

Hamilton County Stakeholder Group Meeting

Meeting Minutes

June 10, 2021 | 11:00am-12:00pm | Zoom

Overview: The focus of this meeting was to share with the Stakeholder Group an update from MSD and Hamilton County's ISF Project plan for 2021. The goal of the meeting was to provide an update on the project's next steps and obtain any feedback or input on the approach and level of detail planned.

Meeting Item	Meeting Notes
Welcome & Roll Call	<p>Karen Ball, Hamilton County opened the meeting by welcoming the stakeholders, and thanking all for attending. She explained that in the last meeting, the Hamilton County team had shared the Pathways document, and has since been seeking input.</p> <ol style="list-style-type: none">Members representing the Hamilton County team included: Karen Ball, Hamilton County (panelist) Henrietta Locklear, Raftelis (panelist) Katie Cromwell, Raftelis (panelist) Simon Warren, Raftelis (attendee) Joe Graf, Hamilton County, Plante- Moran(attendee) Holly Christmann, Assistant Hamilton County Administrator, (attendee) MaryLynn Lodor, MSD (panelist) Diana Christy, MSD (panelist)Present from the Stakeholder Working Group were: Katie Eagan, Cincinnati Chamber of Commerce (attendee) Brendon Cull, Cincinnati Chamber of Commerce (panelist) Janet Smith, League of Women Voters (attendee) Marie Kocochis, League of Women Voters (panelist) Jeanne Nightingale, The Sierra Club (attendee) Bob Park, The Sierra Club (panelist) Mark Fisher, Cincinnati Zoo and Botanical Garden (panelist) Alison Auciello, Communities United for Action (CUFA) (panelist) Melanie Chavez, Hamilton County Resident (panelist) Dave Buesking, Hamilton County Resident (panelist) Mark Quarry, Hamilton County Resident (panelist) Todd Long, Hamilton County Stormwater District (panelist) John Nelson, Hamilton County Soil and Water Conservation District (panelist) Brian Wamsley, Hamilton County Planning and Development (panelist)Other attendees: Jeff Agricola, City of Springdale (attendee) Marilyn Wall, The Sierra Club (attendee) John Mangan (attendee)Stakeholders who were unable to make today's presentation were: John Bernloehr, Rate affordability – Chamber Representative Tim Meyers, Large business representative Joanne Reinhold, Large business representative

	<p>Chris Dobrozsi, Large business representative Chris Ziegelmeier, Large business representative Fred Lampe, Building Trades Representative Larry Thompson, Building Trades Representative Jim Obert, Ohio Valley Development Council Wanda Ball, CUFA Christopher Manning, Landscape Architect Mark Tepe, Landscape Architect Eric Saylor, City of Cincinnati Stormwater Management Utility Patrick Ross, City of Reading Nancy Ellwood, CDM Smith Charlie Anness, Hamilton County Mohammad Islam, Hamilton County – Planning and Development Gerard Checco, Mill Creek Conservancy District</p>
<p>Project Approach for 2021</p>	<p>Karen Ball noted that the Group had needed to take some time in between meetings as the County has new Commissioners. Furthermore, MSD has been pursuing rate structure change with Black and Veatch. In this meeting, MSD will present the status of the rate structure enhancement, where they are, when they think they will interface with this group.</p> <p>Karen continued that MSD also will develop an incentive-based program to dovetail with the rate structure enhancement. The group (Stakeholders) will ultimately weigh in on what gets recommended to the board, interfacing with MSD along the way.</p> <p>Karen requested that participants share any comments on the Pathways document.</p> <p>The current work has two focus areas:</p> <ul style="list-style-type: none"> a. MSD moving towards an impervious area fee structure for its existing collection area. b. The County isolating gaps and overlaps of impervious surface fees from other agencies.
<p>Project Update (MSD)</p>	<p>Diana Christy and MaryLynn Lodor, MSD presented their project update. Comments before Q&A reflect their statements:</p> <ol style="list-style-type: none"> 1. System Overview: MSD treats 160 million gallons of wastewater a day, it maintains more than 3,000 miles of sewer pipe, has 9 treatment plants and 9 wet weather facilities, and 40+ acres of Green Infrastructure, and that it serves over 225,000 residential, commercial, and industrial customers, 43 of 49 jurisdictions in Hamilton County. 2. Project Status: MSD is currently undergoing a rate structure stakeholder engagement process. This approach is consistent with the Pathways document that was sent out around November 2020, and more consistent with the Board of County Commissioners’ resolution. MSD is presently focusing on the sub-effort of enhancing MSD’s rate structure to incorporate some level of imperviousness.

