

SERVICE/UTILITIES COMMITTEE MINUTES
SEPTEMBER 16, 2014

Committee Chair Mrs. Quinn-Hopkins called the meeting to order at 6:44 p.m. Members of the Committee in attendance were Mrs. Quinn-Hopkins and Mr. Licht. Mr. Licht was absent and excused. Also attending from Council were Mr. Evers, Ms. Vaughn and Council President D'Ambrosio. Ms. DePledge was absent and excused.

Present from the Administration were Mayor Morley, Law Director Klammer, Finance Director Slocum and City Engineer Gwydir.

W/E WPCC PERMIT RENEWAL AND SYSTEM IMPROVEMENT REQUIREMENTS

Mrs. Quinn-Hopkins: This is actually an informational meeting regarding the Willoughby/Eastlake WPCC permit renewal and system improvement requirements. Mr. Gwydir?

Mr. Gwydir: I distributed a handout of the overview as to what has happened years to for and to date (please refer to document is attached hereto and incorporated herein explaining the findings of the OEPA in detail).

All should be included in the next permit and the permit should come out and be effective this November. They usually go about five years but they are about a year behind so it will be effective for only four years. All these improvements will have to be done in four years. The good is the work in the plant and the Quentin Road equalization basin is system improvements and Willoughby/Eastlake shares those costs 50%/50%. The relief sewers are 100% local costs. (see attached document for a breakdown of costing). The reason for the factor is that the costs were developed in late 2010 and we will not be building these facilities until the latter part of 2016 and finish up in 2018. Because things are getting a little bit better it has gotten bad for people bidding – prices are going up and escalating rather quickly.

This is what is coming up in the near future. It is probably a little less than we thought they would have asked for and there were a number of things they could have asked for that we were concerned about. They did not ask for those and we believe they were happy with this and it will give them the benefit they were looking for.

When I met earlier with Mayor, Mr. Slocum and Mrs. Quinn-Hopkins the question came up – what is the overall liabilities to Eastlake for all of the work? Right now all the improvements that are currently called for and this is with the factor of 1.5 will cost about \$41,800,000. That is a rough guess. If we deduct the \$10 million we are talking about now we are down to about \$31.5 million. Those are the conceivable costs going forward. I expect the rest of the \$31 million will be spent sometime between my retirement and when I am dead – it is that far out and because you are going into the future those costs will probably go up some. We will make an effort after we do these other improvements to see if we can forego some of the other things that are currently called for.

We have made nomination and Willoughby did the same – Willoughby nominated the system projects, the equalization basin and the plant work to the WPCLF for low interest loans. We did the same thing for the Waverly relief sewer. It does not obligate the City to anything but puts the City on a list to the funding agencies and if we need to move forward there is a big,

huge application that will come due in the spring that each of the Cities will have to do should you decide to avail yourselves of that revenue.

Mr. Slocum: On the financial side the good news is when we passed the rate increase a couple of years ago we passed it with the full knowledge that we were having the increased costs coming to us that were noted in the SSES study. If you remember at the time we passed it our sewer fund was actually negative. We had to borrow that year just to be able to pay bills. Not only has that loan been repaid but we have filled up a carry-over in the fund somewhere in the neighborhood of \$2.5 million this year. We are projecting that is growing at the rate of somewhere around \$200,000 a year. The loans to pay this is through State borrowing and currently the rate for September under the WPCLF is currently at 3.06% which is better than anything we can get right now given our credit rating, We are not the ones who go out and borrow – the State borrows. Repayments are generally over 20 years. For the joint projects that both Willoughby and Eastlake would be on we are both in agreement that would be a 20 year amortization. If you assume a 20 year amortization with the interest we have right now we are talking payments somewhere in the neighborhood of \$550,000 per year if we were fully paying out this year and we are generating about \$350,000 and we have a carry over. The good news is that I don't see there is a need now or a need next year to increase sewer rates. Willoughby is – they are increasing their sewer rates tonight by 70 cents per 100 mcf. Previously we were tied with Willoughby – if you had 1,500 feet of sewer use you were paying \$51.50. With what Willoughby is passing tonight that \$51.50 of theirs will increase to \$62.00. We are staying at the \$51.50. I do not see a need right now for us to change. I think it is something that will have to be monitored. If we hit the second phase of this in six years that Mr. Gwydir is referring to and we will need more funds then you will be addressing the rates at that time. Right now I do not think there is a need to increase the rates. We have the money and are positioned where we don't have to increase the rates. We are still one of the lowest. We are paying \$51.50 and Euclid is paying \$101. Willowick is paying \$83.

