

**Minutes of the Roads, Drains, Water, Sewer & Refuse
Sheffield Lake, Ohio
December 5, 2011**

The regular meeting of the Roads, Drains, Water, Sewer & Refuse was held Monday, December 5, 2011. Chairman Dennis Bring called the meeting to order at 7:04 PM.

ROLL CALL OF MEMBERS:

Present: Bring, Rosso, Kovach, Elliott, Huska, Stark, Smith

Absent: President Podmanik, Mayor Piskura (excused)

Attending: Service Director Smith, Law Director Graves, Planning Commission; Belaska

READING OF THE MINUTES:

*Motion by Elliott/Second by Smith to approve the minutes of the November 1, 2011 meeting with any corrections. Yeas all.

CORRESPONDENCE: None.

PRESENTATIONS: None.

SEWER CREDITS/UNPAID CHARGES FOR TAX DUPLICATE:

5250 Hawthorne Ave for the amount of \$1,552.32 – after a brief review and discussion;

*Motion by Elliott/Second by Stark to approve the credit of \$1,552.32 for 5250 Hawthorne Ave. Yeas All.

OLD BUSINESS:

Projects: None.

Future Projects:

Sidewalks – **None.**

Misc:

Water meters – **None.**

SERVICE DIRECTORS REPORT:

Service Director Smith reported the following: water was flowing well through the city today from this rain that is still pouring. We have been in a continuous rain pattern now for well over 24-hours but the water was flowing well. We have been out during the day today and then yesterday getting a lot of the areas that have a lot of leaves in the ditches

unclogged. So it has been flowing, it wasn't until late this afternoon that the total ground saturation occurred and everything started going crazy; surface water just staying on top of the water because it can't absorb into the ground at all and just creating havoc. So we are at the mercy of the drains – all 3 pump stations currently are in alarm to give you an idea and that will continue throughout the night. I have instructed the Building Inspector to start issuing 30-day correction notices per 905.03, 905.04 and 905.05 concerning ditches and the cleaning and maintaining of leaves out of the ditches. The ordinance stipulates that we must issue a 30-day correction notice to the homeowner, we don't have anything faster in that type of form and I have yet to discuss it with David so I am going by what the code says. We are starting that tomorrow. We currently have 1 pump out of Pump Station#1 which is in eastern Ohio right now getting an estimate on repair by Ohio Pump. We had that pump pulled as it is non-functional and we will know more once we get the actual estimate from them of what it is going to take to get it fixed. I did have 1 sewer credit which you have addressed.

NEW BUSINESS:

Ditch cleanings; Day Ditch by Holl/Shoemaker Ditch – north of Richelieu, east side by Buckeye – ADD.

Sewer & Water Base Rate increases – Service Director Smith stated I would refer back to the Worksession of November 22, 2011 when we were discussing at Worksession. I did go over my facts to make sure that I was correct in my facts. As you know my recommendations was to take it from \$3.00 to \$5.00, \$2.00 directly into the sewer capital improvement fund and the other \$3.00 into just regular sewer fund. Councilman Rosso stated it would be nice if you put some sort of presentation/cover sheet together with all your numbers instead of just reading them off because it is hard to keep it all straight. Service Director Smith advised that is why I put them in the minutes but that is okay I will come up with a different sheet. I was trying to keep it simple. Councilman Rosso replied here is what I want and here is why I need it. I think it makes it easier to comprehend. Chairman Smith stated I talked to Finance Director Smith today; we need to move with this as fast as we possibly can because that fund is absolutely depleted down to almost nothing. I think we are going to have to actually borrow money the way it is looking; this is something that is going to have to be expedited first thing come January. It is something you guys really need to sit down and look at. Councilman Rosso asked so you want to raise it \$3.00? Service Director Smith stated my recommendation would be a minimum of \$3.00 of the rates. Councilman Rosso asked to go from \$2.00 to \$5.00? Law Director Graves asked you are talking about sewer correct? Service Director Smith answered yes. Law Director Graves explained the sewer base rate is currently \$3.00; all of which goes to capital improvement, so he is talking about a \$2.00 increase in taking the sewer base rate to \$5.00 with \$3.00 going into the sewer fund and \$2.00 continuing to go into capital improvement. Councilman Rosso questioned we have a \$3.00 base rate and that goes to capital improvement and you want to make it \$5.00 and you want it to go where Len?

