

WESTMINSTER SEWER IMPROVEMENT AREA

Project Assessment
And
CDBG Hearing
June 2, 2009, 7:30 p.m.
Allen County Sanitary Engineering Dept.

Overview of Tonight's Meeting

- I. Review Objective of Tonight's Meeting.
- II. Review History of Project.
- III. Review Proposed Wastewater Treatment Plant & Sewer System Layout.
- IV. Review Cost to Property Owners and Financing.
- V. Review Post-Construction Connection Procedure.
- VI. Review Statutory Procedure for ORC 6117.
- VII. Review Procedure for CDBG and Connection Assistance.
- VIII. Review Easement Acquisition Procedure.
- IX. Review Tentative Schedule.
- X. Questions and Answers.

I. Meeting Objective

This public hearing is designed to satisfy statutory requirements for completing a "Project" either by utilizing Revised Code Section 6117 for an assessment process, or a debt service project using partial CDBG project funding. The "Project" consists of constructing a gravity sanitary sewer collection system and pump station/force main. The ACSE Department will be providing all funding for the wastewater treatment plant.

Tonight's meeting will allow for public input concerning the tentative cost for the design and construction of collection system, locations, financing, schedules, and method of payment for the "Project" either by assessment or debt service.

II. History of Project

◎ **February 22, 2001**

OEPA sends letter with report to BOCC identifying pollution issues in the area of the Westminster.

◎ **May 15, 2001**

Sanitary Engineer attended an Auglaize Twp. Trustees meeting to review OEPA expectations, and steps to be taken by the ACSED to respond OEPA allegation.

◎ **November 29, 2001**

Sanitary Engineer sends letter to BOCC outlining the department's plan to investigate the OEPA allegations from the February 22, 2001 letter.

◎ **January 2, 2002**

Sanitary Engineer sends letter to OEPA outlining ACSED findings from further investigation completed on December 6, 2001. Sanitary Engineer instructs OEPA the weather conditions were not conducive to generating accurate results, and will conduct another investigation when weather permit.

II. History of Project (cont.)

◎ **July 15, 2002**

Sanitary Engineer sends another letter to OEPA outlining department's findings from a June 19, 2002 investigation conducted by the ACSED and ACHD. Water quality violations were documented supporting OEPA's original report.

◎ **March 28, 2003**

Sanitary Engineer notifies OEPA of the steps to be taken to solve the pollution problems. A General Plan consisting of two phases will be developed to address the steps to be taken for eliminating pollution issues. The second phase of the plan to be completed by December 2003.

◎ **September 2, 2003**

Sanitary Engineer requests OEPA to grant an extension for the completion date of the General Plan to March 15, 2004.

◎ **November 14, 2003**

Sanitary Engineer submits Phase I of the General Plan to OEPA. Phase I outlines the boundaries for the service area.

II. History of Project (cont.)

- ◎ **April 24, 2004**

Sanitary Engineer submits Phase II of the General Plan to OEPA. Phase II of the plan is to evaluate and select collection and treatment system alternatives, and develop a schedule of implementation.

- ◎ **February 19, 2008**

Sanitary Engineer attends Auglaize Twp. Trustees meeting to give an update for project.

- ◎ **July 14, 2008**

Sanitary Engineer conducts Informational Meeting to property owners.

