



Hamilton County Storm Water District

Administered by the Hamilton County Engineer's Office – Theodore B. Hubbard, County Engineer

In partnership with H. C. Soil and Water Conservation District, The H. C. Department of Planning and Development, H. C. Public Health, the City of Cincinnati Stormwater Management Utility, and the Metropolitan Sewer District of Greater Cincinnati

Website: <http://www.hamilton-co.org/stormwater>

Hamilton County Storm Water District

73rd Oversight Board Minutes

January 28, 2016

2:00 p.m.

Springfield Township Administration Building

Allen Paul Room

Board Members Present	Board Members Absent
Joseph Honerlaw – Springfield Township Trustee	
Theodore Hubbard – Hamilton County Engineer	
Jenny Kilgore – Village of Glendale	
Mark Quarry – Village of Silverton Councilman	
Dennis Deters – Hamilton County Commissioners' Office – newly appointed replacement for Chris Monzel	
Alternates Present	Alternates Absent
Jim Obert – Symmes Township Resident	Frank Birkenhauer – Colerain Township Assistant Administrator and Director of Development
Tim Gilday – Hamilton County Engineer's Office	
Richard Osgood – City of Sharonville Building and Planning Director	

Guest Name	Organization
Tom Alderfer	Village of Glendale
Karen Ball	Hamilton County/MSD
Chris Calpin	CDM Smith
Joe Cottrill	CT Consultants
Nancy Ellwood	CDM Smith
Christopher Griffith	Hamilton County General Health District
Dora Hamblin	CDM Smith
Brad Johnson	Hamilton County Public Health District
Jerry Hensley	Village of Indian Hill
Todd Long	Hamilton County Engineer's Office
Gordon Perry	City of Blue Ash
Ron Ripperger	Delhi Township
Holly Utrata-Halcomb	Hamilton County Soil & Water Conservation
Jim Welber	Hamilton County Planning Development
Kellie Wise	Hamilton County Commissioners' Office

1) **Meeting Called To Order / Pledge of Allegiance**

Chairman Quarry called the 73rd Oversight Board Meeting to order at 2:04 p.m., and then led the group in the Pledge of Allegiance.

2) **Introductions**

Introductions of the Oversight Board and Alternate Members were made.

3) **Approval of Minutes:**

Board Member Kilgore moved to approve the minutes from the 72nd Oversight Board Meeting dated October 22, 2015; seconded by Board Member Hubbard, the motion carried.

4) **Unfinished Business:**

None

5) **New Business:**

a) **Board of County Commissioners (BOCC) Resolution:**

Chairman Quarry acknowledged the receipt of a BOCC resolution from the Hamilton with their recommendations for appointing their Member representative and Alternate Member positions to the HCSWD Oversight Board.

Chairman Quarry made a motion to acknowledge and accept appointment of Mr. Deters to the Storm Water District Oversight Board. Board Member Hubbard moved to approve the appointment; seconded by Board Member Kilgore.

b) **Slate of Officers, Board Members and Alternates for Vote:**

Mr. Long noted there are a few vacancies to be filled on the slate of officers – the City of Cincinnati has a vacancy that is yet to be filled and the District is also working with the Township Association on naming a replacement to fill the open Township representative position. The nominee will be presented at a future meeting or proposed electronically via email for vote. Mr. Long requested the Board consider use of an email vote for replacement Board members.

Motion amended by Chairman Quarry to include the slate of officers and email vote option. Board Member Hubbard moved to approve the appointment; seconded by Board Member Kilgore, the motion carried.

c) **District Capital Improvement Projects (CIP) (refer to handout):**

Mr. Long presented a list of projects that have been recommended by the Support Staff for funding under the 2015 CIP initiative. CIP projects are funded through the illicit discharge program.

Mr. Long mentioned that authorization to move ahead with the CIP program – using the existing evaluation process – was obtained at a prior Board meeting. Mr. Long also reminded the Board that the formation of a subcommittee to evaluate the CIP project evaluation process was put on hold at a prior Oversight Board Meeting.

The 2015 CIP project submittal process was changed to an electronic format for collecting project information. This enabled the District to streamline a community's ability to submit information and speed up the project ranking process. There were two highly attended, well received informational meetings held to present the new process to communities. Everything went smoothly even under an extremely accelerated timeline.

The District received 42 project applications. Only the highest scoring projects were considered for funding. A maximum of \$125,000 was awarded to any given community – in line with past practice. Sixteen projects in 11 different jurisdictions were recommended. The recommendations include six water quality projects – more than had been seen in the past – indicating communities and their consultants are becoming educated in the use of green infrastructure. Additionally, six structural deterioration projects, one erosion project, and three flooding-based projects are being recommended. The total budget for the recommended projects is \$795,684 leaving a small remainder of \$4,316.

