

UTILITIES COMMITTEE MINUTES

OF APRIL 8, 2019

Municipal Council of the City of Vermilion
Municipal Complex, 685 Decatur Street, Vermilion, Ohio 44089

In Attendance: **Vermilion City Council:** *Steve Herron, President of Council; Monica Stark, Council at Large; John Gabriel, Ward One; Frank Loucka, Ward Two; Steve Holoavacs, Ward Three; Barb Brady, Ward Four; Brian Holmes, Ward Five.*

Administration: *Jim Forthofer, Mayor; Tony Valerius, Service Director; Chris Howard, City Engineer; Amy Hendricks, Finance Director; C. Hartung, Police Chief; C. Stempowski, Fire Chief.*

Call to Order: Steve Holoavacs, Chairman, RESOLVED THAT this Utilities Committee comprised of the committee of the whole does now come to order.

TOPIC ONE: Flow Meters (VOL)

Chris Howard reported he along with the Service Director met with a representative from Hach Company relative to pricing on flow meters in the VOL area. Hach has a product called FloDar which is a Digital Doppler Radar in addition to an ultrasonic pulse echo depth sensing to remotely measure open channel flow. It's not actually submerged, but it can be read if it's submerged. They also have a data logger which is a wireless connection, so information is available 24/7. They provided a price to purchase at \$16,000 and then you must pay a yearly service fee. He thought this was costly and the city's crew would have to be responsible for maintenance, so he asked the company to price out a proposal for eight (8) flow meters for a four-month period and they would be responsible for the installation and maintenance. The total cost for eight (8) flow meters with the wireless technology is \$41,120, including installation and a one-time fee at \$8,800. He thought this was a better direction as opposed to where the city was going with the lateral repair. He said the city can pick eight streets and monitor them for four months to get an idea of what storm water is coming in on those streets.

B. Brady asked where the city would put the flow meters; Edgewater at the north end? C. Howard said they would put them at the manhole on Edgewater for any street for those eight structures. S. Holoavacs thought this was a step in the right direction so they can get more information to know which route to take to fix the problems. C. Howard said if the city has the flow meters moved there is an additional cost. S. Herron thought this was money well spent to get this information.

M. Stark asked if this was storm water flow they are looking at. C. Howard said it's sanitary. M. Stark asked the finance director if the city was ok to spend these funds. A. Hendricks said she had some estimates to discuss with council on the ability of funds for water and sewer, so there is potential to fund this project. M. Stark said they are really close to the \$50,000 spending threshold and wanted to make sure they don't go over this amount. C. Howard said he would like to get flow reports during the spring months. J. Gabriel said the city doesn't have the resources to do all the streets in VOL, so they better narrow this problem down to what they specifically think it is. C. Howard said it's good to monitor so they can compare to the rainfall data.

S. Holovacs MOVED; M. Stark seconded to authorize the administration to rent eight (8) flow meters from Hach Company in the amount of \$49,920 according to the proposal as submitted. Roll Call Vote 7 YEAS. **MOTION CARRIED.**

TOPIC ONE: Water Distribution Study

C. Howard distributed a Proposal for Professional Services for the Water Distribution Study. He explained in 2008, they did a Water Distribution Study for the whole city. Late last year the EPA did an inspection at the Water Plant and one of the comments they addressed is previously the city told the EPA that it would take 25 years to make the system a working system. However, the EPA said this was unacceptable and they want more like 10 years and they want a detailed analysis of determining what water lines need to be replaced, in addition to the water tower issue. Right now, the tank can't hold the full capacity and if they try to fill it up it's causing some leaks in various locations. Therefore, Bramhall proposes to perform an updated Water Distribution Study to recommend which water lines need replaced, and then come up with a 10-year plan that makes the most sense for the city.

S. Holovacs noted the price for the study is \$18,900 and they are doing something they need to do within a 10-year period to get things functional for the EPA. B. Brady asked how they do this study. C. Howard explained that EPA uses a program called EPANET and it's a matter of putting in all the information of the existing water lines, hydrants, and flows. They will add on any improvements that have been done since 2008 when they prepared the first study. M. Stark asked if there was a timeframe the EPA was putting on the city. C. Howard noted the EPA would like the study by July 31, 2019.

S. Holovacs MOVED; F. Loucka seconded to have legislation prepared to award professional engineering services to Bramhall Engineering to perform a Water Distribution Study in an amount not to exceed \$18,900. Roll Call Vote 7 YEAS. **MOTION CARRIED.**

TOPIC THREE: 601 Water Fund/602 Sewer Fund Reviews

Amy Hendricks provided City Council with a Statement of Cash from Revenue and Expense ending December 31, 2018, which shows all the enterprise funds consisting of the Water Fund, Sewer Fund, Sanitation Fund, Storm Water Drainage Fund, and EPA Fees. The Water Fund has an encumbered cash balance at the end of December of \$209,618.20, and the Sewer Fund is \$489,062.58, but the city did complete and start several projects during this period, so it's encouraging the city was able to maintain these balances even though they were a decline from the start of the year. The city made conscious efforts to get some projects done with the current rate structures. The balance in the Water Fund includes an advance of \$150,000 in 2016 from the General Fund that had not been repaid. This was repaid on February 26, 2019 as it was recommended by Moody's as part of their rating review in October of 2018. The Sanitation balance includes an advance of \$23,000 in December of 2018 from the General Fund to avoid deficit at year-end. This was repaid to the General Fund on March 1, 2019.

