Public Works Committee Meeting 6.23.26

Pax Lindell called a Public Works Committee
on Tuesday June 23,2026 at 6:00 pm
RE: Water Line Sources
Attendees: Committee members; Pax Lindell, Lauren Ingebritson
Mayor Tepe, Solicitor Jeff Forbes
Village Administrator/Chief of Police Jerry Hayhow
Clerk of Council/ Chief Fiscal Officer Katie Lyons

Meeting called to order at 6:00pm

Pax Lindell called a Public Works committee meeting on June 23,2026 at 6pm to discuss water services. Mr. Lindell explained that the Village of Terrace Park has used IHWW for a very long time and currently has a yearly contract to continue that service. However, The Village would like a Water supplier to take over the water lines and Cincinnati Water Works has provided draft proposal of that being a possibility.

Mayor Tepe stated that the village would like to get out of the water line business. When they spoke to IHWW, he was told that the lines needed to be upgraded prior to IHWW taking over.

CWW offered to take over everything as is. This is especially important since the village water lines are over 60 years old.

The pros/cons of IHWW

- Requires future treatment plant-cost and timing not disclosed
- Single source system-more vulnerable to outages
- Historically variable with step increases tied to projects
- Lead service lines not defined in proposal
- Capital exists but not quantified in proposal
- Village retains exposure to capital and system performance
- Lower term net costs
- Minimal disruption, maintains current configuration
- No new impacts

The pros/cons of GCWW

- Water quality Treatment already in place
- Program included 200-300 lead service line replacements
- Fire Flow performance modeled to meet 1,000 fpm target
- Dual Feed system
- Defined program with structured funding 31M.
- Will assume long-term infrastructure responsibilities.

- Higher initial customer costs
- Requires system transition and major construction

Resident Matt Kallevant, Water Engineering Project Manager with Black & Veatch attended the meeting as a resident and a consultant. Matt stated in reviewing the information that his opinion is that switching to GCWW makes perfect sense and is all around a safer source, he also expressed his concern over the erratic rate increases from IHWW over the years and PFAS removal removal system . Matt suggested a longer withdrawal time from IHWW and to confirm a timeline with GCWW as they need to design, spec and bid the project.

Mayor Tepe expressed his concern about the price difference per homeowner, offered his annual water bill as a sample, to ask GWCC how much more will it cost?

Mr. Lindell suggested a town hall style meeting to enable residents to hear more about what GCWW has to offer and the impact on the residents of The Village of Terrace Park.

Solicitor Jeff Forbes will review the current contract with IHWW to identify any renewal, termination, notice, or transition provisions that could affect timing, leverage, and cost of the transition. Mr. Forbes also explained that the next steps would be that the Public Works Committee recommend to council their interest in pursuing this opportunity with GWCC. The mayor will ask GWCC for a more formal contract/proposal.

Mayor Tepe will reach out to IHWW to inform them that the Public Works Committee voted to move forward with GCWW.

Please see handouts attached.

Meeting Adjourned at 6:47.

May 13, 2026

Summary of Retail Water Services Proposal

1. Key benefits for the Terrace Park Community (Page 5)

- Excellent Water Quality
- PFAS/PFOA Compliance
- Infrastructure Investments
- Operations and Maintenance
- Lead Line Replacements
- Fair, Stable, and Transparent Water Rates
- Customer Service and Community Partnership

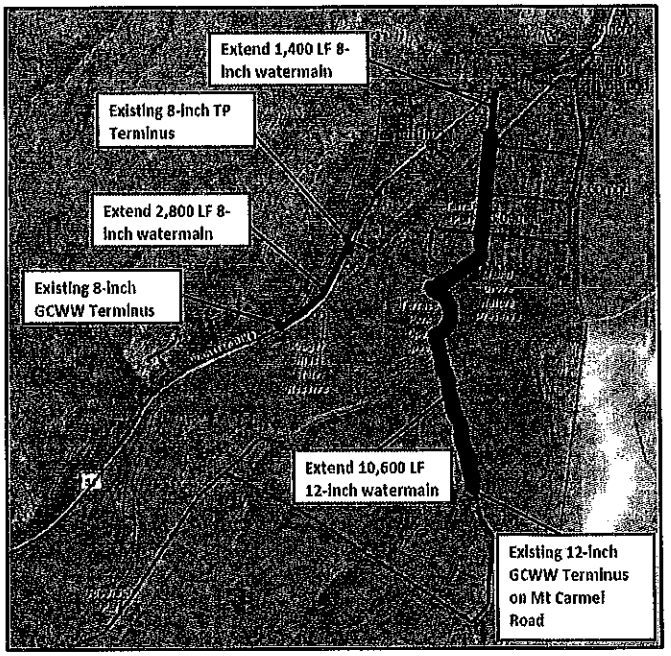
2. Proposed Retail Water Services (Page 31)

- Comprehensive retail services that encompass all operational, maintenance, and administrative functions needed to support a safe, reliable, and efficient water system for the future.
- GCWW does not impose a cost threshold that transfers responsibility back to Terrace Park.

