



Utilities Commission
Commission Meeting

Minutes

March 2, 2021
8:30 AM

CALL TO ORDER

Attendee Name	Title	Status	Arrived
Brian Ball	City Engineer	Present	
Richard Dzik	Safety Service Director	Present	
Mathias Orndorf	Director of Public Utilities	Present	
Keith Burley	Alternate Member	Present	
Elizabeth Doolittle		Present	

Others in attendance: Tammy Woods, City Council; Robert Broeren, Director of Law; Lindsay Hoar, Clerk

MINUTES APPROVAL

- Utilities Commission - Commission Meeting - Feb 2, 2021 8:30 AM

Mr. Burley was excused from voting due to Ms. Doolittle being present.

RESULT:	ACCEPTED [UNANIMOUS]
MOVER:	Mathias Orndorf, Director of Public Utilities
SECONDER:	Elizabeth Doolittle
AYES:	Ball, Dzik, Orndorf, Doolittle
EXCUSED:	Burley

ADJUSTMENT JOURNAL

Mr. Dzik questioned how Mount Vernon Overhead Door happened.

Mr. Orndorf explained that it looked like they were connected and they really weren't. They don't have access. They shouldn't have been being charged and it had been going on for a while.

- Adjustment Journal

- Motion to Accept the Adjustment Journal

Mr. Burley was excused from voting due to Ms. Doolittle being present.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Brian Ball, City Engineer
SECONDER:	Mathias Orndorf, Director of Public Utilities
AYES:	Ball, Dzik, Orndorf, Doolittle
EXCUSED:	Burley

NEW BUSINESS

Wastewater Treatment Plant WPCLF Loan Application 2021

Mr. Ball said at some point we're going to need action by City Council to authorize us to take out a significant loan. We've already done part of the paperwork. The question is, do we need a vote to say yes that we're going to ask City Council to borrow the money to do the Wastewater Treatment Plant work.

Mr. Dzik said to bring everybody up to speed, a big part of our Wastewater rate increase was the failure of our digesters and I think this has just tackled that part.

Mr. Ball corrected that this was the whole thing.

Mr. Dzik said now that we've secured the rate increase we should be good on the ability to get a loan to make all of the repairs; the digester and phosphorus.

Mr. Ball said it'll be the digester, phosphorus, sludge removal and some of the design work. If you remember in our budget, we only budgeted \$60,000.00 for Engineering for the Plant for the year. The scale of the project, we're going to need hundreds of thousands of dollars to do the Engineering work, which we don't have either. So it would be for design and construction.

Mr. Dzik asked to remind the commission; this is a revolving loan or is it a zero percent loan.

Mr. Ball said if we include phosphorus and if the EPA approves it, we would qualify for zero percent interest. The idea of packaging the project, we are more likely to get the zero percent interest.

Mr. Burley asked if we had to have better cost estimates to apply for the loan.

Mr. Ball said no because this is the design and construction loan so you have the option to apply for planning, design and construction. We don't have the money to get the design done and since we don't have that we don't have a quality cost tester. We're only going to borrow what we need. I've never done one of these before but if it's similar to some of the other programs, it's based on what we actually spend. With the Ohio Public Works Commission, if we do a grant-loan combo, we only take out the loan based on the actual cost of construction, not the construction estimate. And then we get reimbursed for the Engineering expenses that were actually incurred, not the original estimate. That's how the Public Works one operates. I don't think the City's done a WPCLF, the Water Pollution Control Loan Fund. I don't even know if Terry's done one. I'm assuming that it's similar and that you're only going to borrow what you've expended for the project. This will be the ten million dollar effort, plus or minus, to bring everything together.

Mr. Dzik said this is really our only path forward. We don't have money on hand to make the repairs. If we're able to get the zero percent obviously it's pretty risk free for us.

- Motion to Proceed With the WPCLF Loan Application, Moving Forward With the Phosphorus, Sludge and Digester Project at the Wastewater Treatment Plant

Mr. Burley was excused from voting due to Ms. Doolittle being present.

Mr. Dzik said the next step on this is it would have to go before council for approval.

