RECORD OF PROCEEDINGS
MEETING OF THE LORDSTOWN VILLAGE BOARD OF PUBLIC AFFAIRS
1455 Salt Springs Road, Lordstown, Ohio
December 6, 2023

IN ATTENDANCE: Mr. Christopher Peterson, President
Mr. Kevin Campbell, Vice-President
Mr. Michael Sullivan, Board Member
Mr. Darren Biggs, Supt. of Utilities
Ms. Cinthia Slusarczyk, Clerk
Mr. Christopher Kogelnik, Engineer
Atty. Matthew Ries, Solicitor

ALSO PRESENT: Mr. Robert Bond, Utilities Committee
Mr. Jamie Moseley, Utilities Committee
Mr. Ron Radtka, Village Council
Mr. Arno Hill, Mayor
Ms. Jackie Woodward, Mayor-Elect
Mr. Tom Cowie, Imperial Communities
Mr. Mark McGrail
Mr. Tom Czoka

RECORD OF PROCEEDINGS taken before me, DEBORAH LAVELLE, RPR, a court reporter and Notary Public within and for the State of Ohio on this 6th of December, 2023.

MR. PETERSON: I'd like to call this special meeting to order. Please stand for the Lord's Prayer and the Pledge of Allegiance.

LORD'S PRAYER
PLEDGE OF ALLEGIANCE TO THE FLAG

ROLL CALL:

MR. PETERSON: Roll call please.
MS. SLUSARCZYK: Chris Peterson.
MR. PETERSON: Here.
MS. SLUSARCZYK: Kevin Campbell.
MR. CAMPBELL: Here.
MS. SLUSARCZYK: Michael Sullivan.
MR. SULLIVAN: Here.
MS. SLUSARCZYK: Darren Biggs.
MR. BIGGS: Here.
MS. SLUSARCZYK: Cinthia Slusarczyk, present. Chris Kogelnik.
MR. KOGELNIK: Present.
MS. SLUSARCZYK: Matt Ries.
ATTY. RIES: Present.

CORRESPONDENCE:

MR. PETERSON: Any correspondence?
MS. SLUSARCZYK: No.

PUBLIC COMMENTS:

MR. PETERSON: Okay. Any Public Comments? Okay.

NEW BUSINESS:

2. Imperial Sewer

MR. PETERSON: Seeing none, moving right on to New Business. We have two items, Water Rates and Imperial. I'd like to do Imperial first because I know there's some Council members that won't be here until a little bit later so. Chris, do you want to take Imperial?

MR. KOGELNIK: Yeah. I did an analysis based on the request from the Board of Public Affairs, and I see that there's a numerical analysis in front of me on one piece of paper here. I presume that's from Imperial.

MR. CAMPBELL: Yes, it is.

MR. KOGELNIK: Okay. Do you want me to give a copy of this to Tom Cowie?

MR. PETERSON: Yes.

MR. KOGELNIK: We'll compare notes, Tom. So my analysis was not numerical like Imperial's because when I started looking at all of the data -- and I did get a bunch of it -- I got it in pdf format, and a lot of it was run time data for the lift station and dates; and then I also got Cindy's compilation of data. So I had to merge both sets of data on a time line. And when I did that I noticed that there were certain pockets of information and data that were missing. So I couldn't line up the data exactly one from one, you know, and make a real true comparison. So what I -- what my opinion is, is based on the different methods of calculating the difference between water consumed coming into Imperial and waste water leaving Imperial is that the more accurate method is today's method where you are comparing metered water flow versus metered waste water flow. You're not gonna get any better than that right now. You could, but you're not -- it's just not practical. The other method of evaluating the comparison between water consumed and wastewater based on the calculation method which used an average pump rate of 180 gallons per minute, and when you multiply that times run time you get a volume per day. So as simple as that might be, there is errors in that, there's inaccuracies in that. And the inaccuracies get to this. If you can imagine in the pump station there's a volume of water that's pumped. There's I think it's like a three or four foot operating volume, okay, from on to off. The pump's rate varies somewhat over that because it's dependent on the head. So if there's a lot of water above the eye, the pump is more apt to push more water through. But if there's only a little bit of water there, then the pump is probably at best gonna do about 175 to 180 gallons a minute. So when you evaluate that, and then when you factor in that the run times that are reported each day are to the tenth and not to the hundredth, you begin to see there's some inaccuracies as compared to a true meter-to-meter reading. So I could not line up and come up with, you know, facts and figures like Imperial did to make a side-by-side comparison to determine if, in fact, Imperial is owed money or Imperial owes the Village money. I could not do that in a reliable manner. If you gave me dates, literally just throwing a date at a calendar, then I can probably do that. But I might also come up with days where there wasn't any data recorded. So I hate to tell you, but I don't have an answer for this other than the more accurate method would have been the current method. That's the best I can do. I haven't taken a look at the one page that Imperial put together. Furthermore, right now I don't think I follow it without talking with you.

MR. COWIE: I can touch on it briefly, and then if you have more questions --

MR. PETERSON: Go for it.

MR. COWIE: I'm Tom Cowie with Imperial Communities. The only data that we had was the billing data that we got off the bills we received, and that's been over a period of about nine years. The first method of data they used for billing, I believe it was with that mag meter and the pump station, which was determined long ago not to be valid for billing purposes because of the inaccuracies with the siphons and the air locks and we had a lot of problems, the Village had a lot of problems with that. So it was deemed not reliable for billing purposes. But that was still used if that's what was used at the beginning up until October 17, that was 15 cycles that we used that billing method. And then in February of '18 we went to a formula method where it was determined by I think CT with the pump rates, run times, water volumes, that they billed us off of that. That was consistent almost every month. The only variant was how many days were in that billing cycle. That's the only thing that changed that whole period. And that was for 10 cycles, like two years and eight months they used that method. Then the flow meter was finally installed in 2020, November of -- well, it was actually installed in July of 2020 and then our first bill we got in November. And with that bill we have seen that went -- it's run for 13 cycles now which is three years four months, so we have plenty of data to show that there is very little I&I according to that meter in our system. Most of the money we paid over that period has been for minimums and account maintenance fees, there is very little used to pay for actual I&I. And again, all this data was off the billing. So we feel when you compare those numbers at the end that we've been significantly over-charged in those first two billing methods for what the data is showing now off of that master meter, and we would like to somehow come up with a solution to that, you know, being over-charged. So I mean, I would be willing to answer any questions you may have about that. But that's what we used. And all that information is just off our bills, we have no anything like you would have to make that determination.

MR. KOGELNIK: I'd like to take a look at that data, with respect to what I have, to see if I can understand that. I do understand what you just said and all of that was accurate, so I'd have to defer to Cindy to ask like, for example, how you arrived at --

MR. COWIE: And a lot of these numbers -- excuse me -- are approximate because that first -- the first period with the mag meter, whatever method bills were really not -- we got large amounts on some bills and they were -- we came to an understanding down the road that we paid a large amount of money at one time, but it was hard to read the bills because some were -- they just showed numbers and it was just kept rolling over rolling over, rolling over. But we could -- I do have the bills, we can look at them and then determine. I would encourage you guys to look at this too because these numbers are -- I mean, right now they're just approximate numbers, you know, we can take a hard look at once we determined that. We also do have access to that the data from the flow meter now that shows us water usage. It's read weekly by the Village. But we can see how much water we use weekly and the difference between the wastewater and the water used for that week. And then if there's a positive number or negative number at the end we can see that, which is helpful for us to determine if there may be a leak or something happening where we get a spike or something like that.

MR. KOGELNIK: That present data is the data that I can also see clearly. What I can't see clearly is all the run time data from the prior analysis.

MR. COWIE: In our opinion, we don't know that that's significant because we have three years from this master meter now that shows what has happened for the last three years, which we haven't made any changes other than tying on to the system back in '17 so --

MR. KOGELNIK: I think I'm following you now. So you're basing your average payment based off of current data, and you are applying that current monthly rate or whatever backwards.

MR. COWIE: Right.

MR. KOGELNIK: Okay. That's good to know. The one thing I can tell you and you might agree with it, maybe you won't, I don't know, is based on a trend. Not accurate data, but based on a trend it does appear that Imperial's wastewater flow is decreasing as time goes by based off of -- from what I understand there's been some I&I improvements in the community.

MR. RADTKA: Yeah, we're always improving stuff, Chris, over the years.

MR. COWIE: We do replace clay pipe or something.

MR. KOGELNIK: So is it fair to apply today's reduced volume and bill and apply that going backwards? Like for instance, way back in 2014 or 2015 is it possible that more infiltration and inflow was getting in and there really was a higher wastewater flow coming into the Village's Lift Station No. 4.

MR. RADTKA: We did 95 percent of these improvements on our collection system prior to us hooking on in '14 because we knew that this was coming, so we made improvements, you know.

MR. KOGELNIK: So most of the improvement --

MR. RADTKA: Most of the improvements was prior to us originally hooking on in '14.

MR. COWIE: Because we had our own treatment plant there at that point. We could see -- we had a flow meter also so we could see when we get spikes and such, so we made those improvements. So there wasn't many --

MR. KOGELNIK: All right. So in other words, what you're saying is the analysis that was conducted back then for the comparison of water versus waste water is probably -- was probably skewed in your opinion.

MR. COWIE: Yes.

MR. KOGELNIK: And it was always as low as today is.

MR. RADTKA: I'd say, Chris, probably since '14 maybe -- and this is probably a high number and Tom could, you know, throw his two cents in here too -- I believe say ten percent of the improvements have been made since we hooked on. So 90 percent was done prior to '14.

MR. KOGELNIK: Okay.

MR. RADTKA: You know, probably somewhere in that neck of the woods.

MR. PETERSON: Do you guys have -- and I don't know, I'm assuming if you had waste water plant you had to report flows, correct, to the E.P.A.?

MR. COWIE: Yes.
MR. PETERSON: Do you guys still have access to that data?
MR. KOGELNIK: I have a couple of those.
MR. COWIE: I think we gave them to Chris back at the beginning.
MR. PETERSON: Just for comparison. I know that math would be hard because the home --
MR. COWIE: We may still because we had to retain those records and I may still have some from -- you know, we had to keep them for seven years or nine years, so I may still have a file with those daily flows.
MR. KOGELNIK: It is clear that if you look back through there, even looking at just run times, that they are accurate or inaccurate, there's a pretty good variation in run time and flows meaning that there was probably higher flows back then. But is that speculative, you know.
MR. COWIE: I can agree it may not be a one-to-one comparison because you're looking at a nine- year span. But our concern is you can see what we paid in three years and what we paid in, you know, the six years prior to that.
MR. KOGELNIK: Yeah, I get it.
MR. CAMPBELL: So while we're kind of touching on it I want to understand your sheet. So the very first top part is just a timeline of what happens.
MR. COWIE: Yes, yes.
MR. CAMPBELL: That's just the timeline, okay. I'm gonna mark that so I'm not confusing things. And the next chunk, which is the three items, are the billing methods.
MR. COWIE: Right.
MR. CAMPBELL: And you have it broke down 15 cycles, ten cycles, and 13 cycles. And these figures all the way to the right, these are dollar figures, right?
MR. COWIE: Right. And the one in parentheses would be a per cycle.
MR. CAMPBELL: It's per cycle.
MR. COWIE: Yes.
MR. CAMPBELL: That's every quarter. When you mean cycle, you mean billing quarterly?
MR. COWIE: Right.
MR. SULLIVAN: So the 26,000 then represents --
MR. CAMPBELL: That's the total, right, for that?
MR. COWIE: That's for three years nine months.
MR. CAMPBELL: Yeah. So the first number is per cycle. Then the next number they have down is the total they were billed for that method; is that correct?
MR. COWIE: Yes.
MR. CAMPBELL: Okay.
MR. SULLIVAN: So that's --
MR. CAMPBELL: I just want to make sure I understand what you put down here. Then the next two items is where you basically combine the first two billing methods with the total; and then you have the current billing method, this is where you're trying to equal it back.
MR. COWIE: Right, right. And again, this is all that we had to go on.

MR. CAMPBELL: I understand. I'm just trying to understand while we're looking at it.

MR. KOGELNIK: Oh, I see. Okay.

