

February 2, 2023

SERVICE COMMITTEE

February 6, 2023

*Committee and Council Meetings can be viewed by accessing YouTube or Facebook
Following Finance Committee*

Council Chambers

AGENDA

1. Consider **Resolution No. 23-12** A RESOLUTION AUTHORIZING AND DIRECTING THE DIRECTOR OF PUBLIC SERVICE OF THE CITY OF NEWARK, OHIO TO ADVERTISE FOR BIDS AND ENTER INTO A CONTRACT FOR REMITTANCE OF FUNDS, FOR LEASING CITY-OWNED PROPERTY TO OTHERS TO USE FOR AGRICULTURAL PURPOSES.
2. Consider **Ordinance No. 23-02** AN ORDINANCE ENACTING AMENDMENTS TO NEWARK'S SEWER USE AND SEWER CHARGES ORDINANCE (91-59); DIRECTING LIMITED PUBLICATION OF THE SEWER USE AND SEWER CHARGES ORDINANCE
3. Other items at the discretion of the chair

W DIVISION OF WATER & WASTEWATER W

Roger A. Loomis
Utilities Superintendent
740-670-7945

34 South 5th Street
P. O. Box 4100
Newark, Ohio 43058-4100

Joseph Hickman
Project Manager
740-670-7947

MEMORANDUM

TO: Jeff Rath, Chairman
Public Service Committee

FROM: Roger Loomis
Water Administrator *rel*

SUBJECT: Service Committee Agenda

DATE: January 20, 2023

COPIES: Mayor, Service Director, Clerk of Council, Beth Bline, Spencer Barker,
Cheri Hottinger, Jeff Harris, file

I would appreciate some time on the next Service Committee agenda to discuss the following:

1. AUTHORIZING AND DIRECTING THE DIRECTOR OF PUBLIC SERVICE OF THE CITY OF NEWARK, OHIO TO ADVERTISE FOR BIDS AND ENTER INTO CONTRACT, SUBJECT TO THE APPROPRIATION OF FUNDS, FOR RENTAL CITY OWNED LAND FOR AGRICULTURAL PURPOSES.

Division of Water and Wastewater

Request for Legislation

A RESOLUTION AUTHORIZING AND DIRECTING THE DIRECTOR OF PUBLIC SERVICE OF THE CITY OF NEWARK, OHIO TO ADVERTISE FOR BIDS AND ENTER INTO A CONTRACT FOR REMITTANCE OF FUNDS, FOR LEASING CITY-OWNED PROPERTY TO OTHERS TO USE FOR AGRICULTURAL PURPOSES.

Background/Purpose:

The Division of Water and Wastewater has leased land surrounding certain facilities for a number of years. This land is leased for agricultural purposes. The land involved includes acreage surrounding the Wastewater Treatment Plant on East Main Street and land surrounding our Well Field Site just outside of St. Louisville.

Scope of Work:

The Division of Water and Wastewater, through the Director of Public Service, is requesting authorization to advertise for bids and enter into contract for the leasing of land for agricultural purposes. The land to be lease includes approximately 95 acres surrounding the Wastewater Treatment Plant and approximately 11 acres surrounding our well field site near St. Louisville. (this is also the site of the City Firing Range)

Justification/Urgency:

These leases are for a period of 3 years and have currently expired and need to be re-bid for the next planting season in 2023 as well as for 2024 and 2025. The land needs to be bid now so that persons wanting to bid can plan for next years crops.

Anticipated Costs and funding source:

The Division of Water and Wastewater makes approximately \$10,000 per year on these lease arrangements. There is no cost to the Division except for a small amount of administrative time to prepare contracts.

Schedule or Term of Contract:

Legislation is needed at this time to enter into an agreement with a lessee in order to have agreements in place for the 2020 planting season. The Lease agreement will be for the years 2023, 2024, and 2025.

Request Initiated by:

Roger Loomis, Water Administrator (rloomis@newarkohio.net - 670-7945)

RESOLUTION NO. 23-12

BY: _____

A RESOLUTION AUTHORIZING AND DIRECTING THE DIRECTOR OF PUBLIC SERVICE OF THE CITY OF NEWARK, OHIO TO ADVERTISE FOR BIDS AND ENTER INTO A CONTRACT FOR REMITTANCE OF FUNDS, FOR LEASING CITY-OWNED PROPERTY TO OTHERS TO USE FOR AGRICULTURAL PURPOSES.