Mr. Ball said yes. There would be an action to enter the loan agreement for council and we'd have authorizations for the different design and construction phases.

Ms. Woods asked Mr. Ball when he planned on bringing that before council.

Mr. Ball has to get with Travis with CEC; he is working through all that paperwork right now.

Ms. Woods asked if it would be Monday.

Mr. Ball replied no.

Mr. Dzik said we'll make sure it's not next Monday. We'll target March 22.

Mr. Ball said we have some forms we have to turn in to the EPA but I don't think we need action right away.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Brian Ball, City Engineer
SECONDER:	Mathias Orndorf, Director of Public Utilities
AYES:	Ball, Dzik, Orndorf, Doolittle
EXCUSED:	Burley

US Army Corps of Engineers Section 594 Funding for Wastewater Treatment Plant

Mr. Ball said he does not think anyone in Knox County has ever done one of these. If I'm reading the info sheet correctly, this is a grant and the maximum possibility of funding is \$500,000.00. By pushing this button, this becomes a federal project, which adds some paperwork and some environmental effort but it's \$500,000.00. Again, this is an ask to put in the application. We may or may not be qualified for it but it's not a huge application. I think that these may be a revolving application so they reset every September. This would be asking for \$500,000.00 to offset the \$10,000,000.00 project. It's a small percentage but it's real money.

- Motion to Ask for Approval to Make an Application to the Section 594 Program Related to our Upgrade to the Digester, Phosphorus and Sludge Processing.

Mr. Burley was excused from voting due to Ms. Doolittle being present.

Mr. Ball said we did a review with the last Water Resources Development Act. There were some updates to this section and it does appear to qualify. I don't think it's a huge stretch but we'll try it.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Brian Ball, City Engineer
SECONDER:	Elizabeth Doolittle
AYES:	Ball, Dzik, Orndorf, Doolittle
EXCUSED:	Burley

Westgate Trailer Park WPCLF Loan Application 2022

Mr. Ball said the application for Ohio Public Works Commission was disqualified for Westgate Trailer Park. The Ohio Public Works is more focused on road and bridges and they have a specific requirement that the project only exists in the public right-of-way. Where we were looking to put the water line on private roads, it specifically disqualified our application and it was not considered. We still have a problem; they have a problem. Getting with our consultants with ADR and Associates, the same program we just talked about, the Water Pollution Control Loan Fund is probably the best fit. It does include more paperwork and effort, administratively, than the Ohio Public Works Commission but this is probably a better fit. We believe we would have significant support from the EPA. Again, we would qualify because we would be eliminating potentially two water systems by doing this project. Because we would be doing the Westgate Park and the park just north that is somewhat remotely associated with the same park. The philosophy question on this would be would we want to borrow the planning and design monies. I was thinking we would not we would just borrow the money for construction and recover those costs separately. There's a couple of ways to do this. That would be my first question.

Mr. Dzik asked if we get better points if we've got a completed design.

Mr. Ball said yes.

Mr. Dzik said the idea would be to try to complete the design this year and then submit.

Mr. Ball said we have to have this turned in today but this puts us on the list. Last year we turned in this application for the Wastewater Plant to be on the list. Once you're on the list you're allowed to apply for the actual loan. If you don't get on the list, then you can't apply. If we are showing that we're going to cover the planning and design separately, it maybe scores us a few more points. Again, we've never made it all the way through one of these yet. I can tell you how it works for OPWC, if you don't ask for loan money for design you get more points but I don't know about this one.

Ms. Woods asked Mr. Ball which project he's talking about.

Mr. Ball said this is Westgate.

Ms. Woods said her question is if you cover it, then he'll never end up paying for it - the design.

Mr. Ball said we would plan on entering into an agreement for him to pay us back. The original vote was that he will reimburse us for planning, design and construction. We would cover the cost for planning and design and recoup those earlier or in parallel or all in the same process.

Mr. Dzik said if you remember, we did do a vote on this. I think council authorized us to apply for the OPWC loan. Since we didn't get it we're going after another loan. The terms would be the same; we expect the owner to reimburse the city for all costs of the project.