Service Director Smith answered \$2.00 to sewer capital improvement and the \$3.00 to the sewer fund. If Council so chooses, instead of raising it \$3.00 decided to raise it \$4.00 maintaining \$2.00 to the capital improvement fund and \$4.00 going into the sewer fund would generate approximately \$144,000.00 – if Council chose to raise it to \$5.00, \$2.00 goes into capital improvement and \$5.00 going into sewer fund then that would raise approximately \$180,000.00 on rounded numbers per year. Keep in mind that as I said before I think I said we are going to be \$225,000.00 over what we paid last year, that is eating up our carryover and that is all in the sewer rate that is paid out to sewage. They are not happy numbers at all and I understand that. Councilman Rosso asked this fund would do nothing more than pay the sewer bill to Lorain? Service Director Smith explained no sewer pays for a lot of things but the sewer fund is where that amount comes from. Councilman Rosso asked so you need this extra money to pay the sewer bill? Service Director Smith answered we need money in the sewer fund, whether it pays for sewage. Councilman Rosso stated before I would vote for an increase I want to know where the money is going to be spent. Service Director Smith advised that is fine, if you guys so choose to create a separate line – that is up to you, I am just saying the previous Service Directors have sat in this spot and gave you a song and dance; I am not doing that. Councilman Rosso stated I am not saying that you are all I am saying is you are saying we need money because we can't pay the sewer bill. I said "is this money going to be used to pay the sewer bill" and you said "maybe, maybe not". Service Director Smith explained because the sewer fund pays sewer, all the different parts of sewer and don't want to say "yes Rick, that is going to pay the sewer fund and then next year say well yes it paid sewer fund plus sewage but it also paid this and paid that". Then you would say well we said it was specifically going to sewer fund. We have a sewer fund that pays all the sewer stuff but it also pays the bill for sewage. Law Director Graves advised I think what he is getting at is if you look at the ordinance on the sewer base rate, if I am not mistaken it gives a number of different things that it can be used for and while we designate some of that money for capital improvement there is other quasi capital improvements that the sewer fund pays for as well. But the majority of that is used to pay the sewer treatment bill and that is why there is a big shortfall. Service Director Smith stated I don't want to create an illusion of double talk from me that is all; I want you to understand that the sewer fund includes all these lines. That is why \$3.00 which represents \$108,000 and if you were to say well if we are \$225,000 over what we were last year and that would have only covered half of it. I am trying to be frugal but at the same time I am trying to give us enough money to maintain where we could deal with it if we end up with another disastrous year like this year. This year is a disastrous year; there is no other way to say it. We have had so much water processed through sewage it is unbelievable – there is so much. I will be glad though to put a chart together, I have got enough numbers Rick – I can sit and go over sewage out, monthly sewer bill, Lorain and what that looks like over the last 2 years or the last 5 years. I can give you an analysis of how much of it is rain water if you would like, I would be glad to break it down that. I don't necessarily want to make comparisons with