Mayor Morley: Mentor is a flat rate of \$73.92 no matter how much water they use. That is a standard rate and is what they get every quarter whether you use 1 cup of water or 500 cups of water.

Mr. D'Ambrosio: Mr. Gwydir, you said the permits will probably come into play in November.

Mr. Gwydir: That is correct. We expect them to go into play in November. Attached to the document I gave you is a portion of the email from the OEPA with their draft language for the permit which gives the time frame – between 2016 and 2018 everything will need to be finished (attached hereto and incorporated herein)

Mr. D'Ambrosio: We are 100% responsible for the relief sewer on Waverly?

Mr. Gwydir: Yes.

Mr. D'Ambrosio: Once the permits come do we do out for bid to get someone to do the work?

Mr. Gwydir: Once the permits come and it definitely says without a doubt that it is locked in the first thing we would do would be to find loan money. Then depending on what the loan agency wants Willoughby and Eastlake will have to make a determination about engineering and you will authorize the engineering and we will move forward. With that we will get a permit to install these things from the OEPA and then go out and do the standard bid procedure and move forward. The engineering will take a while. We should start someplace in the latter part of 2015 just to make sure we meet the deadlines.

Mrs. Quinn-Hopkins: At this point we really don't need to do anything.

Mr. Gwydir: That is correct. This is for your information.

Mayor Morley: When I asked Mr. D'Ambrosio to put it in Committee I just wanted to make sure we were all on the same page. So everyone knows what is going on.

MISCELLANEOUS

SALT BIN

Mr. Gwydir: I know it was not on the agenda. We bid the salt barn. We had three bidders that were signed up for the project which we estimated at \$300,000 - Central Concrete, GTO and Miller Builders. Both Central Concrete and GTO dropped out pretty much at the last minute claiming they could not do the job for under \$400,000 instead of \$300,000. Miller Builders came in and provided two bids. The first bid which is with the company All Steel is a truss system salt barn which was shown to Mr. Rubertino and the Mayor in Cleveland Heights. The second proposed bid is from Span Tech which is a tubular steel structure which holds a tarp. It is about \$20,000 cheaper and we are looking into both systems. It looks to us like the All Steel system would be the preferred system on a construction type basis. The Span Tech is generally used by ODOT and the person who bid is suggesting that is the alternative. I am trying to get completed for the City by late November so it can be utilized for this season as the salt barn is unsafe and should not be used in any form or fashion. That is why this is being presented. I don't know if you wish to give this consideration at Council-as-a-Whole Committee or have a committee meeting on it. Time in this case is of the essence. We were trying to get a bid in prior to this so we could have a full committee meeting but unfortunately at that time no one was bidding.

Mr. D'Ambrosio: I would like to put this in Council-as-a-Whole Committee as it is time sensitive. You are saying we are going with the steel structure – that is the recommended one?

Mr. Gwydir: To us it looks like a little better facility that everyone saw. There is a contract name called Legacy which no one bid on. Unfortunately when we quoted prices from Legacy over the summer and sent those quotes to the City when Legacy was quoted to the bidders they were quoting \$20,000 higher than they had originally told us. No one bid on Legacy. The Accu Steel facility is the closest to Legacy and walking through our comparison chart there were a few more yeses on certain things than no's relative to the system so we thought it would be the one we would recommend. I would say both systems are in use and both have their ups and downs. It is just a feeling that we think from what we are seeing in our comparisons that it is probably a little bit better.

