HEALTH, SANITATION & PUBLIC UTILITIES COMMITTEE

JULY 23, 2013

The meeting was called to order at 6:06 p.m. by Chairman Todd Grayson. Committee members present were: Todd Grayson, John Kevern and Tim McCarthy. Also present were City Administrator Bridgette Kabat, Law Director Mathew Beredo, Public Service Director Jon Eckel, City Engineer Doug Dariano, and Director of Public Utilities Tim Warren.

UPDATE ON RIDE RIGHT

Ms. Kabat stated that through July 22nd Ride Right has provided 492 rides this month and everything is going well. She said they are putting together a flyer and are deciding how to disseminate it, perhaps in utility bills. She said representatives from Ride Right have visited senior centers in the City to discuss the services offered. The first administrative meeting with Ride Right will be held the end of December and a couple of members of Perrysburg 4 Transit will be invited. Rachel Johnson will serve as a liaison to the City if P4T should receive any complaints or hear of any issues.

ACCEPT RECOMMENDATION OF EQUALIZATION BOARD

Mr. Dariano stated that the Equalization Board for CSSD 210 met on July 15th to hear one objection. The Board unanimously agreed 3-0 to deny the request. The objection was not based on whether the property should be included in the sewer separation district; the individual just felt it was a lot of money and it would be hard for her to pay. The Committee agreed 3-0 to accept the recommendation of the Equalization Board.

RESOLUTION TO PROCEED AND PERMISSION TO BID CSSD 210

Mr. Dariano requested approval of a Resolution to Proceed and permission to go to bid for Cherry Street Sewer Separation District 210. He said that some water line work will also be done with the sewer separation project. There is $1.84 million in the 2013 budget for the sewer work and $395,000 for the water line work. They hope to begin construction this year. The Committee agreed 3-0 to recommend approval.

RESOLUTION TO APPLY FOR AND ACCEPT OPWC FUNDING FOR CHERRY STREET SEWER SEPARATION DISTRICT 212

Mr. Warren requested permission to apply for and accept funding from the Ohio Public Works Commission for CSSD 212. He said construction is scheduled for next summer and the application is due September 6th. Mr. Warren stated that we submitted a similar application last year for CSSD 210 and we were approved for funding for the water line work that is being done with that project. This program is 100% state funds for infrastructure. Mr. Warren said that he would like to structure the application to score as

high as we can, and we may score extra points if we agree to accept a 0% loan. The grant application would be for $175,000 and it would be an $87,500 loan. He said that he would only accept the loan if we are assured of the grant. The term of the loan could be decided by the City and could be anywhere from one to twenty years. Mr. Grayson said that he would like Mr. Warren to do what he can to avoid the loan aspect and the deal breaker for him would be if we have to take the loan for over one year. The Committee agreed 3-0 to recommend approval of this resolution.

DISCUSS OPTION OF A 10 YEAR BOND FOR THE WWTP IMPROVEMENTS

Mr. Grayson asked the Committee to consider financing Phase 3 improvements to the Wastewater Treatment Plant for ten years instead of twenty years. He said that he realizes the monthly payment will be higher, but we would save an additional $1.5 million dollars. He said that there are two real advantages to this with the first being saving taxpayers' money, and the second is that it gets the loan off the books in ten years instead of twenty which gives us more flexibility. He said that with the unknown of how Toledo's infrastructure issues will affect our rates, we would be better off getting the Phase III improvements off the books in ten years.

Mr. Warren said that based on the most recent rate study, sewer rates were increased 3% a year for the next four years. To cover the additional costs to reduce the payback from twenty to ten years, an additional sewer rate increase of 12% would have to be passed along to the rate payer. Mr. Warren said that based on interest rates being where they are now, he does not feel that he can ask rate payers to absorb a 12% increase. He added that our contract with Toledo allows them to increase our rates equal to the amount that they increase their own residents' rates, so there is no guarantee that we will not see substantial increases within the next ten years. The rate study forecasted a 9% increase from Toledo, and they have already raised the rates by 13%.

Mr. McCarthy noted that this is a long term improvement and paying it off in twenty years is a relatively short time period. He said that we have to achieve a rate structure that keeps us competitive. Mr. Kevern agreed, stating that he does not want to raise rates any higher than we have to.

The Committee agreed 2-1 to proceed with a twenty year as opposed to ten year payback for Phase III of the Wastewater Treatment Plant improvements.

RESOLUTION TO APPLY FOR AND ACCEPT OPWC FUNDING FOR WWTP IMPROVEMENTS – PHASE III

Mr. Warren stated that the Ohio Public Works Commission offers grants to communities who have to borrow to pay for improvements. He said that the special enhancement grant helps with the interest costs regardless of how you finance it. He said that the

grant application will be for $275,000. Mr. Warren requested permission to apply for and accept OPWC funding for Phase III WWTP improvements. The Committee agreed 2-1 to recommend approval of this request.

SANITARY SEWER CREDIT FOR 681 PRAIRIE ROSE DRIVE

Mr. Warren requested approval of a $1,163.12 sewer credit for the resident at 681 Prairie Rose Drive. They had a back-up sump pump that malfunctioned. The credit represents the sewer charges for the water that did not enter the sanitary sewer system. The Committee agreed 3-0 to recommend approval. (A motion is needed.)

RESOLUTION AUTHORIZING THE CITY OF PERRYSBURG TO ENTER INTO AGREEMENT WITH THE OHIO DEPARTMENT OF NATURAL RESOURCES FOR THE WESTERN LAKE ERIE BASIN ASH REMOVAL GRANT PROGRAM

Mr. Eckel stated that normally this request would go through the Service-Safety Committee, but the application is due the end of July and the street tree inventory was not completed by the time of the last Service-Safety meeting. This is a matching grant program through the ODNR for the removal of ash trees. From the street tree inventory it was determined that $72,640 is needed, so we are requesting a grant in the amount of $36,320. Mr. Grayson said that he will support this grant request because it is a statewide bug problem that moves in waves throughout the state and affects everybody. The Committee agreed 3-0 to recommend approval to apply for this grant.

OTHER BUSINESS

Mr. Warren commended his staff for their work in dealing with several recent sewer collapses. He said that they have been very busy on both the water and sewer side starting with the breaks in the winter to the recent wet weather and now the sewer collapses.

There being no further business, the meeting adjourned at 7:12 p.m.

Respectfully submitted,

Todd Grayson, Chairman
Health, Sanitation, and Public Utilities Committee

Next meeting date: Tuesday, August 27, 2013 at 6:00 p.m.