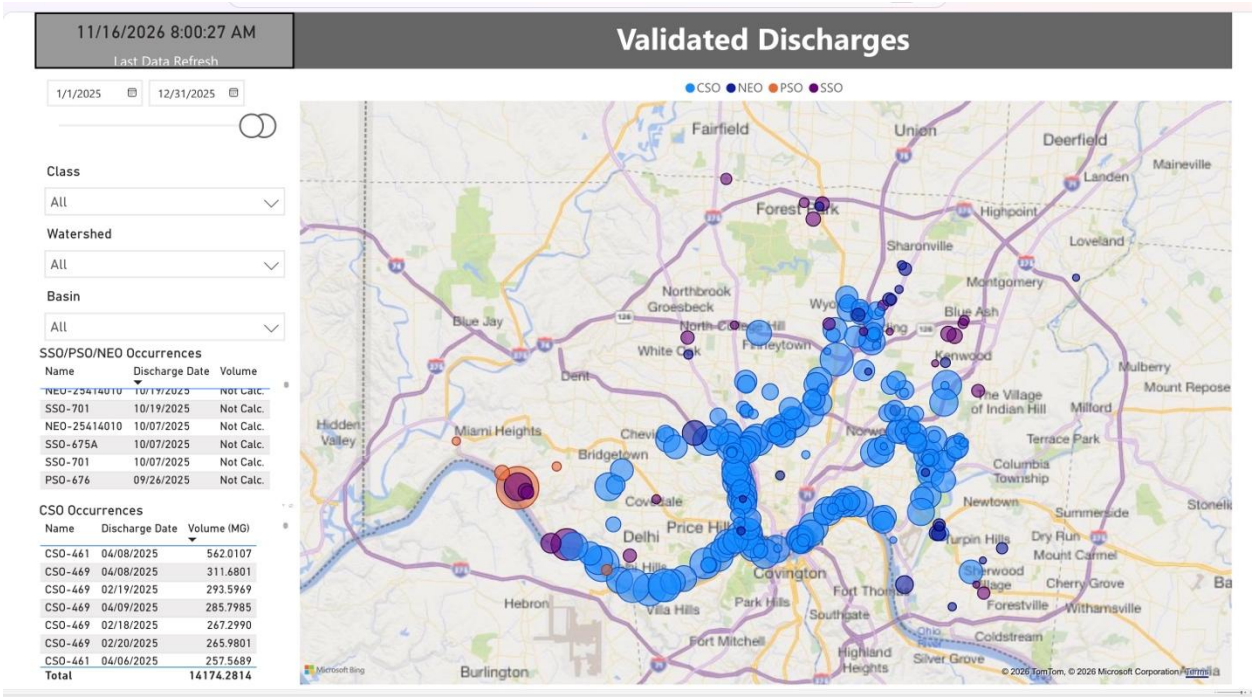
4. Spills – Diesel generators require diesel storage tanks. Storage tanks are prone to leakage. Sites that use back-up generators should be prepared to shoulder the cost of a spill cleanup at some point in the facility's life.
5. Eliminating Fossil Fuels - Eliminating reliance on fossil fuels for emergency generators would be consistent with the Green Cincinnati Plan's goal to phase out all reliance on fossil fuels.

b. Electrify the Fleet – MSD's draft 2027 Capital Improvement Plan calls for the purchase of 19 vehicles to replace aging equipment in the fleet. Of those 19 vehicles, 14 are pickups, vans or SUVs for which electric equivalents are readily available, but MSD is proposing to buy zero electric vehicles. **MSD should be required to purchase EVs when there is a cost competitive EV that meets their business needs.** MSD has said that they do not buy EVs because they don't have charging infrastructure. That is not an adequate reason. All an EV needs is a 220-volt receptacle that an electrician can install in under 2 hours, and a charger cord that is available from hundreds of vendors for under $200. If MSD's own chargers were temporarily down for any reason, there are hundreds of public EV chargers in the Cincinnati area that could be used as a back-up.

III) Rate Structure

MSD's 2027 Draft Budget offers a choice of 2 rate structures, each designed to generate a 4% increase in revenue for MSD compared to 2026. Option 1 continues the current practice of including 3 ccf/month of water use in the base monthly charge. Option 2 includes 2 ccf/month of water use in the base monthly charge and includes a slight increase in the charge for additional ccfs to make up for the lost volume of sales. While not accepting MSD's request for a 4% increase, **SCMG supports Option 2, reducing the minimum monthly charge from 3 ccf/month to 2 ccf/month.** Option 2 will primarily benefit elderly residents, especially those who live alone, who use very little water and don't discharge much to the sewer system. The high minimum monthly usage unfairly requires these small, often low-income users to subsidize larger users.

Exhibit 1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Validated Discharges
1/1/2025
12/31/2025
Class
All
Watershed
All
Basin
All
SSO/PSO/NEO Occurrences
Name Discharge Date Volume
SSO-701 10/19/2025 Not Calc.
NEO-25414010 10/07/2025 Not Calc.
SSO-675A 10/07/2025 Not Calc.
SSO-701 10/07/2025 Not Calc.
PSO-676 09/26/2025 Not Calc.
CSO Occurrences
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CSO-469 02/19/2025 293.5969
CSO-469 04/09/2025 285.7985
CSO-469 02/18/2025 267.2990
CSO-469 02/20/2025 265.9801
CSO-461 04/06/2025 257.5689
Total 14174.2814
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Fairfield
Union
Deerfield
Maineville
Landen
Forest Park
Highpoint
Sharonville
Loveland
Montgomery
Northbrook
Groesbeck
Blue Jay
Blue Ash
White Oak
Kenwood
Mulberry
Mount Repose
Dent
Hidden Valley
Miami Heights
Bridgetown
Terrace Park
Columbia Township
Newtown
Summerside
Price Hill
Delhi
Turpin Hills
Dry Run
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