

UTILITIES COMMITTEE MINUTES OCTOBER 4, 2022

The Utilities Committee meeting was held on October 4, 2022 at North Royalton City Hall, 14600 State Road. The meeting was called to order at 6:16 p.m.

PRESENT: Committee Members: Chair Dawn Carbone-McDonald, Joanne Krejci, Jeremy Dietrich; **Council:** Paul Marnecheck, Mike Wos, Linda Barath, John Nickell; **Administration:** Mayor Larry Antoskiewicz, Law Director Tom Kelly, Finance Director Jenny Esarey, Service Director Nick Cinquepalmi, Wastewater Superintendent Mark Smith, City Engineer Justin Haselton; **Other:** Michael McDonald, Joel Spatz, Joe Pavlick.

Ms. Carbone-McDonald moved to excuse Mr. Dietrich from voting on the September 6, 2022 Committee meeting minutes, seconded by Ms. Krejci. Yeas: 2. Nays: 0. **Motion carried.**

APPROVAL OF MINUTES

Approval of September 6, 2022 Committee minutes. Moved by Ms. Krejci, seconded by Ms. Carbone-McDonald. Yeas: 2. Nays: 0. **Motion carried.**

UNFINISHED BUSINESS

1. Inflow/Infiltration of Storm Water (I & I)

Mr. Smith reported that we are in the Vista Drive area, in which we had fourteen 90-day letters sent out for failures. Currently we cannot do anything due to the camera truck being in for repair. We will continue in the Vista Drive area.

Ms. Carbone-McDonald inquired about the process after letters are received by residents. Mr. Smith explained that we give them 90 days to repair the failure; then we send another letter. We definitely work with all of the residents while they try to get their issues repaired. He noted that we are trying to eliminate all of the storm water from coming into the sanitary lines.

Mr. Nickell raised question about all of the past violations as to how many have been completed and how many are outstanding. Mr. Smith noted that we have a list of all of the repairs. We had three septic conversions, which were on Edgerton and State Road. It is a matter of trying to keep the system without infiltration. Mr. Nickell asked if most people are cooperating. Mr. Smith agreed; we keep following up until they do repair it.

2. WW Treatment Plant B conversion

Mr. Smith advised that we are on schedule, with 50% of the design. The design portion is expected to be complete by the first of the year. Ms. Krejci questioned once the design is complete, whether it then goes out for bid. Mr. Smith concurred; to go out to bid to do the force main.

3. Street Lights on York Road (replacing)

Mayor Antoskiewicz shared that they have all been taken care of. Mr. Nickell noted that they even did Sprague Road.

REMOVE FROM AGENDA.

4. York Road Special Assessments – sanitary sewers

Mr. Haselton summarized that we are working through the assessment process with the Council office. Once that is finished, we will be able to bid the project.

NEW BUSINESS

1. Proposed legislation – Amend 1045.08 sewer rate increase for 2023 only

Mr. Smith discussed rate increases. To treat one gallon of waste, we have gone up by \$1.01, therefore, we are at \$2.72 to treat one gallon of wastewater. This has to do with a lot of different factors; being through a pandemic, chemical costs, and increases in utilities. He felt that we need to do this in order to maintain the service that we provide to residents right now. In total, we went up by \$1.71 per gallon to treat one gallon of sewage. He went on to say that water is not water when it is waste; we have to clean it. It costs us more to clean it, especially with the increase in supplies.

Mayor Antoskiewicz added that for 2022, we are in the final year of our last five-year rate study increase. We did start a rate study again this year; we have spoken to the company that is doing them. With everything that we are doing with the B Plant, and after we discussed things with the company that is doing it, we did not want to come up with a five year plan this year. We are still trying to work through; with all of the things that we are currently working on. That is why we are asking to come up with a one-year increase at this time for next year, so that we can just maintain where we are. During the pandemic, we actually lost ground because of everything that went up. Also, our rate increase over last year was not actually sufficient to carry the numbers with all of the chemicals increases. He continued that we are going along with what the sewer district is raising theirs at. We are trying to keep moving, and next year we will have a five-year plan again for Council to review. We do not think it would be a good time to present five years with a lot of uncertainties, until we start getting some of those numbers; with all of the anticipated work for the B Plant, etc. The Mayor stated that we really would like to get this moving. We have the normal stuff as well, such as wage increases and health care increases. We always try to do as little as possible, however, we are trying to do what we need to keep things moving in the right direction.

Mr. Marnecheck inquired further about the raise of \$1.70 per gallon. He wanted to know the number of gallons that we treat. Mr. Smith explained that we have 30,000 residents in the City of North Royalton. He went on to say that we treated 803 million gallons per year, which is *2.2 million gallons per day*. We divide that by what our budget is, which provided Mr. Smith an estimated number of how much it costs to treat one gallon of sludge. He stated that is operational and has nothing to do with the sewer system itself; that is just to run the plants. Mr. Marnecheck asked to clarify the cost per gallon. Mr. Smith indicated that it costs \$2.72 per gallon.