She conveyed the actual cash balances to date including an encumbered balance in the Water Fund is \$40,028.19, and the Sewer Fund balance is \$514,461.57. She told Council to keep in mind they just did a large purchase order for the Adams Street project that involves both the Water Fund and the EPA Fund. The EPA Fund balance to date is \$141,526.56.

She referred to a Project Sheet that has the Water Fund and EPA Fund breakdown of expenses, revenues, and balances. With the rate increase that was enacted for the Water Fund, the City will have about \$205,000 available for projects and commitments yet this year, after the encumbrances for various routine maintenance items. The Sewer Fund is going to end up being about \$295,000 of available dollars.

She said when the EPA was in the City in the fall, they wanted to see a multi-year plan, so in developing this they put together multi-year projections of the revenue. There are not many projects included, other than routine things because the city still needs to plan those for the current year. The city didn't have a rate increase in the EPA Fund when the City imposed the water increase. She said for administration purposes she projected that each year beginning in 2020, the city would add \$.25 to the monthly fee for both water and sewer, so this would be \$.50 a month/\$6.00 a year. The first year would bring in additional \$30,000, with increasing this at the same rate through 2023. She would like Council to enact this fee and to do it on a multiple year rate. She said it would be a \$6.00 increase per year, but it would accumulate to meaningful revenue in that fund over time. M. Stark asked if the next year would be \$.25 or would it be \$.50, then \$.75 the following year. A. Hendricks explained it would be an additional \$.25 each year; for example, overall this would be four years at an addition of \$1.00 to the EPA Sewer Fee by the time they get to year 2023. B. Brady said the EPA fees are only charged to the residents and before she would be willing to do this she would want it to be spread to the people who buy water from the City, and whose sanitary water the city cleans. It's not fair for the City to have these rate increases in the City limits and allow people outside the City limits to not take part in this because it's affecting them. A. Hendricks said some of the contracts are set to be negotiated before the end of 2020 and this is an item that's on the list for the renegotiation of these contracts.

T. Valerius discussed some upcoming projects that he feels are necessary that will be coming out of the water fund. Certainly, there are some main line replacements that need done, which can come out of both the EPA Fund and Water Fund. However, the water meters have been overlooked for quite some time and he feels they need attention. The manufacturer's recommendation on water meters is 15 years and after that you start seeing inaccuracies in the rates. The meters document less water than what goes through it. They are made of plastic parts and these parts wear out, so meters are reading all the water that is being used. He said 72% of the city's meters are 15 years or older. Some areas have meters that are 20 to 28 years old. This is water not being accounted for. He feels they need to start pulling some meters and sending them out for testing to see the amount of water they are losing. He said systematically they should start changing out meters depending on how much money the city can spend. Ideally, it would be nice to get a neighborhood done so they can keep better track of this program. Generally, the oldest meters start in the east and move west, so VOL, Elberta Beach and Edison Estates have original meters. He said the city needs to start this year with meter testing to determine how much money the city is losing. B. Brady asked if the plan is to replace the remote meter and T. Valerius said no just the meters. F. Loucka asked what the approximate cost would be to replace a meter. T. Valerius said a water meter is about \$170.00, but if you purchase a pallet of meters then he would think the price would decrease. He said they can either scrap the old meters or they can trade them in to the meter company for a discount. J. Gabriel said they need to make a policy program to start replacing the water meters, so whatever the city can afford they need to start a program. S. Holovacs said they

need to start in the neighborhoods with the oldest meters and continue with the program. He asked the administration to keep council updated on implementing a program.

S. Holovacs asked the finance director when she would like to discuss the EPA rate increases and Amy Hendricks said sometime in the summer.

Miscellaneous: B. Brady asked for an update on the Lake Haven Dam status. C. Howard said he received a response from ODNR and provided Council with the copy of the letter. He said all they know is what ODNR allowed.

T. Valerius reported that the Primary #3 Clarifier is in bad shape and after years of moving the chains back and forth they are wore out. Therefore, they are getting pricing. He said three of the secondary clarifiers all need work as well and there is discussion about building a barn for the chemicals because right now they freeze at 46 degrees, and in the winter time they are putting tarps over them with a heater to keep them warm. So, they would like to look at a small heated pole barn. S. Holovacs asked the administration to come back to Council once they know what they're doing.

S. Holovacs adjourned the meeting after no further discussion came before the committee.

The next meeting is scheduled for May 13, 2019 at 7:00 p.m.

Gwen Fisher, Certified Municipal Clerk
