

COUNCIL MINUTES

August 19, 2019

St. Clairsville City Council met in Council Chambers on Monday, August 19, 2019 with the following present:

Tim Porter, Council President
Perry Basile, Council, 1st Ward
Mark Bukmir, Council 3rd Ward
Linda Jordan, Council-At-Large
Beth Oprisch, Council-At-Large
Mike Smith, Council-At-Large
Jim Velas, Council 4th Ward

Terry Pugh, Mayor
Jim Zucal, Director of Public Services
Richard Myser, Law Director
Tom Murphy, Planning & Zoning Administrator
Cindi Henry, Finance Director
Don Smithberger, Director of General Services
Jeff Henry, Police Chief

The meeting was called to order by President, Tim Porter

Minutes: August 5, 2019 minutes not available

Citizens Hearing:

Kathryn Thalman: As we all know the Administration of the City of St. Clairsville has been engaged in a campaign to sell our water to AQUA Corporation and basically give away all control of the water and sewage to a private corporation. Their first responsibility is to their stockholders and while I was on the water committee I asked a lot of questions about the viability the wisdom and the reason for the sale. Despite my asking questions over and over again such is there a buy back clause, a performance clause, is there a guarantee of updating and replacing our infrastructure and where is the eleven million dollars going to go that St. Clairsville is going to get? None of my questions were ever answered. I was met with stone walling, with vacillation about selling the actual reservoirs and irritation that I kept asking questions. I was told the lawyers would hammer it out. When I asked if we would meet with the lawyers after they fine-tuned this I was told no and the Water Committee was abruptly absolved by the Mayor. Despite constant concern and citizens not wanting to sell our water I was told this cannot be on the ballot nor can it be delayed. AQUA is being shoved down our throats. When a Councilman asked at the last meeting for a delay he was curtly told no this can't be delayed. I sent a request form via the Sunshine Laws to the EPA. I received a lot of information. One of the most interesting was a letter dated March 11, 2019 from the EPA acknowledging the departure of our class three operator and Mr. Zucal was told immediately that we needed to obtain a class three operator. I can read from the letter. "Immediately obtain the appropriately certified ORC to be on site who performs technical operation of the water system. (this is the best part) failure to have an appropriately certified operator of record by March 26 2019 may result in civil or administrative penalties up to \$25,000 a day. Here is what we have been brought to, I talked to the same gentleman today and nothing has changed. There can be civil penalties because we do not have a category three operator. Mr. Zucal sent a letter on March 22nd asking for a six month extension. It was granted, that six months will be up on September 11th. I think this is the reason for the urgency selling this to AQUA. So rather than doing what should have been done in the beginning with the class three operator for which we will be fined. We now have a press agent onboard from Columbus to talk

us all into selling our water, great move. There are two category two operators in our plant. Have either of them been offered the opportunity to go get their certification, take the test so we have a level three operator? I would like to see copies of all the grants you have applied for in the last several years. Any turning down by the agencies of these grants. I would also like to know if you did put something out to get a category three operator. I would like copies of the independent contract assessment of the costs that you put in the paper today. By the way that was a good job. I would like to know where all the numbers come from that you gave. I just wanted to make sure that truly this is a transparent procedure. **Jim Zucal:** We have been granted an extension. It is not so simple to say to a class two operator I want you to be a class three. You have to have X amount or hours, you have X amount of continuing education courses, you have to have X amount of training a when you have fulfilled those requirements you take a physical test to become a class three. I assure our water is safe, we follow all the protocol we need to follow. Our intention is if we are not there at that time we will ask for another extension. We have no violations that result from not having a class three. We are in good standing as far as that goes and I will be glad to keep Council informed. **Mayor Pugh:** I have talked with Craig Butler, the Chief of the EPA a number of times and we talked about this subject. If it comes to be that AQUA becomes the company that was selected to privatize our service I also asked him if we could work with AQUA and pay an operator to come here as a class three because a class three is an expensive proposition especially to come here. I was told by the EPA the day before Thanksgiving that if I didn't have an operator at the sewer plant by 4:30 that day that I would be fined \$5,000 a day. What Mr. Butler told me was that he would be more than willing to work with me. Beth to answer one of your main concerns, would it be fair to go out and look for a class three since we don't have to right now to hire him and then if it was sold to AQUA maybe jeopardize a man's job that had to move here. That has been a big concern of yours is employees. **Beth Oprisch:** No that would not be good.

Bill Brooks: No one has said that our water plant is not in bad shape. All we asked was that an independent engineer be hired to provide an up-to-date assessment of how much it would cost to band-aid our system so that the system will hold up until we can get on county water and what would be needed as far as rate increases. Instead you hire a public relations firm from Columbus which also works for AQUA-OH. He was on the Demitri show this weekend and he made the statement that he is working for both of you. I consider that the same thing as selling a house and you let me get an appraiser to tell you how much the house is worth. That is crazy.