Ms. Woods said okay, that's fine.

Mr. Dzik said you mentioned they're associated; is it the same owner of both parks.

Mr. Ball said he said his mom bought the other one.

Mr. Dzik asked if we're pretty confident that both owners would want their systems.

Mr. Ball said yes. There's like eleven spots, the last time I checked, that had seven trailers. It's on well water. I asked our consultant to go ahead and include that within the survey and planning limits. I spoke with Joe Balameti and his mom is also interested in becoming a part of our water system. That also gives us more points. If we eliminate two water systems with this project, the EPA strongly dislikes the small independent water systems. We would be calling this the Regionalization Project. That will qualify us for a low or zero percent interest.

Mr. Dzik thinks the advantage we have here is ultimately we do want these little private systems as part of our larger system. The owners want it. If we can some actual government-backed grants, we can get zero or low interest. It kind of works best for the owner, obviously the City and everybody involved. I'm on board. Unless somebody has any other thoughts, I'd like to maximize our chances of getting this by not including planning and design and trying to get that done before the application. Correct me if I'm wrong Brian, the steps would be we'd apply, we'd do the design, would we actually get some kind of written agreement with them before we start design work or just before we take the loan?

Mr. Burley said we still don't have a written agreement for the design. Giles was going to work up that agreement and that's still hanging out there.

Mr. Ball said Mr. Broeren has hired a new lawyer yesterday and we met him. Giles has completed the title search to figure out all of the potential liens and loans and things that exist. We have that and that is in a holding pattern until we can sit down with Mr. Broeren. We can at any point just attach this to the bill and say we need you to pay this. Mr. Broeren has agreed with this project, we do have the authority to charge interest. The paperwork does not currently exist but if we don't turn this loan in today then we will be turning it in this date next year.

Mr. Burley said he's all in favor in going ahead and applying for the loan today. I'm just concerned at the amount of time we're hanging out there right now for the design and engineering with no agreement.

Mr. Ball said he does not disagree.

Mr. Dzik asked how much design and engineering we have done.

Mr. Ball said we're probably about \$20,000 or \$25,000 in at this point.

Mr. Burley thought the total cost was about \$60,000.

Mr. Ball said yes, when you include the construction oversight, the whole ball of wax was

probably \$60,000. I agree we need to catch up on paperwork.

Mr. Dzik entertained a motion. Motion was approved.

Mr. Dzik said getting back to the planning and design, I do agree, we need to move forward on the agreement with the property owner and I guess owners. Are we wrapping in the new owner or were they already included in the beginning?

Mr. Ball said one aspect of the new owner is none of them have paid a tap fee so if we have eleven trailers and each one pays a tap fee for 5/8" that's a little bit different than the existing park has already paid the tap fee, I'll have to look at Mathias, I don't know what size it is. We ran the numbers and it's not much difference between the tap fee for the master meter versus the 88 individual trailers. One way we could look at the new property is we could

Mr. Dzik said they're all on a well.

Mr. Ball said they are all on a well. So each meter would have the tap fee, that would probably recoup some of the cost or we could include them in the agreement. It's all in the same family. I think you could look at what a normal tap fee covers and we could pull that out of the loan. Normally the tap fee's going to provide a meter and meter pit. Those could be segregated and then the actual pipe that would go between the trailers would be something that they would reimburse us for. Whereas, the other park we would probably be installing all new meter pits and all new features and they would be paying for those. There may be some trade in value for the existing meters that would be disposed of that we can credit the park that already has city water. So I think there's some details that could be worked out. We're not close enough to know if those meters could be rebuilt or if whoever our company is would actually take them as a trade in. I think we do want to enter into as soon as possible, in a design planning reimbursement agreement and get some money flowing back in. Again, that's something that as soon as Mr. Broeren catches up with stuff we can get that nailed down.

Mr. Dzik asked Ms. Hoar to keep tracking as Old Business, the Westgate Trailer Park Reimbursement Agreement. It'll keep it on our mind to keep working with Mr. Broeren. I will say I know he's probably got a couple of weeks of bringing his new staff member up to speed. We'll keep pushing forward on that.

