

SMALL COMMUNITIES ENVIRONMENTAL INFRASTRUCTURE GROUP

March 3, 2008

MINUTES

Attendees: Steve Grossman, Ken Heigel and Gina Sopp, OWDA; Lori Libby, CPMRA – Miami University; Jim Bonk, Ohio EPA; Brian Hall, Ohio EPA; Dave Douglas, USDA; Tim Leasure, Ohio Department of Development; John Rauch via-phone; RCAP.

TRAINING COMMITTEE: Lori Libby & John Rauch

Lori had no new information to report.

John reported that RCAP has recorded over 1200 attendees for their Board training. RCAP is tracking the communities they have asked to participate in the Board training and currently 75% of the communities they are working with now have participated to date. One of RCAP's goals is to get the right people from the community to attend. RCAP is committed to asking communities to attend Board training in consideration of them receiving free RCAP assistance and it appears the communities are taking this seriously. RCAP has sent out invitation letters to these communities and the average attendance has increased from 18 to 20 attendees for upcoming courses. Attached is an article about the training sessions that RCAP has been providing.

John provided Training Course information. Anyone wishing to see the summaries may request them from either John or Gina.

John reported that the short courses are currently under development and are being written. There is more information in them than they originally anticipated, however RCAP staff members Bob Kurtis and Wayne are in the process of editing these down. Buckeye Lake has agreed to be the first community to try the short courses once they are produced.

FINANCE COMMITTEE: Jim Bonk

Jim noted that the Finance Committee met in February and 3 communities attended. The first project was Perry County for an unsewered area referred to as Rahobath and Morse Junction. They are looking for approximately \$1.2 million for a total of 91 connections. Both communities are under Findings and Orders and the project would be built by Perry County. Their construction goal is December 2009.

The second project was the Village of McConnelsville in Morgan County. They are looking for 2 miles of water and sewer line to serve a commercial and industrial area with

a total cost of \$1.6 million. The Village is looking to start construction in the fall of 2008.

The third project was for the unincorporated area of Jacksontown in Licking County. They are looking to provide sewer service to approximately 107 residents. A force main would tie the area into the existing Buckeye Lake sewer system.

Jim reported that the Finance Committee received compliments from Senator Zack Space's four staff members who were in attendance at the February meeting.

Jim noted that the Finance Committee has one community ready to present at the April meeting. Ross County has a project for the Union Heights subdivision and they are looking for approximately \$3.6 million. The County does not have a construction start date because they have not started their design yet. The project would upgrade the Union Heights wastewater treatment plant; pick up some additional residential properties; and the larger project is to provide service to a 199 acre site west of the Ross County airport for an industrial air park. The County provided an estimate that breaks out just the Union Heights project without the airport, which totals \$1.6 million.

Brian commented that he did some checking regarding enforcement for the Perry County project. Originally he was in error when he stated that they had enforcement. Actually they have varying degrees of enforcement for the two Perry County projects. Brian has asked the District to help them out with their percentages.

Steve reported that after several years of stating that he would follow-up, he has begun the follow-up process with a phone call to 7 communities. There is no form as yet, however, he checked in with the contact person at these communities to see what is happening with them. Out of the 7 communities contacted, he spoke with 5 contact people. Steve noted that the 5 communities reported that they are either still hopeful for their project or they are currently pursuing the project. With Holmes County in the Millersburg area, they are pursuing that project with RD. Steve will continue to work on the follow-up list and hopefully by the next meeting in June, he will have a more detailed report.

DECENTRALIZED WASTEWATER WORK GROUP: Dave Douglas

Dave reported that since their last meeting on December 11, the group met on January 14 and he was not able to attend. At the January meeting, the group discussed the possibilities of looking at Leesville as a decentralized project. Ken was at this meeting and Dave asked Ken to give a report.

Ken noted that there was a good exchange between Leesville and their engineer, Adam Vorhees and OEPA. He felt it was a productive meeting and commented that there has been some follow-up e-mails from their engineer asking some specific questions. It was

a positive experience for Leesville because they received the information they needed to consider decentralized as an option.

Dave noted that the group met again on February 21 and 2 communities came to that meeting. The group was able to determine what the communities are looking at as well as to give them ideas of whether or not they are on the right track or not with their proposed plan of operation. One of the communities was the Village of Derby in Darby Township, Pickaway County. They are working with MS Consultants township on an overview. The community has small lots and they are losing population. They currently have septic systems but they have Greenbrier ditch which flows into Big Darby. There are a lot of issues there with the type of runoff that could be there, which creates issues of clean-up. Because they are such a small community, they are looking for decentralized options to keep the cost down.