MS. SLUSARCZYK: So to be clear $1,289.10 is what you were billed. That's what you were billed, not based on any type of consumption, that's --

MR. COWIE: That's every -- we added all those bills for that.

MS. SLUSARCZYK: So that's not based on flows, that's based on dollar amounts.

MR. CAMPBELL: I want to make sure I had that.

MS. SLUSARCZYK: And that is where you're taking the three master water meters and deducting the sewer flow off, and only if it exceeds do they get a bill. It's not necessarily recording the volume of water that flowed through the sewer meter.

MR. COWIE: That meter is only intended to detect I&I. It wasn't for charging us for sewer. That's all that meter was installed for.

MS. SLUSARCZYK: The water in the homes, if it exceeds the volume of water that was charged to the homes that was the discussion I brought to you before. If three master meters record 2,000 gallons and the homes record 1,000 gallons -- just for simplicity -- but the sewer master meter bills 1,500 gallons, they're not being billed that 500 difference. It's only when they go over 2,000 would they receive a bill for consumption. So it's not necessarily stating that there wasn't more water run through the sewer meter than what was recorded through the residential meters. So just to be clear, the $1,289 was minimum billing periods basically. I think one or two might have had consumption.

MR. PETERSON: You're taking the water meter reading minus --

MS. SLUSARCZYK: Master water meters.

MR. PETERSON: Yeah.

MS. SLUSARCZYK: Minus sewer meter. And unless the sewer meter records more, they get a minimum bill. The water that actually recorded through the homes is another number. And I say that if the sewer meter exceeds that number -- because if we're billing a customer -- you live in the home and I bill you for ten and everybody pays their bill but somehow the sewer meter recorded more, we're not billing that variance.

MR. PETERSON: Okay.

MR. COWIE: Aren't there master to master? I mean, that's what the contract states, that we're doing master water meters to --

MS. SLUSARCZYK: It says bulk. And that's why I said is it the bulk water meters or bulk of the residential meters. I asked for clarification and it didn't change. We never changed the billing method-- it never happened. We talked about that earlier this year when we reviewed that sewer contract.

MR. RADTKA: When we're determining the water consumed from the bulk coming in off the three meters -- correct?

MR. KOGELNIK: Yeah.

MS. SLUSARCZYK: That's how the billing is--

MR. RADTKA: Master to master.

MR. CAMPBELL: I guess before we -- so I guess what I want to jump in with it, there was only thing they have -- they're focused on dollar amounts. That's all they really had. And back to the point Cindy brought up is how was it billed. I don't want to start getting into the contract part because we start saying we change -- I believe we followed the same process every time we billed from our side, right, wrong or different. I don't want to get into it. But at least if it was consistently done the same then it's easier for us to look back and say all right, here's how it was billed the same every time, here's what we did, but it was higher here, it's lower now, do we -- so, you know, whatever we need to do with that, I don't believe we've changed how we've done it -- right, Cindy -- the billing to Imperial. So that's good. I'm glad it wasn't changed part way because if they're basing their stuff on figures then different part way through that adds --

MR. PETERSON: Regardless, the way she's billing today is the way she was billing in 2018.

MR. CAMPBELL: That's all I had. Sorry.

MR. KOGELNIK: Ron, you were starting to say --

MR. RADTKA: Kevin cleared it up.

MR. KOGELNIK: Okay. But to Tom's point about the intention of the master wastewater meter, that's my understanding.

MR. CAMPBELL: I don't think we should change until this is ironed -- change --

MR. PETERSON: Yeah, yeah. No, no, no, this has to be ironed first.

MR. CAMPBELL: Then have a clean line in the sand, this is cleaned up wherever, we're done and changed and however billing needs to be done. I don't want to muddy the waters. But that's just my thoughts on it.

MR. COWIE: I believe we can agree with that. Let's clear this up, and then if there's other things to discuss after that then we'll --

MR. PETERSON: Yeah. Okay.

MR. KOGELNIK: Well, how do you want me to -- what do you want me to do going forward for this to address this matter completely?

MR. CAMPBELL: I think I understand what you explained. You focused on the flow side, I can understand that side of it. I don't know if you really looked at the numbers side of it. So I think it would be smart to take a minute to look at the numbers side of it because I understand what you're saying, it's very confusing. It's hard to relate the engineering side of the flows and the dates, and their part was just from the simplicity side we were billed for this, we changed the billing side of it, there's definitely a difference of billing volumes if we see here and check in line with that. There's something to look at moving forward.

MR. KOGELNIK: So more analysis.

MR. CAMPBELL: I guess from the numbers side I would like to see CT look at it and see how it lines in. Or I guess start your analysis through flows and, you know, do the number crunch and then, you know, then you have something to look to see if it lines up with what they are thinking. And then if we're somewhere in the ballpark, then I guess we have two places that line in the same direction. If you have something that's considerably off, then like why are we seeing it so differently.

MR. PETERSON: Yeah, because the numbers they have aren't based on flow, they are based on the bill. I don't know what flows are in there or how that's broke down I guess.

MR. KOGELNIK: Okay. Well I mean, I followed Tom's philosophy there from the dollar perspective; and I guess from the business perspective I probably would have done the same thing. I just -- I'm gonna have to do more number crunching on that. I might not have all the answers though because, like I said, I can't make up run times and things like that to create the analysis that's needed. So I might have to speculate here and there.

MR. COWIE: Well, at this point at least this is on the record and we have an understanding of where we're coming from and where the Village, the BPA, what you're considering. So moving forward, if you take a look at the numbers in a different perspective then we'll come back together. But it would be nice to have this buttoned up -- I don't know if you can do it before the beginning of the year but --

MR. PETERSON: I was just gonna ask, Chris, how much time do you -- and I know you're doing a lot of speculating and -- should you guys just have a meeting between Chris and you, you guys sit down with Cindy probably too.

MS. SLUSARCZYK: Joellen is not, potentially, coming back to work until December 18 and Bill is planning to close the books, so it's not possible before the beginning of the year. I'm barely holding my head above water up there.

MR. KOGELNIK: I think Cindy has given everything she has on this.

MR. SULLIVAN: And she's been consistent since '14.

MR. KOGELNIK: This is something that probably I'm probably gonna have to work with Tom on.

MR. COWIE: And that's fine, we can be available, whatever.

MR. KOGELNIK: And I think Darren has provided possibly everything he has from the run time listing of, you know, the entire lift station. So we'll give it a shot. I got a lot on my plate.

MR. CAMPBELL: I guess the good news is you can't make the end of the year anyway from your side, so do the best you can.

MR. KOGELNIK: I will definitely try. I see the benefit of trying to get this wrapped up by the end of the year.

MR. CAMPBELL: Yep.

MR. SULLIVAN: I think we've said that several years.

MR. PETERSON: Yeah, I want to get it done this year though. Even if it goes into January a couple weeks we want to --

MR. COWIE: And Chris, I'll make myself available. I believe you have my number and I can meet you or whatever we need to do to help you out with that.

MR. KOGELNIK: I do. I will probably be in touch soon.

MR. COWIE: Okay.

MR. KOGELNIK: I did put some time into this. I was thinking this was gonna be done but it's not. I didn't charge at all for this analysis here. I might have to create some sort of a work authorization that's hourly for this and submit it to you at the next meeting.

MR. CAMPBELL: Understood.

MR. PETERSON: We understand that.

MR. CAMPBELL: Appreciate your time to this point.

MR. KOGELNIK: No problem. Thank you.

1. Water Rates

MR. PETERSON: Okay, Water Rates. Kevin, do you want to start this off or how do you --

MR. CAMPBELL: Well, I guess.

MR. PETERSON: Nobody else has walked in yet.

MR. CAMPBELL: As we were looking at rates and trying to figure out how we can level and adjust where we need to be, the figures were -- I guess I was focused on the concerns of our businesses and other aspects of our community who are gonna see some of these rates. And seeing the hopefully future a couple years out where we had substantial revenue coming into the department I hated to see us jump a rate up and hurt our growth and other parts of our Village where we needed to be. And I thought there was a way we could work with Council to help us bridge that gap and ease this for the next year or two until we get revenues coming in from TEC. That was my mindset on it. So I brought it to Chris and he said yeah, it's something worth considering rather than have, you know, a rate that's gonna have to get us through for a couple years and we have a some inflow of money coming in, then we hopefully drop the rate. I was hoping to keep things lower rather than scare off did you and business for the next couple years and give us so breathing room. So I guess that's where the sum of my thoughts were. Do you have anything else to add to that?

MR. PETERSON: No, that's pretty much the conversation we had.

MR. CAMPBELL: I know you talked with some Council members. I don't know where the feeling was.

MR. PETERSON: Yeah. I guess the biggest question was what would that dollar figure be and is it even possible on Council's side. You know what I mean, how much of a --

MR. CAMPBELL: I thought I had some figures where we were looking we might be short. There's some variables on our side.

MR. PETERSON: There's variables in the rate study, yeah. How much -- Cindy, do you have the rate study available --

MS. SLUSARCZYK: Yes.

MR. PETERSON: -- where you could punch numbers in?

MS. SLUSARCZYK: Absolutely.

MR. PETERSON: We could just start punching numbers in, seeing what is possible.

MR. CAMPBELL: Well, I guess we can start where we're at with the study and where we're estimating to be. As Cindy, I don't know if Council was part of this discussion; but she brought up a very good point as we were discussing, the study is an estimate in some aspects of what we need. It's not -- obviously it's 100 percent accurate because a lot of it's a budgetary aspect, we'll need this, we might have a system that breaks. Good situation, you don't use a lot of that money you were planning to use. But bad situation is you needed every cent of it. I mean, that's why you try to plan and put rates out there in our study that CT put together, I thought did an excellent job trying to balance all of that. Not exactly what is going to go wrong or the fear of what is going to go wrong, but a place that's safe where you would have the revenue.

MR. SULLIVAN: Not only as far as industry but the residents. What we're looking at is a huge hit. I'm thinking maybe down the road we could lower it back down, but that hit would be almost impossible for some of the residents.

MR. CAMPBELL: So my thought was maybe we start with where we are currently looking at with the rates and how much it was gonna be and know that that's where we're estimating that what we're gonna need for revenue, but we may not need all of that. So do we let Council know here's worst case scenario, what we're thinking the rate would be, what we set it to, and here's the amount of money we need for the first year and all right, we may not need all that, this may be half that, it may be a third of that, depending what actually happens throughout the year.

MR. PETERSON: And something else to note, that when G.M. closed you guys did not increase the rates, you went into the carry-over since then trying to --

MR. CAMPBELL: We had a substantial carry-over. A lot of the system was changing dynamically, there was a lot of things in play constantly; and that's part of the battles that CT had to deal with doing the rate study, and it's still an ever-changing environment. It never seems to stop. I guess that's good on some levels because we always seem to be going to the next level in our water system, what it takes to grow, but it also makes it difficult to get a firm grasp on what you need. So what do we have for the first set of our budget, the first rate that we were discussing for the first year. I know we had it broke down for the first year and the second year of what we were projected where we're gonna be, if we didn't change the rate here's how much. I guess let me back up one step. We did come to the understanding that we wanted to change to readiness-to-serve which is gonna get us a part of where we're at, and then we were looking at a rate increase on top of that. So we did the readiness-to-serve, that gets part of that. I think we have that figure. And then when we add our rate increase that we're looking to do, that gets us the rest of it; and that's the part that I was wanting us to ease back on was the rate increase. That was my thoughts on that. Do we have that right, readiness-to-serve? We have our current situation, we have the readiness-to-serve.

MS. SLUSARCZYK: Yeah. The readiness-to-serve fee is factored in there.

MR. CAMPBELL: That's the number you're gonna give us?

MS. SLUSARCZYK: Yes. If we're looking at 2024, okay, is what he has in the -- without me touching anything in the rate study that Bob sent over to us, is if he took the rate in 2024 to $7.76, at the end of 2024 our net revenue would be minus $311,504. Our ending balance would be 75 -- minus $75,736. So we based on the --, the projection.

MR. SULLIVAN: That's with the readiness-to-serve?

MS. SLUSARCZYK: That's with the readiness-to-serve.

