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**Council of the Village of Yellow Springs
Work Session Minutes**

In Council Chambers @ 6:30 P.M.

Monday, October 19, 2015

CALL TO ORDER

President of Council Karen Wintrow called the meeting to order at 6:30pm.

ROLL CALL

Present were Vice President Lori Askeland, Gerald Simms and Brian Housh. Village Manager Patti Bates was present, as were Assistant Village Manager Melissa Vanzant, Chief David Hale and Village Solicitor Chris Conard. Electric and Water Supervisor Johnnie Burns and Water/Sewer Plant Operator Brad Ault joined the meeting at 7pm.

ANNOUNCEMENTS

Housh highlighted the Community Solutions Workshop Conference occurring September 25-27.

Housh noted the upcoming Quarter Auction in support of Manager Bates' Walk for the Cure, which will occur on October 3, 1-4pm, Bryan Center Gym.

WORK SESSION

Wayne Cannon from the Ohio Regional Community Assistance Partnership (RCAP) presented the results of his comprehensive Rate Study.

Cannon noted that, universally, fewer utilities are being sold, as families become smaller and as appliances grow more efficient. This has impacted the Village's ability to keep abreast of the costs of providing utilities.

Cannon noted the projects for Bottleneck Elimination and Loop Completion as heavily impacting the bottom line, with the Water Plant Project likewise affecting the bottom line, for a total impact of \$891,000.00.

Cannon commented that the Village water loss rate is at about 28%, 13% higher than average, which highlights the need for infrastructure maintenance.

Cannon stated that the degree of maintenance and upkeep needed for the system to be improved and water loss slowed would require an additional worker.

Cannon budgeted an additional \$15,000.00/year for ongoing maintenance at the new water plant, and \$55,000.00 for an additional worker.

Cannon worked some amount of savings into his model for ongoing Capital Improvements on the water tanks.

Upon being questioned more closely by Council, Cannon stated that the water tanks are, õon the cuspõ of becoming a problem. He suggested a model whereby funds are dedicated towards a future maintenance project, at a lowered cost.

Cannon budgeted for several wells to be drilled, to paint the tanks, and to address water lines. These he described as optional.

Cannon noted that if the Village had started raising rates three years ago, it would have been ideal, so to bring rates up to where they need to be now will create some sticker shock, which he highlighted gets worse the longer increase are postponed.

Cannon stated that he did not attempt to affect the methodology for rates, but kept the increases consistent across all sectors.

Cannon noted that the rate increase over the next three years will be large in terms of the percentage, but less difficult to accept if offered in terms of dollars. He gave the example of an increase

based upon the average median household, commenting that the rates have been far too low for far too long.

In response to a question from Bates, Cannon explained that the Oakwood Rate Study is not useful in that it does not take into account many other funding streams communities use, such as property tax assessments, tap fees, etc.

Cannon noted that with an annual increase of 2.5%, rates should stabilize in 2017, which does not make the Village eligible for subsidy because it is under the affordability index threshold. Cannon remarked that this does indicate that the Village has overall done a good job of managing the water system.

Cannon strongly advised a regular 2.25% increase once rates are stabilized.

Sewer Rate History and Recommendations

Cannon noted that sewer rates are currently in deficit to need, which will make the increase more dramatic. Again, he said, the Village waited too long to enact increases.

Cannon noted that the sewer collection system is likely in worse condition than the distribution system, and there is a high level of Infiltration and Inflow which needs to be brought under better control.

Preventative maintenance is critical, Cannon stated. He noted that the Village has a Continuous Management Operation and Maintenance (CMOM) plan, which could be used more effectively.

Cannon noted that most infiltration is the result of homeowner tie-ins many years ago. He commented that addressing this source is the best use of money in that it is inexpensive and effective. He suggested use of incentives to encourage customers to disconnect sump systems from the Village system.

Cannon noted predictive maintenance concerns that the Village might do well to put on the radar.

Greatest cost, Cannon commented, will concern the North Sewer Shed, which sits on bedrock. He stated that the North Lift Station overflows because there is no collection system at the South end of town, so that drainage is coming through the sanitary system.

Cannon noted that the soils at the south end of town are better for drainage, and that addressing the collection system at that end of town can be put much further out on the maintenance radar.

Cannon suggested 15% rate increases for four years as the best way to address budget inadequacies. Cannon characterized these increases as keeping the rate under 2% of median household income, which is considered to be affordable.

Bates commented that this information will be brought back during the budget discussions.

Responding to a question from Housh, Bates stated that the recommended 2.5 additional employees are unlikely to occur.

Burns explained that getting remote readers for water and electric would free up 1.5 employees. The total cost for the readers is between \$750,000 and \$900,000.

Burns noted that the outdated and inaccessible meters are throughout the Village.

Cannon commented that if there should be a leak between the main line and the meter, it is very difficult to detect and the Village is responsible for the leak. Once the meter is moved outside, the line to the house then becomes the homeowner's responsibility.

Cannon stressed that the pinhole leaks that can occur between the lateral and the meter are the greatest source of water loss in any distribution system.

Simms noted that rates are compounded when they are deferred.

Cannon emphasized that the Village could defer predictive maintenance, but should not defer preventative maintenance.

MANAGER and ASSISTANT VILLAGE MANAGER REPORTS

Bates announced that Dispatcher Teresa Newton's retirement celebration will occur on September 24th at 2pm in Rooms A&B.

Bates noted that Village Employees' medical rates are decreasing by 1% for 2016.

Bates announced that Beggars' Night will remain at October 31st (6-8pm) into the foreseeable future.

Bates stated that so far there are no applicants for the Utility Dispute Resolution Board. She encouraged citizens to apply.

Housh noted two applicants for the Economic Sustainability Commission thus far.

Assistant Village Manager Vanzant highlighted the SmartBill online billing option, which is increasing in popularity and is bringing in a higher percentage of the total bill payments. Vanzant noted that the turnaround time is about 48 hours with SmartBill, as opposed to 4-5 days under the past system.

Vanzant commented that new credit cards have to be scanned by a new customer-driven reader, and stated that she is looking for a new reader, the cost of which will be about \$600.00.

Askeland commented that the Village should begin to charge credit card fees, now that the monthly fee is a more knowable figure.

STANDING REPORTS

Askeland suggested moving the Standing Reports to October 5th to which other Council members agreed.

FUTURE AGENDA ITEMS

Askeland confirmed that Council members are able to attend a Special meeting to discuss the ACE Task Force on October 29th (preferred) or the 28th (backup). The Clerk will confirm this with absent Council members and get the date on the agenda moving forward.

ADJOURNMENT OF WORK SESSION

At 8:10 pm, Simms MOVED and Housh SECONDED a MOTION TO ADJOURN. The MOTION PASSED 3-0 ON A VOICE VOTE.

Please note: These notes are not verbatim. A DVD copy of the minutes is available for viewing in the Clerk of Council's office between 9am and 3pm Monday through Friday.

Karen Wintrow, President

Attest: Judy Kintner, Clerk