

Village Council Meeting
as a Committee of the Whole
February 27, 2018
6:30 PM

ROLL CALL: Louann Artiaga, Richard Bingham, Conklin Kleiboemer, Mindy Curry, Bob Keogh, and Bill May. Also present were the following: Mayor Don Atkinson, Administrator Jordan Daugherty, Director of Public Services Steve Pilcher, Clerk Susan Miller, Tom Malicki, Brian Dicken, Yvonne Walters, and Jill Gundy.

President of Council Bill May called the meeting to order at 6:30 PM.

Motion by Mindy Curry, seconded by Louann Artiaga to approve the minutes of the February 13, 2018 meeting. 6 ayes

President Bill May asked for Citizen Comments pertaining to Agenda items.

- The question of whether the citizens of Toledo will have the final vote for the Regional Water System

Public Service

The first order of business was for Administrator Jordan Daugherty and Brian Dicken, MOD, Vice President Advocacy and Public Policy from the Toledo Regional Water Chamber of Commerce to answer questions regarding the Memorandum of Understanding concerning the Toledo Area Water Authority.

- Currently one entity, the City of Toledo, that sells to contract communities with a significant surcharge, the Village does not make money on water
- Main concerns, Quality, Quantity, Price
- The Village has been looking at options for a while, prior to the 2014 algal bloom, Regional Partners have been meeting for a year
- Toledo Chamber has been working on a good facilitation process, Regional water has been discussed for 20-30 years and this is the furthest it has gotten, Chamber sees an opportunity to work together for the long term success of the communities
- Eric Rothstein, and industry expert with no ties to any of the communities and a background in Regional collaboration and financing/bonds was hired to facilitate
- Mayor Don Atkinson and Administrator Jordan Daugherty were commended for their time and effort
- Currently at the mercy of Toledo for rates, sets rates for revenue requirements
- TAWA will be an independent board that will manage the system
 - No one community will have a majority vote
 - Board members will be expected to be qualified
 - No elected officials or employees of communities will be allowed
 - There will be financial transparency
 - Rates will be based on the cost of water and delivery to homes

- Significant rate changes will happen gradually over 8 years to reach rate equality and avoid rate shock
 - Low income assistance will be provided, increases revenue and reduces bad debt if people of need of assistance are able to pay what they can vs. nothing at all
 - Commitment to address line service mitigation
- If the suburbs leave Toledo, Toledo rates would skyrocket
 - The MOU is a foundation that will benefit the region for generations to come
 - It will take 12-15 months for the Councils to approve to move forward, the Common Pleas Court will grant an interim order to appoint the board members and establish financial terms, TAWA will go back to the court for final provisions to make sure the MOU was adhered to, 15-18 months to having a Regional Water Authority operational and running
 - Reasons Toledo residents may object, the feeling that it's their system, but 50% of the revenue comes from outside communities, don't know if that is enough to cease operations
 - Currently \$300 million in bonded indebtedness, another \$180 million in debt to continue improvements, Toledo would have to triple rates to maintain and that's difficult to sustain
 - TAWA will assume the debt when the system switches, but it can be financed at a significantly lower rate than Toledo can, a new water authority dedicated to the purpose of water that has contracts and customers for 30 years vs. the City of Toledo who has 50% of its revenue looking to leave
 - Cost in operations, utilities, and infrastructure, the EPA has required \$500 million in required maintenance and improvements in the last 4-5 years, we will still be paying the debt either as a customer or a member of TAWA with a seat at the board
 - We don't want a struggling city in our midst if we leave
 - Options if Toledo chooses not to participate, the 8 other communities can work together, BG, Detroit has a better water source, TAWA could contract with Toledo as a bigger negotiator, those are not preferred options
 - Toledo is buying in just like other communities, more certainty to buy in at the beginning, communities that buy in later may not get as good of a rate
 - Target date to approve is March 15, 2018, whatever develops all communities are pursuing other options, a timely manner will allow municipalities to not lose those other options
 - TAWA can go to the first court date with out Toledo to put mechanisms into place to build the Authority
 - There are a number of exit ramps if this option no longer makes sense for the community
 - Lucas County Commissioners have been represented at the table since day one
 - Toledo, Perrysburg, Sylvania, Maumee, Lucas County, Monroe County Michigan, Northwest Water and Sewer District, the Village of Whitehouse and Fulton County, p. 9 of the MOU – Governance and structures for the 7 voting members
 - Sylvania, Maumee, Whitehouse share one vote, we rotate having an appointee, we approve the others appointees

- Total population that could be served – 140 million gallons/day, currently exceeds existing demand, 500,000 customers, improvements will add additional treatment capacity
- Commitment to identify second water source
- Currently only looking at drinking water, possibly storm water or sewer management in the future
- Monitoring future trends
- The Boards only job is thinking about a safe reliable water system vs Toledo looking at the entire City's operations
- Current schedule for addressing water is still on track and has not changed, Principle are meeting Monday and will report back

Motion by Bob Keogh, seconded by Mindy Curry to adjourn at 7:25 PM. 6 ayes

Respectfully submitted,

Susan Miller