PUBLIC UTILITIES COMMITTEE

JANUARY 24, 2018

The meeting was called to order at 6:00 p.m. by Chairman Jonathan Smith. Committee members present were Haraz N. Ghanbari, Jonathan Smith, and Barry VanHoozen. Also present were Bridgette Kabat, City Administrator and Alice Godsey, Director of Public Utilities.

<u>SEWER CREDIT FOR 26205 BLACK OAK COURT</u>

Ms. Godsey requested approval of a sewer credit in the amount of $1,167.10 for Waleed Jajou, 26205 Black Oak Court. Ms. Godsey stated that the resident had a sump pump failure so the back-up sump pump ran for some time. Ms. Godsey said that the Department of Public Utilities verified the water went to the storm sewer, not the sanitary sewer. The Committee agreed 3-0 to recommend approval of a motion granting the sewer credit.

<u>OWDA PASS THROUGH GRANT</u>

Ms. Godsey requested approval to accept an OWDA pass through grant for testing phosphorous reduction technology at the Wastewater Treatment Plant. This would be a public/private partnership with InNow LLC. The total project cost is $275,858.07 and the grant is a 50% match. The City would be contributing $8,390 in-kind for site support, utilities and administrative expenses. InNow would contribute the remaining $129,578.60. With this grant, InNow, in partnership with the City, will construct a pilot project to test their Quick Wash® phosphorus recovery technology which recovers phosphorus from concentrated side streams in the wastewater treatment plant, for instance, from sludge dewatering. The phosphorus is recovered in the form of calcium phosphate, a valued after-market product. The pilot project involves data collection, operation of the portable pilot unit, data analysis, feasibility and economic analysis, and a communications plan for sharing results with wastewater industry professionals and other stakeholders. Mr. Smith asked how long the study would be done. Ms. Godsey said that the timeline is not defined and the grant allows five years, but it should be wrapped up within two years. Mr. Smith asked if it would be like the greenhouse that Clearas had at the Treatment Plant. Ms. Godsey said that this would be located inside the Treatment Plant. Mr. Ghanbari asked what our return on our investment would be. Ms. Kabat said that we are becoming known as a community that is good to work with and we could realize some potential future gains as well as becoming known at the OWDA which might help with future grants. The Committee agreed 3-0 to recommend approval to apply for and accept the OWDA pass through grant.

<u>UPDATE ON AECOM GENERAL PLANS</u>

Ms. Godsey reported that they met with the Ohio EPA to review the CSO and Maple Street reports. The OEPA has asked for additional information that will require modeling and additional cost estimating by AECOM. Ms. Godsey said that we don't have the proposal from AECOM yet, so they don't know the exact amount, but are requesting approval of a contract not to exceed $50,000 so they can keep the project moving along. Ms. Kabat said that the information requested by the OEPA includes cost estimates on SSO, not just for a 5 year event but also for a 10 year and 20 year event. On the CSO side, the OEPA would like to know what it would take to get to zero CSO's in a typical year. Ms. Kabat said that if AECOM's proposal comes in above $50,000 the Administration will come back to the Committee. She said the goal is to have this information to OEPA by the end of February or beginning of March because time is of the essence because of our permit. The Committee agreed 3-0 to recommend approval of a contract with AECOM not to exceed $50,000.

UPDATE ON LAYNE INLINER SEWER REHAB PROJECT

Ms. Godsey said that work is underway on the sewer rehab project. She said that there is a $175,000 OPWC grant associated with this work. Layne Inliner has made great progress in televising and cleaning the sewers, but there are nine areas where the sewer lines have degraded to the point that they can't get the camera through. These areas will have to be excavated. Ms. Godsey said there were funds in the contract for contingency items, and she does not believe they will go over that amount. She said that the DPU has repaired one area and is working on a second one. The other seven will be repaired by outside contractors and they are in the process of getting prices for the work. Mr. VanHoozen asked if these problems are due to the age of the pipes. Ms. Godsey said that they are and this is an area that AECOM identified as high I & I for the age of the system. Mr. Ghanbari asked about the life expectancy of the liners, and Ms. Godsey said approximately thirty years. Mr. Ghanbari asked if we have a warranty on them, and Ms. Godsey said there is a two year warranty.

