

The Utilities, Safety & Environment Committee held a meeting on Monday, November 8th, 2021 and began at 6:20 P.M.

UTILITIES PRESENT: Chair Mitchell, Simmons, Davis, Cerra Absent: Keys

CD PRESENT: Chair Mitchell, Cerra, Oswald, Jessie Absent: Callahan

FINANCE PRESENT: Chair Stewart, Tollett, Baird, Jessie, Davis

OTHERS PRESENT: Law Dir Deery, Safety Service Dir Brubaker, Mayor Whitfield, Finance Dir Pileski, Asst Finance Dir Farrell, Asst Dir Williams, Asst Dir Calvert, Engineer Schneider, Asst Engineer McKillips, CD Dir Scott, CD Manager Almobayyed, WWPC Supt Korzan, WWPC Asst Supt Stefek, Asst Law Dir Breunig

**1. Approval of the October 27th, 2021 Utilities Committee Meeting Minutes. Mr. Cerra moved, seconded by Mrs. Davis to approve the ‘said’ meeting minutes.
MOTION CARRIED COMMITTEE REPORT WRITTEN**

2. The matter of a Contract for the Tree Removal Program.

Referred By: Safety Service Director Brubaker

Dir Brubaker said this is an annual request to go out for tree bid for our tree removal/tree trimming program. It will grant the Mayor approval to advertise for bids. Emergency clause is requested because the current contract ends 12/31/2021.

UTILITIES COMMITTEE:

Mrs. Davis moved, seconded by Mr. Cerra authorizing an ordinance to advertise for bids and enter into a contract for the ‘said’ project, emergency clause.

MOTION CARRIED COMMITTEE REPORT WRITTEN

FINANCE COMMITTEE:

Mr. Baird moved, seconded by Mr. Tollett authorizing an ordinance to advertise for bids and enter into a contract for the ‘said’ project, emergency clause.

MOTION CARRIED COMMITTEE REPORT WRITTEN

3. The matter of allowing South Park T-Ball to utilize the ballfield at South Park Rec Center.

Referred By: Parks & Rec Director Reardon

Dir Brubaker said Mrs. Reardon was unavailable this evening. This is a similar contract as to what we gave them last year, the only difference is they’re asking for it to be a 2-year contract. They also would like to be able to sell pre-packaged concessions. The YWCA is again going to be the fiscal agent and will put them on their insurance policy as they did last year.

This matter was approved by the Parks Board on October 14th.

The cost will be \$100 per field per year.

Dir Deery said the contract will be with the fiscal agent; the Elyria and Lorain YWCA.

Mr. Oswald asked how they came up with the \$100 fee?

Mr. Brubaker said the fee was a fair and equitable fee for what do.

Our maintenance crews mow the grass and empty the trash and the fee fits within the South Park T-ball's budget.

UTILITIES COMMITTEE:

Mrs. Davis moved, seconded by Mr. Cerra authorizing an ordinance to enter into an agreement with South Park T-Ball for the usage of the 'said' field and to sell pre-packaged concessions.

MOTION CARRIED

COMMITTEE REPORT WRITTEN

4. The matter of Water and Sewer Rates for the year 2022.

Referred By: City Engineer Schneider

Chair Stewart said this evening's meeting will continue with discussion on this matter and based on what is discussed here, we would hope the information that is going to be relayed that we can act upon this. We have a time line to have it completed by the end of the year.

Mayor Whitfield said that a part of how we've been thinking about these water and sewer rates and thinking about the infrastructure bill which should be signed into law soon. That changes some of the factors. It's a lot of unknowns but the hope is that Elyria is going to be able to secure some of the Federal money to help pay for some of the EPA unfunded mandates that the City has to comply with.

Asst Engineer McKillips handed out a paper which shows the new proposed rates.

Engineer Schneider said they have been working on these numbers and are looking for Council's consideration is to go out for a three year rate for water and sewer. The water component for the first year, 2022 would be frozen to the current rates and slight increases in 2023 and 2024, which would equate to three to four percent which will be based off of usage.

Chair Mitchell wants everyone to understand that this is for an unfunded EPA mandate. It's not something we want to do, it's something we have to do.

Engineer Schneider continued saying the water for 2022 will remain the same. And in 2023 the 100 cubic feet of usage would go from \$3.59 to \$3.83 and then to \$4.03 in 2024. They will not increase the monthly service charge for the water.

The higher rate changes will actually be for the sewer charges. The changes will be between 5.25% and 5.50%. They've examined these numbers. The 2022 rate was to be about 12 percent, during construction, grant funds and they were able to hold it down to five and a quarter percent, which was supposed to be the last large increase before it drops down to a more manageable amount. From 2021 to 2022 it would go up to \$10.25 and up to \$10.70 in 2023 and then up to \$11.25 in 2024.

The monthly service charge is where it would go from \$12.40 to \$13.50 in 2022 and to \$15.00 in 2023 and \$16.50 in 2024. This fee is for up front maintenance costs, including the treatment side where you see your service charges.