MR. BOND: What is readiness-to-serve? I don't think Jamie and I understand. It's included in that --

MR. PETERSON: The readiness-to-serve fee was a fee with everybody -- it's a minimum bill fee in so many words; correct, Cindy? And it's based on meter size.

MR. BOND: Okay.

MR. MOSELEY: That's the $45 one?

MR. PETERSON: Was it --

MR. MOSELEY: Per meter.

MR. PETERSON: It's based on the meter size. It goes up.

MS. SLUSARCZYK: Residential, you aren't paying -- you're paying a $3 a month minimum bill. With the readiness-to-serve fee going into effect in 2024, for a residential meter up to one inch your readiness-to-serve fee would be $3.90 based on a meter up to one inch. To where a business's meter -- 16 inch business meter would go from a $45 a quarter fee minimum bill fee to a readiness-to-serve fee which would be $1,755 a month. And that's based on the ability to supply the water that they demand within the system based on the meter size.

MR. BOND: This readiness-to-serve fee, currently you're talking $3 residence going to $3.90?

MS. SLUSARCZYK: For 2024.

MR. BOND: So it's a 90 cent increase?

MS. SLUSARCZYK: Per month.

MR. SULLIVAN: Per month or per --

MS. SLUSARCZYK: Per month.

MR. MOSELEY: So it would be $11.70 every three months instead of nine.

MR. CAMPBELL: So the figures that she just gave us were based on -- those are already in the figures that she just gave us for --

MR. PETERSON: That's with the readiness-to-serve fee in there also.

MR. CAMPBELL: That gives us a step in the right direction.

MR. BOND: Do you have like a spreadsheet that you can --

MS. SLUSARCZYK: That's the water rate study.

MR. PETERSON: It is a spreadsheet.

MS. SLUSARCZYK: It was shared with -- I believe all Council received a water rate study as well.

MR. PETERSON: If you're looking at it you had to follow it. I had to sit down with Cindy several times to follow it. If you try and print it out --

MS. SLUSARCZYK: You can't even print it on a page.

MR. RADTKA: What was the industrial, Cindy?

MS. SLUSARCZYK: It's not industrial. Like now we have our fees are based on residential, commercial, and industrial; $3, $10, and $15 a month. Those fees would go away and we would -- it would be replaced with the readiness-to-serve fee. And that is based on meter size, not classification. So it varies. One inch, one-and-a-half, two, three, four, six, twelve, fourteen, sixteen.

MR. RADTKA: You stated one of them was $45 now and it's gonna go up to 1,000 --

MS. SLUSARCZYK: A quarter. The current industrial meter minimum bill for nothing is $45 a quarter. That will go away and there will be -- it will be replaced depending upon what size of meter they have. So if they have a two inch meter it will go up to $97.50 a month, but if they have a 16 inch meter it will go up to $1,755.

MR. MOSELEY: And they were paying $45?

MS. SLUSARCZYK: $15, because that's a monthly fee I gave you.

MR. PETERSON: She's going off monthly.

MS. SLUSARCZYK: Just for clarification that's -- yeah.

MR. BOND: So they've been paying $135 and it will go to $1,785?

MS. SLUSARCZYK: $1,755.

MR. BOND: $1,755. Okay.

MS. SLUSARCZYK: They pull more water, they use more water, the pumps, the pump station, everything readiness-to-serve fee is. Chris can probably explain it better than I can.

MR. KOGELNIK: So the readiness-to-serve fee almost is like impact because the bigger industry that pulls more water; and when you apply that impact fee or readiness-to-serve fee to the bigger meter size, then that's what that's for. So if another big industry comes in yes, they're gonna have to pay for that sharp increase on that readiness-to-serve fee just because they are impacting a significant part of the system. That's what it's for.

(Mayor-Elect Jackie Woodward enters the meeting.)

MR. KOGELNIK: So going back to what Kevin was stating though and asking for those numbers. At the end of '24 after you've applied the readiness-to-serve fee, you will still be in a negative --

MS. SLUSARCZYK: Correct.

MR. KOGELNIK: -- to $311,000.

MS. SLUSARCZYK: Correct.

MR. KOGELNIK: That speaks for itself.

MR. BOND: Yeah, it does. It's quite an increase.

MR. KOGELNIK: No, we're still negative.

MS. SLUSARCZYK: The increase still provides a -- now I will say this, in 2024 the projects that were factored and our expenses toward those projects have not started. This study actually started in 2022, and we still have not built the Hallock Young water line extension, the booster pump stations haven't moved. Projects are progressing, but we're not going to have some months of that fee collected in 2024. We'll be starting the fees or starting those expenses, we might not have twelve months worth of those expenses.

MR. RADTKA: What other projects are involved in this, Chris, besides those two? Anything?

MR. KOGELNIK: The three big ones that we need to really look at are the Hallock Young connector and the booster station improvements on State Route 45, and then we have after that the big 24 inch water line. Those are the big ones right there. So none of those are factored in yet on that analysis, Cindy?

MS. SLUSARCZYK: The only one that's plugged into 2024 is the Hallock Young Road water line.

MR. KOGELNIK: Okay. Well, the booster station is --

MS. SLUSARCZYK: 2025.

MR. KOGELNIK: -- not a huge project, but it's there.

MS. SLUSARCZYK: It's actually lining up more with next year then.

MR. KOGELNIK: That's why it's so important to be really, really, really aggressive and go after that external funding; and that's why we're trying to do that. Okay. But this has been good to discuss even after, you know, applying this readiness-to-serve fee you're still down there with regard to your revenue.

MR. PETERSON: Yeah. And it's just continuously eating into our carry-over. And I can tell you, a $75,000 carry-over is nothing. That is not even -- that's not even one problem.

MR. KOGELNIK: Yeah. So we really have to be aggressive going after this funding. This is not a joke. Your system is not getting younger.

MR. BOND: Your carry-over was a lot larger. What was it say three, four years ago?

MS. SLUSARCZYK: We were a million dollars. I think our greatest carry-over was $1.5 million, a little higher than that. But we were carrying over a couple hundred thousand dollars and building that pot since 2006.

MR. KOGELNIK: Okay. The other thing I want to mention, it's important to plug people in, connect new businesses and water customers to create the revenue you need. So we got a Hallock Young water connector, what's it gonna connect?

MR. SULLIVAN: The plant.

MR. KOGELNIK: It better. If it doesn't, don't do it.

MR. SULLIVAN: Right. And with that Bailey Road --

MR. KOGELNIK: You make them. They're in your property.

MS. SLUSARCZYK: They are our customer.

MR. PETERSON: Yeah, they are our customer.

MR. MOSELEY: They get it from Warren now, right?

MR. KOGELNIK: They pay you indirectly. So we need to get customers hooked up to this water system so that it can help to pay for some of the debt. That's why it is really important to make sure when you have industrial land you get industrial customers out of that.

MR. CAMPBELL: I guess one of my other thoughts I brought up with Chris to keep it simpler for Council to understand is if -- I know we're going after grants and the other aspect. But if we don't -- the projects we have, if Council could come in and help us on the project side of things which are improvements to the Village and aspects to that improvement to the system rather than just flat out to help us keep running, it's project money. So I thought that would be a cleaner way for them to understand and wrap your head around it. Otherwise it gets very confusing. We might need it, we may not. If not, we need that. If we go for funding we get funding, but if not we are gonna need help with the projects. That helps a dramatic aspect of our rate so we can just do a minor increase or cut the increase down to something more tolerable for the next year or two.

MR. RADTKA: What -- would you be asking for a loan or just ask for us to --

MR. SULLIVAN: That's what we're here for.

MR. PETERSON: That's why we're here.

MR. RADTKA: Because I will know, before you guys had that loan that you guys paid back a few years back. So I don't know if we were looking to go down the same road again or --

MR. SULLIVAN: Earlier on rather than the BPA raising rates. That was before my time.

MR. RADTKA: Yeah.

MR. SULLIVAN: Council stepped in, and I don't know what the dollar amount was, but they put a dollar amount so there wouldn't have to be the -- do you remember, Arno, when that was or --

MR. HILL: No. But my question is, what are the rates for everybody else around us other than Warren or Niles or Youngstown which buy it at rock bottom rates? What are everybody's rates here. Because you know, it was only a year or two ago, I believe, the water superintendent wanted two people for the water department, two people for the sewer department, you guys were talking about getting a new building; and now you're asking Council for money, which is fine if you need it. But you know, where was all this pie-in-the-sky money gonna come from a couple years ago?

MR. SULLIVAN: Well, obviously it didn't happen.

MR. HILL: I know it didn't. But you know, there was a lot of requests and things like that and that's -- I'm just wondering, you know, how can you think of that and why did you let the deficit get so low?

MR. KOGELNIK: Well the realization, Mayor, that is happening right now is partly because this Board has decided to put a plan together. When you put a plan together, you can see a little further in front of you. That's why they're doing it, that's what they're reacting to right now; whereas, before they might not have had all that information. But yet they might have been -- pardon my pun here -- but running blind.

MR. HILL: Well you know, that's --

MR. BOND: When you start seeing your carry-over drop off --

MR. KOGELNIK: The point is, you need to start -- you need to always act as a business -- you stated that a few hundred times in the past year or so -- is that you need to look at what your expenses are and your costs are, you know, continually. In fact, if you listen to Ohio E.P.A. you're supposed to look at those water rates almost annually.

MR. HILL: I agree. And that's one thing that should have been done and the carry-over should have never been allowed to get that low. And you know, I can appreciate wanting to keep the rates low. But you know, when you're sitting there and going broke and then all of a sudden you gotta hit it and -- take the second power plant out of it, I've heard enough about that. If the second power plant didn't come, wouldn't come, you're still gonna have -- you would still have to raise the rates. A lot of people like to beat that dead horse because, you know, they think it's fashionable to do it. But if you take the second power plant out of it you still have to be self- sufficient. You can't run at a deficit. And I think a lot of this was probably because you probably assumed that maybe Foxconn was gonna take some more business and you probably thought that other businesses were gonna step up. But they didn't, so I'm glad that you're actually looking at this and -- but I'd like to know what other communities similar to us which either have -- which do not produce their own water. I know Cortland --

MR. SULLIVAN: Well when you say similar to us, you gotta take Warren, you gotta take Niles because there's no other community that pumps the amount of water that we do.

MR. HILL: No, because they buy it and they make it on their own. Warren has their own treatment plant. Niles and Youngstown buy it directly from Mahoning Valley, they are the two owners of that. So they get it at rock bottom prices. We pay a surcharge, and that's the way it is. So you can't compare what they're charging their residents because we pay a surcharge on top of that. Cortland has their own system of wells also. You gotta look at either McDonald or Champion or Howland or someplace which gets water either through the County or through their own system like us and find out and see how our rates are. And I think our rates are probably gonna be on the low side, I don't know.

MR. SULLIVAN: Oh, they are today.

MR. HILL: We are today. Now I know people -- I've seen on Facebook where people said well, the mayor is in the room talking about raising the rates. I've never participated or talked about your guys' rates. You guys don't come under the office of the mayor. But I think that you should look and see, you know, if our rates are lower than everybody else who either distributes or purchases it from somebody else, you ought to get in line with them and quit eating your deficit. And I appreciate you looking at this. I hate to see it going on this long.

MR. SULLIVAN: And I think that we need a five- year plan and probably a ten-year plan. That's what we've been missing.

MS. SLUSARCZYK: That's what this rate study allows us to do. Our deficit started just a few years ago, and that happened after we had greater expenses after the first power plant impacted this department. The second power plant was a wish and would have been great. But I take offense to us not being prepared or not planning or our rate the same as the next community. It does not matter what the City of Warren's rates are or the City of Niles' rates are, they don't pay our bills. We pay our bills, our customers pay our bills. This rate study shows you what we purchase, what it costs, and what it takes us to set our rate. That sets our water rates. We had changes in our system. We're not pumping 300,000 gallons of water a day anymore, we're pumping millions more. We're pumping four or five million gallons a day to one customer times 30 days. Our water department has multiplied three times in volume of water. Each volume of water that goes through here if it wasn't sold at ten or thirteen cents a thousand gallons we would be lush in the water department. There would not be any -- that happened, we're living the consequences of that contract. We're trying to fix the consequences of that contract. We cannot resolve or get anywhere with that contract, we're bound to that contract for the next 20 years. These rates in this study is based on facts for our system and our things. Our water department has four employees in the distribution end of it. Our parks department has more than four employees. It's important infrastructure.

