

## COMMISSIONER'S JOURNAL

Tuesday

Special

July 3, 2007

The Coshocton County Commissioners met in special session at 6:00 p.m. on Tuesday, July 3, 2007 at the Coshocton County Services Building with Mr. Dane Shryock, Mr. Gary Fischer and Mr. Larry Stahl in attendance. Also present was Ken Smailes, WTNS, Kathie Dickerson, The Tribune, Ms. Debbie Wallace, Mr. Tom Edwards, Mr. Steve Mercer, Mr. Jim Henry, Mr. Don Brown, Mr. Chuck Hathaway and Mary Beck, Clerk

## BULK WATER MEETING

Ms. Debbie Wallace, Mr. Tom Edwards, Mr. Steve Mercer, Mr. Don Brown, Mr. Ken Smailes, WTNS, Ms. Kathie Dickerson, The Tribune, Mr. Chuck Hathaway and Mr. Jim attended the meeting. Mr. Stahl thanked everyone for attending. Mr. Shryock also thanked everyone for attending and stated that Mr. Mercer asked for this meeting. He also stated that we have received a counter proposal from the city. The city originally asked for \$3800 per month for the outside customers already in place. The county really didn't want to address that but trying to be fair, we said that we would pay \$4,000 per month. The Commissioners were quite surprised to see that monthly amount increased to \$5,200. Ms. Wallace asked why that was a shock, because the county knew the city was going to have an increase, but did not know what it would be. So, the number that they gave the Commissioners would have to be increased. Mr. Fischer asked why that number had to be increased. Ms. Wallace stated that they increased to their customers 30% so the county would have to be increased by that. Mr. Fischer stated that the county felt that the original offer was fair because it was more than they requested and they don't have to pay for the maintenance, infrastructure or billing of those customers. Mr. Stahl stated that the county wants to come to some type of agreement. We just want whole sale and that does not reflect all the maintenance and billing. It will be fair to all involved to go back to the \$4,000 per month and we want \$2.50 per 1000 after the first 1 million gallons. Once we put in our infrastructure we will have to pay for the maintenance and billing ourselves. Mr. Tom Edwards stated that he originally agreed to this proposal because the mayor said he would veto it if it were any different. Mr. Fischer stated that he spoke with the mayor and since the mayor is not here tonight he didn't want to speak out of turn, however, the mayor felt that the county should get the same increases as the city customers. Mr. Fischer told the mayor that he feels this does not work because the county is purchasing water in bulk and not like a resident. He explained the concept of retail vs. wholesale and the mayor said that his only concern then was the percentages of increases over the length of the contract to us as to the city residents. Mr. Edwards stated that he thought that the mayor would veto anything that did not give the county increases like the residents. Ms. Wallace agreed with Mr. Edwards. Mr. Shryock stated that he was shocked at the change in the proposal. He felt like we went backwards in the negotiations. The county felt as though they made sure the city would not lose monies. Ms. Wallace stated that by the time the contract is in effect the 30% increase will be in effect to the city residents. Mr. Shryock stated that the city is making approximately 130% on the rate per thousand for the water if the county purchases it from them at \$2.50 per thousand. If the county doesn't get the \$2.50 per thousand he feels we will not be able to make an affordable rate for the county residents. Mr. Edwards stated that Quicksall's had \$2.75 in their proposal. Ms. Wallace asked if the county could live with \$2.60 per thousand. Mr. Stahl stated that if the city would raise the rate 2% after the 2nd year, then the rate would increase 16% at the end of 10 years. Mr. Fischer stated that the county would be willing to go from a 5 year contract to a ten year contract. Ms. Wallace stated that she would agree to that. Mr. Edwards stated that he could live with that, but once they talk to the full council, it might be different. Mr. Mercer stated that maybe there are some bad feelings about the JEDD agreements since they are a 15 year agreement and he thinks we should stay with a 5 year contract. Mr. Fischer stated that the county purchasing water for 10 years from the city is a benefit to the city not a detriment. Mr. Mercer stated that the county has a lot of infrastructure to put in at a very high cost, so the city may not make very much money on this venture. He asked what the time frame is for the county. Mr. Fischer stated that we have projects that are very small and quick and starting July 10<sup>th</sup> we are laying some new lines to the Three Rivers Fire District Building. We also have issue I money to lay waterline to Lake Park this year as well. We have many small areas we are working on at this time. Mr. Fischer stated that the county has never envisioned a project as big as this.