The other community that the group met with in February was West Farmington, which is a community in northeast Ohio. Their population is steady but also small with approximately 500 people. The community is a little larger than Amesville so this project would be a little different than the group has looked at before. West Farmington does have some of the same issues including small lots, septic systems if there are any, and trying to figure out a way to put sewer in without having large costs. The community asked some financial questions and the group referred them to the Finance Committee. The group's goal is to give information as to the types of processes that can be used for sewer rather than getting into finances with them. Hopefully it has been beneficial to West Farmington to hear what is available.

Dave commented that he was not sure when the next meeting would be. It probably depends upon whether or not they get more inquiries.

Steve asked about the status of Amesville.

Brian responded that there was a good report in their weekly reports that came from the Director for Amesville.

Ken responded that Amesville did not get their project completed by winter. He believes it will be just a few more months before it is finished, as soon as the weather breaks.

Brian noted that the report said that they will try to get people to connect between April to June.

Ken responded that they were having problems with the septic tanks not sealing. There is a manufacturer problem which they are trying to work out.

Brian inquired if there is some type of organized outreach for the people in the community to try to show them the "in's" and "out's" and educating them on the importance of that.

Jim responded that his recollection of the report is that Amesville is holding meetings locally, giving the community instruction on the importance.

Ken added that they just had one of these meetings in the past two weeks.

Steve asked John if Kurtis is still involved with Amesville; John affirmed this.

Jim noted that they have also met with the contractors to reiterate the importance for keeping an eye out on the lines, tanks, etc.

Ken noted that Amesville is going to get a supplemental loan to cover their inspection fee/engineering costs which have gone up \$30,000-\$40,000. Kurtis still says their monthly fee is still going to be less than \$30 even with the supplement. They are working through DEFA at this point to get a supplement probably at the March OWDA meeting.

Steve noted that it is still too soon to exploit the success of Amesville until it is a success.

Ken agreed and stated that it is still pre-mature to go to the next step.

Tim inquired as to who the group met with on the Leesville project from the District.

Ken responded that Paul Novak and Sheree were present from the Central District Office at the meeting last week. Ken stated that he was not at the meeting last week, but according to Roberta, she did not seem too positive.

Brian responded that it is a big change; he also is a bit apprehensive.

Dave agreed and stated that Roberta was not all that positive about looking at any alternatives. Because of the Big Darby being there, there are more restrictions that they want to have on any project in that area. It is the same age-old question you have of them discharging right now so anything is better than what you have right now. The groups' stance on this has to be that they want to make sure the community does what it has to do; however, looking at the lowest cost alternative is the best way to go.

Ken noted that cost is always important. With Big Darby, he believes it is a different situation because of the discharge in the stream. Maybe they are not so receptive to this type of treatment because of that.

Brian thinks it is just a hurdle of decentralization and the agency as a whole.

Ken added that the group needs to explore that and stated that decisions to reject a decentralized option have to be fully documented in the planning phase of a project.

Dave noted that the accurate end results of the Amesville project are needed to aid in the evaluation of alternatives for future projects.

Brian stated that in talking with the District, Amesville is not your atypical unsewered community. It is relatively educated demographic that works at Ohio University. It is a good test case from the perspective of people that understand or have awareness of what they should or should not do.

Dave commented that Bruce Goff, OEPA Southeast District Office, was also at the meeting. Dave believes that Bruce also wants the Amesville project to be successful.

Ken stated that the Decentralized workgroup needs to continue to identify potential decentralized projects and provide as much assistance as possible to the community relating to the evaluation of decentralized systems.

APPALACHIAN ENVIRONMENTAL INFRASTRUCTURE STRATEGY WORKGROUP: Steve Grossman

Steve noted that the next meeting for the Appalachian Environmental Infrastructure Strategy Workgroup will be held on June 3. He has already sent a "save the date" e-mail. Please check your e-mails for details.

SMALL COMMUNITY TRACKING SYSTEM: Ken Heigel

Ken reported that the website is going well. He is very pleased with the activity level with people entering information. Weekly e-mails have been sent out regarding project updates. He did find a glitch this past week. When you go into a project to read it, and if you hit "Save" it says that you have updated the project without actually entering any data. Ken noticed this when Janet Barth was on the website last week looking at projects; they all stated they were updated when in fact she was just reading through the projects. He is working on the glitch to correct the problem and is also working on the automatic e-mail response. Overall, the website is working well.