MR. KOGELNIK: That's all accurate.

MR. PETERSON: Yeah.

MR. KOGELNIK: You're not gonna find, Mayor, a side-by-side comparison when it comes to the size of your Village and the amount of water you use. And then when you factor in the growth that you've seen over the past 10 years, you're probably competing across the state with numbers like that.

MR. HILL: Well, I'll tell you what. Figure what it would be without the power plants and figure out what your rate would be there, and I'll bet you're still gonna have to raise the rates significantly.

MR. KOGELNIK: Okay. Your point is taken there, I get that. And I think the Board understands that the rates needed to increase. But now that we really have a good understanding of the true costs of the system, we're seeing it's gonna be -- it's gonna need to be more. And that's what everybody is saying here.

MR. PETERSON: Yeah, that's why we're here. We have had CT working on the rate study. There was some certain numbers we were waiting on. Those numbers have now come and that's why we're here. We --

MR. KOGELNIK: And Cindy has as a tool the ability now to drag and drop improvements costs in if she needs to or to split those out and maybe share them with Council so that she can project what the updated user fees need to be for water.

MS. SLUSARCZYK: And like Chris said, every new customer that we bring into the system, our ultimate goal we can realize a 95 cent discount with more customers. We're about 20 million gallons a month now. If we can sell another 8 million gallons a month then we now qualify. Well, I got to subtract the LEC out of the factor, but in that we realize automatically a 95 cent discount from Niles once we can get Foxconn on our system. If we get another customer on Ellsworth Bailey Road -- each customer that keeps adding up as Ultium ramps up, we still -- in my last talks with Ultium they feel that their water is going to be the same -- their water usage is what it is, they don't see too much more growth. So when they come on and said a million gallons a day, maybe two million gallons a day, we knew two million gallons was way too extreme. But if we could get them to 30 million gallons a month, we would secure that contract. But from my talk with Ultium that water isn't increasing any time in the near future. They are only pulling 12 million gallons a month. We have a big new water tower and great big pump station also up there, and those expenses are there whether they use the water or not. So --

MR. KOGELNIK: So Cindy, if we could get Foxconn as a customer, they've told us in the past that they would probably -- they guesstimated that they would use about the same consumption that the former G.M. plant had. Let's say that they don't even get near there. You know, I think the former G.M. plant was averaging between 600,000 and maybe 800,000 tops for flow a day.

MR. CAMPBELL: That's about right.

MS. SLUSARCZYK: Yes.

MR. KOGELNIK: Let's say they get to 250,000 gallons a day and that's it. That meets the 8 million gallon deficit.

MR. SULLIVAN: Well like you said, when Chris and I went and met with them he said by the mid-2025 that they would be using as much if not more than.

MS. SLUSARCZYK: That's why that Hallock Young Road water line has to be constructed next year so they are drinking our water not water from the City of Warren.

MR. CAMPBELL: Back to the project side of things is why I think we can keep it cleaner if Council would help us with the project side of things to get us to the point in a couple years, thank god we have a lot of things coming in our direction. TEC is finished up, we have $600,000 a year coming in just from the meter reading on that side of it. And then we have a couple other businesses, we got Foxconn tied in. So if Council could help with some of these expansion parts of these projects, that eases a lot of our revenue that we could use just to keep us running until we get to the point where we've got all this coming in. So my plan was just trying to get that in the next couple of years of help without having a rate that we gotta put out there that's going to scare off future growth. We don't want that.

MR. PETERSON: The only thing to mention is -- because I've lived this problem -- if your rates are not where they need to be you will not get access to the grant money. Your rates have to be at a certain level to show for grants and low interest loans. Where I work we had to get our rates to a certain level and then open the flood gates. It sounds very weird.

MR. KOGELNIK: We lived a very ugly realization this fall. And when we were a playing for OPWC grants for the Village on two projects we got everything done and we ran the calculator and found out you guys are not eligible because your rates were too low. I couldn't have turned more shades of red that day.

MR. RADTKA: Would it hurt us, Chris, then on the Council side of things to bridge you guys money because that would keep your rates even lower? So does that impact your ability to seek funding.

MR. SULLIVAN: Well, we know that we're gonna, even with the help --

MR. PETERSON: Even with the help we still have to do an increase.

MR. RADTKA: I understand that.

MR. PETERSON: We're gonna have to re-adjust.

MR. RADTKA: I guess I'm asking what level does it calculate your funding to what you're asking for.

MR. KOGELNIK: That's a good question. But I can only answer that by the way Chris Peterson answered. That's it. No matter how much money you give to the Board for capital improvement projects they still have to raise their rates. That's just that's the brutal fact.

MR. RADTKA: I understand we're gonna have to -- the Board's gonna have to raise a certain level. But I was just asking if we give you too much, would it impact your ability --

MR. PETERSON: I don't think there's such a thing as too much.

MR. RADTKA: Do you understand what I'm saying?

MR. PETERSON: We still have to increase.

MR. KOGELNIK: Let's put that into like an exercise. We've already asked Cindy if she's included those projects, capital projects, into her analysis; and the answer was no. All she's included was Hallock Young, the connector water line.

MS. SLUSARCZYK: 2024, yeah. That's it.

MR. KOGELNIK: So you haven't given money to the Board of Public Affairs to share in that capital yet, and so that's the proof right there.

MR. RADTKA: You haven't calculated any of that money you got for grant already for Hallock Young?

MR. KOGELNIK: They're just calculating based off the debt that they're seeing right now, the rate that they are including into their carry-over.

MR. HILL: One problem which goes back historically, I'm going back 20, 30 years, when the BPA was there and the Village was subsidizing the Water Board for years, nobody ever attends the meetings. Like nobody attends them here except for people who have got gripes. But if Niles would pass on a cent or two or three cents per thousand increase they would get it from MVSD, they would pass it yearly; and then the Village -- the BPA said well that's not that much, we're getting subsidized, we're not going to raise it. If all those little raises 20, 30 years ago would have been implemented when they were passed on, the Village wasn't subsidizing, the rates would be higher than what they are right now.

MR. KOGELNIK: I don't have all of that history, but that sounds --

MR. PETERSON: If that's the case --

MR. HILL: There was times I was the only one in the meeting. MVSD just raised the rates to Niles two cents a thousand or three cents a thousand. They said but we're gonna keep our rates low.

They're artificially low. Now if people want to sit there and make an issue out of this, they're not really artificially low, they were just being subsidized. And now this Board's paying for it a little bit because the rates are artificially low. Now do I want to see you raise the rates, no. But you gotta be self-sufficient.

MS. SLUSARCZYK: Additionally, historically the Village of Lordstown Council put in the water lines and the sewer lines, the Board didn't fund that part of the department. Am I wrong?

MR. HILL: You're correct, the Village paid for those water lines. But then once they became self- sufficient the Council at the time said you guys, it's your baby.

MR. KOGELNIK: Yeah, okay. I follow you. But if you can't -- if you don't do a rate study and you're not looking at that stuff on a yearly basis -- and it's really important right now that you start doing that on a real- time yearly basis because you're growing so fast. You're actually more in a precarious situation right now than you were 20 or 30 years ago when you were referencing that because you didn't have that growth back then.

MR. HILL: Well, depending on the views of the Village now we probably may not get much more growth. We just don't know.

MR. KOGELNIK: I guess that's a valid point too. But you know, we're just -- everybody is riding this roller coaster that, you know, you have for all this growth coming that you had coming in.

MR. SULLIVAN: But just with TEC and Foxconn is what, a million gallons a day between the two of them?

MR. KOGELNIK: Who, TEC and LEC?

MR. SULLIVAN: No, TEC and Foxconn.

MR. KOGELNIK: Well TEC, their peak rate is gonna be 5.5 MGD. And Foxconn, if they're gonna be accurate about their statement, they, might get to about 800,000 gallons a day. So you're talking about a number that exceeds 6 million gallons per day. The Village -- the residents and the businesses in the Village -- correct me if I'm wrong, Darren -- you guys use around 450,000 gallons a day.

MR. BIGGS: There's times in the summer where 160, 170 million gallons go through here a month.

MR. KOGELNIK: In a day.

MR. BIGGS: Do the math, Chris.

MR. BOND: Six million a day.

MR. KOGELNIK: So --

MR. PETERSON: And something that it's happened in other communities, and I just want to make sure everybody understands, if we cannot sustain the department and something bad were to happen, the E.P.A. does have the right to come in and say these are your new rates. They've done it in other communities. A community that just cut their rates historically low and some issues happened, and the E.P.A. came in and said these are your new rates and it was ruled that they had the power to do that.

MR. KOGELNIK: So what does the Village -- what does the BPA want to do with the understood rates that you guys just discussed and the deficit that you might realize at the end of '24?

MR. SULLIVAN: What was it, Cindy? What was it, the minimum of like nine? I thought with the raise, raising the rate --

MR. PETERSON: Yeah, we looked at a lot of different numbers and a lot of different projections. But to take the rates -- Cindy, correct me if I'm wrong -- to make sure I wrote it down right,

$7.76, those are the numbers you gave us which would give us the $311,000 deficit in the year.

MR. CAMPBELL: That's what I remember.

MR. KOGELNIK: Yep.

MR. RADTKA: Well Chris, what would it take to get you guys flush, what would the rate have to be?

MR. PETERSON: To get us to zero?

MR. RADTKA: To zero out.

MR. PETERSON: Cindy?

MS. SLUSARCZYK: Give me one second.

MR. PETERSON: I believe I know the number, but I don't want to tell you the number without her confirming it.

MR. RADTKA: Chris, I think Council would like to know that. I can't speak for those guys, but I would like to know that. And if you're asking Council for help, I mean, I think to take to the others, first thing the other three are gonna say, at least to me, is like well what do they want, how much, 100 grand a year, half a million a year.

MR. BOND: The other question is -- the other question is --

MS. SLUSARCZYK: Ron, our list of bills yesterday just for a two week period was more than $350,000. If you -- I mean, we're buying millions of gallons of water a day, and some of that's money in and money out between paying Warren and Niles. But $100,000? That's what I said even when they said Council wanted to talk. About what? I mean, because I can try to help understand them. But if you gave the Board of Public Affairs $100,000 it sounds very generous. It wouldn't buy us a week if --

MR. RADTKA: Well, that's what I guess -- that's what I'm asking, what's the number you're asking Council for?

MR. PETERSON: So to get the number to zero, Cindy, for the year for 2024 --

MS. SLUSARCZYK: 2024, can't get it to an exact zero. But if I got it to a net revenue of $95,000 ending balance, a carry-over from this year and next year's total $331,000, the rate went to $9.03.

MR. RADTKA: $9.03?

MR. HILL: How does that compare to communities such as Howland or Champion or Bazetta, Cortland?

MS. SLUSARCZYK: I don't have the rate sheet in front of the me, but we did look at that when we had the special meeting. That would put us above and beyond everybody.

MR. PETERSON: That would put us above.

MR. HILL: How much?

MR. PETERSON: It's not top. It's not top but above the average.

MS. SLUSARCZYK: I think Aqua Ohio was the only one --

MR. BOND: In your planning of how we're going to handle this there's been no confirmation of whether you're looking for the subsidy, a loan you're going to repay or what, because you gotta repay all that or a portion of however that figures out is going to affect that too.

MR. PETERSON: Here was my thoughts. My thoughts was a loan, and then once we start realizing the TEC money the loan could be repaid. That was my thoughts. I don't know, Kevin, if you were on the same page as me.

ATTY. RIES: Legally it would be STRUCTURED as a loan with an arms-length transaction. Statutory interest rate is five percent. So as long it's not something that's too low or anything is being given away, it should be an arms-length transaction.

MR. McGRATH: I just have a question. You're talking about $9.03 what, a thousand?

MR. PETERSON: Yes, that would be a thousand.

MR. McGRATH: What's the current rate?

MS. SLUSARCZYK: $5.75.

MR. McGRATH: So you're looking at just under doubling.