other cities because other cities don't even put their sewer rates on the internet and they don't like to talk about them. Their water rates are disguised and different things, unless of course you are Avon Lake where you generate your own water and you have a super low rate. We just went through a sewer rate exercise with the Regional Sewer Workgroup over this late summer and early fall and we were in the lower portions – I believe we were the second lowest in the county. Now those were all based on projections, a lot of projections and stuff but I can also get those numbers too for you and share that with you. So your guidance is what I need to determine where we are going. Chairman Smith advised like you said there is absolutely no money in that line item, we are as of last month I think we had \$12,000.00 in there and there was a \$50,000.00 bill. So this last rain – Tammy doesn't know what to do. She said without raising rates she is throwing up her hands because as she said we do not have the money, so we are going to have to do something. It is not something anyone wants to see – rising up anything but I think we are forced into doing it. The only thing that we can do is in the next year or two see what the weather patterns do and if it calms down maybe we can look at reducing it again. I don't know how that is going to work but for right now we are going to have to do something because like I said there is just no money in that account. At one time I know that we looked at this Rick and we had X amount of money \$48,000.00 carryover and discussed all that and as long as there was a carryover that was fine. But in this time with this last year it has been really bad. I know come January it is one of the first things that I am going to ask City Council to do because we have no choice. You can look at the numbers and talk to Finance Director Smith or whatever you want to do but we are going to have to do something, it has to come from somewhere. Councilman Elliott stated Len I think you estimated that there was \$250,000.00 worth of infiltration this year? Service Director Smith answered I don't have what number I exactly said, I think my estimate was approximately \$20,000.00 of inflow per month and I look at that that could be reduced if we were to fix the situation. Councilman Elliott asked with us raising the water rate would this help us fix some of that infiltration? Service Director Smith answered first of all we will say the sewer base rate, the water rate is another issue but yes the sewer base rate is the only thing that we can raise because the additional sewer rate is dictated by contract. Law Director Graves advised the ordinance only authorizes us to raise based on the percentage that the contract is raised, they can amend that ordinance but currently it is just tied to the contract. On the contract side that is why it is so important to maintain a portion of that base rate to capital improvement because while it is extremely important that we pay our bills, we have to continue to sit aside money to solve the underline problem. Councilman Elliott stated right that is basically what I am asking if this rate will help in part fix what our problem is right? Service Director Smith answered right, if my memory is right we currently have \$325,000.00 in sewer capital improvement – cutting it for a year to review from \$3.00 to \$2.00 I see as a sustainable option. It can be re-evaluated next year, it could be re-evaluated anytime Council so chooses but to move forward I think the \$2.00 would maintain and David and I have discussed this in several scenarios – would maintain a

certain amount of money staying in the capital improvement fund, so it is there for when you need to use it. Chairman Bring advised I would entertain any time if things get adjusted back, we can always lower it back. This is just one of those times; I think it is an emergency type situation that we have to do something. I have to agree with Rick, residents paying extra money right now or anytime you don't want to see this but this is just one time that we are forced to do something. Law Director Graves advised if I am not mistaken based on the numbers that you said earlier; ideally you would want to raise this even more. You would be looking at \$7.00 with \$4.00/\$3.00 or something like that but \$5.00 would be the most. Service Director Smith advised I just did the calculations on \$5.00 because everyone was very sensitive to the amount of money that would be levied on the residents. Every Council member up there is sensitive to that, so that gives a breakdown of how much an incremental increase each dollar represents. You could look down there and get a good idea. It is a tough decision, a very tough decision. The water rate increase, Mayor Piskura when we brought the overcharge into discussion figured out the quickest way to get the \$2.00 back to the residents and I think we have 14 or 15 months to go of the \$2.00 rebate. It is hurting though, it is hurting the regular water fund so that is something that I would recommend going back up and I know that it is not going to be a popular decision but to be sustainable in these economic times. It is funny because a lot of these things didn't hit until the rains became so much of a burden on us and I can't tell you how many hours I have in calculations and researching the history of itself of where the water and sewer rates have been and what they were doing and what was wrong with the formulas. It has been very, very time consuming and to correct them is the best thing in the world to do instead of just pretending that mistake is there, let's not say anything – I don't think that is the case because I don't think we knew the mistake was there. But once we were aware that there was a mistake then it was we have to take action. I applaud the Mayor for doing that. Councilman Rosso asked Len educate me; tell me how the rainfall affected our water rate – just because it rained why I have to raise my water rate. I understand why I am going to raise my sewer rate but why do I have to raise my water rate because it rained. Service Director Smith stated I didn't say that the rate caused that Rick that is not what I said. Councilman Rosso stated that is exactly what you said. Service Director Smith advised I said it wasn't noticeable until the rains really became disastrous. Councilman Rosso stated tell me how you noticed your water rate is low because it rained. Service Director Smith answered because I sat in this Roads and Drains Committee meeting listening I don't know how many times people bringing up water meters, water meters, water meters - \$350,000.00 in water meters. I would bring something up and the meters would come up, in that process I took the time and went and researched over 10 years of minutes, 10 years of Roads and Drains Committee meetings and I traced all that money except for \$56 and some odd cents – I could account for every penny of it. Nobody else did that and in that process I corrected the water bill breakdown as I refer to it which is all the different parts of composite that make up the water bill and in doing so we had this error and that error we ended up giving in rebate and that rebate