We've been in negotiations with the Federal EPA and the Department of Justice and those negotiations are continuing ongoing. The nitty gritty of the consent decree needs to be worked out which is the reason why we don't have that yet. We've continued on with these projects even though it hasn't been finalized and the EPA has acknowledged that we've worked with them on projects. They have approved the projects that we're doing.

Hopefully the City will get some infrastructure money. We did apply but have not received the State funds yet. We got some money toward the water side. The sewer projects have not been funded yet. There is still money out there and we will continue on working on getting grant funds.

The rates we've discussed are where we think we need to be.

Chair Stewart asked Engineer Schneider to explain the 2nd sheet.

Engineer Schneider said it's a breakdown of charges for usage; 3ccf user, which would be a household of 1 or 2, 5ccf user would be a household of 3, 4 or 5 and 10ccf user which would be a household of 5, 6 or 7. The rates are based on the usage. The sheet has a total of the monthly bill for each year. That total includes water usage, water service charge, sewer usage, sewer service charge and sanitation.

Chair Mitchell asked for questions.

Mr. Oswald said that he gets many phone calls regarding the water bills and he knows the increase is the sewer portion of the bill which can't do much about because of the EPA mandates. He asked if those charges for 'outside the City limits' can be tweaked a little bit?

Dir Deery said the short answer is 'no', we are charging people more who live outside the City limits. There is a formula for those rates.

Mrs. Davis asked about the rates for the seniors, who don't use as much water?

Engineer Schneider said there is a homestead discount for the water portion only. There is no homestead discount for sewer rates at this time, it may be available in the future.

Mrs. Davis said a lot of seniors don't own their homes, they're renters and they're not eligible for the homestead discount. Homestead is applied through the county and it's based on income and age and if someone is disabled.

Mayor Whitfield said he agrees with what Dir Deery and Council President said in terms of recommending that we look at this for this year but don't go too far because there are so many unknowns. In our conversations with the EPA around this unfunded mandate, we've asked them in our negotiations that the pandemic happened and people's ability to afford to pay has changed as well as the cost to construct things has changed. We've asked them to consider that in these negotiations. So, we're trying to fight for our city in that regards. And with this infrastructure bill passing, he will encourage the residents to call your congress members and senators and advocate for resources to come to Elyria to help pay for this sewer project. He feels we should go with the increase of just one year at this time.

Chair Stewart said they've talked about this for a year and trying to come up with a plan. He said he is open to have more discussion for more clarity, but we do need to put something in place by the end of the year.

Dir Deery said she along with her office have reviewed the legislation that is in place for water and sewer rates coming into January 2022 and it's her advice that the bare minimum that Council needs to take action and pass for water and sewer for 2022, even to maintain status quo as to what the rates are. For purposes of water pumping and engineering and wastewater with moving forward with this consent decree negotiation for having future years set. There's nothing that says, that if we get additional information or additional funding that Council cannot revisit the rates for future years based on that additional information or additional funds.

Mr. Tollett asked if it's the recommendation, for budget purposes, that we approve a three year plan so the departments can move forward. But if we do get funds can we go back and revisit and reduce the future rates?

Dir Deery said that Council can always come back and readdress rates and amend the rate ordinance. Her understanding that what's been presented today is based upon the plans that they have in place for projects that are in the works and coming down the line.

Chair Mitchell said they can approve the one year and come back and add the additional years should they need to. Or we could do all 3 years and amend them as they need to. But maybe we should give the infrastructure bill a chance to see if we'll receive anything. Are we supposed to tell the EPA this is exactly what we're going to do and this is how we're going to get our money?

Engineer Schneider said they haven't finalized negotiations and so we have nothing to really go off yet. The overall plans have been based off of our projects that we're looking to complete with them. That could change, they could throw more projects up front or they could move projects back until the consent decree is finalized.

We just know we have to get these projects done sooner or later.

Mr. Cerra asked if we decide not to increase any of the rates right now and stop with some of the projects, what are the consequences for that?

Dir Deery said that it would not be favorable for the City. There would be financial penalties.

Mr. Tollett asked Mr. Korzan, if we don't pass the '23 or '24 budget, would it effect your department negatively?

Supt Korzan said we need to know what's going to be in the coffers going forward from each fiscal year. The projects that we have were in agreement with the agencies that we know what has to be done this year and next year and the following year. He wants to caution council that you know we were expecting to get money from the 1.9 trillion dollar infrastructure package late maybe August of next year but due to several months of delay in getting that passed, we're looking at late 2022 to getting that money before it's even ready to disperse and it goes from Federal Government to State Government to Local Government and some will land in the state revolving funds that we may get. Also, we may get zero percent interest loans that we still have debt service on and we're hoping to capitalize on grants. Worst case scenario, we may not see that money until early 2023. It's nice to know what we'll have as we continue to strategize and plan these projects out going forward.

Chair Stewart said he had a meeting last week in regards to the increase of rates. Mr. Korzan said it's delaying these projects down the road. We talked about the infrastructure bill and it's well and good but again we might not see that money until 2023 and that will delay other projects. That's why we extended those rates into '23 and '24 just to see what it will look like for the residents based on their usage. Should we do a one year and hold off or do we do a two year and hold off on the third year?