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## Bulk Water Continued

We are trying to move Coshocton County forward and this is a big project for the county. Ms. Wallace stated that originally we discussed some customers coming back to the city. Mr. Shryock asked what the city would gain by getting those customers back. Originally when the city came in, they only requested certain ones. All others remained intact. Mr. Edwards asked if there would be additional businesses in one of the areas that city lines would serve, who will get the customer. Mr. Shryock stated that it can either be master metered, or the city could run an extension themselves. He feels it would be a win/win situation for both the city and the county. Ms. Wallace asked if the county could live with \$4,000 and \$2.50 per thousand. Mr. Fischer asked what about \$4,000, \$2.50 per thousand, a ten year contract. Mr. Stahl is in agreement with this proposal. Mr. Shryock stated that he feels we really need to have a long term contract for the water with the city. He does not prefer a 5 year contract. Mr. Mercer stated that he feels the county is trying to low ball the city with a long term contract. Mr. Shryock stated that he did not say that the price had to be locked in. It could be renegotiated after 5 years for the pricing. He would like to see a ten year price, renegotiable with a 40 or 50 year contract. Mr. Fischer stated that Arcadias stated that they typically see contracts for 20 or more years. Mr. Fischer stated that the county feels that their original offer was a generous offer. Ms. Wallace would have to discuss this long term contract with Arcadias and the other members of council. Mr. Shryock stated if the county doesn't have a long term commitment, we may struggle getting loans and grants. Mr. Edwards is concerned that maybe we should go with what is being presented and see what happens. Ms. Wallace stated that the county is proposing 10 year contract, \$4,000 for the first 1 million gallons, \$2.50 per thousand for the second million, and \$1.00 per meter on outside customers. Mr. Mercer stated that he does not feel the county is giving from what the counter proposal was. Mr. Fischer stated that the county feels we will not be able to have a 4% per year increase over a three year period. Mr. Mercer stated that he understands that, but is not willing to go 2% per year for 10 years. Ms. Wallace stated that she was not sure how the mayor will feel about this. Mr. Fischer stated that the mayor told him he did not have a problem with the 2% if they increased the contract to 10 years. Mr. Stahl asked how the city would feel about a 5 year contract with the availability for water for 20 years and to be renegotiated after 5 years. Mr. Fischer stated that in order for the county to run lines and get water to customers we can't sell it for over \$40 per month to residents. If the county goes over the \$40, it will make it undesirable for residents to want the water. Mr. Shryock stated that if we go over the \$2.50 per thousand we will not be able to keep the bill under \$40 per month. Mr. Fischer stated that the county understands that we are taking on a monumental project but we are trying to make Coshocton County more economically sound. Mr. Mercer asked how many master meters would we need. Mr. Shryock stated that it was in our last proposal, but we would use a master meter for the north corridor and use the residential meters elsewhere. Mr. Mercer asked if it could be written in when the county would put in a master meter. Mr. Shryock stated that is was in the last proposal and said after we put on 100 customers or when it became economically feasible. Mr. Mercer stated that he would like to see some incentive to make certain that the county is taking care of any leaks. Mr. Fischer stated that the village of Warsaw monitors their loss ratio to determine these leaks. Mr. Shryock stated that we will be good neighbors. Mr. Fischer stated that the county wants to bring the city along with the county. Mr. Chuck Hathaway stated that he feels we should have a long term contract like Mr. Shryock stated. Mr. Shryock stated that he feels we need to find someone who will write the contract that mutually deals with water contracts that the county and the city is both comfortable with to do this for the county and the city. Ms. Wallace and Mr. Edwards stated that they agree that someone should do this for us. Mr. Edwards stated that they have to take it to council for a resolution. Mr. Jim Henry was concerned that the city would lose some of the distribution or maintenance on the lines. Ms. Wallace stated that there should be no loss of jobs. Mr. Shryock stated that the county will possibly have to utilize and pay the city personnel on line repairs and such. Ms. Wallace stated that they will take this proposal to the next council meeting and see what happens. Then she will be in contact with the county.

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Adjourn

At 7:15 p.m. Mr. Shryock adjourned the meeting.

Absent

Dane R. Shryock

Gary L. Fischer

Gary L. Fischer

Larry K. Stahl

Larry K. Stahl

Mary Beck

Clerk