

PUBLIC SERVICE COMMITTEE MINUTES

SEPTEMBER 15, 2008

The meeting was called to order by Mark Reams.

MEMBERS PRESENT: Mark Reams, Dan Fogt, Debbie Groat

OTHERS PRESENT: Jillian Froment, John Morehart, Brian Palmer, John Mitchell, Rick Varner, Valerie Klingman

AGENDA:

1) Sustainability and Conservation Policy

Ms. Froment handed out a draft of the policy. Ms. Froment said this is fluid, so if things come up in the future changes can be made. This is a starting point. She asked for feedback from the members.

Mr. Fogt commented that the policy looks great. However, as Mr. Taylor has noted previously, there is a policy to make two-sided copies, whenever possible, to reduce the amount of paper used. Ms. Froment will make a note of it.

2) Flood Plain Regulations

Mr. Palmer said he finalized the regulations and sent them to ODNR for their review. Plan to have it on the October 9th Council agenda. Can have the three readings and still have time for it to be effective before the new maps go into effect. He asked if this committee would sponsor this legislation. The committee agreed to sponsor if there are no major changes made by ODNR.

3) Stormwater Utilities

Ms. Groat asked if Mr. Fogt's previous concerns had been addressed. Mr. Fogt said he met with several people and his concerns were addressed. Everyone agreed on what needs to be re-looked at and re-evaluated before millions of dollars are spent. Mr. Palmer gave members a revised draft of the Stormwater Capital Improvement Plan (CIP) Summary. Priority 1 projects remained the same. Priority 2 projects - First item was changed. Was "Airport Park Detention Basin and Walnut Street Storm Sewer Improvements. Changed to "Lower Southeast

Town Run Basins and Walnut Street Storm Sewer Improvements.” Also split out the Marysville School Detention Basin from Milford Avenue Culvert Replacement, making it two separate projects, as well as adjusted the Estimated Construction Cost accordingly. Priority 3 projects – Put in the Marysville School Detention Basin, took out the property purchase from that. Also Town Run Relief Culvert. Put price in for single phase. These changes took the cost from the previous version from \$17M to \$15M.

Mr. Fogt said he will not agree to the Timberview Detention Basin/London Avenue Storm Sewer. That was part of the discussion, but it was not changed in this draft. He suggested Administration take a strong look at this project. Mr. Fogt said the condominiums on Milford Ave. installed two retention ponds which decreased the flow that comes across the golf course, and the golf course has made some improvements and there have been some improvements made along London Avenue. Feels this project needs to be looked at before spending \$600,000. Mr. Mitchell said with any and all of these projects, it was discussed, prior to designing and construction, to make sure these projects were needed and required. Mr. Fogt said he’s not aware that that’s flooded since the condos have been put it. At least 50% of the problem, if not more, has been cured. Mr. Mitchell said if that’s the case, it will be downsized to what’s needed at the time.

Mr. Fogt would like to see this revised prior to sending to Council. Ms. Froment said a special meeting will be needed or else offer it Council and they can amend it. This will ensure the deadline is met before the end of the year before the fees run out. This issue needs to be sent to Finance Committee for their approval. Regarding the fee structure, proposal is for it to be for five-year term then readdress them five years after that. If you look at the entire three phases of priorities, going out 15 years to 2023, you’re looking at an average increase of \$4.50, \$.53 per ERU, which is over and above incremental. It’s a hefty price tag to do it in 15 years. Not sure we want to be that aggressive. May want to look at 20-25 year level. Cost would be around \$3.17 per ERU, if all projects are actually needed for design and construction, and without obtaining any grant funding. The \$3.17 per ERU is on top of the existing approximately \$2.64 for the O&M at today’s rate, which takes it to \$5.81. It is fairly costly. That is at the 25 year level. That is not an incremental increase over 25 years. Administration has looked at incremental raises but need Committee feedback to decide which way to go. One option was to look at covering the first priorities over the next five years, knowing that we may get grant money that would be (inaudible) to the reserve and would also essentially, within the next five years, begin our growth again; there would be more homes. So, when we come back in five years, the increase may not be as

much to cover the next 20 years. However, in 20 years, the prices are also going to be higher. The more aggressive we are, the cheaper it is now, but more burden on individual homes.