ended up taking money away in the \$2.00 we are giving back and \$2.00 we are not collecting. We did reduce the rate from \$5.00 to \$3.00, stopped collecting \$2.00 and then we gave back \$2.00 so we are minus \$4.00 in the water fund every month per bill. Councilman Rosso stated yes but you were over \$2.00 for whatever months, just so I understand this the only reason you said it was because of the rainwater – it was because of the rainwater you were working on something and in doing that you tripped into this and found this. This has nothing to do with rainwater right – the water rate, it is just you found it while working on the other one? Service Director Smith answered correct and that is what I was trying to say. Councilman Rosso advised that is what I was trying to figure out. Service Director Smith advised to be very honest with you Rick this is very time consuming all these things merge together and you can ask Kay how many ordinances I pull to have water rate discussed here and even the sewer base rate is connected to the water base rate. So the correction of where we were is what made light of the situation and then we went from \$5.00 water base rate and we went from \$5.00 to \$3.00 because the previous Service Director after you guys told him to take the \$5.00 charge back to \$3.00 as you weren't going to keep it \$5.00 for whatever reason never got changed and he was still collecting \$5.00 over there on the water base rate. So the minute I became aware of that I stopped that \$5.00 and went back to the \$3.00 and then we also started giving the \$2.00 back which is a total of \$4.00 per bill. There was a brief discussion on submitted figures/proposals. Service Director Smith advised Jonathan Moody from the EPA who was here and I have spoken of at the previous meeting did say that all surrounding cities are going through the same thing. One of the special requests for information is our analysis of the pump stations and I just started my morning off this morning with a request for a current copy of status of where we are at through the city's engineers because we are preparing for all this stuff. It is a good thing that we have been approaching it like this because that is the type of stuff they are looking for specifically but all the other communities are dealing with the same thing and it is now switching to how are you going to deal with the increased amount of I&I into the sanitary sewer systems – it is a big thing and it is regional not just northern Ohio.

Councilman Kovach advised I have a suggestion; we had a suggestion on using credit cards to pay water bills as a matter of convenience to the citizens. I don't see why that if we use that as a convenience to the people and we are going to be charged the 2-1/2% for the use of the credit card why that portion cannot be passed on to the customer because it is their request that at their convenience. Chairman Bring advised I did speak to Tammy a little bit about that but we still aren't sure what that rate is going to be. I was thinking the same thing though and that is something that I will talk to Tammy about. Councilman Kovach advised the concern as I understood it during and after the meeting was that everybody was going to want to pay this this way because they can use a credit card and it is going to cost us a bunch of money. Well, if we are supplying the convenience to the people for that use then those that really need to use the credit card will be willing to pay the 2-1/2%. I think that would be a viable solution to that concern. Chairman Bring

advised I think that is a good idea and I will bring it up and ask Tammy about it, I just don't know how easy it is to add it on there.

MEETING ADJOURNED: With no further business before this committee, *Motion by Kovach/Second by Elliott to adjourn at 7:50 PM. Yeas All.

CLERK OF COMMITTEE AFFIRMATION: This Meeting Of The City Committee Of The City of Sheffield Lake, Ohio Was Held And Conducted Under All Rules And Regulations Governing The Sunshine Laws OF The State Of Ohio As They May Apply. All meetings are recorded and available in council's office.

CLERK OF COMMITTEE

Kay Fantauzzi

I, Kay Fantauzzi, duly appointed Clerk of Committee Of Sheffield Lake, DO HEREBY CERTIFY that this is

A true and exact copy of the Minutes of COMMITTEE Of December 5, 2011.

CHAIRMAN OF COMMITTEE

Dennis Bring

PRESIDENT OF COUNCIL

Edward R Podmanik

and/or

COUNCIL PRO TEM

Richard Rosso