

MINUTES OF COMMITTEE OF THE WHOLE MEETING

PERRYSBURG CITY COUNCIL

SEPTEMBER 17, 2019

Council President Jim Matuszak called the meeting to order at 5:41 p.m. Present were Council Members Deborah Born, Jim Matuszak, Tim McCarthy, Jonathan Smith, Barry VanHoozen, Mark Weber and Becky Williams (7). Also present were Mayor Tom Mackin, Bridgette Kabat, City Administrator, Laura Alkire, Law Director, and David Creps, Clerk of Council.

The purpose of the meeting was to hear presentations from Ted Bennett of Jones and Henry Engineers on the Regional Water Feasibility Study prepared for Perrysburg, Maumee, and the Northwestern Water and Sewer District to determine the cost of using Bowling Green as a fresh water source and from Ed Moore of the Toledo Department of Public Utilities regarding the proposed contract with the City of Toledo.

Mr. Bennett shared a PowerPoint presentation that covered Bowling Green water as an option for Maumee, Perrysburg, and the portions of the Northwestern Water and Sewer District that receive Toledo water. Mr. Bennett stated that the estimated cost of the infrastructure needed would be \$65 million in addition to the purchase of the water. He said that the advantages to going with Bowling Green water are that it is good water quality and the City of Bowling Green will build and operate the new facility. The disadvantages are the long term rates are unknown and there is limited ownership or governance. Mr. Bennett said that the Toledo water option is the lower cost option due to the rate certainty and the least number of unknowns. Mr. Matuszak said that the study assumes all three entities participate. He said that he would like the numbers if only Perrysburg were to participate. Ms. Kabat said that some numbers are available if it were only Perrysburg and Maumee, but not Perrysburg alone. She said that was not included in the original scope of services. Mr. Matuszak asked Mr. Bennett if he used the Toledo numbers from the final version of the contract and Mr. Bennett said that he did. Mr. Matuszak said that the necessary capital improvements to upgrade the Bowling Green plant would be paid by Bowling Green. He asked about capital improvements to the Toledo plant. Ms. Kabat said that if the improvements are general to all contracting communities the costs would be shared. Mr. Matuszak asked if the improvements to Bowling Green could be made in time for the Northwestern Water and Sewer District's contract expiration in 2024. Mr. Bennett said it would be tight. Mr. Matuszak stated that if all the contracting communities do not go with Toledo the projected rates could change and it might affect the rate comparisons, so he would prefer to see the unknowns broken down and let City Council decide if the assumptions will materialize. Mayor Mackin noted that City Council only agreed to fund a certain scope of services. There was discussion regarding the historical data for rates and about the size of the water line should Maumee and the District not participate. Mr. Weber said that he doesn't think we would want to reduce the size of the 36" line.

Ed Moore, Director of the Toledo Department of Public Utilities, said that the City of Toledo amended their charter on November 6, 2018 to establish a regional water commission. He said that the contract communities - Perrysburg, Maumee, Sylvania, Whitehouse, Northwestern Water and Sewer District, Lucas County, Fulton County, and Monroe County, were looking for a meaningful voice in governance and they are excited about the potential of the regional water commission which will be a panel of water professionals. Toledo will have two members and there will be one each from the contracting communities. Mr. Moore said that Arcadis is currently working on a redundancy plan which has to be to the Ohio EPA by December 2020. The OEPA is also requiring that they build additional capacity storage. The estimated costs are \$100 million for an additional

intake and \$70 million for the elevated storage, but those estimated costs are already included in the plan. Mr. Moore stated that under the new uniform rate structure is a wholesale rate with a cost of service structure. There was discussion regarding Toledo City Council's approval of the rates as recommended by the Regional Water Commission. Eileen Granata, attorney for the City of Toledo, explained that a 3/4 vote of City Council will be needed to override the Commission's recommendation which is a high threshold.

Mr. Smith asked about redundancy should something happen to the water treatment plant. Warren Henry from the Toledo Division of Water Treatment said that the scope of the study to look for a redundant source is looking at a raw water source and a treated water source. There was discussion about the rates and Mr. Moore said that he is comfortable on the wholesale rate if all contracting communities join. He said the retail rates may fluctuate based on what programs they fund, but that would only affect Toledo and Lucas County as retail customers. Mr. Moore said that after seven years the surcharge is eliminated and after that seven year period rates should level off with increases of only 1%-2%. Mr. Matuszak asked if the rated increases after the seven year period can be guaranteed, and Mr. Moore said they cannot be. Mr. Smith said that he was at the City of Toledo's public hearing and he heard the comment that Toledo should charge for those who pollute. He asked if those fees can be added on. Mr. Moore said not as part of this contract. Ms. Granata said that the rates are a cost of service model and if there is no basis for cost of service, it would be a breach of contract. Mr. Smith asked if Toledo can dissolve the regional water commission. Ms. Granata said that there is language in the contract that even if the Charter changes the commission will continue for the length of the contract. Ms. Williams asked how long it would take to get revised rates if all contracting communities do not agree within the 45 days. Mr. Moore said that the model is already developed, so they would be able to provide that information within five days. Mr. Matuszak asked who is responsible for overseeing the contract, and Mr. Moore said the Toledo Law Department. Mr. Matuszak asked who is responsible for seeing that Perrysburg is getting charged the correct rate. Mr. Moore said that it would be Perrysburg's representative to the regional water commission. Mr. Smith pointed out that in the contract it states that at the end of the contract outstanding debt that is common to all shall be paid to Toledo. Ms. Alkire stated that the 33rd year is the target date for renewal. She said that in year 30 of the contract negotiations should start, and if you've given notice to leave the contract, you are not responsible for debt incurred from years 33-40. Ms. Alkire added that the Regional Water Commission has to be involved, and she cannot oversell enough how important having a role in the commission is.

It was decided that the matter would be discussed further at the Public Utilities Committee meeting scheduled for Wednesday, September 25, 2019 with a first reading on the contract with Toledo at the October 1, 2019 City Council meeting and a vote at the October 15, 2019 meeting.

ADJOURNMENT

Mr. Matuszak moved to adjourn the meeting at 7:35 p.m. Seconded by Mr. Smith. Ayes: (7). Nays: (0).

David D. Creps, Clerk

Thomas G. Mackin, Mayor