Mrs. Davis asked if we did approve this and we get funding from infrastructure bill, can we go back and fix this?

Answer is yes, that will be an option.

Mr. Oswald said if we keep going with these projects and if we don't get any money from outside funding, can the City absorb that? Not knowing how much money we may get from the infrastructure bill, is it a million, is it 10 million?

Engineer Schneider said the rate that we have in place would provide a revenue of roughly a million dollars a year. If we don't pass the rate increase this year, it would turn into two million dollars next year and then that rate would have to go higher because it would still have to cover the million dollars for the next year after that and the next 20 years after that. If we get funding, that would help, it's compounded out years and years, it's not a one year type of scenario.

Chair Mitchell said it's important to remember, the EPA did say for us to do this if we feel like it, they said you will do this, we won't give you any money to do this, but you will get it done. The can't afford to absorb this, we don't have that kind of money, therefore we have to raise the rates. We would rather that our residents didn't have to absorb this, but there isn't any other way. Hopefully we'll get infrastructure money, ARP money and any grants we can get.

Finance Dir Pileski said that we've been working on these projects for quite some time and we've issued long term bonds for the sewer fund and we've entered into Ohio Water Development Authority loans. The current long-term debt in the sewer fund is over \$66.6 million dollars right now. These were monies that we borrowed to do all of these projects and there are more to come. The annual debt service on this debt right now is about three and a half million dollars per year. That will continue for many years to come. Hopefully the infrastructure bill will send money, and that would be less that we'd have to borrow for these upcoming projects.

Engineer Schneider said that the total amount for the sewer projects exceeded two hundred million dollars. [\$200,000,000].

Chair Mitchell asked what the fines that the City could face from the EPA would be?
Law Dir Deery said that would be determined, but it could be a per day penalty that has yet to be negotiated.

Supt. Korzan said that he's been involved in this process since 2008. We started this list of projects then and it has a long history. We have been able to move forward on many projects. You hear about a lot of communities where the rate increases are much higher. We've been able to work and move things around so we can keep rates lower than other communities. Mr. Korzan wanted to remind the committee that there is assistance for low-income households for utility bills. It's a program that come about because of the pandemic and it will be funded for some time and their trying to make it a permanent provision in the regulations and rules that come out of Congress.

Mayor asked Supt. Korzan to speak to the 'why'. What does this mean for the clean water act, what does this mean for resident basement back-up, what is the grand scheme?

Supt. Korzan said there are so many things that go into this. He stands in two realms, number one is the environment and number two is public health. The environment has a lot to benefit for not having overflows where sewage goes into the river during heavy rain events. We're looking to capture 85 percent of that. Public health, we don't want sewage to land in resident's basements, there will be a number of projects which will impact that. There are other projects that aren't even in this wet weather plan to address a number of those issues. We can't afford to move the wet weather plan forward and still do those projects at the same time. So we're trying to make the best use of all the dollars that we receive from rates. If we can get grant monies that means we could move these projects forward.

Chair Stewart said that there is the \$500,000 of ARP Funds for Essential Services which was passed by Council and that will help off-set some of these water and sewer bills for low income households.

Chair Mitchell asked what is the pleasure of the committee, do we want to vote on this tonight? If we do vote tonight, are we going to vote for one year or for all three years? We can revisit this when we get the infrastructure money.

Mrs. Davis wants to have a future discussion as to where those seniors are the homestead discount. For now she want to vote on the three years.

Mr. Tollett agrees to vote on the three years.

UTILITIES COMMITTEE:

Mr. Cerra moved, seconded by Mrs. Simmons authorizing an ordinance to establish the rates of water charged inside and outside the City for calendar years 2022, 2023 and 2024.

MOTION CARRIED

COMMITTEE REPORT WRITTEN

FINANCE COMMITTEE:

Mr. Baird moved, seconded by Mr. Tollett authorizing an ordinance to establish the rates of water charged inside and outside the City for calendar years 2022, 2023 and 2024.

MOTION CARRIED

COMMITTEE REPORT WRITTEN

UTILITIES COMMITTEE:

Mrs. Simmons moved, seconded by Mr. Cerra authorizing an ordinance to establish the Sanitary Sewer rates charged inside and outside the City for calendar years 2022, 2023 and 2024.

MOTION CARRIED

COMMITTEE REPORT WRITTEN

FINANCE COMMITTEE:

Mr. Baird moved, seconded by Mr. Tollett authorizing an ordinance to establish the Sanitary Sewer rates charged inside and outside the City for calendar years 2022, 2023 and 2024.

MOTION CARRIED

COMMITTEE REPORT WRITTEN

Mr. Oswald thanked Engineer Schneider, Asst Engineer McKillips and their staff and Superintendent Korzan and his staff for their hard work on this matter.

Chair Mitchell asked for a motion to adjourn.

Mr. Cerra moved, seconded by Mrs. Simmons to Adjourn the Utilities, Safety & Environment portion of this evening's meeting at 7:05 P.M.

MOTION CARRIED

Respectfully Submitted by,

Colleen Rosado, Secretary

(Meeting was attended by Secretary Rosado and Meeting Minutes were Transcribed by Secretary Rosado)