3. Connecting Terrace Park to GCWW (Page 32)

GCWW utilized their Hydraulic model to evaluate 3 different connection scenarios. Scenario 3 was determined as the best connection, see summary on next page.

- $8.1M
- 14,800 feet of new main
- Provides 2 connections:
  - Mt Carmel Rd; under the Little Miami River
  - Wooster Pike
- 40.7 MG of Storage
- Meets Fire Flow Demand
- Meets Average Day and Max Day Demands
- Excellent redundancy and reliability



(Map copied from Page 38 of Proposal)

4. Summary Chart for all 3 Scenarios (Page 39)

Summary of Proposed Scenarios	Scenario #1 Extend the 8" Water main on Wooster Pike	Scenario #2 Replace the 8" Main on Wooster Pike with a 12" Water Main Starting at Newtown Road and Extending into Terrace Park	Scenario #3 Provide Connections from Wooster Pike and Mt. Carmel Road
Cost	$1.3M	$8.8M	$8.1M
Water Main Required	2,800' of 8"	15,000' of 12" and 1,800' of 8"	10,600' of 12" and 4,200' of 8"
# of Connections/Service Areas from GCWW	1	1	2
Primary Storage (at High Elevation)	37.5 MG	37.5 MG	40.7 MG
Calculated Minimum Fire Flow Provided	500 gpm	965 gpm	1,050 gpm
Does Scenario Meet Fire Flow Requirements (1,000 gpm)	No	No (but very close)	Yes
Recommended by GCWW	✗ No	✗ No	✓ Yes
GCWW Comments	(1) Does not meet fire flow requirements. (2) Requires Terrace Park to maintain a 2nd connection. (3) Scenario does not provide full retail service.	(1) Scenario is the most expensive and provides less fire flow, less storage, and less # of connections than Scenario #3. (2) Fire flow calculated under 1,000 gpm required minimum.	(1) Two connections from separate systems - great redundancy & great storage. (2) Meets fire flow demand requirements.

5. GCWW has included the following infrastructure investments in Terrace Park (Page 42)

Infrastructure Investment	Description of Proposed Services
Water Main Replacement	GCWW anticipates approximately 5-10 miles of the existing Terrace Park Water Distribution System will require replacement in order to meet the existing Level of Service of the GCWW System.
Lead Service Line Replacement	GCWW estimates 200-300 lead service lines will need to be removed in Terrace Park. This is required for the health and safety of the residents.
Meter Replacement	New water meters for all accounts.
Total Infrastructure Investment required in Terrace Park	**$23,500,000**

6. Additional Benefits of Partnering with GCWW

- Fire Hydrant Maintenance (Optional) (Page 42)
- Distribution System Maintenance (Page 43)
- Financial Strength: AAA Bond Rating Reduces Financial Burden on Ratepayers (Page 44)
- Customer Service Excellence — J.D. Power Award Winner (Page 45)
- Integrated Planning with Terrace Park Building and Zoning Departments (Page 46)
- Strong Partnership Between Terrace Park and GCWW (Page 46)

7. Summary of GCWW's Proposed Retail Services (Page 47)

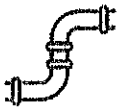
Summary of GCWW's Proposed Retail Services for Terrace Park



Excellent Water

Exceptional Water Quality: GCWW delivers water of the highest quality. Water produced at the Miller Treatment Plant is free from detectable levels of PFAS and PFOA compounds.

Award-Winning Taste: GCWW water was recognized as the Best Tasting Water in Ohio in 2025.



Reliable Infrastructure

System Redundancy and Reliability: GCWW will construct two connection points into Terrace Park, enhancing system redundancy and improving overall reliability.

Water Main Upgrades: GCWW anticipates that the Terrace Park system will require 5–10 miles of water main replacements to meet GCWW standards.



