

**NORTH RIDGEVILLE CITY COUNCIL
UTILITIES COMMITTEE MEETING MINUTES
CITY COUNCIL CHAMBERS - 5:30 p.m.
MONDAY, September 3, 2023**

To Order:

Chairman Bruce Abens called the Utilities Committee meeting to order at 5:30 p.m. and led the Pledge of Allegiance.

Attendance:

Members present were Chairman Bruce Abens, Councilwoman Georgia Awig, and Councilman Eric Shaffer.

Also present: Mayor Kevin Corcoran, Director of Community Services Tara Peet, Finance Director April Wilkerson, Council President Jason Jacobs, Councilman Martin DeVries, Councilwoman Holly Swenk, and Deputy Clerk of Council Tina Wieber.

Minutes:

Chairman Abens asked for any corrections to the minutes of January 17, 2023, and May 1, 2023. No discussion was offered. Minutes approved as presented.

{Clerk's notes: Numerous discussions took place among the audience that were not captured in the minutes because the microphone did not detect their voices.}

New Business:

- O 2024-88 An Ordinance authorizing the Administration to charge credit card processing fees to payer.
(Introduced by Mayor Corcoran; First Reading on 08-19-2024)
- O 2024-89 An Ordinance authorizing the Mayor to enter into a contract with Utility Metering Solutions, LLC, for the City-Wide Mass Water Meter Replacement Project. (Introduced by Mayor Corcoran; First Reading on 08-19-2024)
- O 2024-90 An Ordinance authorizing the Mayor to purchase water meters and appurtenances from Badger Meter, INC. as part of the Mass Water Meter Replacement Project.
(Introduced by Mayor Corcoran; First Reading on 08-19-2024)
- O 2024-91 An Ordinance establishing a water meter service charge.
(Introduced by Mayor Corcoran; First Reading on 08-19-2024)

Chair Abens asked Community Service Director Tara Peet to provide a presentation for the mass water meter replacement.

Community Service Director Tara Peet explained the following legislation: Ordinance Number 2024-89 is contracting with Utility Metering Solutions, LLC) and Ordinance Number 2024-90 is the purchase of the water meters and infrastructure. Mrs. Peet introduced the presenters Jacob and Mark from Badger Meter, Inc. and Utility Metering Solutions, LLC.

A presentation was delivered to the City Council regarding the implementation of the mass meter replacement project, as well as the next steps outlined by Badger Meter, Inc. and Utility Metering Solutions, LLC. A copy of the presentation is attached to the minutes.

{Clerk's Note: Due to technical limitations, the PowerPoint presentation was not displayed during the meeting. The presenters provided physical examples of the water meters.}

The presentation discussed the following:

- Badger Meter has served as the account manager for the City of North Ridgeville since 2012.
- In 2009, the City utilized a metering system called Galaxy.
- The presentation provided an overview of the functions of water meters.
- Water meter collectors are responsible for transmitting signals from the meters to the billing software.
- Customer engagement is planned for when the installation of mass meters begins.
- The current metering solution is nearing the end of its useful life.
- To address this issue, upgrading the metering technology is necessary. This will involve entering each resident's home, replacing the existing meter, and installing a new transmitter.
- The transition process is expected to take approximately three years, with a total project cost estimated at \$8.8 million.

Councilman Shaffer inquired about the privacy of the transmitted data and whether it would increase junk mail. He also asked who would be responsible for repairing the pipes.

Ms. Peet clarified that the City is only responsible for the water meter. Any issues occurring beyond the meter into the residential property would be the responsibility of the property owner.

Presenters continued:

- The privacy structure implemented is similar to financial institutions.
- An increase in junk mail is not anticipated. Residents will only receive an informational mailer regarding the new meter installation. If there is no response to the first mailer, a second mailer will be sent.
- All data collected during the installation project from residents will be deleted once the project is complete.

Councilman Abens wanted to know if the information from the data was being transmitted through a one-way process.

Presenters continued:

- The system utilizes a two-way communication mechanism, sending signals to the private cellular network and receiving confirmation signals in return. Firmware updates will be processed via this signal.
- In the event of a hack, only specific data would be accessible, including the meter number, endpoint number, interval reading data, and leak notifications. No other customer information is transferred.
- The meters remain operational even if nearby cellular towers experience outages. They can connect to multiple cellular towers, and if none are available, the endpoint will store data until a tower is back online for communication.
- All installers hired by Badger Meter for the mass meter project undergo: Criminal background checks; Drug and alcohol screenings; Issuance of ID badges; and Provision of a verification letter from the City.
- The last upgrade for some meter parts occurred in 2009.
- It is noted that utilities typically replace their systems every 12-14 years for various reasons.
- Coordination for fixing pipes will be managed through the City: If a leak occurs at the meter, the City will address the issue; the City is not responsible for any leaks occurring after the meter.
- Installations will be conducted in grouped phases.
- Meters installed in 2022 are excluded from the mass meter replacement as they are already equipped with the latest technology.
- The project is expected to take approximately one year to complete.
- The upgrade will address many data issues that impact the billing system.