WHEREAS, the Division of Water and Wastewater wishes to lease property to others for agricultural purposes for a three year period; and,

WHEREAS, the Service Committee considered and authorized the submittal of this legislation during its February 6, 2023 meeting; and,

WHEREAS, a farm rental agreement has been developed and is on file in the Water Office:

NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF NEWARK, COUNTY OF LICKING, AND STATE OF OHIO, THAT:

Section 1: The Director of Public Service is hereby authorized and directed to advertise for bids and enter into contract for remittance of funds for leasing City-owned property to others to use for agricultural purposes.

Section 2: This Resolution shall come into full force and effect at the earliest opportunity allowable by law.

Passed this _____ day of _____ 2023

PRESIDENT OF COUNCIL

ATTEST: _____
CLERK OF COUNCIL

DATE FILED WITH MAYOR: _____

DATE APPROVED BY MAYOR: _____

MAYOR

FORM APPROVED: _____

DIRECTOR OF LAW

Prepared by the Division of Water and Wastewater

≡ DIVISION OF WATER & WASTEWATER ≡


Roger A. Loomis
Utilities Superintendent
740-670-7945

34 South 5th Street
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Newark, Ohio 43058-4100

Joseph Hickman
Project Manager
740-670-7947

MEMORANDUM

TO: Jeff Rath, Chairman
Public Service Committee

FROM: Roger Loomis
Water Administrator 

SUBJECT: Service Committee Agenda

DATE: January 31, 2023

COPIES: Mayor, Service Director, Clerk of Council, Beth Bline, Spencer Barker,
Cheri Hottinger, Jeff Harris, file

I would appreciate some time on the next Service Committee agenda to discuss the following:

AN ORDINANCE ENACTING AMENDMENTS TO NEWARK'S SEWER USE AND SEWER CHARGES ORDINANCE (91-59); DIRECTING LIMITED PUBLICATION OF THE SEWER USE AND SEWER CHARGES ORDINANCE.

1.

Division of Water and Wastewater

Request for Legislation

An ordinance enacting amendments to Newark’s Sewer Use and Sewer Charges Ordinance (91-59); directing limited publication of the Sewer Use and Sewer Charges Ordinance.

Background/Purpose:

The City of Newark, Division of Water and Wastewater has an established Sewer Use and Sewer Charges Ordinance currently approved by the Service Committee of the Newark City Council. The sewer use charges contained in the current ordinance are scheduled to increase at a rate of 5.5% in 2024, 2.3% in 2025 - 2026 – 2027 and 7.0% in 2028 then 2.3% each year thereafter through the year 2031. A modification of the existing rate increases is required in order to meet the approved combined sewer overflow (CSO) separation projects that are included in our Long-Term Control Plan (LTCP). That plan is now in a Compliance Schedule and is now part of our NPDES discharge permit (our permit to operate the treatment plant) and is a mandate from the Ohio and US EPA.

Scope of Work:

Due to recent increases in construction costs our existing rates have been reviewed and are in need of some adjustment. In order to maintain adequate reserves and borrow the necessary amount to complete required projects, we can either wait until funds are needed and raise rates to meet that need with a larger increase or we can do as we have been doing to raise rates earlier then adjust them at a much smaller rate annually. The recommendation at this time is to raise the rates an additional 2.7% in 2025 and an additional 1.7 in 2026. This will make those increases a total of 5.0% in 2025 and 4.0% in 2026. Additionally we are requesting an increase of 2.3% to the 2032 rate. The existing rate increases will remain in effect in order to provide funding for the proposed LTCP projects. The effort to remain in compliance with environmental regulations is the determining factor in completing these separation projects. However, we are also replacing a lot of the oldest infrastructure in the City. It is important to note that most of the replaced infrastructure is at the end or past its life expectancy.