MSD currently has a rate structure that provides revenues that captures all of the work that MSD does for both sanitary and storm sewer. What this stakeholder process is focused on is an enhancement of MSD's rate structure to split out costs for sanitary system and wet weather system, splitting out what the costs are for each and what the rate structure possibilities are for MSD to pay for those services that we deliver through those assets and infrastructure.

From an affordability perspective, MSD has a lot of work to do in regard to its Consent Decree, and has a responsibility to its ratepayers. To address equity, MSD needs to look at costs related to the quantity and quality of treating water and find a way to enhance rates that fairly covers those costs. When it comes to stormwater mitigation, MSD is asking what it can do to make incentives, and for transparency, it is asking how to communicate how its rates are currently structured. All of these efforts are focused on the Board of County Commissioner's resolution.

MSD will be using these four drivers (Affordability, Equity, Stormwater Mitigation, and Transparency) to bifurcate costs between sanitary and wet weather systems.

3. Stakeholder Engagement Levels and Goals

MSD has 4 levels of stakeholders. The first level is an internal MSD team, the second is a more external-facing Steering Group, the third is a Citizens Advisory Group, and lastly, Board of County Commissioners workshops. MSD is trying to work through four goals in each case: it wants the stakeholders to understand MSD's objectives, outcomes and processes, review the study findings and its benefits and impacts, provide feedback on concerns about policies and structures, and ultimately, support MSD's new enhanced rate structure. MSD will define what the topics are as we get into the process.

4. Task/Activity Timeline

February-April 2021: Work started with the Pathways document, which gave the nod for MSD to proceed. MSD finalized its financial plan in February, from the 2021 budget, making sure it all is set in order for analysis to proceed. MSD is still in the process of bifurcating wet weather and sanitary sewer costs.

April-June 2021: MSD has been working to break out which costs are Sanitary Sewer costs and which are Wet Weather costs

Feb-June 2021: Identify impervious surface data—MSD is using flyover imagery data from the Parks Service that had previously been lacking, and which will help to determine the size and scope of impervious area, and MSD is getting the work done to add the data to CAGIS and get it ready for analysis.

June-July 2021: Wet Weather Impervious Surface Charge calculations. In this step, MSD will be defining and determining policies in the overall process, getting the work ready for stakeholder discussion.

5. Stakeholder Meetings Timeline

July 12, 2021: MSD anticipates having a Stakeholder meeting to discuss its Financial Plan and current rate structure in order to build some

	<p>understanding for the stakeholders and to have them review the financial plan and current structures.</p> <p>Concurrently, MSD will be looking at rates and rate impacts.</p> <p>Mid-August 2021: Stakeholder meetings about Impervious Billing Units, policies.</p> <p>August, 2021: MSD will be refining preliminary rate options and Bill Impacts</p> <p>By September, 2021: MSD will present preliminary rate options and Bill Impacts to stakeholder groups, aiming to gain the support of the stakeholder groups.</p> <p>6. Summary: The aim of this process is to focus on MSD’s costs as it relates to costs MSD already has, capturing those costs in a different way, not capturing new costs.</p> <p>There is no expectation that this process will happen overnight. There has to be education, and modification of the billing system. MaryLynn would not be surprised if it took two years of phase-in and implementation, but MSD aims to have a recommendation for the Board by October, 2021.</p> <p>MSD will define the composition of membership of the different steering groups.</p> <p>Revenue requirements are not up for debate—they cannot be changed, but MSD will explain what that is, and why it is in stakeholder sessions. What MSD can change and discuss are policies, why certain rates are structured in the way they are, and feedback from customers can enhance MSD’s recommendation.</p>
<p>Project Update Questions and Discussions</p>	<p>Several participants expressed frustration and confusion with how the Zoom webinar setup prevented some stakeholders from accessing their microphones and attending the meeting, while MSD representatives were able to present. Those specific comments can be seen and heard in the official recording. Karen Ball acknowledged those sentiments, and expressed hope that future meetings will happen in person and encouraged continued participation with the group.</p> <p>Q: Who is on MSD’s various Groups?</p> <p>A: MSD has given slightly different names to two existing groups, rather than creating new ones.</p> <ul style="list-style-type: none"> • The (internal) MSD Steering Group is made up of MSD’s internal Subject-Matter Experts, such as members of the finance, communications, Wastewater Treatment, and Wet Weather Operating teams, as well as Black and Veatch, MSD’s rate consultant of many years. County representatives will also be part of the steering group as well, and Forest Park is similarly interested in being part of the group. • The Citizen Advisory Group will be the same as this Stakeholder Group, as defined in the BOCC Resolution. <p>Q: How are costs bifurcated and calculated?</p>