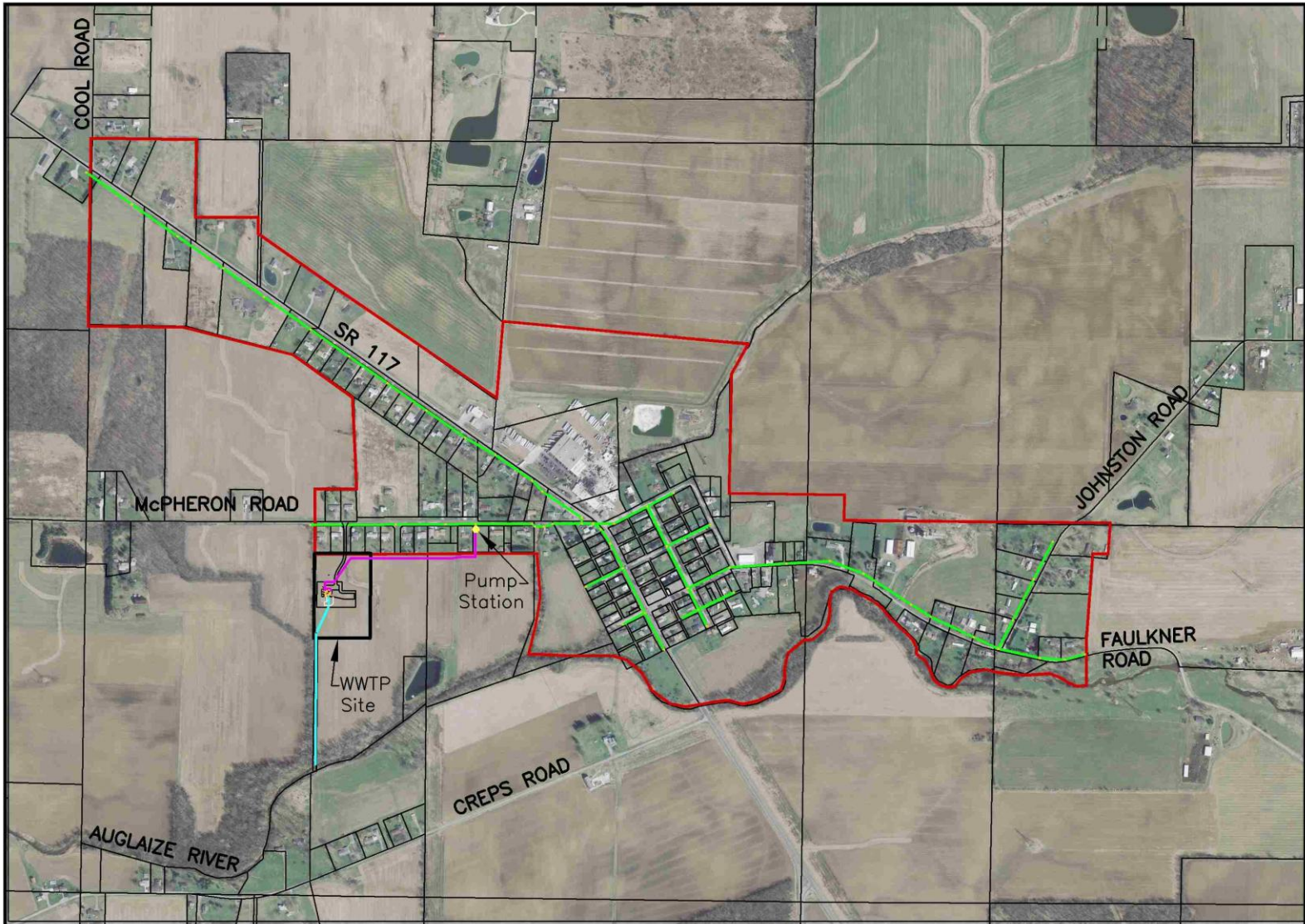
- ◎ **July 15, 2008 to June 1, 2009**

Sanitary Engineering Department develops drawings and completes wage surveys.

- ◎ **June 2, 2009**

Sanitary Engineer conducts public hearing.