Mr. Long requested that the Board favorably consider the recommendations.

Vice Chairman Honerlaw made a motion to approve the projects as proposed; seconded by Board Member Kilgore, the motion carried.

d) District's 2017 Fiscal Budget

Mr. Long presented an update on the District's assessment of the 2017 Fiscal Budget.

- The District has passed the 2016 budget and is moving forward with the 2017 budgeting process.
- The loss of the City of Cincinnati as a member will create a revenue stream issue requiring the District look at what we will do in 2017 and beyond.
- The District advanced requests to the Hamilton County Prosecutor's Office for an opinion as to what the District is able to do with excess funds collected for specific services.
 - The District collects service fees from townships for all six minimum control measures (MCM) and offers a "cafeteria style" menu level of services the District can provide for cities and villages. Therefore the District has certain base services that all communities benefit from and additional level of service selections that cities and villages may elect to receive. None of the MCMs are discretionary to meet permit compliance requirements.
 - There are base services (MCM1, MCM2 and MCM6) that all member communities receive including education, outreach, good housekeeping, and District administrative services. Elective services include development, illicit discharge detection and elimination, and mapping. It is important to note that each member community must perform the elective services for themselves if they do not elect the District to perform that service for them. Funds

for these latter services have been segregated into “silos” to be spent for those purposes.

The question presented to the Prosecutor was whether the District can use excess funding collected from some communities for performing their elective services to pay for other program areas that are experiencing shortfalls due to changing District constituency. (The City of Cincinnati was paying only for base services.)

- The Prosecutor has advised the District that it can take the collected development services dollars and spend those across the board. Mapping and illicit discharge detection and source investigation activities are characterized as more specific tangible services that a community bought into and the District cannot spend those dollars in other areas.
- The Prosecutorial opinion buys the District more time. The District had been in a position that it may have had to adjust rates as early as February to meet the billing file timeline. For 2017, the District should be able to continue the program the way it has for the last several years as long as no one else leaves the District.
- It is very difficult to predict what jurisdictions may continue to stay if rates increase or if something changes in the overall permit. The rate increase depends on which jurisdictions remain members. CDM Smith put together a tool that estimates what the rate might be using a “what if” scenario.
- Based on how the District was established under the Ohio Revised Code, the smallest the District can be is twelve townships. The largest is the entire county with all the municipalities in it. The current makeup of the District is somewhere in-between the minimum and maximum. It is very difficult to say what that is going to mean for the District in the future. The District is going to be working through this during the remainder of this year.
- Mr. Long stated that he is slated to talk at the township association meeting in February and the Hamilton County Engineers annual township meeting. His message will be to let people know what the District is facing, where rates might have to go, and what this might mean to permit compliance.

Question: Alternate Board Member Obert asked are there any “silo” dollars that are set aside specifically for jurisdictions that have left the district?

Answer: Mr. Long stated that the silos themselves were not created for specific jurisdictions, they were created for specific tasks. When a jurisdiction leaves the District they leave behind any excess funds they may have contributed.

Question: Alternate Board Member Obert asked if a jurisdiction has paid into a specific task and have left the district, under the advice that we are

being given by the Prosecutor, can the District take that portion of the excess into the total (budget).

Answer: Mr. Long stated the short answer is probably. In effect, the District will be able to do that but the accounting does not allow for drilling down to the dollar amount paid on a community by community basis. Base services would be spread anyway. The District would be able to advance fees collected for illicit discharge services into another area for communities who paid the illicit discharge service fee and then left the District. The dollar amount associated with this example is on a jurisdiction by jurisdiction basis and is probably going to be so small that, in the big picture, it will not make a difference. The amount is not likely to be enough to fund another year. An area where we have been doing this to certain extent is CIP. The District has allocated CIP funds from collected IDDE funds and, on a competitive basis, spreading those out to current member communities. The funding from those communities who paid in and subsequently left the District are in that same pot and are being spread out among the projects.

Question: Chairman Quarry asked of the 49 jurisdictions how many do we have still in the District?

Answer: The District never had all of the jurisdictions. There were several jurisdictions such as the City of Milford and the City of Loveland that were in multiple counties. At its maximum, the District consisted of approximately 44 jurisdictions and presently the District consists of approximately 38 jurisdictions.