MR. PETERSON: Yeah, doubling it. What did you say --

(At this time, there are multiple conversations going on and the court reporter stopped the proceedings.)

MR. PETERSON: What did you have say that your carry-over was?

MR. HILL: What's the rate in Lisbon, Chris? They have about the same amount of customers, correct?

MR. PETERSON: Yes. We don't have the mega users or anything like that, we just have a couple big users and I pump $300,000 a day.

MR. HILL: What's your rate?

MR. PETERSON: Our rate is $7.75. Don't quote me, but I think it's that for in-town.

MR.KOGELNIK: The other thing about Lisbon, you have a smaller footprint.

MR. PETERSON: A lot smaller footprint. You're 24 square miles and I'm about 5 square miles.

MR. KOGELNIK: When you're talking about that term readiness-to-serve it means more in the Village.

MR. PETERSON: Yeah.

MR. HILL: Only thing I would like to say, you might want to approach Council. Ronnie and I are gonna be gone the end of the year. You might want to approach Council and say hey, I know what the intention is, you want to put Foxconn on Lordstown water through Meander -- and I can agree with that -- and say hey, we would like to do that to help increase our revenue. And talk to Council and make -- you know, see what they have to say. See if you can get some grant money and see if you can get some help there.

MS. SLUSARCZYK: That's what we're seeking.

MR. RADTKA: We're meeting with Council tonight to try to get all of us here.

MR. PETERSON: That's what we're looking at. The other part is if we were to make the decision to go to $9.03, I don't know what businesses are in the works or would that make the decision to not come here for some of the projects that you guys have on your side going on.

MR. MOSELEY: What about when you give them that meter raise, they're not gonna like that at all when they're used to 40.

MR. KOGELNIK: I'll be honest with you. From what I am understanding, the cost of water really isn't the issue. I'm not saying that raising it artificially is good. But from what I'm understanding from hearing everybody, the reason that people are putting a business here is based on location. It's logistics all day long. And then the second part of that is labor, labor force, available labor force. Cost is really -- it means a lot, but --

MR. MOSELEY: They just pass it on.

MR. KOGELNIK: Those are the two big commodities that they are looking at.

MR. BOND: Those are your big drivers over the cost of utilities, I'll agree. And over abatements too.

MR. KOGELNIK: Well, the abatements, that's a big thing.

MR. BOND: Well --

MR. KOGELNIK: So -- but that's all I'm telling you is right now we haven't factored in a lot of these big improvement costs that we've been talking about. And the good thing is we're trying to ramp up that ability to be aggressive and go after grant funding for you. Hopefully we get that. But on the -- you know, what you're also doing from this Board is looking at it from just the standpoint of what your rate of expenditure is right now and fixing that, not including the capital improvement costs. So we're doing everything I think right here, it's just that we have to -- we have -- we're gonna have a few years where it's gonna hurt and then eventually it will catch up if we keep after that. But if we don't keep after it, it could be very difficult.

MR. RADTKA: I can appreciate what you're saying, Chris. You know, possibly new business, new industry coming in, okay, they're gonna understand these are our rates. But what -- like Jamie's saying, the guy or the business that's paying $45 a quarter now and you're gonna send him a bill for $1,750 a month --

MR. KOGELNIK: Wait a second, time out. You're taking an exception to an exceptional figure. That was for a 16 inch size meter. How many of those do we have?

MS. SLUSARCZYK: We do not --

MR. RADTKA: I don't know, that's just -- I was thinking those people are gonna lose their mind.

MR. KOGELNIK: I would too if I would have a little two inch meter. So you have to take into account and really understand -- like Cindy and Chris were saying, you have to understand how this is all based off of the meter size. So give him an example.

MS. SLUSARCZYK: A customer -- we have customers with 12 inch meters, that that fee would be $1,235 a meter.

MR. BOND: What is it now?

MS. SLUSARCZYK: It's $15. Okay. But you're talking a $1,200 increase on a $250,000 water bill.

MR. KOGELNIK: So it doesn't really mean a whole lot, Bob. So go to a two inch meter, Cindy. Tell him what today's rate is and then the future rate for a two inch.

MS. SLUSARCZYK: Two inch water meter is --

MR. KOGELNIK: Current and future.

MS. SLUSARCZYK: Sorry, this is so small, I'm trying to line it up, make sure I don't give you the wrong number. Two inch is $97.50 a month.

MR. BOND: Current or --

MR. KOGELNIK: Current or future?

MS. SLUSARCZYK: 2024.

MR. PETERSON: That would be the proposed.

MR. KOGELNIK: So what is it now?

MS. SLUSARCZYK: If they're classified commercial it's $10, if they're classified industrial it would be $15.

MR. BOND: Now about how many twelve inch meters or two inch meters do you have, what type of businesses.

MS. SLUSARCZYK: Two inch meters we have twelve customers according to the study.

MR. BOND: What type business would that serve, some examples?

MS. SLUSARCZYK: Give me one second and I'll give you that answer. It would be some of the farms, Arbor's apartments, the carwash, Antonine Sisters. Tier 3, I think Tier 3 goes into the four to six inch meters, I'm not sure on that. It would be Andersons, another farm, General Motors, then you go up to LaFarge and, you know, Matalco.

MR. BOND: Matalco operates on a two inch meter?

MS. SLUSARCZYK: No, I said we were progressing up. Tier 1 is the carwash, Arbor's apartments, one of the farms, Antonine Sisters.

MR. BOND: I thought we just put an eight inch in there.

MS. SLUSARCZYK: You put an eight inch line in there. Not the meter.

MR. KOGELNIK: So in other words though, this isn't really the huge impact of cost that these businesses would see in my opinion.

MR. MOSELEY: So the impact's gonna be by the thousand --

MR. KOGELNIK: Yes. But it's not really why a business would, in my opinion, put -- decide to locate in Lordstown. I really don't think that's the real reason here. What you have is you have location, you definitely have that. So I don't -- I just don't -- I'm not seeing that from the standpoint of decreasing growth, I really am not.

MR. RADTKA: I don't think it would impact future growth too much, but I think you're gonna get the gripe from the existing.

MR. KOGELNIK: I would too. Yes, I completely agree with you.

MR. PETERSON: I agree.

MR. RADTKA: Because the people come in, okay this is just the cost of business. If I want to locate here this is what it costs me, and I know that coming in. But the people that are already here they're gonna be like well, I've operated this long and now you're raising me this much. That's where you're gonna get --

MR. BOND: Your percentage of increase in the water rates for your residents is quite a bit. Is it the same percentage as you go up through the tier to bigger users?

MS. SLUSARCZYK: They chose to eliminate the tiers. It will be one flat water rate.

MR. PETERSON: Everybody pays the same. So I guess here's my idea --

MR. BOND: Now isn't that gonna have a bigger effect on your big users?

MS. SLUSARCZYK: Our largest users are contracted to a special flat rate now. Our largest users, Bob, are contracted to a flat rate.

MR. BOND: But ones coming in the future or even your medium size users that are taking 100,000 gallons a day, if they are paying the same rate as the houses is that gonna influence development in that respect? I think that's a pertinent question. I mean, I like the idea of everybody paying the same price, don't get me wrong. But I think you may find some push-back from some of your businesses.

MR. PETERSON: I guess my argument to that is the bigger businesses do cause more wear and tear on the system then, so I think they should have to pay the same amount as --

MR. BOND: Then why did we ever have this tier system?

MR. PETERSON: I don't know why the tier system was originally put in. I assume it was for General Motors.

MS. SLUSARCZYK: No, the tier system -- going back to the minutes of the Board of Public Affairs, it's what the Village of McDonald had in place when the Board of Public Affairs was created. They adopted it and followed it and it never changed. We brought it to -- many years back we brought it to the Board's attention that we have a decreasing water tier so it encourages more use. Well, the customer that demands more use and flows through the tier, you know, more than 6 million gallons, were pumping -- you know, they have more expense -- or we have more expense because of that customer. Their demand causes higher electric bills, higher pumping bills. They were, in essence, getting a discount to stress the system more than what -- you know, you turn your faucet on or off Darren's not gonna notice it in the system. One of those businesses turns that water off or turns it on, he notices it in the system.

MR. PETERSON: And I did ask around to other systems because you were talking to people. There are some communities that have tiers; but far more are in-town and out-of-town rate, and that's it for the purpose of billing. Because it just becomes -- on the billing side it's more of a nightmare when you start doing tiers.

MR. HILL: It's like going to McDonald's and super-sizing. You get a discount, but all you do is get fat.

MS. SLUSARCZYK: You pay for it in the end, don't you.

MR. PETERSON: So I guess I'll ask you gentlemen, if you were to go to the $9.03 rate that would sustain the department, that would not give us any extras --

(Mayor Arno Hill leaves the meeting at this time.)

MR. PETERSON: -- that would just -- the carry-over would not change much, it would stay about where it's at now, correct? That's the numbers I wrote down.

MS. SLUSARCZYK: I don't want to speak to our carry-over for 2023.

MR. PETERSON: Because you're still trying to figure --

MS. SLUSARCZYK: We have to clear that Ultium project off of our books. As you are aware, the first change order with Ultium CB&I was 220-some thousand dollars, the last was 590-some. Those are credits. So if we had $850,000 on our books that we're gonna have to give back to Ultium or -- maybe because there's -- the project is not complete, you know, a certain phase of the project is complete. And in talking to, I think -- I don't know if I spoke to you or Chris Brubaker. We're hoping to have those final figures by like maybe next Friday.

MR. KOGELNIK: Yes. So that's our objective is to help you close that out by the end of the year.

MR. PETERSON: All right. So if we were to go to the $9.03 rate that would sustain the department through the year of 2024. We wouldn't lose any money, but we wouldn't really gain any money. Do we just ask Council for the option of a certain dollar amount in case something were to happen in that year, that we have access to additional funds if we need it? So that means we leave the rate there the same; we'd have to look at 2025, but I'm not sure if we would be sustained through 2025 also.

MR. SULLIVAN: So you're talking about going from the --

MS. SLUSARCZYK: I am -- I don't understand. You said keep the rate the same, keep the rate at $5.75?

MR. PETERSON: No,no,no. The $9.03 that you discussed. The $9.03 that you discussed that would sustain the department through the year.

MS. SLUSARCZYK: Absolutely.

MR. PETERSON: And then we have a back-up if we ask Council hey, you know, say we have a major break on that 24 inch or something that we know we're gonna spend a lot of money, we have an option of a loan through Council. Would that make sense? That would keep our carry-over where we're at, and the money is just there if we need it. Or do you want to use the money to keep the rate down? I know you want to use the money to keep the rate down.

MR. CAMPBELL: I would like to use the money to keep the rate down.

MR. KOGELNIK: Let me ask a question. When would you start to see the revenue from TEC?

MS. SLUSARCZYK: 2025. The water -- Warren water line is not even under construction.

MR. KOGELNIK: So if you were to get a loan from Council at 5 percent you'd have to pay them, you wouldn't be -- you'd have to pay them out of your current budget right now and you would have to hope that you're gonna limp along. Is your $9.03 going to allow you the amount to pay the Village down on that loan?

MS. SLUSARCZYK: There's no factor in the rate study for that.

MR. PETERSON: No, that's not even added in the rate study.

MS. SLUSARCZYK: I think a thought that you need to consider is what is in the rate study is the money for the Hallock Young waiter line connector, the project --

MR. KOGELNIK: Take that out.

MS. SLUSARCZYK: If the project goes through next year and whatever funding we get or we do not get from that, if Council secured the funding and then we -- in 2025 or 2026 when that came due and we started having to pay it, if anything ask them -- we should have a much clearer picture by then. But then that dollar amount is eliminated from the rate structure, you can come up with it, but that's only a temporary fix. Temporary fix. We thought the 95 cents and TEC-- you know, again if we get more water sales, the water sales alone if we hit 28 million gallons and Foxconn drinks water and they get connected to our system, we hit 28 million gallons, we automatically bring in $26,000 a month in savings on just another 8,000,000 gallons. More water usage goes up, more savings we have. So we could do what follows for the next three weeks --

MR. PETERSON: We knew that was to get us the discount, that's the reason it was in the rate study.

MR. RADTKA: What's the cost of that, Chris, do you remember?