Justification/Urgency:

This modification to the Sewer Use and Sewer Charges Ordinance needs to be established for the projects to commence. Since the NPDES permit has now been

issued and we have a definitive schedule we need to take action. We feel we have negotiated a workable schedule with Ohio EPA, however, they are requesting that certain larger projects be completed sooner than we had anticipated. Hence the LTCP will need to be completed a little faster in order to be in compliance with the Federal mandate to reduce CSO discharges to less than 4 per year. In order to complete the mandated work even within the proposed compliance schedule, the projects need to start in a timely manner, so funding is critical.

Anticipated Costs and funding source:

The estimated cost for the 16 North Project has gone from \$40 M to over \$80 M. This is required work for the City to meet the mandated goals of the Combined Sewer Overflow policy of USEPA.

1. The work in the area north of State Route 16 was moved up on the schedule by several years. Ohio EPA feels this area is critical due to issues of water in the basement for houses in that area. Homes on Fairfield, Jefferson and Rugg Ave. do experience back-ups during heavy rain events. We will need to expand our work to include replacement of pipes directly on those streets and some additional stormwater work in the Log Pond Run area. This has added costs to our project. With current economic environment, the cost of all our construction projects has increased significantly and this is the major reason for the rate increase request.
2. Costs on the South Second Street project have also increased significantly. That project is scheduled to begin construction late 2023 or early 2024.
3. Since these projects are a sewer separation projects they do include a large amount of stormwater piping. There has been much demand placed on capital spending from the Stormwater Utility since its inception over 16 years ago. Unfortunately, we believe the debt load on the utility is at its maximum for now until debt starts to off fall in the next 6 to 8 years. As a result, that shifts the burden of these separation projects fully on the wastewater utility. Stormwater funding has assisted in these separation projects in the past, however, as these projects have gotten larger, the stormwater utility does not have the same capacity for debt as wastewater does. As a result we are at the point of having to move all the burden to the wastewater utility which obviously impacts how much revenue is needed from wastewater.

In order to complete these projects, rates will need to be adjusted. In the current proposal, the minimum user would see roughly an additional \$0.68 in each of the first four years, probably double that in 2028. This is an additional rate increase on already established increases. Overall, a minimum user will see less than \$3.97 monthly increase at the end of 2028. A typical user would see an additional \$6.13 per month total bill increase with this adjustment accounting for about \$1.72 of that increase by 2027. They would see a similar increase in 2028. Funding for these projects is

anticipated to be through Ohio Water Development Authority using up to 35 year loans. The interest on loans of this type is currently less than 3. These increases result in an average of less than 4.0% annual increase over the next 8 years. This is less than the annual average generally found statewide according to Ohio EPA surveys. Overall this these increases will generate \$2.0M that will be needed annually to support the borrowing on these projects. We will continue to investigate any possible grant funding for any of these projects as well.

Schedule or Term of Contract:

Legislation is needed at this time to implement these necessary changes to the rate structure.

ORDINANCE 23-02

BY: _____

AN ORDINANCE ENACTING AMENDMENTS TO NEWARK'S SEWER USE AND SEWER CHARGES ORDINANCE (91-59); DIRECTING LIMITED PUBLICATION OF THE SEWER USE AND SEWER CHARGES ORDINANCE.

WHEREAS, it is necessary to amend the Sewer Use and Sewer Charges Ordinances to provide for an increase in the user charges; and,

WHEREAS, the Service Committee of the Newark City Council met on the 6th day of February, 2023 and voted to forward the amendments in Appendix 1 on to the full Council for its further consideration; and,

NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF NEWARK, COUNTY OF LICKING, AND STATE OF OHIO, THAT:

Section 1: All legislation inconsistent herewith is hereby repealed.

Section 2: As only minor changes to Newark's Sewer Use and Sewer Charges Ordinance are made by this Ordinance and since publication of the entire Sewer Use and Sewer Charges Ordinance, including those sections not amended by this Ordinance, would be prohibitively expensive, the Clerk of Council is hereby authorized to publish this Ordinance by caption.