Selling our systems will financially devastate our senior citizens and our hardworking families. It may also put in danger the successful passing of any future levies.

Once again, Mr. Zucal, I am asking that you provide in writing a list of all grants and loans which you have applied for in regards to our water systems. I am also requesting, in writing, the names of all places that you advertised in for a class 3 water operator and the salary that was offered.

Jim Zucal: For the record, I never applied for a class 3 water operator anywhere, it was not our intention. We just told you that we asked for an extension. I just told you that we asked for an

extension and we plan to ask for another one. I talk to members of the EPA every day. There are also free-lance operators who travel through the area that I can peruse. I will never put the city in jeopardy.

REPORTS:

Service Director, Jim Zucal

At the last Council meeting, I outlined the condition of our 90-year-old water treatment plant and distribution system. Our current plant has exceeded its useful life and some parts are literally crumbling. To demonstrate the condition of the plant, last week, I hosted several members of the media on a tour of our plant. What I wasn't able to share during the tour is the fact that our distribution system is also in bad shape.

- Corrosion inside the mains is responsible for customer frustrations about taste, odor and discoloration.
- Almost a quarter of our mains are too small to meet modern fire protection standards.
- Leaks throughout the system are responsible for the loss of about 30% of the water that leaves our plant. This is water that our residents have already paid to treat.
- Water main breaks are responsible for frequent service outages and boil advisories.

To update our water system, it will cost the city between \$20 and \$25 million. Not to mention, we're carrying over \$3 and a half million in debt for past water and sewer projects. These costs don't address any of needs I our wastewater collection and treatment system.

Some people have suggested we simply use water supplied by the Belmont County Water treatment plant. While someday that might be our best water source, it comes with some big challenges of its own.

- The County doesn't have the capacity at their plant to supply all of our needs
- While they have plans to build a new plant, that project is years from completion
- The rate the county charges us for water is higher than what we charge our customers, leaving no resources to maintain our distribution system.

It all comes down to this: over the next few years, our water and wastewater systems need millions of dollars of investments and we don't have the money. Whatever we do, the city needs to take decisive action to update both our water and our wastewater systems.

At my last report, I said I'd update you about the availability of funds to help pay for our water and wastewater problems. Finding funding for our water and wastewater systems has been an ongoing project since Mayor Pugh appointed me as the Director of Public Services. We've discussed our needs with state and federal office holders several times over the years. There are grants and low-interest loan programs for community utility projects. Communities must demonstrate a need and meet certain criteria to compete for these funds against other jurisdictions.

There are four big reasons we don't qualify to even apply for this assistance. One of the biggest obstacle keeping us from qualifying for assistance is that we need to demonstrate that our water & sewer bills have reached certain levels. Our rates need to be at least two and a half percent of our Median Household Income. We would have to more than double our water rates to even qualify to apply for the help. Our average home, using about 4,000 gallons a month would see their water and sewer costs jump from \$86 to \$190 per month. Our typical senior citizen paying just \$41 would see their bill go to \$149 monthly.

Mayor Pugh believes that doubling water and sewer rates would have an unreasonable impact on our residents, especially those coping with low or fixed incomes. Without big rate increases, we don't even meet the qualifications to apply for assistance to raise the millions of dollars we need to invest. The Mayor continues to talk with AQUA, other Ohio communities they serve and from third parties like the PUCO and EPA. We've asked AQUA if they would consider making changes to their proposal based on council and committee input.

- All options for funding are still on the table. Should Council choose to increase rates to meet requirements for assistance, only this Council has the authority to take that action. We can't afford to wait years until Belmont County builds their new plant and we don't have any guarantees that they would be able to fill all our needs if we could wait.

Mayor, Terry Pugh

I have the Police Report for July which is available in the Mayor's Office

The recycling bins that were located in the lot adjacent to the Rec Center have been moved to the East side of the amphitheater behind the visitor's stands at the football field. The road did not have a name so I named it Geno Sessi drive. He was an outstanding football and track athlete at St. Clairsville High School. They were moved at the request of the School who needed more student parking.

Police Chief, Jeff Henry - No Report

Finance Director, Cindi Henry

We have Resolution No. 2019-20 it is required by the OPWC. It is the result of the Mayor applying for the \$800,000 loan for the Bellview sanitary sewer separation project. It is part of the package they put together when they authorized it. They want us to put this in where if we use any of our permanent improvement funds or capital projects funding we will be able to get that money back for something else we might need. It is not an emergency.