MR. KOGELNIK: Of what?

MR. RADTKA: The interconnect, Hallock Young.

MR. KOGELNIK: It was around 2.16 in the rate study I have.

We have 1.875. We're trying to go after grant and grant and grant on that.

MS. SLUSARCZYK: Which you sent an e-mail out earlier today and the office manager left, we could have made sure he seen that.

MR. KOGELNIK: Let's try and contact the County Commissioners to try and see if they would help us pay for some of that out of the ARPA funds, okay. That's important. And then let's go after that project on the O.D.O.D. funding coming up for January.

MR. RADTKA: Along with the 24.

MR. KOGELNIK: Like you and I talked.

MR. SULLIVAN: But that has to be -- we have to have our ducks in a row before the first of the year, correct?

MR. KOGELNIK: Not to go after those applications for grant.

MR. SULLIVAN: How much time do we have?

MR. KOGELNIK: You have until December 18 for the capital budget, and I'm already working on your request for that. And then you have January 17 for the O.D.O.D. funding. So --

MR. SULLIVAN: And do the rates have to be raised to a certain rate where we would be eligible?

MR. KOGELNIK: So that's a good question. But I don't think that that's going to apply to that particular funding.

MR. PETERSON: That particular funding mechanism I don't think so.

MR. KOGELNIK: Your question is 100 percent applicable to OPWC. So if you didn't raise your rates going into '24 you're not gonna get any funding for OPWC.

MR. SULLIVAN: But is there a figure?

MR. KOGELNIK: Yes. So typically with OPWC your grants that you normally would go after in our region are only around $300,000 or $400,000 tops. That's not a big bank for your buck. You're not gonna raise your rates to only get a little grant.

MR. PETERSON: The Hallock Young, is there -- the Hallock Young, is there a WSRLA loan on that?

MR. KOGELNIK: Yes, Chris.

MR. PETERSON: That payment would not be there anyways, so we can typically take that out of the rate study.

MR. KOGELNIK: That's what I'm suggesting, that cost might be influencing that number. Try and take that number out and tell us what the rate is, Cindy.

MR. PETERSON: Yeah. That payment wouldn't even start until middle of 2025, beginning of '26.

MS. SLUSARCZYK: That revenue at the end of 2024 gives us $318,812 with an ending balance of $554,580. So it gives you about a half million dollars carry-over and net revenue next year if you pull the money allocated for loan payments or --

MR. PETERSON: That's with the rate at $9.03?

MS. SLUSARCZYK: That's with the rate at $9.03.

MR. PETERSON: That's what, the rate at $9.03 right now?

MS. SLUSARCZYK: Yeah.

MR. PETERSON: That's what I was thinking. So if we were to back that rate off some, what could we bring that rate down to to make it revenue neutral technically.

MS. SLUSARCZYK: Well, you're gonna have to give me a few minutes to play.

MR. PETERSON: That's fine.

MS. SLUSARCZYK: I just plugged in $7.76, and we were still in the negative. That's what was presented to us. Let me just jump around a little bit. $8.00 doesn't cut it either. So at $8.25 your net revenue for 2024 would be $68,402.

MR. KOGELNIK: Interesting.

MR. PETERSON: What's that put the carry-over at?

MS. SLUSARCZYK: $304,170. The carry-over's -- it's so vague right now because --

MR. PETERSON: I know.

MR. KOGELNIK: Is that a safe approach?

MS. SLUSARCZYK: $68,000?

MR. KOGELNIK: No, not that. Is it a safe approach to remove that capital cost, that improvement cost for Hallock Young's connector and use a rate for 2024 of -- what was it, $8.03?

MR. PETERSON: $8.25.

MR. KOGELNIK: $8.25.

MR. SULLIVAN: You're going up $3.00.

MR. KOGELNIK: What's that, Mike?

MR. SULLIVAN: You're going up three bucks.

MS. SLUSARCZYK: $2.50.

MR. KOGELNIK: It's obviously a lot more palatable.

MR. PETERSON: It's better than $9.03.

MR. KOGELNIK: But we have to land grant money for that project to get that going.

MR. PETERSON: Again, that's just -- that's just getting by. So while we have Council here, is that something we want to secure in case something were to happen? Because again, $304,000 even is not a large carry-over if something big were to happen.

MR. RADTKA: I guess it all depends on what you're asking Council for, Chris. I mean, if you came and asked them next a year from now hey, I need -- we need 50 grand or are you gonna come and say hey, I need $500,000. That's a totally different conversation. So I don't know if you can get a commitment of Council yeah, we're gonna bridge you next year not knowing, you know --

MR. KOGELNIK: It would only be a dollar amount. We would have to decide on a dollar amount and we would know that that's our cushion, I guess. And hopefully we don't need it, hopefully we're okay.

MR. MOSELEY: Let me ask you a question. I know she said something about that tier system. Could you just raise the residents to a certain rate and raise the businesses to a higher rate or no? Like say you raise the residents to $7.00 and you raise the larger water users to $9.00.

MS. SLUSARCZYK: In essence you're doing that through the readiness-to-serve because the $7.00 is not the cost of water, it's their cost on the system. So the readiness-to-serve fee is basing their need based on meter size. If you have a twelve inch meter you need more so that it's captured in that fee.

MR. BOND: But there's only $1,000 there on a 12 inch, wasn't it?

MS. SLUSARCZYK: Yeah, $1,235 or something. One with a thousand a month is a lot.

MR. BOND: It -- that's a lot different than if you say raise their rate to $7.00 and $9.00 for the business.

MS. SLUSARCZYK: That's per meter. The water customer that has a twelve inch meter on could have a back- up meter or secondary meter so they might have --

MR. BOND: Is there a fire line charge or anything of that nature?

MS. SLUSARCZYK: If -- it depends if the fire line is metered or non-metered. They discussed that in the last meeting as well.

MR. BOND: That's based on volume, or how do you figure your fire line charges?

MR. SULLIVAN: What about LEC?

MR. PETERSON: They have a contract.

MR. SULLIVAN: So they're out of the picture.

MS. SLUSARCZYK: The readiness-to-serve fee will be applied to all customers.

MR. SULLIVAN: So that would apply to them too?

MS. SLUSARCZYK: It will apply to all customers.

ATTY. RIES: It's being incorporated as part of the Water Department's regulations, and the LEC contract defaults to those regulations that we may change over time. So that's how we're able to get it in.

MR. CAMPBELL: I remember from Paul stating, I don't believe we can charge a different rate for customers. He always said that. I don't know if we can.

MR. PETERSON: Matt, can you charge industry more money than you charge residents?

ATTY. RIES: Typically no.

MS. SLUSARCZYK: Even Bob -- if you remember Bob McNutt telling you those standards for water rates ethics; and it's fair, equitable, and defensible.

MR. PETERSON: The readiness-to-serve fee you can justify, but I don't think you can charge a business --

MR. MOSELEY: But somebody who has a contract can get a better deal.

ATTY. RIES: Yeah, I mean -- there are -- that's --

MR. MOSELEY: So me as a homeowner, I can say I want a contract to buy water and I can cut a better deal? I'm just saying it's good for one but not good for the others, but the others are the ones that are gonna pay for it.

MS. SLUSARCZYK: And a different rate. You have 40-some customers that are between the residential and the contracted customers that we have. Those 40-some businesses are not going to -- you would significantly have to -- you would chase them right out-of-town raising those 40 customers' water rates to try to compensate for what the need is in the department. It would be insane.

MR. BOND: That would include places like Anderson DuBose, you're telling us, and Matalco and stuff like that?

MS. SLUSARCZYK: If you wanted a different rate for them, that's the 40-some that don't have a residential meter and aren't under a contract.

MR. BOND: You feel they -- okay.

MR. PETERSON: Thoughts?

MR. CAMPBELL: That's all I had.

MR. SULLIVAN: Well, just what Kevin said. If we have to do --

MR. CAMPBELL: If we're making a lot of changes I think from readiness-to-serve we're doing one rate, we're increasing our rates, I would just like for us to keep it maybe on the shy side just to see what this first year looks like. We have a lot of changes to our system. And if we get some other customers that increase some of their usage it helps balance it out and we get to the point where we can get some of the penalty that we're paying to Niles, you know, by getting Foxconn or somebody in there, a lot of these things really come in our favor. Take a year and settle in and let's see where that's at rather than shoot what we think right off the bat right now, because we've seen our system change so much in two years. That's my two cents.

MR. PETERSON: So I guess Council is asking what the dollar figure would be.

MR. CAMPBELL: Well, are they interested in helping with the project side, because that's where my mind was. I mean, if they're interested in helping with the project side of it, all right, you're gonna handle the project stuff, and we can -- whatever the project is gonna be for it, and we can work out once we had like that project 2025, we're getting close to the point where we're gonna start seeing some increase in revenue, and hopefully before that point Council loans us enough to bridge us and we can look at jumping or helping out with the revenue. When I first started this job, you know, it was always instructed to us we maintained and operate this system, we did not worry about growth and expansion, that was on Council side. So I'm still under that thinking in my mind. So take that for what it is, but you still need cooperation from the other side too --

MR. PETERSON: Absolutely, yeah.

MR. CAMPBELL: -- to see this come together.

MR. PETERSON: We just don't have the funds to install new --

MR. CAMPBELL: We had $1.5 million in the bank and G.M. was still here and we were doing well. That was part of the agreement we made with LEC because at that time everything was looking great. It's changed a lot since then.

MR. RADTKA: And I agree, Kevin, because Council was in the same position back then. General Motors was here, we were all fat. And then, you know, they pulled the plug on us, you ate into your deficit, we ate into our bank account over the past, you know, period of time because we've been trying to maintain. So now we're just starting to crawl back out of our hole. So I guess I mean --

MR. PETERSON: We're not looking to put you back in hole.

MR. RADTKA: So Chris is asking will Council help. Well --

MR. CAMPBELL: You can only help so much.

MR. RADTKA: Because we don't know where we're at budgeting into next year. We did the whole thing with the fire department this year, so there's a lot of checks in our budget this year.

MR. BOND: What Ron is saying, we can't take and agree to a -- just a blind amount.

MR. RADTKA: We don't know what that number is.

MR. SULLIVAN: I don't know how Darren limps along with the three employees with the pulling more water than Warren or Niles. I mean, it's unfathomable. And at some point it's gonna break or we're gonna have to step up to the plate.

MR. RADTKA: What you're basically coming to the bank and asking for money, but you're not telling us how much you want us to loan you but you want us to approve your loan.

MR. BOND: That's what I mean.

MR. MOSELEY: Do you want a grand or do you want 10 million?

MR. PETERSON: I want 10 million.

MS. SLUSARCZYK: They don't have it, I can tell you that.

MR. SULLIVAN: I guess we owe you an answer for that.

MR. PETERSON: We owe you an answer, and I don't want to give you a blind number either. Now that we've adjusted the rate a little bit I would like to --

MR. MOSELEY: Still gonna have a number.

MR. BOND: I would like to have a number and get more Council here.

MR. MOSELEY: You're still gonna raise the water rate. What's that gonna be? $9.03?

MR. PETERSON: $8.25 and -- I mean -- it's better than $9.03.

MR. CAMPBELL: I would love to see it around the $7.00 and $7.50 mark.

MR. PETERSON: The $7.50 mark, Cindy?

MS. SLUSARCZYK: To be honest, what Bob had sent me, the rate study untouched was $7.76. So -- and that's -- I mean --

MR. RADTKA: That's still running into a deficit next year.

MR. KOGELNIK: All right. But even so, you had a number of $311,000 deficit at the end of '24 with that $7.76 number. It's something that's known.

MR. PETERSON: We would have to ask Council for --

MR. RADTKA: But that was using that Hallock Young number.

MR. KOGELNIK: You know, but she can pull that out. Mike brings up a good point. He needs another guy, Darren needs another guy in that department. And I can tell you there's things break. You plan on it. I mean, we're talking about some things right now with the existing 24 inch water line that are gonna need to be tended to sooner rather than later.

MS. SLUSARCZYK: Which are not part of the figures for next year.

MR. KOGELNIK: Exactly. So I think you need to plan for that when you --

MR. PETERSON: So what you're saying is you think the $8.25 is a safer number?