- (Mr. Long continues with the Fiscal Budget discussion):
 - The District is not asking for a vote at this time on these next items but wants to document what it has been doing in its work sessions. Ultimately the Board would have to make recommendations if these were to move forward.
 - Intergovernmental Agreements One of the concepts the District is trying to advance is that in the past it has not had specific binding intergovernmental agreements with the co-permittees. Currently, there are resolutions passed that say a jurisdiction wants to be a member and the District amended its general plan of drainage to allow for a one-year notice before a member leaves. But there is nothing specifically that prevents a community who joins the District from walking away when they believe that they either received what they felt they needed or perhaps they feel they can do it in a cheaper fashion.
 - What the District has been looking at moving forward is to have a five year binding inter-governmental agreement executed by each jurisdiction. The five year term being suggested to be coincident with the District's five year permit term with the Ohio Environmental Protection Agency. The agreement would solidify

the specifics of what the jurisdiction is going to get and what the District is going to provide.

- The District will be seeking advice on how to establish an agreement for this length because the duration of the term is a little longer than contractual obligations generally last. They are usually one or two-years in length.
- If the Board thinks inter-governmental agreements are the proper course of action it might give the District a little more strength and more commitment from the jurisdictions.
- Changing Level of Services Another work session topic is the cafeteria style level of services that the District has facilitated for a number of years.
 - One of the thoughts that has been advanced is to move away from a menu of options and move closer to a one size fits all approach. In this scenario, the community is either part of the District or not and would receive all services.
 - Every action the District might take has a reaction and, at this point, if the District were to move to a one size approach, there might be communities that say they were in the District because of the flexibility of being able to choose A, B and D and they really don't need C. If the District is going to make them pay for C and they don't feel they will be getting anything from it, they may have to evaluate if it is worth it. There may be certain communities who, if this idea is advanced, might say they can't be a part of this anymore and that is a potential risk that the District takes.
- Capital Improvement Program One of the other topics discussed is what to do with the Capital Improvement Program.
 - The current structure is modeled on a competitive basis. There is a pool of money and everybody competes for it based on criteria set forth.
 - Mr. Long stated that the CIP program gets good feedback from communities. They benefit from being able to get project funding from the District and put that to work for their community. Perhaps that is the only reason they are in the District.
 - The District has the option of facilitating CIP one of two ways - keep it competitive or create an overall pool of money that every community who wants to be a part of it can contribute to. In the second scenario, in a certain duration of time, each one of those communities would receive project funding - similar to the 20 percent fund in the municipal road funding.
 - The latter approach could fit nicely into the more unified rate structure/one size fits all District. A member could contribute on a voluntary basis into this fund - recognizing that over a specified duration of time they are going to receive funding. This latter approach would mean that a community is in it for five years as an example, but at some point they are going to get some project funding.

- Those are big picture concepts discussed at some of our work sessions. A lot is going to change - certainly with the rate structure. Even if the District did everything exactly as it is doing now, it will have to deal with revenue shortfalls.
- The District can demonstrate that it is doing everything it can to be in full permit compliance. If the District non-performs something, it is at risk. That is not a place of strength that anyone can advance for the Commissioners, the Engineer or any of the participating members. The District doesn't want to be put in the situation of doing less than it should under the terms of the permit.

Comment: Board Member Hubbard stated that the cafeteria option is problematic when it comes to providing basic services – the District needs to be doing is what is necessary for the permit and it has to have some flexibility to use that money where it is needed. He also commented on the five year duration of intergovernmental agreements, which ideally should have a shorter duration, are necessary if the CIP program becomes a side task. For the District to get projects to all the member jurisdictions, it will probably take more than five years. He stated that this reorganization and intergovernmental agreements are going to be necessary.

Question: Chairman Quarry asked about the funding model and when would we need to make a decision on that.

Answer: Mr. Long replied the timeline is based on the time necessary to propagate the tax bills each year. Because of the effort involved to accomplish this, the District is going to need to start the process very soon even though it is not until 2018 when it becomes a problem. At the end of this year, the District is going to need to get to the point where it knows how it wants to move. By the October-December timeframe the District should solidify the decision making on having a unified rate, whether there is a CIP, and what needs to be done differently to make this move forward. While the Auditor's Office can allow its dates to float a little bit, that should only happen once in a blue moon. The District is not looking to count on the fact that the process could potentially be kicked down the road a little bit. He stated that he doesn't think this is going to be popular for the communities in terms of rates - no one wants to look at them going up. The District has done an extraordinary job keeping rate fixed the last 5 to 6 years across the board, when not everyone was doing that.