Mr. Orndorf is showing them (other park) as a 2".

Mr. Ball said there's several ways we could look at it. There could be each trailer has a buy in to get on city water and do some kind of a modified tap agreement. We really need to have a brainstorming session because the folks that have called me are desperate for city water and I know that council member Woods has talked to several people also. There's been a lot of problems that people have been calling about.

Mr. Orndorf said there should be less issues with the small trailer park being that they're not their own system right now.

Mr. Ball said they have a completely different set of pipes. They're not connected at all. Those pipes may be in great condition. The existing pipes at Westgate are in poor condition or not deep enough or some combination of that.

Mr. Burley said we don't want to lose track of it because it's gone on a long time without much progress on the agreement.

- Motion to Make a Water Pollution Control Loan Fund Application for the Westgate Trailer Park Regionalization Project for Water

Mr. Burley was excused from voting due to Ms. Doolittle being present.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Brian Ball, City Engineer
SECONDER:	Mathias Orndorf, Director of Public Utilities
AYES:	Ball, Dzik, Orndorf, Doolittle
EXCUSED:	Burley

OLD BUSINESS

Mr. Dzik gave a few updates. He is scheduling a meeting with Mr. Ball and Mr. Orndorf, hopefully next week. We have not had a chance to sit down with Mr. Scott on our water rate study. As you'll recall last meeting we want to target this summer for bringing something before council and moving forward. We are going to make movement on that, hopefully next week. The only other item that Mr. Ball, Mr. Orndorf and probably Mr. Griffith will be meeting on is we did have the posting out for Assistant Utility Director. Did not get a lot of interest. There may be four or five qualified candidates in the group. We're going to look over those and see who could be a fit. If not, Mr. Ball and Mr. Dzik will put their heads together on how we want to proceed once Mr. Orndorf leaves us.

Mr. Burley asked about updated Rules & Regulations. That's something that looks like it needs done, that includes the rate increase. I think that needs to go on either new business or old business at some point. Mr. Burley asked Mr. Orndorf is there was anything on the water produced versus metered?

Mr. Orndorf figured it two ways. It doesn't look good either way. I got the two books that aren't on the R & I and I figured it that way, we're less than 50%.

Mr. Burley keeps hoping that it's like it moves because we figure out what's going on. I think that's one of the things I'm looking at.

Mr. Orndorf said we've had an active leak for almost a month, it was underneath snow and ice. The OUPS are supposed to be being done today or sometime this week and then hopefully we'll get that one fixed. We start looking at the apartments. I don't know if you heard, we had to turn the 6" back on down there at Coopers.

Mr. Burley did hear that.

Mr. Orndorf said there's some issues down there that need to be worked out.

Mr. Burley said they're not using water, we just don't know where everything comes and goes. Is that accurate?

Mr. Orndorf said there's water going through their meter.

Mr. Burley questioned the water still going through.

Mr. Orndorf said they had to have us open that line back up. We opened it partially back up and it has been running. They did not have water in numerous buildings.

Mr. Burley agreed but asked if they're not consuming it at the rate that they were.

Mr. Orndorf said it's about the same as it was before we started. For that 6" line.

Mr. Burley said that was not conveyed in what he got. He just knew that it was turned off and they were surprised that it was not just a fire line. There's multiple things on it as well.

Mr. Dzik said the only other project that Mr. Orndorf has picked up earlier this year is he's replacing some of the meters and adding MXUs to all of the city owned property. It's not going to be 50% but hopefully we can determine how much our city and public facilities are using.

Update on Hillside Apartments

Mr. Dzik asked Mr. Orndorf how things are going with Hillside Apartments.

Mr. Orndorf responded that he called Mike Stevens on the 2nd of February. I explained to him what we were looking at. His words were...

Mr. Broeren asked what the issue is with Hillside.