Comprehensive Operations and Maintenance

Comprehensive Maintenance and Repair: GCWW will assume full responsibility for all water main maintenance and repair activities.

Fire Hydrant Services: Repair, maintenance, painting, and flow testing.

Lead (Pb) Line Replacements: Identification and replacement of all lead (Pb) service lines.

No Cost Threshold: GCWW will assume full responsibility for the water system.



Exceptional Financial Strength & Governance

Transparent Rates: GCWW offers affordable pricing with predictable, gradual rate adjustments supported by strong financial management and a clear, transparent rate-setting process.

Professional Utility Management: Recipient of the Platinum Award for Utility Excellence from the Association of Metropolitan Water Agencies. Industry-leading operational and administrative oversight.



Outstanding Customer & Community Partnerships

Customer Service Excellence: Providing exceptional customer service is a core value of GCWW, demonstrated by its ranking as #1 in the 2025 J.D. Power Water Utility Residential Customer Satisfaction Survey.

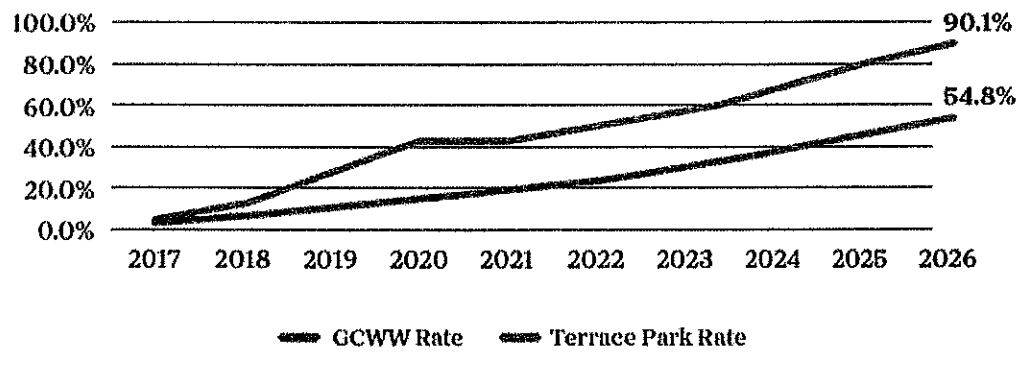
A Collaborative Community Partnership: GCWW is committed to developing a trusted long-term partnership with Terrace Park through proactive communication, strong customer service, and coordinated infrastructure planning.

8. Historical Rate increases in Terrace Park and GCWW (Page 51 & 52)

Comparison of Annual Water Rate Increases				
Year	Current Terrace Park Customers		GCWW Customers	
	Annual Rate Increase	Cumulative Growth	Annual Rate Increase	Cumulative Growth
2017	5.00%	5.0%	3.75%	3.8%
2018	8.00%	13.4%	3.75%	7.6%
2019	15.00%	30.4%	3.75%	11.7%
2020	10.00%	43.5%	3.75%	15.9%
2021	0.00 %	43.5%	3.75%	20.2%
2022	5.00%	50.6%	3.75%	24.7%
2023	5.00%	58.2%	5.55%	31.6%
2024	6.00%	67.6%	5.55%	38.9%
2025	8.00%	81.1%	5.55%	46.7%
2026	5.00%	90.1%	5.55%	54.8%
Average Annual Increase	7.4%		4.5%	

Cumulative growth based on 2016 base year.

This trend has caused Terrace Park rates to nearly double over the past 10 years.



9. Proposed Rate Structure (Page 52)

The proposed rate structure has 3 components:

- Usage Charge
- Service Charge
- Infrastructure Surcharge

10. Usage Charge (Page 53)

Proposed Usage Charge for Terrace Park Residents	
Usage, per Month as Measured at Customer Meter (1 CCF = 748 Gallons)	**2026 Usage Charge $/CCF**
First 20 CCF/month	$4.83
Next 580 CCF/month	$4.06
Over 600 CCF/month	$3.63

GCWW proposes using the same Usage Charge for Terrace Park residents that is charged to GCWW customers in Incorporated Areas within Hamilton and Clermont Counties. Current Rates shown above.

