

Service Committee Minutes

Honorable Council
City of Newark, Ohio
November 21, 2023

The Service Committee met in Council Chambers on November 20, 2023, following the Finance Committee with these members in attendance:

Jeff Rath - Chair
Dustin Neely – Vice Chair
Spencer Barker
Beth Bline
Bradley Chute

We wish to report:

1. **Resolution No. 23-96** A RESOLUTION AUTHORIZING AND DIRECTING THE DIRECTOR OF PUBLIC SERVICE OF THE CITY OF NEWARK, OHIO TO ENTER INTO AN AGREEMENT WITH THE LICKING COUNTY COMMISSIONERS (LICKING VALLEY WATER DISTRICT) TO SUPPLY POTABLE WATER TO THE VILLAGE OF HANOVER, HANOVER TOWNSHIP AND MADISON TOWNSHIP.

Brandon Fox, Water Administrator - First off, thank you to the Auditor for his kind words and his staff has been nothing but great to work with and work through my budget for the first time, so it's a two way street. So, in front of you as you said is some legislation for an agreement to provide potable water to the east. This started back in 2021, there was a resolution passed to negotiate those terms, so this has been going on now for about 2 1/2 to 3 years, we have tried to make some notes so I can provide a few updates and answer any questions. We do have a draft agreement to provide water to Licking Valley Water District, it's going to be owned and operated by the Licking County Commissioners. It will be their own public water system, so the City of Newark will just be the water provider under our public water system and we would sell water to the Licking County Water District through two meters, you have the map in front of you, but one would be at East main Street out by the Longaberger Basket and the other one would be at Dayton and Butler Road. That water line, the east side transmission line is currently being constructed out Dayton and Butler so they can connect out there. It would be serving Marne, Hanover, Hanover Twp., Madison Twp. , the service area is approximately 7,000 acres to the east side. The City of Newark did complete a water capacity study in 2021 to evaluate potential service to this area and feel that we can do so adequately. At day one it's currently unknown because the infrastructure is not there, the County is currently in the design process and they are hoping to start construction 2nd or 3rd quarter of next year and once that happens, obviously they would have to get that constructed in a timely manner. On day one there would be anywhere from 30 to 50 thousand gallons a day of usage and the contract states up to a maximum of 800,000 gallons per day, so obviously that is many

years out in the future. As I said the County would be responsible for building, owning, maintaining their infrastructure so, the only thing we would do is read the meters once a month or more often as needed and bill the County accordingly. They would be required to staff it, so really the daily responsibilities we would be liable for is very minimal other than producing the water we are selling to them. One of the things I want to point out in the contract, we do have the ability to connect to their system in the future, so say someone out there would want to annex into the City, we have the right to connect to the County system and then sell it to other future Newark customers outside of that service area. So we can use their infrastructure that's already been built, we don't have to run water lines parallel to theirs. So that is a future planning effort I think is important. With that, I'll answer any questions the best I can.

Motion to send to full Council by Mr. Barker

Ms. Bline - Thank you I really appreciate your service to the City. In the future water as we know from the headlines, water is going to be in need. So, where does this put us, I guess this is a multi-level question, as far as in competition with other areas, I understand from listening to what is going on in Columbus, they will be pressing our way, who knows when they are going to be asking for us to sell water to them as well as more and more as we look to expand as a City, so are we going to be able to handle all of that?

Mr. Fox - Great questions. I'll say, in talking to the Mayor and Director Rhodes, we want to watch out for the City of Newark first, I think that's first and foremost to make sure we have adequate water supply and wastewater treatment capacity for the City of Newark residents. In addition to that, we have been meeting, since my time with the City with all the Intel discussion, we're having routine meetings with other Licking County partners from Columbus, to Pataskala to Granville, Johnstown to the partners out east in Hanover, so I don't have an answer to your question, other than there is a concerted effort to figure out how Licking County provides water and sewer services to Licking County residents. You have Columbus and Newark and a lot of smaller entities in between, so for everyone involved from the Framework discussion all of these folks have been involved in, how do we do that and we are trying to figure that out right now. So to answer your question we are also going through a water capacity study right now to evaluate the Licking River to figure out the safe capacity of the river. We have a 15 million gallon plant, right now we treat about 8 million gallons a day, so we have actual capacity currently, but what does that mean 3 years to 10 years to 20 years, so that is yet to be answered, but I think we as a City need to be diligent in how we continue to evaluate where water goes and where the sewage comes from.

Mayor Hall - It's a good question and I think we started with Roger Loomis as our Superintendent and Brandon inherited it, helping our surrounding neighbors a little bit, but they knew the first thing out of my mouth was not at our cost or at our disadvantage. We've built in buffer zones so that's why there is a capacity limit here and it so many gallons a day and a 2,000 homes type thing and it would take them a long time to reach that, it's just about residential. It's kind of like if we built 2,000 homes what the cost would be to service those neighborhoods, so there is an exponential cost with streets and etc., so wholesaling water is

kind of just a part of it, I don't believe a solution for everything and doesn't mean in lieu of building, we're always holding stuff in reserve as water and waste water capacities as far as what we believe Newark should be one day. I don't think anybody believes that we are going to be 300,000 people or some crazy number we are going to try to have to compete with and what is the average number for Newark so we can be a decent community and one we can respect, I'm not even going to throw a number out. So, I think we have extra capacity and I think there is room for this and I don't think it puts us in any kind of detriment as far as our growth as we move forward. It's not even close.