COORDINATING COMMITTEE: Ken Heigel

Ken noted that the committee is meeting periodically. The last meeting they had (approximately a month ago) focused on talking about projects that may not be doing the most cost effective solution and what the committee's role is with respect to this. The committee determined that it's role should be through the Preliminary Engineering Report (PER) phase and review of that report. They also discussed having an outside firm review the preliminary engineering report. They talked about making this a requirement on the planning loan side for OWDA's planning loans. Jim is going to talk to DEFA about how to make sure the PER's are going to get reviewed. Dave is going to talk with his people as well as the engineers. The committee also discussed value engineering, which would fall a little bit later in the project after the most cost effective solution has been determined. Value engineering ensures that the cost is being kept down.

Regarding the short courses that RCAP is developing, there will be a lot of detail outlining the importance of the preliminary review and an outside reviewer, as well as the importance of value engineering.

Steve asked if Public Works was involved in these discussions. Ken replied they were not.

Steve would like to see Public Works, CDBG, and the Governor's Office of Appalachia become involved. Is there a way to help local governments join in without them being negative?

Ken replied that the committee is looking to make sure that the local governments have looked at all the options. If they do a regionalization, they may not get all the grant money that they could get on their own.

Steve asked if they do the regionalization, is there a way to do that without having to deal with all the major agencies (i.e. Public Works, CDBG); or is the price too big? In other words, can a project be done without having to go through OEPA, RD or OWDA?

Dave responded that he doubted the project could be done. Any type of regionalization project, he believes, will be too large to be able to be done with just CDBG or OPWC money.

Ken agreed and stated that they would still have to use one of the major agencies.

Dave added that they probably would not be able to do the project at all without OEPA, especially with regionalization because that is when enforcement and PTI's all come into play. You will always have OEPA involved with a regionalization, if not from a funding standpoint, at least from a regulatory standpoint.

Ken asked Steve if he was concerned about making the local government do the cost analysis; to avoid that, they would just not come to us. Steve said he was concerned.

Dave felt that it was too soon to say. The committee does not believe that the cost analysis will be all that expensive.

Jim agreed and stated that this has been done in the past. The way the conversation is going, this would be applied selectively to the worst case scenarios whose plans do not make any sense or are unaffordable. Those projects will be subjected to more analysis.

Dave noted that with RD and OEPA, they are already looking at alternatives when they first look at a project in order to come up with the least cost, best alternative. This is already built into the system.

Jim stated that the hard part is whether it is an outside firm or us doing the review of the alternatives; the question is how to dispute cost estimate figures. You can make numbers say almost anything if you put them together right. He has not had a chance to talk to Meg about it.

Ken added that based on those comments, we are really trying to show the importance to the community on steps they can do to insure that they are getting the best project, rather than us dictating what they have to do.

Dave commented that the theory is, at least in some cases, that it might even be less expensive in the long run to spend a little money to look at the alternatives. We are trying to show that it might even be cost advantageous for them to look at it from a cost standpoint.

Brian noted that if they have discharges, they will have to look at alternatives anyway.

Jim commented that the short courses will probably give us a good indicator as to how the information is being received.

Dave added that the concern was not so much whether they were looking at alternatives, but that maybe they are not getting the best engineer to do what project they should be doing. This is a way of looking at engineering more so than the alternatives, to make sure that whatever engineer they choose is giving them the best bang for the buck.

OUTREACH EFFORTS: Steve Grossman

Steve reported that there have been several conversations with Brandon Kern and Senator Voinvoich's office. The Senator has agreed to sponsor, along with SCEIG, two outreach efforts; one on April 3 and the other on May 7. The April 3 session is at Ohio University and the May 7 session is in RD's Findlay office. A letter has been developed that has been previewed by the group as well as the Senator's legal department, and hopefully the letter will be sent out in the next few days. The letters will be sent out by Senator Voinvoich's office and Steve will send it to the SCEIG group, as well as the two District offices for their distribution. Steve noted that he would check with Stacy to see if Craig in the Southeast Office is lined up to attend.

Jim noted that Stacy has spoken with Dave Schuetz at the Southeast District.

Steve stated that the format of the session will be two-fold; the first part will be the same presentation that was done in October for the legislators including a general question and answer period. The goal is to go into a Finance Committee meeting sometime after the first session. We need to do all we can to assure that at least two communities attend; so please recruit for both sessions.

Jim will call Ross County tomorrow, which is signed up to come to the regularly scheduled April 11th meeting, because they are so close to this first session.