11. Service Charge (Page 54)

Proposed Service Charge for Terrace Park Residents	
Meter Size	**2026 Service Charge $/Month**
5/8"	$10.53
¾"	$12.59
1"	$15.51
1 ½"	$39.16
2"	$49.95
3"	$109.50
4"	$209.78
6"	$420.50
10"	$859.11
12"	$1,027.31

GCWW proposes using the same Service Charge for Terrace Park residents that is charged to GCWW customers in Incorporated Areas within Hamilton and Clermont Counties. Current Rates shown above.

12. Infrastructure Surcharge (Page 56):

The proposed Infrastructure Surcharge is 92% of the Usage Charge and will be charged in the same manner – by volume of water used (CCF) per month. The Infrastructure Surcharge has a 30-year term; at the end of the term the charge becomes $0.00.

Proposed Infrastructure Surcharge for Terrace Park Residents	
Description	**Amount**
Usage Charge (see above), $/CCF	$4.83
Infrastructure Surcharge, % of Usage Charge	92%
Infrastructure Surcharge, $/CCF per month	$4.44
Term Length of Proposed Infrastructure Surcharge*	30 Years

**The Infrastructure Surcharge terminates at the end of the term length.*

The Infrastructure Surcharge allows for the recovery of the significant infrastructure investment required in Terrace Park. These investments include (Page 55):

Estimated Cost of Infrastructure Investments Required in Terrace Park		
Infrastructure Investment	**Description of Proposed Services**	**Cost Estimate**
System Connection	Provide Connections from Wooster Pike and Mt. Carmel Rd. 10,600' of 12"" from Mt. Carmel Rd. with section running under the Little Miami River, and 4,200' of 8"" from Wooster Pike. (Scenario 3 from the Proposed Retail Water Services Section.)	$8,100,000
Water Main Replacement	GCWW anticipates approximately 5-10 miles of the existing Terrace Park Water Distribution System will require replacement in order to meet the existing Level of Service of the GCWW System.	$23,500,000
Lead Service Line Replacement	GCWW estimates 200-300 lead service lines will need to be removed in Terrace Park. This is required for the health and safety of the residents.	
Meter Replacement	New water meters for all accounts.	
Total Estimated Cost of Infrastructure Investments Required in Terrace Park:		**$31,600,000**

All funds collected through the Infrastructure Surcharge will be dedicated exclusively to improvements in Terrace Park. A separate accounting fund will track revenues and expenditures to ensure transparent financial reporting.

13. Average Monthly Cost (Page 57)

The chart below reflects the anticipated total monthly water invoice for the average residential customer in Terrace Park. This is based on 8.33 CCF of usage and utilizes (2026) rates.

Average Monthly Cost for Water Services	
Rates & Monthly Costs	**Proposed GCWW Rates**
Rates	
Usage Charge (per CCF)	$4.83
Service Charge (per account)	$10.53
Infrastructure Surcharge (per CCF)	$4.44
Monthly Cost per Customer Account	
Average Monthly Usage (CCF)	8.33
Total Usage Charge	$40.23
Total Service Charge	$10.53
Total Infrastructure Surcharge	$36.99
Total Average Monthly Cost	$87.75

14. Cost to fill the Municipal Pool

Terrace Park cost to fill Municipal Pool			
Rates & Monthly Costs **Rates**		**Utilizing Current Provider ***	**Utilizing proposed GCWW Rates**
Usage Charge Rate (per CCF)			
First 20 CCF (Block 1)		$6.75	$4.83
Next 580 CCF (Block 2)		$6.75	$4.06
Over 600 CCF (Block 3)		$6.75	$3.63
Service Charge (per account) (3" meter)		$0.00	$109.50
Infrastructure Surcharge (per CCF)		$1.69	$4.44
Fire Hydrant Maintenance Fee			$2.60
Annual Cost to fill the pool, Quantity (CCF)		380	380
Usage Charge:			
First 20 CCF (Block 1)	20	$135.00	$96.60
Next 580 CCF (Block 2)	360	$2,430.00	$1,461.60
Over 600 CCF (Block 3)	0	$0.00	$0.00
Service Charge		$0.00	$109.50
Infrastructure Surcharge		$642.20	$1,687.20
Fire Hydrant Maintenance Fee		not included	$2.60
Total Cost to fill the Municipal Pool:		$3,207.20	$3,357.50

* Utilizing Approved Rate Increase effective July 1, 2026.