Mayor Antoskiewicz suggested that Ms. Esarey go over the expected cost for residents so that everyone understands the breakdown. Ms. Esarey explained that right now the rate is \$88.83 for the minimum, and an additional \$8.00 fixed fee per month. Overall, that would be an additional \$3.73 a month just for the minimum charge, as well as \$1.00 for the fixed fee. Over a twelve-month period, that would be \$56.77 on the minimum; for the year. She wanted to point out that we have to get these rates to Cleveland Water, because they have to be able to review the rates and test them. That way we are all set for January when it comes time for billing. They wanted 90 days; however, we are pretty close to that. They should be able to get that done for us.

Ms. Carbone-McDonald asked if there was a deadline. Ms. Esarey reiterated that they wanted 90 days. Mayor Antoskiewicz noted that we know we are coming a little late. Ms. Esarey has already been in contact with them and conveyed this was going on this agenda. She felt that we, as a City, subsidize the C District, because our rates are lower than that of the C District. She continued that they are charged our rates however, then we have to pay the sewer district the percentage. Therefore, part of the reason we went with the sewer district also, is because we have to do an out of pocket for the C District. She mentioned that is another reason we match the 4.2% for the one year.

Mr. Nickell pointed out that we do not like to raise rates, however, everyone is aware that costs are up by 30-35%. He noted how much more he is paying for chlorine to fill his pool. Mr. Smith indicated that he uses chlorine compounded at the B Plant, however, that is why we are trying to get away from B Plant; because we use UV at the A Plant. Therefore, we do not have to have the chlorine at the A Plant. There is a lot of benefits to eliminating that plant. Mr. Nickell commented the last time we did rates, they had to let the rates lapse too long and we had a huge increase for the residents. Mr. Marnecheck had thought they were actually reduced. Mr. Nickell agreed, stating that it was running in the red. He felt it was better to do things gradually.

Ms. Carbone-McDonald asked why this was not brought to Council sooner, as it involves raising rates. Mayor Antoskiewicz explained, because we were communicating with the company about the five-year plan; our initial thought, as the last one was up. However, it did not work out to where anybody felt comfortable with the numbers right now. That is why we are coming back at this time, to try to do just the one-year increase. Ms. Carbone-McDonald commented that her concern was that every year has gone up since 2018. She wanted to know what happens if we do not reach the deadline. Mr. Smith explained that is not a correct statement, because from the last rate study, they went the opposite direction. He clarified why it could not have actually been going up. Right now, we are really just treading water, because we should have gone the opposite direction. They should have been increasing gradually each year, so that we do not get ourselves in a position like in the past.

Mayor Antoskiewicz noted that it is a utility and it functions that way. He talked about the uncertainties right now and how everything is going up. He believed in the way Mr. Smith manages the plant. He went on to say that if you look at the rates of the surrounding cities in Northeast Ohio Regional Sewer District, we are very competitive. He pointed out that we are still lower, even with this rate increase. We do a very good job at running those plants efficiently. We just implemented a lot of money into the A Plant; there are big pumps and things go wrong with them as well. There is always going to be some kind of an expense. He felt that we do a very good job staying on top of it and we always try to keep those increases minimal. The Mayor felt it is always going to be there as long as we run a plant, however, the key is how efficiently we can run it and keep those rates workable as best we can.

Mr. Smith reiterated that we are not completely finished with A Plant; hopefully this Spring. He continued that a lot of residents do not understand what we do; nor know the importance of the waste water plant. By spring time, we are going to have Open House for any residents to come down and see where they spend their tax dollars. They can see how we run the plant. After this A Plant improvement, you will practically have a brand-new plant there; it has been very efficient for us. He pointed out that we will be good at A Plant for next 15-20 years. Mr. Dietrich expressed his appreciation for the work that Mr. Smith does.

Ms. Krejci raised question to Ms. Esarey about paying the difference between what our rate is and what the sewer company charges. She wanted to know approximately how much it costs us, and how much would this potentially lessen that amount. Ms. Esarey explained that we pay roughly \$1.2M out of the budget every year. Ms. Krejci asked to clarify if she is referring to the Northeast Ohio Sewer District. Ms. Esarey concurred, for C District, because their rates this year are \$110.95, and we are at \$88.00; therefore, we have to pay that difference. Ms. Krejci questioned how much we would be saving if we raised this. Ms. Esarey clarified that we are still going to be below.

Mayor Antoskiewicz pointed out that their rate is 4.2%, which we are raising ours to 4.2%. Ms. Krejci wanted to confirm it would still be the same amount of money in the end. Ms. Esarey agreed. She agreed about costs that have been going up and continue to do so. She went on to say that no tax dollars go to this Enterprise Fund to run; it is all its own money from these types of fees. Therefore, we need the money in order to operate the utility. Ms. Krejci stated that she felt comfortable with it, as well as Ms. Carbone-McDonald.

Ms. Krejci moved to recommend this ordinance to Council for approval. Seconded by Ms. Carbone-McDonald. Yeas: 3. Nays: 0. **Motion carried.**

Ms. Carbone-McDonald brought up the November 1st meeting, whereas a NOPEC representative planned to attend the meeting.

ADJOURNMENT

Moved by Ms. Krejci, seconded by Mr. Dietrich **to adjourn the October 4, 2022, meeting.** Yeas: 3. Nays: 0. **Motion carried. Meeting adjourned at 6:40 p.m.**