Question: Chairman Quarry asked with regards to these meetings with the township association and other organizations what their answer might be in terms of moving away from cafeteria, doing the inter-governmental agreements, etc. He stated that it might be beneficial but at the same time is worried that some of the people who might not be thinking about bailing out, when they hear this will, in fact, bail out.

Comment: Vice Chairman Honerlaw stated it would not be the townships but the municipalities.

Please refer to agenda packet for schedule details

Comment: Board Member Hubbard stated the ground is coming up and the District has to do something. The District either has a plan that people can consider or it hits the ground. The District doesn't have much choice but to propose change.

Comment: Mr. Long stated that in his experience when you seek to communicate to the jurisdictions what is going on and educate folks as to what this means, he has found that a board armed with all the facts will work through it and quickly come to a similar conclusion. The alternative is the District is non-compliant and faces the penalties and provisions of an unfunded mandate. Boards and Councils are made up of intelligent people that when given the facts of the matter make the best decisions they can.

Comment: Chairman Quarry stated Mr. Long was right. Fully disclosing and being as transparent as possible is the right way to go.

Question: Alternate Board Member Obert asked whether the District can reach beyond county lines. With what the District provides, does it have something that is a commodity that is marketable to areas outside of our communities and county borders? Are there others who are faced with the same thing that the District can bring and provide services and help heal our base services revenue issues?

Answer: Mr. Long stated that ultimately he did not know; however, the question could be explored with the Prosecutor's Office. It is his belief though, that the District will run up against the fact that it was created to operate under its county and its BOCC only. Perhaps there would be some way to operate under inter-governmental agreements with adjacent counties. Butler County, to our north, also has a program similar to the District's so it would literally be trying to extract people from their District. It is not impossible but there are quite a few challenges associated with it.

Comment: Holly Utrata-Halcomb stated the Regional Storm Water Collaborative has reduced cost to the District for MCM 1 and 2 by a couple hundred thousand dollars through a governmental agreement signed every year. It has worked very well.

Comment: Chairman Quarry stated that was good to know. He stated he liked Mr. Obert's question - thinking outside the box and asked if the county to the north has a structure little different from District. Partnering with them, like Holly just mentioned with the Collaborative, could be evaluated.

Comment: Mr. Long stated this is food for thought for a future work session. He explained that the Storm Water Collaborative that Ms. Utrata-Halcomb mentioned, which joins multiple groups outside of Hamilton County together, has taken approximately \$100,000 from the original

components MCM 1 and 2 and reduced that down to approximately \$11,000, so it is a good question to explore.

Comment: Chairman Quarry commented on runoff being generated by the county to the north and sees it as a common problem with opportunities.

Comment: Joe Cottrill (in audience) stated they have more farm fees than Hamilton County.

Comment: Board Member Hubbard stated the District's fees are lower than theirs. As far as funding is concerned they may want to join us. It is a question first for the Prosecutor's Office - is it even something that legally can be done?

Comment: Mr. Long stated one of the other problems the District might have is the fact it is has organized with different partner agencies. It needs to be understood what ability they have to operate outside of the boundaries of Hamilton County.

6) Further Announcements:

A) Next Meeting Dates:

- Oversight Board Work Session, March 24, 2016, at 2:00 p.m. in Springfield Township
- Oversight Board Meeting; April 28, 2016, at 2:00 p.m. in Springfield Township

B) Copy of the 2016 meeting schedule is on the table in the back of the room.

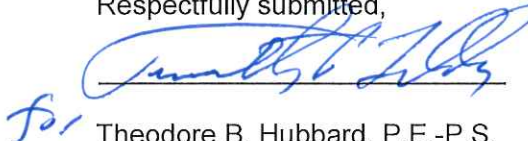
7) Other Business:

Chairman Quarry introduced Karen Ball who made a brief presentation on the MSD Rate Affordability Task Force. (Both Chairman Quarry and Karen Ball are on the task force.) Mr. Long spoke to the task force on January 27, 2016 and asked Ms. Ball to do the same here. The group has a deliverable in April 2016 with recommendations to the BOCC on affordability of MSD rates particularly with economically challenged rate payers. Rates have risen considerably due to the Consent Decree. At yesterday's task force meeting it was agreed that MSD's rate needs to be changed. She stated their "mission is next to impossible."

8) Adjournment:

With no further business, the 73rd Oversight Board meeting was adjourned by Chairman Quarry. The meeting concluded at 3:10 p.m.

Respectfully submitted,


for Theodore B. Hubbard, P.E.-P.S.
Secretary/Treasurer for HCSWD