PUBLIC UTILITIES COMMITTEE

SEPTEMBER 25, 2019

The meeting was called to order at 6:04 p.m. by Chairman Jonathan Smith. Committee members present were Jonathan Smith, Barry VanHoozen, and Mark Weber. Also present were Bridgette Kabat, City Administrator, Laura Alkire, Law Director, and Alice Godsey, Director of Public Utilities.

CITIZEN BILLING DISPUTE – IZZET & TERESA SOZERI, 2099 LEXINGTON DRIVE

Mr. Smith reported that since the last meeting, the Sozeris of 2099 Lexington Drive brought in a plumber and the plumber was unable to find anything that would cause the high water consumption. Ms. Alkire reviewed Section 1060.06 of the Code which states that no credit should be made for water. Mr. Sozeri said that he is certain they did not use that much water. Ms. Godsey stated that she reached out to the meter manufacturer and they stated that air in the line will not make the meter run faster. They said that the meter is a positive displacement meter and if there is an issue with the meter it would run slower, not faster. Ms. Godsey said that she's seen where something gets lodged in a back-up sump pump which would cause the increased consumption and then it breaks free. Mrs. Sozeri said that they would have heard it if that were the case. The Committee informed the Sozeris that without any proof showing that the water used did not enter the sanitary sewer system they would be unable to grant any type of credit.

APPROVE CHANGE ORDER 1 FOR CONTRACT WITH R.G. ZACHRICH CONSTRUCTION FOR POST AERATION AND PRIMARY BYPASS

Ms. Godsey requested approval of a change order to the contract with R. G. Zachrich Construction in the amount of $4,564.78. The contract was for post aeration and primary bypass work at the Wastewater Treatment Plant. Ms. Godsey said that during construction there were poor soils so tiling had to be done. The work has been completed so Ms. Godsey requested that it be approved as an emergency. Mr. Smith asked if this work exceeded the contingency. Ms. Godsey explained that there was no contingency included but the Administration is looking at including contingencies on contracts moving forward to give some flexibility in case of unforeseen circumstances. The Committee agreed 3-0 to recommend approval of the change order as an emergency measure.

AWARD HICKORY LOOMIS WATER LINE PROJECT

Ms. Godsey requested approval of a contract with Cash Services LLC in the amount of $506,401.61 for the Hickory Loomis water line project. She said that Cash Services was the low bidder and since the City has not worked with them before, their references were checked and there were no issues. Ms. Godsey said that $50,000 was inserted as a bid item for contingency. Mr. VanHoozen asked if we will be doing a 10% contingency in the future. Ms. Kabat said that it will be analyzed on a case by case basis, and it will be different if the project is below ground versus above ground. The Committee agreed 3-0 to recommend approval of the contract with Cash Services LLC.

2020 BUDGET

Ms. Kabat distributed budget worksheets for the 331, 332, 401, and 402 funds to the committee. She did a brief overview of large projects and said that there were no additional personnel proposed in either water or sewer. The Committee will discuss the budget further at next month's meeting.

WATER OPTIONS UPDATRE

Ms. Godsey called attention to additional information received from Jones and Henry if Perrysburg and Maumee, or Perrysburg alone were to go with Bowling Green water. Mr. Smith called attention to the Waterville agreement with Bowling Green for the purchase of water as well as the Poggemeyer study conducted by Wood County Economic Development Commission and the presentation from Jack Jones in 2018 with updated projections. Ms. Kabat said that she believes the agreement would be similar for Perrysburg except we would have capital improvements and none were needed with Waterville. Ms. Kabat noted that the consultants, Jones and Henry and Poggemeyer in the Wood County report, are making the assumption from conversations with an Assistant Utility Director that the Bowling Green plant expansion can be handled within the existing rate structure. Mr. Smith pointed out on the Poggemeyer study that they anticipated 1-2% increases over the next 30 years. Which is different than the Jones & Henry study. There was a discussion on how these projections were determined in both reports. Mr. Smith asked where in the Toledo contract it says it's a cost of service contract as Ms. Granata, Toledo's legal counsel, stated at the committee of the whole meeting. Ms. Alkire said that Exhibit E gives the baseline methodology and breaks down what variables are to be considered in the rates. If Toledo City Council were to raise the rates without using this methodology, they would breach the contract and Perrysburg could utilize the remedies in the contract to leave. Ms. Alkire also mentioned that if Toledo does breach the contract that Toledo would be responsible for the costs for Perrysburg to leave and Perrysburg would not be responsible for Perrysburg's share on the bond notes. Ms. Alkire stated that with the Toledo agreement, for the first time we have how the rate is to be constructed and we have an Advisory Board that we have a representative on it. Mr. VanHoozen asked what is behind Toledo's accommodation. He said that the contracting communities basically came up with no other options and this seems too good to be true. Ms. Kabat said that there is a new Administration and new City Council in Toledo and they agreed that this is what is best for the region. Ms. Alkire said that we may not be able to predict human behavior, but she feels the language in the contract is clear and concise and if Toledo takes arbitrary action to raise rates, the contract has a clear remedy. Mr. VanHoozen noted that Bowling Green knows we have a certain level of interest yet there's been no dialogue. Council member Tim McCarthy said that in his opinion Toledo is coming around because the Toledo contract began with the Toledo Chamber of Commerce and TAWA, and the Toledo business owners pushed the City. He said that his unease with Bowling Green is that the cost is $100 million to expand and the question of whether it's already built into the rate structure. Mr. Smith said that a first reading will be done at the next City Council meeting to encourage public comment.

There being no further business, the meeting adjourned at 8:09 p.m.

Respectfully submitted,

Jonathan Smith, Chairman
Public Utilities Committee

Next meeting: Wednesday, October 23, 2019 at 6:00 p.m.