UPDATE ON TOLEDO AREA WATER AUTHORITY MOU

Ms. Kabat stated that she has sent the last several versions of the Memorandum of Understanding regarding the Toledo Area Water Authority to Council members. The facilitator has been asked to come to the February committee meeting but they have not received a response yet. *We have since heard back and working on a special committee meeting the first week of March.* She said that Mayor Mackin is still reviewing the document and has had discussions with his colleagues in other jurisdictions. She said there is some amount of concern regarding several issues including the establishment of rates and potential "off-ramps" that would allow a jurisdiction to leave the process once the final petition is issued by the court. She said that the Administration has no recommendation at this point, and she asked if the Committee had any questions or concerns. Mr. Smith asked about the income assistance program and the third party who would be administering it and how they would be held accountable. Ms. Kabat said that her takeaway is that there would be funds segregated by TAWA but it would still be administered by TAWA. Ms. Godsey said that they would probably take proposals. Mr. Smith asked who would benefit from the income assistance program if each entity would still has their own retail programs. Will this assistance be for the wholesale rate, retail, or both? Ms. Kabat said they will ask the facilitator. Mr. Smith also asked how adding a new jurisdiction would affect the Board membership. Ms. Kabat said that they have already asked this question, but it has not been addressed. Mr. Smith expressed concern about the lack of information regarding rates. Ms. Kabat said that the MOU contemplates the acceptance of this document by the parties who wish to be a part of a petition to be filed in Lucas County Common Pleas Court to form a 6119, Regional Water Authority. They would then have two years from the effective date of the 6119 to produce a cost of service study. Ms. Kabat said that she believes that the results of the cost of service study is one of the things City Council would like to know before making any final decisions, prior to the court making a final order and the entity being formed. Ms. Kabat said that the law director could better address this, but she believes to get out of the entity once it is formed, it would take an act of the Board to petition the court to shrink the area of the regional water authority. She said that she does not know the likelihood of that happening since their revenue is based on the size of the service area. She said that they might be more likely to permit a jurisdiction to exit if another jurisdiction that they had not anticipated were joining and there was no detriment to letting one community go. Ms. Kabat said that one of the things that still gives them some concern is determining where a jurisdiction can exit during the petition process. She said they would like to know if there are different milestones or pieces of information to be received where a jurisdiction can choose whether to stay in or get out. She said that she believes that the cost of service study, which is a four month project, needs to be performed on the front end before any court order is issued. Mr. Smith asked if we would have to make an investment immediately upon TAWA being formed. Ms. Kabat said that there are some costs involved in getting members appointed, preparing an operational plan, filing fees, etc. during what is referred to as the transition period. Mr. Smith asked who would own and be responsible for the upkeep on the lines that would be replaced as part of the lead replacement grant program. Ms. Godsey said that the program is for replacement of lead service lines to homes so the resident would own those. Mr. Smith referenced #13 and asked about the intent of TAWA taking control of the staff; does it mean they would take over the all prior pension and benefit obligation. Ms. Godsey said that they would still be a part of OPERS. Ms. Kabat said that they asked if anyone has reached out to OPERS yet, but she does not think that has happened. She said that they have requested an organization chart of the individuals required to operate the water treatment plant but haven't heard back on that yet. Mr. Ghanbari asked what impact this would have on the ownership of lines installed while a property was in the township but has since been annexed. Ms. Kabat said that it would have no impact unless that public entity would ask TAWA to take over their retail operations. She said that this initial concept was all about making and selling water at wholesale rates to the same nine users that currently use Toledo water. She said that part way through the first several meetings, a Toledo City Council member brought up including not only Toledo's water treatment plant but also their retail water distribution system. Ms. Kabat said that Perrysburg has not discussed whether we would put in our retail distribution system which includes our pump stations, lift stations and water towers. She said that to include our retail distribution and billing we would have to ask the TAWA

