

COMMITTEE REPORT

THE CITY COUNCIL OF THE CITY OF FINDLAY, OHIO

The **WATER AND SEWER COMMITTEE** met on February 5, 2024 to determine policies and procedures for instituting utility billing rate changes.

We recommend

continued discussions

Aye Nay

Grant Russel *MOTION*
Grant Russel, Chairman

Aye Nay

Brian Bauman
Brian Bauman

Aye Nay

Dan DeArment
Dan DeArment

Aye Nay

Randy Greeno
Randy Greeno

Aye Nay

Josh Palmer *SECOND*
Josh Palmer

LEGISLATION: _____

DATED: February 5, 2024

COMMITTEE:
WATER & SEWER

Committee Members:

- Grant Russel, at-large – Committee Chair
- Brian Bauman, Ward 5
- Dan DeArment, Ward 4
- Randy Greeno, at-large
- Joshua Palmer, Ward 7

Meeting Start Time: 4:15 p.m.

Meeting End Time: 5:18 p.m.

Staff:

- Rob Martin, Safety Service Director
- Jeremy Kalb, City Engineer
- Jason Phillips, Water Treatment Superintendent
- Dave Beach, WPC Supervisor
- Jaquelyn Holman, Project Manager for Office of Mayor

Guests:

- Jim Staschiak, City Auditor
- Holly Frische, Ward 1 Council Rep

Agenda:

Call to Order

- Note: Technical difficulties prevented the meeting's video stream to work; the audio of the meeting was recorded and streamed.

Roll Call

New Items

1. Determine policies and procedures for instituting utility billing rate changes

Russel welcomed the group and noted that the committee member numbers are now at 5 up from 3 members in the previous term. This meeting is not to discuss the 2023 business of raising rates but will discuss the process for rate review moving forward. He does not expect that conclusions will come from one or two meetings but will be an ongoing discussion. All utilities will be discussed including water, wastewater, and stormwater. Also, inside and outside rates will be discussed.

Russel sees the issues broken down into three general questions:

1. Who should have the authority to adjust utility rates in the future?
2. What is the process for calculating utility rates?
3. What is the frequency for reviewing rates?

And fourth, how is this presented to Council? Does it come in the form of legislation, changes to Water and Sewer Rules, or in some other form?

Russel opened for comments from committee members.

Greeno agrees and said that the frequency will be the easiest to decide upon. Deciding where the authority and the process will take time.

DeArment agrees that the outline is what should be followed.

Palmer concurred. Bauman concurred and said that the fourth question gets answered when deciding what the process will look like.

Martin agrees with the path and wants to make sure that the committee is aware that numbers and expenses are constantly reviewed, and that the adjustment of rates needed to happen. The change to water rates was not going to be made until there were some projects that were completed (i.e. meters).

Russell said that there has been discussion of doing a capital analysis of the water plant and is wondering where the construction of those plans fit into these conversations. What is the sequence for this committee's work and long-term capital planning; can you do them in parallel? Russel also asked for an update as to where we are in the Long-term Control Plan (LTCP) for stormwater & wastewater and where we are in getting those projects kicked off?

Martin said that certain years of water projects have been planned and because of costs they could not look too much further because of where the fund was projected to be previously. We need experts to look at the "what if" situations going out 15-20 years, we know how to run on the daily. There are big decisions in the next 10 years that are just pertaining to the current system, not to mention potential growth. They will be able to also discuss what the rates should be in order to fund such projects.

Russel asked how long the long-term capital planning for the water system will take and when it will happen. Kalb said roughly 18 months and there will be a bid out soon. Kalb said that we need to push water line replacement because it has not been a focus the past few years, a lot of catch up will need to occur while the master plan is being conducted. Russel asked what the timeline is for the RFQ. Kalb said Q2 2024, we could expect to be in contract by the end of Q2. Russel asked if those who apply will get a tour during the process of picking the contractor. Russel asked when they would ask Council for money to begin the process. Kalb said around Q3 and roughly \$1 million is the cost depending on how detailed we would like to see.