Ms. Bline - Looking at the maps, I am wondering, they have a decent amount of water out there.

Mr. Fox - I don't want to dispel any information, but there is arsenic in the water out there in samples that they have taken and that is what kicked this off years ago. The schools for instance, have their own treatment plant to remove that arsenic for the kids that are there, so they did an evaluation whether it would be cheaper for them to go with their own water plant and produce water for themselves, this was the alternative that they and the City selected. The EPA are concerned about that as well because you can only drill so many wells and take so much water out of the river, so we have to be cognizant about that and the EPA is actually initiating a water capacity study within I think it is 7 counties actually to evaluate all of that. So, good question, I don't know that we have all the answers to them.

Mayor Hall - I think in those studies they do look at larger communities like us, we pull about 8 million out a day and distribute it, put about 8 million back into the wastewater plant, they like us to take more active rolls in the community, it's more efficient, it makes better sense and building those relationships and working in those ways help us in the future if we need to increase the capacity of our plants. They are really looking at us as being the leader being the largest community in Licking County. Intel its self, when you get into industrial that's major consumption and a whole other ball park. Intel will use about a million and a half per day, it's big numbers, there is a lot of hype in the news, I'll be honest with you, I'm not saying disown all of it, but I think everybody is kind of concerned when you are talking money and capacities a lot of people get a little edgy and wound up, but I think we are sitting in a good place and as Brandon said, there is arsenic in the water down there, personal consumption is not as much of a concern, but if you do an apartment complex you have to spend an exorbitant amount of money to treat that water to the level the EPA wants, so it's something that I think we are equipped and can handle and it will be good for Newark and good for them.

Ms. Bline - You said there may be up to 800,000 gallons a day, so are we liable for that or can we say, we need to cut back a little bit.

Mr. Fox - The agreement has language that relates to that , language to extend the contract or cancel the contract on either side based on future changes. So, who knows what 's going to happen, but there are considerations and I will say that we've had legal advice ion this from a gentleman that's been working contracts for many years, our Law Director's office has reviewed this, the County Prosecutors have gone through this agreement and we are all pretty

comfortable with the language that's in there. This is not uncommon for this kind of agreement to happen, many others, Columbus, they probably sell to 15 different communities, so this is not an uncommon request and EPA, they like a regional approach where the economics make a little more sense rather than small plants everywhere.

Mayor Hall - A lot of this was formulated with Roger. Brandon has a lot of experience, but all of these numbers were formulated back when Roger was here. They were all worked out and he was extremely comfortable with it, if that adds any credence.

Mr. Barker - I just want to make a comment. I know citizens out there who want this. Like last year and this is going to be a great thing it brings in dollars in additional revenue to the City that all we are doing is selling water that we have in excess, so I would just like to reiterate my motion.

Second by Mr. Chute

Mr. Neely - 20 years is a long time for an agreement, is that kind of an industry standard?

Mr. Fox - I've seen 20 and I've seen 50, the City of Cincinnati had a sewer agreement for 50 years that just expired, it varies, but I don't think we are exceptionally wrong. They won't even have the funds to pay for infrastructure in 20 years, the County is getting some ARP funding and other funds they've applied for to fund the infrastructure, I think they got \$12 million in ARPO funding grants to help them install the infrastructure and water lines.

Mr. Rath - Like you said, there's language in there for that.

Mr. Fox - There is and I would be happy to share the contract.

Mayor Hall - I might add, the Lt. Governor was here and presented us with a \$3.2 million dollar check a while ago for the east side transmission loop, that's something that has been on the books for about 10 years with the City but just hasn't reached the let's get it done or fund it. This was a big piece from the State side to give us that money to make our system all within our boundaries work better to help our neighbors. That was a side benefit, I don't know we would've gotten that grant money had we not been working on collaboration.

Mr. Rath - I think it's great we're building something and looking to the future.

Mr. Fox - We are and what I can say is we are evaluating all the time and more so than ever. In the 10-20 year plans that Roger had laid out, now just got crunched to the 3-5 year plans. We are getting ready next year to kick off a wastewater capacity study to see what happens at the wastewater plant if we have increased flows, so all of those changes and time frames need to be shortened. I think I've stated we are conducting asset management at the water plant, we are going to probably have to spend some capital at the water plant just to handle our current capacity, so those plans are in motion.

Mayor Hall - This is a way to offset our costs without raising rates, so it is a benefit to the constituents, for those of you who do or do not know, we take all the wastewater from St. Louisville. So, that's a similar collaboration on the wastewater side, it would've been ridiculous to build another plant up there even if they could've, but it made sense for us to partner with them maybe six years ago it went through Council, so this is the same idea with water.

Motion passed 5-0

2. Consider **Resolution No. 23-97** A RESOLUTION AUTHORIZING AND DIRECTING THE DIRECTOR OF PUBLIC SERVICE TO ADVERTISE FOR BIDS AND ENTER INTO CONTRACT FOR CERTAIN ESSENTIAL SUPPLIES FOR VARIOUS DEPARTMENTS OF THE CITY OF NEWARK, OHIO, FOR 2024.

Brian Morehead, City Engineer - This is our standard legislation that we do every year to allow us to go out for bids for chemicals for the water and wastewater department and street maintenance material.

Motion to send to full Council by Mr. Barker, Second by Ms. Bline, Motion passed 5-0

Meeting stands adjourned

Jeff Rath -Chair