

**RECORD OF PROCEEDINGS**  
**Minutes of Rossford Special Council Meeting**  
**Held December 6, 2010 8:00PM**

The meeting was called to order by Mayor William Verbosky Jr. and was opened with the Pledge of Allegiance.

**ROLL CALL:** Richards, Oberdorf, Eckel, Marquette, Hermes, Scott, and Duricek all present.

**APPROVAL OF AGENDA:** Agenda for special council meeting of December 6, 2010 was presented to council. Mr. Richards moved and Mr. Duricek seconded the motion to accept the agenda. All ayes. Motion carried.

**ORDINANCES**

**#2010-58 - AN ORDINANCE APPROVING AND ADOPTING AN ASSIGNMENT AND ASSUMPTION AGREEMENT BETWEEN THE CITY OF ROSSFORD AND NORTHWESTERN WATER AND SEWER DISTRICT, AND DECLARING AN EMERGENCY.**

Mr. Richards moved and Mr. Oberdorf seconded the motion to read by title only. All ayes. Motion carried. Mr. Hermes said he has several questions pertaining to the agreement before reviewing his written report regarding the economics of joining the district. He said that on page 9 of the agreement he would like to see the language regarding a surcharge being put in place by the district struck, on page 11 regarding Rossford having a representative on the board of trustees he did not like the language "shall" as he thought we were assured of this. Mr. Heban responded that the district did not feel could make a representation that it was guaranteed. Mr. Ciecka said it takes a court action to add us to the board but that we have an agreement in principle with the district and that steps have already been taken to appoint a Rossford representative to the board with former councilman Leonard Michaels already receiving 5 out of 9 votes. Mr. Hermes said that still was no guarantee and Mr. Heban responded that was correct. Mr. Hermes is also against us taking any ownership of the \$1.5m debt for the 795/Oregon Rd. project. He said he would prefer the language on page 14 say that the district would endorse rather than shall not oppose our request for voluntary removal. He said the statement on page 16 saying that if we left the district the city would be responsible for all costs and expenses incurred or to be incurred. He said that would probably mean that we would never be able to leave, and that if we do not join now the district will probably look at charging us a wheeling fee. Mr. Duricek added that leaving would be almost impossible but agreed if we do not join probably still looking at additional cost from the district. Mr. Richards agrees that is a painful paragraph but in fairness to the district said our residents should not expect to get improvements for nothing. Mrs. Eckel feels that there really is no exit clause because the cost the district would pass on to us for separating from their system, especially after the master meter installed, would be so much we most likely could not afford to leave. Mr. Scott feels we are focusing to much on how to get out of the district rather than what the district is going to do for us but agrees that possibly the exit language could be better crafted. Mr. Hermes noted that on page 20 that the district does not indemnify the city for work we do. Mr. Heban gave an example of the city responding to an emergency and due to our inaction damage that occurs should not be the responsibility of the district.

Mr. Hermes then reviewed the written report he had prepared (see enclosed copy). Mr. Hermes said he used the district's CAFR from 2005-2009 to prepare this report. In summary he noted increases in cost without a corresponding increase in sewer consumption or water volume. Mr. Cook said some of their commercial customers have reduced usage for economic scales, they have lost a large customer (Hunt Wesson) but they have actually added customers but without the same usage. Mr. Hermes questioned several large new projects and asked who pays for those. Mr. Cook explained that any new service cost is passed on to the benefiting party only not spread across the entire district. He did say the Troy Township project cost was spread over the entire district but he expects that to be paid quickly with grants and other monies. Mr. Hermes asked about the 795/Oregon Rd. project cost and was told that right now it is spread over the entire district and would continue to be so if Rossford joined. He questioned the 42% increase in water rates for 2009 and was told by Mr. Cook that the increase in water for 2011 will be 2% but that water has been more problematic for them and then explained what internal cost are built into the water rate i.e. his time. Mr. Cook said the rate structure is based on 1000 cu.ft. but billing is on a pro-rata basis if less used. Mr. Cook

said the 42% increase was an aberration. Mr. Hermes noted that over the last 8 years the district's operating revenue has been less than their expenses. Mr. Cook explained that this is due to depreciation being included and this non-cash charge causes a net loss despite an actual cash profit. Mr. Cook gave a in-depth explanation of the district's financial picture including borrowing, revenue, etc. Mr. Cook also said the district charges a system development fee to new homes of \$1150 for water and \$1050 for sewer and that money is set aside for future expansion not repairs and maintenance. It could be used for debt service if needed. He also explained the mandated coverage amounts for debt service and why Wood County holds some of the district's debt. Mr. Hermes said the data he has reviewed shows everyone's bills going up and he is concerned about Rossford residents seeing large increases in their bills. He does not see how our constituents are getting a better deal from this agreement financially. Mr. Ciecka said this ignores the fact that there has been no increase to Rossford bills since 2003, that maintenance and improvements have been deferred, and that eventually some of our service connections which are 100 years old will have to be replaced. Mr. Ciecka said NWSD appears to be a properly managed system. Mayor Verbosky said the city has been looking for ways that we can maintain and improve our system but never said it would be a cheaper way to go. He said the city is subsidizing the water/sewer debt we have and running at a loss even without making needed improvements. Mr. Richards said Mr. Hermes report has a lot of food for thought but that he has been listening to citizens with problems and complaints regarding water and sewer that we have not been able to solve because we do not have the resources. He knows this agreement comes with some pain and will make some constituents most unhappy but it needs to be done. Mrs. Eckel said that storm sewer flooding problems will not be covered by this and still be our responsibility to pay for. Mr. Cook did say that the district offers a program to homeowners where they cover 50% of the cost for separating the sump pump from the sanitary sewer discharge.

**AUDIENCE REMARKS**

John Appt, 1009 E. Elm Tree compared this to maintenance put off by the school and said these costs have to be paid sometime and it sounds like the time is now. He said the city has to do something to pay for these improvements and said we have to get into a preventive maintenance mode rather than waiting for a major break to happen.

Mayor Verbosky said the reason for the special meeting was to give a first reading to the ordinance with the second reading being at the regular council meeting on December 13<sup>th</sup> with a hope it will be passed at that time. Mr. Heban outlined the requested changes council would like to see i.e. super majority, board of trustees' issue, and surcharge. Mayor Verbosky said any other questions or changes that council would like to see should be given to Mr. Heban.

*Mr. Richards moved and Mr. Oberdorf seconded the motion to adjourn. All ayes. Motion carried.*

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William Verbosky Jr.  
Mayor

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Robert P. Watrol  
Clerk of Council