Director of Finance April Wilkerson provided an overview of the background research conducted by the Administration on the mass meter replacement project. The Administration explored various funding options, including grants and loans, to support the project. The Ohio Water Development Authority had resources available; however, the City unfortunately missed the application deadline. All potential funding sources were carefully reviewed. A copy of the presentation is attached to the minutes. Ms. Wilkerson discussed the following points:

- Total project cost is estimated at \$8.8 million.
- Proposed funding includes \$3.8 million from ARPA Funds and financing of \$5.5 million.
- The total project cost of \$8.8 million is not sufficient to request a bond.
- Bond anticipation notes will be used to cover the additional \$5.5 million.
- The City plans to roll the debt annually, to pay it off within 5 years.
- The City has successfully issued bond anticipation notes in the past.
- The requested legislation will establish a water meter service fund and implement a per meter per month charge to finance the project and future water meter initiatives.
- Implementation of the service fee is set to begin immediately upon legislation adoption.
- Projected revenue from the meter service fee is approximately \$714,000 annually, totaling about \$3.4 million over 5 years.

- The Water Operation Fund is expected to contribute \$2.35 million towards the total project cost.
- Detailed explanations were provided regarding fund balances, the Water Operation Fund, and associated calculations as outlined in the PowerPoint presentation.

Councilman Abens inquired whether there would be different fees for residential and commercial users. He also asked if the City could impose a premium charge for new services to help cover the project costs.

Mrs. Peet responded that a flat rate would be implemented, and current regulations do not permit premium charges.

Councilwoman Swenk asked if residential utility deposits could be utilized to fund the project.

Ms. Wilkerson explained that the deposit funds are applied to the resident final bill if there is a deposit on file for utilities. The Utilities Division does not request deposits anymore.

Councilman DeVries inquired whether the City could still apply for grants to fund the project.

Ms. Wilkerson responded that the City would not be eligible for grants since the project would have already started.

Councilman Shaffer asked if the project could be postponed for a year to allow time to apply for grants.

Ms. Wilkerson advised against postponing the project due to the uncertainty of grant approval.

She noted that the City had previously applied for funding from the Ohio Water Development Authority (OWDA) for the irrigation system at French Creek. Postponing the application for the OWDA grant could potentially delay the project by two years and increase the risk of inflation.

Councilman Abens inquired whether there would be any increases to the \$3.50 fee by the end of the year.

Ms. Wilkerson clarified that there would be no increase, as any adjustments would require City Council approval.

Councilman Abens also asked how much the City charges for credit card transactions.

Ms. Wilkerson explained that the City could save money by passing on credit card transaction fees to residents. The proposed legislation is to implement this charge citywide. Currently, the City incurs nearly \$450,000 annually in credit card fees, which amount to approximately 2.95% per transaction.

Councilman Abens expressed concern that residents might experience about a 6% increase in their water bills as a result, leading to potential complaints.

Mrs. Peet shared that there will be a campaign to inform residents about the fee structure and emphasize the potential savings by paying their utility bills via check.

Moved by Awig and seconded by Shaffer to send Ordinance Number 2024-88 back to City Council for consideration.

A voice vote was taken and the motion carried.

Yes – 3 No – 0

Moved by Awig and seconded by Abens to send Ordinance Number 2024-89 back to City Council for consideration.

A voice vote was taken and the motion carried.

Yes – 2 No – 1 (Shaffer)

Moved by Awig and seconded by Abens to send Ordinance Number 2024-90 back to City Council for consideration.

A voice vote was taken and the motion carried.

Yes – 2 No – 1 (Shaffer)

Moved by Awig and seconded by Abens to send Ordinance Number 2024-91 back to City Council for consideration.

A voice vote was taken and the motion carried.