Mr. D'Ambrosio: Are you familiar with Miller Builders – do they normally build salt domes?

Mr. Gwydir: Yes. They have built them all over the place. There are ample references and we are comfortable.

Mr. D'Ambrosio: Do they give you a life expectancy for the building?

Mr. Gwydir: The covering is the part that wears out and we expect those to last somewhere between 7-10 years. It costs about \$7,000 to replace. Some are guaranteed for 10 years and some for 12 and some for 15 by the manufacturer.

Mr. D'Ambrosio: We are changing the location on the premises.

Mr. Gwydir: That is correct. We worked with Mr. Rubertino on sighting and we had five different proposed locations. It was chosen to be the angled location in the far back corner.

Mr. D'Ambrosio: It is about \$6,900 to tear the old one down and they are hauling it away?

Mr. Gwydir: We put it in the addendum that the pieces would be left here for use by the Service Department. Mr. Rubertino indicated he could take bids and parts could be repurposed. As long as they are not used for spans that would be fine.

Mr. D'Ambrosio: I know the importance of this. They believe if we put this in Council-as-a-Whole Committee and it is passed that they can get this done?

Mr. Gwydir: They believe they can get it done. There are also underground utilities on that site. We met with AT&T. They have a fiber optic cable that runs across the back by the Service Department lights. There is power for the lights that is overhead and there are poles for the fiber optics. They have to relocate the poles which they indicated they could have done by late October. That does not preclude us putting in the slab and getting everything ready to go. There is an underground line – I do not believe it is in the easement – by the power company that runs directly under the site. We have notice in the plans to bridge that site and we also have a utility relocation allowance in the contract but if they are not in the easement we will see if we just can't make them move.

Mr. D'Ambrosio: You said the capacity was about 3,000 ton?

Mr. Gwydir: It is about 3,000 ton. That was a discussion over a couple of weeks between Mr. Rubertino, me and Mr. Slocum as a cost benefit. The City uses about 3,000 ton a year in salt and it was deemed reasonable to have a bin that size so you could potentially order salt early in the summer and thereby get a better price than you would at this time a year. If you have been watching the paper you will see that salt prices have remarkably increased between summer bidding and winter bidding.

Mr. Hoefle: Are there any additional costs to the City with utilities having to be moved?

Mr. Gwydir: There is a potential extra cost for the utilities to be moved. That is why we put an allowance in the contract.

Mrs. Quinn-Hopkins: I see a \$20,000 contingency allowance.

Mr. Gwydir: There are a couple of contingencies in there – there is a physical contingency and a contingency directly for the utilities.

Mr. D’Ambrosio: Mr. Slocum, how are we paying for this?

Mr. Slocum: I will have legislation needed in the future. I am working now with Mr. Sudsina and Mr. Sharb. We will have to borrow and there will be legislation authorizing the borrowing. I am looking to borrow \$300,000 for five years. It will be paid out of the General Fund and we will take a look at some of the road expenses that are now being paid out of the General Fund and put about \$50,000 over to the Street Construction Maintenance and Repair Fund on an annual basis to cover this. This will be coming and I will need to have different pieces of legislation with appropriations and the like.

Upon review, it was agreed to place refer this to the next Council-as-a-Whole Committee.

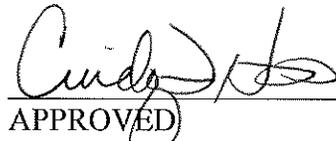
There were no further questions or comments.

RECOGNITION OF THE PUBLIC

There was no one who wished to speak.

The meeting was adjourned at approximately 7:13 p.m.

dac



APPROVED
DATE 9-23-2014

As authorized by the Clean Water Act, the National Pollutant Discharge Elimination System (NPDES) permit program controls water pollution by regulating point sources that discharge pollutants into waters of the United States. Industrial, municipal, and other facilities must obtain permits if their discharges go directly to surface waters. In most cases, the NPDES permit program is administered by authorized states.

