

RESOLUTION NO. 20-2016

Offered by All of Council

A RESOLUTION AUTHORIZING AND DIRECTING THE MAYOR AND THE FINANCE DIRECTOR TO ENTER INTO AN AGREEMENT WITH ARCADIS U.S., INC. TO ANALYZE THE VILLAGE’S CURRENT SEWER RATES THROUGH THE DEVELOPMENT OF A SEWER RATE STUDY, AND DECLARING AN EMERGENCY.

WHEREAS, in recent years, the Village sewer system has been extended to the point where sewers are operating beyond their allowed capacity in certain areas; and

WHEREAS, it is necessary to review the entire sewer system and update the maps for the sanitary sewer areas and districts; and

WHEREAS, ARCADIS, U.S., Inc. has proposed conducting a “Sewer Rate Study” that will allow the Village to plan for any possible sewer rate increases, which, in turn, will allow the Village to properly plan for needed capital improvements, staffing and debt retirement; and

WHEREAS, this expenditure has been approved by this Council as part of the 2016 capital improvement budget.

NOW, THEREFORE, BE IT RESOLVED by the Council of the Village of Richfield, Summit County, State of Ohio, that:

SECTION 1. The Mayor and the Finance Director be, and they hereby are, authorized and directed to enter into an agreement with ARCADIS U.S., Inc. for a review of the Village’s current sewer rates in accordance with the proposal attached hereto and incorporated herein by reference as Exhibit A.

SECTION 2. It is found and determined that all formal actions of this Council concerning and relating to the adoption of this Resolution were adopted in an open meeting of this Council, and that all deliberations of this Council and of any of its committees that resulted in such formal action were in meetings open to the public, in compliance with all legal requirements including Section 121.22 of the Ohio Revised Code.

SECTION 3. This Resolution is declared to be an emergency measure necessary for the immediate preservation of the public health, safety and general welfare and for the further reason of ensuring the consistent and coordinated delivery of District Regional Stormwater Management Program services within the Village; wherefore, provided this Resolution receives the affirmative vote of two-thirds of the members of Council elected or appointed, it shall take effect immediately upon its passage and execution by the Mayor; otherwise, it shall take effect and be in force from and after the earliest period allowed by law.

PASSED: 5-3-16

Ronald Sam
President of Council

Bobbie Beshaw
Mayor

ATTEST:

Cawyn E. Sullwain
Clerk of Council

Dated: 5-3-16



Mrs. Melanie Baker,
Service Director
Village Hall
4410 W. Streetsboro Road
Richfield, Ohio 44286

Arcadis U.S., Inc.
1111 Superior Avenue
Suite 1300
Cleveland
Ohio 44114
Tel 216 781 6177
Fax 216 781 6243
www.arcadis.com

Subject:
Richfield, Ohio
Assistance with Sewer Rate Determination

Water Division

Dear Mrs. Baker:

Date:
7 March 2016

It is our understanding that the Village of Richfield desires to analyze their current sewer rates through the development of a Sewer Rate Study. The Village wishes to maintain the existing rate structure but wants to update the sewer rates to verify that adequate revenues are available for future operations and to cover the cost of future expenditures, capital improvements and debt service.

Contact:
Said W AbouAbdallah, PE

Confirming the adequacy of the sewer rates is critical in maintaining a self-supporting utility and for proper planning for capital improvements, personnel and staffing as well as debt retirement. A thorough analysis of revenues and expenditures, including operation, maintenance and replacement costs as well as capital improvement and debt service would be the focus.

Phone:
216.781.6177

Email:
said.abouabdallah
@arcadis.com

The proposed rate study does not include financial or technical consultation efforts that are normally needed when issuing or refinancing bonds, preparing Official Statements or working with Bond Council.

Our ref:

The following represents the proposed scope of services, implementation schedule and engineering fee.

Scope of Services

1. Meet with Village representatives to "kick-off" the study by confirming the project scope, discussing the approach, determining communication

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structure and areas of responsibility, outlining the schedule and discussing data needs and format.