Yes – 3 No – 0

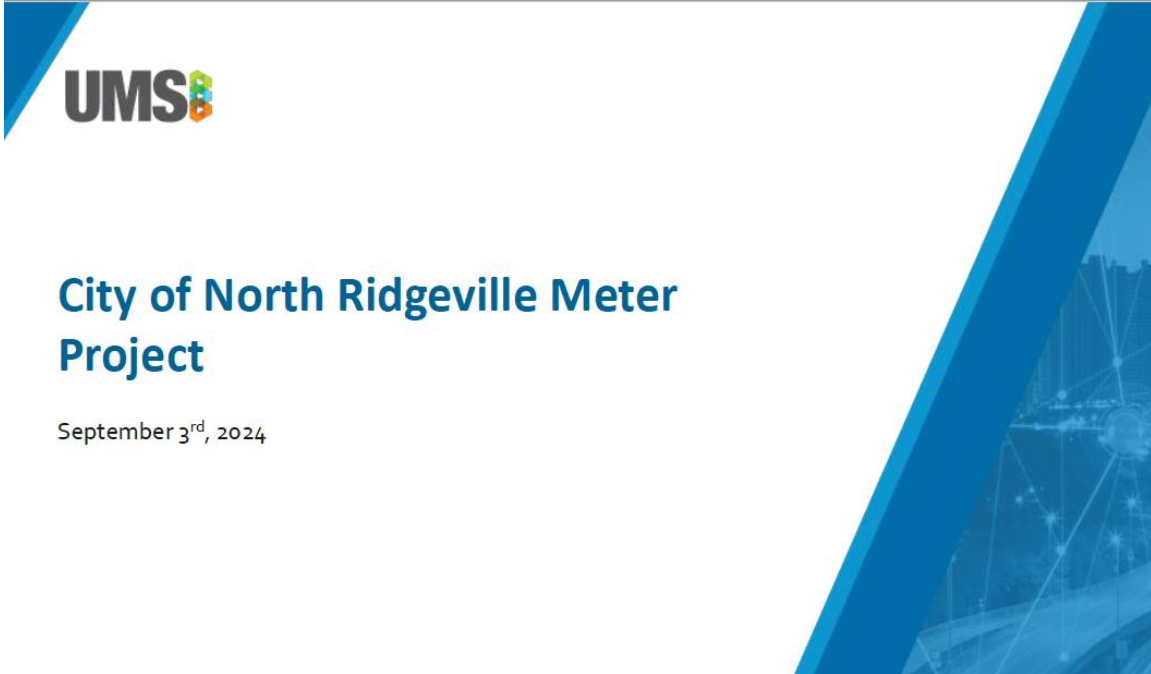
Adjournment:

Chairman Abens adjourned the meeting at 7:15 p.m.

Date Approved: July 21, 2025



Fijabi Gallam, MMC
Assistant Clerk of Council



City of North Ridgeville Meter Project

September 3rd, 2024

Background: Current State of Metering

Overall System Health

- Generate \$5.2M a year on water
- Roughly 17,378 service connections
- 4,300 meters are not reading and are being estimated as of last check
- Transitioned to Badger BEACON software in 2018/2019

Meter Reading Technology

- First generation Badger Meter Galaxy System was Installed in 2009
- System is read by 9 collectors (two currently not operational)
- Current system is out of warranty and at end-of-life. No replacement gateways or replacement parts
- Last full meter change out program – 2009/2010

Problem: Existing Metering Solution at End of Life

- Current meters and AMI solution has reached end of life and needs to be upgraded.
- 4,300 meters (25%) are not reading. Customers receiving estimated bills.
 - Continued operation of existing system will result in a steady increase of these numbers
- Meter reading accuracy is steadily declining due to aging infrastructure



Solution: Transition to Upgraded Technology

- Undergo a mass meter upgrade project
- Enter every resident home
- Upgrade existing meter
- Attach new transmitter



Technology and Service Providers



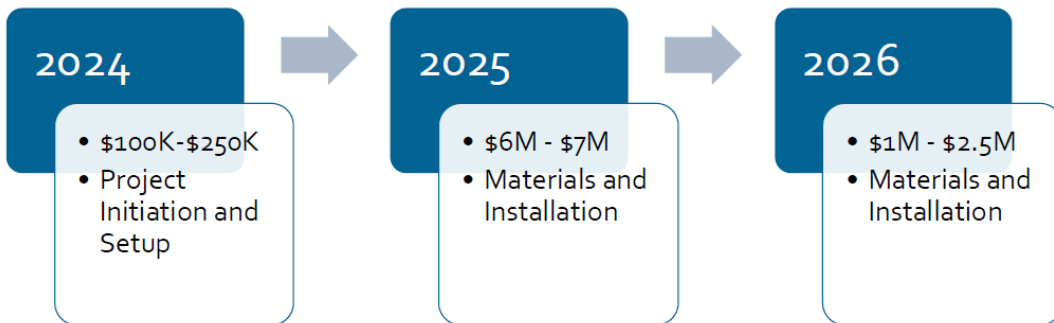
- Leading manufacturer of water meters and technology since 1905
- Existing vendor for the City of North Ridgeville
- Has meter reading software and customer engagement software already installed and integrated