III. Proposed Wastewater Treatment Plant & Sewer System Layout

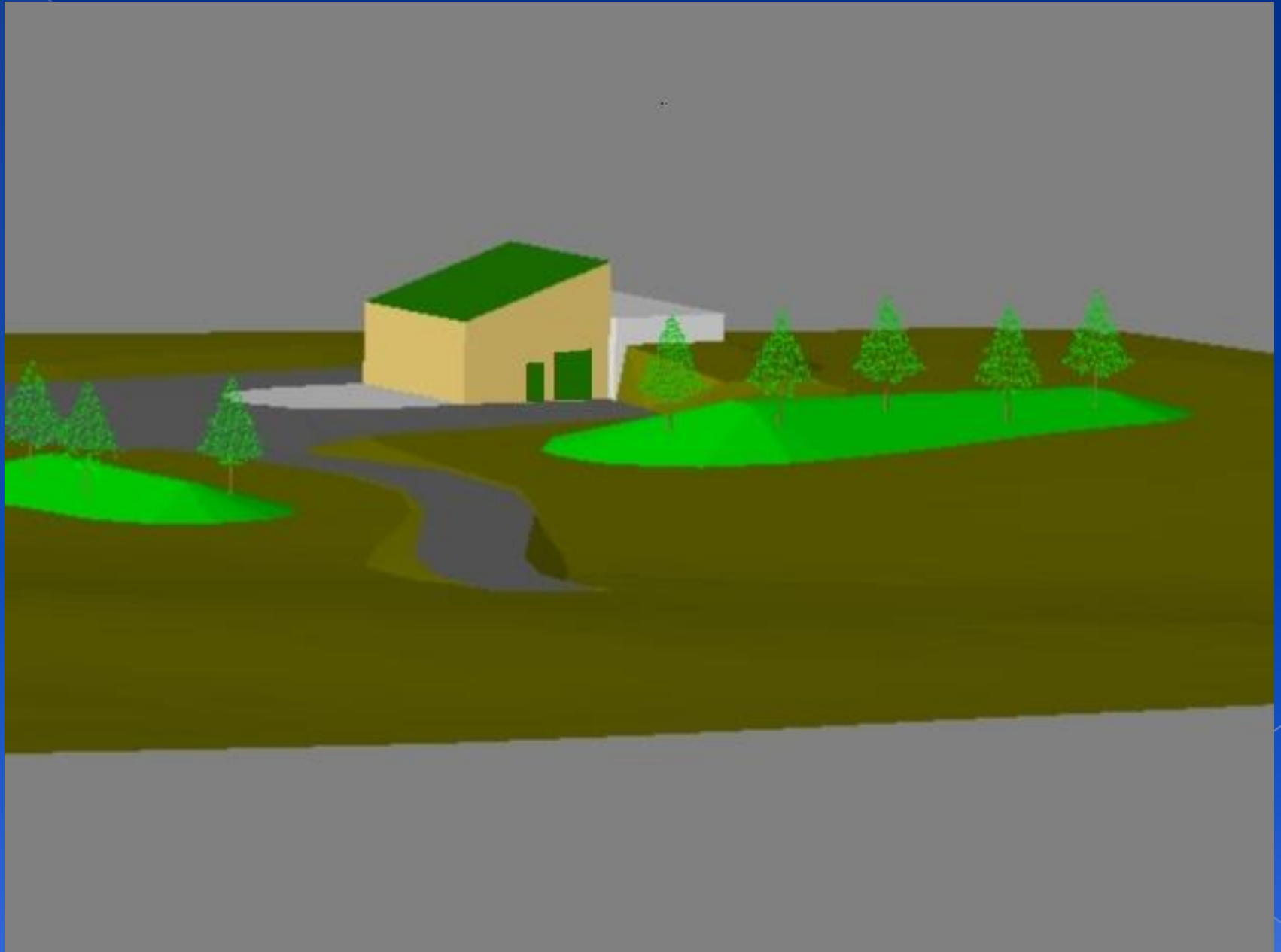


KOHLI & KALIHER ASSOCIATES, INC.
ENGINEERS AND SURVEYORS
2244 Baton Rouge, Lima, Ohio 45805 419-227-1135

Westminster Sewer Improvement Area
Allen County, Ohio

PROPOSED SANITARY SEWER ————
PROPOSED SANITARY MANHOLE ●

III. Proposed Wastewater Treatment Plant & Sewer System Layout (cont)



IV. Cost to Property Owners and Financing

The project cost may be financed and billed to the property owners in two ways as follows:

Method 1: With No CDBG Funding – A Project Assessment method will be used to recoup project cost from property owners.

Method 2: With CDBG Funding – A Debt Service method will be used to recoup project cost from property owners.

IV. Cost to Property Owners and Financing (cont)

Financial Assistance (with CDBG funding)

Potential Grant Assistance (Debt Service Project):

By HUD and the Ohio Department of Development. If qualified:

- We will apply for a grant to pay a portion of the construction costs (50% up to \$500,000), and for assistance with service connection costs for qualified property owners.

Potential Loan Assistance (Debt Service or Assessment Project):

By DEFA reduced interest loans are available on a competitive basis.

- We will apply for a project loan at a 0% fixed rate for twenty years.

The project area has qualified for both of subject funding sources with applications in process or to be filed. We should have final verification on success of the applications to come in October. The following slides will depict the affect the funding sources will have on the cost to each property owner.

IV. Cost to Property Owners and Financing (cont)

Total Estimated Project Cost Breakdown

Engineering	\$ 116,800
Construction: Wastewater Collection System	\$1,459,471
Note and Bond Issuance	\$ 5,900
Easement & Land Acquisition	\$ 15,000
Contingency (2 1/2% Construction)	\$ 37,500
Interest on Notes during construction	<u>\$ 4,000</u>
Total Estimated Project Cost =	\$1,638,671

IV. Cost to Property Owners and Financing (cont)

Method 1:

Estimated Project Assessment (PA) per ESFU

In the event CDBG funding is not available the property owner PA will be calculated on an Equivalency Single Family User (ESFU) method of apportionment as follows:

The ACSE Department will participate with 10% of the collection system cost (\$150,000). The Principal PA balance to be apportioned is \$1,638,671-\$150,000 = \$1,488,671.

- Total project estimated assessable ESFU is 151.923. Therefore, the apportioned cost per ESFU is \$9,798.85 ($\$1,488,671 \div 151.923$).

- PA Sample Calculation: Office With 40 Employees

ESFUs = .05 x 40 employees = 2 ESFUs

PA = 2 ESFUs x \$9,798.85

PA = \$19,597.70 (paid in cash, or assessed to taxes for years with interest).