Board and they would have to vote on it. Mr. Ghanbari asked if there is any indication of a desire to do that. Ms. Kabat said not at this point and time and they have had no discussions about it. Mr. Ghanbari asked how the salaries of the TAWA Board members would be funded. Ms. Kabat said that their salaries would be an operational expense of the regional water authority and would be considered in the cost of service study. There was discussion regarding the make-up of the Board as outlined in the MOU. Mr. Ghanbari asked about the equalized water rates that are proposed. Ms. Kabat explained that as purchasers of Toledo water, all communities do not pay the same price. Currently Perrysburg and Maumee have the most favorable rates outside of Toledo, while Sylvania has the least favorable rate. Under the equalized rate concept, within eight years all nine communities would have the same wholesale water rate and then local distribution costs would be added to that amount. Mr. Ghanbari asked if there is still any indication of exploring other options. Ms. Kabat said that they are talking to other communities to bring as many options to the table as we can. There was discussion regarding a signing ceremony that was scheduled for January 31. Ms. Kabat said that this document represents a list of wishes, dreams and intent, but if a TAWA Board is created, they will make the decision of what to do. Mr. Ghanbari asked about the timing of each jurisdiction's legislative body voting on this issue. Ms. Kabat said that the facilitator anticipates this being done within a matter of weeks. However, we have stated that it is not likely that City Council can run this through their motions in that amount of time and that the artificial time lines are not doing anyone any favors. Mr. Ghanbari thanked the Administration for applying the brakes to this process. Mr. Smith asked about #17 on page 20. Ms. Kabat said that it refers to a master meter, but not everyone has a master meter. There was also discussion regarding the JEDZ's contracts, should Perrysburg not join TAWA. Mr. VanHoozen asked what the urgency is regarding the signing ceremony. Ms. Kabat said that the facilitator said that they have discussed it long enough and it is time to get it in front of the legislative bodies. Mr. VanHoozen said that it seems premature and he implores the Administration to get information regarding other options. Ms. Kabat asked the Committee to email her with additional questions.

FT. MEIGS DITCH CLEANING UPDATE

Ms. Kabat said that it was brought to their attention that other communities, specifically Ottawa County, are using an engineered diagram of drain lines when cleaning out ditches. She said we reached out to the Wood County Engineer and spoke to their ditch expert and they are going to send us their bid package for sewer cleaning projects. Ms. Kabat said that unlike Wood County, we do not have a surveyor or draftsman on staff. She said that the Administration is going to explore and find out the price, timeline, etc. Jay Valasek, 1566 Watermill Lane, said that he received a notice that Blausey has been hired to clean out the Fort Meigs ditch. He said that he requested a set of plans and found out that there are no plans so we have no control over what the contractor is going to do. Mr. Valasek recommended that the Committee look at the Ottawa County website and he stated that we can't solve flooding issues without elevations. He also questioned why the cost per linear foot was so much more from Blausey than the bids on the Ottawa County website. There was discussion regarding the depth of the ditches and the amount of vegetation. Ms. Kabat said that Hull and Associates determined that this was routine maintenance on the ditch so no plans were required. Mr. Ghanbari said that Mr. Valasek raised some valid concerns and he asked if we could put the brakes on the current plan to clean the ditch. Ms. Kabat said that we could hold off on Blausey cleaning the ditch until we gather more information.

There being no further business, the meeting adjourned at 7:38 p.m.

Respectfully submitted,

Jonathan Smith, Chairman
Public Utilities Committee

Next meeting: Wednesday, February 28, 2018 at 6:00 p.m.