- Certified Installation and Integration Partner with Badger Meter
- Successfully completed over a dozen projects and over 200,000 meter installations in OH in the last three years
- Have completed numerous inside meter installation projects



Transition Cost and Timeline



Total Project Cost: \$8.8M
Project Duration: Approximately 10-12 Months



Estimated Cost

What is your all in cost for a complete change out

Final Quotes			
	Badger Meter	UMS	Combined
Cost	\$ 4,713,407.86	\$ 3,198,898.00	\$ 7,912,305.86
Contingency	\$ 471,340.79	\$ 319,889.80	\$ 791,230.59
Bonding		\$ 87,969.70	\$ 87,969.70
Total	\$ 5,184,748.65	\$ 3,606,757.50	\$ 8,791,506.15

UMS

UMS

Thank you and Questions?

City of North Ridgeville

Water Meter Project Financial Overview

Financing Overview

Project Estimate, rounded - \$8,800,000

ARPA Grant - \$3,800,000

Amount to be financed - \$5,000,000

Bond Anticipation Notes

	Principal pay down	Interest		Balance
2024	\$ -	\$	250,000	\$ 5,000,000
2025	\$ 1,000,000	\$	200,000	\$ 4,000,000
2026	\$ 1,000,000	\$	150,000	\$ 3,000,000
2027	\$ 1,000,000	\$	100,000	\$ 2,000,000
2028	\$ 1,000,000	\$	50,000	\$ 1,000,000
2029	\$ 1,000,000	\$	-	\$ -

Financing Overview

Water Meter Service Fund

Total number of customers/meters – 17,000

Proposed monthly meter service fee - \$3.50

Estimated annual revenue - \$714,000

Funding over five-years

Meter Service Fund - \$3,400,000

Water Operations Fund - \$2,350,000

**City of North Ridgeville, Ohio
Revenues, Expenses and Changes in Fund Balance
Forecasted**

	Forecasted				
	2025	2026	2027	2028	2029
WATER METER SERVICE FUND (XXX)					
Revenues					
Charges for Services	714,000	714,000	714,000	714,000	714,000
Total Revenues	714,000	714,000	714,000	714,000	714,000
Expenses					
Capital Outlay	-	-	-	-	-
Total Expenses	-	-	-	-	-
Excess (deficiency) of Revenues over Expenses	714,000	714,000	714,000	714,000	714,000
Non-Operating Revenues/(Expenses)					
Interest	10,000	10,000	10,000	10,000	10,000
Sale/Disposal of Assets	-	-	-	-	-
Transfers-Out	(500,000)	(800,000)	(700,000)	(700,000)	(700,000)
Total Non-Operating Revenues/(Expenses)	(490,000)	(790,000)	(690,000)	(690,000)	(690,000)
Excess of revenues and Non-Operating Revenues Over/(Under) Expenses and Non-Operating Expenses	224,000	(76,000)	24,000	24,000	24,000
Fund Balance, beginning of year	-	224,000	148,000	172,000	196,000
Estimated Fund Balance, End of Year					
Target Carryover Balance	-	-	-	-	-
Available for Future Appropriations	-	-	-	-	-
Total Fund Balance, end of year	224,000	148,000	172,000	196,000	220,000

City of North Ridgeville, Ohio
Revenues, Expenses and Changes in Fund Balance
Actual, Budget, and Forecasted