15. Fire Hydrant Maintenance (Optional) (Page 58)

GCWW is offering to perform all Fire Hydrant Maintenance for Terrace Park as an optional additional fee. Fire Hydrant Maintenance includes:

- Repair and/or replacement of damaged or inoperable hydrants
- Installation of new hydrants associated with construction projects
- Fire hydrant flow testing
- Fire hydrant painting and appearance maintenance

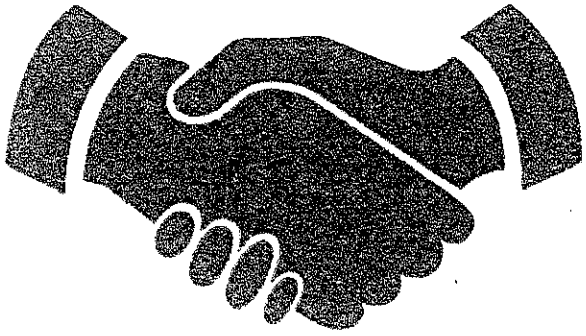
Proposed Fire Hydrant Maintenance Fee for Terrace Park Residents	
Meter Size	**Monthly Charge $/Month**
5/8" to 1 1/2"	$2.50
2" to 4"	$2.60
6" to 8"	$3.30
10" to 12"	$4.00

Executive Summary - Kickoff

- Privileged to have the opportunity to deepen our longstanding relationship and services to Terrace Park residents.
- Responding to Terrace Park's request to assume control of distribution infrastructure within your community. We think we have a winning solution for all involved.
- Quick level-set:

  Many residents don't stop to think of what needs to happen when they turn on a faucet or shower.

  ✓ Indian Hill Water Works (IHWW) likes it that way, and we think Terrace Park residents deserve and want to maintain continuity and high service levels.



Executive Summary – Priorities

The following are key variables to consider when assessing water distribution and infrastructure management:

Attribute	IHWW Fact
Credibility/ History	IHWW has seamlessly provided water to Terrace Park for 76 years. The connections exist and consistently work. There is no risk from infrastructure change.
Service	Our service levels are measured in minutes/hours - in most areas it is measured in days. We know what your residents expect and how to listen and support them. We are accountable.
Depth of Knowledge	Our knowledge of your infrastructure is incomparable. We have highly-trusted, committed and knowledgeable professionals supporting Terrace Park residents every minute of every day. We are well versed on your streets and infrastructure.
Water Source	Terrace Park residents get the same water as Indian Hill residents – from an aquifer that is unimpeded from attributes that are consistently present in huge river water. Our water is "local" water and has a short shelf life from the water plant to the end user.
Water Quality	We meet/exceed all Federal, State and local regulations. We began planning for PFAS remediation prior to the EPA issuing guidelines. Our state-of-the-art treatment plant will be online ahead of the deadline and will be purpose-built for the issue.
Relationship	We know each other. We have same/similar dependencies. We are neighbors. Calls get answered by humans - not chatbots, customer service queues, and 30-minute hold times.

Terrace Park has a choice of a known and an unknown. We stand proud against any comparison.

Executive Summary - Economics

The following outlines our approach for the economic aspect of managing your infrastructure:

- IHWW has always charged the same rate to all customers. Terrace Park residents pay the same base rate as Indian Hill residents.
- At Terrace Park's request, IHWW currently collects a 25% surcharge which is 100% passed through to Terrace Park for infrastructure improvements
  - IHWW will continue to apply this same surcharge for Terrace Park water projects only
- Net, no structural rate change whatsoever. Base rates may change but the principle behind them will not.
  - Terrace Park maintains responsibility for fire hydrants.
  - Any base rate change applies to all customers – forecast is ~5%
- There are options to provide a revenue stream for hydrant maintenance and replacement (discussed in detail in later slides).

Water Rate Recap

No cost difference between the current and future rate structure:

	Monthly Bill Example	IHWW Distributes (Current State)	IHWW Manages (Future State)	Change
	Water Rate per CCF	$6.43	$6.43	$0
	Minimum	$27.84	$27.84	$0
	Surcharge	$6.96	$6.96	$0
A	Minimum Bill Total	$34.80	$34.80	$0
	Industry Avg (8.33 CCF)	$53.56	$53.56	$0
	Surcharge	$13.39	$13.39	$0
B	Industry Average Total	$66.95	$66.95	$0
	Tepe (High bill)	$175.73	$175.73	$0
	Surcharge	$43.93	$43.93	$0
C	Tepe Household Total	$219.66	$219.66	$0
	Terrace Park Accounts	833		
	Estimated # of Minimum Bills	48%		

Hydrant Management Program

- IHWW recognizes that Terrace Park needs to outsource hydrant R&R.
- Due to current PFAS and lead remediation commitments, IHWW is not optimally positioned to lead the hydrant management program.
- There is an opportunity to create an incremental revenue flow to mitigate budget pressure and ensure the best possible service to residents (that is low impact).