Section 3: The Sewer Use Charges Appendix I of the Sewer Use Ordinance (91-59) is hereby amended and shall be effective January 1, 2024; Therefore Appendix I: Schedule of Charges and Fees shall read as follows:

APPENDIX I

SCHEDULE OF CHARGES AND FEES

(Amended by Ordinance 23-XX – Commencing January 1, 2024) (5.5%)

User Charge

- | | |
|--|------------------------------------|
| 1. Administrative Charge
Each Account | <u>\$8.55/Month/Account</u> |
| 2. Commodity Charge | <u>\$2.16 /100 cu.ft.</u> |

Each account shall be billed monthly for a minimum of 300 cubic feet (3 consumptions) or the actual metered quantity whichever is greater. A deposit shall be required from any person or entity who, establishes a water service account and does not have 12 months of timely paid service. A signup fee shall be required from each new customer. The minimum user charge, for less than a full month of service, shall be:

<u>Service</u>	<u>Minimum Partial Month Chg.</u>
01 to 15 days – no consumption	\$0.00
01 to 15 days – 1 to 3 consumption	Min. Bill
16 to 30 days – Normal Monthly Billing	

Debt Service Charge

A. Debt Service Charge

<u>Rate and User Class</u>		<u>Debt Service Charge \$/100 cu.ft.</u>	
		<u>Minimum</u>	<u>Over 3</u>
I	Residential Class	\$0.34	\$1.79
II	Commercial Class	\$3.06	\$3.06
III	Industrial Class	\$1.79	\$1.79
IV	Governmental Class	\$3.06	\$3.06
V	Institutional Class	\$3.06	\$3.06

Commencing January 1, 2025 (5.0%)

User Charge

1. Administrative Charge
Each Account **\$8.97/Month/Account**
2. Commodity Charge **\$2.27 /100 cu.ft.**

Each account shall be billed monthly for a minimum of 300 cubic feet (3 consumptions) or the actual metered quantity whichever is greater. A deposit shall be required from any person or entity who, establishes a water service account and does not have 12 months of timely paid service. A signup fee shall be required from each new customer. The minimum user charge, for less than a full month of service, shall be:

<u>Service</u>	<u>Minimum Partial Month Chg.</u>
01 to 15 days – no consumption	\$0.00
01 to 15 days – 1 to 3 consumption	Min Bill
16 to 30 days – Normal Monthly Billing	

Debt Service Charge

<u>Rate and User Class</u>	<u>Debt Service Charge \$/100 cu.ft.</u>												
	<table> <thead> <tr> <th><u>Minimum</u></th> <th><u>Over 3</u></th> </tr> </thead> <tbody> <tr> <td>I Residential Class</td> <td>\$0.35 \$1.88</td> </tr> <tr> <td>II Commercial Class</td> <td>\$3.21 \$3.21</td> </tr> <tr> <td>III Industrial Class</td> <td>\$1.88 \$1.88</td> </tr> <tr> <td>IV Governmental Class</td> <td>\$3.21 \$3.21</td> </tr> <tr> <td>V Institutional Class</td> <td>\$3.21 \$3.21</td> </tr> </tbody> </table>	<u>Minimum</u>	<u>Over 3</u>	I Residential Class	\$0.35 \$1.88	II Commercial Class	\$3.21 \$3.21	III Industrial Class	\$1.88 \$1.88	IV Governmental Class	\$3.21 \$3.21	V Institutional Class	\$3.21 \$3.21
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I Residential Class	\$0.35 \$1.88												
II Commercial Class	\$3.21 \$3.21												
III Industrial Class	\$1.88 \$1.88												
IV Governmental Class	\$3.21 \$3.21												
V Institutional Class	\$3.21 \$3.21												

Commencing January 1, 2026 (4.0%)

User Charge

- Administrative Charge
Each Account **\$9.33/Month/Account**
- Commodity Charge **2.36 /100 cu.ft.**

Each account shall be billed monthly for a minimum of 300 cubic feet (3 consumptions) or the actual metered quantity whichever is greater. A deposit shall be required from any person or entity who, establishes a water service account and does not have 12 months of timely paid service. A signup fee shall be required from each new customer. The minimum user charge, for less than a full month of service, shall be:

<u>Service</u>	<u>Minimum Partial Month Chg.</u>
01 to 15 days – no consumption	\$0.00
01 to 15 days – 1 to 3 consumption	Min. Bill
16 to 30 days – Normal Monthly Billing	