Mr. Orndorf said there's a leak before their meters. They are not fixing it. When I was talking to him, he said this conversation is getting adversarial and he would have to get back with Nora and then get back with me. So I have not called him back yet. It's now been thirty days. We did have Brian Stafford Plumbing in and replaced all of the meters in the apartments. At least we'll be metering the water that they are using inside but they have leaks outside on their line. Since that's no metered they're not too worried about it.

Mr. Broeren questioned their responsibility is from where.

Mr. Orndorf said technically since they have inside meters, their responsibility goes all the way back to our main that is down on Sychar Road.

Mr. Broeren said the question is, if they're not going to do it, do we just shut them off until they fix it.

Mr. Orndorf said he wanted to make sure that we were all on the same page. We probably need to put something in writing before we just do that. I was trying to give him a chance to do something because I don't want to shut all the low income housing up there off. That's six units up there.

Mr. Dzik said we're two to three minutes into discussing this. I thought the goal was not to turn it off but to use whatever legal means we have to compel them to fix it. Did we send a violation letter or has it just been conversation so far?

Mr. Orndorf said it was just a conversation but what I told him when I was talking to him was that if they were not going to fix it that we were going to put in a vault up at the top of the hill and put in a meter and then meter the water against what's metered in the buildings. Then we would charge them off that master meter. Then we would also charge them on their

bill for all of the work to put that in. That would not be cheap. That's a six inch line up there. Mr. Ball said the vault is about \$10,000.00

Mr. Broeren advised to send them a notice saying that unless they fix it by a certain date that this is what we're going to do. Mr. Broeren said he'd look at the letter.

Mr. Orndorf said he would right it and then send it up for Mr. Broeren to look at.

Mr. Broeren said we need to make sure that we send it out under the right signature too. Some of these things needs to come from the Utility Commission and not from the Director of Utilities. Do the draft, send it to me and we'll get that out as soon as we can.

Mr. Burley questioned there being six units but thirty apartments.

Mr. Orndorf said there's six units at there's 4 or 8 in each one.

Mr. Burley said it affects a lot of people.

Mr. Dzik said he thinks we don't want to turn off the resident's water because the landlord is not managing the property. We'd rather just force a fix however we can.

Mr. Ball asked if this group is regulated by USDA or do they have a regulatory entity that we should send a copy of the letter to.

Mr. Orndorf said he's not sure. I can't remember if these are owned by Kno-Ho-Co or not. One of the apartments up there is owned by Kno-Ho-Co.

Mr. Broeren asked if the legal name of these is Hillside Apartments.

Mr. Orndorf said he'd have to look that up.

Mr. Broeren said we're going to have to make sure that we send it to the right entity.

Mr. Dzik said to wrap things up, we're getting a letter out to Hillside about what our actions will be if they don't fix their leaks. Mr. Orndorf is going to work with Mr. Broeren on a response to 1002 W. Gambier.

Mr. Broeren said anybody who has comments about the letter, send them to me by email and I will draft the response myself to go under my signature for that. If Mr. Griffith does not have a written agreement with the owner at 1006, I will modify our Right of Entry so that it's quite clear that they're going to pay for this.

Mr. Orndorf said this is owned by Kno-Ho-Co Ashland CAC. It's Hillside Apartments and there's numerous units. Is that a non-for profit?

Mr. Broeren said yes but what we'll do is we'll send it to Hillside and then we'll also send something to their overseer, to Kno-Ho-Co so that they understand what's about to happen because of their individual manager's refusal to deal with reality.

Update on 1002 & 1006 W. Gambier Street

Mr. Dzik said we wanted to touch on a communication we received from the property owner at 1002 W. Gambier Street.

Mr. Broeren is curious to see if we received any response to the notice that we sent to the owner at 1006.

Mr. Ball said yes, they've agreed to allow the city to hire a plumbing company to make the repairs and they will reimburse us one lump sum through their next utility bill after the work is completed.

Mr. Orndorf said we already got the quote and wrote the p.o. and that was actually supposed to happen last Wednesday but the weather was not good for that. They had to postpone it, they'll be getting it taken care of, I'm not sure when it's been rescheduled for.

Mr. Dzik said if he's clear on this, we're going to remove it from 1002's lateral so they have their own lateral from the house. We're not doing anything with 1002's current line, are we?