DeArment asked how far out we do capital planning. Martin said that we currently have a ten-year capital plan. DeArment asked if the plan takes into account grant funding. Kalb said that you can, but it is

hard to plan past three years. DeArment asked who developed the process. Kalb said he and Martin did. Kalb said that it would be beneficial to have the planners include rate appraisals in the plan. DeArment asked if we feel confident in the model we are using. Martin and Kalb said yes. DeArment asked if we want the planner to give suggestions for rates. Martin said that would be part of the conversation with the vendors. DeArment suggested that the model used to find the rates should be public. Russel asked how long the plan should look out. Phillips said at least 20, a true evaluation would be helpful because we are reaching the 100-year mark of the water plan. Greeno said that it will need to be a living document that is continually looked at.

Russel moved the conversation to wastewater and stormwater. He asked if the LTCP is more wastewater focused. Kalb said that we have to decide if it's going to ultimately sanitary or storm. Russel asked if it's fair for the wastewater and storm master plan will be the same. Martin said one of the goals is creating capacity for the wastewater plant. Russel asked where we are in the process. Kalb said they are refining the data and building a model off of it, at the end of 2025 the final plan is due to the EPA. Russel asked if over the next two years there will be additional projects that will be actionable and if those will be in the capital plan. Kalb said yes. Kalb wants to ensure that there is a plan in place that works for the next people who will be leading these departments or council. DeArment suggested having a review plan for the models being used.

Russel re-visited the initial three questions that were asked. The Ohio Revised Code gives guidance on who can change rates and the question to the committee is given that there is agreement on the framework, how do we want to proceed. Greeno said that all the committee members need to be very aware on the codified ordinances and the committee rules on these topics.

Russel asked if this should be split up a bit, would it right to have DeArment and Greeno take a more detailed look at the process and how things are being calculated. Russel said he is happy to focus on the first question. The third question is dependent on what is found out by answering the second question. DeArment wanted to know what the committee would be interested in seeing. Martin offered to walk DeArment and Bauman through the modeling that has been used.

DeArment asked if we see costs going down and it seems that the balance of the funds is dependent on the capital plan items. Phillips said that the industry expects material and chemical costs to remain how they are currently.

DeArment asked if the City has considered debt. Phillips said that the model takes into account debt and once it rolls off that will be a decision that is made by this group, Admin, and Council. DeArment said you have to leverage grant money and pay before failure.

Russel asked if stormwater and wastewater are so similar that they don't need their own discussions. Is there a model for it? Martin said that there was modeling for storm rates awhile back taking into consideration projects and are conversations that need to be had in the future. Stormwater is its own category when it comes to rate structure. Greeno said that when the combined sewer overflow (CSO) LTCP comes out we don't know what is going to be in the plan and could be expensive long-term. Russel said that this committee's work is trying to make sure we have the ability to handle big projects when we need to. He had come back to stormwater because it hadn't been discussed. He asked if it is right to include stormwater at this time or does it bog everything down. Kalb agreed that it should be discussed. Green and Martin agreed. Martin said it is important to have the conversation and look at the information.

Russel summarized the next steps as:

- agreement that water, wastewater and stormwater will be discussed for both inside and outside of the City
- the three questions to be discussed have been agreed upon
- next steps are that Greeno, DeArment, and Bauman will look at the modeling with the Administration to better understand
- Palmer and Russel will look at question number one.

Russel called for the next meeting on this issue for Monday, April 1 at 4pm in the mayor's conference room. DeArment wanted to confirm what the deliverable looks like. Russel said that as they dig in, they will be able to decide what they think.

Motion:

- Recommend that the Water & Sewer Committee continue to discuss this issue
- Motion Russel; Second Palmer
- Motion passed (5-0)

Adjournment

Grant C Russel

Grant Russel, Water & Sewer Committee Chair