Hydrant Management Program

Solution: IHWW proposes Terrace Park enter into a hydrant replacement and repair agreement with Hamilton County for the following reasons:

1. Timely and Cost-Effective Repairs – Hamilton County specializes in hydrant maintenance and repair, allowing for efficient, streamlined service and has ability to provide more competitive pricing.
2. IHWW's resources must remain focused on water quality as this is the #1 topic discussed with Terrace Park residents and is IHWW's highest priority.
3. Estimated Cost: $2/month/account → Generates $20,000 annually based on 834 accounts
    1. IHWW will assist Terrace Park in negotiation of the agreement and believes the estimate is accurate

Result:

Enables Terrace Park leadership to deliver highest quality/reliability water services for residents

Matt Kallevant, P.E.
116 Robinwood Drive, Terrace Park, OH 45174
P +1 414-916-1036 E matt@kallevant.com

1 June 2026

Chief Hayhow, Mayor Tepe, and Council,

Review of Water Service Proposals for the Village of Terrace Park

This letter reflects my views as a resident and professional engineer based on the proposals and public materials reviewed; it does not reflect the views of my employer, it is not legal advice, and it is not a sealed engineering opinion or design document.

As a preface, I do not have visibility into the current status of Terrace Park's agreement with Indian Hill Water Works, including whether it is nearing renewal or otherwise subject to renegotiation. That context may influence certain considerations below, particularly regarding timing, leverage, and available options.

In preparing this letter, I reviewed the following materials:

- Indian Hill Water Works (IHWW) Proposal to Terrace Park, undated (4 pages)
- Greater Cincinnati Water Works (GCWW) Proposal to Terrace Park, May 2026 (85 pages)
- GCWW Summary of Proposal to Terrace Park, May 2026 (9 pages)
- Other publicly available related materials, including council minutes

Having only moved to Terrace Park last July, I can't speak to the full history, but from what I've heard from Gerry and others, IHWW has been responsive and reliable. That said, the regulatory landscape is shifting, and with federal PFAS requirements, lead service line compliance requirements, and the capital demands that come with them, it is prudent that the Village is reassessing how it manages these risks going forward.

At a high level, GCWW appears to address more of the Village's long-term structural risks, particularly around PFAS, lead service lines, system reliability, and capital responsibility. IHWW remains the lower-disruption and lower-near-term-cost option, but with less clarity around future capital needs and long-term cost stability.

In my view, these are the most prudent immediate next steps:

- If minimizing impacts to the preserve corridor is an important Village priority, ask GCWW to further evaluate whether Scenario 2 can be strengthened enough to meet the Village's fire flow and reliability needs;
- ask GCWW for firmer cost assumptions and clearer allocation of cost overrun risk before accepting a long-term infrastructure surcharge;
- ask IHWW to provide more explicit clarity on its long-term capital plan, including PFAS treatment, water tower replacement, and the resulting rate implications; and
- have the Village Solicitor review the current IHWW agreement so the Village understands any renewal, termination, notice, or transition constraints before moving too far toward either path.

The sections that follow summarize the key issues, compare how each proposal addresses them, and highlight the main questions I believe the Village should resolve before making a final decision.

I appreciate the opportunity to weigh in on this important decision. It is exactly the kind of community involvement I had hoped for when we moved to the Village, and I am happy to stay engaged as this progresses and help however I can.

Matt Kallevant, P.E.

Issue	GCWW (Applicable Scenario)	IHWW
PFAS (water quality)	✓ Treatment already in place; no future capital or schedule risk (All)	✕ Requires future treatment plant; cost and timing still to be realized
Lead service lines	✓ Program included (200–300 replacements) (All)	? Not defined in proposal
System reliability	✓ Dual-feed system; eliminates single-point-of-failure risk (3)	✕ Single-source system; more vulnerable to outages
Fire flow performance	Δ Modeled to meet ~1,000 gpm target (3)	? Not demonstrated in proposal
Capital investment	✓ Defined program (~$31M) with structured funding (All)	✕ Capital needs exist but not quantified in proposal
Ownership / risk	✓ Utility assumes long-term infrastructure responsibility (All)	✕ Village retains exposure to capital and system performance
Rate trajectory	✓ Historically more gradual and predictable (All)	✕ Historically variable with step increases tied to projects
Near-term cost	✕ Higher initial customer cost (All)	✓ Lower near-term cost
Implementation / disruption	✕ Requires system transition and major construction (All)	✓ Minimal disruption; maintains current configuration
Community impact (current layout)	Δ Proposed routing impacts preserve corridor (3)	✓ No new impacts under current system