	<p>A: MSD was not yet prepared to answer. Sanitary sewer costs are not just limited to meter costs and can include revenue requirements and debt service. To identify bifurcated costs, MSD is updating its Financial Plan, using the 2021 revenue requirements as a revenue neutral baseline, then using that baseline to look at cost allocation and determine which costs are sanitary costs and which are wet weather costs. That is scheduled for August.</p> <p>MSD does not yet have its impervious surface analysis report, which is being driven by a contract with an external flyover company. MaryLynn promised to make the report available as soon as MSD receives it.</p>
<p>Hamilton County ISF Project Plan for 2021 (Raftelis)</p>	<p>Henrietta Locklear, Raftelis</p> <p>The Commissioners are concerned and interested in the impacts of a change of how wet weather costs are recovered from customers across the County. The impact may differ from place to place depending on how some other costs are recovered on the stormwater front: some customers pay a stormwater fee to a different county agency or city apart from MSD, and those fees have to be accounted for with considering customer impacts.</p> <p>Raftelis is working with County to define impacts more holistically, has started receiving the base data from Agency Task Force Members, and will be working with those members to develop and refine and present those impacts. Raftelis' work will be to determine how those costs impact not only MSD customers but customers of other agencies. In some cases, the calculation gets complicated because of the service that is provided and how the different agencies charge for it but Raftelis will be working on that this year.</p>
<p>Discussion Wrap-Up, Next Steps, Closing</p>	<ol style="list-style-type: none"> 1. Bob Park: <ol style="list-style-type: none"> a. Is MSD still denying responsibility for stormwater management in this region, or do they now accept that it's their job? <ol style="list-style-type: none"> i. Diana Christy: MSD has to follow the law (OH revised code 6117, MSD as a sanitary sewer district, and the 1968 agreement that created MSD) on what we can provide and charge for. We are not a stormwater district, by law. We can only construct stormwater assets and treating stormwater as part of our Consent Decree to address Combined Sewer Overflows. We cannot charge for it or spend money on it unless is explicitly going to addressing those. ii. Karen Ball: Over the past 20 years, there's been a lot of work to handle stormwater getting into the sanitary sewer throughout the district. That is been part of MSD's work and will be moving forward. MSD has limits, and we have spent money on the Valley Stormwater Conveyance system. b. Is the county including pervious surfaces in the fees? All surfaces become impervious under sustained storm conditions. <ol style="list-style-type: none"> i. MaryLynn Lodor: If a site has no impervious surfaces, it will still be factored into the calculation.

	<p>ii. Diana Christy: What MSD is developing is not a stormwater fee. It's changing our rate structure to deal with the costs of wet weather water in our system. We're looking for new ways to pay for the same costs, which includes the stormwater that gets into our system.</p> <p>2. Allison Auciello:</p> <p>a. The rate affordability taskforce made its recommendation in 2015, yet we're saying we'll have the recommendation for this group in October, two years after it was created, and then it'll be another two years until implementation? That'll be eight years since the recommendations were handed down in the wake of the Affordability Taskforce. If equity is our goal then we have eight years of inequitable rates and there doesn't seem to be any sense of urgency about changing them.</p> <p>b. Karen Ball: There were eight recommendations from the taskforce, this is the only one left. For instance, we have moved from quarterly to monthly billing. This will be a monumental change and it will take time to do it right.</p> <p>3. Bob Park:</p> <p>a. So why can't you tell Black & Veatch immediately to reduce the minimum charge by 80% and get rid of the discount, and come up with a revenue neutral structure for this year?</p> <p>i. MaryLynn Lodor: We will be doing that, but there are other factors to be considered. We want to have this effort wrapped up by October so we can do the analysis and recommendation of a minimum charge in our 2022 rate study. The instructions to Black & Veatch are outlined in the Pathways Document as Focus Area 1.</p>
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Logistical Notes:

- The City of Forest Park will be added to the Agency Task Force, with Dave Buesking as its representative.
- The Hamilton County team will re-send the Pathways document to stakeholders, and attempt to provide materials farther in advance of future meetings.
- This meeting was held on Zoom's webinar platform. Participants in the meeting had access to the Zoom webinar as a Panelist or Attendee. Panelists were able use their microphones to speak or write comments/questions in the chat while attendees could not access their microphones and instead could place questions in the chat or in the Q&A function. Representatives of each organization who confirmed their attendance ahead of time were made panelists (a maximum of one panelist from each stakeholder organization) and those who had not were made attendees. Karen expressed hope that these meetings can start in person soon.