Mr. Orndorf said the one that had the work done to it already is the one that we'll be moving and put it where it's supposed to be. We're not doing anything with, I can't remember her name but she's the one that was going to get with her attorney.

Mr. Broeren said they sent the demand letter. It's dated February 23, 2021, do you have a copy of that?

Mr. Orndorf said no he does not, did that go to Kenny?

Mr. Broeren read the letter. It says Mathias Orndorf, Director of Public Utilities.

Mr. Orndorf said he did not get a copy of that.

Mr. Broeren said he is forwarding a copy. I got a copy of it by email.

Mr. Orndorf said he didn't check his spam.

Mr. Broeren does not know if the attorney has Mr. Orndorf's email. They listed the address as 40 Public Square, Suite 206. I sent electronic copies of it today to Mr. Dzik and Mr. Ball. I'm going to need you to take a look at it because they're alleging that her current line is broken and that we have to fix it. Checking with Mr. Dzik this morning, he says that she's just upset that the other person is getting a new line and she isn't. I just need you to take a look at that and tell me if there is anything correct about it, what's right, what's wrong. We're going to have to pin some sort of response to this. Also, we'll have to include what's happening with the other line.

Mr. Orndorf said he doesn't know if our guys' camera'd the lateral or if she had a plumber camera the lateral but I believe Mr. Griffith was trying to get a hold of the camera of the lateral because apparently there was some issues with their lateral. Our thing is, their relatives owned all of these lots at one point and time. We're guessing that they probably did this work.

Mr. Broeren said so they're the ones who connected the 1006 to the 1002?

Mr. Orndorf said we're thinking that may be the case. Mr. Griffith actually talked to her and said that she eluded to that in one of the conversations.

Mr. Broeren said when we're done here, I'm going to forward you the letter that I got. I want you to take a look at it. We need to structure a response to say yes the other person is fixing it and no, we're not responsible for the damage.

Mr. Dzik said he reviewed the letter before we got on. Two things that are probably inaccurate and we had this conversation last meeting - we believe when they did some work and we think it was connecting the lateral to the house, they did call out Duane to inspect it but the part that they were connecting was not the part of the lateral where they were tied together. The ground wasn't disturbed there or it was already covered so all he saw was the connection to the home. Had he seen the lateral at the time we would have started addressing it then.

Mr. Broeren said we'll take a look at that. I'll forward the letter and we can go from there. Provide me some notes on what you guys think about, give me some notes about what's in there, what the other person is doing, if we have a written agreement with them. Hopefully we do. Then I will draft the response and send that out.

Mr. Burley asked if we have a written agreement that he'll pay.

Mr. Orndorf said he does not, Mr. Griffith has been taking care of that.

Mr. Broeren said he wants a written agreement. If I have to write that, that's fine but I want something with their signature on it.

Mr. Ball asked what if we take our standard Right of Entry and change the last sentence to say 'owner agrees to pay 100% of all costs'. We should have a Right of Entry to go on the property.

Mr. Broeren said we definitely have the Right of Entry. I need to look at that but I think the Right of Entry is probably too narrow. Just tacking a sentence on there about them paying all costs, they could say that's not what I agreed to. If she hasn't signed something let me know and I think that we'll use the Right of Entry as the basis but there are a couple of things that I think need fixed.

Mr. Ball said we haven't changed the basic Right of Entry for a while. Typically, we're building a public facility.

Mr. Broeren said that's what he means, that's stuff that we're doing for our own work. Let me work on that.

ADJOURN

- Adjourn Motion

Mr. Ball made a motion to adjourn the meeting, Mr. Orndorf second and the meeting was adjourned at 9:17 a.m.

RESULT:	ADJOURNED ES MOTION [UNANIMOUS]
MOVER:	Brian Ball, City Engineer
SECONDER:	Mathias Orndorf, Director of Public Utilities
AYES:	Ball, Dzik, Orndorf, Doolittle
EXCUSED:	Burley

Rick Dzik, Chairman

Lindsay Hoar, Recording Secretary