The second thing is just for your information, we are negotiating our health care rates again. I went over this in detail for the Finance Committee. We were hit with a 25% increase again this year we had a broker, they negotiated and were able to have us join a group. We had Med Mutual and we can migrate over to Anthem however we will not make that decision because the two Unions do because they have language in their contract where they get the same or similar insurance. The difference in this program is we currently pick up their \$2,000 - \$4,000 deductible. We started out doing this several years ago when we got hit with a 33 ½ % increase. We bank on people not getting sick to make it a decent situation. This plan would increase that by \$500 on the family plan and \$1,000 on the single. I am not an advocate of the city taking on any more of that. The other thing it increases doctor visits by \$10 or \$20 a visit. This is due by the end of the month so Jim and the Mayor are trying to set up a meeting with the Unions. This program will result in a \$172,000 savings for the city.

Planning and Zoning Administrator, Tom Murphy

Construction on the structure of Olympic Tae-Kwon-Do has started in front of the Knights of Columbus Pizza Milano is still moving forward. Should be completed before the end of this year.

COUNCIL COMMITTEES:

Finance, Mike Smith: The 2018 Audit report is in, it was a clean audit with no findings. The credit goes to Cindi she does a good job with that.

Utilities, Frank Sabatino: Not Present

Police, Mark Bukmir: No Report

Street North Side, Jim Velas:

We still have some small alleys that need to be paved. They should be done by the end of September with the help of Richland Township.

Streets South Side, Beth Oprisch:

Asked Don Smithberger about work on Route. **Don:** Water line breaks in two places. Took several days to repair and fix the road.

Safety, Jim Velas: Safety Meeting will be held the last Thursday of the month at the City Garage.

Building and Grounds, Perry Basile: No Report

Planning Commission, Mike Smith: No Report

Fire District, Frank Sabatino: Not Present

Recreation, Linda Jordan: Next meeting Monday, September 16th

Park District, Linda Jordan: Tuesday & Thursday last nights for moonlight swim, pool only open on weekends, Labor Day is the last day. Next meeting August 26th.

Law Director, Richard Myser:

Tonight we have only one piece of legislation, Resolution No. 2019-20. That is the piece of legislation that the Finance Director explained to you for the Bellview project. There is emergency language in it but it can be read on three readings if so desired. No one has requested Executive Session tonight.

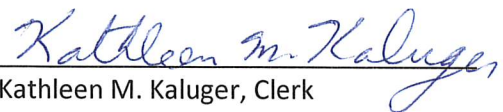
There was presented and read to Council on its first reading by title only, Resolution No. 2019-20; A RESOLUTION DECLARING THE OFFICIAL INTENT AND REASONABLE EXPECTATION OF THE CITY OF ST. CLAIRSVILLE ON BEHALF OF THE STATE OF OHIO (THE BORROWER) TO REIMBURSE ITS PERMANENT IMPROVEMENT PROJECTS FUND FOR THE BELLVIEW SANITARY AND STORM SEWER SEPARATION PROJECT, OPWC PROJECT NUMBER CR30W, WITH THE PROCEEDS OF TAX-EXEMPT DEBT OF THE STATE OF OHIO AND DECLARING AN EMERGENCY.

NEW, OLD & OTHER BUSINESS:

Beth Oprisch: The contract with the attorney's that are looking at the contract with AQUA, where are we with that and what is the cost? **Jim Zucal:** Our attorney is Kim Boyco, she is out of Columbus. She emailed me today, they are going through what they call red line adjustments, they are looking at our assets, and she is working with their attorney so we don't have anything yet. There is an agreement in place but we have not been billed yet so when we get that I will let you know. She is giving us an hourly rate but I don't remember how much. **Cindi Henry:** I will look that up tomorrow and email it to you.

I got a letter from the Mayor and I want to address it publicly. It is about the water and his disappointment of me not meeting with him privately. He state that he appreciated that Mr. Sabatino, Mr. Bukmir, Mr. Velas and Mrs. Jordan all met with him and the Director of Public Services, and the City Finance Director privately to address their personal concerns. I just want to say that anytime I have had a question they have met with me. I appreciate the open door policy but I don't see this as a behind the door type thing. I wanted to address it publicly. I feel like this is a public issue and I believe that this needs to be open. The way I interpret my job is to listen. I feel it is part of my responsibility to listen to the citizens. I have always said that I always have an open door, I don't do things behind closed doors. What I said was four council members came in to see me with questions and questions from citizens. I went to the Rally and I heard we need more time and we don't have enough information. We have been working on this for years. What I was trying to say was I took offence when I heard we don't have

information when it is there all you have to do is ask for it. **Beth Oprisch:** I have been very open with my questions.
There being no further business to come before Council a motion to adjourn was made by Perry Basile and seconded by Mike Smith.


Kathleen M. Kaluger, Clerk


Tim Porter, Chairman