2. Obtain and review expenditures from the various sewer funds for the past three fiscal years.
3. Obtain and review existing debt service obligations for the full term of the obligations for the sewer utility.
4. Consult with the Village to determine future capital improvement plans (both major and minor) for at least the next five years. Review project cost estimates for planned improvements where a cost estimate has already been prepared. Prepare preliminary estimates of project costs for other system improvements anticipated by the Village.
5. Estimate the approximate annual cost for the next five years to provide adequate operation and maintenance, capital improvements and debt service for the sewer utility.
6. Obtain available water consumption data from the Village and use the information to model the sewer usage patterns of each customer class. Records from 36 consecutive recent months would be utilized. This will provide detailed data concerning sewer billings and will permit projections of revenues anticipated from the existing rate structure.
7. Schedule and attend one workshop with Village staff and representatives of Village Council to discuss the findings and solicit comments.
8. Present to the Village, proposed sewer rates based on the existing rate structures, which would equitably recover from each customer class the costs of providing sewer service to that class. Schedule and attend one workshop with Village staff and representatives of Village Council to discuss these findings and solicit comments.
9. Address comments received at the workshop and prepare and submit a draft report outlining our recommendations and including the information derived from the above tasks.
10. Schedule and attend a second workshop with Village staff and representatives of Village Council to discuss the draft report, findings and recommendations.

3/30/2016 2:33 pm

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11. Address the final review comments and submit five (5) copies of final report to the Village. This shall include a formal presentation to Village Council.

Implementation Schedule

ARCADIS is proposing to complete the draft report and submit to the Village for review within 150 days of receipt of a written notice to proceed from the Village. The final report will be completed and submitted to the Village within 15 calendar days of receipt of final comments from the Village.

Engineering Fee

ARCADIS is proposes to be compensated for the scope of services listed above on the basis of cost reimbursement plus reimbursable expenses at a not to exceed amount of \$ 26,000.

We are very appreciative to the opportunity to assist the Village of Richfield on this project. We look forward to a favorable review. In the meantime, please feel free to contact me should you have any questions or comments.

Sincerely,

Said W AbouAbdallah, PE

Copies:

Legislation Request

DATE: March 29, 2016

TO: Mayor Bobbie Beshara,
Bill Hanna, Law Director
Village Council,
Council Clerk

FROM: Melanie A. Baker, Service Director

TYPE OF LEGISLATION: Resolution Ordinance

authorizing the Mayor and Finance Director to enter into a contract with ARCADIS to update our waste water flow capacity report and review of our sewer rates.

Department(s) Involved: Mayor, Finance, Service

Date of Council meeting needed: April 5, 2016.

ACTION BEING REQUESTED	TYPE OF REQUEST
First Reading	To have a first reading for the approval of the contract with ARCADIS to update our waste water flow capacity report and review of our sewer rates.

DESCRIPTION

As a part of our 2016 capital improvement budget, Council approved the expenditure of funds for the study and review of our waste water flow capacity and our sewer rates. This review is supposed to be done every 5 years as per our contract with NEORS. Our last study was completed in 2005. Although our growth has been steady, we have seen extensions of sewers, extension of sewer districts, and uses of the sewer beyond the capacity allowed for the areas. These studies will update the maps for the sanitary sewer areas and districts. It will also help us with determining where we have planned growth and how it will affect our overall numbers with full build out of the system.

These studies should be used prior to any extension of districts, actual sewer extensions and should be used when annexations occur and uses of land change.

Although our sewers have been in for over 25 years, our growth had been substantially on the south end of town and is continuing to expand in this area. The wear and tear on the pump stations unfortunately have be seen on all our large stations since the bulk of the effluent is coming from the south, and traveling through all the stations.

These reports will help us better gauge large improvements to the stations that are needed immediate and will be required in the future.

Please see the attached quote and scope of work to be performed by ARCADIS.

Total engineering cost for the waste water flow capacity report \$24,800.00.

Total engineering cost for the sewer rate determination is \$26,000.00

HISTORY

Please see the above description.

BIDDING – None,

APPROPRIATIONS –

<u>ITEM</u>	<u>Budget Amount</u>	<u>Expenditures</u>
2016 capital improvement budget	\$75,000.00	
Cost for engineering		\$50,800.00
Total Cost		

CC: Melanie Baker, Sandy Turk