As the table reflects, **GCWW addresses more of the long-term structural issues facing the Village**, particularly around water quality, lead service lines, system reliability, and capital risk. Unless there are Village priorities or constraints I am not aware of, I believe the GCWW option should be considered further. That does not mean accepting the current proposal as-is. Before the Village commits, GCWW should be asked to refine the connection scenarios, provide firmer cost assumptions, and confirm through updated modeling how the performance, cost, and routing tradeoffs compare between the leading options.

Scenario 1

Scenario 1 is the lowest-cost GCWW option, extending a single 8-inch connection from Wooster Pike. While it is the simplest to construct, it can only deliver approximately half of the required 1,000 gpm residential fire flow target. It also provides only a single connection, meaning the system would remain vulnerable to the same single-point-of-failure risk that exists today.

As a standalone solution, Scenario 1 does not appear to meaningfully improve system performance and, in my view, should not be treated as a preferred path forward.

Scenario 2

Scenario 2 replaces the existing 8-inch main on Wooster Pike with a 12-inch main and extends it into Terrace Park. GCWW's modeling shows it delivering approximately 965 gpm of fire flow, slightly below the 1,000 gpm target. It provides a single connection, so it does not offer the same redundancy as Scenario 3, but it may be worth exploring further if minimizing impacts to the preserve corridor is an important Village priority.

GCWW should be asked to determine whether Scenario 2 can be strengthened through localized looping, upsizing, or other targeted modifications to close the fire flow gap. If updated modeling shows that it can meet the Village's performance needs, Scenario 2 may warrant further consideration as a lower-impact alternative.

Scenario 3

Scenario 3 is GCWW's recommended option and the strongest from a pure system-performance standpoint. It provides two connections from separate pressure zones[1], approximately 40.7 million gallons of primary storage, and a calculated fire flow of roughly 1,050 gpm, comfortably meeting the residential target. The dual-feed configuration eliminates single-point-of-failure risk, which is a meaningful long-term reliability improvement.

The most significant concern with this scenario is not installing the water main under the river, which is routine for a large utility like GCWW, but that the proposed alignment through the corridor goes directly between Miami Grove and Kroger Hills preserves. This is an area the Village has actively invested in through restoration, invasive species removal, and community amenities, and any construction through that corridor would raise legitimate environmental, permitting, and community acceptance questions.

If the Village ultimately determines that Scenario 3 is the right path, the corridor impact could be leveraged to create an opportunity to integrate broader community improvements for Village residents (such as trail connectivity, river access, or enhanced restoration) as part of the overall project scope. This should be framed as an integrated element of the project rather than a separate request, since GCWW will already be required to restore disturbed areas and comply with environmental permits. Incremental improvements above baseline restoration would likely represent a modest additional cost relative to the total project.

Local Execution and Contractors

Another factor I do not have full visibility into is the existing agreements the Village has with local contractors (e.g., RLA Utilities), the extent to which they are currently involved in the Village's water infrastructure work, or the Village's future plans for any such arrangements. If the Village already budgets for a certain amount of pipe repair or utility work through existing agreements, that existing spending may be relevant in evaluating how much of GCWW's proposed internal piping program truly needs to be recovered through the surcharge.

This is worth exploring during negotiations with GCWW. Part of the conversation should address how the internal piping improvements are performed, specifically, whether GCWW would allow any portion of the distribution system work to be executed by contractors the Village already has relationships with, or whether GCWW would require full control over design, installation, testing, and acceptance of all assets it will ultimately own and operate.

Realistically, GCWW will likely insist on controlling the core water system work to maintain its standards and warranty obligations. But there may be room for the Village to retain some role in ancillary scope, such as surface restoration, right-of-way coordination, or utility-adjacent construction, which could reduce cost or disruption and preserve continuity with existing contractors.