On approximately a 5 year cycle the Ohio Environmental Protection Agency (OEPA) issues a permit to the Willoughby-Eastlake Water Pollution Control Center (WE-WPCC) and prescribes conditions which must be met pursuant to the operation of the plant. As part of the NPDES Permit No. 3PD00024*OD issued to the WE-WPCC on June 19, 2009 the plant was required to perform and submit a Sanitary Sewer Evaluation Survey (SSES). The performance of the SSES was subsequently approved by the Joint Sewer Committee. The work was done as required and included study and evaluation of the following items:

- Inflow/Infiltration reduction
- Wastewater Flow Equalization
- Project cost analysis
- Implementation Schedule for improvements

Bases upon the findings related to the above, a list of improvements required to meet the parameters defined in the permit was developed which had attendant costs of approximately \$47 million. The schedule proposed for the implementation of those improvements was 30 years beginning in 2011 and extending until 2041. The previous plus the overall results of the SSES were submitted to the OEPA for review on March 23, 2011.

Presently, the new NPDES permit cycle has arrived and as part of the pending new permit, the OEPA indicated that they wanted to include in it, facets of the findings of the SSES. On Monday 7-28-14 a conference call was held with the WE-WPCC Staff, the Willoughby City Engineer, the Eastlake City Engineer, and OEPA to discuss the aforesaid subject. A synopsis of the call follows for your consideration.

The OEPA opened the call and identified three main points of focus, basement flooding, sanitary sewer overflows (SSO's), and plant through put. Further discussion centered on the work required to address their concerns as well as the schedule for the work. The conclusion of the discussions centered on projects the OEPA proposed to be done and the implementation schedule for same.

The proposed initial work, to be included in the new permit cycle, consisted of a study of the plant to identify treatment unit capacities, dry and wet weather flow characteristics, evaluation of treatment capacity expansion, enhanced treatment of by-passed flow, and a cost benefit analysis. The proposed work also included the construction of the Quentin Road Equalization Basin and the Quentin Area Relief Sewer. Finally means testing (a sewer rate study) was proposed, for the purpose of determining the implementation schedule for the plant work.

The call was concluded with the OEPA noting that they would further consider matters and provide a copy of draft language for the new permit for further review and comment by Willoughby and Eastlake.

On August 7, 2014 the draft language was received via e-mail (copy attached) from the OEPA and it included the plant analysis work, the Quentin Road Retention Basin, and one of the two Quentin Relief Sewers shown in the SSES. Presently the cost of the plant analysis and related work has not been determined but could approach \$5,000,000. The 2010 estimate for the Quentin Road Equalization Basin is \$5,460,000 and for the Relief Sewer is \$2,445,000 (these costs can be expected to rise by up to a factor of 1.5 by the time they are actually bid). Through the WPCC Agreement Eastlake and Willoughby would split the costs for the plant analysis and the Quentin Road EQ Basin 50/50, with the relief sewer being at 100% Eastlake cost.

A second conference call was held on August 21, 2014 to discuss the draft language. During the call the OEPA clarified their initial draft proposal and indicated that having considered matters further they would be including the following work in the new permit.

1. The **Waverly I Relief Sewer** was identified to be done to address the actual and/or theoretical surcharging which shows that during a design storm basement and street flooding is likely leading to direct human contact with waste as well as direct discharges to Lake Erie from sanitary sewer surcharges entering the storm sewer system.
2. The **Quentin Road EQ Basin** was identified to be done in concert with the **Waverly 1 Relief Sewer** to preclude SSO's at the pump station from occurring during a design storm.
3. Studies at the WE-WPCC were identified to be done as well as stress testing and improvements to the plant in order to increase plant through put while maintaining permitted treatment parameters.

