



## Legislation Text

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**File #:** O-417-19, **Version:** 1

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Regional Water Agreement  
DPU  
Ed Moore (x-1800)

**Authorizing the Mayor to enter into Uniform Water Purchase and Supply Agreements with each of the following jurisdictions: Fulton County, Lucas County, City of Maumee, Monroe County on behalf of South County Water System, Northwestern Water and Sewer District, City of Perrysburg, City of Sylvania, and the Village of Whitehouse; waiving, to the extent applicable, Section 3 of Ord. 582-10 and Section 3 or Ord. 606-07; and declaring an emergency.**

### SUMMARY & BACKGROUND:

Over the course of the last several years, the city has been in discussions and negotiations with other jurisdictions regarding the supply and purchase of surplus Toledo Water within the region. The jurisdictions participating in these discussions include Fulton County, Lucas County, City of Maumee, Monroe County on behalf of the South County Water System, Northwestern Water and Sewer District, City of Perrysburg, City of Sylvania, and the Village of Whitehouse. In response to those discussions and to move the regional water discussion forward, on Nov. 6, 2018 the voters of Toledo passed Chapter XV of the City of Toledo Charter, which established a Regional Water Commission providing a participatory vehicle for jurisdictions with water contracts with Toledo to participate in the capital and water rate setting process.

Since the passage of Chapter XV, the city has been working with above named jurisdictions to arrive at a uniform water supply and purchase agreement that protects the integrity and capacity of Toledo's water system and balances the interests and concerns of all parties. This Ordinance presents a uniform water agreement for consideration by Council.

Securing the above jurisdictions as Toledo water customers under long-term contracts spreads the fixed and operational costs of the water plant, main distribution lines and related systems among a larger customer base, helping to keep water costs affordable for all customers. It also allows Toledo to operate retail programs including senior and low-income discounts, lead-line replacement, reduction of the mandatory minimum charge, and implementation of monthly billing.

The uniform agreement (i) incorporates the provisions of Toledo Charter Chapter XV; (ii) develops a methodology for setting rates to cover costs of operation, maintenance and capital repair and replacement of all common to all components of the Toledo water system; (iii) provides for a uniform wholesale rate based on cost of service at which Toledo would supply water to contracting jurisdictions; (iv) protects the Toledo water system by prohibiting commingling except in case of emergency with the approval of Toledo; (v) defines Service Areas within which contracting jurisdictions can distribute Toledo water and within which Toledo is the sole supplier; (vi) requires that the capital needs of the system, including redundancy, be considered in recommending the wholesale rate and that such rate provides for the payment of debt service; (vii) protects City Council's authority to set rates to cover costs based on the cost of service model; (viii) protects the Toledo water system by providing that jurisdictions remain liable after termination for their proportional share of

specified common to all water system debt incurred during the term of the agreement; (ix) retains cooperative and joint development agreements previously entered into between Toledo and contracting jurisdictions; and (x) creates water system stability through a 40-year term of agreement.

NOW, THEREFORE, Be it ordained by the Council of the City of Toledo:

SECTION 1. That the Mayor is authorized to execute uniform water supply and purchase agreements with the following jurisdictions: Fulton County, Ohio; Lucas County, Ohio; City of Maumee, Ohio; County of Monroe, Michigan on behalf of the South County Water System; Northwestern Water and Sewer District; City of Perrysburg, Ohio; City of Sylvania, Ohio and the Village of Whitehouse, Ohio. A copy of the uniform agreement in substantial final form is attached as Exhibit A.

SECTION 2. That the uniform water supply and purchase agreements referenced above shall contain such other terms, revisions and conditions as the Mayor and the Directors of Law and Public Utilities shall deem to be in the best interest of the City.

SECTION 3. That, to the extent that said provisions may be applicable, Section 3 of Ordinance 582-10 and Section 3 of Ordinance 606-07 are waived.

SECTION 4. That the City shall implement senior and low-income cost assistance programs, a lead-line replacement program, monthly billing and a reduction in current minimum billed water usage for Toledo and Lucas County retail water customers. Said programs shall be implemented beginning as of the effective date of water rates adopted under the terms of executed uniform water supply and purchase agreements as authorized in Section 1.

SECTION 5. That this Ordinance is declared to be an emergency measure and shall take effect and be in force immediately from and after its passage. The reason for the emergency lies in the fact that the same is necessary for the immediate preservation of the public peace, health, safety and property, and for the further reason that it is immediately necessary to allow the contracting jurisdiction to move forward with their approval and to complete execution of all agreements as soon as practicable to allow for new water rates to take effect in January 2020.

Vote on emergency clause: yeas 12, nays 0.

Passed: September 3, 2019, as an emergency measure: yeas 12, nays 0.

Attest:

Gerald E. Dendinger  
Clerk of Council

Matt Cherry  
President of Council

Approved:

September 3, 2019  
Wade Kapszukiewicz  
Mayor