Debt Service Charge

Rate and		Debt Service Charge \$/100 cu.ft.	
User Class		<u>Minimum</u>	<u>Over 3</u>
I	Residential Class	\$0.37	\$1.96
II	Commercial Class	\$3.34	\$3.34
III	Industrial Class	\$1.96	\$1.96
IV	Governmental Class	\$3.34	\$3.34
V	Institutional Class	\$3.34	\$3.34

Commencing January 1, 2027 (2.3%)

User Charge

1. Administrative Charge
Each Account **\$9.55/Month/Account**
2. Commodity Charge **\$2.42 /100 cu.ft.**

Each account shall be billed monthly for a minimum of 300 cubic feet (3 consumptions) or the actual metered quantity whichever is greater. A deposit shall be required from any person or entity who, establishes a water service account and does not have 12 months of timely paid service. A sign-up fee shall be required from each new customer. The minimum user charge, for less than a full month of service, shall be:

<u>Service</u>	<u>Minimum Partial Month Chg.</u>
01 to 15 days – no consumption	\$0.00
01 to 15 days – 1 to 3 consumption	Min. Bill
16 to 30 days – Normal Monthly Billing	

Debt Service Charge

Rate and		Debt Service Charge \$/100 cu.ft.	
User Class		<u>Minimum</u>	<u>Over 3</u>
I	Residential Class	\$0.38	\$2.00
II	Commercial Class	\$3.42	\$3.42
III	Industrial Class	\$2.00	\$2.00
IV	Governmental Class	\$3.42	\$3.42
V	Institutional Class	\$3.42	\$3.42

Commencing January 1, 2028 (7.0%)

User Charge

- 1. Administrative Charge
Each Account **\$10.21/Month/Account**

- 2. Commodity Charge **\$2.59 /100 cu.ft.**

Each account shall be billed monthly for a minimum of 300 cubic feet (3 consumptions) or the actual metered quantity whichever is greater. A deposit shall be required from any person or entity who, establishes a water service account and does not have 12 months of timely paid service. A signup fee shall be required from each new customer. The minimum user charge, for less than a full month of service, shall be:

<u>Service</u>	<u>Minimum Partial Month Chg.</u>
01 to 15 days – no consumption	\$0.00
01 to 15 days – 1 to 3 consumption	Min. Bill
16 to 30 days – Normal Monthly Billing	

Debt Service Charge

<u>Rate and User Class</u>	<u>Debt Service Charge \$/100 cu.ft.</u>	
	<u>Minimum</u>	<u>Over 3</u>
I Residential Class	\$0.40	\$2.14
II Commercial Class	\$3.66	\$3.66
III Industrial Class	\$2.14	\$2.14
IV Governmental Class	\$3.66	\$3.66
V Institutional Class	\$3.66	\$3.66

All Charges to increase by 2.3% for 2029 through the year 2032

C. Strength Surcharge (effective July 1, 2016)

Strength Surcharge in Dollars per 100 Pounds

1. Suspended Solids	\$	18.74/100 lbs.
2. Carbonaceous Biochemical Oxygen Demand (CBOD5)		
Level I, < 6000 Pounds per Day	\$	18.72/100 lbs.
Level II, 6000 to 18,000 Pounds per Day	\$	75.00/100 lbs.
Excess, > 18,000 Pounds per Day.....	\$	150.00/100 lbs.
3. Ammonia/TKN	\$	28.53/100 lbs.

D. Industrial Waste Surveillance Charge (effective July 1, 2016)

Industrial Waste Surveillance Charge per month

Tier I.....	\$	250.00 per month
Tier II.....	\$	500.00 per month

Definitions:

Tier I: Less than 5 days per week sampling

Tier II: 5 days *or more* per week sampling

Section 4: This ordinance shall become effective at the earliest time permitted by Article 4.07 of the Charter of the City of Newark, Ohio.

Passed this _____ day of _____ 2023.

PRESIDENT OF COUNCIL

ATTEST: _____
CLERK OF COUNCIL

DATE FILED WITH MAYOR: _____

DATE APPROVED BY MAYOR: _____

MAYOR

FORM APPROVED: _____
DIRECTOR OF LAW