IV. Cost to Property Owners and Financing (cont)

Method 2:

Estimated Debt Service per ESFU

In the event CDBG funding is available the property owner Debt Service charge will be calculated as follows:

The ACSE Department will participate with 10% of the collection system cost (\$150,000) with an additional participation of up to \$500,000 from CDBG. The Principal Debt Service balance to be apportioned is $\$1,638,671 - \$150,000 - \$500,000 = \$988,671$.

- Total project estimated assessable ESFU is 151.923. Therefore, the apportioned cost per ESFU is \$6,507.71 ($\$988,671 \div 151.923$).
- Debt Service Sample Calculation: Office With 40 Employees

ESFUs = .05 x 40 employees = 2 ESFUs

PA = 2 ESFUs x \$6,507.71

PA = \$13,015.42 (paid in cash, or placed on quarterly sewer bill for 20 years).

IV. Cost to Property Owners and Financing (cont)

Miscellaneous Non-Assessed Cost to Property Owners

- > Abandonment of existing sewage and installation of sanitary sewer lateral. Approximate cost - \$1,500 to \$2,000.
- > Once you have connected to the sewer you will receive a quarterly sewer bill from the County to pay for the operation, maintenance, and future expenditures for the sewer district. The cost at the present time is \$108 per quarter for a single residential property.

IV. Cost to Property Owners and Financing (cont)

Summary of Cost For Assessment Using 0% Loan

ESTIMATED SUMMARY OF COST

Project Assessment	On-Lot	Quarterly Sewer Bill
\$9,798.85	\$1,500--\$2,000	\$108.00

The PA may be paid in cash, or assessed to taxes for 20 years with interest. The ½ year tax payments @ 0% interest rate is calculated as follows:

20 Year Repayment	\$9,798.85
1/2 Year Tax Payment	\$244.97

IV. Cost to Property Owners and Financing (cont)

Summary of Cost For Debt Service Using 0% Loan

ESTIMATED SUMMARY OF COST

Principal Debt Service	On-Lot	Quarterly Sewer Bill w/Debt Service
\$6,507.71 to 9,798.85	\$1,500--\$2,000	\$108.00 + (*)

The Principal Debt Service may be paid in cash, or added to the quarterly sewer bill for 20 years @ 0% interest.

20 Year Repayment \$6,507.71 to 9,798.85

* Quarterly Debt Service Payment \$81.35 to 122.49

V. Review Post-Construction Connection Procedure

- A notice will be mailed to each property owner for connection to the project upon completion of final testing for the collection system.
- Property owners will be required to have their homes inspected by the Allen County Health District prior to a Capital Permit being issued by the ACSE Department.
- Property owners will be required to obtain a no charge Capital Permit from the ACSE Department. The Allen County Health District's inspection form will be required to be presented at the time the Capital Permit is obtained from the ACSE Department.
- The property owner will need to have their contractor connect the house service lateral to the sanitary sewer service connection provided during the project construction. The property owner will need to contact the ACSE Department 24 hours in advance of the property owner's contractor commencing work to connect.

VI. Statutory Procedure for ORC 6117

- A. Commissioners adopt resolution approving General Plan and Declaring Necessity of project.**
- B. Notification to agricultural use property for inclusion of property into an agricultural district (front footage assessments).**
- C. Commissioners adopt resolution to establish Project Assessment Hearing.**
- D. Conduct a Project Assessment Hearing.**
- E. Five day wait for written objections.**
- F. Respond to all written objections.**
- G. Ten day wait for filing of all appeals to Probate Court.**
- H. Settle all appeals.**
- I. Proceed to the bidding and construction of the project with BOCC consideration of “Improvement Resolution”.**
- J. Complete construction of the project.**
- K. Finalize cost of project, and mail billings to property owners. Allow 30 days for cash payment.**
- L. Notify property owners for connection to the project.**
- M. Certify uncollected PAs to the tax duplicate of the property owners.**

VII. CDBG Procedure and Connection Assistance

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|--|--------------|
| A. Must be a documented health issue | DONE |
| B. Complete income survey to qualify | DONE |
| C. First public hearing on CDBG | DONE |
| D. Second public hearing on specific grant | TONIGHT |
| E. Commissioners authorize submission of grant application | June 2009 |
| F. Submit COMPETITIVE grant application | June 2009 |
| G. Advise of grant determination, mail applications for lateral assistance | October 2009 |
| H. Qualify lateral assistance applications-80% of median income-property owner | Spring 2010 |

VIII. Easements Acquisition

The County is requesting all property owners who have, or will be contacted for acquisition of easements to donate the easement to the project. The cost of acquisition of easements is factored back into the overall cost of the project. Therefore, all property owners in the project will pay for the added cost of easement acquisition.

IX. Tentative Schedule



X. Questions & Answers