Cost Certainty

The capital costs in the GCWW proposal are conceptual and have not yet been validated through detailed design or bidding. The areas of greatest uncertainty are the connection infrastructure, constrained routing, environmental restoration, and any river crossing scope. If actual costs come in materially above the current estimates, those increases will likely find their way into the infrastructure surcharge unless the agreement says otherwise.

For that reason, **the Village should ask GCWW for firmer cost assumptions before moving forward and should require clear contractual language on who bears the risk if construction costs exceed the current planning-level numbers.** If Terrace Park is being asked to accept a long-term surcharge, GCWW should be expected to stand behind the quality of its front-end estimating.

---

[1] Connecting Terrace Park to two pressure zones means the Village would be served from two separate parts of GCWW's distribution system rather than relying on a single hydraulic pathway. In practical terms, that gives GCWW more than one way to maintain pressure and flow into the Village if one side of GCWW's system has a problem upstream, such as a pump station outage, a transmission-main break, a maintenance shutdown, or another event affecting one service area. Two pressure zones do not eliminate every failure mode, and they do not necessarily mean either side could independently carry the full Village under all conditions. For example, a problem within Terrace Park's own local distribution piping, or a broader issue affecting both upstream service areas, could still reduce performance. But as a general matter, a dual-zone / dual-feed arrangement materially reduces single-point-of-failure risk and gives GCWW more operating flexibility to maintain service during outages, maintenance events, or other abnormal conditions.

Overall Cost Stability

Even apart from the connection scenarios themselves, one of the most important questions for the Village is which option offers greater long-term cost stability and lower exposure to future capital shocks.

The current and future financial pressures on IHWW are not theoretical. IHWW has publicly identified major upcoming capital needs, including a PFAS removal system estimated at approximately $16-23 million, and a water tower estimated at approximately $6-8 million, with funding sources that include loans, bonds, and water rates. IHWW has also acknowledged that Madeira accounts for roughly 20% of the water it produces and approximately 24% of its water revenue, and that the effects of Madeira's departure have already been incorporated into its annual water rate analysis.

Even if some of those costs are offset through settlements or favorable financing, they still represent substantial obligations to be spread across a relatively small remaining customer base, which increases the likelihood that future capital pressure will be borne by ratepayers through additional increases.
Indian Hill has also publicly argued that Madeira's transition could affect flows in parts of its remaining system, **which suggests there may be additional operating or capital pressure associated with rebalancing the system due to Madeira's departure.**

Historically, Terrace Park's water rates under the IHWW arrangement have been more volatile, with annual increases ranging from 0% to 15% and cumulative growth of approximately 90% over the last decade. GCWW's rate history has been more gradual and predictable, averaging roughly 4 to 5% annually over the same period. GCWW also already has its PFAS treatment in place and spreads capital costs across more than one million customers. While GCWW's proposed rates for Terrace Park are higher in the near term, largely because of the infrastructure surcharge, that surcharge is time-limited and tied to a defined scope of work. Over time, the GCWW rate trajectory is likely to be more stable and less exposed to single-project or single-customer shocks.

Leverage

Terrace Park is in a stronger negotiating position than it may realize. The Village has two credible options, no immediate deadline forcing a decision (that I'm aware of), and an existing system that is currently functioning. That creates real leverage to negotiate with both providers, pushing GCWW on routing, cost certainty, modeling updates, and scope, while also asking IHWW to provide more clarity on its long-term capital plan, PFAS implementation timeline, and rate trajectory.

Before the Village takes any formal step toward a transition, however, the Village Solicitor should review the current IHWW agreement closely, including any renewal, termination, notice, or transition provisions that could affect timing, leverage, or cost.

Final Perspective

Greater Cincinnati Water Works reduces long-term infrastructure and regulatory risk, while Indian Hill Water Works minimizes near-term disruption but retains more uncertainty over time. More broadly, the Village should consider whether continuing to own and fund buried water infrastructure is the best long-term role for a municipality of Terrace Park's size, given the financial and operational burden reflected in recent Village discussions.

Within the GCWW options, the central question is not whether Scenario 2 is inherently preferable to Scenario 3, but which tradeoffs the Village values most. Scenario 2 may warrant further consideration if minimizing impacts to the preserve corridor is a high priority and updated modeling shows that it can meet the Village's performance needs. Scenario 3 remains the stronger option if the Village places greater weight on dual pressure zones, stronger redundancy, and a configuration that clearly meets fire flow requirements. In the meantime, the Village should use its position to get the best possible terms from both sides.