MR. KOGELNIK: I'll be honest with you, yeah, that's the realistic thing.

MR. PETERSON: And I don't disagree with you, as much as I'd like to.

MR. KOGELNIK: I'm sorry, but --

MR. PETERSON: No, no, I understand.

MR. SULLIVAN: And half the Village -- Darren, how many people in the Village are on the old water lines like Lydia and Bailey Road?

MR. BIGGS: That line runs from down Salt Springs, Lydia, Elizabeth, all those places over there, hits 45, goes up to the Commerce Center, hits Huffman. We had a break today and we had a break yesterday on a 50- year old. That line there is in the 50s. I mean, we're getting them, we're doing what we can. I mean, we could hold off on all this stuff and hey, I want to do it and we need to save, everybody wants to. But you know what, everybody wants water too and to be able to take it away. In order to do that you gotta be prepared for it. You know, this nickel and diming all this stuff and back and forth, well that's a hell of an increase, that's a hell of an increase. Okay. How about the increase in the year that we didn't, the other year that we didn't, the other year that we didn't. Did anybody think of it on then? It's all I've been hearing all night long here back and forth with this or it's not my fault. Everybody else is getting stuff and, you know, I'm just finding out what the deal was with Council and now we need an equity loan. I never heard of such a thing, you know. It's just really odd we can't even get a loan, you know. So they're gonna authorize a loan, to give them a loan, and it was like okay, what are we doing here guys. Take every project out that we need to plan on? We gotta have a plan. We've been working on this over two years and doing absolutely nothing. Now we're taking everything out of the plan to do nothing. Nothing. Now Council, yeah, that's nice if they're able to help us out, we work together, that's great. Every money they get goes elsewhere. Any House bills, CARE Act, any pilots or whatever else, when they hurt other systems by doing those did they offer you guys any money? Maybe you should ask for that. We're a department in Lordstown too.

MR. PETERSON: That's not a bad point that he brought up. Any money you guys get access to --

MR. BOND: We voted on the LEC contract when the BPA said they could live with it.

MR. RADTKA: All the agreements have been made through both parties.

MR. BOND: Instead of you developed a new tier system and never even got a chance to present it.

MR. KOGELNIK: Well, I think with these --

MR. BOND: Now this is the past.

MR. KOGELNIK: I think with these agreements you've learned from that and you're reacting. Now do what you need to correct that. So, but --

MR. SULLIVAN: Well, and --

MR. KOGELNIK: Darren's correct too. You can't just circle these projects out of the plan. You can't because what did I just say about connecting customers. We need -- one significant customer is both gonna get us revenue and help to also save on residential costs. It has to be the goal. So if that's the goal, then would Council help to pay for that project, say half a million?

MR. BOND: What all has to transpire before you would be ready to hook Foxconn up?

MR. KOGELNIK: You have to authorize the project to go to construction. It's designed, it's on paper, and it has a permit.

MR. MOSELEY: How much is that?

MR. KOGELNIK: It's done.

MR. CAMPBELL: He meant the project.

MR. KOGELNIK: $1.8 million. So --

MR. PETERSON: And we have secured some funding on that.

MR. KOGELNIK: All we have done is nominated the project through WSRLA. That's for sure. You're gonna get a loan. But what we haven't got is a grant. We've applied to numerous agencies for a grant. One agency that you need to go knock on their door is the

Commissioners. They have the ARPA funds for some of that project. So I'd really make a concerted effort to find an answer from them before the end of the year on that. So that's one piece of money. And then the other would be through O.D.O.D., and that's the one we're gonna be applying for in January.

MS. SLUSARCZYK: When would we have an answer from O.D.O.D.?

MR. KOGELNIK: I would think that you would have some sort of indication by April.

MR. RADTKA: Chris, did we get a commitment?

MR. KOGELNIK: Hold on a second, that's a good question. The question is when would you have to spend it if you have got it. And they already have told us that that would have to be done by October of 2026. So it's a finite term of use. What was the question, Ron?

MR. RADTKA: Didn't we get some -- was it $500,000?

MR. KOGELNIK: We were applying to ARC for project for $500,000. Unfortunately, it scored number nine on the list so you didn't even get close. And the reason was because it was we requested more for that project than any other community asked for on other projects which were around $200,000 or $300,000 and we only had one customer, Foxconn.

MR. PETERSON: It's a hard project to get funding on because it's gonna generate -- looking from the outside in, okay, you want to hook them in because you're gonna generate more revenue for your department; then go spend your money, you're gonna get a return on that. What they are looking at is hooking in new customers that don't have water.

MR. KOGELNIK: Absolutely. I also learned that the hard way after speaking with U.S.D.A. recently. They want to hook up as many rural customers as possible, they don't want to hook up Joe-Schmo industry.

MR. MOSELEY: Like they did with Farmington.

MR. BOND: They would sooner have a lot in the midwest that's rural water projects.

MR. KOGELNIK: At least we didn't have to bark up that tree for funding. So you know, but these earmarked funds we have to land these and, you know, through the ARPA and O.D.O.D.

MR. SULLIVAN: Which one goes through the Commissioners?

MR. KOGELNIK: That would be the ARPA funds, ARPA, American Recovery Program. So Cindy and I worked on that one, and the Hallock Young connector was number one and the booster station was number two. But I would definitely plan on what it would do to bring in a new employee to Darren's department and plan for, you know, some expenditures for maintenance. You're gonna have to.

MR. PETERSON: I don't think we can go under the $8.25, I really don't. I don't know what your guys' thoughts are.

MR. CAMPBELL: It is what it is.

MR. PETERSON: I agree with you. I'd love to but -- Mark, I'm sorry.

MR. McGRATH: Could you have two increases over the year to get you to the $9.03? Do the $7.76 and then in the second half of the year increase it to the $9.03?

MR. PETERSON: I know to increase the rates with the special -- Cindy, do you want to speak to that?

MS. SLUSARCZYK: When somebody's using water I can't increase rates during that billing cycle. So if they pass tonight a rate increase, I can't change the rate until the end of the billing cycle, which we just read on like the 28th. So, the next month on the 28th, whatever cycle that is, the rate in three months from that I could bill them on that bill, three months from next billing on the 28th. So it's so far out there because we do cycle billing and everyone's not billed at the same time. It's very difficult to do. Could it be done? Yes, it could. It's just that for what purpose. You're only gonna collect now -- if they passed it tonight, I can't bill against it until December 28 when meters are read. So from December 28, January 28, February 28 start meter reading is the first time I can bill it. I'll bill it in March and I'll collect it in April. So it's a five-month billing process.

MR. McGRATH: So you wouldn't --

MS. SLUSARCZYK: You would only see two months before the next one. So is it working? We can see figures here, but we really don't know how this plays out because in the winter months you use less water than you do in the summer months. People will cut back usage, etc.

MR. McGRATH: Just trying to see how you could get -- it looks like you need the $9.03.

MR. PETERSON: $8.25.

MR. McGRATH: Well you said $8.25, but that's --

MR. PETERSON: That's taking out the project, which I think we're still okay with because none of that would be realized next year, correct?

MS. SLUSARCZYK: No.

MR. PETERSON: The loan payment wouldn't even come out next year.

MR. KOGELNIK: Do you understand that?

MR. McGRATH: So you're saying the loan, if they took it say from a bank or something?

MR. KOGELNIK: Well, Ohio E.P.A. Yes.

MR. McGRATH: Okay. So you don't really need to worry about that until --

MR. PETERSON: Until 2025.

MR. KOGELNIK: And if we got that funding through O.D.O.D. it's specific for gap funding. Did you hear that?

MR. PETERSON: No, I didn't hear that.

MR. KOGELNIK: So they want to help to pay for projects that have some funding to cover a gap. So it's -- this would be in that perspective a very good project. So I'm really hoping on that.

MR. McGRATH: So you would be better off going with the $8.25.

MR. KOGELNIK: At least.

MR. McGRATH: Well that's what I'm saying, get to -- I mean, the $7.76 is like a 26 percent increase, you know, in the water rate. $9.03 is 37 percent. $8.25, of course, falls in there. Like you said, $8.25 at least. It's just a matter of what the toleration level is of the water user.

MR. KOGELNIK: At this point you've already done -- you've already set it in motion.

MR. McGRATH: Yes.

MR. PETERSON: Conventionally, after a rate study most rates go up between 30 to 45 percent. I looked that up. That's how far the rates are off.

MR. McGRATH: I understand everything you're saying about the need for this 100 percent. All you're talking about is how to get there. And so it's just a question of do you want to get bitten in the butt twice or once.

MR. KOGELNIK: Well --

MS. SLUSARCZYK: I think two factors the Board has to consider is Ultium. Like I said, they still plan on bringing on additional employees, words out of their very own mouth. The impact that that may have we don't know and to see what their full production really comes out to be. They just got full access to the water tower and pump stations in the last couple months. So next year I think we'll see a better trend with that customer. If we connect Foxconn and get them on our system, again that comes into play. 2025 comes around and we have those customers using water, if we hit that 28 million gallon mark there's a 95 cent discount on every thousand gallons of water that comes in here.

MR. McGRATH: But -- so you're still at $8.25 then?

MS. SLUSARCZYK: It's possible. I mean, the more water they drink, the less we have to raise that water rate. But we pushed it off for two years. I mean, we could do this, we could do that; but next year our figures are showing us we can't ignore it anymore.

MR. PETERSON: You can't kick the can down the road.

MR. McGRATH: Because Darren needs people and you're talking money. He probably needs two.

MS. SLUSARCZYK: Our size of facilities we were told ten. He's got four.

MR. McGRATH: All right. So he needs at least one and some more. So there's an increased cost while you're talking about possibly having increased income to too and some of the other issues that may come about over the year. You've talked about those variables twice that I've heard. I mean, you gotta do it now, I guess.

MR. KOGELNIK: You do.

MR. McGRATH: So there's a cost too. I don't know, just bite the bullet.

MR. MOSELEY: What if you billed every month? That way you're not financing everybody's water. You're getting your money faster without waiting.

MS. SLUSARCZYK: That -- I'm gonna argue that statement. If I bill you every month it costs 66 cents to mail you a bill. There's one person doing the billing up there. Darren, could you read those meters and get them to the billing office every month? Do you have the time with you and your three staff members to do that?

MR. BIGGS: Nope.

MS. SLUSARCZYK: Okay. Thank you.

MR. MOSELEY: What if you did it online? I know you guys don't like to hear it.

MS. SLUSARCZYK: What if we do it online? That's a $10 fee per customer, okay. So now which is --

MR. MOSELEY: If they got their bills online -- if they got their bills e-mailed it's free.

MR. CAMPBELL: Still gotta read the meters.

MS. SLUSARCZYK: People -- we mail the bill, they say they don't get their bill. We're sending out 100 and some shut-off letters a month sometimes and "I didn't get my bill", "I didn't get my bill". And the seniors -- the age demographics of the Village is changing, but the majority of the Village is still senior. If you emailed my mom and dad their water bill it's never getting paid because they don't even have an e-mail address anymore.

MR. RADTKA: Well I think, Jamie, the ones that want it can get it.

MR. MOSELEY: It would be an option you wouldn't have to mail it to them. Just like going into your bank account and looking. If you have the right system you could log in, look at your bill and pay it.

MS. SLUSARCZYK: When you have software it's e-mail and print or e-mail. I mean, they can't say oh, I'm gonna e-mail you, I'm gonna put a paper bill for you, I'm gonna print this one.

MR. PETERSON: We do it every day at work.

MS. SLUSARCZYK: You split the billing?

MR. PETERSON: Yeah. There's people that are automatic payment, credit card --

MS. SLUSARCZYK: Automatic payment is way different than automatic billing.

MR. PETERSON: There's people that get e-mailed their bill. But they have to go in and sign up. It's on a program we have. You have to go in and sign up and they get their bill e-mailed.

MR. SULLIVAN: We had gone through that and there was a cost. Like if you were doing it through your credit card there's like a 50 cents per bill cost for that.

MR. PETERSON: We pass that cost on to the consumer. So if they want that option --

MR. MOSELEY: You don't pay your property taxes the same way, they just charge you more.