Mr. Morehart recommends the five-year package, because if we make a commitment now for something that we're not going to be building for 15-20 years, a lot could change. A five-year package is recommended from the standpoint it's going to be done for water and sewer. Ms. Froment said the problem is long term; it's incredibly expensive compared to the short term projects. If you don't start accumulating some reserves to pay for those, in five years, we're not talking about a \$5 increase, but instead a \$15-20 increase. The scenario for five years, the average rate would be \$4.50 per ERU per month. Mr. Morehart said it factors in the \$2.75. If you want to focus in on the capital needs starting next year, you would have to increase the rate as early as next year for the next five-year period. That way, we can start accumulating the cash for future projects. \$2.75 with a cash reserve is adequate, but then again, we would use some of those reserves. Not sure we would want to accumulate the reserves for future projects.

Mr. Fogt asked how much reserve is needed before we borrow against it. Mr. Morehart said we can borrow as long as we have the money to pay it back and still maintain the reserves.

Mr. Fogt fears if we raise rates at all, the school levy will fail and the library levy will fail. By raising anything, we jeopardize everything.

Mr. Fogt said the last time a lot of people had a problem with being charged \$2.75 when their rain water goes right into Mill Creek or Darby. Mr. Reams said some people would argue that Mill Creek is our primary stormwater system, and if we don't manage that flow, those people will be flooded. Some people would argue that those people are benefiting the most by us managing the water that goes into Mill Creek. Mr. Fogt said those people are high on the hill; they will not get flooded.

Ms. Froment said when looking at the priorities, do those people not use Maple Street, do they not go across Industrial Parkway or across the bridge or culvert at Amrine Mill Road? These are road improvements for all practical purposes and those are going to collapse. Mr. Fogt said we possibly have grant money for Industrial Parkway.

Mr. Reams would rather see the rates increase gradually over the next five years, rather than one big increase. Sounds like the 15-year plan is too aggressive. Maybe should consider a 20-year plan.

Referring to State Issue 2, for Bonds, they guarantee there is no tax increase or nothing associated with it. Mr. Morehart said State Issue 2 is for grant money. Mr. Palmer said State Issue 2 is OPWC money. Mr. Fogt asked if we can do that locally? Response was yes. Ms. Froment said we've basically issued bonds for all construction so far. City is at its borrowing top of the line right now.

Ms. Groat asked if the City is at 10% of debt that we're allowed. Response was yes. Mr. Morehart said that is primarily tied to General Obligation debt. For utility debt, if you have a good revenue source, you can borrow as much as you can. The City's debt level is very nervously high.

Ms. Groat is at the point where she doesn't want any more debt unless it is self-supporting. Mr. Fogt noted that Stormwater is a separate utility, just like sewage and water. Ms. Groat said those enterprise funds are okay only if they're self-supporting. She doesn't see that in Stormwater. Mr. Morehart said you have to adjust the rates.

This issue will have to go to Finance Committee, while this committee irons out details. Need to have a follow-up meeting to discuss the Timberview Detention Basin/London Avenue Storm Sewer and also finalize some options on how to handle the rates. Ms. Froment said Administration will run some scenarios.

Priority 2 – Cemetery Drive. Talked about using the leftover culvert sewer pipe. Mr. Fogt feels this is not a stormwater issue; it's a cemetery issue because it does not help stormwater drainage. Ms. Klingman feels it is a stormwater issue if the pipe collapses and blocks the channels that leads to other places. It's part of the overall system.

Mr. Reams would like to get an answer before the follow-up meeting on whether or not the extra culverts are sized for that. He thinks they are 60". Adjustments could then be made accordingly.

Mr. Mitchell said they'll take a look at the culvert at Amrine Wood Road, same as with the two cemetery projects. If those projects can be done in-house, we can save probably 50-60% of the money.

Mr. Fogt asked Administration to check with Joe Tracey to see if there have been any flooding issues in (inaudible) in the last five years. He's not aware of any.

4) Deduct meters/summer sewer rates

Mr. Reams is a little uncomfortable with this because we don't know what kind of impact it could have on our rate structure.

Ms. Froment handed out information prepared by John Green, year-to-date and each month, how much revenue we have not taken as a credit as a result of the 150% marker point, and how much each household is getting as far as a credit. At the 130% rate, 612 households are getting a credit of less than \$5, based on July consumption. 327 get between \$5 and \$10. Information shows if the credit is phased out over time and what it would do. It shows going to 135% doesn't do much. It starts to drop significantly more around 150-175%. If you go to 200%, it only drops \$18,000, and 724 people still get the credit. There are significant numbers of people (72) who are drawing large amounts of credit and would most likely put in deduct meters.

Ms. Groat says there is no language within the Code for an appeal process. This needs to be addressed. Language should be included to allow some latitude.