	Budget		Forecasted			
	2024	2025	2026	2027	2028	2029
WATER FUND (610)						
Revenues						
Charges for Services	5,925,000	6,101,000	6,282,000	6,468,000	6,660,000	6,859,800
Tap-in Fees	40,000	40,000	40,000	40,000	40,000	40,000
Other Revenue	5,000	5,000	5,000	5,000	5,000	5,000
Total Revenues	5,970,000	6,146,000	6,327,000	6,513,000	6,705,000	6,904,800
Expenses						
Collections	354,900	363,800	372,900	382,200	391,800	401,600
Operations	2,877,190	2,949,100	3,022,800	3,098,400	3,175,900	3,255,300
Purchase of Water	1,800,000	1,845,000	1,891,100	1,938,400	1,986,900	2,036,600
Capital Outlay	181,210	-	-	-	-	-
Total Expenses	5,213,300	5,157,900	5,286,800	5,419,000	5,554,600	5,693,500
Excess (deficiency) of Revenues over Expenses	756,700	988,100	1,040,200	1,094,000	1,150,400	1,211,300
Non-Operating Revenues/(Expenses)						
Interest	62,000	63,000	64,000	65,000	66,000	66,000
Sale/Disposal of Assets	-	-	-	-	-	-
Transfers-Out	-	(750,000)	(400,000)	(450,000)	(400,000)	(350,000)
Total Non-Operating Revenues/(Expenses)	62,000	(687,000)	(336,000)	(385,000)	(334,000)	(284,000)
Excess of revenues and Non-Operating Revenues Over/(Under) Expenses and Non-Operating Expenses	818,700	301,100	704,200	709,000	816,400	927,300
Fund Balance, beginning of year	3,814,184	4,632,884	4,933,984	5,638,184	6,347,184	7,163,584
Estimated Fund Balance, End of Year						
Target Carryover Balance	1,258,000	1,289,000	1,322,000	1,355,000	1,389,000	1,423,000
Available for Future Appropriations	3,374,884	3,644,984	4,316,184	4,992,184	5,774,584	6,667,884
Total Fund Balance, end of year	4,632,884	4,933,984	5,638,184	6,347,184	7,163,584	8,090,884

City of North Ridgeville, Ohio
Revenues, Expenses and Changes in Fund Balance
Actual, Budget, and Forecasted

	Budget			Forecasted		
	2024	2025	2026	2027	2028	2029
WATER DEBT SERVICE FUND (624)						
Revenues						
Tap-in Fees	175,698	180,969	186,398	191,990	197,750	203,683
Total Revenues	175,698	180,969	186,398	191,990	197,750	203,683
Expenses						
Debt Service						
Bond Principal Retirement	140,200	150,200	150,500	160,800	160,800	76,050
<i>Note Principal Retirement (BANS)</i>	-	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
OWDA Payment	-	-	-	-	-	-
ETL Obligation	53,300	42,241	43,871	45,563	47,321	49,146
<i>Interest and Fiscal Charges</i>	48,900	304,263	249,565	190,445	134,820	79,083
Total Expenses	242,400	1,496,704	1,443,936	1,396,808	1,342,941	1,204,279
Excess (deficiency) of revenues over expenses	(66,702)	(1,315,735)	(1,257,538)	(1,204,818)	(1,145,191)	(1,000,596)
Non-Operating Revenues/(Expenses)						
Interest	18,000	17,000	17,000	17,000	17,000	17,000
Note Proceeds	-	-	-	-	-	-
Transfers-In	-	1,250,000	1,200,000	1,150,000	1,100,000	1,050,000
Total Non-Operating Revenues/(Expenses)	18,000	1,267,000	1,217,000	1,167,000	1,117,000	1,067,000
Excess of revenues and Non-Operating Revenues Over/(Under) Expenses and Non-Operating Expenses	(48,702)	(48,735)	(40,538)	(37,818)	(28,191)	66,404
Fund Balance, beginning of year	679,209	630,507	581,773	541,235	503,417	475,226
Fund Balance, end of year	630,507	581,773	541,235	503,417	475,226	541,630

City of North Ridgeville, Ohio
 Revenues, Expenses and Changes in Fund Balance
 Actual, Budget, and Forecasted

	Budget	Forecasted				
	2024	2025	2026	2027	2028	2029
WATER IMPROVEMENT FUND (632)						
<u>Revenues</u>	-	-	-	-	-	-
<u>Expenses</u>						
Capital Outlay	9,642,000	-	-	-	-	-
Total Expenses	9,642,000	-	-	-	-	-
Excess (deficiency) of revenues over expenses	(9,642,000)	-	-	-	-	-
<u>Non-Operating Revenues/(Expenses)</u>						
Interest	76,000	70,000	70,000	70,000	70,000	70,000
Note Proceeds	5,000,000	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-
Premium on Note and Bonds	-	-	-	-	-	-
Transfers-In	3,800,000	-	-	-	-	-
Total Non-Operating Revenues/(Expenses)	8,876,000	70,000	70,000	70,000	70,000	70,000
Excess of revenues and Non-Operating Revenues Over/(Under) Expenses and Non-Operating Expenses	(766,000)	70,000	70,000	70,000	70,000	70,000
Fund balances, beginning of year	1,093,212	327,212	397,212	467,212	537,212	607,212
Estimated Fund Balance, End of Year Reserve for Encumbrances	327,212	397,212	467,212	537,212	607,212	677,212
Fund Balance, End of Year	327,212	397,212	467,212	537,212	607,212	677,212

Water Meter Project

Questions??