MR. RADTKA: What do you guys do down there, Chris, or --

MR. PETERSON: We're monthly bill. But we have a meter system that I can sit in the office, push a button and read every meter in town. We don't have that here yet. We went to a monthly billing -- we were on a two month billing before and we read every meter by hand. We switched to a monthly bill after we put all the new meters in where you can read them through the office.

MR. RADTKA: So it's something we could strive to work towards in the future.

MR. PETERSON: We can update our meters to that system.

MR. CAMPBELL: It's a whole project in itself.

MR. RADTKA: I'm sure.

MR. PETERSON: Probably here you're looking at a million dollars. I'm just throwing a number out there. I know what it cost us, and you guys have a lot more --

MR. SULLIVAN: I know when we tried to do it Bill was absolutely against it. In fact, he came to a meeting and says no way was his department ever gonna do that.

MR. PETERSON: That was before me.

MS. SLUSARCZYK: They've had --

MR. SULLIVAN: Bill Blank isn't --

MS. SLUSARCZYK: They've stated to us certain times to check it out. And for payments you have a vendor fee with a credit card company or whatever you're gonna take, and then you have to decide if you're allowing people to call in and make a payment. There's all these. But it's three percent, four percent plus the service itself. It's just like you using your credit card. Every time you swipe your Visa card and pay somebody they're charged four percent. So when you pay the restaurant $100, four percent of that bill is paid to Visa or Mastercard.

MR. PETERSON: We pass that on to the consumer.

MS. SLUSARCZYK: You don't want to raise your rates from $8.25 to $9.03, but you're gonna have to put that factor into that situation if you're gonna start paying a credit card company. And then you have insurance to have the ability to hold somebody's credit card information on file and security and all those things.

MR. PETERSON: We don't do that. That's done through the company.

MS. SLUSARCZYK: That's a third party, so you're paying somebody to do that for you. So that's a fee. So if you pick A, B, C, or D it's a fee. You can do it, but it's not ready and there's fees. So those fees are not part of this rate study. Again, you're talking about charging additional fees when you don't have enough revenue to cover your expenses now. So you've gotta take it one step forward and see how it plays out. Again, those things can all be planned for. Bill is getting more acceptable of technology. But it's not the solution for this problem.

MR. PETERSON: No, no, that doesn't fix this.

MR. MOSELEY: I'm just thinking that gets your money faster rather than waiting three months.

MS. SLUSARCZYK: We don't wait three months. When we bill you, we had read your meter, you get a bill about the 15th, you have until the 4th to pay it. It's three weeks. So if I bill you every month it's not gonna be any faster.

MR. PETERSON: I think what he's saying is how do we pay Niles.

MS. SLUSARCZYK: We pay Niles every month, but we bill our customers -- our large customers, LEC, TEC, Foxconn monthly.

MR MOSELEY: They're monthly.

MS. SLUSARCZYK: -- are billed every month. The big expenses are billed every month. I hate to say it, but your 1,476 residential customers is a pittance compared to just LEC alone.

MR. CAMPBELL: That's why we do them that way, because we know.

MS. SLUSARCZYK: We couldn't afford to extend our payments out to them. We could not carry that.

MR. KOGELNIK: Your questions been asked a few times before though. It's a good one.

MR. RADTKA: People don't like change.

MR. KOGELNIK: Cindy has looked at this inside, down, and 14 ways.

MS. SLUSARCZYK: Whatever is easiest I'm all for it because the time -- I mean, it's not just -- look, like I said, we don't have the -- if it could be automated it would be great.

MR. KOGELNIK: You need to start increasing it. So based on what I heard, based on the calculator you have, I don't know why you wouldn't start out at $8.25.

MR. RADTKA: So it sounds like you guys are at $8.25 a thousand, and you're looking at trying to come up with number to come to Council for a bridge if something happens.

MR. SULLIVAN: Right, exactly.

MR. CAMPBELL: Or from the project side.

MS. SLUSARCZYK: I think if they secured the project -- just from listening to what everyone said, okay. If this project is $1.8 million, okay, and we don't know when it's gonna start and we don't know when it's gonna end and we don't know when the first payment's gonna be, but we do know it's unlikely that we'll be paying on it in 2024. So if Council was to secure the difference in the project, that gives the Board time to analyze or plug those figures in here all next year or as it grows and swells. But in 2025 again we should start seeing if the customer comes on our system that brings more volume of water to our discount. In 2025 TEC is gonna be drinking water, that definitely adds revenue to our system. 2025 is a better picture than 2024.

MR. CAMPBELL: Absolutely.

MS. SLUSARCZYK: But getting -- surviving to 2025, it's sink or swim right now.

MR. SULLIVAN: So in 2025 --

MR. PETERSON: The $8.25 will get us there barring any huge --

MR. SULLIVAN: $8.25, what would the carry-over be?

MR. PETERSON: I got it if you don't got it in front of you, Cindy.

MR. RADTKA: So what was it, $68,000?

MR. PETERSON: $68,000 is the revenue generated. And then $304,000 is what I have for the carry-over. Correct, Cindy?

MS. SLUSARCZYK: I'm sorry.

MR. RADTKA: Like you said, Chris, we gotta go get aggressive to get as much funding --

MR. KOGELNIK: You have to. And the goal is to get that customer so that you can get revenue from them but yet also decrease your overall -- or get a realize a discount, in other words, from Niles.

MR. PETERSON: The discount from Niles on top of TEC.

MR. KOGELNIK: We have to complete that goal.

MR. BOND: How long is that contract with Niles with that discount in effect for, if you know.

MR. KOGELNIK: Let Cindy crunch her numbers.

MR. PETERSON: Let Cindy finish.

MS. SLUSARCZYK: In 2024 -- now again, depends on when you pass this because we have that three month thing. In a twelve month calculated window you'll have a net positive net revenue of $68,402. But in January --

MR. PETERSON: If it's not taking effect in January --

MS. SLUSARCZYK: But in January, February, and March I'm not going to be billing it.

MR. KOGELNIK: So it has to be done now.

MS. SLUSARCZYK: A rate study -- the rate needs to be passed December 19. Whatever it is, needs to be passed December 19 so when we read at the end of December that starts the measurement of when we can -- the three month window.

MR. BOND: How many years are left on that contract with Niles for that discount is guaranteed to be available?

MS. SLUSARCZYK: Bob, sorry, I should know that. But I believe we passed that in '20, end of '20. And --

MR. BOND: Five, ten, fifteen year contract?
MS. SLUSARCZYK: I think it's ten years.
MR. CAMPBELL: I think it was ten years. I do.
MS. SLUSARCZYK: And again, Niles wanted to sustain -- if they were making $50,000 and this is just simplistically -- off the Village of Lordstown, as long as they continued to maintain that $50,000 revenue from Lordstown they didn't have a problem about the contract. That's why there is a volume factor in there. So if we were to exceed that volume with additional customers or sales outside the Village of Lordstown or something like that I don't foresee why they would not continue to --
MR. BOND: You mean extend it?
MS. SLUSARCZYK: I think there's also an extension in the contract.
MR. CAMPBELL: There's some extension clause in there.
MR. BOND: Okay.
MS. SLUSARCZYK: It's been so long since I've looked at it.
MR. PETERSON: Anything else?
MR. CAMPBELL: No.
MR. SULLIVAN: No. I think at the next -- our regular next meeting we gotta come up with a number.
MS. SLUSARCZYK: Well, Matt needs to know a number to put into that legislation.
MR. PETERSON: Matt needs to put that number into the --
MR. RADTKA: Council needs to pass it.
MS. SLUSARCZYK: Just the BPA has to pass the water rates.
MR. RADTKA: That's right, we're just sewer.
MR. BOND: We have to pass the sewer rate.
MR. PETERSON: Are we all in agreement?
ATTY. RIES: Is that amount sufficient that will keep you guys eligible for funding?
MR. KOGELNIK: Can I double-check that tomorrow morning and get back to you Matt?
ATTY. RIES: Sure.
MR. SULLIVAN: ARPA is for Hallock Young.
MR. KOGELNIK: Yeah. Hallock Young, correct. And also the booster pump station. Please call Mauro and ask --
MR. SULLIVAN: I will. And I did call three times the state rep, and I never got an answer back; so I called Arno and asked him to call him. He said he called me back and -- well, I'll talk to him and he's gonna call Chris.
MR. KOGELNIK: Okay. One way or another get a hold of him but --
MR. SULLIVAN: You said he e-mailed you?
MR. PETERSON: I haven't seen anything yet.
MR. BOND: On that token I keep hearing about getting a hold of Senator Rulli. Why don't we get a hold of the state senator that represents our area too. I think we should. If we get a hold of Rulli and don't get a hold of our own --
MR. PETERSON: I didn't even have Rulli on our list. He's not our rep.
MR. SULLIVAN: O'Brien's our rep.
MS. SLUSARCZYK: The reason that I included Senator Rulli in the comment -- who --
MR. BOND: I said one time I contacted Rulli about some

stuff Arno suggested and I never got a reply back. When I did contact our state representative, her office got back to me within ten to fifteen minutes. Then the following day I heard from Rulli's.

MR. SULLIVAN: From O'Brien.

MR. BOND: Was it Sandra? She was up in Ashtabula County.

ATTY. RIES: Sandra O'Brien.

MR. BOND: Senator, not representative.

MR. SULLIVAN: Yeah, it's O'Brien. Sandra O'Brien.

MR. BOND: Yes, that's it.

MR. KOGELNIK: One caveat to that getting you an answer for that. That's for OPWC funding, so I'm not so sure that's really impactful for 2024. But I will still check. I just want you to -- I want to circle back around and make sure you understand that.

MR. SULLIVAN: And I'll get a hold of Mauro tonight.

MR. PETERSON: Cindy, were you saying something?

MR. SULLIVAN: And tell him we need to meet sometime this month.

MR. KOGELNIK: Now.

MS. SLUSARCZYK: This week.

MR. PETERSON: Cindy, you were saying something.

MS. SLUSARCZYK: I had in a e-mail earlier today where I said to reach out as far as including Senator Rulli. He was here last year and encouraged the power plants and the growth of the water department. But his area and these other districts with Johnson and Joyce all benefit from additional water sales from Meander water. The more water they sell -- they have 220,000 customers -- not people, customers -- that when they set their fixed cost, every additional sale they make, the more water they sell -- which I think right now they are currently -- let me see -- average daily use is 21 million gallons. They're capable of producing 60 million gallons a day. But the more they sell, the lower their operation rates go. So that benefits every customer in our district and in Rulli's district and Joyce, Johnson, and O'Brien. It's not just a benefit to the Village of Lordstown. We're minuscule in that factor when you take in to account we have 1,500 customers -ish, 1,600, let's stretch it -- out of the 220,000 customers that are serviced by MVSD.

MR. BOND: Volume-wise we're bigger than our customer base.

MR. KOGELNIK: That's an understatement.

MR. PETERSON: Okay. Are we all in agreement then?

MR. CAMPBELL: Uh-huh.

MR. PETERSON: Anything else on the water rates and wheel get back to Council.

MR. SULLIVAN: Motion to adjourn.

PUBLIC COMMENTS:

MR. PETERSON: Any other additional Public Comments?

MEMBER COMMENTS:

MR. PETERSON: Any Member Comments?

MR. CAMPBELL: No.

ADJOURNMENT:

MR. PETERSON: Motion to adjourn? All in favor?

(All respond aye.)

(Meeting adjourns at 6:15 p.m.)

C E R T I F I C A T E

STATE OF OHIO)
TRUMBULL COUNTY) SS.

I, Deborah I. Lavelle, a Notary Public in and for the State of Ohio, duly commissioned and qualified, do hereby certify that the foregoing meeting before the Board of Public Affairs was written by me in the presence of the Members and transcribed by me using computer-aided transcription according to the stenotype notes taken at the time the said meeting took place.

I do further certify that I am not a relative, counsel or attorney of any Member, or otherwise interested in the event of this action.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal of office at Niles, Ohio on this 18th day of December, 2023.

____
DEBORAH I. LAVELLE, Notary Public
My Commission expires 4/15/2027

Submitted: Approved By:

Cinthia Slusarczyk, Clerk Christopher Peterson, President

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