Mr. Fogt said he would be in favor of not giving a discount to developers. Ms. Froment said one of the things we don't insist on, you're a resident or you're not, and because of the way we categorize the tap fees, they go under residential. We need to find a way to distinguish those. Ms. Groat asked at what point do you quit becoming a developer and someone buys the house, how does that change the rate structure. Mr. Fogt said when the water bill is converted to the resident instead of the builder.

Mr. Reams expressed concern for deduct meters for commercial and industrial. You have 1900 accounts that had a credit and it only totaled up to \$42,000. He fears on the commercial/industrial side w/deduct meters, the number of customers is going to be much smaller, but potentially the sewer credit will be much bigger and we'd have to adjust rates for everyone to make that up. He's leary of stepping to far into that without understanding the impact. He would like numbers from other communities that use deduct meters; how much do their typical commercial users save from that or how much of a drop-off did they see when they made a move like that.

Ms. Groat said she would like to consider gradually increasing the percent, which would allow any kind of credit amount.

Ms. Froment asked Mr. Morehart to run the numbers again from August usage. Administration will also contact other cities and see what deducts they're getting reported from commercial users.

Ms. Groat would also like to see if they actually do a sewer credit matrix without deduct meters and if they do, what percentage do they use. Is Marysville anywhere near the industry standard? Ms. Froment said most cities they checked with use deduct meters or nothing. Mr. Morehart said some cities, if the customer wanted the credit, they had to individually apply.

Ms. Groat commented that she would like to hold a public hearing for public comment. Ms. Froment said to keep in mind that you're having a public discussion and you're going to have a lot of people aware of a credit that we're considering eliminating or (inaudible).

5) Project Updates

- Sanitary Projects – Water Reclamation Facility – On one building area contractor has lost about a month. Trunk Interceptor should be done by the end of the year. City has talked about moving the December completion dates to mid-January. This will help City with start-up so crews won't have to work over the holidays. Said we would extend their time, providing we see no additional overhead costs from the contractor. Mr. Varner said the contractor would be agreeable to that because they aren't going to make the November/December dates. No penalties should result from this time change. The delay is not hurting the City at all at this point. Force mains are done. They have a few things to clean up with restorations on Adlesberger Road. Crosses Road Pump Station is behind schedule a little but should be completed in January. Substantial completion was December.

- Water Projects – All projects on schedule. Two are complete. Waiting on completion submittal certificates on water mains.

- Reservoir is 80% complete.

- Dam and Pump Station – Will begin putting the roof on the pump station soon. This project is lagging behind a little.

- Paving Projects - Paving program is complete. Collins Avenue is on schedule. Curbs will be poured on Thursday and Friday. Driveway approaches are being taken out and putting in temporary driveway approaches. Final grading will follow on the first section. Second phase will take another three or four weeks, then final course of asphalt will be put down on entire project.
- Traffic Study - Meeting is scheduled for next week with the MS Consultants. Staff met today to discuss traffic signals and Thoroughfare Plan. Will try to finalize Thoroughfare Plan and Traffic Signal Plan on Monday in hopes of getting a final draft from them.

Ms. Groat asked about warning signals out by Bunsold School. Mr. Palmer said that is part of the school's project. She asked about the signals out on Rt. 31 over by Amrine by the Middle School. Are those lights the property of the City? Mr. Palmer said they are tagged as ODOT. They're in the City and City is responsible for maintenance. Ms. Groat said it was suggested by a community member to take the Rt. 31 signals and trade them out to the Rt. 4/36 corridor. Ms. Froment said the warning signals cannot be put in until the widening project is done, which is scheduled to be completed by the end of October. Ms. Groat asked about the flashing signs on Rt. 31 through the non-functioning Middle School. Mr. Palmer said the school controls that.

Mr. Fogt feels those should continue to flash because of the kids walking to the High School.

Mr. Reams asked about the traffic signals on 5th Street, near the uptown area. They are not coordinated. Ms. Froment met with URT and is getting conflicting messages. Some say they want them all coordinated so they can get through rush hour without stopping and others are saying you should do the red lights therefore creating pedestrian safety. We need a consensus on how to handle this. Mr. Reams said that would make pedestrian safety worse because people would rush to beat it. Mr. Mitchell said a coordinated system would let the traffic flow through at a steady speed. They can sometimes get off coordination. Mr. Reams feels they are off coordination now. Mr. Mitchell said they are going to address some of these signal issues in the near future.

Ms. Groat noted a problem with the light on W. 5th Street at CVS. The problem could have had something to do with the power outage. The

red light was working, but the green light was not working at all. The issue will be addressed.

- Storm Water Study - Discussion covered until Storm Water Utilities

Meeting adjourned at 9:30 p.m.