Steve suggested contacting some of the District Offices to see if they know of communities that need to attend. Steve asked Ken to look at OWDA's planning loans, as well as the Appalachian database, to see if there are any candidates.

John noted that Coolville is planning to go to Athens to the Finance Committee. He will try to get them to the first part of the session as well.

Steve noted that they have the building in Athens until 3 p.m. For scheduling purposes, there is some flexibility.

Lori added that there is some hope that the Senator will be there, or they will at least send a video introduction.

Steve noted that when the letter is sent out, he will co-sign it on behalf of SCEIG.

REVIEW OF 2007 OBJECTIVES/DISCUSSION OF 2008 OBJECTIVES: Steve Grossman

Steve distributed copies of the 2007/2008 objectives and noted that minimal comments have come in so far. These objectives were meant to help feed into the 2008 objectives.

John noted that he responded to the 2007 objectives but has not commented yet for 2008. He will respond.

Steve asked everyone to please look at this and respond because they are good to refer back to, especially because they are posted to the website. He set up another deadline to get changes/comments to Gina at gsopp@owda.org by March 17. Gina will send out a reminder to Stacy, Dave, Lori, Karen, Brian, John and Rebecca Fuggitt with this deadline.

NEW BUSINESS

No new business.

NEXT MEETING DATE: MONDAY, JUNE 2, 2008, 1:30 P.M.

RCAP Training for Local Officials

By Deb Martin, Great Lakes RCAP Director

Three years ago, Ohio RCAP began offering training targeted to local officials who are responsible for managing small water and wastewater systems. We saw, and continue to see, a great need for local officials to have access to this type of training. Most members of small utility boards come into the job as volunteers with little experience in running a utility and no formal training. Demand grew quickly for these courses, and it was impossible to cover all of the topics in the depth and detail we felt necessary.

Ohio RCAP already had a contract with Ohio EPA to provide assistance to current and prospective communities on the state's priority list. Ohio EPA saw the training courses as a good fit for its goal of building technical, managerial, and financial capacity in small water systems, and offered additional funding for the development and delivery of three new courses to complement the first one. Two of these courses have been developed and are being delivered, and the third is planned for late this year. To date, Ohio RCAP has trained more than 1,200 people in over 600 communities.

One Ohio EPA official said of the trainings, "EXCELLENT - this knowledge will make our clients interact much better with our programs, regulations, and procedures. The tool boxes are fantastic - can't say enough good things."

Courses currently offered include the following:

- "Utility Management for Local Officials" - This course provides a general overview of the technical, managerial and financial aspects of system management.
- "Financial Management for Local Officials" - This course targets the financial aspects of managing a utility in greater detail and covers record keeping.
- "Asset Management" - This course covers topics such as budgeting and rate-setting theory, financial ratios, managing a sustainable system, reserve and replacement accounts, and developing and implementing an asset management plan.

The future course will be a hands-on rate-setting and asset management planning workshop.

Earlier this year, U.S. Senator George Voinovich of Ohio offered to host the rollout of the Asset Management course, and sent letters inviting all of Ohio's small communities. The response was overwhelming, with over 100 participants attending the initial course. Ohio RCAP is working with Ohio EPA and the Senator to find ways to continue this valuable partnership.



One of the most exciting things about the trainings is getting community officials to make positive, long-term changes in the way they operate their utility systems, and there is evidence that it is happening. This year, Ohio RCAP began tracking the number of follow-up calls received from community officials who attended the training. Many individuals call to request assistance with rate studies, planning for capital improvements, or other system issues. A number of communities have adopted new rate ordinances and are getting their systems on track to be more sustainable for the future.

According to John Rauch, coordinator of Ohio RCAP's program, "Getting local officials to understand the changes they need to make is the first step, but actually seeing them implement them is exactly the outcome we're trying to achieve."

The participants have also lauded the training courses, with comments like, "All councils and B.P.A. (Boards of Public Affairs) should be required to complete a course like this."

Striving for Continuous Improvement

Ohio RCAP is also planning a series of short courses dealing with various aspects of facilities development. These courses are being funded by the Ohio Water Development Authority and will be targeted to local officials who are developing a new water or sewer facility. They will be delivered on-site in many communities, and plans include production of a guide that walks communities step-by-step through the development of a project and helps them avoid some of the common pitfalls.

"The constantly increasing demand for technical assistance services, coupled with the shrinking pool of federal resources to provide these services, makes it imperative for us to find new ways of reaching communities," Rauch stated. Ohio RCAP plans for the guidebook to be widely disseminated to communities and other technical assistance providers. ■