Presently as requested the City of Eastlake is nominating the Waverly 1 Relief sewer project for WPCLF funding and it is understood that the City of Willoughby is doing likewise for the joint facilities. Costs used in the nominations are as follows:

Project	2010	Escalation	Revised	Cost Splits		Lead Agency
	Cost	Factor	Cost	Eastlake	Willoughby	
Quentin Rd EQ Basin	\$5,460,000.00	1.5	\$8,190,000.00	\$4,095,000.00	\$4,095,000.00	Willoughby
Waverly I Relief Sewer	\$2,445,000.00	1.5	\$3,667,500.00	\$3,667,500.00	0	Eastlake
WE-WPCC Improvements	\$5,000,000.00	1	\$5,000,000.00	\$2,500,000.00	\$2,500,000.00	Willoughby
Totals			\$16,857,500.00	\$10,262,500.00	\$6,595,000.00	

The actual projects costs will be a function of final designs and the year the projects are let and may increase or decrease.

Subsequent to the above improvements the OEPA also noted that they would allow 2 years from the end of the permit cycle to ascertain the effectiveness of the improvements and to revise the findings of the SSES relative to future new work required.

In closing the above reflects all current information from the OEPA to date. Unless vast changes are made to the permit resultant from the public comment period, it is anticipated that the final permit will be issued in early November 2014 inclusive of the above.

1. Wet Weather Improvement Projects

The Willoughby-Eastlake WWTP includes a bypass which re-routes a portion of wastewater flow when the influent flow rate exceeds 20 MGD. Bypassed flow does not receive the following treatment: primary clarification, aeration, final clarification, and disinfection. Excessive influent flow rates are caused by infiltration and inflow which results in the following: plant bypasses, sanitary sewer overflows and basement flooding. Willoughby-Eastlake submitted a No Feasible Alternatives Analysis (NFA) in March 2011.

A. Wastewater Treatment Plant Analysis

Within eighteen months from the effective date of this permit, the permittee shall submit to Ohio EPA Central and Northeast District Offices a report detailing the Wastewater Treatment Plant Analysis. The analysis shall at a minimum include:

- i. A stress test of the WWTP. This should include a description of the existing treatment system, including dry and wet weather flow diagrams, identification of overflows/bypasses, and individual treatment unit capacities;
- ii. A description of existing wet and dry weather flows at the wastewater treatment plant and bypass characteristics (occurrences and volumes);
- iii. An evaluation of providing additional treatment capacity which includes an analysis of constructing additional primary and secondary capacity, as well as an analysis of process changes (e.g., implementing step-feed or contact stabilization treatment). The analysis should incorporate appropriately qualified engineering analysis and process modeling;
- iv. An evaluation of methods that will enhance the treatment of any bypassed flow, such as enhanced physical-chemical treat and ballasted flocculation;
- v. Incremental costs versus benefits (in terms of reductions in bypass occurrences, bypass volumes and pollutant reductions) associated with the respective alternatives. A range of levels of control may be evaluated, but elimination of plant bypasses, SSOs and basement flooding is the goal and must be included;
- vi. A recommendation for projects to be implemented and a proposed fixed-date implementation schedule for the recommendations. If the proposed schedule extends beyond a schedule based on a normal engineering and construction schedule, the permittee shall include financial information, including a sewer rate study, justifying the proposed schedule.

B. Quentin Road Project

The permittee shall complete construction of the Quentin Road EQ basin and relief sewer in accordance with the following schedule:

- i. Within twelve months from the effective date of this permit, the permittee shall submit an approvable Permit to Install for the 0.8 MG Quentin Road EQ Basin.
- ii. Within twenty-four months from the effective date of this permit, the permittee shall complete construction of the 0.8 MG Quentin Road EQ Basin.
- iii. Within thirty-six months from the effective date of this permit, the permittee shall submit an approvable PTI for the Quentin Road relief sewer, which includes a minimum of 1,900 ft of 18 inch diameter sewer from the intersection of Waverly Road and Willowick Drive south along Waverly Road to Vine Street.
- iv. Within forty-eight months from the effective date of this permit, the permittee shall complete construction of the Quentin Road relief sewer.