

October 11, 2017

Mayor Tom Tepe
Village of Terrace Park
428 Elm Avenue
Terrace Park, Ohio 45174
Via Email: tepe@terracepark.org

Re: Terrace Park Sewer Feasibility Committee

Dear Mayor Tepe:

I am writing in response to the September 29, 2017 communication from the Terrace Park Sewer Feasibility Committee regarding the potential integration of the Village of Terrace Park (the "Village") into the Metropolitan Sewer District of Greater Cincinnati ("MSD") and its sanitary sewer system. As I understand it, the Village presently does not possess its own *public* sanitary sewage collection or treatment system and relies on individual, *privately-owned* dry wells (and other home sewage treatment systems) for processing the Village's residential and commercial wastewater. Also, I am aware that Hamilton County Public Health has notified the Village that a new state law requires upgrade or elimination of its present method of wastewater management by 2025.

Since the Village is not a member of MSD, and the Village has no public sewer system of its own, a discussion of the sewer assessment process is premature and possibly misdirected. Before that discussion is ripe, I need to make you aware of the process to formally join the sewer district. The goal of this letter, therefore, is to inform the Village of the steps necessary to join the sewer district and the feasibility and planning considerations that go into a decision to support the expansion of the sewer district. I have also enclosed a response to the assessment questions raised by the Feasibility Committee.

Governance

MSD is a county sewer district, organized under section 6117 of the Ohio Revised Code. MSD is comprised of 43 separate political subdivisions of the State of Ohio - 17 municipalities, 16 villages, and 10 townships. Formed in 1968 by the Board of County Commissioners, 38 of MSD's "members" joined the sewer district between 1968-1970, with the remaining five after 1976.

Terrace Park must formally become an MSD member if it desires to utilize MSD for future wastewater management in the Village. The formal process requires legislative action by both the Village and the County Commissioners in accordance with Ohio law (§6117.03 RC).

Before any action can take place though, MSD must make a management recommendation to the County Commissioners supporting the expansion of the sewer district. As MSD Director, that will

necessitate that I present a business case for sewer district expansion, including the options available to service the area, benefits and detriments, scheduling and financing analysis for providing services to the Village. To support this effort, MSD would need to quickly begin a planning and engineering study, possibly looking at the entirety of dry well wastewater management in the County, under the County Commissioners' advisement.

Engineering

Should the Village become part of the sewer district, the creation of a public sewer system will require a two-prong effort: (1) creation of a public sewer system to serve the area, and (2) creation of multiple local sanitary sewers to serve individual properties and streets. These are significant challenges to be organized and tasked, especially given the deadline presented by Hamilton County Public Health. Generally, the engineering for the creation of public sewers plan will be organized based upon a planning level effort noted above. That exercise will permit MSD to know what to build and some basic criteria for design.

MSD Rules and Regulations and the Ohio Revised Code (§6117.06 - .51) guide the construction of local sewers in the district. Under present policy and per law, some costs of the local sewer are assessed against benefited property owners, with the balance of costs being borne by the district's ratepayers. Project design and construction are driven by specific needs of each individual local sewer. As previously noted, efforts to build "assessable" local sewers in the Village would come after MSD membership has been established and the core engineering and financing for extending existing trunk sewers has been developed.

Additional Matters

Aside from the above items, the County and MSD would need to create a long-term financing model for the extension of existing public sewers and the creation of new sewer assets in the Village. Considering that the Commissioners review and adopt these sewer projects on an individual basis, per Ohio law, the process to fund and then construct a public sewerage system for the Village will occupy MSD for at least five-to-ten years, or more. And, MSD will need to factor into its analysis the current financial obligations facing the sewer district derived from the federal consent decree and MSD's asset management needs.

I trust that the information provided in this letter and enclosure will be beneficial to the Village as it evaluates options for future wastewater management. If you would like to start discussions on this matter, we will be happy to organize a general brainstorming aimed at establishing a timeline for the possible integration of the Village of Terrace Park into the District.

Sincerely,



Gerald Checco, Director